Annual Management Report of Fund Performance

for the financial year ended December 31, 2015

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 1-888-357-8777, by writing to us at CIBC, 18 York Street, Suite 1300, Toronto, Ontario, M5J 2T8, 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

Investment Objective: Imperial Canadian 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, other debt instruments (whether secured or unsecured), preferred shares, and convertible preferred shares of Canadian and non-Canadian issuers.

Investment Strategies: The term-to-maturity of the Pool is adjusted to reflect the portfolio advisor's outlook for interest rates. Pool assets are then allocated to sectors of the bond market based on market outlook. Adjustments to the portfolio are based on a review of macroeconomic and capital market conditions both inside and outside of Canada, along with detailed issuer credit reviews.

Risk

The Pool is a Canadian fixed income fund that is suitable for medium-term investors who can tolerate low investment risk.

For the period ended December 31, 2015, the Pool's overall level of risk remains as discussed in the simplified prospectus.

Results of Operations

The portfolio advisor of the Pool is CIBC Asset Management Inc. (*CAMI* or the *Portfolio Advisor*). The commentary that follows provides a summary of the results of operations for the period ended December 31, 2015. All dollar figures are expressed in thousands, unless otherwise indicated.

The Pool's net asset value increased by 15% during the period, from $10,107,415 as at December 31, 2014 to $11,671,788 as at December 31, 2015. Net sales of $1,285,368 in the period included purchases of $31,345 due to rebalancing of a portfolio product that holds units of the Pool. Positive investment performance also contributed to an overall increase in net asset value.

Class A units of the Pool posted a return of 3.0% for the period. The Pool's benchmark, the FTSE TMX Canada Universe Bond Index (the *benchmark*), returned 3.5% for the same period. The Pool's return is after the deduction of fees and expenses, unlike the benchmark.

Oil and other commodity prices declined sharply in 2015 in response to slower global growth and, in particular, a slower-than-expected Chinese economy. The Bank of Canada reduced interest rates by 50 basis points over the period to counter some of the negative impact of lower commodity prices on Canada's economy. Government bond yields (return on income) were lower, while credit spreads (the difference in yield between corporate bonds and Government of Canada bonds with the same maturity) increased for higher-risk corporate bonds as investors appeared to prefer lower-risk investments. The U.S. Federal Reserve Board raised its federal funds rate by 25 basis points, marking the first change since December 2008, as the U.S. employment market experienced strong job growth.

The Pool's large overweight exposure to corporate bonds (including high-yield bonds) detracted from performance as credit spreads increased. Individual detractors included Millar Western Forest Products Ltd. (*Millar Western*) (8.50%, 2021/04/01), Navistar International Corp. (*Navistar*) (8.25%, 2021/11/01) and TELUS Corp. (*TELUS*) (4.40%, 2043/04/01). Millar Western struggled with lower commodity prices. Navistar's financial strength weakened significantly. TELUS faced increased competition in Alberta and a large bond issuance.

The Pool's yield curve positioning, with its overweight exposure to mid-term bonds, contributed significantly to performance as yields moved lower and the yield curve remained steep (meaning yields on long-term bonds were higher than yields on short-term bonds). The Pool's underweight exposure to provincial bonds contributed modestly to performance as credit spreads increased. The Pool's longer duration (a measure of its sensitivity to interest rates) contributed slightly to performance as yields declined. Individual contributors to performance included Government of Canada (2.25%, 2025/06/01), Government of Canada (3.50%, 2045/12/01) and Government of

Canada (4.00%, 2041/06/01), all of which benefited from falling bond yields and had significant weighting in the Pool's portfolio.

The Portfolio Advisor added a new holding in Alimentation Couche-Tard Inc. (3.60%, 2025/06/02), based on the bond's attractive price and to improve the Pool's yield and long-term returns. The Portfolio Advisor increased a holding in Canada Housing Trust No. 1 (1.25%, 2020/12/15) to increase yield. The Pool's holding in 407 International Inc. (3.87%, 2017/11/24) was eliminated, based on the bond's tight credit spread and short term to maturity. The Portfolio Advisor decreased the Pool's holding in Canada Housing Trust No. 1 (2.00%, 2019/12/15) to fund the purchase of a Toronto-Dominion Bank five-year deposit note in order to improve the Pool's yield and long-term returns.

Recent Developments

During the period, there were no events or activities that had a material impact on 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

CIBC is the Manager of the Pool. CIBC receives management fees with respect to the day-to-day business and operations of the Pool. The Pool pays the Manager a maximum annual management fee rate of 0.25% of the net asset value of the Pool, as described in the section entitled *Management Fees*.

Trustee

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

Portfolio Advisor

The portfolio advisor provides, or arranges to provide, investment advice and portfolio management services to the Pool. CAMI, a wholly-owned subsidiary of CIBC, is the portfolio advisor *of* the Pool.

Discretionary Managers

As at the date of this report, units of the Pool are offered through discretionary investment management services provided by certain subsidiaries of CIBC (collectively, the *Discretionary Managers*). The Discretionary Managers may include CIBC Trust and CAMI. The Discretionary Managers arrange to purchase, switch, and redeem units of the Pool on behalf of their clients who have entered into discretionary investment management agreements with one of the Discretionary Managers. The Discretionary Managers are the registered unitholders of the Pools for the purposes of receiving all unitholder materials and having the right to vote all proxies with respect to units of the Pool. Units of the Pool are also offered to investors in connection with certain products offered by affiliated dealers pursuant to the terms of the account agreements governing such products. 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 management services and, from these fees, CIBC Trust may pay affiliated dealers and other CIBC members for services provided in connection with the client's discretionary investment managed account, which may hold units of the Pool.

CIBC receives fees from CIBC Trust for the services of CIBC advisors that assist investors with opening discretionary investment management accounts where CIBC Trust acts as the Discretionary Manager and for acting as the investors' ongoing relationship manager. CIBC is responsible for the remuneration of the CIBC advisors and may pay the CIBC advisors out of such fees. Further details of the arrangement between CIBC and CIBC Trust may be found in the discretionary investment management agreement between CIBC Trust and investors. CAMI receives 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 counsellors.

Brokerage Arrangements and Soft Dollars

The Portfolio Advisor makes decisions, including the selection of markets and dealers and the negotiation of commissions, with respect to the purchase and sale of portfolio securities, certain derivative products (including futures), and the execution of portfolio transactions. Brokerage business may be allocated by the Portfolio Advisor 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 the sale of fixed income and other securities and certain derivative products (including forwards) 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 type and liquidity of the security.

Dealers, including CIBC WM and CIBC World Markets Corp., may furnish goods and services other than order execution to the Portfolio Advisor in partial exchange for processing trades through them (referred to in the industry as "soft dollar" arrangements). These goods and services are paid for with a portion of the brokerage commissions and assist the Portfolio Advisor with investment decision-making services for the Pool or relate directly to the execution of portfolio transactions on behalf of the Pool.

In addition, CIBC 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, the Pool did not pay any brokerage commissions or other fees to CIBC WM or CIBC World Markets Corp. Spreads associated with fixed income and other securities are not ascertainable and, for that reason, cannot be included when determining these amounts.

Pool Transactions

The Pool may enter into one or more of the following transactions (the *Related Party Transactions*) in reliance on the standing instructions issued by the Independent Review Committee (*IRC*):

- invest in or hold equity securities of CIBC or issuers related to a portfolio sub-advisor;
- invest in or hold non-exchange-traded debt securities of CIBC or an issuer related to CIBC in a primary offering and in the secondary market;
- invest in or hold debt securities of CIBC or issuers related to a portfolio sub-advisor purchased in the secondary market;
- make an investment in the securities of an issuer for which CIBC WM, CIBC World Markets Corp., or any affiliate of CIBC (a *Related Dealer*) acts as an underwriter during the offering of the securities at any time during the 60-day period following the completion of the offering of such securities (in the case of a “private placement” offering, in accordance with the exemptive relief order granted by the Canadian securities regulatory authorities and in accordance with the policies and procedures relating to such investment);
- purchase equity or debt securities from or sell them to a Related Dealer, where it is acting as principal;
- undertake currency and currency derivative transactions where a Related Dealer is the counterparty; and
- purchase securities from or sell securities to another investment fund or a managed account managed by the Manager or an affiliate of the Manager.

At least annually, the IRC reviews the Related Party Transactions for which they have issued standing instructions. 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.

Custodian

CIBC Mellon Trust Company is the custodian of the Pool (the *Custodian*). The Custodian holds all cash and securities for the Pool and ensures that those assets are kept separate from any other cash or securities that the Custodian might be holding. The Custodian also provides other services to the Pool including record-keeping and processing of foreign exchange transactions. The Custodian may hire sub-custodians for the Pool. The fees and spreads for services of the Custodian directly related to the execution of portfolio transactions by the Pool are paid by CAMI and/or dealer(s) directed by CAMI, up to the amount of the credits generated under soft dollar arrangements from trading on behalf of the Pool during that month. All other fees and spreads for the services of the Custodian are paid by the Manager and charged to the Pool on a recoverable basis. CIBC owns a 50% interest in the Custodian.

Service Provider

CIBC Mellon Global Securities Services Company (*CIBC GSS*) provides certain services to the Pool, including securities lending, fund accounting and reporting, and portfolio valuation. Such servicing fees are paid by the Manager and charged to the Pool on a recoverable basis. CIBC indirectly owns a 50% interest in 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.

The Pool's Net Assets per Unit[1] - Class A Units

	2015	2014	2013	2012	2011
Net Assets, beginning of period	$ 11.65	$ 11.11	$ 11.58	$ 11.48	$ 10.92
Increase (decrease) from operations:					
Total revenue	$ 0.42	$ 0.43	$ 0.41	$ 0.48	$ 0.48
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	0.03	0.02	–	0.16	0.07
Unrealized gains (losses) for the period	(0.11)	0.51	(0.47)	(0.04)	0.51
Total increase (decrease) from operations[2]	$ 0.33	$ 0.95	$ (0.07)	$ 0.59	$ 1.05
Distributions:					
From income (excluding dividends)	$ 0.40	$ 0.41	$ 0.41	$ 0.46	$ 0.47
From dividends	–	–	–	–	–
From capital gains	0.02	–	–	0.02	–
Return of capital	–	–	–	–	–
Total Distributions[3]	$ 0.42	$ 0.41	$ 0.41	$ 0.48	$ 0.47
Net Assets, end of period	$ 11.58	$ 11.65	$ 11.11	$ 11.57	$ 11.48

1 This information is derived from the Pool's audited annual financial statements. The Pool adopted International Financial Reporting Standards (*IFRS*) on January 1, 2014. Previously, the Pool prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles (*GAAP*) as defined in Part V of the CPA Canada Handbook. Under Canadian GAAP, the Pool measured fair values of its investments in accordance with CICA Handbook Section 3855 which required the use of bid prices for long positions and ask prices for short positions. As such, the net assets per unit figure presented in the financial statements may differ 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 issued prior to January 1, 2014. Upon adoption of IFRS, the Pool measures the fair value of its investments by using the close market prices, where the close market price falls within the bid-ask spread. As such, the Pool's accounting policies for measuring the fair value of investments in the financial statements are consistent with those used in measuring the net asset value for transactions with unitholders. Accordingly, the opening net asset figure as at January 1, 2013 was restated to reflect accounting policy adjustments made in accordance with IFRS. All figures presented for periods prior to January 1, 2013 were prepared in accordance with Canadian GAAP and subsequent thereto were prepared in accordance with IFRS.

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 Pool, or both.

Ratios and Supplemental Data - Class A Units

	2015	2014	2013	2012	2011
Total Net Asset Value (000s)[4]	$ 11,671,788	$ 10,107,415	$ 7,554,313	$ 6,831,623	$ 6,189,191
Number of Units Outstanding[4]	1,007,498,871	867,450,604	680,192,950	589,749,793	538,594,357
Management Expense Ratio[5]	0.11%	0.11%	0.08%	0.08%	0.08%
Management Expense Ratio before waivers or absorptions[6]	0.31%	0.31%	0.33%	0.33%	0.33%
Trading Expense Ratio[7]	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio Turnover Rate[8]	40.02%	42.83%	59.73%	68.63%	65.16%
Net Asset Value per Unit	$ 11.58	$ 11.65	$ 11.11	$ 11.58	$ 11.49

4 This information is presented as at December 31 of the period(s) shown.

5 Management expense ratio is based on the total expenses of the pool (excluding commissions and other portfolio transaction costs), incurred by or allocated to a class of units for the period shown, expressed as an annualized percentage of the daily average net asset value of that class 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 before income taxes 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 advisor and/or 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 Pool, either directly or indirectly, pays an annual management fee to CIBC to cover the costs of managing the Pool. Management fees are based on the net asset value of the Pool and are calculated daily and paid monthly. Management fees are paid to CIBC in consideration for providing, or arranging for the provision of, management, distribution, and portfolio advisory services. Advertising and promotional expenses, office overhead expenses, trailing commissions, and the fees of the portfolio sub-advisor(s) are paid by CIBC out of the management fees received from the Pool. The Pool is required to pay applicable taxes on the management fees paid to CIBC. Refer to the Simplified Prospectus for the maximum annual management fee rate.

For the period ended December 31, 2015, 100% of the management fees collected from the Pool was attributable to general administration, investment advice, and profit.

Past Performance

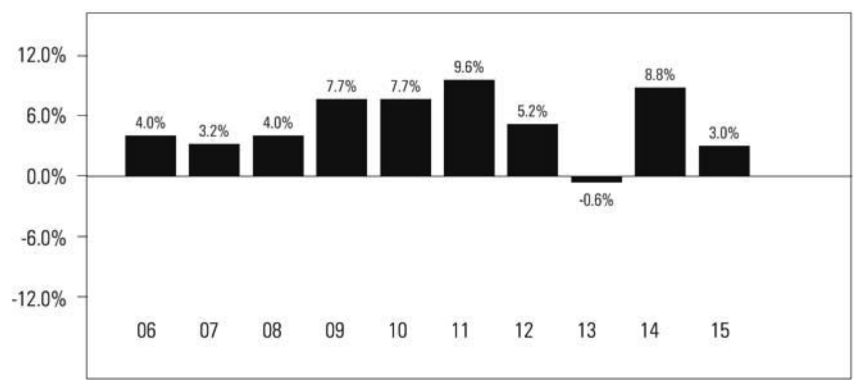
The performance data provided assumes reinvestment of distributions only and does not take into account sales, redemption, distribution, or other optional charges payable by any unitholder that would have reduced returns. Past performance does not necessarily indicate how a fund will perform in the future.

The Pool's returns are 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 Pool 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.

Class A Units



Annual Compound Returns

This table shows the annual compound return of each class of units of the Pool for each indicated period ended on December 31, 2015. The annual compound total return is also compared to the Pool's benchmark(s).

The Pool's benchmark is the FTSE TMX Canada Universe Bond Index.

	1 Year	*3 Years*	*5 Years*	*10 Years**	*or*	*Since Inception**	*Inception Date*
Class A units	3.0%	3.6%	5.1%	5.2%			October 15, 1998
FTSE TMX Canada Universe Bond Index	3.5%	3.6%	4.8%	5.0%			

* If a class of units has been outstanding for less than 10 years, the annual compound return since inception is shown.

FTSE TMX Canada Universe Bond Index is 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.

A discussion of the relative performance of the Pool compared to its primary benchmark(s) can be found in *Results of Operations*.

Summary of Investment Portfolio (as at December 31, 2015)

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 shows 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*
Corporate Bonds	40.1
Government of Canada & Guaranteed Bonds	27.8
Provincial Government & Guaranteed Bonds	22.2
Foreign Currency Bonds	3.9
Municipal Government & Guaranteed Bonds	3.4
Cash & Cash Equivalents	1.8
Supranational Bonds	0.5
Mortgage-Backed Securities	0.5
Forward & Spot Contracts	-0.1
Other Assets, less Liabilities	-0.1

Top Positions	*% of Net Asset Value*
Government of Canada, 2.25%, 2025/06/01	2.7
Canada Housing Trust No. 1, 1.25%, 2020/12/15	2.7
Canada Housing Trust No. 1, 1.95%, 2025/12/15	2.6
Government of Canada, 1.50%, 2023/06/01	2.2
Canada Housing Trust No. 1, 2.05%, 2017/06/15	2.0
Cash & Cash Equivalents	1.8
Government of Canada, 3.50%, 2045/12/01	1.8
Government of Canada, 4.00%, 2041/06/01	1.7
Province of Ontario, 2.60%, 2025/06/02	1.5
Canada Housing Trust No. 1, Series '56', 2.35%, 2018/12/15	1.3
Province of Quebec, 6.25%, 2032/06/01	1.0
Canada Housing Trust No. 1, 1.70%, 2017/12/15	1.0
Canada Housing Trust No. 1, 2.00%, 2019/12/15	0.9
Canada Housing Trust No. 1, 3.80%, 2021/06/15	0.8
Canada Housing Trust No. 1, 1.95%, 2019/06/15	0.8
Canada Housing Trust No. 1, 2.05%, 2018/06/15	0.8
Province of Saskatchewan, 3.20%, 2024/06/03	0.7
Municipal Finance Authority of British Columbia, 4.45%, 2020/06/01	0.7
Province of Ontario, Series 'DMTN228', 2.90%, 2046/12/02	0.7
Province of British Columbia, 4.95%, 2040/06/18	0.6
407 International Inc., Series '06D1', 5.75%, 2036/02/14	0.6
Province of Ontario, 3.50%, 2024/06/02	0.6
Royal Bank of Canada, 2.86%, 2021/03/04	0.6
Canada Housing Trust No. 1, Series '23', 4.10%, 2018/12/15	0.6
Bank of Nova Scotia, Series 'DPNT', 2.87%, 2021/06/04	0.5

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