

Connor, Clark & Lunn Real Return Income Fund Declares Monthly Distribution

TORONTO – December 18, 2006 (TSX: RRB.UN) – Connor, Clark & Lunn Real Return Income Fund (the “Fund”) today announced a monthly cash distribution of \$0.04167 per unit. The distribution represents approximately a 5.00% per annum yield on the issue price of \$10.00 per unit. Payment will be made to unit holders of record at the close of business on December 29, 2006 and will be distributed on January 15, 2007.

For the first quarter of 2007 the Fund’s anticipated monthly distribution is 4.00% on an annualized basis, a decrease from the 5.00% for the previous quarter. The new distribution represents a current yield of 4.85% on December 15th's closing price of \$8.24 and, also on a current basis, a pre-tax interest equivalent of 6.95%. Monthly inflation as measured by the CPI-U (the US Consumer Price Index for All Urban Consumers) currently reads 2.0% year over year and has posted negative 1.2% over the past quarter. In contrast, trailing inflation when the initial coupon of 5.5% was set in May, 2005 stood at 3.5% year over year and at 2.0% for the trailing quarter. As a reminder, this monthly coupon is floating and will be set each quarter.

The Connor, Clark & Lunn Real Return Income Fund is an investment trust that has been created to invest on a levered basis in real return bonds issued by governments with AAA credit ratings, primarily US Treasury Inflation Protection Securities ("TIPS"). In order to provide diversification, improve net asset value stability and increase expected returns, up to 20% of the portfolio may be invested in a mix of other assets. Western Asset Management Company ("Western Asset") is the Fund's investment advisor and is responsible for actively managing and making investment decisions with respect to the portfolio.

Connor, Clark & Lunn Capital Markets Inc. is the Manager of the Fund and is part of the Connor, Clark & Lunn Financial Group of companies which manages over \$30 billion in financial assets.

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