



## Annual Management Report of Fund Performance

for the financial year ended December 31, 2008

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 1-800-465-3863, by writing to us at CIBC, 5650 Yonge Street, 20th Floor, Toronto, Ontario, M2M 4G3, or by visiting [www.cibc.com/mutualfunds](http://www.cibc.com/mutualfunds) or the SEDAR website at [www.sedar.com](http://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

- The investment objective of CIBC Emerging Markets Index Fund (the *Fund*) is to provide long-term growth through capital appreciation. The Fund is managed to obtain a return that approximates the performance of the MSCI Emerging Markets Index. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is intended to represent the emerging countries equity market. It includes stocks from emerging countries in Asia, Latin America, Europe, Africa, and the Middle East.
- The Fund will use passive management strategies to create a portfolio of similar characteristics of the MSCI Emerging Markets Index, allowing the Fund to obtain a return that approximates the performance of that index in Canadian dollars.

#### Risk

- The Fund is an emerging markets equity fund that is suitable for long-term investors who can tolerate moderate to high investment risk.
- Global capital markets experienced high levels of volatility over the period as a result of the ongoing credit crisis and weakening global economic environment. The third quarter was marked, in particular, by the sudden collapse of several large U.S. financial institutions that resulted in mergers, bankruptcy, or the sale of a substantial number of shares to the U.S. government and other investors. The credit markets were hit hard by the substantial selling that has resulted from the unwinding of many leveraged investors such as hedge funds, Structured Investment Vehicles, and various banks. The implications of these failures not only intensified this trend but also led to an erosion of investor confidence and a temporary seizing of credit and money markets. As confidence in global financial markets diminished, governments around the world responded with frequent cash infusions to add temporary liquidity and work to unlock credit markets. These events had a direct impact on global equity and fixed income markets and, as a result,

the potential general market risk to the Fund was increased over the period.

- Over the 12-month period ended December 31, 2008, the above-mentioned risk factor did not significantly impact the overall risk level of the Fund. The risks of investing in the Fund remain as discussed in the Fund's simplified prospectus.

#### Results of Operations

The portfolio sub-advisor of the Fund is CIBC Global Asset Management Inc. (the *sub-advisor*). The commentary that follows reflects the views of the sub-advisor and provides a summary of the results of operations of the Fund for the period ended December 31, 2008. All dollar figures are expressed in thousands.

- The Fund's net asset value decreased by 40% during the period, from \$138,092 on December 31, 2007 to \$82,277 on December 31, 2008. Negative investment performance contributed to the decrease, which was partially offset by net sales of \$1,254.
- The MSCI Emerging Markets Index (the *benchmark*) returned -41.4% in the period.
- Within the benchmark, emerging countries within Europe as well as countries with significant exposure to commodity prices were the most affected by the international financial crisis and the economic slowdown in the developed markets.
- The deleveraging of market participants such as hedge funds contributed to the underperformance of the emerging markets compared to the developed markets.
- The best performing countries in the benchmark were Morocco and Columbia, returning 11.2% and -6.3%, respectively. Russia and Pakistan had the worst performance over the period, returning -67.3% and -67.7%, respectively. Defensive sectors such as health care and consumer staples outperformed, while the energy, materials, and industrials sectors fell most dramatically amidst the global slowdown.

#### Recent Developments

##### *Accounting Policy Change*

The Canadian Institute of Chartered Accountants (CICA) issued CICA Handbook Section 3862, *Financial Instruments – Disclosures*,

and Section 3863, *Financial Instruments – Presentation*, effective for fiscal years beginning on or after October 1, 2007. These policies provide comprehensive disclosure and presentation requirements for financial instruments. Section 3862 replaces the disclosure portion of Section 3861, *Financial Instruments – Disclosure and Presentation*, and introduces new requirements for specific qualitative and quantitative disclosure about risks. This includes the requirements to quantify exposures for certain risks and provide sensitivity analysis on some risks. The objective of these policies is to enable investors to evaluate the significance of financial instruments, the nature and extent of risks involved, and how the risks are managed. On January 1, 2008, the Fund adopted these standards retroactively without restatement of prior period financial statements in accordance with their transitional provisions. The adoption of these standards did not have an impact on net assets, increase (decrease) in net assets from operations, or increase (decrease) in net assets from operations per unit of the Fund.

### **Related Party Transactions**

Canadian Imperial Bank of Commerce (*CIBC*) and its affiliates have the following roles and responsibilities with respect to the Fund, and receive the fees described below in connection with their roles and responsibilities:

#### *Manager*

CIBC is the manager (the *Manager*) of the Fund. CIBC will receive management fees with respect to the day-to-day business and operations of the Fund, calculated based on the net asset value of the units of the Fund, as described in the section entitled *Management Fees*. The Manager will also compensate its wholesalers in connection with their marketing activities regarding the Fund. From time to time, CIBC may provide seed capital to the Fund.

#### *Trustee*

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

#### *Portfolio Advisor*

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

#### *Sub-advisor*

CAMI has retained CIBC Global Asset Management Inc. (*CIBC Global*), a wholly-owned subsidiary of CIBC, as the sub-advisor of the Fund, to provide investment advice and portfolio management services to the Fund. CAMI will pay a fee to CIBC Global.

#### *Distributor*

Dealers and other firms will sell the units of the Fund to investors. These dealers and other firms will include CIBC's related dealers

such as the principal distributor, CIBC Securities Inc. (*CIBC SI*), the CIBC Investor's Edge discount brokerage division of CIBC Investor Services Inc. (*CIBC ISI*), the CIBC Imperial Service division of CIBC ISI, and the CIBC Wood Gundy division of CIBC World Markets Inc. (*CIBC WM*). CIBC SI, CIBC ISI, and CIBC WM are wholly-owned subsidiaries of CIBC.

CIBC may pay trailing commissions to these dealers and firms in connection with the sale of units of the Fund. These dealers and other firms may pay a portion of these trailing commissions to their advisors who sell units of the Fund to investors.

#### *Brokerage Arrangements and Soft Dollars*

Sub-advisors 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-advisors, including CIBC Global, to 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 to the Fund. 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-advisors, including CIBC Global, that process trades through them (referred to in the industry as "soft dollar" arrangements). These services assist sub-advisors, including CIBC Global, with investment decision-making services to the Fund. As per the terms of the sub-advisory agreements, 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 Fund. Any commission recaptured will be paid to the Fund.

During the period, no brokerage commissions or other fees were paid by the Fund to CIBC WM or CIBC World Markets Corp.

#### *Fund Transactions*

The Fund may purchase and sell securities of CIBC. The Fund 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 standing instructions rendered by the Independent Review Committee.

#### *Custodian*

CIBC Mellon Trust Company is the custodian (the *Custodian*) that holds all cash and securities for the Fund 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 Fund. The fees for the services of the Custodian are paid by the Manager, and charged to the Fund on a recoverable basis. CIBC owns a fifty percent interest in the Custodian.

*Service Provider*

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

## Financial Highlights

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

### The Fund's Net Assets per Unit<sup>1</sup>

	2008	2007	2006	2005	2004
<b>Net Assets, beginning of period</b>	\$20.36	\$18.27	\$14.16	\$10.88	\$ 9.55
<b>Increase (decrease) from operations:</b>					
Total revenue	\$ (0.05)	\$ 0.95	\$ 0.82	\$ 0.28	\$ 0.26
Total expenses	(0.20)	(0.23)	(0.19)	(0.14)	(0.12)
Realized gains (losses) for the period	1.00	2.00	1.51	0.21	0.26
Unrealized gains (losses) for the period	(8.84)	0.64	2.63	2.89	0.95
<b>Total increase (decrease) from operations<sup>2</sup></b>	\$ (8.09)	\$ 3.36	\$ 4.77	\$ 3.24	\$ 1.35
<b>Distributions:</b>					
From income (excluding dividends)	\$ –	\$ 0.80	\$ 0.31	\$ 0.01	\$ 0.09
From dividends	–	–	–	–	–
From capital gains	0.23	0.49	–	–	–
Return of capital	–	–	–	–	–
<b>Total Distributions<sup>3</sup></b>	\$ 0.23	\$ 1.29	\$ 0.31	\$ 0.01	\$ 0.09
<b>Net Assets, end of period</b>	\$12.18	\$20.36	\$18.35	\$14.16	\$10.88

<sup>1</sup>This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements differs 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.

<sup>2</sup>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.

<sup>3</sup>Distributions were paid in cash, reinvested in additional units of the Fund, or both.

### Ratios and Supplemental Data

	2008	2007	2006	2005	2004
<b>Total Net Asset Value (000s)<sup>4</sup></b>	\$82,277	\$138,092	\$84,887	\$49,553	\$39,457
<b>Number of Units Outstanding<sup>4</sup></b>	6,738,793	6,767,471	4,626,798	3,498,649	3,626,735
<b>Management Expense Ratio<sup>5</sup></b>	1.27%	1.28%	1.28%	1.23%	1.23%
<b>Management Expense Ratio before waivers or absorptions<sup>6</sup></b>	1.64%	1.66%	1.79%	1.91%	1.94%
<b>Trading Expense Ratio<sup>7</sup></b>	0.13%	0.12%	0.02%	0.01%	0.02%
<b>Portfolio Turnover Rate<sup>8</sup></b>	33.95%	41.97%	32.09%	14.55%	26.32%
<b>Net Asset Value per Unit</b>	\$ 12.21	\$ 20.41	\$ 18.35	\$ 14.16	\$ 10.88

<sup>4</sup>This information is provided as at December 31 of the period shown.

<sup>5</sup>Management expense ratio is based on the total expenses of the Fund (excluding commissions and other portfolio transaction costs) for the period shown and is expressed as an annualized percentage of the daily average net asset value during the period.

<sup>6</sup>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.

<sup>7</sup>The trading expense ratio represents total commissions and other portfolio transaction costs 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.

<sup>8</sup>The portfolio turnover rate indicates how actively the 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 Fund, 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 Fund's net asset value and is calculated and credited daily, and paid monthly. The Fund is required to pay Goods and Services Tax (GST) on the management fee.

The following table shows a breakdown of the services received in consideration of the management fees, as a percentage of the management fees collected from the Fund for the period ended December 31, 2008. These amounts do not include waived fees or absorbed expenses.

Sales and trailing commissions paid to dealers	21.03%
General administration, investment advice, and profit	78.97%

**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.

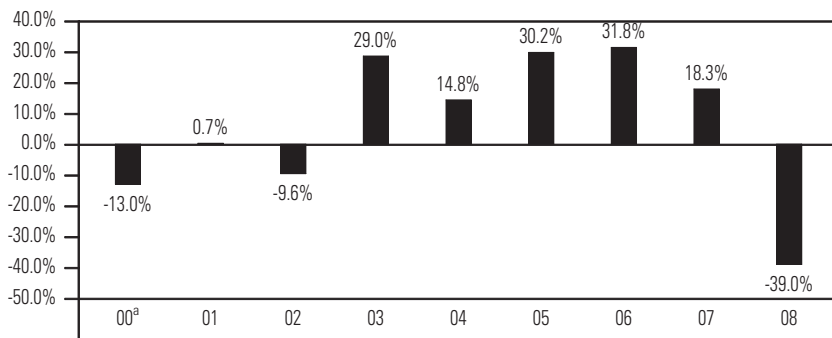
The Fund's benchmark is the MSCI Emerging Markets Index. The MSCI Emerging Markets Index is a free float-adjusted market capitalization intended to represent the emerging countries equity market. It includes stocks from emerging countries in Asia, Latin America, Europe, Africa, and the Middle East.

For the period, the Fund returned -39.0%. The Fund outperformed the MSCI Emerging Markets Index return of -41.4% for the same period.

The Fund's return is 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 Fund 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.



<sup>a</sup>2000 return is for the period from September 26, 2000 to December 31, 2000.

**Annual Compound Returns**

The table shows the annual compound total return of the Fund for each indicated period ended December 31, 2008. The annual compound total return is also compared to the Fund's applicable benchmark(s).

	Fund	MSCI Emerging Markets Index
1 Year	-39.0%	-41.4%
3 Years	-1.7%	-2.9%
5 Years	7.3%	7.0%
Since Inception (for the period from September 26, 2000 to December 31, 2008)	4.6%	5.1%

**Summary of Investment Portfolio (as at December 31, 2008)**

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](http://www.cibc.com/mutualfunds). The Top Positions table includes 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.

<b>Portfolio Breakdown</b>	<b>% of Net Asset Value</b>
South Korea	13.07%
Other Countries	16.39%
Brazil	12.26%
Taiwan	9.60%
United States	8.57%
China	8.03%
Hong Kong	8.03%
Russia	6.41%
South Africa	5.64%
India	5.37%
Mexico	4.62%
Other Assets, Less Liabilities	1.82%
Cash & Cash Equivalents	0.12%
Forward & Spot Contracts	0.07%

<b>Top Positions</b>	<b>% of Net Asset Value</b>
China Mobile Ltd.	4.47%
United States E-Mini MSCI Emerging Markets Index Future, March 2009	3.05%
Petroleo Brasileiro SA	2.41%
Petroleo Brasileiro SA, Preferred	2.28%
iShares MSCI Emerging Markets Index Fund	2.23%
Gazprom	2.21%
Samsung Electronics Co. Ltd.	2.00%
PetroChina Co. Ltd., Series 'H'	1.92%
Other Assets, Less Liabilities	1.82%
Samsung Electronics Co. Ltd., GDR	1.78%
Thai Fund Inc.	1.57%
Taiwan Semiconductor Manufacturing Co. Ltd.	1.54%
Teva Pharmaceutical Industries Ltd.	1.44%
Companhia Vale do Rio Doce	1.41%
America Movil SA de CV, Series 'L'	1.40%
Korea Fund Inc.	1.34%
CNOOC Ltd.	1.32%
Companhia Vale do Rio Doce, Preferred, Series 'A'	1.30%
Teva Pharmaceutical Industries Ltd., ADR	1.22%
POSCO, ADR	1.13%
LUKOIL, ADR	1.08%
China Petroleum and Chemical Corp. (Sinopec), Series 'H'	1.08%
China Life Insurance Co. Ltd., Series 'H'	1.07%
South African FTSE/JSE Top 40 Index Future, March 2009	1.06%
Banco Itaú Holding Financeira SA, Preferred	0.97%

The Fund is not sponsored, endorsed, or promoted by Morgan Stanley Capital International Inc. "MSCI" and MSCI bears no liability with respect to such Fund or any index on which such Fund is based. The simplified prospectus contains a more detailed description of the limited relationship MSCI has with CIBC, CAMI, and any related funds.

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 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.

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CIBC Family of Managed Portfolios**

**CIBC**

5650 Yonge Street, 20th Floor  
Toronto, Ontario  
M2M 4G3

**CIBC Securities Inc.**

1-800-465-3863

**Website**

[www.cibc.com/mutualfunds](http://www.cibc.com/mutualfunds)

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