

Annual Information Form

Offering of Series A, Series F and Series I Units of:

Alternative Mutual Funds

CC&L Alternative Global Equity Fund

CC&L Alternative Canadian Equity Fund

CC&L Alternative Income Fund

PCJ Absolute Return II Fund

(collectively, the “Funds”)

The Funds and the securities of the Funds are offered under this document in all provinces and territories of Canada. The units are intended primarily for residents of Canada.

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise. The Funds and the securities of the Funds offered under the Simplified Prospectus are not registered with the United States Securities and Exchange Commission and such securities are sold in the United States only in reliance on exemptions from registration.

March 15, 2022

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FORWARD-LOOKING STATEMENTS

Certain statements in this annual information form (“**Annual Information Form**”) are forward-looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions to the extent they relate to the Funds (as defined herein) or the Manager (as defined herein). Forward-looking statements are not historical facts but reflect the current expectations of the Manager regarding future results or events. Such forward-looking statements reflect the Funds or the Manager’s current beliefs and are based on information currently available to them. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results or events to differ materially from current expectations. Some of these risks, uncertainties and other factors are described under the heading *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund* in the simplified prospectus of the Funds (the “**Simplified Prospectus**”). Although the forward-looking statements contained in this Annual Information Form are based upon assumptions that the Funds and the Manager believe to be reasonable, neither the Funds nor the Manager can assure investors that actual results will be consistent with these forward-looking statements. Unless otherwise stated, the forward-looking statements contained in this Annual Information Form are made as at the date hereof and neither the Funds nor the Manager assumes any obligation to update or revise them to reflect new events or circumstances, except as required by law.

INTRODUCTION

In this Annual Information Form,

- **Business Day** refers to any day that the Toronto Stock Exchange (“**TSX**”) is open for trading;
- **Dealer** or **dealer** refers to the IIROC member company where your Registered Representative works;
- **Fund or Funds** refers to one or more of the alternative mutual funds offered under the Simplified Prospectus and this Annual Information Form, in particular, the CC&L Alternative Global Equity Fund, the CC&L Alternative Canadian Equity Fund, the CC&L Alternative Income Fund and the PCJ Absolute Return II Fund;
- **IIROC** refers to the Investment Industry Regulatory Organization of Canada;
- **NAV** or **net asset value** refers to the net asset value of a Fund or Series of a Fund;
- **Registered Plans** means registered retirement savings plans (**RRSPs**), registered retirement income funds (**RRIFs**), deferred profit sharing plans (**DPSPs**), registered education savings plans (**RESPs**), registered disability savings plans (**RDSPs**) and tax free savings accounts (**TFSAs**);
- **Registered Representative** refers to the representative registered with a dealer in your province or territory who advises you on your investments;
- **Series** means one or more of the series of units of the Funds;
- **Series A** refers to the Series A units of the Funds offered by the Simplified Prospectus;
- **Series F** refers to the Series F units of the Funds offered by the Simplified Prospectus;
- **Series I** refers to the Series I units of the Funds offered by the Simplified Prospectus;
- **Tax Act** refers to the *Income Tax Act* (Canada) and the regulations thereunder;
- **Unit** or **units** refers to a unit or units of the Funds;
- **Unitholders** or **unitholders** refers to owners of units of the Funds;
- **We, us, CFI** or the **Manager** refers to Connor, Clark & Lunn Funds Inc.; and

- **you** refers to the registered or beneficial owner of a unit of a Fund, as the context requires.

NAME, FORMATION AND HISTORY OF THE FUNDS

Each of the Funds, other than the PCJ Absolute Return II Fund, was established as an open-end unit trust under the laws of Ontario pursuant to separate supplemental trust agreements between CFI and RBC Investor Services Trust (“**RBC IS**” or the “**Trustee**”) dated as of January 2, 2019. The PCJ Absolute Return II Fund was established as an open-end unit trust under the laws of Ontario pursuant to a supplemental trust agreement between CFI and the Trustee dated as of January 2, 2021. Each of the supplemental trust agreements incorporate by reference the master trust agreement between CFI and RBC IS dated May 1, 2012, as amended from time to time (the “**CFI Master Trust Agreement**”), containing the standard terms and conditions of each fund formed in connection therewith.

CFI is the manager of the Funds. The principal place of business of the Funds, as well as the head office of the Manager, is located at 130 King St. West, Suite 1400, P.O. Box 240, Toronto, Ontario M5X 1C8.

INVESTMENT RESTRICTIONS AND PRACTICES

The Simplified Prospectus contains detailed descriptions of the investment objectives, investment strategies and risk factors relating to the Funds. In addition, the Funds are subject to certain investment restrictions and practices applicable to investment funds that are alternative mutual funds contained in securities legislation, including National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”). This legislation is designed, in part, to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the proper administration of the Funds. The Funds are managed in accordance with these investment restrictions and practices.

A change to the fundamental investment objectives of a Fund cannot be made without obtaining unitholder approval. The Manager may change a Fund’s investment strategies from time to time at its discretion without notice or approval in accordance with applicable securities legislation.

General Investment Practices

The assets of each Fund may be invested in such securities as the Fund’s portfolio manager sees fit, provided such investments do not contravene any investment restrictions or practices adopted, and each Fund may retain all or part of its assets in cash or cash equivalents. The proportion of a Fund’s investment in any type or series of security or country may vary significantly.

Subject to approval by the IRC of the Funds and the requirements of National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“**NI 81-107**”),

the portfolio manager can cause a Fund to purchase from, or sell portfolio securities to, another Fund. In addition, the Manager has received exemptive relief dated October 26, 2011 from the Canadian Securities Administrators which allows the Manager to permit a Fund's portfolio manager to purchase from, or sell portfolio securities to, another fund managed by the Manager or an affiliate of the Manager and advised by the same portfolio manager or a managed account advised by the same portfolio manager, subject to approval of the IRC and the terms of such exemptive relief. There is currently no cross trading between the Funds.

Exemptive Relief Obtained by Funds

Each of the Funds has obtained exemptive relief from securities regulators:

- (a) to permit a Fund to short sell securities having an aggregate market value of up to 100% of the Fund's NAV by exempting each Fund from the following provisions of NI 81-102:
 - (i) Subparagraph 2.6.1(1)(c)(v), which restricts a Fund from selling a security short if, at the time, the aggregate market value of all securities sold short by the Fund exceeds 50% of the Fund's NAV; and
 - (ii) Section 2.6.2, which prohibits a Fund from borrowing cash or selling securities short if, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the Fund would exceed 50% of the Fund's NAV;

(the "**Market-Neutral Strategy Relief**");

- (b) exempting each Fund from the requirement in subsection 6.1(1) of NI 81-102, which provides that, except as provided in sections 6.8, 6.8.1 and 6.9 of NI 81-102, all portfolio assets of a Fund must be held under the custodianship of one custodian that satisfies the requirement of section 6.2 of NI 81-102, in order to permit a Fund to deposit portfolio assets with a borrowing agent that is not the Fund's custodian or sub-custodian in connection with a short sale of securities, if the aggregate market value of the portfolio assets held by the borrowing agent after such deposit, excluding the aggregate market value of the proceeds from outstanding short sales of securities held by the borrowing agent, does not exceed 25% of the NAV of the Fund at the time of deposit;

(the "**Short Sale Collateral Relief**"); and

- (c) exempting each Fund from the requirement in subsection 6.1(1) of NI 81-102 to permit a Fund to appoint more than one custodian, each of

which is qualified to be a custodian under section 6.2 of NI 81-102 and each of which is subject to all of the other requirements in Part 6 of NI 81-102 other than the prohibition against the Fund appointing more than one custodian in subsection 6.1(1) of NI 81-102

(the “**Custodian Relief**”).

Each Fund currently has one custodian as disclosed under the heading “*Organization and Management of the Funds – Who organizes and manages the Funds? – Custodian*” in the Simplified Prospectus. The Manager may, however, appoint additional custodians in the future for one or more of the Funds in accordance with the Custodian Relief provided that the additional custodians are one of the Fund’s prime brokers. The terms of any custodial agreement entered into with an additional custodian will comply with the requirements of NI 81-102 and will be filed as a material contract of the applicable Fund(s) following its execution.

In connection with the Market-Neutral Strategy Relief, the Manager has implemented the policies and procedures described under the heading “*Policies Regarding Short Sales*” in this Annual Information Form.

Upon the appointment of an additional custodian for the Fund(s), the Manager will implement the operational systems and processes in respect of the applicable Fund(s) pursuant to the Custodian Relief as described under the heading “*Fund Governance – Operational Systems And Processes Regarding Custodial Arrangements*” in this Annual Information Form.

DESCRIPTION OF SECURITIES OFFERED BY THE FUNDS

Each Fund is a separate trust formed under the CFI Master Trust Agreement. Each Fund may have an unlimited number of Series of units and may issue an unlimited number of units of each Series. Each Fund currently offers the following Series of units:

- Series A: Series A units are available to all investors who purchase through dealers and who invest the minimum amount.
- Series F: Series F units are available to investors who participate in fee based programs through their dealer, whose dealer has signed a Series F agreement with us and who invest the minimum amount.
- Series I: Series I units are designed for those investors wishing to pay fees directly to the Manager. Series I units are generally available to institutional investors, as well as the Manager’s and its affiliates’ employees, former employees (and their respective affiliates) and to other comparable investors as the Manager may determine from time to time who invest such amount as the Manager may agree.

If you cease to satisfy criteria for holding units of a particular Series, the Manager may reclassify your units as units of another Series of the same Fund that you are eligible to hold, in such number having an aggregate equivalent net asset value.

Distribution Rights

All Unitholders of a Fund participate in distributions (other than management fee distributions and distributions of a return of capital). Each Series of a Fund is entitled to its share of adjusted net income of the Fund. Adjusted net income is the Fund's net income including any net realized capital gains, adjusted for specific expenses of the Fund attributable to that Series (such as management fees and performance fees). To the extent that distributions made during a year exceed the adjusted net income and net realized capital gains available for distributions which are allocated amongst Series as described above, such distributions may include a return of capital. A distribution of a return of capital is equal to the amount of distributions paid or payable throughout the year in excess of adjusted net income, calculated by Series and may not be proportionately shared amongst all Series of the Fund. Distributions will be made at the times and in the manner set forth in the Simplified Prospectus in respect of a Fund. All distributions are required to be automatically reinvested in additional units of the same Series of a Fund unless a Unitholder specifies that they wish for their distributions to be paid in cash. For information about how distributions can affect your taxes, see *Income Tax Considerations* on page 31.

Liquidation Rights

A Series of a Fund will generally be entitled to a distribution in the event of dissolution of the Fund. The distribution is equal to that Series' share of the Fund's net assets after adjustment for expenses of the Fund attributable to the Series.

Redemption

All units of a Fund are redeemable at the demand of a unitholder on the basis described under

PURCHASES, SWITCHES AND REDEMPTIONS

The Manager may at any time require the redemption of units of a Fund held by a Unitholder if the Manager determines the continued holding of units by such Unitholder would be adverse to the interests of the Fund and its unitholders as a whole.

Reclassifications

You can reclassify from one Series of units to another Series of units within the same Fund provided that you meet certain criteria that may be established by the Manager to hold such other Series.

Voting Rights

Each holder of a whole unit of a Fund is entitled to one vote at all unitholder meetings of the Fund except meetings at which the holders of another Series have a right to vote separately as a Series.

Matters Requiring Unitholder Approval

The Funds do not hold regular meetings. Unitholders are permitted to vote on all matters that require unitholder approval under NI 81-102 or under the constating documents of the Funds. These matters are:

- a change in the basis of calculation of a fee or expense that is charged to a Fund or directly to its Unitholders in a way that could result in an increase in charges to the Fund or its Unitholders;
- the introduction of a fee or expense that is charged to a Fund or directly to its Unitholders that could result in an increase in charges to the Fund or its Unitholders;
- a change in the manager of a Fund, unless the new manager is an affiliate of the Manager;
- a change in the fundamental investment objectives of a Fund;
- a decrease in the frequency of the calculation of the net asset value per unit of a Fund; and
- in certain cases, where a Fund undertakes a reorganization with, or transfers its assets to, another mutual fund or acquires another mutual fund's assets (a "**merger**").

Where permitted by applicable securities laws, a change in the basis of calculation of, or an introduction of, a fee or expense that is charged to a Fund, a Series of a Fund or directly to a Fund's Unitholders by an arm's length person that could result in an increase in charges to the Fund, the Series of the Fund or the Unitholders can be effected without unitholder approval provided that Unitholders of the Fund or of the applicable Series of the Fund have been given written notice of at least 60 days before the effective date thereof. In addition, where permitted by applicable securities laws, a merger of a Fund managed by the Manager into another mutual fund managed by the

Manager or an affiliate of the Manager can be effected without unitholder approval provided the IRC approves the merger and Unitholders of the Fund have been given written notice of at least 60 days before the effective date of the merger.

The rights and conditions attaching to the units of a Fund may be modified only in accordance with the provisions attaching to such units set forth in the CFI Master Trust Agreement or the applicable supplement thereto.

NET ASSET VALUE

Calculation of Net Asset Value

The unit price of each Series of a Fund is called the net asset value per unit of such Series. We calculate the unit price of each Series of a Fund by:

- adding up the assets of the Fund and determining the proportionate share of the Series;
- subtracting the Series' proportionate share of the aggregate expenses and liabilities common to all Series;
- subtracting the expenses and liabilities of the Fund that are specific to the Series including but not limited to management fees and, if applicable, performance fees; and
- dividing by the number of Fund units of the Series held by Unitholders.

When you buy, sell or switch units of a Fund, the price per unit is the next net asset value per unit the Trustee calculates after receiving your order.

We usually calculate the net asset value of each Series of a Fund at 4:00 p.m. Eastern Time on each Business Day; provided that if the TSX closes earlier, the net asset value will be calculated at the close of the TSX. For all of the Funds, other than the PCJ Absolute Return II Fund, if your buy, sell, or switch order is received before 4:00 p.m. Eastern Time on a Business Day or before the TSX closes for the day, whichever is earlier, it will be processed based on the net asset value calculated that day. If your order is received after 4:00 p.m. Eastern Time on a Business Day, it will be processed on the next Business Day based on that day's net asset value. For the PCJ Absolute Return II Fund, if your buy, sell, or switch order is received before 4:00 p.m. Eastern Time or before the TSX closes for the day, whichever is earlier, on the day prior to the last Business Day of the week, your buy, sell or switch order will be processed based on the net asset value calculated on the last Business Day of the week, which will be the day of your buy, sell or switch. If your order is received after 4:00 p.m. Eastern Time on the Business Day prior to the last Business Day of the week, it will be processed on the last Business Day of the following week based on that day's net asset value.

If the TSX's trading hours are shortened on a given day or for other regulatory reasons, we may change the 4:00 p.m. Eastern Time deadline.

The net asset value and the net asset value per unit of each Series can be obtained by contacting your dealer or on our website at www.cclfundsinc.com and such information will be available at no cost to the public.

Valuation of Fund Securities and Liabilities

A Fund's net asset value must be calculated using the fair value of the assets and liabilities of the Fund. A summary of the valuation principles used to value the assets of the Funds are as follows:

Type of Asset	Method of Valuation
Liquid assets, including cash on hand or on deposit, bills, demand notes, accounts receivable and prepaid expenses	Valued at fair value and short-term assets such as cash, cash equivalents, receivables/payables, etc. are measured at amortized cost.
Bonds (long or short), time notes, shares (long or short), subscription rights, swaps and other securities listed or traded on a stock exchange or other market	<ul style="list-style-type: none"> • Valued at fair value: • The closing sale price. If no closing sale price the average of the closing recorded bid and asked prices. • If no bid or asked price is available, then the price last determined for such security for the purpose of calculating the net asset value. • If the securities are listed or traded on more than one exchange, the Fund uses the closing sale price from the principal exchange. • If securities are not traded on an exchange, the Fund uses broker quotes, models with observable inputs including yield curves, credit spreads and volatilities.
Restricted securities as defined in NI 81-102	<p>One of the following values, whichever is less:</p> <ul style="list-style-type: none"> • The value based on reported quotations in common use; or • A percentage of the market value of unrestricted securities of the same class. This percentage is equal to the percentage of the securities' market value when the Fund bought them. If we know the date when the restriction will be lifted, we generally take into account what the actual value of the securities will be when they are no longer restricted.
Options on futures, over the counter options in debt-like securities and listed warrants	<p>All publicly traded listed instruments: last close price.</p> <p>Untraded rights and warrants are valued using the Black-Scholes Model, an industry standard model.</p> <p>Debt-like securities are valued at fair value:</p> <ul style="list-style-type: none"> • if listed, we will use the closing price; or • if not available, we will use broker quotes or models with

Type of Asset	Method of Valuation
	observable inputs including yield curves, credit spreads, price of underlying, volatilities etc.
Futures contracts and forward contracts	Exchange traded futures are valued at closing price. Over the counter future or forward contracts are valued using broker quotes where available and/or models with observable inputs including interest rates, foreign change rates, time to maturity etc.
Notes, money market instruments and other debt securities	Notes, money market instruments and other debt securities are valued using market quotations received from independent pricing sources. If not available, a value will be determined using a model that employs observable inputs such as applying a spread similar to those found between comparable bonds (industry, duration, credit ratings, etc.) over a risk free benchmark government security, typically a 30 year Canadian government bond.
Underlying funds	Valued at the series net asset value per security held by the Fund as of the end of the Business Day.
We have not exercised our discretion to deviate from our valuation practices since the Funds were created.	

The liabilities of each Fund include, without limitation:

- all bills, notes and accounts payable;
- all management fees and performance fees (if any) payable or accrued;
- all administrative and operating expenses payable or accrued;
- all contractual obligations for the payment of money or property;
- distributions declared payable;
- all allowances authorized or approved by the Manager for taxes and contingencies;
- expenses of the IRC established under NI 81-107; and
- all other liabilities of the Fund except liabilities to Unitholders for outstanding units.

In the event a security becomes illiquid or there is no active market over an extended period of time, a valuation hierarchy is followed including use of reference values, company and/or administrator information, over the counter (OTC) or Index provider market pricing or research tools.

In accordance with National Instrument 81-106 - *Investment Fund Continuous Disclosure* (“**NI 81-106**”), the fair value of a portfolio security used to determine the net asset value per unit for purchases and redemptions by investors will be determined on the basis of the valuation principles set forth in this Annual Information Form. While these valuation

principles comply with the requirements of NI 81 -106, they differ in some respects from the requirements of International Financial Reporting Standards (“IFRS”) which are used for financial reporting purposes only.

Under NI 81-106, the interim financial reports and annual financial statements of a Fund are required to be prepared in compliance with IFRS. Each Fund calculates the net asset value of its securities. The Fund’s accounting policies for measuring the fair value of its investments are generally the same as those used in measuring its net asset value for purchases and redemptions of units with the main differences as disclosed below.

For purposes of purchases and redemptions of units, the fair value of the Fund’s investments traded in active markets is based on quoted market prices at the close of trading. For IFRS purposes, the Funds use the closing price for investments where that price falls within that day’s bid-ask spread. If a closing price does not fall within the bid-ask spread, the closing price will then be adjusted, to a point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances.

As a result of this potential adjustment, the fair value of a Fund’s investments determined under IFRS may differ from the values used to calculate the net asset value of the Fund for purchases and redemptions of units.

PURCHASES, SWITCHES AND REDEMPTIONS

Buying the Funds

You can buy units of the Funds through your dealer. You can buy them at any time, and there is no limit to the number of units you can buy. Your dealer will forward your completed purchase order to the Trustee for processing:

- for all of the Funds, other than the PCJ Absolute Return II Fund, on the same day if your order is received before 4:00 p.m. Eastern Time on a Business Day or before the TSX closes for the day, whichever is earlier, or on the next Business Day in all other cases; and
- for the PCJ Absolute Return II Fund, units of the Fund may be purchased on a weekly basis as of the last Business Day of each week (the “**PCJ Purchase Date**”) provided that your purchase order is received on or before 4:00 p.m. Eastern Time (or before the TSX closes, whichever is earlier) on the day prior to the PCJ Purchase Date; or, if your order is received after that time, it will be processed as of the PCJ Purchase Date the following week.

For all of the Funds, other than the PCJ Absolute Return II Fund, the purchase price per Series is based on the net asset value per unit next determined after your completed order is received. For the PCJ Absolute Return II Fund, the purchase price per Series is based on the net asset value per unit determined as of the applicable PCJ Purchase Date. Your dealer is required to forward your purchase order on the same day it receives your

completed purchase order or, on the next Business Day if it receives the order after normal business hours or on any day that is not a Business Day. Whenever practicable, your dealer is required to send your purchase order as soon as possible. It is the responsibility of your dealer to send orders in a timely manner. Your dealer is responsible for any costs associated with sending orders. All orders must be placed through FundSERV.

When you buy units of the Funds, your dealer or the Trustee will send you a confirmation notice, which is proof of your purchase. At the Manager's sole discretion, a Fund may suspend new subscriptions of the Funds' units.

Minimum Investment

The minimum initial investment in Series A or Series F units of the Funds is \$5,000 and is negotiable with the Manager in relation to Series I units of the Funds. We may waive the minimum initial investment amount in certain circumstances, such as related party accounts. Generally, each additional investment must be at least \$500 for Series A or Series F units of the Funds, except for certain circumstances in the discretion of the Manager. The minimum additional investment amount for Series I units is negotiable with the Manager.

For investors that hold at least \$5,000 of units of a Fund in an account, you can set-up pre-authorized additional contributions bimonthly or monthly on or about the 15th or 30th day of the month in the case all Funds except the PCJ Absolute Return II Fund and, in the case of the PCJ Absolute Return II Fund, on the next PCJ Purchase Date following the 15th or 30th day of the month provided each investment is at least \$100 per Fund. See *Optional Services – Pre-authorized Contribution Plans* in the Simplified Prospectus.

Regulatory Rules for Buying

Here are the rules for buying units. These rules were established by securities regulatory authorities:

- The Trustee must receive payment for the purchase of units within two Business Days of receiving the order.
- If the Trustee does not receive payment within two Business Days, we are required to sell your units at the close of business on the next Business Day. If the proceeds are greater than the payment you owe, the Fund keeps the difference. If the proceeds are less than the payment you owe, your dealer is required to pay the Fund the difference. Your dealer may in turn collect this amount from you.
- We have the right to refuse any order to buy units within one Business Day of receiving it. If we reject your order, we will return your money immediately, without interest.

Switches

Switching Between Funds

A switch involves moving money from one Fund to another Fund. Switching between Funds involves selling your original units and buying new units within the CFI family of funds.

You can switch between any Series of units of a Fund to another Series of units of another Fund provided that the switch satisfies the restrictions of the particular Series including, but not limited to, the restrictions set out above with respect to investment minimums.

We do not charge you a fee on a switch. When you switch units of a Fund, your dealer may charge you a fee. The Fund may also charge you a short-term trading fee if you redeem or switch your units to another Fund within 30 days of buying them. See *Fees and Expenses – Fees and Expenses Payable Directly by You to Us – Short-term trading fees* in the Simplified Prospectus.

Switching between Funds is considered a disposition for tax purposes. If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable. For further discussion of the tax consequences, see *Income Tax Considerations* on page 31.

Switching Between Series

Switching between Series within the same Fund is called a reclassification. You can reclassify units between any Series of units of a Fund to another Series of units of the same Fund provided that the reclassification satisfies the restrictions of the particular Series including, but not limited to, the restrictions set out above with respect to investment minimums.

When you reclassify units, the value of your investment will not change, but the number of units you hold will change. This is because each Series has a different unit price. Based in part on the administrative practice of the Canada Revenue Agency, a reclassification between Series of units of the same Fund denominated in the same currency is generally not considered a disposition for tax purposes. For further discussion of tax consequences, see *Income Tax Considerations* on page 31.

Redemptions

You may redeem your units of a Fund by contacting your dealer who will forward your order for processing:

- for all of the Funds, other than the PCJ Absolute Return II Fund, on the same day if your redemption order is received before 4:00 p.m. Eastern Time on a Business

Day or before the TSX closes for the day, whichever is earlier, or on the next Business Day in all other cases; and

- for the PCJ Absolute Return II Fund, on a weekly basis on the last Business Day of a week (the “**PCJ Redemption Date**”), provided that your redemption order is received on or before 4:00 p.m. Eastern Time (or before the TSX closes, whichever is earlier) on the day prior to the PCJ Redemption Date; or, if your redemption request is received after that time, the redemption will be processed as of the PCJ Redemption Date the following week.

For all of the Funds, other than the PCJ Absolute Return II Fund, the redemption price of the units is based on the net asset value per unit of the Fund next determined after we receive your completed redemption order. For the PCJ Absolute Return II Fund, the redemption price of the units is based on the net asset value determined as of the PCJ Redemption Date on which your redemption order is processed. When you redeem your units, you receive the proceeds of your redemption in cash. The Fund may also charge you a short-term trading fee if you redeem units or switch to another Fund within 30 days of buying them. See *Fees and Expenses – Fees and Expenses Payable Directly by You to Us – Short-term trading fees* in the Simplified Prospectus.

The redemption of all or part of your units of a Fund is considered a disposition for tax purposes. If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable. For further discussion of the tax consequences, see *Income Tax Considerations* on page 31.

Rules for Redemptions

Here are the rules for redeeming units:

- The Fund makes payments by cheque, wire transfer or electronic funds transfer within two Business Days of receiving a completed redemption in the case of all of Funds other than the PCJ Absolute Return II Fund and within two Business Days of the PCJ Redemption Date in the case of the PCJ Absolute Return II Fund.
- If the Fund has not received all the required documents within 10 Business Days of receiving your redemption order, under applicable securities regulations and policies, the Manager will be deemed to have received and accepted, as of the 10th Business Day, an order from you to purchase an equal number of units of the relevant series of the Fund and the redemption proceeds will be applied to reduce the purchase price of the units of the relevant series of the Fund purchased. In these circumstances, the Fund will be entitled to retain any excess of the redemption proceeds over the purchase price and your dealer placing the redemption order will be required to pay to the Fund the amount of any deficiency. Your dealer may make provisions in its arrangements with you that you will be required to reimburse your dealer for any losses experienced by your dealer in

connection with your failure to satisfy the requirements of a Fund or securities legislation in connection with a redemption of units of a Fund.

Suspension of Right of Redemption

The law allows us to suspend your right to redeem units when:

- normal trading is suspended on an exchange on which units of a Fund are listed and traded, or on which permitted derivatives are traded, if those units or derivatives represent more than 50% by value, or underlying market exposure, of the total assets of the Fund without allowance for liabilities and if those units or derivatives are not traded on any other exchange that represents a reasonable practical alternative for the Fund; or
- permission from securities regulatory authorities is received.

While your right to redeem units is suspended, we will not accept orders to buy units of the Fund. You may withdraw your redemption order before the end of the suspension period. Otherwise, we will redeem your units at the next price calculated after the suspension period ends.

RESPONSIBILITY FOR FUND OPERATIONS

The Manager

A master management agreement, between the Manager and the Trustee and dated as of May 1, 2012, as amended from time to time, governs the management of the Funds and the relationship between the Manager and the Trustee.

The Manager is a corporation incorporated under the laws of Canada with offices located at 130 King St. West, Suite 1400, P.O. Box 240, Toronto, Ontario M5X 1C8. Our email address is info@cclfundsinc.com and the website address is www.cclfundsinc.com. Additionally, you can reach us toll-free by phone at 1-888-824-3120.

The Manager is responsible for providing or arranging for all services required by the Funds, including investment management, marketing and distribution of units of the Funds as well as the general day-to-day operations of the Funds. We may engage third parties to perform certain services for the Funds on our behalf.

The Manager may terminate the management agreement at any time on 90 days' written notice to the Trustee and the Funds. A change in the manager of the Funds (other than to an affiliate of the manager) may be made only with the approval of the Unitholders of the Funds and of the securities regulatory authorities.

Executive Officers and Directors of the Manager

The names, municipalities of residence and principal occupations of the executive directors and officers of the Manager during the last five years are as follows:

Name and Municipality of Residence	Position with the Manager	Principal Occupation Within the Five Preceding Years
Tim Elliott Toronto, Ontario	Director, Chief Executive Officer, President and Ultimate Designated Person	President, Connor, Clark & Lunn Funds Inc.
Warren Stoddart Toronto, Ontario	Director	Co-CEO, Connor, Clark & Lunn Financial Group Ltd.
Michael Freund Toronto, Ontario	Director and Chief Financial Officer	Co-CEO, Connor, Clark & Lunn Financial Group Ltd.
Colette Ward Vancouver, British Columbia	Chief Compliance Officer	Senior Manager, Compliance, Connor, Clark & Lunn Financial Group Ltd.

Portfolio Managers

The Manager has retained the services of Connor, Clark & Lunn Investment Management Ltd. (Vancouver, British Columbia) (“**CCLIM**”), as portfolio manager, to provide investment management services to the CC&L Alternative Global Equity Fund, the CC&L Alternative Canadian Equity Fund and the CC&L Alternative Income Fund. The Manager has retained the services of PCJ Investment Counsel Ltd. (Toronto, Ontario) (“**PCJ**”) as portfolio manager to the PCJ Absolute Return II Fund, pursuant to an investment adviser agreement dated as of March 5, 2021 (the “**PCJ Investment Adviser Agreement**”), to provide investment management and advisory services to the PCJ Absolute Return II Fund. Each of the portfolio managers are part of Connor, Clark & Lunn Financial Group Ltd., (“**CC&LFG**”), of which the Manager is an affiliate. The Manager may change the portfolio manager for any Fund from time to time but it currently does not intend to make any changes to the portfolio manager for any Fund.

The agreement between the Manager and each of the portfolio managers (including, for greater certainty, the PCJ Investment Adviser Agreement) may be terminated by a portfolio manager on 90 days’ written notice to the Manager or on such lesser notice as the parties may agree. The agreement may also be terminated by either party immediately in the event that the other party: (a) commits a material breach of its duties and obligations and such breach has not been cured within 10 days after written notice thereof; (b) commits any fraudulent act or deliberate misrepresentation; (c) consistently fails to properly perform its duties and discharge its obligations; (d) fails to act honestly and in good faith in the performance of its duties and obligations; or (e) has its registration made subject to terms and conditions or suspended by an applicable securities regulatory authority. The investment adviser agreement will automatically terminate in certain other circumstances, including but not limited to: either party making a general assignment for the benefit of creditors, becoming bankrupt or insolvent.

The individuals employed by the portfolio managers who are principally responsible for the day-to-day management of a material portion of the portfolio securities of each Fund, implementing a particular material strategy or managing investment assets of a Fund and such person's business experience during the last five years are as follows:

Individual	Details of Experience	Fund(s) Managed
Steve Huang: CFA; BComm, University of British Columbia (1996)	Mr. Huang is the leader of the quantitative equity team at CCLIM and is responsible for overall strategy and research for the CC&L Alternative Global Equity Fund and the CC&L Alternative Canadian Equity Fund.	CC&L Alternative Global Equity Fund CC&L Alternative Canadian Equity Fund
Dion Roseman: CFA; MSc University of London (1993); BBus Sc, University of Cape Town (1991)	Mr. Roseman, together with Mr. Archbold, is responsible for portfolio management of the CC&L Alternative Global Equity Fund and the CC&L Alternative Canadian Equity Fund.	CC&L Alternative Global Equity Fund CC&L Alternative Canadian Equity Fund
Chris Archbold: CFA; Financial Management Diploma, British Columbia Institute of Technology (1993)	Mr. Archbold, together with Mr. Roseman, is responsible for portfolio management of the CC&L Alternative Global Equity Fund and the CC&L Alternative Canadian Equity Fund.	CC&L Alternative Global Equity Fund CC&L Alternative Canadian Equity Fund
David George: CFA; BComm (1997), University of British Columbia	Mr. George is the co-head of the fixed income team at CCLIM and is responsible for fundamental analysis, research and security selection of fixed income securities for the CC&L Alternative Income Fund.	CC&L Alternative Income Fund
Heiki Altosaar: CFA; BA (1993), University of Toronto	Mr. Altosaar is a member of the equity team at PCJ and, together with Mr. Posman, is responsible for portfolio management of the PCJ Absolute Return II Fund.	PCJ Absolute Return II Fund
Adam Posman: MBA (2004), University of Western Ontario; BComm (1999), McGill University	Mr. Posman is the Chief Investment Officer at PCJ and, together with Mr. Altosaar, is responsible for portfolio management of the PCJ Absolute Return II Fund.	PCJ Absolute Return II Fund

Brokerage and Lending Arrangements

The portfolio manager is responsible for selecting members of securities exchanges, brokers and investment dealers for the execution of transactions in respect of the applicable Funds' investments and, when applicable, the negotiation of commissions in connection therewith. Each Fund is responsible for payment of those commissions.

In evaluating the suitability of a broker, the portfolio manager considers a number of factors such as the broker's reputation, their ability to provide liquidity, the commission rate, the quality of trade execution and service provided and the range of other services offered by the broker.

There are no ongoing contractual arrangements with any brokers with respect to securities transactions.

In addition to order execution goods and services, dealers or third parties may provide research goods and services to the portfolio manager, which may include: (a) advice as to the value of securities and the advisability of effecting transactions in securities; and (b) analyses and reports concerning securities, issuers, industries, portfolio strategy or economic or political factors and trends that may have an impact on the value of securities. Such goods and services may be provided by the executing dealer directly (known as proprietary research) or by a party other than the executing dealer (known as third party research).

In the event of the provision of a good or service that contains an element that is neither research goods and services nor order execution goods and services ("**mixed-use goods and services**"), brokerage commissions will only be used to pay for the portion of such goods and services which would qualify as either research goods and services or order execution goods and services. The portfolio manager would pay for the remainder of the costs of such mixed-use goods or services.

The portfolio manager makes a good faith determination that the Fund, on whose behalf it directs to a dealer any brokerage transactions involving client brokerage commissions in return for research and order execution goods and services, receives reasonable benefit, considering both the use of the goods and services and the amount of brokerage commissions paid, by conducting extensive trade cost analysis.

Research and order execution goods and services may benefit not only a Fund's Series whose trades generated the brokerage commission, but may also benefit other funds and clients to whom the portfolio manager provides advice. There are policies and procedures in place to ensure that, over a reasonable period of time, all clients receive a fair and reasonable benefit in return for the commissions generated.

Research goods and services provided by dealers or vendors to the portfolio manager that have been paid for through commissions or brokerage transactions executed on

behalf of the Funds encompass economic research and analysis, statistical data about capital markets or securities, analysis or reports on manager or sector performance, issuer performance, industries, economic or political factors and trends, provides real-time news and information or provides a solution for managing corporate disclosure and brokerage event information.

For a list of any dealer, broker or third party which provides research goods and services and/or order execution goods and services, at no cost, contact us toll free at 1-888-824-3120 or email us at info@cclffundsinc.com.

The portfolio managers, on behalf of each of the Funds, have entered into a prime broker agreement (each, a “**Prime Broker Agreement**”) with each of (or one of, as the case may be) CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., The Bank of Nova Scotia, TD Securities Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities plc, UBS Securities LLC or one of their affiliated entities (each, a “**Prime Broker**” and collectively, the “**Prime Brokers**”). Pursuant to the terms of the Prime Broker Agreements, the applicable Fund may borrow money from a Prime Broker for investment purposes in accordance with its investment objectives and strategies. No Prime Broker is an affiliate or associate of the Manager.

The portfolio managers may change the Prime Brokers or appoint additional prime brokers for the Funds from time to time.

The Trustee

RBC IS, Toronto, Ontario, is the trustee of the Funds and holds title to the securities and other assets owned by the Funds. The Trustee also provides other services to the Funds, including portfolio valuation and trust accounting.

Custodian

RBC IS, Toronto, Ontario, is also the custodian for the Funds pursuant to the terms of a master custody agreement entered into between the Manager and RBC IS dated as of January 2, 2019, as amended (the “**Master Custody Agreement**”). In its capacity as custodian, RBC IS receives and holds cash, portfolio securities and other assets of the Funds for safekeeping and on direction from the Funds will settle on behalf of the Funds the purchase and sale of the Funds’ assets. Under the terms of the Master Custody Agreement and subject to the requirements of applicable securities legislation, RBC IS may appoint one or more sub-custodians. The fees for custodial services provided by RBC IS are paid by the Funds.

Each Fund currently has only one custodian as disclosed under the heading “*Organization and Management of the Funds – Who organizes and manages the Funds? - Custodian*” in the Simplified Prospectus. The Manager may, however, in the future appoint additional custodians in accordance with the Custodian Relief described under

the heading “*General Investment Practices – Exemptive Relief*” in this Annual Information Form.

Auditor

The auditor conducts an audit of each Fund’s annual financial statements in accordance with generally accepted auditing standards. The auditor of the Funds is KPMG LLP, Vancouver, British Columbia.

Registrar

RBC IS acts as the registrar for the Funds. In such capacity, RBC IS is responsible for keeping a register of all Unitholders of each Fund at its offices.

Securities Lending Agent

CCLIM, on behalf of each of the Funds it acts as a portfolio manager for, has entered into a securities lending agency agreement (the “**Securities Lending Agreement**”) with RBC Investor Services Trust (“**RBC**” or the “**Securities Lending Agent**”) of Toronto, Ontario. CCLIM may enter into additional securities lending arrangements on behalf of the Funds from time to time.

The Securities Lending Agent is not an affiliate or associate of either the Manager or the portfolio managers. The Securities Lending Agreement appoints and authorizes RBC to act as agent for securities lending transactions for those Funds that engage in securities lending activities and to execute, in the applicable Fund’s name and on its behalf, securities lending agreements with borrowers in accordance with NI 81-102.

The Securities Lending Agreement requires that the collateral received by a Fund in a securities lending transaction must generally have a market value of 105%, but never less than 102%, of the value of the securities loaned. Under the Securities Lending Agreement, RBC agrees to indemnify the applicable Fund from certain losses incurred in connection with its failure to perform any of its obligations under the Securities Lending Agreement. The Securities Lending Agreement includes provisions permitting it to be terminated at any time at the option of either party.

PCJ may enter into a securities lending arrangement on behalf of the PCJ Absolute Return II Fund, but has not entered into such an arrangement and does not currently have any plans to enter into such an arrangement.

CONFLICTS OF INTEREST

Principal Holders of Securities

The following table sets out the persons or companies who, as at February 15, 2022, are the principal owners of record and own beneficially, directly or indirectly, more than 10% of the securities of each Series of units of the CC&L Alternative Global Equity Fund, the CC&L Alternative Canadian Equity Fund and the CC&L Alternative Income Fund:

CC&L Alternative Global Equity Fund				
<i>Name of holder</i>	<i>Series of holdings</i>	<i>Type of Ownership</i>	<i>Number of Units</i>	<i>Percentage of Series Owned</i>
Connor, Clark & Lunn Financial Group Ltd.	A	Beneficial	6,301.80	47%
Individual A ⁽¹⁾	A	Beneficial	2,664.22	20%
Individual B	A	Beneficial	1,766.15	13
Individual C	A	Beneficial	1,367.75	10%
Connor, Clark & Lunn Financial Group Investments Inc.	I	Beneficial	1,883,285.77	96%
CC&L Alternative Canadian Equity Fund				
<i>Name of holder</i>	<i>Series of holdings</i>	<i>Type of Ownership</i>	<i>Number of Units</i>	<i>Percentage of Series Owned</i>
Individual D	A	Beneficial	13,633.12	31%
Connor, Clark & Lunn Financial Group Ltd.	A	Beneficial	6,264.64	14%
Individual E	F	Beneficial	12,615.22	20%
Individual F	F	Beneficial	9,465.91	15%
Connor, Clark & Lunn Financial Group Ltd.	F	Beneficial	6,318.24	10%
Connor, Clark & Lunn Financial Group Investments Inc.	I	Beneficial	1,962,375.51	98%

CC&L Alternative Income Fund				
<i>Name of holder</i>	<i>Series of holdings</i>	<i>Type of Ownership</i>	<i>Number of Units</i>	<i>Percentage of Series Owned</i>
Connor, Clark & Lunn Financial Group Ltd.	A	Beneficial	5,906.41	55%
Individual B	A	Beneficial	2,363.02	22%
Individual G	A	Beneficial	1,113.51	10%
Individual H	F	Beneficial	31,537.69	10%
Connor, Clark & Lunn Financial Group Ltd.	I	Beneficial	2,969,556.44	86%
CC&L Enhanced Balanced Fund	I	Beneficial	346,669.09	10%

Note: (1) To protect the privacy of investors, we omit the names of individual unitholders, if applicable. This information is available on request by contacting us at the telephone number on the back cover of this Annual Information Form.

The following table sets out the persons or companies who, as at February 15, 2022, are the principal owners of record and own beneficially, directly or indirectly, more than 10% of the securities of each Series of units of the PCJ Absolute Return II Fund:

PCJ Absolute Return II Fund				
<i>Name of holder</i>	<i>Series of holdings</i>	<i>Type of Ownership</i>	<i>Number of Units</i>	<i>Percentage of Series Owned</i>
Individual I	A	Beneficial	32,165.50	18%
Connor, Clark & Lunn Financial Group Ltd.	I	Beneficial	440,000.00	100%
Individual J	A	Beneficial	32,165.50	18%

The investment in each Series of units of the PCJ Absolute Return II Fund represents the initial investment in the Fund by the Manager required under applicable securities laws. This investment may be redeemed in accordance with applicable regulatory requirements

only when the PCJ Absolute Return II Fund has investments of at least \$500,000 from investors not affiliated with the Manager.

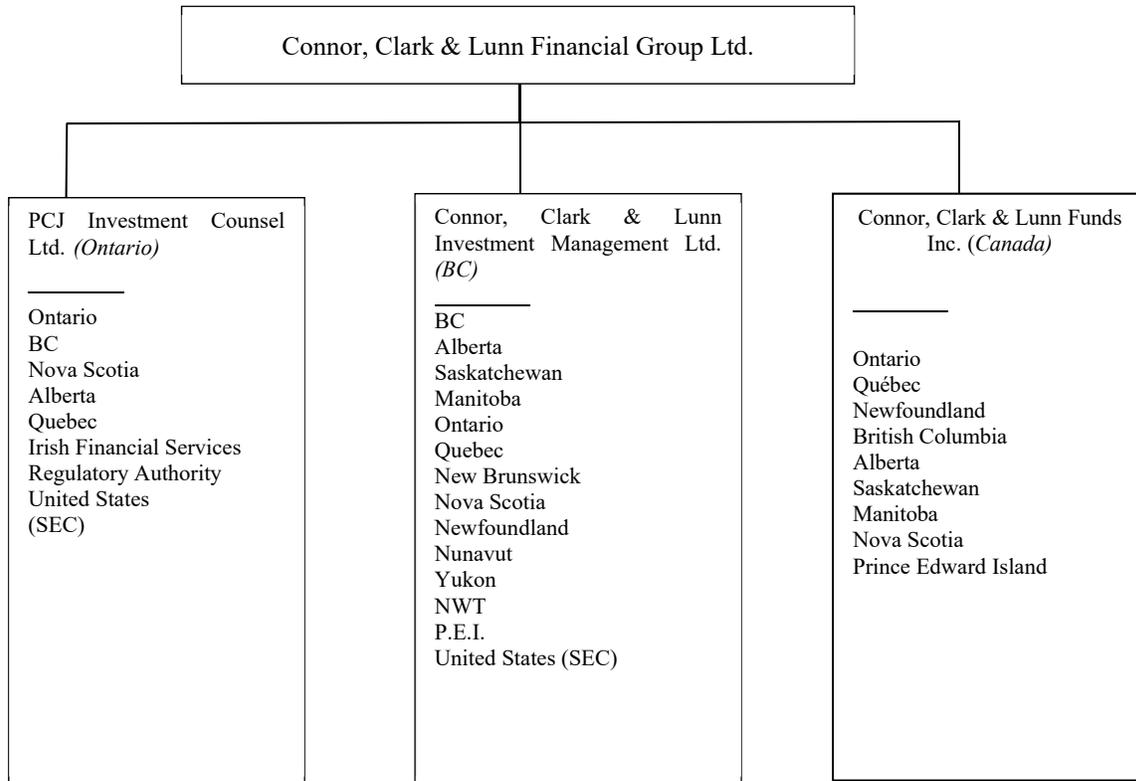
As of March 15, 2022, Connor, Clark & Lunn Funds Partnership owns 100% of the issued and outstanding voting shares of the Manager. CC&LFG owns and controls 100% of the voting rights of Connor, Clark & Lunn Funds Partnership.

As of March 15, 2022, the directors and officers of the Manager indirectly own or control the following voting shares of service providers to the Funds: (i) approximately 43.68% in CC&LFG; (ii) approximately 12.49% in CCLIM; and (iii) approximately 21.95% in PCJ.

As of March 15, 2022, none of the members of the IRC hold any voting securities of any Fund or the Manager. As at March 15, 2022, the members of the IRC beneficially owned, directly or indirectly, in the aggregate, less than 0.1% of any class or Series of voting or equity securities of any material service provider to the Manager or the Funds.

Affiliated Entities

The following affiliated entities of the Funds provide services to one or more of the Funds:



Warren Stoddart and Patrick Robitaille are also directors and/or officers of CCLIM. Michael Freund and Patrick Robitaille are each directors and/or officers of PCJ. Warren Stoddart, Michael Freund and Patrick Robitaille are each a director and/or officer of CC&LFG.

Disclosure regarding the amount of fees received from each Fund by each person or company described in this section of this Annual Information Form, are contained in the audited financial statements of the relevant Fund.

FUND GOVERNANCE

The Funds are structured as trusts and are each governed by the CFI Master Trust Agreement. The duties of the Trustee and CFI are separately set out in the CFI Master Trust Agreement, with CFI having responsibility for arranging for the day-to-day business and affairs of the Funds, investment management, marketing and the offering of units. Unlike many mutual funds, the Trustee of the Funds is independent from CFI and has an independent responsibility to comply with the terms of the CFI Master Trust Agreement. The board of directors of the Manager is responsible for the Manager's compliance with the terms of the CFI Master Trust Agreement and the requirements

of relevant legislation applicable to management, investment management, marketing and the offering of units. Officers of the Manager receive from the Trustee reports derived from the Trustee's records relating to such matters as number of unitholders and portfolio securities, including their cost base and market value, to enable the Manager to review and monitor the Funds' ongoing compliance with securities legislation.

An IRC has been established for all public investment funds under the management of the Manager or its affiliates, including the Funds. The IRC is composed of three members: Howard Atkinson, Anthony Cox and Leslie Wood, each of whom is independent from the Manager. Mr. Cox is the chair of the IRC. The IRC functions in accordance with NI 81-107. The IRC is required to review conflicts of interest matters brought to it by the Manager and, in most cases, make recommendations to the Manager, or in certain cases such as inter-fund trades, investing in securities of related parties and investing in securities underwritten by a related party, make a decision whether or not to approve the Manager's proposal.

As described herein, the Manager is an affiliate of CC&LFG. As such, the Manager adheres to the CC&LFG code of personal conduct (the "**Code**"), which establishes guidelines relating to business practices, risk management controls, personal trading by employees, and conflicts of interest. The Code addresses confidentiality, enforcement of rules of conduct and sanctions for violations. The investment activities of the Funds' portfolio manager are monitored by or on behalf of the Manager.

The Manager markets the Funds sponsored by it to dealers. In doing so, the Manager requires employees involved in the marketing function to become knowledgeable regarding regulatory limitations and requires marketing material to be reviewed by its compliance team.

OPERATIONAL SYSTEMS AND PROCESSES REGARDING CUSTODIAL ARRANGEMENTS

Each Fund currently has one custodian as disclosed under the heading "*Organization and Management of the Funds – Who organizes and manages the Funds? - Custodian*" in the Simplified Prospectus. Pursuant to the Custodian Relief the Manager may appoint additional custodians for one or more of the Funds provided that the custodians are one of the Fund's prime brokers. The terms of any custodial agreement entered into with an additional custodian will comply with the requirements of NI 81-102 and will be filed as a material contract of the applicable Fund(s) following its execution.

In connection with the Custodian Relief obtained by the Funds, the Manager will implement the following operational systems and processes in the event that an additional custodian is appointed for a Fund:

- (a) the Manager will ensure that a single entity reconciles all the portfolio assets of the Fund and provides the Fund with valuation and unitholder

recordkeeping services and will complete daily reconciliations amongst the custodians before striking a daily NAV;

- (b) the Manager will maintain such operational systems and processes, as between two or more custodians and the single entity referred to in clause (a), in order to keep a proper reconciliation of all the portfolio assets that will move amongst the custodians, as appropriate; and
- (c) each additional custodian appointed by the Manager will act as custodian and securities lending agent only for the portion of portfolio assets of the Fund transferred to it.

PROXY VOTING POLICIES AND PROCEDURES

The Manager, as manager of the Funds, has established policies and procedures in relation to voting on matters for which a Fund receives, in its capacity as securityholder, proxy materials for a meeting of securityholders of an issuer. The Manager has delegated the responsibility to vote issuer proxy solicitations to the Funds' portfolio manager as part of its obligations of the general management of the securities held by the Funds. Should a conflict of interest arise, the compliance officer of the portfolio manager will be involved with the proxy vote to ensure proxies are voted in a Fund's best interest.

The guidelines established by the Manager provide a framework for the portfolio manager, on how to approach the voting of securities held by the Funds to create a disciplined approach to voting.

Under the guidelines, the primary responsibility of the portfolio manager in respect of proxy voting is to maximize positive economic effect on a Fund's value and to protect the Fund's rights as a securityholder in the best interests of the Fund. The guidelines include discussion regarding particular matters brought to a vote but the guidelines are not exhaustive. The portfolio manager may depart from the guidelines on specific matters addressed in the policy where the portfolio manager believes it is necessary to do so in the best interests of the Fund and its securityholders.

Each of the Funds is considered to have received a solicitation at the time it has received notice at its offices. In the event the portfolio manager does not receive a solicitation within sufficient time to execute a vote or the proxy is not submitted to the issuer in the time required, a Fund will not be able to vote on the matters solicited.

The portfolio manager uses its best efforts to exercise voting rights. There are, however, situations when it may be impractical or impossible for the portfolio manager to vote portfolio securities. A limited number of international markets are subject to share-blocking restrictions, which create liquidity and administrative challenges that prevent the portfolio manager from voting securities in those markets. If a Fund lends securities to a third party, the voting rights are generally passed on to the borrower. However, at times

if the portfolio manager deems it necessary, the portfolio manager will recall and vote such securities.

While the portfolio manager intends to apply its voting rights policy in all countries, the portfolio manager will also take into account local laws and prevailing governance practices when exercising its voting instructions, which may result in deviations from the proxy voting policy as described below.

The policies and procedures that a Fund follows when voting proxies relating to portfolio securities are available on request, at no cost, by e-mailing us at info@cclfundsinc.com or by writing to us at:

Connor, Clark & Lunn Funds Inc.
130 King St. West, Suite 1400
P.O. Box 240
Toronto, Ontario M5X 1C8

1-888-824-3120

The following are the guidelines on commonly raised matters:

- **Election of Directors:** Unless there is a proxy fight for seats on the relevant board or we determine that there are other compelling reasons for withholding votes for directors, we will generally vote in favour of the management proposed slate of directors. We may withhold votes for directors who fail to act on key issues, who fail to regularly attend board meetings or for any director nominee deemed to be an insider who also serves on the board's audit or compensation committees.
- **Appointment of Auditors:** We believe that an issuer remains in the best position to choose the auditor and will generally support management's recommendation. We may vote against the appointment of an auditor if the fees for non-audit related services are disproportionate to the total audit fees paid by the issuer or there are other reasons to question the independence of the issuer's auditor.
- **Changes in Capital Structure:** Changes in an issuer's constating documents are often technical and administrative in nature. Absent a compelling reason to the contrary, we will generally cast our votes in accordance with the issuer's management on such proposals. However, we will review and analyze on a case-by-case basis any non-routine proposals that are likely to affect the structure and operation of the issuer or have a material economic effect on the issuer.
- **Issuer Reorganizations, Restructuring, Mergers and Acquisitions:** We believe proxy votes dealing with reorganizations, restructuring and mergers and acquisitions are an extension of the investment decision. Accordingly, we will analyze such proposals on a case-by-case basis, weighing heavily the views of

the research analysts that cover the issuer and the investment professionals managing the Fund in which the security is held.

- **Proposals Affecting Securityholder Rights:** We believe that certain fundamental rights of securityholders must be protected. We will generally vote in favour of proposals that give securityholders a greater voice in the affairs of the issuer and oppose any measure that seeks to limit those rights. However, when analyzing such proposals, we will weigh the financial impact of the proposal against the impairment of securityholder rights.
- **Corporate Governance:** We recognize the importance of good corporate governance in ensuring that management and the board of directors fulfill their obligations to the securityholders. We favour proposals promoting transparency and accountability within an issuer.
- **Anti-Takeover Measures:** We believe that measures that impede takeovers or entrench management not only infringe on the rights of securityholders but may also have a detrimental effect on the value of the issuer. We will generally oppose proposals, regardless of whether they are advanced by management or securityholders, the purpose or effect of which is to entrench management or dilute securityholder ownership. Conversely, we will generally support proposals that would restrict or otherwise eliminate anti-takeover measures that have already been adopted by issuers.
- **Executive Compensation:** We believe that an issuer's management and compensation committee of the board of directors should, within reason, be given latitude to determine the types and mix of compensation and benefit awards offered. Whether proposed by a securityholder or management, we will review proposals relating to executive compensation plans on a case-by-case basis to ensure that the long-term interests of management and securityholders are properly aligned. We will analyze the proposed plans to ensure that securityholder equity will not be excessively diluted, the option exercise price is not below market price on the date of grant and an acceptable number of employees are eligible to participate in such programs.
- **Social and Corporate Responsibility:** Specific proposals related to environmental and social issues will be reviewed and analyzed on a case-by-case basis, however we will generally vote in favour of shareholder proposals that seek to improve disclosure of environmental risks, and will also generally vote in favour of shareholder proposals to improve transparency regarding social issues, provided it is in the best interest of shareholders.
- **Fund of Fund Voting:** If a Fund invests in securities of another mutual fund, the portfolio manager will vote the securities the Fund holds in the mutual fund

unless the mutual fund is managed by the Manager or one of the Manager's affiliates or associates.

Proxy Voting Record

The Manager will compile and maintain each Fund's annual proxy voting record for the annual periods beginning July 1st in a year and ending June 30th of the following year. The proxy voting record will be made available on the Manager's website at www.cclfundsincc.com by August 31st in any given year. The Manager will deliver a copy of a Fund's proxy voting record free of charge to Unitholders of the Fund upon request.

POLICY ON THE USE OF DERIVATIVES

The Funds may use derivatives as permitted under applicable securities legislation.

The Manager requires that any portfolio manager retained for a Fund using derivatives have policies and procedures in place that specify: the types of derivatives that may be used; the goals and objectives of using the derivatives; that derivatives may only be used in accordance with applicable securities legislation; and that the portfolio manager has in place policies and procedures to manage the risks associated with the derivatives trading. Risk measurement procedures and simulations to test a portfolio under stress conditions may be used by the portfolio manager in connection with a Fund's use of derivatives. The Manager will monitor compliance by each portfolio manager with securities law requirements for the use of derivatives. Any deviations from the rules and restrictions on the Funds' use of derivatives must be reported to the Manager by the portfolio manager.

A portfolio manager may use derivatives to further the investment objectives of a Fund in the most cost effective way and to reduce overall risk exposure by incorporating the effects or impact of any and all derivatives positions. The portfolio manager's board of directors is responsible for setting and reviewing the policies and procedures relating to the use of derivatives. Such policies and procedures are reviewed at least once a year. The Trustee is not involved in the risk management process. The applicable investment team lead of the portfolio manager is responsible for incorporating derivative exposures into its investment risk models and authorizing derivatives trading. The portfolio manager's compliance team is responsible for monitoring portfolio constraints including those related to derivative positions.

POLICIES REGARDING SHORT SALES

The Funds may engage in short selling, where such short selling will be done in accordance with applicable securities legislation and the terms of the exemptive relief order described under the heading "*General Investment Practices – Exemptive Relief*".

The Manager requires any portfolio manager retained by the Funds to maintain policies and procedures regarding short selling activities. The portfolio manager's board of directors is responsible for setting and reviewing these policies and procedures. Such policies and procedures are reviewed at least once a year. The applicable investment team lead of the portfolio manager is responsible for incorporating short positions into its investment risk models and authorizing short selling transactions. The portfolio manager's compliance team is responsible for monitoring portfolio constraints including those related to short positions.

In connection with the Market-Neutral Strategy Relief, each Fund has implemented the following controls when conducting a short sale transaction:

- (a) the Fund will assume the obligation to return to the borrowing agent the securities borrowed to effect the short sale;
- (b) the Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;
- (c) the Manager will ensure that the portfolio manager of the Fund monitors its short positions within the constraints of the Market-Neutral Strategy Relief as least as frequently as daily;
- (d) the security interest provided by the Fund over any of its assets that is required to enable the Fund to effect a short sale transaction is made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transactions;
- (e) the Manager will ensure that the portfolio manager of a Fund maintains appropriate internal controls regarding short sales, including written policies and procedures for the conduct of short sales, risk management controls and proper books and records; and
- (f) the Manager will ensure that the portfolio manager of each Fund keeps proper books and records of short sales and all assets of the Fund deposited with borrowing agents as security.

SECURITIES LENDING, REPURCHASE TRANSACTIONS AND REVERSE REPURCHASE TRANSACTIONS RISK MANAGEMENT

The Funds may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions in accordance with applicable securities legislation.

A portfolio manager will appoint a Fund's custodian or sub-custodian to act as the agent of the Fund to enter into securities lending transactions, repurchase transactions and reverse repurchase transactions on behalf of the Fund. The agency agreement will provide for the types of transactions that may be entered into by a Fund, types of

portfolio assets that may be used, collateral requirements, limits on transaction sizes, permitted counterparties to the transactions and investment of any cash collateral. The agency agreement will provide for, and the agent will develop, policies and procedures which provide that securities lending, repurchase and reverse repurchase transactions will be entered into in accordance with the standard investment restrictions and practices set out in this Annual Information Form. Further, the agent will:

- ensure that collateral is provided in the form of cash, qualified securities or securities that can be converted into the securities which are the subject of the securities lending, repurchase or reverse repurchase transactions;
- value the loaned or purchased securities and the collateral every day to ensure that the collateral has a market value of 105%, but never less than 102%, of the value of the loaned or purchased securities;
- invest any cash collateral in accordance with the investment restrictions specified in the agency agreement;
- invest no more than 50% of the total assets of a Fund in securities lending or repurchase agreements at any one time unless the Fund is permitted a greater amount; and
- assess the creditworthiness of the counterparties to securities lending, repurchase transactions and reverse repurchase transactions.

The securities lending transactions of a Fund may be terminated by a Fund at any time. Repurchase and reverse repurchase transactions of the Funds will have a maximum term of 30 days.

The portfolio manager and a Fund's appointed agent will review the agency agreement and the agent's policies and procedures on an annual basis to ensure that they comply with applicable laws.

The portfolio manager is responsible for managing the risks associated with securities lending, repurchase and reverse repurchase transactions.

MANAGEMENT FEE DISTRIBUTIONS

The Manager may, in its sole discretion, agree to charge a reduced management fee as compared to the fees that the Manager otherwise would be entitled to charge the Funds with respect to investments in the Funds by certain Unitholders. An amount equal to the difference between the management fee otherwise chargeable and the reduced fee payable by the Funds will be distributed by the Funds to affected Unitholders as management fee distributions. The rate of any management fee distributions may be negotiated by large investors or sponsors of programs, determined, in part, on the Series of units and the total net asset value of units held by the Unitholder. The timing of payment or reinvestment is also negotiated with such investors or sponsors. The tax consequences of management fee distributions made by a Fund generally will be borne by the Unitholders receiving the distributions. Management fee distributions will be paid first out of net income and net realized capital gains of the Funds and then out of capital. The tax consequences of receiving a management fee distribution are discussed under *Income Tax Considerations – Taxation of Unitholders*.

SHORT-TERM TRADING

Frequent trading can hurt a Fund's performance, affecting all unitholders in a Fund, by forcing the Fund to keep cash or sell investments to meet redemptions. We have implemented policies to deter short-term trading from taking place within the Funds. Monitoring processes are in place to detect short-term trading. RBC IS in its capacity as custodian to the Funds monitors frequent trading activity with a view to detecting and deterring market-timing activity. The Manager reserves the right to charge short-term trading fees of up to 2%. This short-term trading fee is charged on behalf of, and is paid to, the relevant Fund. The fee will not be applied in circumstances which do not involve inappropriate trading activity and will not apply to: (a) transactions not exceeding a certain minimum dollar amount, as determined by the Manager from time to time; (b) trade corrections or any other action initiated by the Manager; (c) transfers of units of one Fund between two accounts belonging to the same unitholder; (d) regularly scheduled RRIF or LIF payments; and regularly scheduled automatic withdrawal plan payments.

We have not entered into any arrangements with any person to permit that person to engage in short-term trading in any units of any of the Funds.

INCOME TAX CONSIDERATIONS

The following is a general summary, at the time of filing, of certain of the principal Canadian federal income tax considerations generally applicable to the buying, holding and selling of units of a Fund by a Unitholder who acquires units pursuant to the Simplified Prospectus. This summary assumes you are an individual (other than a trust) who, for purposes of the Tax Act and at all times, (i) is resident in Canada, (ii) deals at arm's length and is not affiliated with the Funds, and (iii) holds units as capital property.

Generally, units will be considered to be capital property to a unitholder provided the unitholder does not hold the units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Provided that each of the Funds qualifies as a “mutual fund trust” for the purposes of the Tax Act at all material times, certain Unitholders who might not otherwise be considered to hold units as capital property may, in certain circumstances, be entitled to have such units and all other “Canadian securities” as defined in the Tax Act owned or subsequently acquired by them treated as capital property by making the irrevocable election available pursuant to subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available or advisable in their circumstances.

This summary is based on the current provisions of the Tax Act, an understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”) and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (such proposals referred to hereafter as the “**Tax Proposals**”). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary assumes that none of the issuers of securities held by a particular Fund will be a foreign affiliate of the Fund or any Unitholder of the Fund, or a non-resident trust that is not an “exempt foreign trust” as defined in section 94 of the Tax Act. This summary also assumes that no Fund will be (i) a “SIFT trust” for the purposes of the Tax Act, (ii) a “financial institution” for purposes of the mark-to-market rules in the Tax Act, or (iii) required to include any amounts in income pursuant to section 94.1 or section 94.2 of the Tax Act.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to you in respect of an investment in units of a Fund and does not describe the income tax consequences relating to the deductibility of interest on money borrowed to acquire units of a Fund. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Accordingly, you are urged to consult with your own tax advisors for advice with respect to the income tax consequences of an investment in units of a Fund, based on your own particular circumstances.

Tax Status of the Funds

This summary is based on the assumptions that (i) each Fund will qualify, at all times, as a “mutual fund trust” within the meaning of the Tax Act and has elected, or will elect, under the Tax Act to be a “mutual fund trust” from the date it was established, (ii) each Fund will not be maintained primarily for the benefit of non-residents, and (iii) not more than 50%

(based on fair market value) of the units of a particular Fund will be held by non-residents of Canada or by partnerships that are not Canadian partnerships as defined in the Tax Act, or by any combination of such partnerships and non-residents.

In order to continue to qualify as a “mutual fund trust”, a Fund must, among other things, comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of units. If a Fund does not qualify as a “mutual fund trust” at all times, the income tax considerations described below could be materially and adversely different.

Taxation of the Funds

In each taxation year, income of a particular Fund, including the taxable portion of capital gains, if any, that is not paid or made payable to its Unitholders in that year will be taxed in the particular Fund under Part I of the Tax Act. Provided the particular Fund distributes all of its net taxable income and net capital gains to its Unitholders on an annual basis, it should generally not be liable for any income tax under Part I of the Tax Act.

Each Fund is required to include, in computing its income for each taxation year, the taxable portion of any capital gains earned in the taxation year, any dividends received by it in the taxation year and all interest that accrues to it during the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year. In computing its income, each Fund will take into account any loss carry-forwards, any capital gains refund and all deductible expenses, including management fees.

Gains and losses realized by a Fund on the disposition of securities will generally be reported as capital gains and capital losses. Each Fund has elected, or will elect, under subsection 39(4) of the Tax Act so that all gains or losses realized on the disposition of securities that are “Canadian securities” (as defined in the Tax Act), will be deemed to be capital gains or losses to the Fund. Generally, gains and losses realized by a Fund from derivatives and in respect of short sales of securities (other than “Canadian securities”) will be treated as income and losses of the Fund. However, where a derivative is used to hedge securities held on capital account, gains or losses realized by a Fund from such derivatives may be treated as capital gains or losses of the Fund provided there is sufficient linkage between the derivative and the security being hedged and subject to the detailed rules in the Tax Act. Whether gains or losses realized by a Fund in respect of a particular security (other than a “Canadian security”) are on income or capital account will depend largely on factual considerations.

Notwithstanding the foregoing, the “derivative forward agreement” rules in the Tax Act (the “**DFA Rules**”) deem gains on the settlement of certain forward agreements (described as “derivative forward agreements”) to be included in ordinary income rather than treated as capital gains. Under the DFA Rules, the return on any derivative entered into by a Fund that is a “derivative forward agreement” within the meaning of the Tax Act will be taxed as ordinary income rather than capital gains. The Tax Act exempts from the

application of the DFA Rules currency forward contracts, or certain other derivatives, that are entered into in order to hedge foreign exchange risk in respect of an investment held as capital property.

Losses incurred by a Fund in a taxation year cannot be allocated to Unitholders, but may be deducted by the Fund in future years in accordance with the Tax Act.

A Fund's portfolio may include securities which are not denominated in Canadian dollars. The cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction, as more particularly determined in accordance with section 261 of the Tax Act. Accordingly, a Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

A Fund may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent such foreign tax paid by a particular Fund exceeds 15% of the amount included in the Fund's income from such investments, such excess may generally be deducted by the Fund in computing its income for purposes of the Tax Act, subject to the detailed provisions of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such foreign source income and has not been deducted in computing the Fund's income, the Fund may generally designate a portion of its foreign source income in respect of its Unitholders so that such income, and a portion of the foreign tax paid by the Fund, may be regarded as foreign source income of, and foreign tax paid by, the Unitholders for the purposes of the foreign tax credit provisions of the Tax Act.

A Fund may be required to include certain amounts in the computation of its income pursuant to section 94.1 of the Tax Act if it holds or has an interest in "offshore investment fund property" within the meaning of the Tax Act. In order for section 94.1 of the Tax Act to apply to a Fund, the value of the "offshore investment fund property" must reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments of a non-resident entity. These rules may apply in a taxation year to a Fund if it could reasonably be concluded, having regard to all the circumstances, that one of the main reasons for the Fund acquiring, holding, or having the investment in the offshore investment fund property was to benefit from the portfolio investments of a non-resident entity in such a manner that the taxes on the income, profits and gains therefrom, for any particular year were significantly less than the tax that would have been applicable if such income, profits and gains had been earned directly by the Fund. If applicable, these rules can result in a Fund being required to include an amount in its income based on the designated cost of the Fund's offshore investment fund property multiplied by a prescribed interest rate plus 2%.

A Fund may be subject to alternative minimum tax in any taxation year throughout which the Fund is not a "mutual fund trust" for purposes of the Tax Act.

A Fund may be subject to loss restriction rules contained in the Tax Act, unless the Fund qualifies as an “investment fund” as defined in the Tax Act, which, among other things, requires that certain investment diversification requirements are satisfied, and that Unitholders hold only fixed (and not discretionary) interests in a Fund. If a Fund experiences a “loss restriction event”: (i) the Fund will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund’s net income and net realized capital gains at such time to Unitholders so that the Fund is not liable for income tax on such amounts); and (ii) the Fund will be deemed to realize any unrealized capital losses and its ability to carry forward losses will be restricted. Generally, a Fund will have a loss restriction event when a person becomes a “majority-interest beneficiary” of the Fund, or a group of persons becomes a “majority-interest group of beneficiaries” of the Fund, as those terms are defined in the Tax Act.

A Fund may be subject to the “suspended loss” rules contained in the Tax Act, which would generally apply where a Fund disposes of property and subsequently reacquires the property or acquires an identical property within the time period that begins 30 days before the disposition and ends 30 days following the disposition, and the Fund continues to own the reacquired or newly-acquired property following that period. Where the “suspended loss” rules apply, any losses arising from the initial disposition of property would be denied, but may be realized at a future point in time in accordance with the rules in the Tax Act.

A Fund may be subject to the “straddle loss” rules contained in the Tax Act, which generally defer the realization of any loss on the disposition of a “position” to the extent of any unrealized gain on an offsetting “position”. For the purposes of these rules, a “position” held by a Fund includes any interest in actively traded personal properties such as commodities, derivatives, and certain debt obligations. An offsetting “position” is any similar interest that has the effect of eliminating all or substantially all of the Fund’s risk of loss and opportunity for gain in respect of the underlying “position”. These rules are subject to various exceptions set out in the Tax Act.

Taxation of Unitholders

Units Held in a Registered Plan

If you hold units of a particular Fund in a Registered Plan, distributions (including by way of management fee distributions) from the Fund and capital gains from a redemption (or other disposition) of units held by the Registered Plan are generally not subject to tax under the Tax Act. Withdrawals made from the Registered Plan are generally subject to tax under the Tax Act (however, withdrawals from a TFSA are generally not subject to tax).

Notwithstanding the foregoing, if the units of a particular Fund are “prohibited investments” (as defined in the Tax Act) for your TFSA, RRSP, RRIF, RDSP or RESP (each, a “Prescribed Plan”), you - as the holder of the TFSA or the RDSP, the annuitant under the RRSP or RRIF, or the subscriber of the RESP, as the case may be - may be

subject to a penalty tax as set out in the Tax Act. The units of a particular Fund will be a “prohibited investment” for your Prescribed Plan, if you (i) do not deal at arm’s length with the particular Fund for purposes of the Tax Act, or (ii) have a “significant interest”, as defined in the Tax Act, in the particular Fund. Generally, you will not have a significant interest in a Fund unless you own interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which you do not deal at arm’s length. In addition, your units will not be a “prohibited investment” if such units are “excluded property” as defined in the Tax Act for a Prescribed Plan.

You should consult with your own tax advisors to determine whether units of a particular Fund would be a “prohibited investment” for your Prescribed Plan, based on your particular circumstances.

Units Not Held in a Registered Plan

If a Unitholder of a particular Fund holds units of the Fund outside a Registered Plan, the Unitholder will generally be required to include in computing income for a taxation year such part of the net income of the Fund, including the taxable portion of capital gains, if any, paid or payable to the Unitholder in the taxation year. This is the case even though such distributions may be automatically reinvested in additional units and there may therefore be insufficient cash received by a Unitholder to pay the tax payable in respect of such distributions of income.

Generally, any distributions in excess of the net income and net capital gains of a Fund in a year will not be taxable in the hands of a Unitholder of such Fund but will reduce the adjusted cost base of the units. To the extent that a Unitholder’s adjusted cost base of his/her units would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the Unitholder’s adjusted cost base will be nil immediately thereafter. The non-taxable portion of capital gains distributed to a Unitholder will not be taxable in the hands of the Unitholder and will not, provided the appropriate designations are made by a Fund, reduce the adjusted cost base of the units.

The higher the portfolio turnover rate of a Fund in a year, the greater the chance that an amount will be declared payable or paid in respect of your units of the Fund prior to the end of the year. However, there is not necessarily a relationship between a high turnover rate of a Fund’s portfolio and the performance of the Fund.

Provided that appropriate designations are made by a particular Fund, such portion of (a) the net realized taxable capital gains of the Fund, and (b) the taxable dividends received by the Fund on shares of taxable Canadian corporations as are paid or become payable to a Unitholder will effectively retain their character and be treated as such in the hands of the Unitholder. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules in the Tax Act will apply. A Fund may make designations in respect of income from foreign sources, if any, so that Unitholders may be able to claim a foreign tax credit in accordance with the

provisions of, and subject to the general limitations under, the Tax Act for a portion of foreign tax, if any, paid by the Fund.

The NAV per unit of a particular Fund at the time that a Unitholder acquires units may reflect income and gains of the Fund that have accrued up to the time units are acquired. Accordingly, a Unitholder who acquires units of a Fund, particularly late in a calendar year, may become taxable on the Unitholder's share of income and gains of the Fund that accrued before the units were acquired by the Unitholder.

Management fee distributions, if any, that are received by a Unitholder, to the extent that they are paid from the net income (including the taxable portion of capital gains) of the Fund, will generally be required to be included in the Unitholder's income for the taxation year in which such distributions are received. To the extent that a management fee distribution represents a return of capital, the adjusted cost base of the Units held by the recipient Unitholder will be reduced by the amount of the management fee distribution.

We will provide each Unitholder with prescribed information in the form required by the Tax Act to assist with the preparation of tax returns.

Upon the redemption (or other disposition) of a unit of a particular Series of units of a Fund, including on a redemption of units to pay any applicable switch or reclassification fees, a Unitholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are exceeded by) the Unitholder's adjusted cost base of the Unit and any reasonable costs of disposition. For the purpose of determining the adjusted cost base of units to a Unitholder, when units are acquired, including on the reinvestment of distributions, the cost of the newly acquired units will generally be averaged with the adjusted cost base of all such units of a particular Series of units of a Fund owned by the Unitholder as capital property immediately before that time.

One-half of any capital gain realized on the disposition of units will be included in the Unitholder's income and one-half of any capital loss realized must be deducted from taxable capital gains realized in a particular year. A Unitholder may deduct one-half of any unused capital losses arising in a particular taxation year against the taxable portion of any net capital gains arising in the three immediately preceding taxation years or in subsequent taxation years, subject to the rules in the Tax Act.

In general terms, net income of a Fund paid or payable to a Unitholder that is designated as net realized taxable capital gains, taxable dividends from a taxable Canadian corporation or taxable capital gains realized on the disposition of units may increase the Unitholder's potential liability for alternative minimum tax.

Based on current CRA administrative practice, a reclassification of a Series of units of a Fund as another Series of units of the same Fund denominated in the same currency should not generally be considered to give rise to a taxable disposition for the purposes of the Tax Act.

By contrast, an exchange or switch of units of one Fund for units of another Fund will constitute a taxable disposition for purposes of the Tax Act for proceeds of disposition equal to the fair market value of the units being exchanged at the time of the switch.

Management fees paid directly to the Manager by holders of Series I units will generally not be deductible by those Unitholders.

Calculating the Adjusted Cost Base of a Unit of a Fund

You must separately compute the adjusted cost base in respect of each Series of units of a Fund that you own. The adjusted cost base in respect of any Series of units of a Fund that you own must be calculated in Canadian dollars.

The total adjusted cost base of your units of a particular Series of units of a Fund (the “**Subject Series**”) is generally equal to:

- the total of all amounts you paid to purchase those units, including any sales charges paid by you at the time of purchase;

plus

- the adjusted cost base of any units of another Series of units of the Fund that you hold that were reclassified as units of the Subject Series;

plus

- the fair market value of units of the Subject Series that were acquired on an exchange or switch of units of another Fund (as at the time of the “switch”);

plus

- the amount of any reinvested distributions in respect of units of the Subject Series;

less

- the return of capital component of distributions paid to you in respect of your units of the Subject Series; and

less

- the adjusted cost base of any of your units of the Subject Series that have been redeemed.

The adjusted cost base of a single unit of a Subject Series is the total adjusted cost base of units of the Subject Series held by you divided by the number of units of the Subject Series that you hold at the relevant time.

Tax Reporting

Generally, you will be required to provide your financial advisor with information related to your citizenship, tax residence and, if applicable, your foreign tax identification number. If you are identified as a U.S. citizen (including a U.S. citizen living in Canada), U.S. resident, or a foreign tax resident, details of your investment in the Fund will generally be reported to the CRA unless units are held inside certain Registered Plans. The CRA may provide the information to the relevant foreign tax authorities under exchange of information treaties or other agreements.

International Tax Reporting

Part XIX of the Tax Act implements the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development. Pursuant to Part XIX of the Tax Act, “Canadian financial institutions” that are not “non-reporting financial institutions” (as both terms are defined in Part XIX of the Tax Act) are required to have procedures in place to identify accounts held by tax residents of foreign countries (other than the U.S.) or by certain entities the “controlling persons” of which are tax resident in a foreign country (other than the U.S.) and to report required information to the CRA. Such information will be exchanged on a reciprocal, bilateral basis with the tax authorities of the foreign countries in which the account holders or such controlling persons are resident for tax purposes, pursuant to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Pursuant to Part XIX of the Tax Act, Unitholders are required to provide certain information regarding their investment in a Fund for the purpose of such information exchange, unless the investment is held within certain Registered Plans.

U.S. Foreign Account Tax Compliance Act (FATCA)

In March 2010, the U.S. enacted FATCA, which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an Intergovernmental Agreement (the “**IGA**”), which establishes a framework for cooperation and information sharing between the two countries and may provide relief from a 30% U.S. withholding tax under U.S. tax law (the “**FATCA Tax**”) for Canadian entities, such as a Fund, provided that (i) the Fund complies with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act, and (ii) the government of Canada complies with the terms of the IGA. Each Fund will endeavour to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, holders of units of a Fund are required to provide identity, residency and other information to the Fund (and may be subject to penalties for failing to do so). In the case of “Specified U.S. Persons”, or certain non-U.S. entities controlled by “Specified U.S. Persons”, such information will be provided, along with certain financial information (for example, account balances), by the Fund to the CRA and from the CRA to the U.S. Internal Revenue Service. A Fund may be required to treat holders of units of the Fund that fail to provide required information to the Fund as having a “U.S. Reportable Account” for FATCA purposes. A Fund is required to provide certain

account-related information to the CRA in respect of all U.S. Reportable Accounts. A Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA. Any such FATCA Tax in respect of a Fund would reduce the Fund's distributable cash flow and net asset value.

Eligibility for Investment

Provided that a Fund qualifies as a "mutual fund trust" for purposes of the Tax Act, units of that Fund will be "qualified investments" under the Tax Act for Registered Plans.

REMUNERATION OF DIRECTORS, OFFICERS, IRC AND TRUSTEE

No remuneration, fees or reimbursement of expenses is paid by the Funds to the directors or officers of the Manager.

The fees and other reasonable expenses of members of the IRC, as well as premiums for insurance coverage for such members, will be paid by the Funds and four other applicable investment funds managed by the Manager and one other applicable investment fund managed by Connor, Clark & Lunn Private Capital Ltd., an affiliate of the Manager. Each fund pays its pro rata share. As of the date of this Annual Information Form, each member of the IRC is entitled to receive an annual fee of \$11,500 while the Chair receives an annual fee of \$16,500. These fees include an annual meeting. The IRC members and Chair receive \$1,500 per additional meeting of the IRC that they attend during a calendar year. Each member of the IRC will also be reimbursed for expenses in connection with performing his or her duties in this regard. The aggregate compensation paid by the Funds to the IRC for the year ended December 31, 2021 was \$44,000 (including applicable taxes).

The Trustee is remunerated at market rates for providing its services to the Funds and is reimbursed for expenses as they are incurred while discharging its functions as trustee.

MATERIAL CONTRACTS

The material contracts that have been entered into by one or more of the Funds are as follows:

Trust Agreement

Each Fund is governed by the CFI Master Trust Agreement and the applicable supplement thereto between CFI, as manager of the Fund and RBC IS, as trustee of the Fund. For a description of the CFI Master Trust Agreement and supplement applicable to each Fund, see *Name, Formation And History Of The Funds*, beginning on page 2. As manager of the Funds, we may terminate a Fund and its supplement to the CFI Master Trust Agreement at any time by giving written notice to each Unitholder of its intention to terminate in accordance with applicable securities legislation.

Custodian Agreement

The Master Custody Agreement between the Manager and RBC IS, as custodian, provides for the custody of the assets of each of the Funds. For more information on the custodian and custodial arrangements for the Funds, please see *Responsibility For Fund Operations - Custodian* on page 18 above.

PCJ Investment Adviser Agreement

The PCJ Investment Adviser Agreement between the Manager and PCJ, as portfolio manager, relates to the investment management and advisory services provided by PCJ to the PCJ Absolute Return II Fund. For more information on the PCJ Investment Adviser Agreement, please see *Responsibility for Fund Operations – Portfolio Managers* on page 14 above.

Copies of the agreements described above may be inspected during regular business hours on any Business Day at the office of the Funds and are also available on www.sedar.com.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

As of the date of this Annual Information Form, we are not aware of any legal or administrative proceedings to which the Funds or the Manager are a party or to which any of its property is subject and no such proceedings are known to be contemplated.

SEVERAL DISCLOSURE

The Funds offered by this Annual Information Form are governed by the CFI Master Trust Agreement. Because many of the attributes of the Funds and their respective units are the same, a single Annual Information Form is being used to describe the units of the three Funds. Each Fund is responsible for the disclosure herein relating to it, and no Fund assumes any responsibility or liability for any misrepresentation relating to another Fund.

**CERTIFICATE OF THE FUNDS
AND OF
CONNOR, CLARK & LUNN FUNDS INC. AS MANAGER AND PROMOTER OF THE
FUNDS**

CC&L Alternative Global Equity Fund

CC&L Alternative Canadian Equity Fund

CC&L Alternative Income Fund

PCJ Absolute Return II Fund

(collectively, the “Funds”)

March 15, 2022

This Annual Information Form, together with the Simplified Prospectus and the documents incorporated by reference into the Simplified Prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

“Tim Elliott”

Tim Elliott
Chief Executive Officer
Connor, Clark & Lunn Funds Inc.,
as Manager of the Funds
and on behalf of the Funds

“Michael Freund”

Michael Freund
Chief Financial Officer
Connor, Clark & Lunn Funds Inc.,
as Manager of the Funds
and on behalf of the Funds

On behalf of the Board of Directors of Connor, Clark & Lunn Funds Inc., as Manager and Promoter of the Funds and on behalf of the Funds:

“Warren Stoddart”

Warren Stoddart
Director

Annual Information Form

CC&L Alternative Global Equity Fund

CC&L Alternative Canadian Equity Fund

CC&L Alternative Income Fund

PCJ Absolute Return II Fund

Additional information about each Fund is available in the Simplified Prospectus, most recently filed fund facts, most recently filed annual financial statements and any interim financial report filed thereafter, most recently filed annual management report of fund performance and any interim management report of fund performance filed thereafter. You can get a copy of these documents, at your request, and at no cost, by calling toll-free at 1-888-824-3120, or from your dealer. These documents are also available on the Funds' website at www.cclfundsinc.com or by contacting us by email at info@cclfundsinc.com. These documents and other information about the Funds are also available on the internet at www.sedar.com. Unless otherwise indicated herein, information about the Funds which may otherwise be obtained on our website is not, and shall not be deemed to be, incorporated in this Annual Information Form.

Manager of the Funds:

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P.O. Box 240
Toronto, Ontario M5X 1C8

Tel: 1-888-824-3120

Email: info@cclfundsinc.com