



Dear Unitholder:

I am writing on behalf of the Independent Review Committee (the "IRC") of the funds managed by Canadian Imperial Bank of Commerce ("CIBC") and CIBC Asset Management Inc. ("CAMI"), which was established pursuant to *National Instrument 81-107—Independent Review Committee for Investment Funds* ("NI 81-107").

Securities regulators have given the IRC a mandate to review mutual fund conflict of interest matters identified and referred to the IRC by CIBC and CAMI and to give its approval or recommendation, depending on the conflict of interest matter. The IRC's focus is on the question of whether the manager's proposed action in a conflict of interest matter achieves a fair and reasonable result for the mutual fund.

The members of the IRC have expertise in a variety of fields, including financial institutions, investment funds, other investment businesses, legal, and accounting.

At least once a year, the IRC reviews and assesses the adequacy and effectiveness of the policies relating to conflict of interest matters in respect of the Funds (hereinafter defined), and conducts a self-assessment of its independence, compensation, and effectiveness. The IRC conducted its eighth annual assessment at its May 2015 meeting. After this review, the IRC confirmed that each of its members was still independent, that its compensation was reasonable and concluded that the committee as a whole, and each of its members, were functioning in a positive and effective manner.

The report that follows, prepared as of December 31, 2015, is the annual report to unitholders of the Funds managed by CIBC (collectively, the "Funds", and individually, a "Fund"), comprising the CIBC Mutual Funds, the CIBC Family of Managed Portfolios, and the Imperial Pools, under the requirements of NI 81-107.

The IRC looks forward to continuing to serve in the best interests of the Funds and to working effectively with management for the Funds.

John W. Crow

Chair of the Independent Review Committee

February 18, 2016



Member of the IRC	Funds or Fund Families other than CIBC and CAMI on whose IRC Member Serves	IRC of CIBC and CAMI Funds	
Name		Reappointed in	Expiry of Term
John W. Crow Chair of the IRC Toronto, Ontario	Aston Hill Funds	2013	2016
Donald W. Hunter, FCPA, FCA Toronto, Ontario	None	2014	2017
Tim Kennish Toronto, Ontario	None	2014	2017
Merle Kriss Toronto, Ontario	None	2015	2018
William Thornhill Mississauga, Ontario	Quadravest Funds	2013	2016

John Crow – Mr. Crow is former Governor of the Bank of Canada, and is currently a director of a number of companies and a Senior Fellow of the C.D. Howe Institute. Prior to joining the Bank of Canada, Mr. Crow was employed with the International Monetary Fund. During his career at the Bank of Canada, he held a variety of senior positions before being appointed Governor for a seven-year term. In 1993, he was elected Chairperson of the central bank governors of the Group of Ten countries, a position he relinquished when his term as Governor ended. Mr. Crow is the author (2002) of *Making Money: An Insider’s Perspective on Finance, Politics, and Canada’s Central Bank* and was appointed Officer of the Order of Canada in July 2009.

Donald W. Hunter – Mr. Hunter is a professional director. From 1982 to June 2005, he was a partner in PricewaterhouseCoopers LLP. He was the audit engagement partner on a number of Canada’s largest financial services companies in the banking, investment, and asset management sectors. Mr. Hunter has been on the Accounting and Auditing Advisory panel of the Financial Services Commission of Ontario, has lectured at the University of Toronto and the CICA, and has participated on numerous community boards. Mr. Hunter has an MBA from York University and a B.E.Sc. (Engineering) from the University of Western Ontario.

Tim Kennish – Mr. Kennish is a retired partner of the Osler, Hoskin & Harcourt law firm, having served as its co-managing partner, chair, and co-chair. He is the former chair of the Firm’s competition and antitrust practice group and is a past chair of the National Competition Law Section of the Canadian Bar Association and of the Task Force on Competition Law and Policy of the Canadian Chamber of Commerce. He is also a public representative of the Province of Ontario on the Governing Council of the Chartered Professional Accountants of Ontario and is a member of the Management Advisory and Finance Committees of that body. Mr. Kennish is a graduate of Trinity College School, Harvard College, and Osgoode Hall Law School. He is a past chair of the Governing Body of Trinity College School and of the Trinity College School Foundation and co-chair of the School’s 150th Anniversary Campaign. He is a past President of the Harvard Club of Toronto and a recipient of the Osgoode Hall Law School Gold Key Award.

Merle Kriss – Mrs. Kriss is a seasoned financial services executive with more than twenty years’ experience in domestic and international banking with a major Canadian bank. After a career that was principally focused on corporate and investment banking, she moved into personal finance, where she initiated a comprehensive Private Client Services offering. She subsequently formed Kriss & Associates



Limited, a consulting practice in finance and wealth management. Mrs. Kriss earned a B.A. and an MBA from the University of Toronto and holds the ICD.D designation. She is an experienced director and currently serves on a number of boards and foundations.

William Thornhill – Mr. Thornhill is a 40-year veteran of the financial services industry, and is currently president of Thornhill Consulting, which provides management consulting services to the banking and investment industries. Before forming his own consultancy, he was Executive Vice President at Canada Trust, responsible for all business strategies. While there, he held senior positions in finance, banking, investments, and retail product development. He is a past governor of the University of Waterloo Advisory Board, and holds a B.Sc. in mathematics and computer science from the University of Western Ontario.

All of the members listed above were initially appointed to the IRC on April 27, 2007.

Holdings of Securities:

(a) Funds

As at December 31, 2015, the percentage of units of each class of the Funds covered by this report beneficially owned, directly or indirectly, in aggregate, by all members of the IRC totaled less than 1 per cent for each Fund.

(b) Manager

As at December 31, 2015, the percentage of each class or series of voting or equity securities of CIBC beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 0.1 per cent of all of the issued and outstanding classes or series of voting or equity securities of CIBC. As at the same date, no member of the IRC beneficially owned, directly or indirectly, any issued and outstanding classes or series of voting or equity securities of CAMI.

(c) Service providers

As at December 31, 2015, no member of the IRC beneficially owned, directly or indirectly, more than a negligible amount of any class or series of voting or equity securities of a person or company that provides services to the Funds or the manager of the Funds with respect to its fund business.

IRC Compensation and Indemnities

The aggregate compensation paid to the IRC for the twelve-month period from January 1, 2015 to December 31, 2015 was \$367,000, including applicable taxes. The manager reported to the IRC that this amount was allocated among the Funds and other investment funds managed by CIBC and/or its affiliates in a manner that is considered by CIBC to be fair and reasonable to the Funds and the other investment funds.

As at the date of this report, each member of the IRC receives an annual retainer of \$60,000 (\$85,000 for the Chair) and \$1,500 for each meeting of the IRC that the member attends in excess of six meetings per year, plus expenses for each meeting. During the twelve-month period from January 1, 2015 to December 31, 2015 the IRC met four times.

The IRC reviews its compensation on an annual basis, giving consideration to the following:

1. Industry practice, including industry averages and surveys on IRC compensation provided by the manager;
2. The number, nature, and complexity of the Funds for which the IRC acts;
3. The nature and extent of the workload of each member of the IRC, including the commitment of time and energy that is expected from each member; and
4. The manager's recommendation regarding the IRC's compensation.



IRC Charter

On May 21, 2015, the IRC reviewed and approved minor revisions to the IRC Charter.

Conflict of Interest Matters

The manager identifies and refers conflict of interest matters, along with its proposed actions, to the IRC for its review and decision. Depending on the nature of the matter, the decision of the IRC must either be (a) an approval or rejection or (b) a positive or negative recommendation. In reviewing a conflict of interest matter the IRC undertakes the same level of review irrespective of the type of decision it is being asked by the manager to provide and the IRC imposes the same conditions as part of any approval or positive recommendation.

For each ongoing conflict matter referred by the manager to the IRC during the twelve-month period from January 1, 2015 to December 31, 2015, the IRC granted an approval or made a positive recommendation. These approvals and recommendations are described below, and were accompanied by standing instructions permitting the manager to engage in the activity on an ongoing basis, subject to compliance with the manager's policies and procedures as reported to and reviewed by the IRC. The manager must report to the IRC on these matters and request the IRC to renew the standing instructions at least annually.

Approvals

Listed below are the conflict of interest matters for which the manager is required by NI 81-107 or by exemptive relief orders obtained from the Canadian Securities Administrators, to obtain the approval of the IRC before engaging in these transactions. Before making a determination to provide its approval, the IRC is required to consider several factors, including whether the action:

- (a) is proposed by the manager free from any influence by an entity related to the manager and without taking into account any consideration relevant to an entity related to the manager; and
- (b) represents the business judgement of the manager uninfluenced by considerations other than the best interests of the fund.

Implicit in any conflict of interest is an acknowledgement that both the manager and the relevant Funds have an interest in the matter being brought forward for approval to the IRC. The IRC believes its role in applying the factors noted above is to recognize that the manager has an interest in the matter and to provide approval only if it determines that the manager's interests are not leading it to act in a manner that is not in the best interests of the Funds. For each of these matters the IRC has given approval in the form of standing instructions.

1. *Transactions in, and Holdings of, Securities of Related Issuers:* The Funds may invest in or hold equity securities of CIBC or of issuers related to CIBC or a sub-advisor acquired in the secondary market and purchase debt securities of CIBC or issuers related to CIBC in the primary or secondary market. These transactions create a potential conflict of interest, as the Funds could invest in these securities solely to assist CIBC or the sub-advisor.
2. *Offerings Underwritten by Related Dealers:* The Funds may invest in the securities of an issuer where CIBC World Markets Inc. or any other affiliate of CIBC (the "Related Dealers") acts as an underwriter during the offering of the securities or at any time during the 60-day period following the completion of the offering. These transactions create a potential conflict of interest, as CIBC could use its influence to induce the Funds to invest in the securities in order to generate revenue for the Related Dealers or to ensure the sale of securities that otherwise would be difficult to sell.



3. *Inter-Fund Trading*: The Funds may purchase securities from or sell securities to another Fund or pooled fund or segregated account managed by the manager or an affiliate of the manager (referred to as inter-fund trades or cross trades). These transactions create a potential conflict of interest, as the trades could be beneficial to one of the parties to the inter-fund trade but not the other party.
4. *Trading with Related Dealers Acting as Principal*: The purchase or sale of assets from or to a Related Dealer, where it is acting as principal, creates a potential conflict of interest since the manager or sub-advisor could exercise its discretion to carry out the transaction upon terms that favour the interests of the Related Dealer as opposed to those of the Funds.

Recommendations

Listed below are the other conflict of interest matters that have been identified by the manager for the IRC to consider in this period. For each of the following matters, the IRC has provided the manager a positive recommendation, in the form of standing instructions, to act in accordance with the manager's policies and procedures so that the resolution of these potential conflicts achieves a fair and reasonable result for the Funds.

1. *Trading with a Related Broker-Dealer*: A sub-advisor or the manager may place trades on behalf of Funds through their related broker-dealers in their capacity as brokers, dealers, or counterparties. This creates a potential conflict of interest, as the Funds absorb the commission costs, while the related broker-dealer receives the income from the commissions paid.
2. *Trading Allocation*: Trade allocation creates a potential conflict of interest because a sub-advisor could allocate trades in a manner that favours itself instead of its clients or in a manner that favours one particular client to the detriment of others.
3. *Use of Client Brokerage Commissions as Payment for Order Execution Services or Research Services ("soft dollar" arrangements)*: These arrangements are a means for the manager or a sub-advisor, on behalf of its clients, to obtain products or services (most notably, research) from a broker-dealer in exchange for the direction of client brokerage transactions to that same broker-dealer. The use of soft dollars creates a potential conflict of interest since the manager or a sub-advisor could use soft dollars to acquire goods or services that benefit them instead of the Funds they manage.
4. *Voting Securities of CIBC*: In voting securities of CIBC held by the Funds, a conflict of interest may exist in that the manager or sub-advisors related to CIBC may have to choose between supporting the management decisions of CIBC and voting in the best interests of the Funds.
5. *Valuing Assets of a Fund and Correcting Net Asset Value Errors*: The manager of the Funds has a duty to use fair pricing procedures and to identify and fix incorrect calculations of the Funds' net asset values. In valuing assets of a Fund and correcting net asset value errors, there is a potential conflict of interest because the manager may have an incentive to overvalue assets of a Fund.
6. *Allocating Fund Expenses*: The manager of the Funds recovers from the Funds operating expenses that it pays on behalf of the Funds. There is a potential conflict of interest in allocating Fund expenses because the manager may be motivated to favour one Fund over another or to allocate expenses to Funds that the manager should be bearing itself.
7. *Employee Conflicts of Interest*: Employees of the manager who have access to non-public information regarding the Funds and who accept gifts and entertainment from clients and suppliers of the Funds are in a conflict of interest position.
8. *Large Unitholders*: Allowing a large unitholder to invest in a Fund may constitute a conflict of interest because the manager will earn revenues, or gain other benefits, from the assets invested by the large unitholder, while there is the possibility that the trading activities of the



unitholder could adversely affect the remaining unitholders of the Fund. As a result, a reasonable person could consider that the manager has an interest that conflicts with its ability to act in good faith and in the best interests of the Fund as a whole.

On February 18, 2015, the IRC provided a positive recommendation for CAMI, as portfolio advisor, to direct the custodian of the Funds to engage CIBC World Markets Inc. ("CIBC WM") as currency trading electronic platform provider for currency spot transactions that CAMI's investment management arm (the "Institutional Advisor") and external portfolio sub-advisors execute on behalf of the Funds.

A positive recommendation was provided on the basis that the manager undertook that these actions would:

- be proposed by it free from any influence by any entity related to the manager and without taking into account any consideration relevant to an entity related to the manager;
- represent the business judgement of the manager uninfluenced by considerations other than the best interests of the Funds;
- be implemented in compliance with the manager's applicable policies and procedures; and
- be undertaken with the intention of achieving a fair and reasonable result for the Funds.

The manager has an obligation to report to the Funds' unitholders any instances in which it acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its approval or recommendation. The IRC is also required to advise the Canadian securities regulatory authorities if it determines that an investment decision was not made in accordance with conditions imposed by securities legislation or the IRC in its approval. As of the date of this report, the following exceptions were reported to the Ontario Securities Commission in connection with:

1. Inter-Fund Trading. The reported transaction was effected in contravention of the exemptive relief which permits the funds listed in the relief order to engage in inter-fund trading, subject to certain conditions being satisfied, including that the transactions in exchange-traded securities are to be executed at the "current market price of the security" and that the only cost for the trade is the nominal cost to print or otherwise display the trade. The breach was discussed at a meeting of the IRC on September 17, 2015, and the IRC is of the opinion that the actions taken in relation to the inter-fund trade to avoid future breaches of this kind are appropriate to the circumstances. The IRC had been informed that no investor had been materially prejudiced.
2. Investing in offerings underwritten by CIBC World Markets Inc. ("CIBC WM"). The reported transaction was effected in contravention of the the exemptive relief order which permits the funds to make an investment in debt securities of an issuer during, or for 60 days after, the period in which CIBC WM, or any affiliate of CIBC, acts as underwriter in connection with the offering of debt securities, subject to certain conditions being satisfied. The breach was discussed at a meeting of the IRC on November 26, 2015, and the IRC is of the view that no investor has been prejudiced and that the reported steps that CAMI has taken are in the best interests of the Funds and an appropriate response in the circumstances.

This report is available on the Funds' website at www.cibc.com/mutualfunds or you may request a copy, at no cost to you, by contacting CIBC toll-free at 1-800-465-3863 or by writing to CIBC, 18 York Street, Suite 1300, Toronto, Ontario, M5J 2T8. This document and other information about the Funds are available at www.sedar.com.



Funds covered by this report:

CIBC Mutual Funds

CIBC Asia Pacific Fund
CIBC Asia Pacific Index Fund
CIBC Balanced Fund
CIBC Balanced Index Fund
CIBC Canadian Bond Fund
CIBC Canadian Bond Index Fund
CIBC Canadian Equity Fund
CIBC Canadian Equity Value Fund
CIBC Canadian Index Fund
CIBC Canadian Real Estate Fund
CIBC Canadian Resources Fund
CIBC Canadian Short-Term Bond Index Fund
CIBC Canadian Small-Cap Fund
CIBC Canadian T-Bill Fund
CIBC International Equity Fund
CIBC U.S. Equity Fund
CIBC Dividend Growth Fund
CIBC Dividend Income Fund
CIBC Emerging Markets Fund
CIBC Emerging Markets Index Fund
CIBC Energy Fund
CIBC European Equity Fund
CIBC European Index Fund
CIBC Financial Companies Fund
CIBC Global Bond Fund
CIBC Global Bond Index Fund
CIBC Global Equity Fund
CIBC Global Monthly Income Fund
CIBC Global Technology Fund
CIBC International Index Fund
CIBC International Small Companies Fund
CIBC Latin American Fund
CIBC Money Market Fund
CIBC Monthly Income Fund
CIBC Nasdaq Index Fund
CIBC Precious Metals Fund
CIBC Short-Term Income Fund
CIBC U.S. Broad Market Index Fund
CIBC U.S. Dollar Money Market Fund
CIBC U.S. Index Fund
CIBC U.S. Small Companies Fund

CIBC Family of Managed Portfolios

CIBC Managed Aggressive Growth Portfolio
CIBC Managed Balanced Growth Portfolio
CIBC Managed Balanced Portfolio
CIBC Managed Growth Portfolio
CIBC Managed Income Plus Portfolio
CIBC Managed Income Portfolio
CIBC Managed Monthly Income Balanced Portfolio
CIBC U.S. Dollar Managed Balanced Portfolio
CIBC U.S. Dollar Managed Growth Portfolio
CIBC U.S. Dollar Managed Income Portfolio

Imperial Pools

Imperial Canadian Bond Pool
Imperial Canadian Diversified Income Pool
Imperial Canadian Dividend Income Pool
Imperial Canadian Equity Pool
Imperial Emerging Economies Pool
Imperial Equity High Income Pool
Imperial Global Equity Income Pool
Imperial International Bond Pool
Imperial International Equity Pool
Imperial Money Market Pool
Imperial Overseas Equity Pool
Imperial Short-Term Bond Pool
Imperial U.S. Equity Pool
Conservative Income Portfolio
Balanced Income Portfolio
Enhanced Income Portfolio