



# CIBC Index-Linked GICs Information Statement



## Play the market and play it safe

CIBC Index-Linked GICs are a safe way to benefit from the potential returns of investing in stock markets. Your principal is 100% guaranteed, and the return on your principal is based on the performance of well-known indices from Canadian or international markets.

### Key benefits

- Higher return potential than regular GICs based on the performance of Canadian or global market indices
- Your principal is fully protected
- Choice of 3- or 5-year terms (35 or 59 months for CIBC Stock Market Advantage RRSP GIC)
- Low minimum investment of only \$500
- Available as CIBC RRSP and non-registered investments
- Diversification in one easy step

	CIBC Stock Market Advantage® GIC	CIBC Market Mix GIC <i>Effective Jan 1, 2011, CIBC Market Mix GIC and CIBC Market Mix RRSP GIC are no longer available for sale.</i>
Type/Index	Index-Linked – Canadian	Index-Linked – Canadian, US and International
Minimum investment	\$500	N/A
Access to funds	At maturity only	At maturity only
Principal guaranteed	Yes	Yes
RRSP eligible	Yes	Yes
Fees to transfer registered plans to other Financial Institution	\$100 per transfer	\$100 per transfer
Terms available	3 and 5 year (non-registered) 35 and 59 months (RRSP)	N/A
Participation Rate (Effective March 26, 2013)	3-year (35 month) term: 45% 5-year (59 month) term: 55%	N/A
Return	Return is based solely on leading Canadian index.	Return is based on international indices and a GIC component that provides minimum guaranteed interest. The minimum guaranteed interest is paid at maturity. Refer to the CIBC Market Mix GIC or CIBC Market Mix RRSP GIC rates provided on your purchase confirmation.

## CIBC Stock Market Advantage GIC

Return on the CIBC Stock Market Advantage GIC is based solely on the S&P/TSX 60<sup>1</sup> Index, a leading Canadian index. This index tracks the performance of sixty of Canada's largest, publicly-listed companies.

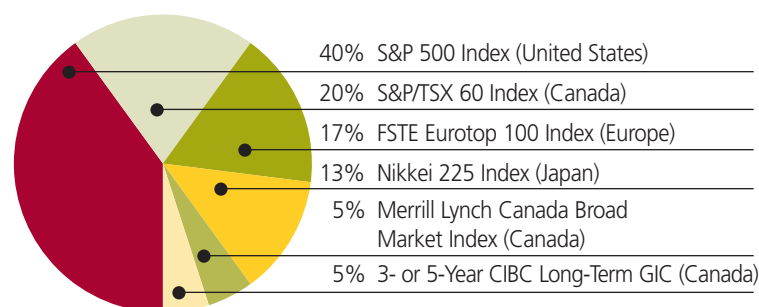
## CIBC Market Mix GIC

**Effective Jan. 1, 2011, CIBC Market Mix GIC and CIBC Market Mix RRSP GIC are no longer available for sale.**

The CIBC Market Mix GIC gives you access to the power and added diversification of world markets by combining five different indices from Canada, Europe, Japan and the United States. The return on your principal is based on the performance of these, or other, indices<sup>†</sup> and also includes a GIC component that provides a minimum guaranteed interest rate.

<sup>†</sup> In certain cases, the calculation of the return may be based on other indices or methodologies. Please see "Extraordinary Events" under the "Additional Terms" for details.

### CIBC Market Mix GIC Component Weightings



**S&P 500<sup>1</sup> Index** – This index provides exposure to 500 leading companies in various industries of the U.S. economy.

**S&P/TSX 60 Index** – Tracks the performance of sixty of Canada's largest companies.

**FTSE Eurotop 100<sup>2</sup> Index** – One of Europe's major stock market indices based on the shares of 100 leading European companies in countries such as the United Kingdom, France, Germany, The Netherlands, Switzerland, Italy and Spain.

**Nikkei 225<sup>3</sup> Index** – Consists of 225 Japanese stocks listed on the Tokyo Stock Exchange.

**Merrill Lynch Canada Broad Market<sup>4</sup> Index** – Reflects the movements of bonds on the Canadian bond market.

**3- or 5-Year CIBC Long-Term GIC** – CIBC's 3- or 5-year Guaranteed Investment Certificate.

## How it works...

The return on your CIBC Index-Linked GIC is based on the performance of Canadian or global market indices over your GIC's term, a participation rate applied to that growth, and, for the CIBC Market Mix GIC, the relative weighting of each index plus a guaranteed minimum interest rate (called the Weighted GIC Component). The precise calculation method is as shown in the chart on page 3, but here is an overview.

$$\text{Your Overall Return} = \left[ \text{Total of Weighted Indices Growth} \times \text{Participation Rate} \right] + \text{Weighted GIC Component (for the CIBC Market Mix GIC only)}$$

For the CIBC Market Mix GIC, we add the Weighted Index Growth for each index to get the *Total of Weighted Indices Growth*.

## And here's what this means...

$$\text{Weighted Index Growth} = \left[ \frac{\text{Final Index Level} - \text{Initial Index Level}}{\text{Initial Index Level}} \times 100 \right] \times \text{Weighting}$$

**Initial Index Level (IIL)** – The closing index level on the second business day after the GIC is bought.

**Final Index Level (FIL)** – The average of the closing index levels on the last business day of each of the 11 months prior to maturity and on the business day prior to maturity. This averaging method helps reduce the impact of any sharp downturns in an index just prior to maturity.

**Participation Rate** – A participation rate provides you with a percentage of any growth in the market indices. It also allows CIBC to provide you with a 100% guarantee on your principal plus the added benefit of growth potential. It is set at the time of purchase and does not change during the GIC's term.

**Weighted GIC Component** (CIBC Market Mix GIC and CIBC Market Mix RRSP GIC only) – This is the compounded 3- or 5-year CIBC Long-Term GIC rate for the CIBC Market Mix GIC, and the compounded 3- or 5-year CIBC RRSP GIC rate for the CIBC Market Mix RRSP GIC (depending on your GIC's term) in effect on the GIC purchase date multiplied by the weighting for the GIC component.

**Your Return** – To calculate the total return earned over the GIC term, simply multiply the amount of your principal by the Overall Return.

## If you invested...

...\$1,000 in the 5-year CIBC Stock Market Advantage GIC with a 55% participation rate and another \$1,000 in the 5-year CIBC Market Mix GIC with a 50% participation rate, here's an illustration of what you could earn - assuming each of the indices were to grow by 10% compounded annually:

Investment Type	Example Initial Index Level (IIL)	Example Final Index Level (FIL)	Index Growth [(FIL-IIL)/IIL] x 100%	Weighting	Weighted Index Growth Index Growth x Weighting	Total of Weighted Indices Growth	Participation Rate (as of March 26, 2013)	Weighted GIC Component (for the CIBC Market Mix GIC)	Return
<b>5-year CIBC Stock Market Advantage GIC</b>									
S&P/TSX 60 Index	460.00	740.83	61.05%	100%	61.05%	61.05%	55%	N/A	33.58%
<b>Overall Return</b>									<b>33.58%</b>
<b>Annual Compound Return</b>									<b>5.96%</b>
<b>5-year CIBC Market Mix GIC</b>									
S&P 500 Index	1100.00	1771.56	61.05%	40%	24.42%	58%	50%	N/A	29.00%
S&P/TSX 60 Index	460.00	740.83	61.05%	20%	12.21%				
FTSE Eurotop 100 Index	2200.00	3543.12	61.05%	17%	10.38%				
Nikkei 225 Index	11000.00	17715.61	61.05%	13%	7.94%				
Merrill Lynch Canada Broad Market Index	300.00	483.15	61.05%	5%	3.05%				
GIC Component – 5-year GIC	N/A	N/A	N/A	5%	N/A	N/A	N/A	0.87%	0.87%
(Example 5-year rate: 17.35% or 3.25% compounded annually before weighting)								(17.35% x 5%)	
<b>Overall Return</b>									<b>29.87%</b>
<b>Annual Compound Return</b>									<b>5.37%</b>

In this example, the total interest earned on the \$1,000 invested in the CIBC Stock Market Advantage GIC would be \$335.78, and for the \$1,000 invested in the CIBC Market Mix GIC, \$298.70.

## What if there is no index growth, or the index(ices) fall over the term?

Regardless of what happens to the market indices, at the end of your GIC term, **100% of your principal will always be returned to you.** For the CIBC Market Mix GIC, you will also receive a minimum interest amount from the GIC component.

Using the example below, if the Final Index Level of all the indices were less than or equal to the Initial Index Level, the return from the indices would be zero. This means that the return paid at maturity for the CIBC Market Mix GIC would only be from its GIC component (overall return of 0.87% or annual compound return of 0.17%) and for the CIBC Stock Market Advantage GIC no return would be paid.

Investment Type	Example Initial Index Level (IIL)	Example Final Index Level (FIL)	Index Growth [(FIL-IIL)/IIL] x 100%	Weighting	Weighted Index Growth Index Growth x Weighting	Total of Weighted Indices Growth	Participation Rate (as of March 26, 2013)	Weighted GIC Component (for the CIBC Market Mix GIC)	Return
<b>5-year CIBC Stock Market Advantage GIC</b>									
S&P/TSX 60 Index	460.00	271.63	-40.95%	100%	-40.95%	-40.95%	55%	N/A	-22.52%
<b>Overall Return</b>									<b>0.00%</b>
<b>Annual Compound Return</b>									<b>0.00%</b>
<b>5-year CIBC Market Mix GIC</b>									
S&P 500 Index	1100.00	649.54	-40.95%	40%	-16.38%	-38.90%	50%	N/A	-19.45%
S&P/TSX 60 Index	460.00	271.63	-40.95%	20%	-8.19%				
FTSE Eurotop 100 Index	2200.00	1299.08	-40.95%	17%	-6.96%				
Nikkei 225 Index	11000.00	6495.39	-40.95%	13%	-5.32%				
Merrill Lynch Canada Broad Market Index	300.00	177.15	-40.95%	5%	-2.05%				
GIC Component – 5-year GIC	N/A	N/A	N/A	5%	N/A	N/A	N/A	0.87%	0.87%
(Example 5-year rate: 17.35% or 3.25% compounded annually before weighting)								(17.35% x 5%)	
<b>Overall Return</b>									<b>0.87%</b>
<b>Annual Compound Return</b>									<b>0.17%</b>

The examples above illustrate the calculation method. They are an illustration only. Your return will depend on the Initial and Final Index Levels for your GIC, the Participation Rate on your GIC and, for the CIBC Market Mix GIC only, your GIC component interest rate. Solely to simplify this example, the Overall Return, Weighted Index Growth and Return were rounded to two decimal places. When the return is calculated on your GIC, up to five decimal places may be used.

## Additional Terms

In the following Additional Terms, “ILGIC” means a CIBC Index-Linked GIC and “Index” or “Indices” refers to the index(ices) used to calculate the return on either the CIBC Market Mix GIC or CIBC Stock Market Advantage GIC.

**Right of Rescission for Telephone Sales:** You may cancel the purchase of an ILGIC made by telephone within the greater of two (2) days after such purchase, or two (2) days after receipt of this Information Statement and your purchase confirmation, by visiting your nearest branch or by calling 1 800 465-CIBC (2422). Your principal and any fees relating to the purchase will be refunded to you. You are deemed to have received written disclosure five (5) business days after the postmark date, if provided by mail.

**Redemption/Maturity/Renewals:** ILGICs are non-redeemable and non-transferable by you. ILGICs within CIBC RRSPs or RRI/IFs are issued and unconditionally guaranteed by CIBC; all non-registered ILGICs are issued by CIBC Trust Corporation and are unconditionally guaranteed by CIBC (for such ILGICs only, references in this Information Statement to CIBC and CIBC GICs refer to CIBC Trust Corporation and GICs issued by it). At maturity, principal and any return will remain un-invested in your GIC/registered plan account from the ILGIC maturity date until your new investment instructions are received on or after the ILGIC maturity date. This means the proceeds from your matured ILGIC may not earn interest until the time that you provide your new investment instructions.

**For ILGICs held within CIBC RRSPs/LIRAs or RRI/IFs:** These Additional Terms override the GIC terms in the CIBC RRSP/RRI/IF Agreements. For Registered Retirement Income Funds (RRI/IFs) and Life Income Funds (LIFs), ensure your plan contains enough cash for Minimum Amount payments so that you do not have to draw on this ILGIC. This ILGIC may be cashed in full before maturity only: (i) for plan taxes or fees; (ii) if you die; (iii) if you withdraw from your Plan under the “Home Buyers Plan” in accordance with section 146.01 of the Income Tax Act; (iv) if you withdraw from your Plan under the “Lifelong Learning Plan” in accordance with section 146.02 of the Income Tax Act; (v) if you are suffering from personal hardship, as determined by CIBC in its sole discretion on a case-by-case basis, and (vi) if your plan contains insufficient funds for the RRI/IF Minimum Amount. On redemption before maturity, your principal will be repaid but no return will be paid. The annual Minimum Amount (and Maximum Amount, if you have a LIF) are calculated with a deemed ILGIC “fair market value” based on average Index month-end levels in the previous year (for December, the Index level two business days before month-end is used). While ILGICs may not be bought within a CIBC RRIF or LIF, existing CIBC Stock Market Advantage RRSP GICs may be transferred in kind to a CIBC RRIF or LIF.

**For non-registered ILGICs:** These ILGICs may be cashed in full before maturity only (i) if you die or (ii) if you are suffering from personal hardship, as determined by CIBC in its sole discretion on a case-by-case basis. On redemption before maturity, your principal will be repaid but no return will be paid.

**Secondary Market:** There is currently no secondary market where you can sell your ILGICs.

**Limitation on Return:** The return on these ILGICs cannot be more than 60% per year, which is the maximum allowed by law.

**No Ownership of Securities Underlying Index or Bonds:** The ILGICs will not entitle investors to any direct ownership of or entitlement to bonds or securities underlying the Indices.

**Current Value and Other Information:** The last available closing values of the Indices and how those values relate to the return payable on an ILGIC are available upon request. For this and other detailed information about your ILGIC, or to request an additional copy of this Information Statement, visit your nearest branch, talk to a CIBC advisor or call 1 800 465-CIBC (2422). To view this Information Statement online, visit [www.cibc.com](http://www.cibc.com).

**Canadian Tax Treatment for Non-Registered GICs:** You should consider the income tax consequences of an investment in ILGICs. The return on your ILGIC is taxed as interest income. For CIBC Market Mix GICs, guaranteed minimum interest will be reported annually on T5 tax slips (and Relevé 3 for Québec residents). For CIBC Market Mix and CIBC Stock Market Advantage GICs, tax slips for the year of maturity will report your return, if any, based on the Index components over the entire term of your ILGIC.

**Information for Non-Residents:** Any interest paid or credited to a non-resident of Canada is exempt from withholding tax.

**Extraordinary Events/Changes to ILGIC Terms and Conditions:** If an Index or Index level is unavailable for any reason (including, without limitation, because: an Index ceases calculation and/or publication temporarily or permanently with or without being replaced by another index; CIBC is otherwise unable to use or CIBC chooses, in its sole discretion, to stop using an Index in calculating the return payable on the ILGIC; or there is a market or data disruption or other situation that, in CIBC’s opinion, may adversely affect CIBC’s ability to calculate the return, manage its risk, or otherwise perform its obligations) (an “Extraordinary Event”), CIBC may take any action it deems appropriate. This includes, without limitation: using any other Index instead of one or more Index(ices) in order to calculate the return; adjusting or delaying the determination of any Index level and/or the return on the ILGIC; and/or paying (at any time before or after the maturity date) a return in an amount determined by CIBC in its sole discretion. This Information Statement may be amended by CIBC without notice to you if, in the reasonable opinion of CIBC, the amendment would not materially and adversely affect your interests. In all other cases, CIBC may amend this Information Statement and will give you notice of the amendment by mailing notice to you (with or on your account statement, or otherwise). The amendment will be effective upon receipt by you of the notice which shall be deemed to be five business days after the notice was mailed to you or upon any later effective date set out in the notice.

## Risk Factors To Consider When Purchasing ILGICs

**Suitability of Investment:** ILGICs have been designed to provide investors with exposure to the performance of the Indices. Before reaching a decision to purchase an ILGIC, investors should carefully consider a variety of risk factors associated with the ownership of ILGICs. Investors will not be able to redeem ILGICs prior to the maturity date. ILGICs are designed for investors with a long-term investment horizon who are prepared to hold the ILGICs to the maturity date and are prepared to assume the risks with respect to a return tied to the performance of the Indices. The return on ILGICs (if any), unlike the return on many deposit liabilities of Canadian chartered banks, is uncertain (other than the minimum guaranteed interest amount on the CIBC Market Mix GIC). Therefore, ILGICs are not suitable investments for investors that need or expect certainty of yield. The return on an ILGIC depends on the performance of the Indices and will be determined in accordance with the calculation method as described on this Information Statement only. Principal and any return on ILGICs (and the minimum interest amount guaranteed on the CIBC Market Mix GIC) is paid only at maturity.

**Comparison to Fixed Rate Investments:** ILGICs have certain characteristics that differ from fixed rate investments (e.g. regular GICs) in that they do not provide any return or income stream prior to maturity, or a return at maturity that is calculated by reference to a fixed rate of interest that can be determined prior to maturity. A return on ILGICs, if any, is tied to the performance of the Indices. There is no assurance that the Indices will appreciate over the term of the ILGICs and therefore no assurance that investors will receive any amount at maturity other than repayment of the principal (and the minimum interest amount guaranteed on the CIBC Market Mix GIC). Accordingly, an investment in ILGICs may result in a lower return when compared to alternative investments.

**Risks Relating to the Indices:** Certain risk factors applicable to holders who invest directly in securities underlying the Indices are also applicable to an investment in ILGICs to the extent that such risk factors could adversely affect the performance of the Indices. Such risk factors include credit risk (factors that may result in non-payment of the obligation), currency risk (change in value of Canadian dollar compared to foreign currencies), financial, political and social factors that affect investments, and interest rate risk (factors which might cause interest rates to rise or fall). The trading prices of the securities underlying the Indices, from time to time, will affect the closing values of the Indices and, accordingly, the Final Index Levels. Investors should recognize that

it is impossible to know whether the value of the securities comprising the Indices at any time will rise or fall. Investors should familiarize themselves with the basic features of the Indices, including the general method of calculating the closing value. CIBC is not affiliated with any of the Indices and has not performed any due diligence investigation or review of them. CIBC assumes no responsibility for the adequacy of the information concerning the Indices provided in this Information Statement or otherwise publicly available. An investor should undertake an independent investigation of the Indices as they deem necessary to allow them to make an informed decision with respect to an investment in the ILGICs.

**Credit Risk:** Because the obligation to make payments to investors is an obligation of CIBC, the likelihood that such investors will receive the payments owing to them in connection with the ILGICs will be dependent upon the financial health and creditworthiness of CIBC. ILGICs are eligible for deposit insurance coverage from the Canada Deposit Insurance Corporation (CDIC), subject to the maximum coverage limitations. For further information about CDIC coverage, contact CDIC at 1-800-461-CDIC (2342) or visit [www.cdic.ca](http://www.cdic.ca).

**Potential Conflicts of Interest between the Investor and CIBC:** CIBC may be required to exercise its judgment in relation to the ILGICs from time to time. For example, CIBC may have to determine whether an Extraordinary Event (as defined above) has occurred, and may, as a consequence, have to make certain determinations. While CIBC is required to make all calculations and determinations in good faith and using commercially reasonable procedures in order to produce a commercially reasonable result, absent manifest error, all of CIBC’s calculations and determinations will be final and binding on all investors, without any liability on CIBC’s part, and investors will not be entitled to any compensation from CIBC for any loss suffered as a result of any of CIBC’s calculations and determinations. Since CIBC’s calculations and determinations may affect the return of the ILGICs, CIBC may have a conflict of interest if CIBC needs to make any such calculations and determinations. Since CIBC or its affiliates issue the ILGICs and calculate the returns on the ILGICs, CIBC may have an economic interest adverse to those of the investor, including with respect to CIBC’s hedging arrangements. CIBC and its affiliates may also deal in the securities of issuers represented in the Indices. In addition, CIBC and its affiliates may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with issuers, the securities of which are represented in the Indices, or any other person or entity having obligations relating to such entities and may engage in proprietary trading in securities represented in the Indices or securities linked to the Indices, or in options, futures or derivatives relating to such securities (including such trading as CIBC may deem appropriate, in its discretion, to hedge any risk in connection with the ILGICs) and may act with respect to such business in the same manner as it or they would if the ILGICs did not exist, regardless of whether any such action might have an adverse effect in the return payable in respect of the ILGICs. CIBC and its affiliates may, whether by virtue of the relationships described above or otherwise, from time to time be in possession of information in relation to or any issuer from time to time represented in the Indices that may not be publicly available or known to investors, and the ILGICs do not create an obligation on the part of CIBC or its affiliates to disclose to investors such relationship (whether or not confidential).

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THE LICENSORS: DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDICES OR ANY DATA IN THEM; HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS; MAKE NO WARRANTY, REPRESENTATION OR CONDITION (EXPRESS OR IMPLIED), AS TO RESULTS TO BE OBTAINED BY ANYONE FROM THE INDICES OR ANY DATA IN THEM; AND EXPRESSLY DISCLAIM ALL WARRANTIES OR CONDITIONS (EXPRESS OR IMPLIED) OF ANY TYPE WITH RESPECT TO THE INDICES OR ANY DATA IN THEM, INCLUDING MERCHANTABILITY, MERCHANTABLE QUALITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. WITHOUT LIMITING THE ABOVE, IN NO EVENT WILL THE LICENSORS HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF DAMAGES.

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