CIBC Managed Income Portfolio

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 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

- The investment objective of CIBC Managed Income Portfolio (the *Portfolio*) is to create a diversified portfolio by allocating its investments across a balanced blend of asset classes. Within the asset classes, the Portfolio will invest primarily in CIBC Mutual Funds, including savings, income, and growth funds (the *Underlying Funds*). The Portfolio will focus primarily on generating a high level of regular income, with a secondary focus on modest capital growth.
- The portfolio advisor has established a strategic asset mix weighting among the Underlying Funds of 5% savings, 75% income, and 20% growth funds. While the portfolio advisor will not generally actively manage the asset mix of the Portfolio, they may review and change the strategic asset mix as necessary in order to meet the investment objective. They may also rebalance the mix of the Underlying Funds to realign the weightings within the strategic asset mix.

Risk

- The Portfolio is a Canadian fixed income balanced portfolio that is suitable for short to medium-term investors who can tolerate low to moderate investment risk.
- We work to minimize overall risk by ensuring the Portfolio is broadly diversified at multiple levels. We diversify the Portfolio's holdings of Underlying Funds across asset classes, investment managers, style, and some geographic and market capitalization. Through the discipline of strategic asset allocation, we can monitor the Portfolio's diversification on an ongoing basis so there is not too heavy a reliance on any one individual stock, sector, region or management style.
- 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 Portfolio was increased over the period. The potential credit risk was also increased over the period as credit spreads between government and corporate bonds widened and as liquidity in the corporate bond market deteriorated.
- The U.S. sub-prime mortgage market deteriorated over the period, as many of the underlying sub-prime mortgages went into default. The decline of the U.S. sub-prime market had implications throughout domestic and global equity and fixed income markets. This deterioration helped to undermine the value of parts of the Asset-Backed Commercial Paper (*ABCP*) market as the payments supporting several non-bank sponsored ABCP products went into default. ABCP is short-term debt issued by financial institutions or issued by other corporations or non-financial institutions, and supported by the expected payments on assets such as trade receivables or mortgage payments. As many of the world's largest companies and financial institutions were directly or indirectly exposed to the U.S. sub-prime credit market and to the ABCP market, the effects of the deterioration of these markets were felt throughout the financial markets. As a result, the potential general market risk to the Portfolio was increased over the period.
- Over the 12-month period ended December 31, 2008, the above-mentioned risk factors did not significantly impact the overall risk level of the Portfolio. The risks of investing in the Portfolio remain as discussed in the Portfolio's simplified prospectus.

Results of Operations

The portfolio sub-advisor of the Portfolio 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 Portfolio for the period ended December 31, 2008. All dollar figures are expressed in thousands.

- The Portfolio's net asset value increased by 10% during the period, from $162,190 on December 31, 2007 to $178,759 on December 31, 2008. Net sales of $19,333 contributed to this increase, which was partially offset by negative investment performance.
- Global equity markets, currency markets, and commodities experienced extreme volatility during the period, as a result of the global credit crisis and weakening economic environment. All equity asset classes suffered significant losses over the period, with steepest losses in Canadian equities due to the sharp correction in commodity prices.
- Domestic fixed income asset classes delivered solid returns, as investors' concern over the impact of the financial crisis increased demand for more conservative investments. International bonds delivered strong returns, mainly due to the decline in the Canadian dollar relative to other major currencies.
- The Portfolio's performance benefited from its fixed income holdings; however, weak performance in domestic and foreign equity holdings pulled the overall return down.

Target portfolio allocations:

- Savings
  - 5% allocation to CIBC Money Market Fund
- Income
  - 35% allocation to CIBC Canadian Short-Term Bond Index Fund
  - 35% allocation to CIBC Canadian Bond Fund
  - 5% allocation to CIBC Global Bond Fund
- Growth
  - 5% allocation to CIBC Dividend Growth Fund
  - 4% allocation to CIBC U.S. Broad Market Index Fund
  - 4% allocation to CIBC Disciplined U.S. Equity Fund
  - 3% allocation to CIBC European Equity Fund
  - 4% allocation to CIBC Disciplined International Equity Fund

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 Portfolio 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 Portfolio.

Related Party Transactions

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

Manager

CIBC is the manager (the *Manager*) of the Portfolio. The Portfolio holds units of other mutual funds (the *Underlying Funds*), which may also be managed by CIBC or its affiliates. CIBC will receive management fees with respect to the day-to-day business and operations of the Portfolio, as described in the section entitled *Management Fees*. The Manager will also compensate its wholesalers in connection with their marketing activities regarding the Portfolio. From time to time, CIBC may provide seed capital to the Portfolio.

Trustee

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

Portfolio Advisor

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

Sub-advisor

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

Distributor

Dealers and other firms will sell the units of the Portfolio 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 Portfolio. These dealers and other firms may pay a portion of these trailing commissions to their advisors who sell units of the Portfolio to investors.

Brokerage Arrangements and Soft Dollars

The portfolio advisor purchases and sells units of the Underlying Funds on behalf of the Portfolio and, as a result, the Portfolio does not incur any sales charges or brokerage commissions with respect to execution of portfolio transactions of the Underlying Funds. The Portfolio may also enter into derivatives transactions consistent with its investment objective. Although it is not expected that there will be brokerage arrangements in connection with the derivatives transactions, if that were to occur, the Portfolio would be responsible for any brokerage fees and commissions with respect to such transactions. CIBC WM and CIBC World Markets Corp., each a subsidiary of CIBC, are dealers through which execution of these derivatives transactions may take place.

Decisions that the portfolio advisor may make as to brokerage transactions, including the selection of markets and dealers and the negotiation of commissions, would be based on elements such as price, speed of execution, certainty of execution, and total transaction costs.

CIBC WM and CIBC World Markets Corp. may also earn spreads on the sale of securities to the Portfolio. 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 the portfolio advisor that processes trades through them (referred to in the industry as “soft dollar” arrangements). These services assist the portfolio advisor with investment decision-making services to the Portfolio.

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

Custodian

CIBC Mellon Trust Company is the custodian (the *Custodian*) that holds all cash and securities for the Portfolio 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 Portfolio. The fees for the services of the Custodian are paid by the Manager, and charged to the Portfolio 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 Portfolio, including fund accounting and reporting, and portfolio valuation. Such servicing fees are paid by the Manager, and charged to the Portfolio 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 Portfolio and are intended to help you understand the Portfolio's financial performance for the periods ended December 31.

The Portfolio's Net Assets per Unit[1]

	2008	2007	2006	2005	2004
Net Assets, beginning of period	$ 9.99	$10.28	$10.06	$10.13	$ 9.98
Increase (decrease) from operations:					
Total revenue	$ 0.29	$ 0.35	$ 0.31	$ 0.31	$ 0.32
Total expenses	(0.03)	(0.03)	(0.06)	(0.08)	(0.07)
Realized gains (losses) for the period	–	0.02	0.16	0.04	0.01
Unrealized gains (losses) for the period	(0.42)	(0.29)	0.16	(0.10)	0.11
Total increase (decrease) from operations[2]	$(0.16)	$ 0.05	$ 0.57	$ 0.17	$ 0.37
Distributions:					
From income (excluding dividends)	$ 0.25	$ 0.26	$ 0.25	$ 0.22	$ 0.24
From dividends	0.01	–	–	0.01	–
From capital gains	–	0.09	0.11	0.02	–
Return of capital	–	–	–	–	–
Total Distributions[3]	$ 0.26	$ 0.35	$ 0.36	$ 0.25	$ 0.24
Net Assets, end of period	$ 9.58	$ 9.99	$10.28	$10.06	$10.13

[1]This information is derived from the Portfolio'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.

[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 Portfolio, or both.

Ratios and Supplemental Data

	2008	2007	2006	2005	2004
Total Net Asset Value (000s)[4]	$178,759	$162,190	$154,507	$150,736	$123,348
Number of Units Outstanding[4]	18,663,428	16,230,272	15,024,091	14,977,007	12,177,841
Management Expense Ratio[5]	1.68%	1.69%	1.93%	1.95%	1.95%
Management Expense Ratio before waivers or absorptions[6]	2.17%	2.23%	2.26%	2.33%	2.09%
Trading Expense Ratio[7]	0.02%	0.00%	0.00%	0.00%	0.00%
Portfolio Turnover Rate[8]	3.85%	7.52%	41.21%	4.67%	1.51%
Net Asset Value per Unit	$ 9.58	$ 9.99	$ 10.28	$ 10.06	$ 10.13

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

[5]Management expense ratio is based on the total expenses of the Portfolio (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.

[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 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 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 Portfolio, 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 Portfolio's net asset value and is calculated and credited daily, and paid monthly. The Portfolio 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 Portfolio for the period ended December 31, 2008. These amounts do not include waived fees or absorbed expenses.

Sales and trailing commissions paid to dealers	14.24%
General administration, investment advice, and profit	85.76%

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 Portfolio's benchmark is the DEX Universe Bond Index. The DEX Universe Bond Index is an index comprised of more than 900 marketable Canadian bonds intended to reflect the performance of the broad Canadian investment-grade bond market. Returns are calculated daily and are weighted by market capitalization.

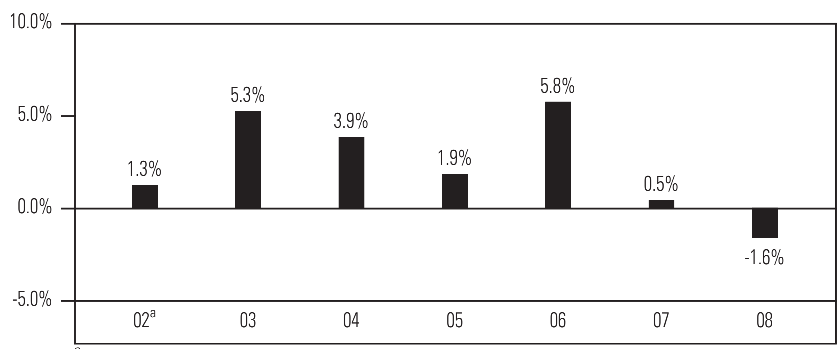
The Portfolio's secondary benchmark is a blended index consisting of 40% DEX Short Term Bond Index, 40% DEX Universe Bond Index, 5% S&P/TSX Composite Index, and 15% MSCI World Index (*Blended Benchmark*). The DEX Short-Term Bond Index is an index that is intended to represent the Canadian short-term bond market. It contains bonds with remaining effective terms greater than or equal to 1 year and less than or equal to 5 years. The S&P/TSX Composite Index is an index that is intended to represent the Canadian equity market. It includes the largest companies listed on the Toronto Stock Exchange. It includes common stock and income trust units and serves as the benchmark for the majority of Canadian pension funds and equity market mutual funds. The MSCI World Index is a free float-adjusted market capitalization index composed of companies representative of the market structure of 23 developed market countries in North America, Europe, and the Asia/Pacific region.

For the period, the Portfolio returned −1.6%. The Portfolio underperformed the DEX Universe Bond Index return of 6.4% and the Blended Benchmark return of −0.2% for the same period.

The Portfolio'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 Portfolio 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.



[a]2002 return is for the period from February 1, 2002 to December 31, 2002

Annual Compound Returns

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

	Portfolio	DEX Universe Bond Index	Blended Benchmark
1 Year	−1.6%	6.4%	−0.2%
3 Years	1.6%	4.7%	3.1%
5 Years	2.1%	5.5%	4.2%
Since Inception (for the period from February 1, 2002 to December 31, 2008)	2.5%	6.2%	4.6%

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

This Portfolio invests in units of its Underlying Funds. You can find the prospectus and additional information about the Underlying Funds by visiting www.sedar.com.

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 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.

Portfolio Breakdown	**% of Net Asset Value**
Canadian Bond Mutual Funds	70.16%
U.S. Equity Mutual Funds	7.97%
International Equity Mutual Funds	6.97%
International Bond Mutual Funds	5.17%
Canadian Equity Mutual Funds	5.00%
Money Market Mutual Funds	4.95%
Cash & Cash Equivalents	−0.10%
Other Assets, Less Liabilities	−0.12%

Top Positions	**% of Net Asset Value**
CIBC Canadian Short-Term Bond Index Fund	35.20%
CIBC Canadian Bond Fund, Class A units	34.96%
CIBC Global Bond Fund	5.17%
CIBC Dividend Growth Fund	5.00%
CIBC Money Market Fund, Class A units	4.95%
CIBC U.S. Broad Market Index Fund	4.02%
CIBC Disciplined U.S. Equity Fund	3.96%
CIBC Disciplined International Equity Fund	3.93%
CIBC European Equity Fund	3.03%
Cash & Cash Equivalents	−0.10%
Other Assets, Less Liabilities	−0.12%

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 Portfolio, 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 Portfolio 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.

For what matters.

CIBC Mutual Funds
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

CIBC Securities Inc. is a wholly-owned subsidiary of CIBC and is the principal distributor of the CIBC Mutual Funds and the CIBC Family of Managed Portfolios. CIBC Family of Managed Portfolios are mutual funds that primarily invest in other CIBC Mutual Funds. To obtain a copy of the prospectus, call CIBC Securities Inc. at 1-800-465-3863 or ask your advisor.

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