CIBC

Imperial Pools

Annual Management Report of Fund Performance

December 31, 2006

Imperial International Bond Pool

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 1-888-357-8777, by writing to us at CIBC, 5650 Yonge Street, 19th floor, Toronto, Ontario, M2M 4G3, or by visiting 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 Report of Fund Performance

for the financial year ended December 31, 2006

All figures are reported in Canadian dollars unless otherwise noted.

Management Discussion of Fund Performance

Objective and Strategies

- Imperial International Bond Pool (the *Pool*) seeks to provide a high level of interest income and some capital growth, while attempting to preserve capital by investing primarily in bonds, debentures, notes, and other debt obligation securities denominated in foreign currencies of Canadian governments and companies, non-Canadian issuers, and supernational organizations.
- The Pool employs a strategy that consists of undertaking a value approach based on high real yields and positioning the Pool with respect to country, currency, and sector allocations, average term to maturity, and term structure. The basis on which these decisions are made comes from a review of global macroeconomic and capital market conditions, with focus on identifying countries with high real yields, supportive currencies for protection and enhanced returns, and positive political and economic environments, as well as attractive sectors and credits on a cyclical basis. The Pool will manage the currency/country exposure to protect principal and increase returns.

Risk

- The Pool is a foreign bond fund that is suitable for medium to long-term investors who can tolerate low to moderate investment risk.
- The risk classification of the Pool has been revised from 'moderate' to 'low-to-moderate' based on the recommendations of the Fund Volatility Classification Working Group of the Investment Funds Institute of Canada (*IFIC*). The potential for risk volatility was determined by using the standard deviation method (i.e., dispersion in a fund's returns over a given period from its mean). The review was performed on the rolling three-year and five-year standard deviations. Notably, the IFIC Working Group recommendations are intended to introduce a consistent methodology for fund volatility risk classification by mutual fund managers.
- Despite changing the risk classification of the Pool, over the one-year period ending December 31, 2006, no significant changes had an impact on the overall risk level of the Pool.

  The risks of investing in the Pool remain as discussed in the Simplified Prospectus.

Results of Operations

Effective November 17, 2006, Brandywine Global Investment Management, LLC (*Brandywine Global*) replaced CIBC Global Asset Management Inc. (*CIBC Global*) as the portfolio sub-adviser of the Pool. Each of the portfolio sub-advisers has provided commentary for the period that they managed the Pool.
The commentary below is a summary of the results of operations of the Pool for the 12-month period ended December 31, 2006.

The Pool returned 5.06% for the period and underperformed the Citigroup World Government Bond Index (the *benchmark*), which returned 7.80% over the same period.

CIBC Global

Around the world, interest rates increased during the first half of the year and declined during the remainder of the year. 10-year U.S. Treasury Bonds ended the period at 4.54%, down from a peak of 5.22% in June.

The Pool underperformed the benchmark for the period because of currency management. Interest rate management returned positive performance, with contributions coming from country allocation and duration management.

The Pool's core strategy was relatively unchanged throughout the year, with a long duration in the U.S., overweight in the U.S., and underweight in the Eurozone and Japan.

Emerging markets were another positive contributor, but profits were taken in July and no change in position had been initiated thereafter.

Brandywine Global

The main threat to world economic recovery was whether commodity inflation would seep into the economic landscape. The U.S. Federal Reserve Board (the *Fed*) led a global tightening initiative to break the bubble-like environment in asset and commodities markets, without threatening the vibrancy of the global economy. Brandywine Global believes that the Fed executed a smooth transition, from boom to comfort, in moderation.

While financial markets suffered during the transition, global economies adjusted to a more stable world order with little friction. The tempering effect of rising short-term rates was offset by the stimulation of lower oil prices, which passed through the economic system and increased real incomes. The U.S. economy successfully slowed to a comfortable 2% growth. Meanwhile, the rest of the world made a seamless adjustment to the slowdown made in the U.S. These adjustments were made possible because the outgrowth of a world order was built on the template of freer trade.

Brandywine Global has had a very constructive outlook on the benefits of globalization. World economies were moved away from the mature economies of Europe and headed toward Asia. The Pool was positioned to capture the growth of the Asian economies as Brandywine Global believes that the interest rate differentials between Japan and Europe, or the rest of the world, were too wide.

In Brandywine Global's view, Japanese fixed income investors are better off exporting capital to increase cash flow, rather than keeping money in their own country.

Brandywine Global expects that the global supply boom, deregulation, and a favourable monetary policy will provide a positive backdrop for growth in 2007. The U.S. will continue to operate below the long-term potential of 3%, Japan will continue to move ahead begrudgingly, and a more rapid pace of interest rate increases will ensue. On the other hand, Brandywine Global finds it hard to believe that tax increases are a prescription for the above-trend growth in Europe. In summary, the Japanese Yen will strengthen, the Euro will weaken, and bonds will return the coupon.

Effective January 13, 2006, the Pool's total net assets were affected by a tactical asset allocation shift in CIBC Personal Portfolio Services, a discretionary investment service provided by CIBC Trust Corporation (*CIBC Trust*). The asset allocation changes to the program caused the assets of the Pool at that time to fall by approximately 26%.

As well, effective June 23, 2006, the Pool's total net assets were also affected by a concurrent strategic and tactical asset allocation change in CIBC Personal Portfolio Services, which caused the assets of the Pool at that time to fall by approximately 69%.

In addition, the Pool also experienced client redemptions, further reducing its assets. Over the period, the Pool's assets fell by approximately 78% in total. Although these cash flows are notable, the impact on the Pool is considered to be nominal.

Recent Developments

Effective November 17, 2006, Brandywine Global replaced CIBC Global as sub-adviser of the Pool. Brandywine Global is a top ranked global fixed income manager against its peers with a mandate to invest in debt securities denominated in foreign currencies issued by Canadian and non-Canadian governments, corporations, and financial institutions. As a result of this change, CIBC revised the investment strategies of the Pool. Please refer to the *Objectives and Strategies* section for more detail on the Pool's investment strategies.

During the period, changes were made to the Pool's performance measurement benchmark due to the change in sub-adviser. The primary benchmark was changed from the Citigroup World Board Investment-Grade (BIG) Bond Index to the Citigroup World Government Bond Index to better represent the investment strategies of 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 of the Pool

CIBC is the manager (*Manager*) of the Pool. CIBC will receive management fees with respect to the day-to-day business and operations of the Pool. The Pool may pay the Manager an annual maximum management fee of up to 0.25% of the net asset value of the Pool, as described in the section entitled *Management Fees*.

Trustee of the Pool

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

Portfolio Adviser of the Pool

CIBC Asset Management Inc. (*CAMI*), a wholly-owned subsidiary of CIBC, is the portfolio adviser of the Pool. As portfolio adviser, CAMI provides, or arranges to provide, investment advice and portfolio management services to the Pool.

Discretionary Managers

As at the date of this report, units of the Pool are exclusively offered through discretionary investment management services provided by CIBC Trust, CIBC Private Investment Counsel Inc. (*CIBC PIC*) and CIBC Global (the "Discretionary Managers"), each a wholly-owned subsidiary of CIBC. The Discretionary Managers purchase units of the Pool on behalf of their clients and are registered unitholders of the Pool. CIBC Investor Services Inc. (*CIBC ISI*), and CIBC Securities Inc. (*CIBC SI*), each a wholly-owned subsidiary of CIBC, are the dealers through which clients are referred to CIBC Trust and the CIBC Personal Portfolio Services. 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 managed accounts, which may hold units of the Pool. CIBC receives fees from CIBC Trust for the services of CIBC advisers with CIBC ISI and CIBC SI, in assisting clients in opening discretionary investment management accounts with CIBC Trust, and for acting as clients' ongoing relationship manager. CIBC is responsible for the remuneration of the CIBC advisers and may pay the CIBC advisers out of such fees. Further details of the arrangement between CIBC and CIBC Trust are disclosed in the discretionary investment management account agreement between CIBC Trust and clients.

CIBC PIC and CIBC Global receive fees from their clients for offering discretionary managed accounts, which may hold units of the Pool, and may pay a portion of such fees to their investment counselors.

Brokerage Arrangements and Soft Dollars

Sub-advisers make decisions, including the selection of markets and dealers and the negotiation of commissions, with respect to the purchase and sale of portfolio securities and the execution of portfolio transactions. Brokerage business may be allocated by sub-advisers 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 sale of fixed income and other securities 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 nature and liquidity of the security.

Dealers, including CIBC WM and CIBC World Markets Corp., may furnish research, statistical and other services to sub-advisers that process trades through them (referred to in the industry as "soft-dollar" arrangements). These services assist the sub-advisers with investment decision-making services to the Pool. As per the terms of the sub-advisory agreement, such soft dollar arrangements are in compliance with applicable laws. In addition, the Manager 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, no brokerage commissions or other fees were paid by the Pool to CIBC WM or CIBC World Markets Corp.

Pool Transactions

The Pool may purchase and sell securities of CIBC. The Pool may also, from time to time, purchase securities underwritten by a related dealer, such as CIBC WM or CIBC World Markets Corp., each an affiliate of the Manager. Such transactions are currently made pursuant to exemptions the Pool has received from the Canadian securities regulatory authorities.

Custodian

CIBC Mellon Trust Company is the custodian (*Custodian*) that holds all cash and securities for the Pool and ensures that those assets are kept separate from any other cash or securities that it may be holding. The Custodian may hire sub-custodians for the Pool. The fees for the services of the Custodian are paid by the Manager, and charged to the Pool on a recoverable basis. CIBC owns approximately one-half of CIBC Mellon Trust Company.

Service Provider

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

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 of the financial years indicated. This information is derived from the Pool's audited annual financial statements.

The Pool's Net Asset Value per Unit

	2006	2005	2004	2003	2002
Net Asset Value, beginning of period	$8.95	$9.71	$9.67	$10.58	$9.36
Increase (decrease) from operations:					
Total revenue	$(0.05)	$0.06	$0.08	$0.23	$0.61
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	(1.23)	(0.23)	0.05	0.07	0.28
Unrealized gains (losses) for the period	1.17	(0.43)	(0.06)	(0.74)	1.02
Total increase (decrease) from operations[1]	$(0.12)	$(0.61)	$0.06	$(0.45)	$1.90
Distributions:					
From income (excluding dividends)	$0.09	$0.13	$0.07	$0.22	$0.62
From dividends	–	–	–	–	–
From capital gains	–	–	–	0.04	–
Return of capital	–	–	–	–	–
Total Annual Distributions[2]	$0.09	$0.13	$0.07	$0.26	$0.62
Net Asset Value, end of period	$9.31	$8.95	$9.71	$9.67	$10.58

[1]Net asset values 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.

[2]Distributions were paid in cash, reinvested in additional units of the Pool, or both.

Ratios and Supplemental Data

	2006	2005	2004	2003	2002
Net Assets (000s)[3]	$143,338	$660,800	$656,758	$535,132	$425,341
Number of Units Outstanding[3]	15,392,720	73,845,475	67,647,484	55,347,302	40,215,931
Management Expense Ratio[4]	0.12%	0.12%	0.12%	0.12%	0.08%
Management Expense Ratio before waivers or absorptions[5]	0.47%	0.42%	0.43%	0.47%	0.64%
Portfolio Turnover Rate[6]	154.18%	254.77%	197.05%	46.19%	50.71%
Trading Expense Ratio[7]	0.02%	0.00%	0.00%	0.00%	0.00%

[3]This information is provided as at December 31 of the period shown.

[4]Management expense ratio is based on total expenses of the Pool for the year and is expressed as an annualized percentage of daily average net assets during the period.

[5]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.

[6]The Pool's portfolio turnover rate indicates how actively the Pool's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Pool buying and selling all of the securities in its portfolio once in the course of the period. The higher a Pool's portfolio turnover rate in a period, the greater the trading costs payable by the Pool 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 Pool.

[7]The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets 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.

Management Fees

The Pool, either directly or indirectly, pays an annual management fee to the Manager in consideration for the provision of, or arranging for the provision of, management, distribution, and portfolio advisory services. This fee is calculated as a percentage of the Pool's net assets and is calculated and credited daily, and paid monthly. The Pool is required to pay Goods and Services Tax (*GST*) on the management fee.

For the year ended December 31, 2006, of the management fees collected from the Pool, approximately 100% is attributable to general administration, investment advice, and profit. These amounts do not include waived fees or absorbed expenses.

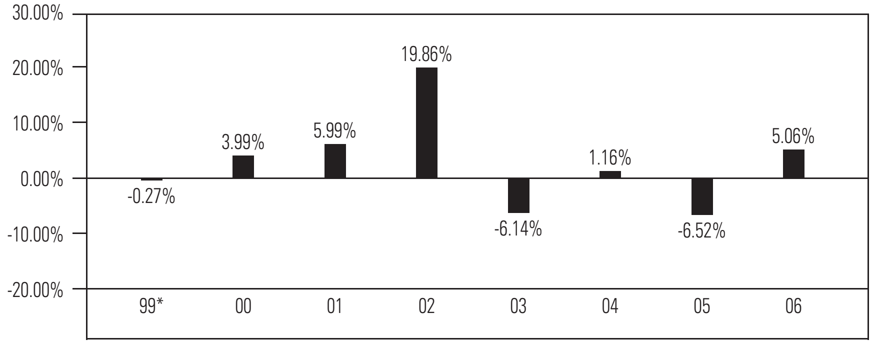
Past Performance

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 benchmark is Citigroup World Government Bond Index. The Citigroup World Government Bond Index is an index that is intended to represent the global government bond market. Currently it consists of approximately 640 fixed interest securities (bonds) issued by 21 governments in various developed countries. A discussion of the Pool's performance relative to its primary benchmark can be found in the section entitled *Results of Operations*.

Year-by-Year Returns

This bar chart shows the performance of the Pool for the periods shown, and illustrates how the performance has changed from period to period. The bar chart shows in percentage terms how much an investment made on January 1 would have grown or decreased by December 31 of that year, unless otherwise noted.



**1999 return is for the period from June 28, 1999 to December 31, 1999.*

Annual Compound Returns

This table shows the annual compound total return of the Pool for each indicated period ending on December 31, 2006. The annual compound total return is also compared to the Pool's benchmark and previous benchmark. Please refer to the *Recent Developments* section for an explanation of the change in benchmark.

	Imperial International Bond Pool	Citigroup World Government Bond Index	Previous Benchmark
Past Year	5.06%	7.80%	6.13%
Past 3 Years	–0.22%	–0.22%	0.04%
Past 5 Years	2.25%	2.12%	1.20%
Since Inception	2.78%	2.93%	2.99%

Summary of Investment Portfolio (as at December 31, 2006)

The *Summary of Investment Portfolio* may change due to ongoing portfolio transactions of the Pool. A quarterly update is available by calling 1-888-357-8777, by writing to us at CIBC, 5650 Yonge Street, 19th floor, Toronto, Ontario, M2M 4G3, or by visiting our website at www.cibc.com.

Portfolio Breakdown	% of Net Assets
United States Dollars	23.31%
Euro	11.47%
Australian Dollar	10.12%
Polish Zloty	7.19%
Singapore Dollar	7.01%
Swedish Krona	6.94%
Mexican Peso	4.87%
South African Rand	4.81%
Short-Term Investments	4.79%
Canadian Bonds	4.11%
British Pound	3.96%
New Zealand Dollar	3.48%
Brazilian Real	2.85%
Indonesian Rupiah	2.17%
Malaysian Ringgit	2.08%
Other Assets, Less Liabilities	1.67%
Forward & Spot Contracts	–0.83%

Top Positions	% of Net Assets
United States Treasury Bond, 6.13%, 2027/11/15	13.55%
Federal Republic of Germany, Series '00', 5.25%, 2010/07/04	11.47%
Government of Singapore, 1.50%, 2008/04/01	7.01%
Government of Sweden, Series '1040', 6.50%, 2008/05/05	6.94%
United States Treasury Bond, 6.50%, 2026/11/15	5.21%
Cash & Cash Equivalents	4.96%
Mexican Fixed Rate Bonds, Series 'MI10', 8.00%, 2013/12/19	4.87%
Republic of South Africa, Series 'R157', 13.50%, 2015/09/15	4.81%
United States Treasury Bond, 5.25%, 2029/02/15	4.55%
Government of Canada, 6.00%, 2011/06/01	4.11%
United Kingdom Treasury Bond, 4.75%, 2015/09/07	3.96%
Government of Poland, Series 'DS1015', 6.25%, 2015/10/24	3.61%
Government of Poland, Series 'WS0922', 5.75%, 2022/09/23	3.58%
Government of New Zealand, Series '415', 6.00%, 2015/04/15	3.48%
New South Wales Treasury Corp., Series '2017', 5.50%, 2017/03/01	3.41%
New South Wales Treasury Corp., Series '12RG', 6.00%, 2012/05/01	3.39%
Queensland Treasury Corp., Series '15G', 6.00%, 2015/10/14	3.33%
Federative Republic of Brazil, 12.50%, 2016/01/05	2.85%
Indonesia Treasury Bond, 11.00%, 2020/11/15	2.17%
Government of Malaysia, Series '4-05', 3.76%, 2011/04/28	2.06%
Other Assets, Less Liabilities	1.51%
Forward & Spot Contracts	–0.83%

Imperial Pools

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This document 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 Pool, 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 Pool 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.

Commissions, trailing commissions, management fees, and expenses all may be associated with an investment in the Imperial Pools. Please read the Imperial Pools simplified prospectus before investing. The Imperial Pools are not guaranteed, their values change frequently, and past performance may not be repeated.

CIBC
Asset Management

For what matters.

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