

**IMPERIAL POOLS**  
**ANNUAL INFORMATION FORM**  
**December 21, 2011**

Offering Class A units of:

**Imperial Money Market Pool**  
**Imperial Short-Term Bond Pool**  
**Imperial Canadian Bond Pool**  
**Imperial Canadian Diversified Income Pool**  
**Imperial International Bond Pool**  
**Imperial Equity High Income Pool**  
**Imperial Canadian Dividend Income Pool**  
**Imperial Global Equity Income Pool**  
**Imperial Canadian Equity Pool**  
**Imperial U.S. Equity Pool**  
**Imperial International Equity Pool**  
**Imperial Overseas Equity Pool**  
**Imperial Emerging Economies Pool**

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise.

**The funds and units of the funds offered under this Annual Information Form are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.**



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## **Name, Formation and History of the Imperial Pools**

In this document, *we, us, our*, and the *Manager* refer to Canadian Imperial Bank of Commerce (CIBC), the manager of the Pools. A *Pool* or *Pools* refers to any of the Imperial Pools. The Pools are open-end investment trusts established under the laws of Ontario. The trust indenture governing Imperial Money Market Pool, Imperial Short-Term Bond Pool, Imperial Canadian Bond Pool, Imperial Equity High Income Pool, Imperial Canadian Diversified Income Pool, Imperial Canadian Equity Pool, Imperial U.S. Equity Pool, Imperial International Equity Pool, and Imperial Overseas Equity Pool (collectively, the *Private Pools*) was originally made as of February 1, 1991 between TAL Private Management Limited (now known as CIBC Private Investment Counsel Inc.) and The Royal Trust Company, as trustee (the *Original Indenture*).

The Original Indenture has been amended and restated to deal with certain administrative and other matters, to appoint trustees, to amend certain valuation provisions, to establish new Pools, to provide for Pool mergers, and to conform the Original Indenture to the requirements of Canadian securities legislation governing mutual funds. The Pools are currently governed by an amended and restated master declaration of trust dated December 17, 2010, as amended (the *Master Declaration of Trust*).

The office of CIBC and the Pools is located at 20 Bay Street, Suite 1402, Toronto, Ontario M5J 2N8, and the toll-free number is 1-888-357-8777.

CIBC Trust Corporation, a wholly-owned subsidiary of CIBC, is the trustee (*Trustee*) of the Pools. The Trustee holds title to the property (the cash and securities) of each Pool on behalf of its unitholders under the terms described in the Master Declaration of Trust. The office of the Trustee is located in Toronto, Ontario.

CIBC Asset Management Inc. (*CAMI*), a wholly-owned subsidiary of CIBC, is the portfolio advisor of the Pools (*Portfolio Advisor*). The Portfolio Advisor provides, or arranges to provide, investment advice and portfolio management services to the Pool. The head office of CAMI is located in Toronto, Ontario.

In the case of Imperial Money Market Pool, Imperial Short-Term Bond Pool, Imperial Canadian Bond Pool, Imperial International Bond Pool, Imperial Canadian Equity Pool, Imperial U.S. Equity Pool, Imperial International Equity Pool, and Imperial Emerging Economies Pool, CIBC Securities Inc., a subsidiary of CIBC, was the manager, trustee, and principal distributor of these Pools prior to August, 2001, and TAL Global Asset Management Inc. (now known as CIBC Global Asset Management Inc.), a wholly-owned subsidiary of CIBC, was the portfolio advisor of these Pools prior to May 6, 2003.

Please refer to the section entitled *Responsibility for Operations of the Pools* for more details about the management and operations of the Pools.

Units of the Pools are offered through discretionary investment management services provided by CIBC Trust Corporation (*CIBC Trust*), CIBC Private Investment Counsel Inc. (*CPIC*), and CIBC Global Asset Management Inc. (*CGAM*). Collectively, CIBC Trust, CPIC, and CGAM are referred to as the *Discretionary Managers*. The Discretionary Managers will arrange to purchase, switch, and redeem units of the Pools on behalf of their clients who have entered into discretionary investment management agreements with one of the Discretionary Managers; or on behalf of the Discretionary Manager itself as a fiduciary, where it acts in a fiduciary capacity with full discretionary investment management authority with respect to assets it administers in such capacity. Such discretionary investment management agreements or the instrument conferring on the Discretionary Manager such full discretionary investment management authority (as well as law of fiduciaries with respect

to such instrument) are both referred to in this document as “discretionary investment management agreement”. Such client or such Discretionary Manager in its fiduciary capacity is referred to in this document as “client”. The Discretionary Managers are the registered unitholders of the Pools. The Manager may allow units of the Pools to be offered through other dealers or discretionary managers in the future.

The following sets out details about the information and history of the Pools:

**Imperial Money Market Pool - Established February 1, 1991**

- January 30, 2004, TAL Private Short-Term Fund merged into Imperial Money Market Pool.

**Imperial Short-Term Bond Pool - Established February 1, 1991**

- January 30, 2004, TAL Private Short Term Bond Fund merged into Imperial Short-Term Bond Pool; and
- May 7, 1999, name changed from Imperial RSP-Eligible Short-Term Bond Pool to Imperial Short-Term Bond Pool.

**Imperial Canadian Bond Pool - Established February 1, 1991**

- January 30, 2004, TAL Private Fixed Income Fund merged into Imperial Canadian Bond Pool.

**Imperial Canadian Diversified Income Pool - Established February 1, 1991**

- February 1, 2011, name changed from Imperial Canadian Dividend Pool to Imperial Canadian Diversified Income Pool;
- January 28, 2008, CIBC Private Investment Counsel Inc., the sole unitholder of record of Imperial Canadian Dividend Pool, approved a change to the investment objective of the Pool. The change to the investment objective was effective January 28, 2008; and
- November 19, 2003, name changed from TAL Private Dividend Income Fund to Imperial Canadian Dividend Pool.

**Imperial International Bond Pool - Established June 28, 1999**

- November 17, 2006, Brandywine Global Investment Management, LLC replaced CIBC Global Asset Management Inc. as portfolio sub-advisor for the Pool; and
- January 30, 2004, TAL Private International Bond Fund merged into Imperial International Bond Pool.

**Imperial Equity High Income Pool - Established February 1, 1991**

- February 1, 2011, name changed from Imperial Canadian Income Trust Pool to Imperial Equity High Income Pool; and
- November 19, 2003, name changed from TAL Private Income Trust Fund to Imperial Canadian Income Trust Pool.

**Imperial Canadian Dividend Income Pool - Established May 6, 2003**

**Imperial Global Equity Income Pool - Established January 28, 2008**

- January 30, 2008, BlackRock Financial Management LLC and Kleinwort Benson Investors International Limited were appointed as portfolio sub-advisors of the Pool.

**Imperial Canadian Equity Pool - Established February 1, 1991**

- November 2, 2009, Connor, Clark and Lunn Investment Management Ltd. replaced Howson Tattersall Investment Counsel Limited as portfolio sub-advisor of the Pool;
- August 25, 2005, Connor, Clark and Lunn Investment Management Ltd. was appointed as a portfolio sub-advisor of the Pool;

- January 30, 2004, TAL Private Canadian Equity Fund merged into Imperial Canadian Equity Pool; and
- February 16, 2001, Howson Tattersall Investment Counsel Limited was appointed as a portfolio sub-advisor of the Pool.

**Imperial U.S. Equity Pool - Established February 1, 1991**

- Effective February 1, 2012, American Century Investment Management, Inc. will be appointed as a portfolio sub-advisor of the Pool;
- February 1, 2011, Tradewinds Global Investors, LCC replaced INTECH Investment Management LLC as portfolio sub-advisor of the Pool;
- May 1, 2008, Metropolitan West Capital Management, LLC replaced Oppenheimer Asset Management Inc. and its sub-advisor Bristlecone Value Partners, LLC as a portfolio sub-advisor;
- April 1, 2008, Aletheia Research and Management, Inc. replaced AllianceBernstein Canada Inc. as portfolio sub-advisor;
- May 9, 2006, AllianceBernstein Canada Inc. was appointed as a portfolio sub-advisor to the Pool;
- April 15, 2005, INTECH Investment Management LLC was appointed as a portfolio sub-advisor of the Pool;
- June 28, 2004 Oppenheimer Asset Management Inc. engaged Bristlecone Value Partners, LLC to provide services for the Pool;
- January 30, 2004, TAL Private U.S. Equity Fund merged into Imperial U.S. Equity Pool;
- May 6, 2003, Fiduciary Management Inc. and Oppenheimer Asset Management Inc. were appointed as portfolio sub-advisors of the Pool; and
- March 2, 2001, Alliance Capital Management L.P. was appointed as a portfolio sub-advisor of the Pool.

**Imperial International Equity Pool - Established February 1, 1991**

- January 8, 2007, Fidelity Investments Canada Limited transferred portfolio sub-advisor responsibilities for investment advice and portfolio management services to Pyramis Global Advisors, LLC;
- May 6, 2003, Causeway Capital Management LLC was appointed as a portfolio sub-advisor to the Pool;
- August 9, 2002, Fidelity Investments Canada Limited was appointed as a portfolio sub-advisor of the Pool; and
- February 23, 2001, Pictet International Management Limited was appointed as a portfolio sub-advisor of the Pool.

**Imperial Overseas Equity Pool - Established February 1, 1991**

- January 8, 2007, Fidelity Investments Canada Limited transferred portfolio sub-advisor responsibilities for investment advice and portfolio management services to Pyramis Global Advisors, LLC;
- November 18, 2005, Fidelity Investments Canada Limited and Pictet International Management Limited replaced GE Asset Management Incorporated as portfolio sub-advisors;
- November 19, 2003, Causeway Capital Management LLC and GE Asset Management were appointed as portfolio sub-advisors to the Pool; and
- November 19, 2003, name changed from TAL Private International Equity Fund to Imperial Overseas Equity Pool.

**Imperial Emerging Economies Pool - Established June 28, 1999**

- January 8, 2007, CIBC Global Asset Management Inc. was appointed as a portfolio sub-advisor; and
- May 6, 2003, The Boston Company Asset Management, LLC was appointed as a portfolio sub-advisor.

## **Investment Practices and Restrictions**

### ***Standard practices and restrictions***

Except as described in this Annual Information Form, each of the Pools is subject to and managed in accordance with the standard investment restrictions and practices prescribed by the Canadian securities regulatory authorities, including National Instrument 81-102 – *Mutual Funds (NI 81-102)*. These restrictions are designed in part to ensure that the investments of the Pools are diversified and relatively liquid, and to ensure the proper administration of the Pools.

### ***Investment objectives and investment strategies***

Each Pool is designed to meet the investment objectives of different investors and employs its investment strategies in an effort to meet these investment objectives.

The fundamental investment objectives of a Pool may not be changed without the consent of unitholders by majority of the votes cast at a meeting of unitholders of the Pool called for that purpose. We can make other changes to the investment strategies of a Pool without notice to or, the consent of, unitholders and subject to any required approval of the Canadian securities regulatory authorities. Refer to the Pools' Simplified Prospectus for a description of the investment objectives and strategies of each Pool as of the date of this Annual Information Form.

### ***Derivative instruments***

Certain Pools may use derivatives as permitted by the Canadian securities regulatory authorities. The risk factors associated with an investment in derivatives are disclosed in the Pools' Simplified Prospectus.

Derivatives may be used to participate in changes to a particular market or group of securities directly, or to temporarily reduce participation in a particular market in which a Pool has already invested. The types of derivatives a Pool may use include forward contracts, futures contracts, warrants, options or options on futures, debt-like securities, swaps, and other similar instruments. Refer to the section *Policies and procedures related to derivatives* under *Governance* for more information.

### ***Short selling***

All of the Pools (except Imperial Money Market Pool and Imperial Short-Term Bond Pool) have received the approval of the Canadian securities regulatory authorities to deviate from the standard investment restrictions and practices so that they may sell securities short, by providing a security interest over fund assets in connection with the short sales and by depositing fund assets with the custodian or a dealer (the *Borrowing Agent*) as security in connection with the short sale transaction. In a short selling strategy, the portfolio sub-advisors identify securities that they expect will fall in value. The Pool then borrows securities from the Borrowing Agent and sells them on the open market. The Pool must repurchase the securities at a later date in order to return them to the Borrowing Agent. In the interim, the proceeds from the short sale transaction are deposited with the Borrowing Agent and the Pool pays interest to the Borrowing Agent on the borrowed securities. If the Pool repurchases the securities later at a lower price than the price at which it sold the borrowed securities on the open market, a profit will result. However, if the price of the borrowed securities rises, a loss will result.

Prior to engaging in any short selling transactions, a Pool will implement certain controls in accordance with the terms and conditions of the relief. Securities will be sold short for cash and the Pool will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected, with the Pool assuming the obligation to return the

securities borrowed to effect the short sale to the Borrowing Agent. The short sale will be effected through market facilities through which the securities sold short are normally bought and sold, and the securities sold short will be liquid securities that (i) are listed and posted for trading on a stock exchange and for which the issuer has a market capitalization of not less than CDN\$300 million, or the equivalent thereof, of such security at the time the short sale is effected or the portfolio sub-advisor has pre-arranged to borrow for the purpose of such short sale; or (ii) are bonds, debentures, or other evidences of indebtedness of, or guaranteed by, the Government of Canada or the government of any province or territory of Canada or the Government of the United States of America. As well, at the time securities of a particular issuer are sold short, the aggregate market value of all securities of that issuer sold short by the Pool will not exceed 2% of the total net assets of the Pool and the Pool will place a "stop-loss" order with a dealer to immediately purchase for the Pool an equal number of the same securities if the trading price of the securities exceeds 115% (or such lesser percentage as the Manager may determine) of the price at which the securities were sold short. The aggregate market value of all securities sold short by the Pool will not exceed 10% of its total net assets on a daily marked-to-market basis. The Pool will also hold "cash cover" (as defined under NI 81-102) in an amount, including the Pool assets deposited with the Borrowing Agent, that is at least 150% of the aggregate market value of all securities sold short by the Pool on a daily marked-to-market basis.

No proceeds from the short sales will be used by a Pool to purchase long positions in securities other than cash cover. Where a short sale transaction is effected in Canada, every dealer that holds the Pool assets as security in connection with the short sale transaction shall be a registered dealer in Canada and a member of a self-regulatory organization that is a participating member of the Canadian Investor Protection Fund. Where a short sale transaction is effected outside of Canada, every dealer that holds the Pool assets as security in connection with the short sale transaction shall be a member of a stock exchange and have a net worth in excess of the equivalent of CDN\$50 million, determined from its most recent audited financial statements that have been made public. The amount of the Pool assets deposited with the Borrowing Agent will not, when aggregated with the amount of the Pool assets already held by the Borrowing Agent as security for outstanding short sale transactions of the Pool, exceed 10% of the total net assets of the Pool, taken at market value as at the time of the deposit.

Pools that may engage in short sale transactions have adopted policies and procedures to ensure compliance with the terms and conditions of the relief. Refer to the section entitled *Policies and procedures related to short selling* under the heading *Governance* for further information.

### ***Investments in gold/silver and certain exchange-traded funds***

Certain Pools have received an exemption from the Canadian securities regulatory authorities so that they may purchase (i) up to 10% of their net asset value, taken at market value at the time of purchase, in gold, gold certificates, silver, silver certificates, derivatives the underlying interest of which are gold and/or silver and certain gold or silver exchange-traded funds (*Gold/Silver ETFs*) that seek to replicate the performance of gold or silver or the value of a specified derivative the underlying interest of which is gold or silver and (ii) up to 10% of their net asset value in aggregate, taken at market value at the time of purchase, in Gold/Silver ETFs and certain exchange traded funds that seek to replicate the performance of an index or industry sector index (*Index ETFs*). Gold/Silver ETFs may utilize leverage in an attempt to magnify returns by a multiple of 200%. Index ETFs may utilize leverage in an attempt to magnify returns by either a multiple of 200% or an inverse multiple of 100%.

### ***Income tax eligibility***

Each of the Pools qualifies as a "mutual fund trust" under the *Income Tax Act* (Canada) (the *Tax Act*). None of the Pools will engage in any undertaking other than the investment of its funds in

property for purposes of the Tax Act. No Pool has deviated from the requirements to be a mutual fund trust in the last year.

Each of Imperial Money Market Pool, Imperial Short-Term Bond Pool, Imperial Canadian Bond Pool, Imperial Canadian Diversified Income Pool, Imperial International Bond Pool, Imperial Equity High Income Pool, Imperial Canadian Dividend Income Pool, Imperial Global Equity Income Pool, Imperial Canadian Equity Pool, and Imperial Overseas Equity Pool, is a “registered investment” under the Tax Act.

As long as qualification as a mutual fund trust or registration as a registered investment continues, units of the Pools will be qualified investments for registered plans including registered retirement savings plans (*RRSPs*), registered retirement income funds (*RRIFs*), and tax-free savings accounts (*TFSAs*). Refer to *Income Tax Considerations – Registered plans and eligibility for investment*.

### ***Securities lending, repurchase agreements, and reverse repurchase transactions***

To increase returns, the Pools may enter into securities lending, repurchase, and reverse repurchase transactions consistent with their investment objectives and in accordance with the standard investment restrictions and practices. Refer to the section *Policies and procedures related to securities lending, repurchase or reverse repurchase transactions* under the heading *Governance* for more details.

### ***Standing instructions by the Independent Review Committee***

As permitted by Canadian securities legislation, the Pools may vary investment restrictions and practices contained in securities legislation, subject to certain conditions set out in NI 81-102 and/or NI 81-107 – *Independent Review Committee for Investment Funds (NI 81-107)*, including receiving the approval of the Independent Review Committee, if applicable. Refer to the section *Independent Review Committee* under *Governance* for more information.

In accordance with the requirements of NI 81-102 and NI 81-107, and exemptive relief orders granted by the Canadian securities regulatory authorities, the Independent Review Committee has provided approval for the Pools to:

- invest in or hold equity securities of CIBC or issuers related to a portfolio sub-advisor;
- invest in or hold debt securities of CIBC or an issuer related to CIBC, with terms-to-maturity of 365 days or more, issued in a primary offering;
- 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 where CIBC World Markets Inc., CIBC World Markets Corp., or any 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 (in the case of a “private placement” offering, in accordance with the Private Placement Relief described below and in accordance with the policies and procedures relating to such investment);
- purchase equity and debt securities from or sell equity and debt securities to a Related Dealer, where it is acting as principal; 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 (referred to as inter-fund trades or cross trades).

The Independent Review Committee has issued standing instructions in respect of each of the



transactions noted above (the *Related Party Transactions*). The Independent Review Committee reviews at least annually the Related Party Transactions for which they have provided standing instructions.

The Independent Review Committee 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.

The Pools have obtained an exemptive relief from the Canadian securities regulatory authorities to purchase equity securities of a reporting issuer during the period of distribution of the issuer's securities pursuant to a "private placement" offering (an offering under exemptions from the prospectus requirements) and for the 60-day period following the completion of the offering, notwithstanding that a Related Dealer is acting or has acted as underwriter in connection with the offering of the same class of such securities (the *Private Placement Relief*).

The Manager has implemented policies and procedures to ensure compliance with the conditions of the Private Placement Relief and that the conditions of the standing instructions are met.

### ***Imperial International Bond Pool***

Imperial International Bond Pool has received the approval of the Canadian securities regulatory authorities to deviate from the standard practices and restrictions so that it may invest:

- up to 20% of its net assets, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, guaranteed fully as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a Canadian jurisdiction or the government of the United States of America and are rated 'AA' by Standard & Poor's, a division of The McGraw-Hill Companies, Inc., or have an equivalent rating by one or more other approved credit rating organizations; or
- up to 35% of its net assets, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer, if those securities are issued by issuers described in the preceding paragraph and are rated 'AAA' by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations.

The foregoing approval may not be combined for one issuer.

### **Description of Units of the Pools**

Each Pool is permitted to have an unlimited number of classes of units and is authorized to issue an unlimited number of units of each class. Each of the Pools offer Class A units and have equal rights and privileges. There is no fixed issue price.

In the future, the offering of any classes of a Pool may be terminated or additional classes may be offered.

No unitholder owns any asset of a Pool. Unitholders have only those rights mentioned in this Annual Information Form, the Pools' Simplified Prospectus, and the Master Declaration of Trust. The trustee may modify, alter, or add to the Master Declaration of Trust without notice to unitholders, unless notice or approval of unitholders is required under applicable law or under the Master Declaration of Trust.

Units of a Pool have the following attributes:

- pro rata participation in any distribution (except in respect of Management Fee Distributions, as described in the Simplified Prospectus of the Pools, expense distributions, and distribution that are a return of capital paid to particular unitholders);
- the units have no voting rights except as required by NI 81-102; as the Pools are trusts, there are no annual unitholders' meetings;
- on the termination of a Pool, the assets of the Pool will be distributed and all units in the Pool will share in the remaining value of the Pool;
- not transferable, except in limited circumstances;
- redeemable
- may be sub-divided or consolidated on 14 business days' written notice to unitholders; and
- there are no pre-emptive rights and no liability for future calls or assessments.;

NI 81-102 currently provides that, subject to certain exceptions, the following changes cannot be made to a Pool without the consent of unitholders by a majority of votes cast at a meeting of unitholders of the Pool:

- the introduction of, a new fee or expense that is charged to a Pool or charged directly to unitholders by a Pool or the Manager in connection with the holding of units in a way that could result in an increase in charges to the Pool or to unitholders of a Pool and the Pool is not at arm's length to the person or company charging the fee or expense;
- a change in the manager of the Pool unless the new manager is our affiliate;
- a change in the fundamental investment objectives of the Pool;
- a decrease in the frequency of calculating the net asset value per unit of the Pool; or
- in certain cases, if the Pool undertakes a reorganization with, or transfer of its assets to, another mutual fund or acquires the assets of another mutual fund.

A meeting of unitholders of the Pools is not required to be held to approve any changes in the basis of calculation of a fee or expense that is charged to the Pools in a way that could result in an increase in charges to the Pools because the Pools have no sales charges, switch fees, or redemption fees. Any such change will only be made if notice is mailed to unitholders of the Pools at least 60 days prior to the valuation date on which the increase is to take effect.

Although their prior approval will not be sought, unitholders will be given at least 60 days' written notice before any changes are made to the Pools' auditors or before any reorganizations with, or transfers of assets to, another mutual fund managed by CIBC or its affiliates are made by a Pool, provided the Independent Review Committee has approved such changes and, in the latter case, the reorganizations or transfers comply with certain criteria described in the applicable legislation. Refer to the section entitled *Independent Review Committee* under the heading *Governance* for more information.

The Discretionary Managers are the registered unitholders of the Pools and, pursuant to discretionary investment management agreements with their clients, receive all unitholder materials and have the right to vote all proxies with respect to units of the Pools.

A Pool may be terminated by us at any time upon at least 60 days' notice to investors.

## Valuation

### **Calculation of net asset value per unit**

The net asset value per unit of a Pool is the price used for all purchases of units (including purchases made on the reinvestment of distributions), switches, and redemptions. The price at which units are purchased, switched, or redeemed is based on the next net asset value per unit determined after the receipt of the purchase, switch, or redemption order. All transactions are based on the Pool's net asset value per unit. We usually calculate the net asset value per unit for each Pool on each business day after the Toronto Stock Exchange (*TSX*) closes. In some circumstances, we may calculate the net asset value per unit at another time. A business day is any day determined by the trustee and will generally include any day when our head office in Toronto is open for business. The net asset value per unit can change daily. The net asset value per unit of a Pool is calculated by taking the total value of the Pool's assets less its liabilities and dividing it by the total number of units outstanding in the Pool.

The net asset value per unit of a Pool, for all purposes other than financial statements, is calculated using the valuation principles below. Pursuant to National Instrument 81-106 – *Investment Fund Continuous Disclosure (NI 81-106)*, the Pools are required to calculate the net assets per unit for the purposes of the financial statements in accordance with Canadian generally accepted accounting principles (*GAAP*). The valuation principles and practices established by the Manager differ from Canadian *GAAP* with respect to fair valuation of listed securities. Under Canadian *GAAP*, financial instruments that are quoted in active markets shall be measured based on the bid price for long positions and the ask price for short positions while, under the Manager's valuation principles, such securities shall be valued using the closing price. As a result, the net asset per unit presented in the financial statements may differ from the net asset value per unit for the purpose of redemption and purchase of units of the Pools.

### **Valuation of portfolio securities**

The following principles are applied in the valuation of the Pools' assets:

- the value of any cash or its equivalent on hand or on deposit or on call, bills and notes, accounts receivable, prepaid expenses, cash dividends declared or distributions received (or to be received and declared to security holder of record on a date before the date as of which the net asset value of a Pool is determined), and interest accrued and not yet received shall be deemed to be the full face amount thereof, unless the Manager determines that any such asset is not worth the face amount thereof, in which case the value shall be such value as the Manager deems to be the fair value thereof;
- short-term investments, (money market instruments) shall be valued at current value;
- the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices provided by a recognized vendor upon the close of trading on a valuation date;
- the value of any security that is listed or dealt with on a securities exchange shall be the closing sale price (unless it is determined by the Manager that this is inappropriate as a basis for valuation) or, if there is no closing sale price on the exchange, and in the case of securities traded on the over-the-counter (*OTC*) market, at the average of the closing ask price and no lower than the closing bid price as determined by the Manager. If there are no bid or ask quotations in respect of securities listed on the securities exchange or traded on the *OTC* market, then a realistic and fair valuation will be made;
- unlisted securities are valued at the average of the most recent bid and ask quotations by recognized dealers in such unlisted securities or such price as the Manager may, from time to

time, determine more accurately reflects the fair value of these securities;

- restricted securities purchased by a Pool shall be valued in a manner that the Manager reasonably determines to represent their fair market value;
- long positions in clearing corporation options, options on futures, OTC options, debt-like securities, and listed warrants shall be at the current market value thereof;
- where a covered clearing corporation option, option on futures, or OTC option is written by a Pool, the premium received by the Pool will be reflected as a liability that will be valued at an amount equal to the current market value of the clearing corporation option, option on futures, or OTC option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the net asset value of the Pool. The securities, if any, that are the subject of a written covered clearing corporation option or OTC option will be valued in the manner described above for listed securities;
- the value of a futures contract, forward contract, or swap will be the gain or loss, if any, that would be realized if, on the valuation date, the position in the futures contract, forward contract, or swap, as the case may be, were to be closed out, unless daily limits are in effect, in which case fair value, based on the current market value of the underlying interest will be determined by the Manager;
- notwithstanding the foregoing, if securities are inter-listed or traded on more than one exchange or market, the Manager shall use the last sale price or the closing bid price, as the case may be, reported on the exchange or market determined by the Manager to be the principal exchange or market for such securities;
- margin paid or deposited in respect of futures contracts and forward contracts will be reflected as an account receivable and margin consisting of assets other than cash will be noted as held as margin;
- other derivatives and margin shall be valued in a manner that the Manager reasonably determines to represent their fair market value;
- all other assets of the Pools will be valued in accordance with the laws of the Canadian securities regulatory authorities and in a manner that, in the opinion of the Manager, most accurately reflects their fair value;
- for the purpose of all necessary conversion of Pools from another currency to Canadian currency, the customary sources of information for currency conversion rates used from time to time by the Pools will be applied on a consistent basis; and
- the value of any security or other property of a Pool for which a market quotation is not readily available or to which, in the opinion of the Manager, the above principles cannot be applied or for which, in the opinion of the Manager, the market quotations do not properly reflect the fair value of such securities, will be determined by the Manager by valuing the securities at such prices as appear to the Manager to most closely reflect the fair value of the securities.

The Manager may fair value securities in the following circumstances:

- when there is a halt trade on a security that is normally traded on an exchange;
- when a significant decrease in value is experienced on exchanges globally;
- on securities that trade on markets that have closed or where trading has been suspended prior to the time of calculation of the net asset value of the fund and for which there is sufficient evidence that the closing price on that market is not the most appropriate value at the time of valuation; and

- when there are investment or currency restrictions imposed by a country that affect a fund's ability to liquidate the assets held in that market.

An example of when the closing market price of a security may not be appropriate would be when exchanges are closed by a local government or regulator and the securities involved are a relatively small portion of a fund's total portfolio. In such cases, the Manager may look at the available evidence of value of these securities in North American markets and make an adjustment where appropriate.

Other than the regular fair valuing referred to above, the Manager has not used its discretion to fair value securities in the past three years.

Fair value pricing is designed to avoid stale prices and to provide a more accurate net asset value, and may assist in the deterrence of harmful short-term or excessive trading in the Pools. When securities listed or traded on markets or exchanges that close prior to North American markets or exchanges are valued by a Pool at their fair market value, instead of using quoted or published prices, the prices of such securities used to calculate the Pool's net asset value may differ from quoted or published prices of such securities. Also, for a Pool that tracks the performance of an index, use of fair value pricing may account for some of the differences in the tracking of the Pool (valued using fair value prices) to the relevant index (valued using end-of-day prices).

Fair value pricing may be used to value assets of any of the Pools, as determined to be appropriate from time to time. Prior to May 2005, fair value pricing had been used in limited circumstances, where the applicable valuation principles were deemed inappropriate, for example, as a result of exceptional events or as described above. Since then, fair value pricing has been used more regularly for certain Pools, where practical, to value certain foreign securities after the close of their primary markets or exchanges. An independent third-party valuation agent provides fair value prices of foreign securities in the Pools, where applicable.

The liabilities of a Pool can include:

- all bills and accounts payable;
- all fees and administrative expenses payable and/or accrued;
- all contractual obligations for the payment of money or property, including the amount of any declared but unpaid distribution, and all other amounts recorded or credited to unitholders on or before the day as of which the net asset value of a Pool, or class net asset value, is being determined;
- all allowances authorized or approved by the Manager for taxes or contingencies; and
- all other liabilities of the Pool of whatsoever kind and nature, except liabilities represented by outstanding units of the Pool;

provided that any expenses of a Pool payable by a unitholder, as determined by the Manager, shall not be included in as expenses of the Pool.

Each transaction of purchase or sale of a portfolio asset effected by a Pool shall be reflected in a computation of net asset value made not later than the first computation of net asset value made after the date on which the transaction becomes binding upon the Pool.

The issuance of units of a Pool or the redemption of units of a Pool shall be reflected in the next computation of the net asset value that is made after the time when the net asset value per unit is determined for the purpose of issue or redemption of units of such Pool.

## Purchase of Units

Units of any Pool may be purchased by the Discretionary Managers on behalf of their clients who have entered into a discretionary investment management agreement with one of the Discretionary Managers. These discretionary investment management agreements enable the Discretionary Managers to purchase, switch, and redeem units of a Pool on behalf of their clients. There are no fees charged in respect of the purchase, switch, or redemption of units of a Pool. Discretionary Managers may, from time to time, establish minimum amounts for these discretionary accounts or may charge fees to their clients. We may allow units of a Pool to be offered through other dealers or discretionary managers in the future.

We will process the purchase order the same day that we receive instructions if we are properly notified and sent any required documents in good order before 4:00 p.m. Eastern time on a valuation date. Refer to the section *Calculation of net asset value per unit* under *Valuation* for more information on valuation date. The Discretionary Managers may establish earlier cut-off times for receiving orders so that they can transmit the orders to us by 4:00 p.m. Eastern time. If we receive proper instructions at 4:00 p.m. Eastern time or later, we will process the purchase order on the next valuation date.

Payment in full must typically be provided with purchase orders and any interest the money earns before it is invested in a Pool is credited to the Pool. However, on occasion we may allow three business days from the day the purchase order is placed to make payment. In such circumstances, if the Pool does not receive payment in full on or before the third business day after the valuation date applicable to the purchase order or if a cheque is returned because there is not sufficient money in the client's bank account:

- we will redeem the units before the close of business on the fourth business day after the valuation date applicable to the purchase order or on the date the Pool knows the payment will not be honoured;
- if we redeem the units for more than the value for which they were issued, the difference will go to the Pool; and
- if we redeem the units for less than the value for which they were issued, we will pay the difference to the Pool and collect this amount, plus the cost of doing so, from the Discretionary Managers, who may collect it from their clients.

On occasion, we will exercise our right to refuse instructions to purchase units of any of the Pools. This is done on the day the order is received or on the following business day and we will return any money submitted with the purchase order without interest to the Discretionary Managers.

We may, at our discretion, vary or waive any minimum investment or account balance criteria that apply to purchases, redemptions, and certain optional services currently offered by us.

## Switches between Pools

***Before proceeding with any switch, it is important that you discuss the proposed switch with your Discretionary Manager as well as your tax advisor so that you are fully aware of all the implications of making the switch.***

Units of a Pool may be switched for units of another Pool. When units are switched, units of one Pool are redeemed at its respective net asset value per unit, and then units of another Pool are purchased at its net asset value per unit. We will process a switch the same day the order is received, if we receive proper instructions before 4:00 p.m. Eastern time and if it is a valuation date for both

the Pool being redeemed and the Pool being purchased. The Discretionary Managers may establish earlier cut-off times for receiving orders so that they can transmit orders to us by 4:00 p.m. Eastern time. If we receive proper instructions at 4:00 p.m. Eastern time or later, we will process a switch on the next valuation date for the Pool being redeemed and the Pool being purchased.

Switching constitutes a disposition for tax purposes and may result in a capital gain or capital loss for tax purposes. Units cannot be switched during any period when redemptions have been suspended. Refer to *Income Tax Considerations* for more details.

## **Redemptions of Units**

***Before proceeding with any redemption, it is important that you discuss the proposed redemption with your Discretionary Manager as well as your tax advisor so that you are fully aware of all the implications of making the redemption.***

Units or fractions of units of a Pool are redeemed at the net asset value per unit at the close of business on the valuation date the redemption order is received.

A redemption of units constitutes a disposition for tax purposes and may result in a capital gain or capital loss for tax purposes. Refer to *Income Tax Considerations* for more information.

We will process the order the same day it receives instructions, and if we are properly notified and sent any required documents in good order before 4:00 p.m. Eastern time on a valuation date. The Discretionary Managers may establish earlier cut-off times for receiving orders so that they can transmit orders to us by 4:00 p.m. Eastern time. If we receive proper instructions at 4:00 p.m. Eastern time or later, the order to redeem will be processed on the next valuation date. In most cases, we will send the proceeds from the redemption of units of the Pools on the next business date. The latest we will send the proceeds will be three business days after the valuation date used to process the redemption order. Required documentation may include a written order to redeem with a signature guaranteed by an acceptable guarantor. Any interest earned on the proceeds of an order to redeem before the money is sent will be credited to the Pool.

If a client of one of the Discretionary Managers terminates his or her discretionary investment management agreement with the Discretionary Managers, all Pool units in the client's account will be redeemed no later than the next valuation date following receipt of all required documents.

### ***When an investor may not be allowed to redeem their units***

A right to redeem units of a Pool may be suspended:

- if normal trading is suspended on a stock, options, or futures exchange within or outside Canada on which securities or specified derivatives are traded that represent more than 50% by value or underlying market exposure of the total assets of that Pool, not including any liabilities of the Pool, and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Pool; or
- with the approval of the Canadian securities regulatory authorities.

During any period of suspension, no calculation of the net asset value per unit will be made and a Pool will not be permitted to issue further units or redeem or switch any units previously issued.

Discretionary Managers purchase, switch, and redeem units of the Pools for their clients. The Discretionary Managers and the Manager have certain pre-notification procedures designed to



minimize administrative costs related to transactions of units of the Pools. We may, at our discretion, reimburse the Pools for any such administrative costs that may result from these transactions, and, if pre-notification procedures are not appropriately followed or we otherwise determine it appropriate, we may also collect such costs from the applicable Discretionary Manager. If permitted by the discretionary investment management agreement between the Discretionary Manager and its client, a Discretionary Manager may charge its client a fee if the client withdraws funds from the their account within 30 days of depositing funds into the same account if the withdrawal leads to administrative costs to the Pools. Refer to the section entitled *Administrative Costs Relating to Purchases, Switches, and Redemptions by the Discretionary Managers* under the heading *Governance* for further information.

## **Responsibility for Operations of the Pools**

### ***Manager***

We manage the Pools under the terms of an amended and restated master management agreement between us and the Pools dated as of August 9, 2002, as amended (the *Master Management Agreement*). We are responsible for day-to-day business and operations of the Pools. The Pools, either directly or indirectly, pays an annual management fees to us in consideration for the provision of, or arranging for the provision of, management, distribution, and portfolio advisory services. The maximum annual rates of the management fee are set out in the *Fund Details* section of the Pools' Simplified Prospectus.

We may, in some cases, waive management fees and/or absorb a portion of the operating expenses. The decision to waive management fees and/or absorb operating expenses is reviewed annually and determined at our discretion. Under the Master Management Agreement, we may resign or be required to resign upon 90 days' written notice.

We are responsible for registrar and transfer agency, unitholder servicing, and trust accounting functions, as well as oversight of and establishing control procedures for custodial and fund accounting functions.

The Master Declaration of Trust and the Master Management Agreement permit us to delegate part of our duties to be performed under the terms of those documents. The Master Declaration of Trust and the Master Management Agreement require us, and any person retained by us to discharge any of our responsibilities as Manager, to act honestly, in good faith, and in the best interests of the Pools and to exercise the degree of care, diligence, and skill that a reasonably prudent person would exercise in the circumstances. We will be liable to each Pool if we or any such person fails to so act, but we will not otherwise be liable to the Pool for any matter.

### ***Directors of the Manager***

The names and municipalities of residence of the directors of the Manager and their principal occupations are as follows:

<b>Name and Municipality of Residence</b>	<b>Principal Occupation</b>
Brent S. Belzberg, Toronto, Ontario	Senior Managing Partner, Torquest Partners Inc.
Gary F. Colter, Mississauga, Ontario	President, CRS Inc.
Dominic D'Alessandro, Toronto, Ontario	Corporate Director



<b>Name and Municipality of Residence</b>	<b>Principal Occupation</b>
Patrick D. Daniel, Calgary, Alberta	President and Chief Executive Officer, Enbridge Inc.
Luc Desjardins, Montreal, Quebec	Equity Partner, The Sterling Group, LP
Hon. Gordon D. Giffin, Atlanta, Georgia, U.S.A.	Senior Partner, McKenna Long & Aldridge LLP
Linda S. Hasenfratz, Guelph, Ontario	Chief Executive Officer, Linamar Corporation
Nicholas D. Le Pan, Ottawa, Ontario	Corporate Director
Hon. John P. Manley, Ottawa, Ontario	President and Chief Executive Officer, Canadian Council of Chief Executives
Gerald T. McCaughey, Toronto, Ontario	President and Chief Executive Officer, CIBC
Jane L. Peverett, West Vancouver, British Columbia	Corporate Director
Leslie Rahl, New York, New York, U.S.A.	Founder and Managing Partner, Capital Market Risk Advisors, Inc.
Charles Sirois, Verdun, Québec	Chair of the Board, CIBC; Chairman and Chief Executive Officer, Telesystem Ltd.
Robert J. Steacy, Toronto, Ontario	Corporate Director
Katharine B. Stevenson, Toronto, Ontario	Corporate Director
Ronald W. Tysoe, Jupiter, Florida, U.S.A.	Corporate Director

### ***Senior Officers of the Manager***

The names and municipalities of residence of the senior officers of the Manager, their positions with the Manager, and their principal occupations are as follows:

<b>Name and Municipality of Residence</b>	<b>Position with Manager and Principal Occupation</b>
Michael G. Capatides, Morristown, New Jersey, U.S.A.	Senior Executive Vice-President, Chief Administrative Officer and General Counsel, Administration Division, CIBC
Victor G. Dodig, Toronto, Ontario	Senior Executive Vice-President, CIBC and Group Head, Wealth Management
Kevin Glass, Etobicoke, Ontario	Senior Executive Vice-President, CIBC and Chief Financial Officer, CIBC
Gerald T. McCaughey, Toronto, Ontario	President and Chief Executive Officer, CIBC
Richard W. Nesbitt, Toronto, Ontario	Senior Executive Vice-President, CIBC and Group Head, Wholesale, International and Technology and Operations, CIBC
James P.E. Prentice, Calgary, Alberta	Senior Executive Vice-President and Vice-Chair, CIBC
Richard E. Venn, Toronto, Ontario	Senior Executive Vice-President and Advisor to the Chief Executive Officer's Office, CIBC
J. David Williamson, Toronto, Ontario	Senior Executive Vice-President, CIBC, and Group Head, Retail and Business Banking

<b>Name and Municipality of Residence</b>	<b>Position with Manager and Principal Occupation</b>
Thomas D. Woods, Toronto, Ontario	Senior Executive Vice-President and Chief Risk Officer, Risk Management, CIBC

Each of the directors and senior officers of the Manager listed above has held his or her current position or another position with CIBC and its affiliates and senior principal occupation during the five years preceding the date hereof, except:

- Dominic D'Alessandro was previously President and Chief Executive Officer of Manulife Financial Corporation from 1994 to 2009.
- Luc Desjardins was previously President and Chief Executive Officer of Transcontinental Inc. from 2004 to 2008 and Equity Partner, The Sterling Group, LP from 2008 to November 2011.
- Kevin A. Glass was previously Chief Financial Officer of Revera Inc. from 2007 to 2008, and Chief Financial Officer of Atlas Cold Storage Income Trust from 2004 to 2006.
- John P. Manley was previously Counsel, McCarthy Tetrault LLP from 2004 until 2009.
- Richard W. Nesbitt was previously Chief Executive Officer of TSX Group from 2004 to 2008.
- Jane L. Peverett was previously President and Chief Executive Officer of British Columbia Transmission Corporation (*BCTC*) from 2005 to 2009.
- Leslie Rahl was previously President and Founder of Capital Market Risk Advisors, Inc. from 1994 to 2009;
- James P.E. Prentice was Member of Parliament, Calgary Centre-North, Conservative Party of Canada, Canadian House of Commons from 2004 to 2010.
- Katharine B. Stevenson was previously Treasurer of Nortel Networks Corporation from 1995 to 2007.
- Ronald W. Tysoe was previously Vice-Chair of Federated Department Stores from 1990 to 2006 and Senior Advisor of Perella Weinberg Partners LP from 2006 to 2007.

### **Trustee**

The Pools are "trusts", for which a trustee has legal responsibility. CIBC Trust Corporation, a subsidiary of CIBC. The Trustee of the Pools has entered into the Master Declaration of Trust in respect of the Pools. The Master Declaration of Trust may be amended as described in the section entitled *Description of Units of the Pools*. The Trustee holds title to the securities owned by the Pools. The Trustee has a fiduciary duty to act in the best interest of the unitholders of the Pools.

### **Directors of the Trustee**

The names and municipalities of residence of the directors of the Trustee and their principal occupations are as follows:

<b>Name and Municipality of Residence</b>	<b>Principal Occupation</b>
Victor G. Dodig, Toronto, Ontario	Senior Executive Vice-President, CIBC, and Group Head, Wealth Management, CIBC
Daniel R. Donnelly, Toronto, Ontario	Vice-President and Associate General Counsel, Wealth Management and Technology and Operations, Legal, Governance and Control, Administration, CIBC
Stephen Geist, Toronto, Ontario	President and Chief Executive Officer, CIBC

<b>Name and Municipality of Residence</b>	<b>Principal Occupation</b>
	Asset Management Inc.
Raza Hasan, Oakville, Ontario	Senior Vice-President, Retail Lending and Wealth Risk Management, Risk Management, CIBC
Norah C. McCarthy, Toronto, Ontario	Vice President, Integrated Business Controls Services, Retail and Business Banking, CIBC
Bijal Patel, Maple, Ontario	Senior Vice-President and Chief Financial Officer, CIBC Retail Markets, Finance Support, Finance, CIBC
Gary A. Whitfield, Toronto, Ontario	Managing Director and Head, Private Wealth Management, Wealth Management, CIBC

### **Senior Officers of the Trustee**

The names and municipalities of residence of the officers of the Trustee, their positions with the Trustee, and their principal occupations are as follows:

<b>Name and Municipality of Residence</b>	<b>Position with Trustee and Principal Occupation</b>
Dominic Deane, Toronto, Ontario	Chief Financial Officer, Funds, CIBC Trust Corporation; Executive Director, Finance, CIBC Retail Markets, CIBC
Victor G. Dodig, Toronto, Ontario	Director, Chairman, CIBC Trust Corporation; Senior Executive Vice-President, CIBC and Group Head, Wealth Management, CIBC
John Florio, Mississauga, Ontario	Chief Financial Officer, CIBC Trust Corporation; Senior Director – Controller Wealth Management, CIBC
Stephen Geist, Toronto, Ontario	Vice President, Personal Portfolio Services (PPS), CIBC Trust Corporation; President and Chief Executive Officer, CIBC Asset Management Inc.
Donald W. Kwan, Toronto, Ontario	Director, Investment Management, CIBC Trust Corporation, CIBC
Daniel S. Longo, Toronto, Ontario	Chief Operating Officer, CIBC Trust Corporation, CIBC
Gary A. Whitfield, Toronto, Ontario	President and Chief Executive Officer, CIBC Trust Corporation; Vice-President, Private Wealth Management; Wealth Management, CIBC

Each of the directors and senior officers of the Trustee listed above has held his or her current position or another position with CIBC and its affiliates and senior principal occupation during the five years preceding the date hereof, except:

- Gary A. Whitfield was Director at Barclays Private Bank in the United Kingdom from February 2004 to December 2007.

### **Portfolio Advisor**

The Manager has retained CAMI as the Portfolio Advisor for the Pools. As Portfolio Advisor, CAMI is responsible for providing or arranging for the provision of investment advice and portfolio management services to the Pools pursuant to an investment management agreement dated May 6, 2003, as amended (the *Investment Management Agreement*). As compensation for its services, the

Portfolio Advisor receives a fee from the Manager. These fees are not charged as an operating expense to the Pools. The Portfolio Advisor is a subsidiary of CIBC.

The Investment Management Agreement provides that the Manager may require the Portfolio Advisor to resign upon 60 days' prior written notice.

The following are the names, titles, and length of service of senior persons employed by Investment Management Research of CAMI. Investment Management Research is responsible for general investment policy and direction as well as the monitoring of investment objectives, strategies, and policies of the Pools.

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
Gary Grad	Managing Director, Investment Management Research, CIBC Asset Management Inc.	Associated with the portfolio advisor since November 2009; previously Vice President at Fidelity Investments from 2000 to 2009
Alexei Rowinsky	Director, Overlay Portfolio Management Group, Investment Management Research, CIBC Asset Management Inc.	Associated with the portfolio advisor since 2003

#### **Portfolio Sub-advisors**

The Portfolio Advisor hires portfolio sub-advisors to provide investment advice and portfolio management services to the Pools. As compensation for their services, the portfolio sub-advisors receive a fee from CAMI. These fees are not charged as an operating expense to the Pools.

Certain portfolio sub-advisors are not registered as advisors in Ontario. For a portfolio sub-advisor who is not registered as an advisor in Ontario, CAMI has agreed, unless otherwise noted, to be responsible for any loss if the portfolio sub-advisor fails to meet its standard of care in performing its services for a Pool. Portfolio sub-advisors that are not registered as advisors in Ontario are noted below.

The following are the portfolio sub-advisors for the Pools:

<b>Name of Pool</b>	<b>Portfolio Sub-Advisor</b>
Imperial Money Market Pool Imperial Short-Term Bond Pool Imperial Canadian Bond Pool Imperial Canadian Diversified Income Pool Imperial Equity High Income Pool Imperial Canadian Dividend Income Pool	CIBC Global Asset Management Inc. Montreal, Canada
Imperial International Bond Pool	Brandywine Global Investment Management, LLC <sup>(1)</sup> Philadelphia, U.S.A.
Imperial Global Equity Income Pool	BlackRock Financial Management Inc. <sup>(1)</sup> Princeton, U.S.A.  Kleinwort Benson Investors International Limited <sup>(1)</sup> Dublin, Ireland
Imperial Canadian Equity Pool	CIBC Global Asset Management Inc.

Name of Pool	Portfolio Sub-Advisor
	Montreal, Canada Connor, Clark & Lunn Investment Management Ltd. Vancouver, Canada
Imperial U.S. Equity Pool	Aletheia Research and Management, Inc. <sup>(1)</sup> Los Angeles, U.S.A. American Century Investment Management, Inc. <sup>(1)</sup> Kansas City, U.S.A. (effective February 1, 2012) CIBC Global Asset Management Inc. Montreal, Canada Fiduciary Management Inc. <sup>(1)</sup> Milwaukee, U.S.A. Metropolitan West Capital Management, LLC <sup>(1)</sup> Newport Beach, U.S.A. Tradewinds Global Investors, LLC <sup>(1)</sup> Los Angeles, U.S.A.
Imperial International Equity Pool	Causeway Capital Management LLC <sup>(1)</sup> Los Angeles, U.S.A. CIBC Global Asset Management Inc. Montreal, Canada Pictet Asset Management Limited <sup>(1)</sup> London, England Pyramis Global Advisors, LLC Boston, U.S.A.
Imperial Overseas Equity Pool	Causeway Capital Management LLC <sup>(1)</sup> Los Angeles, U.S.A. CIBC Global Asset Management Inc. Montreal, Canada Pictet Asset Management Limited <sup>(1)</sup> London, England Pyramis Global Advisors, LLC Boston, U.S.A.
Imperial Emerging Economies Pool	The Boston Company Asset Management, LLC <sup>(1)</sup> Boston, U.S.A. CIBC Global Asset Management Inc. Montreal, Canada

<sup>(1)</sup> Non-resident portfolio sub-advisor, not registered as an advisor in Ontario.

The following are the names, titles, and length of time of service of persons employed by the portfolio sub-advisors who are principally responsible for the day-to-day management of a Pool or implementing its investment strategy, or managing a particular segment of the portfolio:

**Aletheia Research and Management, Inc., Los Angeles, U.S.A.**

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
Peter J. Eichler, Jr	Chairman, CEO, CIO, and Founder	Founder and architect of the investment philosophy and process since its inception in 1997
David Bunzel	Senior Managing Director and Co-Portfolio Manager	Associated with this sub-advisor since 2008; previously Partner and Founder at Irvine Capital Partners from 1992 to 2007
Mark Scalzo	EVP, Senior Director of Research, and Co-Portfolio Manager	Associated with this sub-advisor since 2008; previously Group Vice President and Head of Mergers & Acquisitions at Fisher Investments from 2006 to 2008; prior to 2006, Regional Director with Putnam Lovell NBF Securities

The portfolio sub-advisory agreement between CAMI and Aletheia Research and Management, Inc. may be terminated by either party on 60 days' prior written notice.

**American Century Investment Management, Inc., Kansas City, U.S.A. (effective February 1, 2012)**

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
David Holland	CIO, U.S. Growth Equity Mid- and Small-Cap	Associated with this sub-advisor since 1998
Michael Orndorff	Vice President and Portfolio Manager	Associated with this sub-advisor since 1994
Phil Davidson	CIO, U.S. Value Equity	Associated with this sub-advisor since 1993

The portfolio sub-advisory agreement between CAMI and American Century Investment Management, Inc. may be terminated by either party on 60 days' prior written notice.

**BlackRock Financial Management Inc., Princeton, U.S.A.**

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
Robert Shearer	Managing Director and Senior Portfolio Manager	Associated with this sub-advisor since 2006; previously Managing Director and Senior Portfolio Manager at Merrill Lynch Investment Management from 1997 to 2006
Kathleen Anderson	Managing Director and Portfolio Manager	Associated with this sub-advisor since 2006; previously Associate Portfolio Manager at Merrill Lynch Investment Management from 1993 to 2006

The portfolio sub-advisory agreement between CAMI and BlackRock Financial Management Inc. may be terminated by either party on 60 days' prior written notice. BlackRock may delegate any or all of its responsibilities to its affiliate BlackRock investment Management LLC.

**The Boston Company Asset Management, LLC, Boston, U.S.A.**

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
Kirk Henry	Senior Vice President and Director of International Equities	Associated with this sub-advisor since 1994
Carolyn M. Kedersha	Senior Vice President and Senior Portfolio Manager Non-U.S. Value Equity	Associated with this sub-advisor since 1998

The portfolio sub-advisory agreement between CAMI and The Boston Company Asset Management, LLC may be terminated by either party on 30 days' prior written notice. Notwithstanding such termination, The Boston Company Asset Management, LLC shall provide transitional support for a period of 30 days from such termination.

**Brandywine Global Investment Management, LLC, Philadelphia, U.S.A.**

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
David F. Hoffman	Managing Director	Associated with this sub-advisor since 1995
Stephen S. Smith	Managing Director	Associated with this sub-advisor since 1991

The portfolio sub-advisory agreement between CAMI and Brandywine Global Investment Management, LLC may be terminated by either party on 60 days' prior written notice.

**Causeway Capital Management LLC, Los Angeles, U.S.A.**

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
Sarah H. Ketterer	Chief Executive Officer	Co-founder of this sub-advisor since 2001
Harry W. Hartford	President	Co-founder of this sub-advisor since 2001
Kevin Durkin	Director	Associated with this sub-advisor since 2001
James A. Doyle	Director	Associated with this sub-advisor since 2001
Jonathan P. Eng	Director	Associated with this sub-advisor since 2001
Conor Muldoon	Director	Associated with this sub-advisor since 2003

The portfolio sub-advisory agreement between CAMI and Causeway Capital Management LLC may be terminated by either party upon notice to the other party. Notwithstanding such termination, Causeway Capital Management LLC shall provide transitional support for a period of 30 days from such termination.

**CIBC Global Asset Management Inc., Montreal, Canada**

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
Luc de la Durantaye	First Vice President, Asset Allocation and Quantitative Team	Associated with this sub-advisor since 2002

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
Steven Dubrovsky	First Vice President, Global Fixed Income and Money Market	Associated with this sub-advisor since 1992
Domenic Monteferrante	First Vice President, Canadian Equities	Associated with this sub-advisor since 1998
Jacques Prévost	First Vice President, Global Fixed Income	Associated with this sub-advisor since 1999
Jeffrey Waldman	First Vice President, Global Fixed Income	Associated with this sub-advisor since 1998
Patrick O'Toole	Vice President, Global Fixed Income	Associated with this sub-advisor since 2004
Ian Scullion	Vice President, Equities	Associated with this sub-advisor since 2002
Patrick Thillou	Vice President, Index and Enhanced Strategies	Associated with this sub-advisor since 1997
David Graham	Vice President, Canadian Equities	Associated with this sub-advisor or its affiliates since 2000
Colum McKinley	Vice President, Canadian Equities	Associated with this sub-advisor since May 2010; previously Portfolio Manager at Sionna Investment Managers from 2005 to 2010, and Vice President and Director, Portfolio Manager at TD Asset Management from 1999 to 2005
Dave Dayaratne	Assistant Vice President, Global Fixed Income	Associated with this sub-advisor since 1994
Suzann Pennington	Head of Canadian Equities	Associated with this sub-advisor since 2011; previously held various senior roles at Howson Tattersall Investment Counsel (Toronto) and Mackenzie Financial Corp. from 2005 to 2011

CIBC Global Asset Management Inc. is a subsidiary of the Manager. The portfolio sub-advisory agreement between CAMI and CIBC Global Asset Management Inc. may be terminated by either party on 60 days' prior written notice.

**Connor, Clark & Lunn Investment Management Ltd., Vancouver, Canada**

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
Gary Baker	Director, Partner and Head of Fundamental Equities	Associated with this sub-advisor since 2004
Martin Gerber	Director, Partner and Head of Quantitative Equities	Associated with this sub-advisor since 1991
Chris Archbold	Partner and Portfolio Manager, Quantitative Equities	Associated with this sub-advisor since 1993
Samba Chunduri	Partner and Portfolio Manager, Fundamental Equities	Associated with this sub-advisor since 2005; previously was a Software & IT Services Analyst at



<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
		Orion Securities from 2004 to 2005
Tate Haggins	Partner and Portfolio Manager, Quantitative Equities	Associated with this sub-advisor since 2003
Steven Huang	Partner and Portfolio Manager, Quantitative Equities	Associated with this sub-advisor since 1995
John Novak	Partner and Portfolio Manager, Fundamental Equities	Associated with this sub-advisor since 2006; previously was a Managing Director, Equity Research at CIBC World Markets Inc. from 2004 to 2006
Dion Roseman	Partner and Portfolio Manager, Quantitative Equities	Associated with this sub-advisor since 2004
Steven Vertes	Partner and Portfolio Manager, Fundamental Equities	Associated with this sub-advisor since 2002
Mark Bridges	Senior Analyst, Fundamental Equities	Associated with this sub-advisor since 2009; previously was an Investment Analyst at CIBC World Markets Inc. from 2001 to 2009
Matthew McClure	Equity Analyst, Fundamental Equities	Associated with this sub-advisor since 2011

The portfolio sub-advisory agreement between CAMI and Connor, Clark & Lunn Investment Management Ltd. may be terminated by either party on 60 days' prior written notice.

**Fiduciary Management Inc., Milwaukee, U.S.A.**

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
Ted Kellner	Executive Chairman	Associated with this sub-advisor since 1980
Patrick English	Chief Executive Officer and Chief Investment Officer	Associated with this sub-advisor since 1986
John Brandser	President, Chief Operating Officer, and Chief Compliance Officer	Associated with this sub-advisor since 1995
Andy P. Ramer	Director of Research and Research Analyst	Associated with this sub-advisor since 2002

The portfolio sub-advisory agreement between CAMI and Fiduciary Management Inc. may be terminated by either party on 60 days' prior written notice, and either party has the additional right to terminate the agreement immediately if the continuance of the agreement and the performance of the obligations of the parties would contravene any applicable law.

**Kleinwort Benson Investors International Limited, Dublin, Ireland**

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
Tom Mermuys	Portfolio Manager and Team Lead, High Dividend Equity Products	Associated with this sub-advisor since 2002
Gareth Maher	Head of Portfolio Management, Dividend Plus Strategies	Associated with this sub-advisor since 2000
David Hogarty	Head of Strategy Development, Dividend Plus Strategies	Associated with this sub-advisor since 1994
Ian Madden	Portfolio Manager, Dividend Plus Strategies	Associated with this sub-advisor since 2000
James Collery	Portfolio Manager, Dividend Plus Strategies	Associated with this sub-advisor since 2001

The portfolio sub-advisory agreement between CAMI and Kleinwort Benson Investors International Limited may be terminated by either party on 60 days' prior written notice.

**Metropolitan West Capital Management, LLC, Newport Beach, U.S.A.**

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
Gary Lisenbee	CEO and CIO	Associated with this sub-advisor since 1997
Jeffrey Peck	Director of Research, Lead Strategist	Associated with this sub-advisor since 2004

The portfolio sub-advisory agreement between CAMI and Metropolitan West Capital Management, LLC may be terminated by either party on 60 days' prior written notice, and either party has the additional right to terminate the agreement immediately if the continuance of the agreement and the performance of obligations of the parties would contravene any applicable law.

**Pictet Asset Management Limited, London, England**

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
Aylin Suntay	Head and Senior Investment Manager, Small Cap Equities	Associated with this sub-advisor since 2001
Justin Hill	Senior Investment Manager	Associated with this sub-advisor since 2001
Oliver Knobloch	Senior Investment Manager	Associated with this sub-advisor since 1993
Michael McLaughlin	Senior Investment Manager and Product Specialist	Associated with this sub-advisor since 1995
Bill Barker	Senior Investment Manager	Associated with this sub-advisor since 2007

The portfolio sub-advisory agreement between CAMI and Pictet Asset Management Limited may be terminated by either party on 30 days' prior written notice.

**Pyramis Global Advisors, LLC, Boston, U.S.A.**

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
Brian Hoesly	Institutional Portfolio Manager	Associated with Fidelity since 2006; previously Vice President at Wellington Management from 1997 to 2006
Chris Steward	Institutional Portfolio Manager	Associated with Fidelity since 2006; previously Vice President at Wellington Management from 2000 to 2006
Michael Strong	Institutional Portfolio Manager	Associated with Fidelity since 1998

Pyramis Global Advisors, LLC is an affiliate of Fidelity Investments Canada Limited (and is a Fidelity Investments company). The portfolio sub-advisory agreement among CAMI, Fidelity Investments Canada Limited, and Pyramis Global Advisors, LLC may be terminated by any party on 30 days' prior written notice.

**Tradewinds Global Investors, LLC, Los Angeles, U.S.A.**

<b>Name of Individual</b>	<b>Position and Office</b>	<b>Details of Experience</b>
David Iben	CIO, Co-President, Portfolio Manager, Executive Managing Director	Associated with this sub-advisor since 2000
Isabel Satra	Managing Director, Equity Analyst, Portfolio Manager	Associated with this sub-advisor since 2004

The portfolio sub-advisory agreement between CAMI and Tradewinds Global Investors, LLC may be terminated by either party on 60 days' prior written notice, and either party has the additional right to terminate the agreement immediately if the continuance of the agreement and the performance of obligations of the parties would contravene any applicable law.

**Brokerage and Soft Dollar Arrangements**

The Portfolio Advisor generally delegates trading and execution authority to the portfolio sub-advisors and does not, in its capacity as portfolio advisor, receive any goods or services directly through soft dollar arrangements.

Decisions that portfolio sub-advisors may make as to the purchase and sale of portfolio securities and the execution of portfolio transactions for a Pool that they sub-advise, including the selection of markets and dealers and the negotiation of commissions, are based on elements such as price, speed of execution, certainty of execution, and total transaction costs.

Brokerage business may be allocated by portfolio sub-advisors to CIBC World Markets Inc. and CIBC World Markets Corp., each a subsidiary of CIBC. Such purchases and sales would be executed at normal institutional brokerage rates.

In allocating fund brokerage business to a dealer, consideration may be given by portfolio sub-advisors to the nature of goods and services provided by the dealer or a third party, other than order execution (referred to in the industry as "soft dollars" arrangements). The following types of goods and services, other than order execution, may be provided to the portfolio sub-advisors under such arrangements: research reports, and information about particular countries, economies, markets, industries, companies and/or securities, access to analysts and industry experts, company

meeting facilitation, statistical and market data and news services, quantitative analytical research services, risk attribution systems, proxy voting advisory services, best execution and trade quality evaluation services, and order management systems.

Since the date of the last annual information form, the portfolio sub-advisors have received, and CIBC World Markets Inc. and CIBC World Markets Corp. provided or made payment to a third party to provide such types of goods and services.

The goods and services received through soft dollar arrangements assist the portfolio sub-advisors with their investment decision-making services to the Pools or relate directly to executing portfolio transactions on behalf of the Pools. In certain cases, such goods and services may be "mixed use" in nature where certain functions do not assist the investment decision-making or trading process. In such cases, a reasonable allocation is made by the portfolio sub-advisor based on a good faith estimate of how the good or service is used. As per the terms of the portfolio sub-advisory agreements, soft dollar arrangements are in compliance with applicable laws. A portfolio sub-advisor is required to make a good faith determination that the relevant Pool(s) receive reasonable benefit considering the use of the goods and services received and the amount of commissions paid. In making such determination, a portfolio sub-advisor may consider the benefit received by a Pool from a specific good or service paid for by commissions generated on behalf of the Pool and/or the benefits a Pool receives over a reasonable period of time from all goods or services obtained through a portfolio sub-advisor's soft dollar arrangements. It is, however, possible that Pools or clients of a portfolio sub-advisor other than those whose trades generated the soft dollar commissions may benefit from the goods and services obtained through soft dollars.

The Portfolio Advisor has entered into an expense reimbursement agreement with CGAM on behalf of the Pools sub-advised by CGAM. It provides that custodial fees directly related to portfolio transactions incurred by a Pool, otherwise payable by the Pool, shall be paid by CGAM and/or dealer(s) directed by CGAM up to the amount of the credits generated under soft dollar arrangement from trading on behalf of such Pool during that month. CIBC has a fifty percent interest in the Pool's custodian, CIBC Mellon Trust Company.

We may enter into commission recapture arrangements with certain dealers with respect to the Pools. Any commission recaptured will be paid to the relevant Pool.

The names of any other dealer or any third party that provided or paid for the provision of goods or services, other than order execution, or have furnished commission rebates to the Manager, the Portfolio Advisor, the portfolio sub-advisors or the Pools in return for the allocation of portfolio transactions since the date of the last annual information form is available on request, at no cost, by calling us toll-free at 1-888-357-8777, by writing to 5650 Yonge Street, 19<sup>th</sup> Floor, Toronto, Ontario M2M 4G3, or from your CIBC advisor, portfolio manager, or investment counsellor.

The Portfolio Advisor receives regular reports regarding portfolio sub-advisors' compliance with their respective soft dollar policies.

### **Custodian**

The portfolio assets of the Pools are held under the custodianship of CIBC Mellon Trust Company (CMT) of Toronto, Ontario pursuant to a custodial agreement dated as of May 6, 2005, as amended (CMT Custodian Agreement). Under the CMT Custodian Agreement, through CIBC Mellon Global Securities Services Company (CIBC GSS), CMT is responsible for the safekeeping of the property of the Pools. The CMT Custodian Agreement may be terminated by either party upon at least 90 days' written notice or immediately if (i) the other party becomes insolvent, (ii) the other party makes an assignment for the benefit of creditors, (iii) a petition in bankruptcy is filed by or against that party and is not discharged within 30 days, or (iv) proceedings for the appointment of a receiver for that party are commenced and not discontinued within 30 days.

The cash, securities, and other assets of the Pools will be held by CMT at its principal office or at one or more of its branch offices or at offices of sub-custodians appointed by CMT in other countries. All fees and expenses payable to CMT by a Pool will be payable by that Pool.

Where a Pool makes use of clearing corporation options, options on futures, futures contracts, the Pool may deposit portfolio securities or cash as margin in respect of such transactions with a dealer, or in the case of forward contracts, with the other party thereto, in any such case in accordance with the policies of the Canadian securities authorities.

### **Registrar**

CIBC is the registrar of the units. The register is kept at Toronto, Ontario.

### **Auditors**

The auditors of the Pools are Ernst & Young LLP, of Toronto, Ontario, Canada. The auditors audit the Pools and provide an opinion on whether the annual financial statements are fairly presented in accordance with Canadian GAAP.

### **Other Service Providers**

The Trustee has entered into an amended and restated fund administration services agreement dated May 6, 2005, as amended, with CIBC GSS, pursuant to which CIBC GSS has agreed to provide certain services to the Pools, including fund accounting and reporting, and portfolio valuation. The fees for the services of CIBC GSS are paid directly by the Manager and are expensed back to the Pools as a recoverable operating expense. CIBC indirectly owns a fifty percent interest in CIBC GSS. This agreement may be terminated without any penalty by the Trustee or CIBC GSS upon at least 90 days' written notice to the other party. The registered address of CIBC GSS is 320 Bay Street, P.O. Box 1, Ground Floor, Toronto, Ontario M5H 4A6.

### **Independent Review Committee**

The Independent Review Committee reviews, and provides input on, the Manager's conflict of interest matters referred to it by the Manager. Refer to the section *Independent Review Committee* under the heading *Governance* for more details.

## **Conflicts of Interest**

### **Principal holders of securities**

As of November 30, 2011, the Discretionary Managers are the unitholders of record of all of the outstanding units of any Pool. None of the Discretionary Managers' clients held more than 10% of the outstanding units of a Pool as at November 30, 2011.

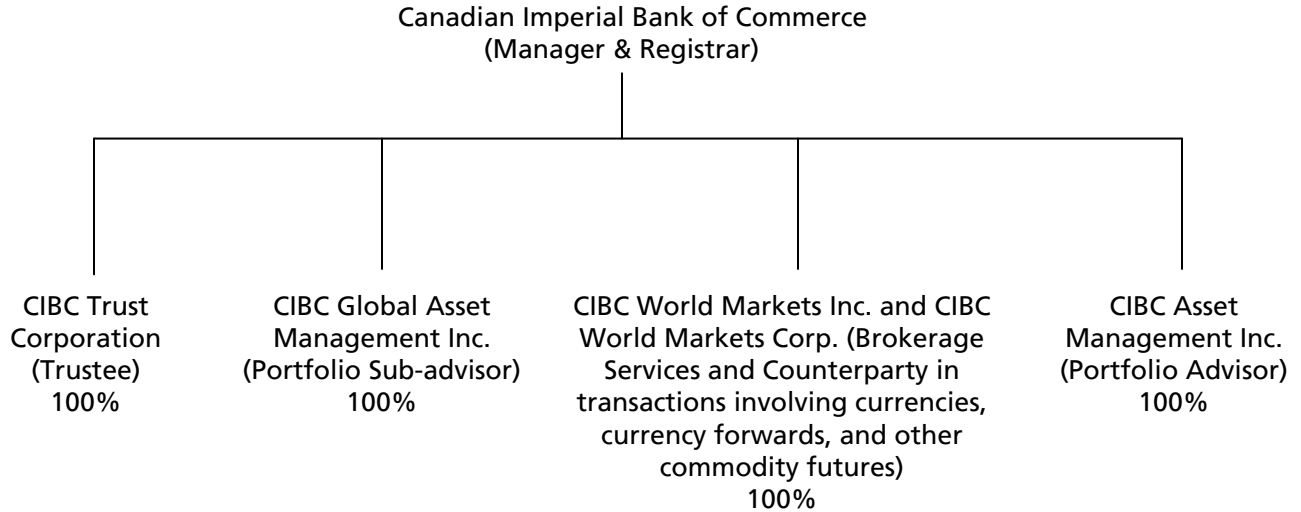
To the knowledge of the Manager, no person is the beneficial owner, directly or indirectly, of 10% or more of the common shares of the Manager.

The Manager holds, directly or indirectly, 100% of the issued and outstanding shares of the Trustee, the Portfolio Advisor, as well as one of the sub-advisors, namely CGAM.

As of November 30, 2011, the members of the Independent Review Committee collectively owned less than 0.1% of the common shares of CIBC and less than 0.1% of the Class A Preferred Shares of CIBC.

## Affiliated Entities

The following companies that provide services to the Pools or the Manager in relation to the Pools are affiliated with the Manager.



The fees, if any, received from the Pools by each company listed in at the above chart (other than the Portfolio Advisor) will be contained in the annual audited financial statements of the Pools. The portfolio sub-advisors are entitled to receive fees from the Portfolio Advisor for investment advisory and portfolio management services. The fees paid by the Portfolio Advisor to the portfolio sub-advisors, including CGAM, are not contained in the annual audited financial statements of the Pools.

While not an affiliate, CIBC currently owns a fifty percent interest in CMT and indirectly owns a fifty percent interest in CIBC GSS. CMT and certain of its affiliates are entitled to receive fees from the Manager or the Pools for providing custodial and other services to the Pools.

The following individuals are directors or senior officers of the Manager and also of an affiliated entity of the Manager that provides services to the Pools or the Manager:

<b>Name of Individual</b>	<b>Position with Manager</b>	<b>Position with Affiliates</b>
Victor G. Dodig	Senior Executive Vice-President, CIBC and Group Head, Wealth Management, CIBC	Director, Chairman, CIBC Trust Corporation; Director, Chairman, President and Chief Executive Officer, CIBC Global Asset Management Inc.; Director, Chairman, CIBC Asset Management Inc.
Richard W. Nesbitt	Senior Executive Vice-President, CIBC and Group Head, Wholesale, International and Technology and Operations, CIBC	Director, Chairman and Chief Executive Officer, CIBC World Markets Inc.;

<b>Name of Individual</b>	<b>Position with Manager</b>	<b>Position with Affiliates</b>
Richard E. Venn	Senior Executive Vice-President, CIBC and Advisor to the Chief Executive Officer's Office	Director, Deputy Chairman; Managing Director, CIBC World Markets Inc.
Thomas D. Woods	Senior Executive Vice-President and Chief Risk Officer, Risk Management, CIBC	Managing Director, CIBC World Markets Inc.

## **Governance**

As Manager of the Pools, CIBC provides or arranges to provide for the day-to-day management, administration, operation, and governance of the Pools. The Manager is assisted by members of its legal, compliance, finance, internal audit, and risk management departments. Information about the officers and directors of the Manager can be found under the heading *Responsibility for the Operation of the Pools*.

CIBC Legal and Compliance supports regulatory compliance, sales practices, and marketing review as well as other legal and regulatory matters concerning the Pools.

We require our employees to adhere to a Code of Ethics and Global Code of Conduct that address potential internal conflicts of interest.

### ***Independent Review Committee***

The Manager established the Independent Review Committee for the Pools as required by NI 81-107. The charter of the Independent Review Committee sets out its mandate, responsibilities, and functions (the *Charter*). The Charter is posted on CIBC website at [www.cibc.com/mutualfunds](http://www.cibc.com/mutualfunds). Under the Charter, the Independent Review Committee reviews conflict of interest matters referred to it by the Manager and provides to the Manager a recommendation or, where required under NI 81-107 or elsewhere in securities legislation, an approval relating to these matters. Approvals may also be given in the form of standing instructions. The Independent Review Committee and the Manager may agree that the Independent Review Committee will perform additional functions. The Charter provides that the Independent Review Committee has no obligation to identify conflict of interest matters that the Manager should bring before it.

Set forth below are the names and municipalities of residence of each member of the Independent Review Committee:

<b>Name</b>	<b>Municipality of Residence</b>
John W. Crow (Chair)	Toronto, Ontario
Donald W. Hunter, FCA	Toronto, Ontario
Tim Kennish	Toronto, Ontario
Merle Kriss	Toronto, Ontario
William Thornhill	Mississauga, Ontario

None of the members of the Independent Review Committee is an employee, director, or officer of the Manager or the Portfolio Advisor, or an associate or affiliate of the Manager or the Portfolio Advisor, or to the knowledge of CIBC, any portfolio sub-advisor.

As at the date of this Annual Information Form, each member of the Independent Review Committee receives an annual retainer of \$50,000 (\$75,000 for the Chair) and \$1,500 for each



meeting of the Independent Review Committee that the member attends above six meetings per year. This fee will be allocated among the Pools and other investment funds managed by the Manager (or an affiliate), in a manner that is considered by the Manager to be fair and reasonable to each of the Pools and the other investment funds.

For the Pools' most recently completed financial year ended December 31, 2010, the Pools paid aggregate compensation of \$99,864 to the members of the Independent Review Committee. For this period, the members received a total aggregated compensation of \$307,627, which includes compensation paid by other mutual funds managed by CIBC and its subsidiaries.

The Manager of the Pools has established policies and procedures to ensure compliance with all applicable regulatory requirements and proper management of the Pools, including policies and procedures relating to conflicts of interest as required by NI 81-107.

### ***Personal trading policies***

The Manager has implemented personal trading policies that address potential internal conflicts of interest and require certain employees to have trades pre-cleared against portfolio transactions.

### ***Public disclosure documents***

The Manager has adopted policies and procedures for the preparation, review, and approval of all disclosure documents, including mutual fund prospectuses, fund facts, annual information forms, and financial statements and management reports of fund performance.

### ***Sales communications and sales practices***

The Manager also follows guidelines with respect to mutual fund marketing and sales practices.

### ***Risk management***

CAMI hires portfolio sub-advisors to provide investment advisory and portfolio management services to the Pools. CAMI relies on the portfolio sub-advisor's covenants in the sub-advisory agreement, performs its own testing and obtains reports from the portfolio sub-advisors certifying compliance with legislative requirements, the relevant Pool's investment guidelines, and fiduciary obligations. CAMI has retained a third-party to measure and monitor the execution quality of portfolio sub-advisors and their dealers, to assist in monitoring compliance with, and evaluating, the portfolio sub-advisor's policies and practices to ensure "best execution" and to evaluate the overall execution efficiency of certain portfolio sub-advisors.

We have established various policies and procedures, which include, notably, a compliance manual, a code of ethics for personal trading, investment, portfolio risk management, derivatives review, and policies and procedures for monitoring the trading activities of the portfolio sub-advisors. Our Investment Controls group monitors each Pool for adherence to regulatory requirements, fiduciary obligations and investment policy guidelines and reports to our Investment Controls Committee. The Investment Controls Committee reports to our directors and is supported by CIBC Legal and Compliance. The Pools are priced daily, which ensures that performance accurately reflects market movement.

### ***Policies and procedures related to errors***

The Manager has policies and procedures in place with respect to correcting any material errors in the calculation of net asset value of the Pools or any errors in the processing of transactions relating to the Pools. Such policies and procedures were developed with consideration given to industry standards. Generally, material errors are considered errors of 0.50% or greater of the net asset value of the Pool. A unitholder will typically only receive compensation for material errors where



the loss to such unitholder is \$25 or more. If a single error is protracted over a number of successive days, these thresholds will be considered for each day individually and will not be accumulated.

### ***Policies and procedures related to derivatives***

The derivative contracts entered into by the portfolio sub-advisors on behalf of the Pools must be in accordance with the standard practices and restrictions and the investment objectives and strategies of each of the Pools.

The Portfolio Advisor has adopted written derivatives review procedures that set out the objectives and goals for derivatives trading of the Pools as well as the risk management procedures applicable to such derivatives trading. The portfolio sub-advisors are required to adhere to such procedures. The Portfolio Advisor's Investment Controls Committee is responsible for reviewing adherence to these procedures. In particular, the Portfolio Advisor's risk management procedures involve the measuring, monitoring, and reporting of portfolio leverage, third-party credit quality, and cash cover requirements, which are all measured, monitored, and reported on a monthly basis to ensure compliance with the standard practices and restrictions and a Pool's investment objectives and strategies. All of these groups and persons are independent of the sub-advisors trading in the derivative contracts. The policies and procedures are reviewed on an as-needed basis, with a minimum annual review.

The Pools cannot use derivatives to create leverage. As a result, the value of the Pools' derivative positions will closely resemble and experience similar fluctuations in value as the portfolio securities held by the Pools. Therefore, no stress testing is conducted specifically with respect to the derivative positions maintained by the Pools. However, the Portfolio Advisor does perform a review of risk exposure on all of its managed portfolios, including the Pools.

### ***Policies related to proxy voting***

The Portfolio Advisor has adopted written policies and procedures aimed at ensuring all votes in respect of securities or other property of the Pools are made to maximize returns and are in the best interests of the unitholders of the Pools.

Pursuant to the portfolio sub-advisory agreements, the portfolio sub-advisors are responsible for directing how any votes in respect of securities or other property of the Pools are to be voted. The Portfolio Advisor has adopted written policies and procedures aimed to ensure all votes in respect of securities or other property of the Pools are made to maximize returns and are in the best interests of the unitholders of the Pools. Portfolio sub-advisors of the Pools are required to establish proxy-voting guidelines that meet our requirements. For example, each portfolio sub-advisor must have:

- a standing policy for dealing with routine matters on which they may vote;
- a policy that indicates the circumstances under which the portfolio sub-advisor will deviate from the standing policy routine matters;
- a policy under which, and procedures by which, the portfolio sub-advisor will determine how to vote or refrain from voting on non-routine matters;
- procedures to ensure that the portfolio securities held by the applicable Pool are voted in accordance with the instructions of the portfolio sub-advisor; and
- procedures for voting proxies in situations where there may be a conflict of interest between the portfolio sub-advisor and unitholders of the applicable Pool.

Our procedures also involve monitoring compliance by the portfolio sub-advisors with the proxy-voting guidelines on an ongoing basis and require us to report any non-compliance to the Portfolio Advisor's Investment Controls Committee for review and recommendation.

Although CAMI does not expect to be called on to vote proxies for the Pools, if that were to occur, CAMI would vote such proxies on a case-by-case basis, following the guiding principle and, where appropriate, taking into consideration the principles in the policies of the portfolio sub-advisor of the Pool.

CGAM, a portfolio sub-advisor, is a wholly-owned subsidiary of CIBC. CGAM always aims to act in the best interest of clients when voting proxies. To address perceived potential conflicts of interest, CGAM has decided to rely exclusively on an outside independent proxy advisor when dealing with proxy voting for CIBC and CIBC related companies. However, CGAM will exercise its judgment to vote proxies in the best interests of clients with respect to a company where CIBC or CIBC related companies are providing advice, funding, or underwriting services. In this case, there are "ethical walls" designed to prevent undue influence between CGAM on one hand, and CIBC and CIBC related companies on the other hand. Moreover, CGAM will assess on an annual basis whether its outside independent proxy advisor remains independent and assess its ability to make recommendations for voting proxies in an impartial manner and in the best interest of CGAM's clients. Any changes to the proxy advisor or guidelines are, with respect to voting in CIBC and CIBC related parties, presented to and reviewed by the Independent Review Committee.

The policies and procedures of the Pools related to voting rights are available on request, at no cost, by calling us toll-free at 1-888-357-8777, by writing to 5650 Yonge Street, 19<sup>th</sup> Floor, Toronto, Ontario M2M 4G3, or from your CIBC advisor, portfolio manager, or investment counsellor.

The proxy voting record of each Pool for the most recent period ended June 30 of each year, commencing in 2006, is available to unitholders of the Pool on the CIBC website at [www.cibc.com/mutualfunds](http://www.cibc.com/mutualfunds).

### ***Transactions with related companies***

From time to time, the portfolio sub-advisors of the Pools may, on behalf of the Pools, enter into transactions with, or invest in securities of, companies related to the Manager or the portfolio sub-advisors. Applicable securities legislation contains mutual fund conflict of interest and self-dealing restrictions and provides the circumstances in which the Pools, or the portfolio sub-advisors on behalf of the Pools, may enter into transactions with related companies. Companies related to the Manager include CAMI, CGAM, CIBC World Markets Inc., CIBC World Markets Corp., and any other members of the CIBC Group of Companies.

These transactions may involve the purchase and holding of securities of issuers related to the Manager or the portfolio sub-advisors, the purchase or sale of portfolio securities through or from a related dealer to the Manager, and the purchase of securities underwritten by a related dealer or related dealers to the Manager. However, these transactions will only be entered into in accordance with the requirements and conditions set out in applicable securities legislation and in accordance with any exemptive relief granted to the Pools by the Canadian securities regulatory authorities.

The Manager has developed policies and procedures to ensure these transactions are entered into in accordance with applicable legislation and in accordance with any standing instructions issued by the Independent Review Committee.

Portfolio sub-advisors are also required to have policies and procedures in place to mitigate potential conflicts of interest between themselves and any related parties, including processes for notifying the Manager of any related issuer and obtaining permission to purchase such related issuers.

A dealer-managed fund is a mutual fund in which the portfolio advisor is controlled by a dealer or the principal shareholder of a dealer. Since CGAM, the portfolio sub-advisor of certain Pools, is a

wholly-owned subsidiary of CIBC, the principal shareholder of the dealers CIBC World Markets Inc. and CIBC World Markets Corp. (collectively, CIBC WM), certain Pools may be dealer-managed mutual funds.

The dealer-managed Pools have obtained standing instructions from the Independent Review Committee to allow purchases of securities during the distribution of an offering and the sixty days following the close of the distribution where a Related Dealer is acting or has acted as an underwriter.

The Manager has implemented policies and procedures relating to these transactions including the distribution of a list of offerings where a Related Dealer is acting as an underwriter, a requirement for CGAM to notify the Manager of any intention to purchase a security where a related dealer is acting as an underwriter and a certification from CGAM that each such purchase met the criteria set out in the regulations or by the Independent Review Committee.

Investment Controls monitors purchases on a daily basis and provides details of any breaches to the Manager. The Manager will report, at least annually, on these purchases to the Independent Review Committee.

#### ***Policies and procedures related to short selling***

Certain Pools have received the approval of the Canadian securities regulatory authorities to engage in short selling. In accordance with the terms of such approval, the Pools will adhere to certain controls and limits as described earlier in this document under the section *Short Selling*.

The Manager has established written policies and procedures relating to short selling by the Pool (including objectives, goals, and risk management procedures). Agreements, policies, and procedures that are applicable to a Pool relating to short selling (including trading limits and controls in addition to those specified under the section *Short Selling*) will be reviewed on a periodic basis by the Portfolio Advisor. The decision to effect any particular short sale will be made by the portfolio sub-advisor and reviewed and monitored as part of the Manager's ongoing compliance procedures and risk control measures. Risk measurement procedures or simulations generally are not used to test the portfolios of the Pools under stress conditions.

#### ***Policies and procedures related to securities lending, repurchase or reverse repurchase transactions***

In a securities lending transaction, a Pool will loan securities it holds in its portfolio to a borrower for a fee. In a repurchase transaction, a Pool sells securities it holds in its portfolio at one price, and agrees to buy them back later from the same party with the expectation of a profit. In a reverse repurchase transaction, a Pool buys securities for cash at one price and agrees to sell them back to the same party with the expectation of a profit.

Written procedures have been developed with respect to securities lending monitoring and reporting. At present, there are no simulations used to test the portfolios under stress conditions to measure risk.

The Manager has received regulatory relief from the Canadian securities regulatory authorities to act as agent of the Pools to enter into securities lending transactions, repurchase transactions, and reverse repurchase transactions on behalf of the Pools. The agency agreement provides, and the agent has developed policies and procedures that provide, that securities lending transactions, repurchase transactions, and reverse repurchase transactions will be entered into in accordance with the standard practices and restrictions and the following requirements:

- non-cash collateral and cash collateral must maintain a minimum of 102% of the value of the securities or such other percentages as reflects the best market practices in the local market in which the securities are being lent. Such other percentage shall never be less than 102%;
- no more than 50% of a Pool's assets may be invested in securities lending or repurchase transactions at any one time;
- investments in any cash collateral must be in accordance with the investment restrictions specified in the agency agreement;
- the value of the securities and collateral will be monitored daily;
- transactions will be subject to collateral requirements, limits on transaction sizes, and a list of approved third parties based on factors such as creditworthiness; and
- securities lending may be terminated at any time and repurchase and reverse repurchase agreements must be completed within 30 days.

Pursuant to an agency agreement, the Pools have retained CIBC Mellon Global Securities Services Company (*CIBC GSS*) as agent to provide certain administrative and reporting services in connection with the securities lending and repurchase program. CIBC GSS provides to our Investment Controls group, regular, comprehensive, and timely reports that summarize the transactions involving securities lending transactions, repurchase agreements, and reverse repurchase agreements, as applicable. At least annually, CIBC GSS also confirms that the internal controls, procedures, records, creditworthiness, and collateral diversification standards for borrowers have been followed and will provide the Manager with such information in order to satisfy the Manager's obligations under applicable laws. The Manager, with the assistance of the Portfolio Advisor, will be primarily responsible for reviewing the agency agreement, internal controls, procedures, and records and ensuring compliance with applicable laws.

Each securities lending transaction, repurchase agreement, and reverse repurchase agreement must qualify as a "securities lending arrangement" under section 260 of the Tax Act.

***Administrative costs relating to purchases, switches, and redemptions by the Discretionary Managers***

Concern for short-term and excessive trading in the Pools is limited since units of the Pools are only purchased by the Discretionary Managers. As the Discretionary Managers are acting on behalf of numerous investors and are typically purchasing, switching, and redeeming units of the Pools based on discretionary portfolios, they are not generally considered to be engaging in harmful short-term trading for the purposes of the Pools' policies and procedures. Nonetheless, the Discretionary Managers and the Manager have certain pre-notification procedures designed to minimize administrative costs related to transactions of units of the Pools. Specifically, the Discretionary Managers provide prior notice to the Manager of any tactical shifts or changes in their discretionary portfolios so that the Manager can attempt to minimize the related administrative costs. Furthermore, the Manager may, in its discretion, reimburse the Pools for any such administrative costs that may result from these transactions, and, if pre-notification procedures are not appropriately followed or the Manager otherwise determines it appropriate, it may also collect such costs or compensation from the applicable Discretionary Manager. If permitted by the discretionary investment management agreement between the Discretionary Manager and its clients, a Discretionary Manager may charge its client a fee if the client withdraws funds from the client's account within 30 days of depositing funds into the client's account if the withdrawal leads to administrative costs to the Pools.

## Income Tax Considerations

The following is a fair summary of the principal Canadian federal income tax considerations with respect to the acquisition, ownership, and disposition of units of the Pools generally applicable as at the date of this Annual Information Form to you if you are an individual other than a trust, and are, for the purposes of the Tax Act, a resident of Canada, hold units of a Pool as capital property, are not affiliated with the Pools, and deal at arm's length with the Pools.

This summary is based on the current provisions of the Tax Act and the regulations thereunder (*Regulations*) and the current published administrative and assessing practices and policies of the Canadian federal taxation authority, the Canada Revenue Agency (*CRA*), and also takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by the Minister of Finance (Canada) (*Minister of Finance*) prior to the date hereof (the *Proposed Amendments*). However, there can be no assurance that the Proposed Amendments will be enacted in their current form, or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law or administrative practice, whether by legislative, regulatory, administrative, or judicial action. Furthermore, this summary is not exhaustive of all possible income tax considerations and, in particular, does not take into account provincial, territorial, or foreign income tax legislation or considerations.

The income and other tax consequences of acquiring, holding, or disposing of units of a Pool, including the tax treatment of any fees or other expenses incurred by you, vary according to your status, the province(s) or territory(ies) in which you reside or carry on business, and, generally, your own particular circumstances. The following description of income tax matters is, therefore, of a general nature only and is not intended to constitute advice to you. **You should seek independent advice regarding the tax consequences of investing in units of a Pool, based upon your own particular circumstances.**

This summary is based on the assumption that each of the Pools qualifies and will continue to qualify as a "mutual fund trust" within the meaning of the Tax Act at all material times, and it is the intention of the Manager that the conditions prescribed in the Tax Act for qualification as a "mutual fund trust" will be satisfied on a continuing basis by each of these Pools.

This summary also assumes that each of Imperial Money Market Pool, Imperial Short-Term Bond Pool, Imperial Canadian Bond Pool, Imperial Canadian Diversified Income Pool, Imperial International Bond Pool, Imperial Equity High Income Pool, Imperial Canadian Dividend Income Pool, Imperial Global Equity Income Pool, and Imperial Canadian Equity Pool is, and will continue to be, effective at all relevant times, a "registered investment" under the Tax Act for certain registered plans as described under *Registered plans and eligibility for investment*.

### **Taxation of the Pools**

Each Pool is subject to tax under Part I of the Tax Act in each taxation year on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that is, or is deemed to be, paid or payable to unitholders in the year.

Each Pool is required to compute its net income and net realized taxable capital gains in Canadian dollars and may therefore realize foreign exchange gains or losses that will be taken into account in computing its income or capital gains for tax purposes.

All of a Pool's deductible expenses will be taken into account in determining the income or loss of the Pool as a whole and applicable taxes payable by the Pool as a whole.

Where a Pool has been a mutual fund trust (within the meaning of the Tax Act) throughout a

taxation year, the Pool will be allowed for such year to reduce its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on various factors, including the redemptions of its units during the year.

Capital or income losses realized by a Pool cannot be allocated to you but may, subject to certain limitations, be deducted by the Pool from capital gains or net income realized in other years. In certain circumstances, the "suspended loss" rules in the Tax Act may prevent a Pool from immediately recognizing a capital loss realized by it on a disposition of capital property, which may increase the amount of net realized taxable capital gains of the Pool that will be distributed to you.

Each Pool intends to distribute to unitholders in each taxation year a sufficient amount of its net income and net realized taxable capital gains so that it will not be liable for tax in any year under Part I of the Tax Act (after taking into account applicable losses and capital gains refunds.) As income and gains of a Pool may be derived from investments in countries other than Canada, the Pool may be liable to pay, or be regarded as having paid, income or profits tax to such countries. To the extent that such foreign tax paid by a Pool exceeds 15% of the foreign income, such excess may generally be deducted by the Pool in computing its income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% and has not been deducted in computing the income of a Pool, the Pool may designate a portion of its foreign source income in respect of your units, so that such income and a portion of the foreign tax paid by the Pool may be regarded as foreign source income of, and foreign tax paid by, you for the purposes of the foreign tax credit provisions of the Tax Act.

Generally, where a Pool holds derivatives, such as futures and forward contracts, other than certain derivatives used to hedge investments of the Pool's capital property, gains or losses realized on such assets will generally be treated as being on income account, rather than on capital account, in accordance with the current administrative position of the CRA.

On August 27, 2010, The Minister of Finance released draft legislation to implement tax measures announced in the 2010 federal budget, which was tabled in the House of Commons on March 4, 2010. In such Federal budget, the Minister of Finance announced that prior tax proposals relating to the taxation of investments in foreign investment entities will not be implemented and instead existing section 94.1 of the Tax Act will continue subject to certain limited enhancements (which are described in the draft legislation released on August 27, 2010). A Pool may be subject to section 94.1 of the Tax Act if it holds or has an interest in "offshore investment fund property". In order for section 94.1 of the Tax Act to apply to a Pool, the value of the interests must reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments of the offshore investment fund property. If applicable, these rules can result in a Pool including an amount in its income based on the cost of the Pool's offshore investment fund property multiplied by a prescribed interest rate. These rules would apply in a taxation year to the Pool if it could reasonably be concluded, having regard to all the circumstances, that one of the main reasons for the Pool acquiring, holding or having the investment in the entity that is an offshore investment fund property, was to benefit from the portfolio investments of the entity in such a manner that the taxes on the income, profits and gains therefrom, for any particular year were significantly less than the tax that would have been applicable if such income, profits and gains had been earned directly by the Pool. The Manager has advised that none of the reasons for a Pool acquiring an interest in "offshore investment fund property" may reasonably be considered to be as stated above. As a result, section 94.1 should not apply to the Pools.

Some of the Pools may be invested in, and may continue to invest in, publicly traded trusts and partnerships. On June 22, 2007, specified investment flow-through (*SIFT*) rules were enacted that significantly changed the income tax treatment of certain publicly traded trusts and partnerships (referred to as *SIFT trusts* and *SIFT partnerships*), other than certain real estate investment trusts



(REITs), and distributions or allocations, as the case may be, from these entities to their investors. In particular, certain income earned by these entities is taxed in a manner similar to income earned by a corporation and distributions or allocations made by these entities to investors are taxed in a manner similar to dividends from taxable Canadian corporations. This dividend is deemed to be an eligible dividend for the enhanced dividend tax credit if paid or allocated to a resident of Canada (see discussion of the enhanced dividend tax credit below). The SIFT rules had delayed application but effective January 1, 2011, apply to all SIFT Trusts and SIFT partnership.

The Pools may, subject to regulatory and other approvals, be permitted, from time to time, to enter into securities lending arrangements with qualified counterparties. Provided that the securities lending arrangement qualifies as a "securities lending arrangement" under section 260 of the Tax Act (a *Securities Lending Arrangement*), the entering into and performance of its obligations under the Securities Lending Arrangement will not generally result in a disposition by the Pool of the "qualified securities" that are the subject of the Securities Lending Arrangement and such "qualified securities" shall be deemed to continue to be property of the Pool while they are subject to the Securities Lending Arrangement. Moreover, any compensation payment received by the Pool as compensation for a taxable dividend on a share of a public corporation (or received as compensation for an eligible dividend within the meaning of subsection 89(1) of the Tax Act on a share of a public corporation) will be treated as a taxable dividend (or an eligible dividend, as the case may be) to the Pool.

### ***Taxation of unitholders***

If you are not exempt from income tax, you will generally be required to include in computing your income such portion of the net income of a Pool for a taxation year, including net realized taxable capital gains (whether or not accrued or realized by the Pool prior to your acquisition of units), as is, or is deemed to be, paid or payable to you in the taxation year and deducted by the Pools in computing income for tax purposes, even if the amount so paid or payable is reinvested in additional units of the Pool.

Any amount in excess of the net income and net realized taxable capital gains of a Pool, being a return of capital, that is paid or payable to you in a year should not generally be included in computing your income for the year. However, the payment by a Pool of such excess amount to you, other than as proceeds of disposition of a unit or part thereof and other than the portion, if any, of that excess amount that represents the non-taxable portion of net realized capital gains of the Pool, will reduce the ACB of your units. If the ACB of a unit of a Pool held by you would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by you from the disposition of the units and your ACB will be increased by the amount of such deemed capital gain.

Provided that appropriate designations are made by a Pool, such portion of (a) the net realized taxable capital gains of the Pool, (b) the foreign source income of the Pool and foreign taxes eligible for the foreign tax credit, and (c) the taxable dividends received by the Pool on shares of taxable Canadian corporations, as is paid or payable to you, will effectively retain their character and be treated as such in your hands for purposes of the Tax Act. Amounts that retain their character in your hands as taxable dividends on shares of taxable Canadian corporations will be eligible for the normal dividend gross-up and tax credit rules under the Tax Act. An enhanced dividend gross-up and tax credit is available in respect of "eligible dividends" designated by a taxable Canadian corporation. To the extent available under the Tax Act and the CRA's administrative practice, a Pool will designate any eligible dividends received by the Pool as eligible dividends to the extent such eligible dividends are included in distributions to unitholders.

At the time a purchaser acquires units of a Pool, the net asset value per unit of the Pool will reflect any income and gains that have accrued or been realized but have not been made payable at the

time the units are acquired. Consequently, purchasers of units of a Pool, including on the reinvestment of distributions, may become taxable on their share of the income and gains of the Pool that have accrued or were realized before the time the units were acquired but that have not been paid or made payable prior to such time.

Upon the redemption or other disposition by you of units of a Pool (including pursuant to any switch of units or deemed disposition on death), a capital gain (or capital loss) will be realized by you to the extent that the proceeds of disposition (excluding any amount payable by the Pool that represents an amount that must otherwise be included in your income as described above), net of any reasonable costs of disposition, exceed (or are exceeded by) the ACB to you of the units immediately before the redemption or other disposition.

The ACB of a unit of a Pool will generally be the average cost of all units of the Pool, including units purchased on the reinvestment of distributions. Accordingly, when a unit of a Pool is acquired, its cost will generally be averaged with the ACB of the other units of the Pool owned by the unitholder to determine the ACB of each unit of the Pool then owned.

A switch of units from one Pool to a second Pool is a redemption of units of the first Pool and a purchase of units of the second Pool. Consequently, a capital gain or capital loss may be realized on the redemption of units of the first Pool. The cost of the units of the second Pool will be averaged with the ACB of any units of the second Pool already owned for purposes of calculating their ACB thereafter.

Generally, one-half of any capital gain (*a taxable capital gain*) realized by you on the disposition of units of a Pool must be included in computing your income for the taxation year of disposition and one-half of any capital loss (*an allowable capital loss*) realized by you in that year may be deducted from taxable capital gains realized by you in such year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains realized in such year, to the extent and under the circumstances provided for in the Tax Act.

Individuals, including certain trusts and estates, are subject to an alternative minimum tax. Such persons may be liable for this alternative minimum tax in respect of dividends and capital gains.

### ***Registered plans and eligibility for investment***

In general, if you hold units of a Pool in a registered plan, such as a RRSP, RRIF, or TFSA, you will not pay tax on distributions of net income and net realized taxable capital gains paid or payable to the registered plan by a Pool in a particular year or on any capital gains realized by the registered plan from redeeming or otherwise disposing of these units. However, most withdrawals from such registered plans (other than a withdrawal from a TFSA) are generally taxable.

Provided that a Pool qualifies as a mutual fund trust or is registered as a registered investment, units of these Pools will be qualified investments for registered plans.

You may, however, be subject to a penalty tax if the units are a 'prohibited investment' for the purposes of a TFSA as set out in the Tax Act. Recent amendments to the Tax Act contain similar rules with respect to RRSPs and RRIFs. You should consult your own tax advisor in this regard.

### ***Tax Records***

Each year, the Pools will provide you with income tax necessary to allow you to complete your income tax returns. You should keep records of the original cost of your units including new units



received on reinvestment of distributions, so that any capital gain or loss on redemption or other disposition can be accurately determined for tax purposes.

### **Remuneration of Directors, Officers, and Trustee**

The Pools do not have directors or officers. The Pools pay fees to the members of the Independent Review Committee. Refer to the section entitled *Independent Review Committee* under the heading *Governance* for information on the remuneration paid to members of the Independent Review Committee. The Manager pays the fees of the Trustee.

### **Material Contracts**

The only material contracts to date entered into by the Pools are the following:

- the Master Declaration of Trust referred to under *Name, Formation and History of the Pools*;
- the Master Management Agreement referred to under *Manager*;
- the Investment Management Agreement referred to under *Portfolio Advisor*; and
- the CMT Custodian Agreement.

Copies of these Agreements may be inspected during ordinary business hours on any business day at the principal office of the Pools.

### **Legal and Administrative Proceedings**

As at the date of this annual information form, there are no ongoing legal or administrative proceedings that are material to the Pools or the Manager, or similar proceedings that are known to be contemplated against the Pools or the Manager.

In December 2009, the Manager and CIBC World Markets Inc. reached a settlement with the Ontario Securities Commission relating to their participation in the Canadian asset-backed commercial paper market.

### **Additional Information**

#### ***Class Actions***

The Manager pursues applicable class actions on behalf of the Pools. However, no distribution of proceeds arising as a result of a class action will be made directly to unitholders of the Pools as class action settlement proceeds are considered assets of the Pools. Unitholders who sell units prior to the receipt of settlement proceeds will not derive a benefit from any class action settlement, as proceeds are only considered an asset of the Pools once they are actually received.

### **Combined Annual Information Form**

The securities of the Pools are offered under a single simplified prospectus and this single Annual Information Form because many of the attributes of the Pools and their securities are the same. Nevertheless, each of the Pools is responsible only for the disclosure contained in such documents that pertains to it and disclaims any responsibility for the disclosure pertaining to any other Pool. The certificate appended to this Annual Information Form applies severally to each of the Pools as though such Pool were the only Pool referred to herein.

## **Auditors' Consent**

Imperial Money Market Pool  
Imperial Short-Term Bond Pool  
Imperial Canadian Bond Pool  
Imperial Canadian Diversified Income Pool  
Imperial International Bond Pool  
Imperial Equity High Income Pool  
Imperial Canadian Dividend Income Pool  
Imperial Global Equity Income Pool  
Imperial Canadian Equity Pool  
Imperial U.S. Equity Pool  
Imperial International Equity Pool  
Imperial Overseas Equity Pool  
Imperial Emerging Economies Pool  
(collectively, the "Pools")

We have read the simplified prospectus and the annual information form of the Pools dated December 21, 2011, relating to the issue and sale of mutual fund units of the Pools. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned simplified prospectus and annual information form of our report dated March 8, 2011, to the Unitholders of the Pools on the statement of investment portfolio as at December 31, 2010, the statements of net assets as at December 31, 2010 and 2009, and the statements of operations and changes in net assets for the periods then ended.

*(signed) "Ernst & Young LLP"*

Chartered Accountants  
Licensed Public Accountants  
Toronto, Canada  
December 21, 2011

## Certificate of the Pools

Imperial Money Market Pool  
Imperial Short-Term Bond Pool  
Imperial Canadian Bond Pool  
Imperial Canadian Diversified Income Pool  
Imperial International Bond Pool  
Imperial Equity High Income Pool  
Imperial Canadian Dividend Income Pool  
Imperial Global Equity Income Pool  
Imperial Canadian Equity Pool  
Imperial U.S. Equity Pool  
Imperial International Equity Pool  
Imperial Overseas Equity Pool  
Imperial Emerging Economies Pool  
(collectively, the "Pools")

December 21, 2011

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true, and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada, and do not contain any misrepresentation.

### **CIBC TRUST CORPORATION the Trustee of the Pools**

*(signed) "Victor G. Dodig"*

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Victor G. Dodig  
Chairman

*(signed) "Gary Whitfield"*

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Gary Whitfield  
President and Chief Executive Officer

## Certificate of the Manager and Promoter

Imperial Money Market Pool  
Imperial Short-Term Bond Pool  
Imperial Canadian Bond Pool  
Imperial Canadian Diversified Income Pool  
Imperial International Bond Pool  
Imperial Equity High Income Pool  
Imperial Canadian Dividend Income Pool  
Imperial Global Equity Income Pool  
Imperial Canadian Equity Pool  
Imperial U.S. Equity Pool  
Imperial International Equity Pool  
Imperial Overseas Equity Pool  
Imperial Emerging Economies Pool  
(collectively, the "Pools")

December 21, 2011

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### **CANADIAN IMPERIAL BANK OF COMMERCE the Manager and Promoter of the Pools**

*(signed) "Gerald T. McCaughey"*

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Gerald T. McCaughey  
President and Chief Executive Officer

*(signed) "Kevin A. Glass"*

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Kevin A. Glass  
Chief Financial Officer

### **On behalf of the Board of Directors of Canadian Imperial Bank of Commerce**

*(signed) "Katharine B. Stevenson"*

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Katharine B. Stevenson  
Director

*(signed) "Dominic D'Alessandro"*

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Dominic D'Alessandro  
Director

## **IMPERIAL POOLS**

CIBC  
5650 Yonge Street, 19<sup>th</sup> Floor  
Toronto, Ontario, M2M 4G3

Additional information about each Pool is available in the most recently filed fund facts, annual financial statements and management report of fund performance.

You can obtain a copy of these documents at no cost by calling us toll-free at 1-888-357-8777, from your CIBC advisor, portfolio manager, or investment counsellor, or on our website at [www.cibc.com/mutualfunds](http://www.cibc.com/mutualfunds).

These documents and other information about the Pools, such as information circulars and material contracts, are available at [www.sedar.com](http://www.sedar.com).

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