

Non-Investment related changes to CC&L Market Neutral fund

Effective January 1, 2013 we will be making the following administrative changes to our CC&L Small Cap Market Neutral fund:

1. Name Change to CC&L Market Neutral fund; removing the "Small Cap" reference
2. Lowering the minimum investment for Accredited Investors to \$25,000 from \$50,000; and lowering minimum for subsequent investments to \$10,000 from \$25,000
3. Changing the Fund Manager (product owner) from CC&L Investment Management Ltd. to CC&L Funds Inc.
Note: there is no change to the Investment Manager (sub-advisor) for the fund, which remains CC&L Investment Management Ltd.

It is important to note that there are NO changes to the fund from an investment or fee perspective. The only impact to clients will be the shortened fund name on their statements.

Why are we making these changes?

1. Name change: We received feedback that the "Small Cap" reference caused some investors to associate our fund with the higher risk associated with investing in long-only small caps; which is not the case for our market neutral fund, which aims to eliminate market risk (beta) altogether. We are shortening the name to prevent such misconceptions.

The funds' investable universe has always been the entire investable Canadian equity universe, excluding the TSX 60. We view this as an ideal landscape for a market neutral strategy as there are better opportunities for alpha generation in less well covered Mid and Small Cap stocks.

2. Lowering the Minimum: We lowered the initial and subsequent minimum to align our fund with industry practices. Our average account size continues to be well above either the old or new minimum.
3. Fund/Product Manager Change: We transferred 'product ownership' from one CC&L Financial Group entity to another to enable us to be quicker and more responsive to client demand in making product changes such as the Name Change and Lowering of the Minimum.

Thank you for your continued support of our fund, please let me know if you have any questions?

Regards, Tim



Tim Elliott, CFA
 President, CC&L Funds Inc.
 416-643-7637
 telliott@cclgroup.com