

The power of CIBC active fixed income ETF investing



Key takeaways

Proven expertise: CIBC Global Asset Management has over 50 years of experience in active fixed income investing for Canadian institutional and retail clients.

Low cost alpha and risk management: Our active strategy within ETFs harnesses in-depth fundamental research on individual securities and the expertise of seasoned fixed income managers, all within a low-cost vehicle.

Precision investing: CIBC Global Asset Management's fixed income ETFs empower investors to actively target specific exposures, such as duration, credit, and yield.

Thoughtful approach: CIBC Global Asset Management's active fixed income ETFs adopt a strategic approach to delivering targeted exposures by assessing and adjusting risk while identifying opportunities to add value.

Fixed income ETFs have revolutionized the opaque over-the-counter fixed income market, democratizing access for investors worldwide. They provide diversification, liquidity, a tighter bid/ask spread, and access to a wide range of bond markets, making them one of the great financial innovations of the last 25 years.

Rethinking active and passive approaches in fixed income

Rather than debating the merits of active versus passive investing, we advocate for a hybrid approach that leverages the strengths of both strategies. Passive index-based ETFs enable investors to target specific segments of the bond market, such as:

- Foreign and domestic bonds,
- Sovereign and corporate debt,
- Investment-grade and high-yield securities,
- Shorter-and-longer-term duration.

These ETFs serve as foundational elements in clients' fixed income portfolios, allowing them to align specific duration, credit and income objectives.

Passive ETFs: A valuable tool in the toolkit

While passive fixed income ETFs are valuable tools and may meet the needs of many investors, they do come with certain considerations:

1. Rigid index tracking

- Passive ETFs track rules-based indices.
- Set rebalance dates can lead to suboptimal outcomes.
- Managers are bound by schedules that may not align with market conditions.

2. Market capitalization weighting

- Most fixed income indices utilize market cap weighting.
- This approach disproportionately favours companies with higher debt levels.
- Bigger might not be better and does not necessarily equate to better financial health.

3. Lack of credit analysis

- Passive indices may inadvertently favour higher-risk companies.
- Without thorough credit analysis, risk assessment remains limited.

Passive ETFs can provide quick access to a broad or narrow segment of the market, but they can introduce unintended exposures or risks to a portfolio. The fixed income market's massive breadth, depth, and complexity lends itself to a more active approach.

Layering in active management

Incorporating active management can effectively address many of these limitations. Our analysts conduct comprehensive financial modeling and credit assessments on issuers, while credit committees evaluate and approve issuers for inclusion in our portfolios. Sector allocation and yield curve positioning also provide opportunities to add value and risk control. This rigorous valuation process enables our portfolio management team to construct portfolios that target specific exposures and add value while avoiding higher-risk companies, sectors, and positions.

CIBC Global Asset Management's active fixed income team follows a rigorous, disciplined investing process:

Key factors for choosing investments	Choosing the right securities	Sector selection	Understanding the yield curve
Company selection: We look for companies with a strong track record of overcoming challenges and a promising future. Management quality: Strong leadership and oversight are essential for success. Financial health: We prefer companies with stable financial performance and manageable debt compared to their peers. Resilience: The ability to adapt to changing economic conditions and meet future financial needs is crucial. Liquidity: We assess how easily an investment can be converted to cash.	Covenant protection: We ensure that investments have safeguards in place. Capital structure: We consider where the investment ranks in the overall financial hierarchy. Deal size: We focus on investments that are appropriately sized for our strategy.	Competitive edge: We target sectors with long-term advantages and a positive outlook. Regulatory environment: A supportive or neutral regulatory landscape is preferred. Peer performance: We look for sectors that outperform relative to other sectors.	Economic indicators: We analyze inflation, economic trends, and government policies to forecast interest rates. Market sentiment: We consider market expectations and investor behavior. Risk management: We set limits on potential losses and ensure our investments align with our overall strategy.

Best of both worlds in fixed income investing

CIBC's active fixed income ETFs seamlessly combine the advantages of passive investing – targeted exposures, liquidity, and cost-effectiveness – with the strategic insights of active management, including in-depth credit analysis, sector evaluation, and yield curve positioning. This innovative approach enhances value while mitigating unintended risks, empowering investors to confidently navigate the complexities of the fixed income market.

View CIBC Global Asset Management's full lineup of [Fixed Income ETFs](#) or contact one of our ETF specialists to learn more.



Brittany Puglia

Director, ETF Specialist
CIBC Global Asset Management
Brittany.Puglia@cibc.com



Caitlin Ebanks

Director, Head of Digital & Institutional ETF Strategy
CIBC Global Asset Management
Caitlin.Ebanks@cibc.com



David Stephenson

Director, ETF Product Development
CIBC Global Asset Management
david.stephenson@cibc.com



Julia Jung

Senior Manager, ETF Product Development
CIBC Global Asset Management
Julia.Jung@cibc.com



Rob Bechard

Executive Director & Deputy Head, ETFs
CIBC Global Asset Management
rob.bechard@cibc.com



Sam DiTella

Executive Director & Head, ETF Distribution
CIBC Global Asset Management
sam.ditella@cibc.com

CIBC Global Asset Management

CIBC Global Asset Management delivers local insight, regulatory alignment, and deep understanding of the Canadian investment landscape.

Our ETFs are powered by investment expertise and a commitment to Canadian investors. Supported by a team of seasoned professionals and a global perspective, we offer flexible solutions to help you build your portfolio.

All information in this material is as of August 27, 2026 unless otherwise indicated and it is subject to change. This material is provided for general informational purposes only and does not constitute financial, investment, tax, legal or accounting advice nor does it constitute an offer or solicitation to buy or sell any securities referred to.

CIBC ETFs are managed by CIBC Asset Management Inc., a subsidiary of Canadian Imperial Bank of Commerce. Commissions, management fees and expenses all may be associated with investments in exchange traded funds (ETFs). Please read the CIBC ETFs prospectus and ETF Facts document before investing. ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

®/™The CIBC logo and "CIBC Global Asset Management" are trademarks of CIBC, used under license. CIBC Global Asset Management is a brand name under which CIBC Asset Management Inc. operates.

The material and/or its contents may not be reproduced without the express written consent of CIBC Global Asset Management.

Past performance may not be repeated and is not indicative of future results.