

Connor, Clark & Lunn Investment Management Ltd.

MANDATE: PINNACLE STRATEGIC BALANCED FUND (THE "FUND")

INVESTMENT OBJECTIVE OF THE FUND

To achieve long-term returns through a combination of capital growth and income by investing primarily in large capitalization stocks of Canadian corporations and Canadian government bonds.

BACKGROUND OF CONNOR, CLARK & LUNN INVESTMENT MANAGEMENT LTD.

Connor, Clark & Lunn Investment Management Ltd. (CC&L) began operations in March, 1982, providing management of financial assets for pension fund sponsors, capital accumulation plans, mutual funds, corporations, not-for-profit organizations and individual investors.

INVESTMENT PHILOSOPHY AND PROCESS OF CONNOR, CLARK & LUNN INVESTMENT MANAGEMENT LTD.

- The manager takes a high turnover, total return approach where bonds and stocks are evaluated in absolute terms and relative to cash, as a hurdle rate.
- Large cap Canadian equity management emphasizes growth (quantitative portfolio). Small cap Canadian equity management emphasizes growth (revenue and earnings) at a reasonable price (price/cash flow and price/earnings). Global equity management has a growth bias.
- Fixed income management seeks to add value from four sources (duration, curve, sector, security selection). There is also exposure to a diversified selection of high yielding investments using combined credit and fundamental analysis.

BIOGRAPHIES OF KEY PERSONNEL

Martin Gerber, Portfolio Manager – North American Equities. He is the leader of the quantitative equity team and is also a member of the risk management team and is responsible for derivatives management strategies. Martin is a Director & Partner and joined the firm in 1991.

Brian Eby, Portfolio Manager – Fixed Income. He is co-leader of the fixed income team, responsible for strategy and research. Brian is a Director & Partner and joined the firm in 1998.

Gary Baker, Portfolio Manager/Analyst – North American Equities. He is the leader of the fundamental Canadian equity team, responsible for overall portfolio strategy and fundamental research in the technology, consumer discretionary and non-bank financial sectors. Gary is a Director & Partner and joined the firm in 2003.

SUMMARY*

Location: Vancouver and Toronto
 Founded: 1982
 Ownership: 100% Employee owned
 Staff: 95
 Managers/
 Analysts: 39

Assets:
 Institutional: \$12,034 million
 Retail: \$5,412 million
 TOTAL: \$17,446 million

Portfolio Characteristics:
 Equities – Canadian: 40%
 Equities – Foreign: 10%
 Fixed Income: 50%
 Cash: Maximum 10%
 Securities: Max 500 stocks

Turnover:
 Trailing 12 month average 200%

STYLE

	Value	Blend	Growth
Large			●
Medium		●	
Small		●	

*Information provided as of December 2008.

The Pinnacle Program™ The Pinnacle Program™ is an asset allocation service that consists of the Pinnacle Program Funds. Commissions, trailing commissions, management fees and expenses may be associated with mutual fund investments and the use of an asset allocation service. Please read the Pinnacle Program Funds prospectus before investing. Mutual funds are not guaranteed or insured, their values change frequently and past performance may not be repeated.



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