

CONNOR, CLARK & LUNN FINANCIAL GROUP ANNOUNCES FORMATION OF PRIVATE EQUITY REAL ESTATE INVESTMENT BUSINESS

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New business provides investors direct exposure to commercial real estate

Connor, Clark & Lunn Financial Group (CC&L Financial Group) announced today the formation of Crestpoint Real Estate Investments Ltd. (Crestpoint), a business dedicated to providing institutional and high net worth investors with direct access to Canadian commercial real estate assets.

“For several years now, industry consultants have highlighted the trend towards increasing demand for alternative investments like private equity, infrastructure and real estate,” said Mike Freund, co-CEO of CC&L Financial Group. “The addition of Crestpoint demonstrates our ongoing commitment to provide clients with unique and compelling investment solutions. We’re excited to have Kevin Leon, a seasoned industry veteran, heading up this affiliate.”



“The scale and high-quality operational expertise provided by CC&L Financial Group made them a natural partner for our business,” said Kevin Leon, Crestpoint’s President and Chief Investment Officer.

Direct access to commercial real estate

Crestpoint provides institutional and high net worth investors with direct access to commercial real estate assets, on either a pooled or segregated account basis.

According to REALpac, Canada’s national industry association for owners and managers of investment real estate, returns on real property have significantly outperformed the broad equity and bond markets over the past 10 years.

“Investors can benefit from direct exposure to this asset class by virtue of its ability to generate stable cash flow, attractive long-term gains, and reduce risk when used as part of a diversified portfolio,” stated Leon.

“But most institutional and high net worth investors don’t have the ability to create a diversified portfolio of commercial real estate assets on their own. We facilitate this for them with a goal of cash-flow growth over the long term. This distinguishes us from REITs, which typically focus on short-term cash flow.”

“Our approach is to acquire high-quality, well-located office, retail and industrial properties with sustainable income and the potential for long-term capital appreciation,” Leon continued. “By acquiring established properties below their replacement cost and enhancing value through strategic property management, we aim to generate annual returns in the range of 8-10%, more than half of which will come from income.”

Crestpoint completes first property acquisition

Crestpoint has announced the purchase of its property, the Deerfoot Distribution Centre, a Class A industrial distribution facility located just minutes from the Calgary International Airport. The 118,400 square foot multi-tenant facility is leased to high-quality tenants including Xerox Canada and Gould Paper. The value of the transaction was approximately \$12.7 million.

Leon stated, "The Deerfoot property is representative of the type and quality asset of asset that we will seek across the country as we build our real estate portfolio. We are excited about the high level of momentum we're seeing in terms of deal flow and interest from investors. We expect to complete our second property acquisition very soon."

About Connor, Clark & Lunn Financial Group

Connor, Clark & Lunn Financial Group is a multi-boutique asset management company that provides a broad range of investment management products and services to institutional, high net worth and retail clients. With offices in Vancouver, Edmonton, Calgary, Regina, Toronto, Ottawa and Montreal, CC&L Financial Group and its affiliate companies are collectively responsible for the management of over \$39 billion in assets.

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For more information, please visit www.cclgroup.com, www.crestpoint.ca or contact:

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