



Imperial Equity High Income Pool

Annual Management Report of Fund Performance

for the financial year ended December 31, 2015

All figures are reported in Canadian dollars unless otherwise noted.

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. If you have not received a copy of the annual financial statements with this annual management report of fund performance, you can get a copy of the annual financial statements at your request, and at no cost, by calling us toll-free at 1-888-357-8777, by writing to us at CIBC, 18 York Street, Suite 1300, Toronto, Ontario, M5J 2T8, or by visiting www.cibc.com/mutualfunds or the SEDAR website at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

Investment Objective: Imperial Equity High Income Pool (the *Pool*) seeks to generate a high level of current cash flow by investing primarily in income producing securities including Canadian income trusts, preferred shares, common shares, and fixed income securities.

Investment Strategies: The Pool invests primarily in securities that can provide a consistent long-term income stream and capital preservation while considering tax effectiveness.

Risk

The Pool is a Canadian dividend and income equity fund that is suitable for medium- to long-term investors who can tolerate medium investment risk.

For the period ended December 31, 2015, the Pool's overall level of risk remains as discussed in the simplified prospectus.

Results of Operations

The portfolio advisor of the Pool is CIBC Asset Management Inc. (*CAMI* or the *Portfolio Advisor*). The commentary that follows provides a summary of the results of operations for the period ended December 31, 2015. All dollar figures are expressed in thousands, unless otherwise indicated.

The Pool's net asset value decreased by 5% during the period, from \$851,940 as at December 31, 2014 to \$811,068 as at December 31, 2015. Net sales of \$40,943 in the period, which included purchases of \$24,660 due to rebalancing of a portfolio product that holds units of the Pool, were offset by negative investment performance, resulting in an overall decrease in net asset value.

Class A units of the Pool posted a return of -8.6% for the period. The Pool's primary benchmark, the S&P/TSX Composite Dividend Index (the *benchmark*), returned -7.7% for the same period. The Pool's return is after the deduction of fees and expenses, unlike the benchmark.

Steady U.S. economic growth during the period was offset by weak growth in Europe and a disappointing growth rate in China. Canada's

economy contracted in the first half of 2015, leading the Bank of Canada to cut interest rates twice. The U.S. dollar strengthened against a number of currencies on the expectation that the U.S. Federal Reserve Board would increase its federal funds rate in 2015.

The stronger U.S. dollar, combined with weaker industrial demand from China, caused commodity prices to fall. Moreover, after two separate meetings in 2015, the Organization of the Petroleum Exporting Countries (*OPEC*) did not cut its oil production quotas, and non-OPEC oil production did not decrease. As a result, oil prices declined further, with the West Texas Intermediate price down approximately 39%. In this economic environment, Canadian corporate earnings growth was weak.

The Pool's large overweight allocation to the weakened energy sector, particularly to infrastructure companies, detracted from its performance. A large underweight exposure to the consumer staples sector and slight underweight exposure to the financials sector also detracted from the Pool's performance as both of these sectors outperformed. Individual detractors from the Pool's performance included holdings in Inter Pipeline Ltd. (*Inter Pipeline*), Pembina Pipeline Corp. (*Pembina Pipeline*) and ARC Resources Ltd. (*ARC Resources*).

Inter Pipeline's share price declined as a result of low energy prices and concerns about weak volume growth over the long term from Canadian oil sands producers. Despite this, with over 90% of its earnings generated from fee-for-service or from cost-of-service contracts, the Portfolio Advisor expects steady free cash flow and dividend growth for Inter Pipeline over the short term. Pembina Pipeline's share price declined on low energy prices, a relatively high valuation and concerns about the company's ability to fund future growth. The Portfolio Advisor expects the company can grow its dividend in the high-single-digit range in 2017 as it delivers on \$2 billion in expansion projects. ARC Resources struggled in the low oil price environment, and reduced its 2015-2016 capital expenditure program. The company maintains a below-industry-average debt position and has a modest production growth outlook.

The Pool's slight underweight exposure to the utilities sector, slight overweight exposure to the telecommunication services sector and large overweight exposure to the information technology sector contributed to its performance, as did its large underweight allocation to the materials sector and slight overweight allocation to the industrials sector. The most significant individual contributors to the Pool's performance included Emera Inc. (*Emera*), Canadian Apartment Properties REIT (*Canadian Apartment*) and The North West Co. Inc. (*North West*).

The outlook for Emera was for stable but modest earnings growth, with the expectation of near-term dividend growth in the mid-single digits. During 2015, Emera bid for TECO Energy Inc., a U.S.-based utility, which is expected to be a further boost to earnings. Canadian Apartment benefited from steady but low cash flow growth and geographically diversified operations, and the company completed strategic acquisitions in 2015. North West had low earnings growth, but modest margin improvements. The company's retail locations are in geographical regions where there are relatively fewer direct competitive pressures from major retailers (Northern Canada, Alaska, the Caribbean and the South Pacific).

The Portfolio Advisor increased the Pool's allocation to real estate securities, although the Pool maintained an underweight allocation, by increasing its existing holdings in Granite Real Estate Investment Trust (*Granite*), Boardwalk Real Estate Investment Trust (*Boardwalk*) and Canadian Real Estate Investment Trust (*Canadian REIT*). Granite was trading at an attractive valuation, in the Portfolio Advisor's view, with a high dividend yield, low payout ratio and stronger-than-average balance sheet. The holding in Boardwalk was increased on share price weakness, as the company's share price fell on concerns about slower revenue growth in its Alberta operations. Canadian REIT is a diversified REIT with exposure to industrial, retail and office segments, a below-average debt level and below-average payout ratio.

Holdings eliminated from the Pool over the period included Teck Resources Ltd. (*Teck Resources*), Goldcorp Inc. (*Goldcorp*), Baytex Energy Corp. (*Baytex*) and Bonavista Energy Corp. (*Bonavista*). Teck Resources was sold on concerns that lower metallurgical coal and copper prices could negatively affect financial results. Goldcorp was sold on disappointing operational results and lower-than-expected production and cash flow growth. Both Baytex and Bonavista were sold as lower energy prices are expected to negatively affect the companies' cash flow growth, increase debt levels and put their dividends at risk.

The Portfolio Advisor trimmed the Pool's holdings in Canadian Natural Resources Ltd. and Suncor Energy Inc. (*Suncor*) for risk control purposes as energy prices fell. However, Suncor remains a core Pool holding.

Recent Developments

During the period, there were no events or activities that had a material impact on the Pool.

Related Party Transactions

Canadian Imperial Bank of Commerce (CIBC) and its affiliates have the following roles and responsibilities with respect to the Pool, and

receive the fees described below in connection with their roles and responsibilities.

Manager

CIBC is the Manager of the Pool. CIBC receives management fees with respect to the day-to-day business and operations of the Pool. The Pool pays the Manager a maximum annual management fee rate of 0.25% of the net asset value of the Pool, as described in the section entitled *Management Fees*.

Trustee

CIBC Trust Corporation (*CIBC Trust*), a wholly-owned subsidiary of CIBC, is the trustee (the *Trustee*) of the Pool. The Trustee holds title to the property (cash and securities) of the Pool on behalf of its unitholders.

Portfolio Advisor

The portfolio advisor provides, or arranges to provide, investment advice and portfolio management services to the Pool. CAMI, a wholly-owned subsidiary of CIBC, is the portfolio advisor of the Pool.

Discretionary Managers

As at the date of this report, units of the Pool are offered through discretionary investment management services provided by certain subsidiaries of CIBC (collectively, the *Discretionary Managers*). The Discretionary Managers may include CIBC Trust and CAMI. The Discretionary Managers arrange to purchase, switch, and redeem units of the Pool on behalf of their clients who have entered into discretionary investment management agreements with one of the Discretionary Managers. The Discretionary Managers are the registered unitholders of the Pools for the purposes of receiving all unitholder materials and having the right to vote all proxies with respect to units of the Pool. Units of the Pool are also offered to investors in connection with certain products offered by affiliated dealers pursuant to the terms of the account agreements governing such products. There are no compensation arrangements with these dealers in respect of the sale of units of the Pool. However, CIBC Trust receives fees from its clients for offering discretionary management services and, from these fees, CIBC Trust may pay affiliated dealers and other CIBC members for services provided in connection with the client's discretionary investment managed account, which may hold units of the Pool.

CIBC receives fees from CIBC Trust for the services of CIBC advisors that assist investors with opening discretionary investment management accounts where CIBC Trust acts as the Discretionary Manager and for acting as the investors' ongoing relationship manager. CIBC is responsible for the remuneration of the CIBC advisors and may pay the CIBC advisors out of such fees. Further details of the arrangement between CIBC and CIBC Trust may be found in the discretionary investment management agreement between CIBC Trust and investors. CAMI receives fees from their clients for offering discretionary investment managed accounts, which may hold units of the Pool, and may pay a portion of such fees to their investment counsellors.

Brokerage Arrangements and Soft Dollars

The Portfolio Advisor makes decisions, including the selection of markets and dealers and the negotiation of commissions, with respect to the purchase and sale of portfolio securities, certain derivative products (including futures), and the execution of portfolio transactions. Brokerage business may be allocated by the Portfolio Advisor to CIBC World Markets Inc. (CIBC WM) and CIBC World Markets Corp., each a subsidiary of CIBC. CIBC WM and CIBC World Markets Corp. may also earn spreads on the sale of fixed income and other securities and certain derivative products (including forwards) to the Pool. A spread is the difference between the bid and ask prices for a security in the applicable marketplace, with respect to the execution of portfolio transactions. The spread will differ based upon various factors such as the type and liquidity of the security.

Dealers, including CIBC WM and CIBC World Markets Corp., may furnish goods and services other than order execution to the Portfolio Advisor in partial exchange for processing trades through them (referred to in the industry as “soft dollar” arrangements). These goods and services are paid for with a portion of the brokerage commissions and assist the Portfolio Advisor with investment decision-making services for the Pool or relate directly to the execution of portfolio transactions on behalf of the Pool.

In addition, CIBC may enter into commission recapture arrangements with certain dealers with respect to the Pool. Any commission recaptured will be paid to the Pool.

During the period, the Pool paid brokerage commissions and other fees of \$989 to CIBC WM; the Pool did not pay any brokerage commissions or other fees to CIBC World Markets Corp. Spreads associated with fixed income and other securities are not ascertainable and, for that reason, cannot be included when determining these amounts.

Pool Transactions

The Pool may enter into one or more of the following transactions (the *Related Party Transactions*) in reliance on the standing instructions issued by the Independent Review Committee (IRC):

- invest in or hold equity securities of CIBC or issuers related to a portfolio sub-advisor;
- invest in or hold non-exchange-traded debt securities of CIBC or an issuer related to CIBC in a primary offering and in the secondary market;
- invest in or hold debt securities of CIBC or issuers related to a portfolio sub-advisor purchased in the secondary market;
- make an investment in the securities of an issuer for which CIBC WM, CIBC World Markets Corp., or any affiliate of CIBC (a *Related Dealer*) acts as an underwriter during the offering of the securities at any time during the 60-day period following the completion of the offering of such securities (in the case of a “private placement” offering, in accordance with the exemptive relief granted by

the Canadian securities regulatory authorities and in accordance with the policies and procedures relating to such investment);

- purchase equity or debt securities from or sell them to a Related Dealer, where it is acting as principal;
- undertake currency and currency derivative transactions where a Related Dealer is the counterparty; and
- purchase securities from or sell securities to another investment fund or a managed account managed by the Manager or an affiliate of the Manager.

At least annually, the IRC reviews the Related Party Transactions for which they have issued standing instructions. The IRC is required to advise the Canadian securities regulatory authorities if it determines that an investment decision was not made in accordance with conditions of its approval.

Custodian

CIBC Mellon Trust Company is the custodian of the Pool (the *Custodian*). The Custodian holds all cash and securities for the Pool and ensures that those assets are kept separate from any other cash or securities that the Custodian might be holding. The Custodian also provides other services to the Pool including record-keeping and processing of foreign exchange transactions. The Custodian may hire sub-custodians for the Pool. The fees and spreads for services of the Custodian directly related to the execution of portfolio transactions by the Pool are paid by CAMI and/or dealer(s) directed by CAMI, up to the amount of the credits generated under soft dollar arrangements from trading on behalf of the Pool during that month. All other fees and spreads for the services of the Custodian are paid by the Manager and charged to the Pool on a recoverable basis. CIBC owns a 50% interest in the Custodian.

Service Provider

CIBC Mellon Global Securities Services Company (CIBC GSS) provides certain services to the Pool, including securities lending, fund accounting and reporting, and portfolio valuation. Such servicing fees are paid by the Manager and charged to the Pool on a recoverable basis. CIBC indirectly owns a 50% interest in CIBC GSS.

Imperial Equity High Income Pool

Financial Highlights

The following tables show selected key financial information about the Pool and are intended to help you understand the Pool's financial performance for the period ended December 31.

The Pool's Net Assets per Unit¹ - Class A Units

	2015	2014	2013	2012	2011
Net Assets, beginning of period	\$ 14.66	\$ 14.40	\$ 13.68	\$ 13.16	\$ 13.24
Increase (decrease) from operations:					
Total revenue	\$ 0.52	\$ 0.55	\$ 0.49	\$ 0.45	\$ 0.50
Total expenses	(0.03)	(0.03)	(0.03)	(0.03)	(0.02)
Realized gains (losses) for the period	(0.65)	0.15	0.36	(0.04)	0.32
Unrealized gains (losses) for the period	(1.08)	0.51	0.90	1.07	0.11
Total increase (decrease) from operations²	\$ (1.24)	\$ 1.18	\$ 1.72	\$ 1.45	\$ 0.91
Distributions:					
From income (excluding dividends)	\$ 0.09	\$ 0.09	\$ 0.05	\$ 0.03	\$ 0.09
From dividends	0.40	0.44	0.40	0.37	0.37
From capital gains	—	—	—	—	—
Return of capital	0.47	0.43	0.51	0.56	0.50
Total Distributions³	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96
Net Assets, end of period	\$ 12.51	\$ 14.66	\$ 14.40	\$ 13.66	\$ 13.16

¹ This information is derived from the Pool's audited annual financial statements. The Pool adopted International Financial Reporting Standards (*IFRS*) on January 1, 2014. Previously, the Pool prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles (*GAAP*) as defined in Part V of the CPA Canada Handbook. Under Canadian GAAP, the Pool measured fair values of its investments in accordance with CICA Handbook Section 3855 which required the use of bid prices for long positions and ask prices for short positions. As such, the net assets per unit figure presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements issued prior to January 1, 2014. Upon adoption of IFRS, the Pool measures the fair value of its investments by using the close market prices, where the close market price falls within the bid-ask spread. As such, the Pool's accounting policies for measuring the fair value of investments in the financial statements are consistent with those used in measuring the net asset value for transactions with unitholders. Accordingly, the opening net asset figure as at January 1, 2013 was restated to reflect accounting policy adjustments made in accordance with IFRS. All figures presented for periods prior to January 1, 2013 were prepared in accordance with Canadian GAAP and subsequent thereto were prepared in accordance with IFRS.

² Net assets and distributions are based on the actual number of units outstanding at the relevant time. The total increase (decrease) from operations is based on the weighted average number of units outstanding during the period.

³ Distributions were paid in cash, reinvested in additional units of the Pool, or both.

Ratios and Supplemental Data - Class A Units

	2015	2014	2013	2012	2011
Total Net Asset Value (000s)⁴	\$ 811,068	\$ 851,940	\$ 755,727	\$ 639,511	\$ 504,292
Number of Units Outstanding⁴	64,853,921	58,107,863	52,492,140	46,747,972	38,276,110
Management Expense Ratio⁵	0.17%	0.17%	0.19%	0.19%	0.18%
Management Expense Ratio before waivers or absorptions⁵	0.33%	0.41%	0.44%	0.43%	0.46%
Trading Expense Ratio⁷	0.01%	0.02%	0.02%	0.02%	0.05%
Portfolio Turnover Rate⁸	3.32%	7.95%	13.84%	8.05%	24.91%
Net Asset Value per Unit	\$ 12.51	\$ 14.66	\$ 14.40	\$ 13.66	\$ 13.16

⁴ This information is presented as at December 31 of the period(s) shown.

⁵ Management expense ratio is based on the total expenses of the pool (excluding commissions and other portfolio transaction costs), incurred by or allocated to a class of units for the period shown, expressed as an annualized percentage of the daily average net asset value of that class during the period.

⁶ The decision to waive and/or absorb management fees and operating expenses is at the discretion of the Manager. The practice of waiving and/or absorbing management fees and operating expenses may continue indefinitely or may be terminated at any time without notice to unitholders.

⁷ The trading expense ratio represents total commissions and other portfolio transaction costs before income taxes expressed as an annualized percentage of the daily average net asset value during the period. Spreads associated with fixed income securities trading are not ascertainable and, for that reason, are not included in the trading expense ratio calculation.

⁸ The portfolio turnover rate indicates how actively the portfolio advisor and/or portfolio sub-advisor manages the portfolio investments. A portfolio turnover rate of 100% is equivalent to a fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a portfolio turnover rate in a period, the greater the trading costs payable by a fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Management Fees

The Pool, either directly or indirectly, pays an annual management fee to CIBC to cover the costs of managing the Pool. Management fees are based on the net asset value of the Pool and are calculated daily and paid monthly. Management fees are paid to CIBC in consideration for providing, or arranging for the provision of, management, distribution, and portfolio advisory services. Advertising and promotional expenses, office overhead expenses, trailing commissions, and the fees of the portfolio sub-advisor(s) are paid by CIBC out of the management fees received from the Pool. The Pool is required to pay applicable taxes on the management fees paid to CIBC. Refer to the Simplified Prospectus for the maximum annual management fee rate.

For the period ended December 31, 2015, 100% of the management fees collected from the Pool was attributable to general administration, investment advice, and profit.

Past Performance

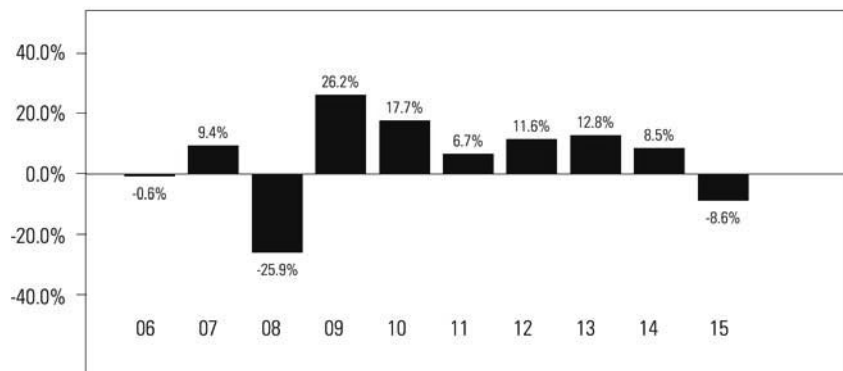
The performance data provided assumes reinvestment of distributions only and does not take into account sales, redemption, distribution, or other optional charges payable by any unitholder that would have reduced returns. Past performance does not necessarily indicate how a fund will perform in the future.

The Pool's returns are after the deduction of fees and expenses. See the section entitled *Financial Highlights* for the management expense ratio.

Year-by-Year Returns

The bar chart shows the annual performance of the Pool for each of the periods shown, and illustrates how the performance has changed from period to period. The bar chart shows, in percentage terms, how an investment made on January 1 would have increased or decreased by December 31, unless otherwise indicated.

Class A Units



Annual Compound Returns

This table shows the annual compound return of each class of units of the Pool for each indicated period ended on December 31, 2015. The annual compound total return is also compared to the Pool's benchmark(s).

During the period, the Pool's primary and blended benchmarks were changed to better reflect the Pool's strategic asset mix.

The Pool's current primary benchmark is the S&P/TSX Composite Dividend Index.

The Pool's previous primary benchmark is the S&P/TSX Composite Index.

The Pool's current blended benchmark (*Blended Benchmark*) is comprised of the following:

- 70% S&P/TSX Composite Dividend Index
- 30% S&P/TSX Capped REIT Index

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The Pool's previous blended benchmark (*Previous Blended Benchmark*) is comprised of the following:

- 70% S&P/TSX Composite Index
- 30% S&P/TSX Capped REIT Index

	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>	<i>10 Years*</i>	<i>or</i>	<i>Since Inception*</i>	<i>Inception Date</i>
Class A units	-8.6%	3.8%	5.9%	4.8%			November 24, 2003
S&P/TSX Composite Dividend Index	-7.7%	5.1%	3.4%	4.8%			
S&P/TSX Composite Index	-8.3%	4.6%	2.3%	4.4%			
Blended Benchmark	-9.7%	2.5%	3.9%	5.3%			
Previous Blended Benchmark	-7.1%	3.3%	3.9%	5.3%			

* If a class of units has been outstanding for less than 10 years, the annual compound return since inception is shown.

S&P/TSX Capped REIT Index is intended to represent the Canadian real estate sector and includes companies listed on the TSX that are engaged in real estate management and development. Any constituent's relative weight is capped at 25%.

S&P/TSX Composite Dividend Index aims to provide a broad-based benchmark of Canadian dividend-paying stocks. It includes all stocks in the S&P/TSX Composite Index with positive annual dividend yields as of the latest rebalancing of the S&P/TSX Composite Index.

S&P/TSX Composite Index is intended to represent the Canadian equity market and includes the largest companies listed on the TSX.

A discussion of the relative performance of the Pool compared to its primary benchmark(s) can be found in *Results of Operations*.

Imperial Equity High Income Pool

Summary of Investment Portfolio (as at December 31, 2015)

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available by visiting www.cibc.com/mutualfunds. The Top Positions table shows a fund's 25 largest positions. For funds with fewer than 25 positions in total, all positions are shown. Cash and cash equivalents are shown in total as one position.

<i>Portfolio Breakdown</i>	<i>% of Net Asset Value</i>	<i>Top Positions</i>	<i>% of Net Asset Value</i>
Financials	54.7	CREIT	6.4
Energy	20.7	Toronto-Dominion Bank (The)	6.0
Telecommunication Services	6.0	Canadian Apartment Properties REIT	6.0
Consumer Discretionary	4.5	Granite Real Estate Investment Trust, Stapled Units	5.1
Cash & Cash Equivalents	3.7	Royal Bank of Canada	5.0
Materials	3.0	RioCan REIT	4.5
Information Technology	2.8	H&R REIT	4.2
Consumer Staples	2.6	TELUS Corp.	4.0
Utilities	1.3	Keyera Corp.	3.9
Industrials	0.4	Cash & Cash Equivalents	3.7
Corporate Bonds	0.3	Canadian Imperial Bank of Commerce	3.5
		Boardwalk REIT	3.2
		Sun Life Financial Inc.	3.2
		DH Corp.	2.8
		Bank of Montreal	2.7
		North West Co. Inc. (The)	2.6
		Cineplex Inc.	2.5
		Pembina Pipeline Corp.	2.4
		Bank of Nova Scotia	2.3
		Inter Pipeline Ltd.	2.2
		Suncor Energy Inc.	2.2
		Manulife Financial Corp.	2.1
		Magna International Inc., Class 'A'	2.0
		BCE Inc.	1.9
		AltaGas Ltd.	1.9

The management report of fund performance may contain forward-looking statements. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or other similar wording. In addition, any statements that may be made concerning future performance, strategies, or prospects and possible future actions taken by the fund, are also forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results and achievements of the fund to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to: general economic, market, and business conditions; fluctuations in securities prices, interest rates, and foreign currency exchange rates; changes in government regulations; and catastrophic events. We do not undertake, and specifically disclaim, any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments, or otherwise prior to the release of the next management report of fund performance.

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