



## 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 1-800-465-3863, by writing to us at CIBC, 18 York Street, Suite 1300, Toronto, Ontario, M5J 2T8, 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

**Investment Objective:** CIBC Monthly Income Fund (the *Fund*) seeks to provide a reasonably consistent level of monthly income while attempting to preserve capital by investing primarily in a diversified portfolio of debt and equity instruments.

**Investment Strategies:** The Fund aims to add value through prudent security selection based on fundamental, bottom-up analysis and through the allocation of assets between cash and fixed income instruments, equities, such as common and preferred shares, income trusts, and other equity securities. Asset allocation can vary over time depending on the portfolio sub-advisor's outlook for the economy and capital markets.

#### Risk

The Fund is a Canadian neutral balanced fund that is suitable for medium-term investors who can tolerate low to medium investment risk.

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

#### Results of Operations

CIBC Asset Management Inc. (*CAMI* or the *Portfolio Advisor*) and American Century Investment Management, Inc. (*ACI*) provide investment advice and investment management services to the Fund. CAMI and ACI use different investment styles and the percentage of the Fund allocated to them will change from time to time.

- CAMI – Canadian Equity and Fixed Income, approximately 90%
- ACI – Global Equity, approximately 10%

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 Fund's net asset value decreased by 23% during the period, from \$5,909,474 as at December 31, 2014 to \$4,558,365 as at December

31, 2015. Net redemptions of \$1,063,896 and negative investment performance resulted in an overall decrease in net asset value.

Class A units of the Fund posted a return of -5.0% for the period. The Fund's primary benchmarks are the S&P/TSX Composite Dividend Index and the FTSE TMX Canada Universe Bond Index (the *benchmarks*), which returned -7.7% and 3.5%, respectively, for the same period. The Fund's return is after the deduction of fees and expenses, unlike the benchmarks. See *Past Performance* for the returns of other classes of units offered by the Fund.

Over the period, equity markets were volatile amid worries about China's economic slowdown and its potential impact on global economic growth. Oil and commodities prices reached new lows as a result of a lack of equilibrium between supply and demand. The diverging monetary policies of central banks continued. The U.S. Federal Reserve Board ended its zero interest-rate policy given stronger U.S. macroeconomic fundamentals. In contrast, central banks in Europe and Japan continued to pursue accommodative monetary policies in an effort to stimulate their respective economies. The U.S. dollar appreciated versus most other world currencies.

Canadian equities were significantly impacted by weakening crude oil and other commodity prices. The energy and materials sectors were the worst performers for the year. The performance of Canadian bank stocks reflected ongoing concerns about the energy sector as well as housing-related risks to the economy and bank loan portfolios.

In the CAMI Canadian Equity and Fixed Income component of the Fund, a significant underweight exposure to the consumer staples sector detracted from performance. Significant individual detractors from performance included overweight allocations to TransAlta Corp. (*TransAlta*) and Teck Resources Ltd. (*Teck Resources*). TransAlta was negatively affected by weaker power prices, economic uncertainty due to lower energy prices, and regulatory risk associated with Alberta's new NDP government. Uncertainty around China's growth and continued the strength of the U.S. dollar resulted in continued

weakness in commodity prices. Lower commodity prices negatively affected stocks such as Teck Resources.

A slight overweight allocation to the telecommunication services sector and significant underweight to gold stocks contributed to the Fund's performance, as did a significant overweight exposure to life insurance companies. Significant individual contributors included holdings in several U.S. securities (Target Corp. (*Target*), Microsoft Corp., YUM! Brands Inc. and Cisco Systems Inc.) and underweight allocations to Encana and First Quantum Minerals Ltd.

CAMI initiated new purchases in Enbridge Inc. (*Enbridge*) and Canadian Apartment Properties REIT (*Canadian Apartment Properties*) during 2015. Enbridge's share price declined over 25% from recent highs, and the company has quality assets, much improved valuation and provides an above-average dividend yield. Canadian Apartment Properties, which owns and leases apartments across Canada, has traditionally been a more defensive real estate investment trust holding, and also provides a stable dividend. Existing holdings of Canadian National Railway Co. and TransCanada Corp. were increased, taking advantage of market volatility to add to core, quality holdings at attractive prices.

SNC-Lavalin Group Inc. shares were eliminated as the stock performed relatively well while the company faced increasing cyclical risk as a result of lower commodity prices. Holdings in both Intel Corp. and Target were sold as their stock prices rose, reducing the attractiveness of their valuation. In addition, CAMI trimmed its holdings in Suncor Energy Inc. and Agrium Inc. as rising stock prices resulted in less attractive valuation.

In the ACI Global Equity component of the Fund, investments in the information technology, consumer discretionary and health care sectors contributed to its performance. Significant individual contributors to performance included Alphabet Inc. (*Alphabet*), Facebook Inc. (*Facebook*) and Amazon.com Inc. (*Amazon*). Alphabet, Google Inc.'s parent company, gained on strong financial results, driven by growth in advertising revenues and the monetization of its assets, such as YouTube. Facebook advanced as it continued to grow advertising revenues, and Amazon rose as the U.S.-based retailer continued to generate strong growth in its core marketplace division, as well as in Amazon Web Services, its online cloud-computing service.

Exposure to the energy sector detracted from the Fund's performance. Individual detractors from performance included U.S. rail operators Union Pacific Corp. and Kansas City Southern Industries Inc., which reported weaker cargo volumes. Weaker demand for commodities, such as coal and oil, negatively impacted volumes at both companies. Another detractor was the Fund's holding in Royal Bank of Scotland Group PLC (*RBS*), which reported disappointing earnings. However, RBS has made significant progress on its multi-year plan to divest itself of non-core assets, and ACI believes that its restructuring effort remains on track, ultimately transforming the bank into a leaner and more focused business with higher profitability.

ACI initiated a new position in Amazon on the basis of profit trends in its core e-commerce business. The company is likely to see further

gains in market share in its electronics and general merchandise segments, and is also benefiting from the continued market-share gains of its Amazon Web Services offering, which is contributing meaningfully to earnings.

ACI added to its holdings of Switzerland-based pharmaceutical company Roche Holding AG Genussscheine (*Roche*), for its potential to outperform on the strength of its drug pipeline, which includes new treatments for lung cancer and multiple sclerosis. Roche is also at the forefront of analyzing the role of biomarkers in the development of new drugs, an important capability as regulators become increasingly focused on ensuring the appropriate treatment is being used for the right patient population. Facebook shares were increased for the company's growth in its advertising revenues, demonstrating the company's success in monetizing the shift to mobile. Consistent expansion of its active user base, both monthly and daily, is driving the company's gains.

Shares of Biogen Idec Inc. were eliminated from the Fund on evidence that sales growth for its major drug, Tecfidera, had started to show material deceleration. Holdings in U.S.-based McKesson Corp. were sold as ACI believes that recent pricing trends on generic drugs could have a negative effect on the company's growth rates, which are also likely to slow as a result of a moderation of realized merger synergies going forward. Gilead Sciences Inc. was also exited on evidence that the firm's growth rate was slowing given increased competition that would likely pressure both market share and pricing for its core hepatitis C drug.

During the period, the portfolio turnover rate of the Fund had normalized, and was lower than the previous 12-month period. At that time, portfolio sub-advisor changes resulted in a higher portfolio turnover rate.

#### **Recent Developments**

During the period, there were no events or activities that had a material impact on 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 of the Fund. CIBC receives management fees with respect to the day-to-day business and operations of the Fund, calculated based on the net asset value of each respective class of units of the Fund as described in the section entitled *Management Fees*. The Manager also compensates 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

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

### Portfolio Sub-Advisor

CAMI has retained ACI to provide investment advice and portfolio management services to the Fund. Although not an affiliate, CIBC currently owns a 41% equity interest in ACI. A portion of the portfolio advisory fees CAMI receives from the Manager will be paid to ACI. On December 21, 2015, CIBC announced that it entered into a definitive agreement to sell its minority position in ACI. The sale is expected to be completed in the first half of 2016 and is subject to regulatory approval.

### Distributor

Dealers and other firms sell the units of the Fund to investors. These dealers and other firms 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

The Portfolio Advisor and any portfolio 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, certain derivative products (including futures) and the execution of portfolio transactions. Brokerage business may be allocated by the Portfolio Advisor and any portfolio sub-advisors, 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 and certain derivative products (including forwards) 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 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 and any portfolio sub-advisors, 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 and any portfolio sub-advisors, with investment decision-making services for the Fund or relate directly to the execution of portfolio transactions on behalf of the Fund. As per the terms of the portfolio 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, the Fund paid brokerage commissions and other fees of \$99,563 to CIBC WM; the Fund did not pay any brokerage commissions or other fees to 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.

### Fund Transactions

The Fund 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;
- 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 Fund (the *Custodian*). The Custodian holds all cash and securities for the Fund

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 Fund including record-keeping and processing of foreign exchange transactions. The fees and spreads for the services of the Custodian directly related to the execution of portfolio transactions initiated by CAMI as the Portfolio Advisor are paid by CAMI and/or the dealer(s) directed by CAMI, up to the amount of the credits generated under soft dollar arrangements from trading by CAMI on behalf of the Fund during that month. All other fees and spreads for the services of the Custodian are paid by the Manager and charged to the Fund 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 Fund, including securities lending, fund accounting and reporting, and portfolio valuation. Such servicing fees are paid by the Manager and charged to the Fund on a recoverable basis. CIBC indirectly owns a 50% interest in CIBC GSS.

## CIBC Monthly Income Fund

### 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 period ended December 31.

#### The Fund's Net Assets per Unit<sup>1</sup> - Class A Units

	2015	2014	2013	2012	2011
<b>Net Assets, beginning of period</b>	\$ 12.82	\$ 12.94	\$ 12.74	\$ 12.77	\$ 13.71
<b>Increase (decrease) from operations:</b>					
Total revenue	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.44	\$ 0.42
Total expenses	(0.19)	(0.20)	(0.19)	(0.19)	(0.19)
Realized gains (losses) for the period	(0.01)	0.47	0.39	0.12	0.40
Unrealized gains (losses) for the period	(0.86)	(0.15)	0.24	0.30	(0.88)
<b>Total increase (decrease) from operations<sup>2</sup></b>	\$ (0.59)	\$ 0.59	\$ 0.91	\$ 0.67	\$ (0.25)
<b>Distributions:</b>					
From income (excluding dividends)	\$ 0.09	\$ 0.10	\$ 0.02	\$ 0.01	\$ –
From dividends	0.20	0.49	0.26	0.24	0.20
From capital gains	–	–	0.19	–	0.32
Return of capital	0.43	0.13	0.25	0.47	0.20
<b>Total Distributions<sup>3</sup></b>	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72
<b>Net Assets, end of period</b>	\$ 11.49	\$ 12.82	\$ 12.94	\$ 12.73	\$ 12.77

<sup>1</sup> This information is derived from the Fund's audited annual financial statements. The Fund adopted International Financial Reporting Standards (*IFRS*) on January 1, 2014. Previously, the Fund 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 Fund 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 Fund 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 Fund'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.

<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 - Class A Units

	2015	2014	2013	2012	2011
<b>Total Net Asset Value (000s)<sup>4</sup></b>	\$ 4,464,876	\$ 5,780,722	\$ 5,894,766	\$ 6,163,146	\$ 6,417,862
<b>Number of Units Outstanding<sup>4</sup></b>	388,742,223	450,867,167	455,390,200	483,623,090	502,027,094
<b>Management Expense Ratio<sup>5</sup></b>	1.47%	1.47%	1.48%	1.48%	1.48%
<b>Management Expense Ratio before waivers or absorptions<sup>5</sup></b>	1.47%	1.47%	1.48%	1.48%	1.48%
<b>Trading Expense Ratio<sup>7</sup></b>	0.03%	0.05%	0.03%	0.06%	0.11%
<b>Portfolio Turnover Rate<sup>8</sup></b>	38.24%	111.19%	49.66%	61.84%	84.81%
<b>Net Asset Value per Unit</b>	\$ 11.49	\$ 12.82	\$ 12.94	\$ 12.74	\$ 12.78

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

<sup>5</sup> Management expense ratio is based on the total expenses of the fund (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.

<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 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.

<sup>8</sup> 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.

## CIBC Monthly Income Fund

### The Fund's Net Assets per Unit<sup>1</sup> - Class O Units

	2015	2014	2013	2012	2011
<b>Net Assets, beginning of period</b>	\$ 10.74	\$ 10.64	\$ 10.29	\$ 10.13	\$ 10.70
<b>Increase (decrease) from operations:</b>					
Total revenue	\$ 0.39	\$ 0.42	\$ 0.38	\$ 0.35	\$ 0.35
Total expenses	(0.01)	(0.01)	—	—	—
Realized gains (losses) for the period	—	0.45	0.32	0.09	0.28
Unrealized gains (losses) for the period	(0.71)	(0.11)	0.20	0.23	(0.45)
<b>Total increase (decrease) from operations<sup>2</sup></b>	\$ (0.33)	\$ 0.75	\$ 0.90	\$ 0.67	\$ 0.18
<b>Distributions:</b>					
From income (excluding dividends)	\$ 0.13	\$ 0.09	\$ 0.03	\$ 0.02	\$ —
From dividends	0.27	0.43	0.35	0.30	0.24
From capital gains	—	—	0.07	—	0.30
Return of capital	0.15	0.03	0.10	0.23	0.01
<b>Total Distributions<sup>3</sup></b>	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55
<b>Net Assets, end of period</b>	\$ 9.82	\$ 10.74	\$ 10.64	\$ 10.27	\$ 10.13

<sup>1</sup> This information is derived from the Fund's audited annual financial statements. The Fund adopted International Financial Reporting Standards (*IFRS*) on January 1, 2014. Previously, the Fund 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 Fund 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 Fund 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 Fund'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.

<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 - Class O Units

	2015	2014	2013	2012	2011
<b>Total Net Asset Value (000s)<sup>4</sup></b>	\$ 93,489	\$ 128,752	\$ 263,278	\$ 260,517	\$ 221,956
<b>Number of Units Outstanding<sup>4</sup></b>	9,524,739	11,990,272	24,746,239	25,328,183	21,885,119
<b>Management Expense Ratio<sup>5</sup></b>	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Management Expense Ratio before waivers or absorptions<sup>6</sup></b>	0.01%	0.00%	0.00%	0.00%	0.00%
<b>Trading Expense Ratio<sup>7</sup></b>	0.03%	0.05%	0.03%	0.06%	0.11%
<b>Portfolio Turnover Rate<sup>8</sup></b>	38.24%	111.19%	49.66%	61.84%	84.81%
<b>Net Asset Value per Unit</b>	\$ 9.82	\$ 10.74	\$ 10.64	\$ 10.29	\$ 10.14

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

<sup>5</sup> Management expense ratio is based on the total expenses of the fund (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.

<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 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.

<sup>8</sup> 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 Fund, either directly or indirectly, pays an annual management fee to CIBC to cover the costs of managing the Fund. Management fees are based on the net asset value of the Fund 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 Fund. The Fund 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 each class of units. For Class O units, the management fee is negotiated with and paid by, or as directed by, unitholders or dealers and discretionary managers on behalf of unitholders. Such Class O management fee will not exceed the Class A unit management fee rate.

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, 2015. These amounts do not include waived fees or absorbed expenses.

	Class A Units
Sales and trailing commissions paid to dealers	40.32%
General administration, investment advice, and profit	59.68%

## Past Performance

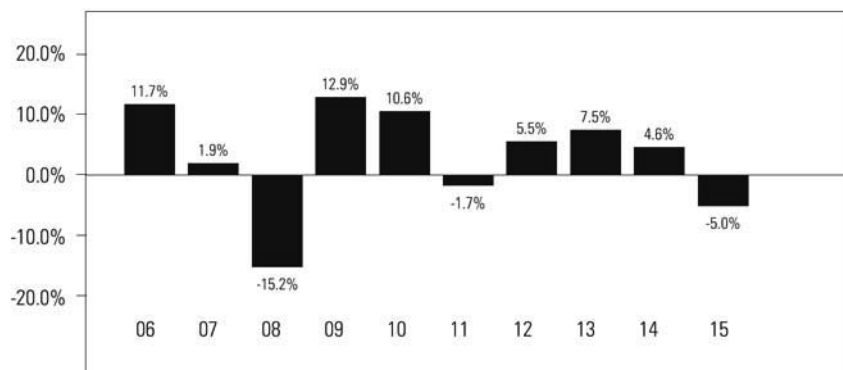
The performance data provided assumes reinvestment of distributions only and does not take into account sales, redemption, distribution, or other optional charges payable by any unitholder that would have reduced returns. Past performance does not necessarily indicate how a fund will perform in the future.

The Fund's returns are after the deduction of fees and expenses, and the difference in returns between classes of units is primarily due to differences in the management expense ratio. See the section entitled *Financial Highlights* for the management expense ratio.

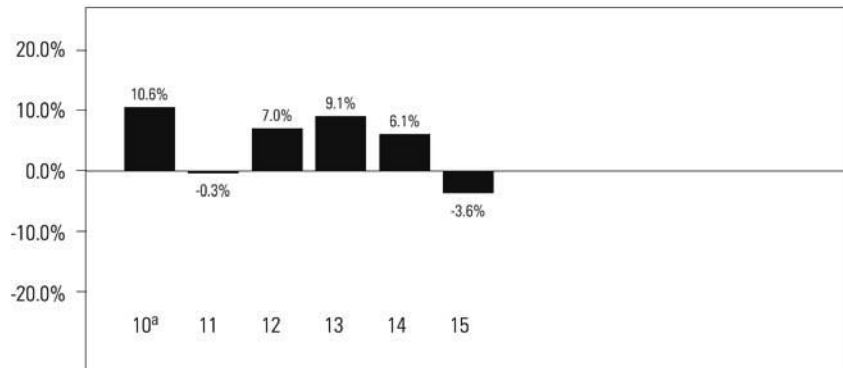
## Year-by-Year Returns

These bar charts show the annual performance of each class of units of the Fund for each of the periods shown, and illustrate how the performance has changed from period to period. These bar charts show, in percentage terms, how an investment made on January 1 would have increased or decreased by December 31, unless otherwise indicated.

*Class A Units*



Class O Units



<sup>a</sup> 2010 return is for the period from June 1, 2010 to December 31, 2010.

**Annual Compound Returns**

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

During the period, the Fund's primary and blended benchmarks were changed to better reflect the Fund's strategic asset mix.

The Fund's current primary benchmarks are the S&P/TSX Composite Dividend Index and the FTSE TMX Canada Universe Bond Index.

The Fund's previous primary benchmarks were the S&P/TSX Composite Index and the FTSE TMX Canada Universe Bond Index.

The Fund's current blended benchmark (*Blended Benchmark*) is comprised of the following:

- 42.5% FTSE TMX Canada Universe Bond Index
- 40% S&P/TSX Composite Dividend Index
- 10% MSCI World Index (local currency)
- 7.5% Merrill Lynch BB-B US Cash Pay High Yield Index (100% hedged)

The Fund's previous blended benchmark (*Previous Blended Benchmark*) was comprised of the following:

- 50% FTSE TMX Canada Universe Bond Index
- 50% S&P/TSX Composite Index



## CIBC Monthly Income Fund

	1 Year	3 Years	5 Years	10 Years*	or Since Inception*	Inception Date
Class A units	-5.0%	2.2%	2.0%	2.9%		September 22, 1998
S&P/TSX Composite Dividend Index	-7.7%	5.1%	3.4%	4.8%		
S&P/TSX Composite Index	-8.3%	4.6%	2.3%	4.4%		
FTSE TMX Canada Universe Bond Index	3.5%	3.6%	4.8%	5.0%		
Blended Benchmark	-5.7%	3.7%	4.1%	4.9%		
Previous Blended Benchmark	-2.5%	4.2%	3.7%	5.0%		
Class O units	-3.6%	3.7%	3.6%		5.1%	June 1, 2010
S&P/TSX Composite Dividend Index	-7.7%	5.1%	3.4%		5.6%	
S&P/TSX Composite Index	-8.3%	4.6%	2.3%		5.1%	
FTSE TMX Canada Universe Bond Index	3.5%	3.6%	4.8%		5.1%	
Blended Benchmark	-5.7%	3.7%	4.1%		5.4%	
Previous Blended Benchmark	-2.5%	4.2%	3.7%		5.1%	

\* 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 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.

**Merrill Lynch BB-B US Cash Pay High Yield Index** is a subset of the BofA Merrill Lynch US Cash Pay High Yield Index including all securities rated BB1 through B3, inclusive. The BofA Merrill Lynch US Cash Pay High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the US domestic market.

**MSCI World Index** is a free float-adjusted market capitalization index composed of companies representative of the market structure of developed market countries in North America, Europe and the Asia/Pacific region.

**S&P/TSX Composite Dividend Index** aims to provide a broad-based benchmark of Canadian dividend-paying stocks. It includes all stocks in the S&P/TSX Composite Index with positive annual dividend yields as of the latest rebalancing of the S&P/TSX Composite Index.

**S&P/TSX Composite Index** is intended to represent the Canadian equity market and includes the largest companies listed on the TSX.

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

## CIBC Monthly Income Fund

### 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](http://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.

<i>Portfolio Breakdown</i>	<i>% of Net Asset Value</i>	<i>Top Positions</i>	<i>% of Net Asset Value</i>
Financials	25.4	Royal Bank of Canada	4.0
Corporate Bonds	24.8	Toronto-Dominion Bank (The)	3.8
Other Equities	13.9	Canadian National Railway Co.	2.4
Energy	9.4	BCE Inc.	2.3
Provincial Government & Guaranteed Bonds	6.5	Bank of Montreal	2.2
Foreign Currency Bonds	5.8	Manulife Financial Corp.	2.0
Other Bonds	5.4	TransCanada Corp.	1.9
Industrials	4.2	Canadian Imperial Bank of Commerce	1.9
Telecommunication Services	3.7	Province of British Columbia, 4.95%, 2040/06/18	1.8
Cash & Cash Equivalents	0.9	Bank of Nova Scotia	1.7
Other Assets, less Liabilities	0.1	Sun Life Financial Inc.	1.5
Forward & Spot Contracts	-0.1	TELUS Corp.	1.4
		Suncor Energy Inc.	1.4
		Canada Housing Trust No. 1, 1.25%, 2020/12/15	1.3
		Canadian Natural Resources Ltd.	1.2
		Cominar REIT	1.1
		Cenovus Energy Inc.	1.1
		Magna International Inc., Class 'A'	1.0
		Dream Office REIT	1.0
		Province of Ontario, 4.60%, 2039/06/02	1.0
		H&R REIT	1.0
		Bank of Montreal, Series 'F', Variable Rate, Callable, 6.17%, 2023/03/28	0.9
		Province of Saskatchewan, 2.75%, 2046/12/02	0.9
		Power Financial Corp.	0.9
		Granite Real Estate Investment Trust, Stapled Units	0.9

The management report of fund performance 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 prior to the release of the next management report of fund performance.

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