Partners | QUARTERLY PROFILE

2nd Quarter 2017

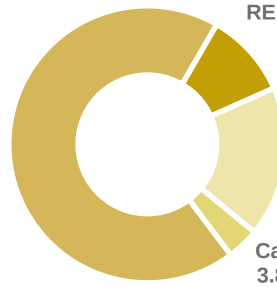
Connor, Clark & Lunn INVESTMENT MANAGEMENT LTD.

CORE INCOME & GROWTH

PORTFOLIO OBJECTIVE

The main objective is to deliver attractive and sustainable yield plus growth to outpace inflation by investing in a diversified portfolio of primarily dividend paying Canadian stocks, REITs and Corporate Bonds. The fund seeks to maximize long-term total return while protecting the capital value of the portfolio from major market fluctuations through prudent selection of investments.

ASSET ALLOCATION



MAJOR HOLDINGS

COMPANY	% OF PORTFOLIO
TORONTO DOMINION BK	4.81%
ROYAL BANK OF CDA	4.43%
KRAFT HEINZ COMPANY (THE)	4.36%
MICROSOFT CORP	4.18%
LOBLAW COS LTD	3.03%
BK OF NOVA SCOTIA	3.00%
BELL CDA SR M-26 3.35% 22MAR23	2.96%
BROOKFIELD PPTY PTNRS LP	2.76%
BNS CDN 2.62% 02DEC26	2.70%
CHARTWELL RETIREMENT RES TR UT	2.60%

2nd Quarter 2017	QTD	1YR	3YR	5YR	10YR
CC&L Core Income & Growth*	**0.2%**	**8.7%**	**9.0%**	**11.1%**	**9.3%**
Customized Benchmark	-0.6%	6.3%	4.0%	6.7%	5.3%

*Return Data Source: Inception to June 2011 is manager provided gross WRAP returns in Canadian dollars. From July 2011 to present is a RJ Partners Program composite, gross returns in C$. All performance data represents past performance and is not necessarily indicative of future performance. Benchmark: 25% Corp Bond, 25% TSX Capped REIT, 50% TSX Composite Index

MARKET REVIEW

The Canadian equity market retreated in the second quarter of 2017, despite a stronger than anticipated economic backdrop. Uncertainty surrounding commodity prices, a frothy housing market and US political events continued to weigh on investor sentiment and drove Canadian stocks lower. The price of crude oil declined as investors grappled with the interpretation of OPEC's agreement to extend production cuts and whether this arrangement would prove to be futile in the face of growing production in the US. The Bank of Canada held interest rates steady in the second quarter but signaled that the first increase since 2010 may occur sooner than expected. Meanwhile, the US Federal Reserve forged ahead with its third interest-rate hike in six months, despite concerns over weak inflation readings. The S&P/TSX Composite Index returned -1.6%, the S&P/TSX REIT Index returned -0.0% and the FTSE TMX Canada All Corporate Bond Index returned +1.0% during the quarter.

PORTFOLIO REVIEW

The portfolio generated a positive absolute return over the quarter and outperformed relative to the benchmark. Sector allocation contributed positively to the relative performance as a result of the underweight exposure to the materials sector, as well as the overweight exposures to the consumer staples and technology sectors. However, security selection detracted value primarily due to the positioning in the health care sector.

The zero weight position in Valeant Pharmaceuticals, within the health care sector, was the top individual detractor. Conversely, the top contributors included the overweight positions in Keyera, within energy, Cott, within consumer staples, and WSP Global, within industrials.

OUTLOOK

The shift in the economic environment that began in mid-2016 – from fears of secular stagnation to signs of synchronized global growth – is expected to continue. Indicators of economic growth continue to be supportive, which is being reflected in the equity and currency markets. Conversely, the bond and commodity markets reflect a more subdued growth outlook, which we believe is inconsistent with the strength of the global economy.

We believe the Canadian equity market is poised to recover relative to its global peers. We are monitoring several indicators including the stabilization of oil prices, positive momentum in economic surprise indices and rising interest rates. To capitalize on this view, we continue to add companies that we believe are attractively valued, benefit from higher economic growth, pay a sustainable dividend and are expected to increase their dividend payments to shareholders in the coming years.

We are cognizant that we are entering the later stages of this economic cycle and remain vigilant of the risks to our outlook. These include elevated political uncertainty, a substantial increase in interest rates and indicators that the economic cycle may be rolling over. Should these risks materialize, we expect to reduce exposure to dividend growers in favour of stable dividend payers, such as those in the interest-sensitive and consumer staples sectors.