



December 31, 2007

Dear Unitholder:

An independent committee of the funds (collectively, the “Funds” and individually, a “Fund”) managed by Canadian Imperial Bank of Commerce (“CIBC”) and CIBC Asset Management Inc. (“CAMI”) was originally established on September 3, 2003 to provide advice to the manager regarding certain conflicts of interest in mutual fund management. On April 27, 2007, the independent committee was reconstituted as the Independent Review Committee (the “IRC”) pursuant to *National Instrument 81-107–Independent Review Committee for Investment Funds* (“NI 81-107”).

The members of the IRC have expertise in a variety of fields, including financial institutions, investment funds, other investment businesses, legal and accounting. This is its first annual report to unitholders of the CIBC Funds (comprising the CIBC Mutual Funds, the CIBC Family of Managed Portfolios and the Imperial Pools) under the requirements of 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.

At least once a year, the IRC will also review and assess the adequacy and effectiveness of the policies and procedures relating to conflict of interest matters in respect of the Funds, and will also conduct a self-assessment of the IRC’s independence, compensation and effectiveness.

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

John W. Crow

Chair of the Independent Review Committee

March 17, 2008



December 31, 2007

Member of the IRC	Other Fund Families other than CIBC on whose IRC Member Serves
Name	
John W. Crow Chair of the IRC Toronto, Ontario	Lawrence Family of Funds
Donald W. Hunter Toronto, Ontario	Criterion Investments Family of Funds
Tim Kennish Toronto, Ontario	None
Merle Kriss Toronto, Ontario	None
William Thornhill Mississauga, Ontario	Quadravest Funds

All of the members listed above were appointed to the newly constituted IRC on April 27, 2007. There have been no changes in the composition of the newly constituted IRC since its inception on April 27, 2007.

Holdings of Securities:

(a) **Funds**

As at December 31, 2007, 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 did not exceed 0.1 per cent for any Fund.

(b) **Manager**

As at December 31, 2007, the percentage of each class or series of voting or equity securities of CIBC or CAMI 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 or CAMI.

(c) **Service providers**

As at December 31, 2007, no member of the IRC beneficially owned, directly or indirectly, 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.



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IRC Compensation and Indemnities

The aggregate compensation paid by the Funds (including Funds managed by CIBC) to the IRC for the approximately eight-month period, from the inception of the current IRC on April 27, 2007 to December 31, 2007, was \$213,333. 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.

The initial compensation of the IRC was set by the manager. As at the date of this report, each member of the IRC receives an annual retainer of \$50,000 (\$75,000 for the Chair) and up to \$1,500 for each meeting of the IRC that the member attends in excess of six meetings per year, plus expenses for each meeting. At least annually, the IRC will review compensation giving consideration to the following:

1. the best interests of the Funds;
2. industry best practices, including industry averages and surveys on IRC compensation;
3. the number, nature and complexity of the Funds for which the IRC acts; and
4. 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.

No indemnities were paid to the IRC by the Funds or the Manager of the Funds during the period.

Conflict of Interest Matters

The manager must refer conflict of interest matters, along with its proposed action, 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. For each matter referred by the manager to the IRC during the eight-month period from April 27, 2007 to December 31, 2007, the IRC granted an approval or made a positive recommendation. These approvals and recommendations are described below, and were accompanied with standing instructions permitting the manager to engage in the activity on an ongoing basis, subject to compliance with the manager's policies and procedures. The manager must report to the IRC on these matters and request the IRC to renew the standing instructions at least annually.

The manager has an obligation to report 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. For the period covered in this report, the IRC is not aware of any such instances.

Approvals

As permitted by Canadian securities legislation, the Funds may vary investment restrictions and practices contained in securities legislation. In accordance with the requirements of *National Instrument 81-102 – Mutual Funds* ("NI 81-102") and NI 81-107 and exemptive relief orders granted by the Canadian securities regulatory authorities, the IRC has provided approval for the Funds to:

1. Invest in or hold equity securities of CIBC or of issuers related to CIBC or a sub-advisor. CIBC is currently in the process of making an exemptive relief application to permit the Funds to make purchases of CIBC debt securities.
2. Invest in the securities of an issuer where CIBC World Markets Inc., CIBC World Markets Corp., 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 of such securities.
3. Purchase equity or debt securities from or sell equity or debt securities to a Related Dealer, where it is acting as principal.
4. Purchase securities from or sell securities to another Fund managed by the manager or an affiliate of the manager (referred to as inter-fund trades or cross-trades).

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.



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Finally, also in accordance with the requirements of the above-mentioned National Instruments, on April 27, 2007, the IRC provided approval for the manager of the Funds to merge certain Funds where, among other things, the investment objectives, fee structure and valuation procedures of the merging funds were substantially the same. The manager demonstrated to the IRC that each of the mergers:

- was proposed 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;
- represented the business judgment of the manager uninfluenced by considerations other than the best interests of the terminating Fund;
- was in compliance with the manager's written policies and procedures relating to the mergers; and
- achieved a fair and reasonable result for the terminating Fund.

Recommendations

Listed below are the conflict of interest matters that, as at December 31, 2007, have been identified by the manager for the IRC to consider. The IRC has provided positive recommendations to the manager, subject to compliance with a number of standing instructions, with respect to each of these matters.

1. Trading with a Related Broker-Dealer as Agent: Placing trades on behalf of Funds by a portfolio advisor through its related broker-dealers 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 portfolio 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. Soft Dollars: Soft dollar arrangements are a means for a portfolio 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 a portfolio advisor could use soft dollars to acquire goods or services that benefit the advisor instead of the Funds it manages.
4. Voting Securities of CIBC: In voting securities of CIBC held by the Funds, a conflict of interest may exist in that the sub-advisors selected by the manager of the Funds may have to choose between supporting the management decisions of CIBC and voting in the best interest of the Funds.
5. Valuing Assets of a Fund and 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 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.



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Funds covered by this report:

CIBC Mutual Funds

CIBC Asia Pacific Index Fund
CIBC Balanced Fund
CIBC Balanced Index Fund
CIBC Canadian Bond Fund
CIBC Canadian Bond Index Fund
CIBC Canadian Emerging Companies 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 Companies Fund
CIBC Canadian T-Bill Fund
CIBC Capital Appreciation Fund
CIBC Disciplined International Equity Fund
CIBC Disciplined U.S. Equity Fund
CIBC Diversified Income Fund
CIBC Dividend Fund
CIBC Emerging Economies Fund
CIBC Emerging Markets Index Fund
CIBC Energy Fund
CIBC European Equity Fund
CIBC European Index Fund
CIBC European Index RRSP Fund
CIBC Far East Prosperity 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 High Yield Cash Fund
CIBC International Index Fund
CIBC International Index RRSP Fund
CIBC International Small Companies Fund
CIBC Japanese Equity Fund
CIBC Japanese Index RRSP Fund
CIBC Latin American Fund
CIBC Money Market Fund
CIBC Monthly Income Fund
CIBC Mortgage and Short-Term Income Fund
CIBC Nasdaq Index Fund
CIBC Nasdaq Index RRSP Fund
CIBC North American Demographics Fund
CIBC Precious Metals Fund
CIBC Premium Canadian T-Bill Fund
CIBC U.S. Dollar Money Market Fund

CIBC U.S. Equity Index Fund
CIBC U.S. Index RRSP Fund
CIBC U.S. Small Companies Fund

Imperial Pools

Imperial Canadian Bond Pool
Imperial Canadian Dividend Income Pool
Imperial Canadian Dividend Pool
Imperial Canadian Equity Pool
Imperial Canadian Income Trust Pool
Imperial Emerging Economies Pool
Imperial International Bond Pool
Imperial International Equity Pool
Imperial Money Market Pool
Imperial Overseas Equity Pool
Imperial Registered International Equity Index Pool
Imperial Registered U.S. Equity Index Pool
Imperial Short-Term Bond Pool
Imperial U.S. Equity Pool

CIBC Family of Managed Portfolios

CIBC Managed Aggressive Growth Portfolio (formerly
CIBC Managed Aggressive Growth RRSP Portfolio)
CIBC Managed Balanced Growth Portfolio (formerly CIBC
Managed Balanced Growth RRSP Portfolio)
CIBC Managed Balanced Portfolio
CIBC Managed Growth Portfolio (formerly CIBC Managed
Growth RRSP 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