

Connor, Clark & Lunn ROC Pref Corp. (**RPQ.PR.A**) Announcement

**TORONTO** - January 12, 2007 (RPQ.PR.A) – Standard and Poor’s (“S&P”) announced today that the preferred shares of Connor, Clark & Lunn ROC Pref Corp. have been placed on CreditWatch with negative implications. Connor, Clark & Lunn Investment Management Ltd. believes that placement on CreditWatch comes as the result of an administrative error on the part of the credit linked note (“CLN”) issuer, the Bank of Nova Scotia, which failed to inform S&P of certain trades carried out in the Reference Portfolio in December, 2006. S&P, in turn, failed to confirm that the portfolio information it had been provided with was up to date before issuing its press release. The Investment Manager expects that S&P will remove the CLN, and thus the preferred shares, from Credit Watch pursuant to a special review of the CLN early next week. Barring a sudden unexpected change in the credit quality of the reference portfolio, the Investment Manager does not expect a downgrade of the CLN or the preferred shares at this time.

The rating on the preferred shares reflects the rating on the C\$98.465 million fixed-rate managed credit linked note issued by the Bank of Nova Scotia. The return on the CLN, and thus on the preferred shares, is linked to the credit performance of a portfolio of 128 companies (the "Reference Portfolio"). The Reference Portfolio is actively managed by Connor, Clark & Lunn Investment Management Ltd. (the “Investment Manager”).

The preferred shares benefit from the protection of a first loss tranche equal to 2.82% of the Reference Portfolio. Assuming a historical recovery rate of approximately 40.0% on any defaults, Connor, Clark & Lunn ROC Pref Corp. will be able to sustain 6 defaults, which is approximately 5.1 times the average default rate and 2.5 times the worst default rate experienced in a portfolio of the same credit quality as the Reference Portfolio in any 4.5 year period since 1981.

Connor, Clark & Lunn ROC Pref Corp’s preferred shares pay a fixed quarterly coupon of 4.70% on their \$25.00 principal value and will mature on June 30, 2011. The Standard & Poor’s rating addresses the likelihood of full payment of interest and payment of \$25.00 principal value per preferred share on the maturity date.

The Preferred Shares are listed for trading on the Toronto Stock Exchange under the symbol RPQ.PR.A.

- 30 -

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