

ROC Pref III Corp. and Connor, Clark & Lunn ROC Pref Corp. Announcement

Toronto - September 26, 2008

ROC Pref III Corp. (“ROC III”) and Connor, Clark & Lunn ROC Pref Corp. (“CC&L ROC” and collectively the “Companies”) announce that the closure of Washington Mutual (“WaMu”) by the Office of Thrift Supervision and naming of the Federal Deposit Insurance Corporation (“FDIC”) as receiver is expected to constitute a credit event under the Companies’ credit linked notes (“CLN”). TD Bank is the issuer of the CLN for ROC III and The Bank of Nova Scotia is the issuer of the CLN for CC&L ROC.

This credit event is a consequence of the ongoing extremely difficult conditions facing the United States financial system. Connor, Clark & Lunn is disappointed with the impact this crisis has had on the performance of the Companies and is reviewing strategic alternatives for the Companies.

As disclosed in the prospectuses for the Companies, the credit linked notes to which the Companies have exposure are unaffected by defaults up to certain levels. In light of recent events ROC III and CC&L ROC are providing an update on the number of additional defaults that the Companies can sustain. Assuming a credit event with respect to WaMu occurs, and taking into account the potential full impact of the two recent GSE credit events and the Lehman Brothers Holdings Inc. credit event, it is estimated that ROC III will be able to sustain approximately 3.4 more credit events (based on the value of the trading reserve account on the last valuation date, the trading reserve account is estimated to be equivalent to approximately 0.4 defaults) and still be able to pay \$25.00 per Preferred Share at maturity and continue to pay its regular quarterly distributions⁽¹⁾. The table below shows the impact of additional reference company defaults on the amount payable at maturity under the CLN.

ROC Pref III Corp.

Number of Additional Reference Companies Defaulting	Estimated Payment at Maturity ⁽¹⁾
3.0	\$25.00
3.4	\$25.00
4.0	\$17.75
5.0	\$5.75
6 or more	\$0.00

For CC&L ROC, assuming a credit event with respect to WaMu occurs, and taking into account the Lehman Brothers Holdings Inc. credit event, it is estimated that CC&L ROC will be able to sustain approximately 4.4 more credit events and still be able to pay \$25.00 per Preferred Share at maturity and continue to pay its regular quarterly distributions⁽²⁾. The table below shows the impact of additional reference company defaults on the amount payable at maturity under the CLN.

Connor, Clark & Lunn ROC Pref Corp.

Number of Additional Reference Companies Defaulting	Estimated Payment at Maturity⁽²⁾
4.0	\$25.00
4.4	\$25.00
5.0	\$15.26
6 or more	\$0.00

Standard & Poor's ("S&P") currently rates the Preferred Shares of ROC III and CC&L ROC as P-4 (high) and P-2 (high), respectively. As indicated in press releases issued on September 25, 2008, S&P has placed the Companies on CreditWatch negative. The impact of this further credit event is expected to adversely impact the ratings on the Preferred Shares of the Companies.

ROC Pref III Corp.'s Preferred Shares trade on the Toronto Stock Exchange under the symbol RPB.PR.A. Connor, Clark & Lunn ROC Pref Corp.'s Preferred Shares trade on the Toronto Stock Exchange under the symbol RPQ.PR.A.

- (1) Based on the last monthly valuation, it is estimated that the trading reserve account could purchase subordination equivalent to 0.4 defaults in ROC III. The recovery rate is fixed at 40% for ROC III. Toronto-Dominion Bank has provided notices of credit events in respect of Fannie Mae and Freddie Mac ("GSEs"). Connor, Clark & Lunn is reviewing and will explore the options, legal and otherwise, that are available relating to the delivery of the credit event notices. For the purposes of these calculations, the GSEs have been treated as credit events.
- (2) Assumes an estimated recovery rate of 40%. The actual recovery rate for any particular reference company may vary substantially from the indicative 40% recovery rate. CC&L ROC also had exposure to the GSEs, however the impact of the conservatorship of the GSEs is expected to be minimal because the recovery rate is expected to be quite high.

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