



## **CIBC ASSET MANAGEMENT INC.**

### **Institutional Investment Advisory Services**

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Toronto, Ontario, Canada M5J 0E7

## **Form ADV, Part 2A: Firm Brochure**

January 29, 2025

This Brochure (the "Brochure") provides information about the qualifications and business practices of CIBC Asset Management Inc. ("CIBC AM" or the "Firm") relating to CIBC AM's institutional investment advisory services. If you have any questions about the contents of this Brochure, please contact us at [institutional@cibc.com](mailto:institutional@cibc.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

*This Brochure is used for our institutional clients who are residents of the United States ("U.S. clients"). Unless indicated otherwise, our disclosures in this Brochure are based upon CIBC AM's practices and policies for U.S. clients, which may differ from our practices and policies for our clients who are not residents of the United States ("non-U.S. clients"). The provisions of the Investment Advisers Act of 1940, as amended, and SEC rules thereunder ("Advisers Act") only apply to our U.S. clients.*

CIBC AM is a registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about CIBC AM is also available on the SEC's website at <https://adviserinfo.sec.gov/>.

CIBC AM Website: <https://www.cibc.com/en/asset-management.html>

## **ITEM 2 – MATERIAL CHANGES**

Edits were made to provide better clarification and reduce redundancies, as needed.

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## Item 4 - Advisory Business

CIBC AM is a wholly owned subsidiary of Canadian Imperial Bank of Commerce (“CIBC”), a publicly-traded Canadian chartered bank. CIBC AM provides a range of investment management advisory services and solutions to retail and institutional investors. Formed in 1972, and registered with the SEC in January 1974, CIBC AM is one of Canada’s largest asset management firms, managing for its U.S. and non-U.S. clients approximately 137 billion USD of client assets on a discretionary basis (including the Funds as described below in Item 4) and 5 billion USD of client assets on a non-discretionary basis, as of October 31, 2024. CIBC AM is also a member of the U.S. National Futures Association and is registered as a U.S. Commodity Trading Advisor with the Commodity Futures Trading Commission.

**In January 2014, CIBC Global Asset Management Inc. amalgamated with two other affiliated asset managers, CIBC AM and CIBC Private Investment Counsel Inc. (“CPIC”), all of which were under common control of CIBC. These three legal entities merged into a single entity, CIBC AM, and CPIC, no longer constituted as a separate entity, became a division of CIBC AM. The combined entity offers investment advisory services to both institutional clients via CIBC AM (or “we”) and to high net worth retail clients via CPIC. This Brochure focuses primarily on advisory services as they apply to CIBC AM’s institutional clients. A separate Brochure is available for CPIC retail clients.**

**CIBC AM offers discretionary and non-discretionary advisory services to institutional clients. The clients’ individually managed accounts are tailored to their investment requirements and restrictions. Investments by CIBC AM may be made on clients’ behalf in, but not limited to, the following:**

- Cash or money market securities issued by government or corporations;
- Term deposits, banker acceptance notes or similar instruments issued by eligible financial institutions;
- Bonds, notes, debentures, preferred securities, mortgages, mortgage-backed and asset-backed securities or other debt instruments of governments or corporations;
- Publicly traded common stocks, including rights, warrants, convertible debentures, installment receipts or other common share equivalents;
- Income trust units, including royalty trusts, real estate investment trusts or other similar investment vehicles;
- Currency;
- Private placements, whether debt or equity, of governments or other issuers.

CIBC AM accounts may be denominated in Canadian or U.S. dollars.

CIBC AM, through its Client Servicing Managers (each a “CSM”), seeks to develop a full understanding of each client’s investment needs. CIBC AM Portfolio Managers (each a “PM”) will manage the day-to-day investment decisions in accordance with the client’s investment policy statement. CIBC AM provides periodic reporting to the client, with support from the CSMs. *(Please see Item 13 – Review of Accounts)*

## Funds

CIBC AM and CIBC sponsor and provide discretionary investment advisory services to certain proprietary pooled investment vehicles and mutual funds registered in Canada (the “Funds”). CIBC AM U.S. institutional clients are not invested in CIBC AM or CIBC Funds.

## Item 5 - Fees and Compensation

For investment advisory services provided to institutional clients, CIBC AM receives a management fee based upon a percentage of assets under management. Fees are charged to each client in accordance with an agreed upon fee schedule with fee breakpoints in accordance with the client's Investment Management Agreement ("IMA") and are typically calculated monthly based on the market value of the assets at the end of each month. Once a prescribed asset level is reached, subsequent assets will be subject to a lower fee rate. Fees are billed quarterly in arrears and typically range as follows:

Strategy	Fees (per annum)
Canadian Equity All Cap Strategy	0.20% to 0.35%
Canadian Equity Growth Strategy	0.20% to 0.35%
Canadian Equity Large Cap Dividend Value Strategy	0.20% to 0.35%
U.S. Equity Value Strategy	0.40% to 0.65%
Global Equity Strategy	0.35% to 0.55%
Global Equity Growth Strategy	0.40% to 0.65%
International Equity Strategy	0.35% to 0.55%
Qi Global Low Volatility Dividend Strategy	0.25% to 0.35%
Canadian Equity S&P/TSX Index Strategy	0.03% to 0.09%
U.S. Equity S&P 500 Index Strategy	0.03% to 0.09%
International Equity Index Strategy	0.05% to 0.10%
Passive Currency Strategy	0.025% to 0.075%
Constrained Currency Strategy	0.025% to 0.10%
Unconstrained Active Currency Strategy	14% to 15% of targeted value added objective
Multi-Asset Absolute Return Strategy	0.80% to 1.00%

Management fees for institutional clients may be negotiated on a case-by-case basis and are determined by a number of factors, including the investment strategy, size of the account, and servicing requirements. The client's IMA provides the fee-related information for the account. Institutional clients are charged a minimum annual fee that varies by strategy.

A portion of a client's account assets may be held in cash to satisfy one or more objectives, including having an allocation to cash as part of an asset allocation, facilitating transaction execution, or having available funds to pay the quarterly advisory management fee. Cash and cash alternatives are subject to the investment management fee.

Certain clients may also be charged a performance-based fee, which is typically 20% of the performance generated over a specific performance objective. Performance fees may vary and are negotiated on a client-by-client basis. *(Please refer to Item 6 below for additional information regarding performance-based fees.)*

In addition to management and performance fees, all institutional clients are responsible for any costs or expenses related to brokerage transactions, custodial services, interest, foreign currency transactions, and regulatory requirements. Clients are also responsible for any applicable taxes. *(Please see Item 12—Brokerage Practices for additional information regarding brokerage and other expenses.)*

Institutional clients may elect to be billed directly for fees or authorize CIBC AM to submit an invoice to their custodian so that management fees may be directly debited from their custodial accounts. Management fees may be prorated for significant cash flows during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

## Item 6 - Performance-Based Fees and Side-By-Side Management

As stated above, CIBC AM can enter into performance fee arrangements with certain clients. Such fees are subject to negotiation with each client. In measuring a client's assets for the calculation of performance-based fees, CIBC AM includes realized and unrealized capital gains and losses.

Performance-based fee arrangements may create an incentive for CIBC AM to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor potentially higher fee-paying accounts over other accounts in the allocation of investment opportunities. CIBC AM has adopted procedures and controls that are reasonably designed to treat clients fairly and equitably and to prevent the conflicts described above from influencing the allocation of investment opportunities among clients. *(For more information, please see Item 12 - Brokerage Practices / Trade Allocation)*

## Item 7 - Types of Clients

CIBC AM offers institutional investment advisory services to pooled investment vehicles, pension plans, charitable organizations, state or municipal government entities, other investment advisers, insurance companies and corporations or other businesses. For institutional clients, there is no pre-determined minimum account size.

## Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss

CIBC AM uses a variety of tools in conducting methods of analysis for the various investment strategies that it offers and asset classes that it manages. These methods of analysis and strategies are generally designed for long term investing. The resulting investment returns are highly dependent on the value of the underlying securities and are impacted by trends in their respective markets. The methods of analysis that we use for each investment strategy are described below.

### Investment Strategies

Strategy	Strategy Description
Canadian Equity All Cap Strategy	The strategy invests in a diversified portfolio of small, mid and large cap companies combined with a valuation-based stock selection process which is expected to provide superior returns over an investment cycle.
Canadian Equity Growth Strategy	The strategy utilizes a bottom-up, fundamental approach to invest in companies with strong management teams that are currently trading at reasonable valuations (measured using multiples and intrinsic values) and which are expected to outperform over the long term. These companies have established track records of success, strong balance sheets that act as risk mitigators, and have demonstrated high capital capabilities. Finally, we use multiples and intrinsic value to assess valuations in order to find growing companies.
Canadian Equity Large Cap Dividend Value Strategy	The strategy invests in a diversified portfolio of large cap Canadian companies (over \$6 billion Canadian dollars in market capitalization) that emphasizes businesses with strong and growing dividends with the objective of adding consistency and stability to long-term returns. In addition, we believe that under normal circumstances, stock valuation levels will revert to historic means. Markets tend to overreact to short-

Strategy	Strategy Description
	term cyclical or operational risks that may create opportunities to accumulate positions in well-managed businesses with attractive valuations.
U.S. Equity Value Strategy	The strategy invests in U.S. businesses trading at a discount to fair value with the objective of generating risk-adjusted returns over time.
Global Equity Strategy	The strategy is a bottom-up, fundamental approach that invests in companies with capable management teams, trading at attractive valuations that we believe will outperform over the long-term. We invest in companies with sustainable competitive advantages, strong balance sheets, and which have the potential to generate high returns through cycles of about 3 to 5 years.
Global Equity Growth Strategy	The strategy philosophy is that accelerating growth in revenues and earnings results in significant potential for stock price appreciation. We focus on inflection points in companies' fundamentals because we believe markets are inefficient at identifying such points. Our process is designed to uncover stocks that outperform as earnings growth accelerates, market expectations rise and multiples expand.
International Equity Strategy	The strategy is a bottom-up, fundamental approach that invests in companies with sustainable competitive advantages, strong balance sheets, and which have the potential to generate high returns through cycles of about 3 to 5 years. We are looking at companies that have capable management teams, and trading at attractive valuations that will outperform over the long-term. These companies have established track records of success, aligned incentives for management, and insider ownership. Finally, we consider ourselves as being growth at a reasonable price managers, meaning we buy companies with a margin of safety and significant expected upside.
Qi Global Low Volatility Dividend Strategy	The strategy is driven by a quantitative approach towards enhancing investment decision making and drive superior risk-adjusted returns for clients. We augment investment decision making with quantitative modelling which we believe improves client outcomes. Our strategy has a strong infrastructure driven by the use of high-quality data (data which undergoes a multi-layer vetting process), while we are constantly ensuring that our systems are robust and rigorously tested. Finally, we use strong risk management to enhance risk-adjusted returns and ensure that our portfolios adhere to client expectations.
Canadian Equity S&P/TSX Index Strategy	This strategy is expected to provide long-term growth through capital appreciation. The strategy is managed to obtain a return that approximates the performance of the TSX Composite Index. The strategy philosophy believes that ongoing risk management and monitoring are essential to the application of an index strategy.
U.S. Equity S&P 500 Index Strategy	This strategy is expected to provide long-term growth through capital appreciation. The strategy is managed to obtain a return that approximates the performance of the S&P 500 Index calculated on a total return basis. The S&P 500 Index is a capitalization-weighted index of 500 stocks, designed to measure performance of the broad U.S. economy representing all major industries.

Strategy	Strategy Description
International Equity Index Strategy	This strategy is expected to provide long-term growth through capital appreciation. The strategy is managed to obtain a return that approximates the performance of the MSCI EAFE Index.
Passive Currency Strategy	This strategy is exclusively derivatives-based using over-the-counter (“OTC”) currency forwards, typically three months in maturity, which would be implemented based on the hedging target provided by the client. The tracking of the exposure would be a function of the frequency the client wishes to rebalance the exposure, and we are able to rebalance, daily, monthly and quarterly. The rebalancing threshold is defined in consultation with the client to avoid multiple transactions. When the actual position deviates from target, the threshold defines when rebalancing occurs. Our passive hedging capabilities are fully customizable to allow flexibility in structuring hedging to reflect client needs.
Constrained Currency and Unconstrained Active Currency Strategy	The strategy’s investment philosophy emphasizes the importance of market inefficiencies and anomalies in determining the behavior of currency returns. Despite high market liquidity, these inefficiencies and anomalies are expected to persist, reflecting the presence in the currency market of heterogeneous participants (including some with non-profit objectives), behavioral traits, and investment horizons.
Multi-Asset Absolute Return (MAARS) Strategy	The MAARS strategy identifies profitable opportunities across 100+ developed and emerging markets (assets in equities, bonds, currencies, commodities, and volatility) using an integrated set of quantitative and qualitative investment strategies in combination with rigorous portfolio construction and risk management techniques. The resulting portfolio spans traditional directional and relative value strategies implemented using a combination of physical securities, exchange-traded funds, and derivatives (swaps, futures, forwards, and options).

## Risk of Loss

The investment risks described below represent some but not all of the risks associated with various types of investments and investment strategies, including each of the strategies described above.

A description of the investment risks associated to specific investment products can be found in the offering documentation for such products, as applicable, and it is available at request.

The assets held in your account are not guaranteed and can lose value. There is no guarantee that the principal value of your account will be maintained. Depending on the types of securities that are held in your account, your account is subject to one or more of the following risks, and you should be aware that not all of the risks listed below will apply to every investment strategy, as certain risks may only apply to certain investment strategies or investments in different types of securities. Clients should carefully evaluate all applicable risks with any investment or investment strategy and realize that investing in securities involves risk of loss that all clients should be prepared to bear.

**Market risk:** Investments in securities may not perform as expected and the value of securities may decline in response to, among other things, investor sentiment, general economic and market conditions, regional or global instability, external events, and currency and interest rate fluctuations.

**Management risk:** The investment techniques and risk analysis used by the portfolio manager(s) of a fund or strategy may not produce the desired results.

**Company risk:** External and internal factors can affect a company's profitability and stock prices.

**Capitalization risk:** Significant exposure to securities in a particular capitalization range (large-, mid- or small-cap securities) can pose risk in that the predominant capitalization weighting could underperform other segments of the market as a whole.

**Interest rate risk:** The risk that the value of fixed income securities will fall due to rising interest rates.

**Credit risk:** The risk that the issuer of a security or the counterparty to a contract will default or otherwise become unable to honor a financial obligation.

**Liquidity risk:** Various economic conditions could lead to limited liquidity (the ability to readily convert an investment into cash) and greater volatility.

**Preferred Stock risk:** Preferred stocks are sensitive to interest rate changes, and are also subject to equity risk, which is the risk that stock prices will fall over short or extended periods of time. The rights of preferred stocks on the distribution of a company's assets in the event of a liquidation are generally subordinate to the rights associated with a company's debt securities.

**Leverage risk:** The use of leverage can amplify the effects of market volatility on share price and may also cause a liquidation of portfolio positions when it would not be advantageous to do so in order to satisfy obligations.

**Corporate Fixed Income Securities risk:** The prices of corporate fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness and business prospects of individual issuers.

**Fixed Income Market risk:** The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. In the case of foreign (non-U.S.) securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar.

**Asset-Backed Securities risk:** Payment of principal and interest on asset-backed securities is dependent largely on the cash flows generated by the assets backing the securities, and asset-backed securities may not have the benefit of any security interest in the related assets.

**Mortgage-Backed Securities risk:** Mortgage-backed securities are affected by, among other things, interest rate changes and the possibility of prepayment of the underlying mortgage loans. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations.

**U.S. Government Securities risk:** Investment in U.S. government obligations may include securities issued or guaranteed as to principal and interest by the U.S. government, or its agencies or instrumentalities. Payment of principal and interest on U.S. government obligations may be backed by the full faith and credit of the United States or may be backed solely by the issuing or guaranteeing agency or instrumentality itself. There can be no assurance that the U.S. government would provide financial support to its agencies or instrumentalities (including government-sponsored enterprises) where it is not obligated to do so. In addition, U.S. government securities are not guaranteed against price movements due to changing interest rates.

**Exchange rate or currency risk:** The U.S. dollar value of foreign securities, U.S.-listed foreign securities, and American Depositary Receipts varies and is dependent on currency exchange rates, which fluctuate based on various economic, political and social reasons.

**Volatility risk:** Securities prices can be volatile in that they can fall or rise, sometimes rapidly and unpredictably, due to various contributing factors:

- **Concentration risk:** Losses can occur from having a large portion of holdings in a particular investment, asset class, or market segment relative to an investor's overall portfolio. Concentration can be the result of a number

of factors such as company stock concentration, concentration due to correlated assets, concentration in illiquid investments, or concentration due to asset performance.

- **Event risk:** Political, social, economic and other events can adversely affect the financial markets and your investments.

**Sector risk:** Investments with high concentrations in a particular sector (e.g. energy, information technology, consumer products) will be more impacted by adverse effects on companies in those sectors than investments that are broadly diversified.

**Foreign Security risk:** Foreign securities have the potential to be more volatile than U.S. securities due to such factors as adverse economic, political, social or regulatory developments in a country.

**Emerging Markets risk:** Emerging markets could be exposed to greater volatility and market risk than developed markets.

**ESG risk:** A strategy that considers or is focused on environmental, social and governance (“ESG”) investments may exclude securities of certain issuers for non-financial reasons, thereby potentially foregoing certain other market opportunities available to strategies not focused on ESG investments. This may cause the strategy to underperform the financial markets. There is also risk that the companies identified for inclusion in the ESG investment strategy do not operate as expected when addressing ESG issues.

**Cyber security risk:** As the use of technology has become pervasive in the ordinary course of business, we have become potentially more susceptible to operational and other risks through breaches in cyber security. In general, cyber incidents can be the result of intentional and unintentional events for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. This could cause us to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to the digital information systems that support an account (e.g., through “hacking” or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). Authorized persons could also inadvertently or internationally release confidential or proprietary information stored on our systems. In addition, cyber security breaches of third-party service providers that provide services to an account or issuers that an account invests in can also subject us to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, we have established risk management systems in conjunction with our parent company CIBC that are designed to reduce the risks associated with cyber security. CIBC performs routine cyber risk assessments to ensure that we have in place controls designed to minimize user-related risks and prevent unauthorized access to information and systems. This includes threat and vulnerability management testing on the systems used by us and is responsible, in concert with our employees, for cyber security incident response and recovery. A cybersecurity dashboard is reviewed by management on a quarterly basis and includes metrics on areas of cyber risk and description of any significant cyber security incident. Beyond our internal systems, there are cyber risks associated with those systems we do not directly control such as those of issuers or third-party service providers, and therefore we cannot guarantee that clients will not be harmed because of cyberattacks or similar issues on those systems.

## Item 9 - Disciplinary Information

On October 28, 2016, the Ontario Securities Commission (OSC), a Canadian regulator, approved a no contest settlement agreement with CIBC World Markets Inc., CIBC Investor Services Inc. and CIBC Securities Inc., three affiliates of CIBC AM, in relation to a matter discovered and self-reported to the OSC, which resulted in certain clients paying excess fees for certain investment products during the period of 2002 to 2016. In addition to the compensation, the affiliates involved agreed to make a payment of CDN \$3 million to the OSC to help fund investor education and a CDN \$50,000 payment towards the cost of the investigation.

This event is mentioned because there are members of CIBC AM's management common to the affected firms. CIBC AM was not directly involved in the settlement agreement.

## **Item 10 - Other Financial Industry Activities and Affiliations**

### **FINANCIAL INDUSTRY ACTIVITIES AND REGISTRATIONS**

CIBC AM is a member of the U.S. National Futures Association and is registered as a Commodity Trading Advisor with the U.S. Commodity Futures Trading Commission. CIBC AM and its representatives act pursuant to this registration when providing advice regarding commodity interests, including options and futures on commodities, certain currency derivatives, and certain types of swaps.

CIBC AM is registered as a Portfolio Manager in all of the provinces and territories of Canada. Registration as a Portfolio Manager permits CIBC AM to provide advice and discretionary trading to its advisory service clients. CIBC AM is also registered as a Commodity Trading Manager and a Derivatives Portfolio Manager in the Canadian provinces of Ontario and Quebec, respectively, which is a requirement for CIBC AM to be able to provide advice and discretionary trading to certain of its advisory service clients with respect to commodities and derivatives. CIBC AM is also registered in Canada as an Investment Fund Manager and an Exempt Market Dealer.

### **RELATED ENTITIES AND CONFLICTS OF INTERESTS**

CIBC has a global portfolio of companies under its control, including advisory affiliates material to the investment advisory services we provide.

Our ultimate parent, CIBC, is a publicly traded entity. As such, we have a potential conflict of interest in the support of the CIBC share price through the purchase of shares in our client accounts. CIBC AM manages this conflict by disclosing this relationship and obtaining the client's written consent prior to purchasing CIBC shares. *(Please refer to Item 17 – Voting Client Securities, for additional information related to proxy voting.)*

All institutional clients are free to select their own custodian, including custodians affiliated with CIBC (described below) or otherwise. CIBC AM does not recommend custodians. *(Please refer to Item 15 – Custody, for additional information related to custody.)*

CIBC Mellon Trust Company ("CIBC Mellon"), which is jointly owned by CIBC and the Bank of New York Mellon Corporation, and CIBC Trust Corporation ("CIBC Trust"), which is a CIBC wholly-owned subsidiary, may be selected by certain clients to serve as their custodian. CIBC AM has determined that CIBC Mellon is "operationally independent" of CIBC AM by virtue of having separate employees, physical locations, systems, or access from CIBC Mellon. CIBC Trust, however, is not "operationally independent" of CIBC AM and CIBC AM annually undergoes a surprise on-site examination by an independent accounting firm. CIBC Trust provides CIBC AM with an annual internal control report prepared by an independent accounting firm that is subject to examination by the U.S. Public Company Accounting Oversight Board (PCAOB).

CIBC Private Wealth Advisors, Inc. (CPWA), a wholly-owned subsidiary of CIBC based in the U.S. and with offices in several U.S. cities, is registered with the SEC as an investment adviser. CPWA and CIBC AM, although affiliated, do not, among other things, offer all of the same strategies or charge the same fees for their services. We have in place an agreement with respect to sharing fees for client referrals. CIBC AM engages CPWA as sub-adviser to certain Funds. CPWA receives an asset-based investment advisory fee for the services it provides to these Funds.

CIBC World Markets Inc. and CIBC World Markets Corp. are affiliated broker-dealers that are wholly-owned subsidiaries of CIBC. CIBC AM may affect trades for client accounts with an affiliated broker-dealer. Our affiliate broker-dealer may also act as an underwriter for certain securities that may be purchased in CIBC AM accounts.

As such, the affiliated broker-dealer will earn a commission or other fees in connection with such transactions. *(Please refer to Item 12—Brokerage Practices below for additional information regarding CIBC AM's brokerage practices.)*

CIBC AM will take reasonable steps to identify existing material conflicts of interest that we may reasonably expect to arise between us and our affiliates. We will respond as appropriate to each such conflict of interest by avoiding, controlling, or disclosing the conflicts of interest to our clients.

Some of our directors, executive officers and employees are also directors, officers, employees or registered persons of one or more affiliates.

In addition to managing your assets, we also manage the assets of other clients. We may give advice and take action in the performance of our duties for other clients that may differ from advice given, or in the timing and nature of action taken, with respect to your account. *(Please refer to Item 12 – Brokerage Practices, for additional information related to soft dollars, trading allocation and cross-trading.)*

CIBC AM also has referral arrangements with its affiliate entities. *(Please refer to Item 14 – Client Referrals and Other Compensation for additional information related to referral arrangements.)*

## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

### **CODE OF ETHICS**

CIBC AM requires that all of its supervised personnel be subject to, and comply with, all applicable provisions of both the CIBC Code of Conduct (described in further detail below) and the CIBC Asset Management Personal Trading Policy (the "Personal Trading Policy"). Together, these two policies constitute CIBC AM's Code of Ethics. All CIBC AM employees must acknowledge the terms of the CIBC Code of Conduct and the Personal Trading Policy annually, or when materially amended.

Both the CIBC Code of Conduct and the Personal Trading Policy require supervised persons to comply with applicable laws and report violations or other contraventions of the CIBC Code of Conduct or Personal Trading Policy to appropriate parties.

All supervised persons are responsible for recognizing that, since CIBC AM is a U.S. registered investment adviser, each supervised person has:

- An obligation not only to personally comply with all applicable U.S. federal securities and relevant state laws, but also
- An obligation to affirmatively report to the persons and/or in the manner indicated in the CIBC Code of Conduct or the Personal Trading Policy as applicable, any personal, witnessed, or suspected violations by other supervised personnel of any provision of either the CIBC AM Code of Ethics or U.S. federal securities laws.

### **CODE OF CONDUCT**

The CIBC Code of Conduct (the "Code") sets forth the principles that supervised persons are expected to follow to maintain the integrity of the Firm. The Code identifies policies to guide the actions of relevant personnel to promote a culture of compliance and accountability. Such policies include those related to financial crimes, whistleblower protection, political contributions, gifts and entertainment, personal loans, outside business activities, use of social media, confidentiality and privacy, amongst others. The Code policies further enhance the Firm's ability to detect and address conflicts of interest.

Training on the Code is provided and supervised persons must attest that they have read, understood and followed the Code on an annual basis. An employee who contravenes any provision of the Code or a CIBC policy

may be subject to disciplinary action up to and including termination of employment as well as other actions.

## **PERSONAL TRADING POLICY**

The Personal Trading Policy prohibits employees from short term and abusive trading and requires all CIBC AM employees to comply with certain trading restrictions on securities transactions.

The Personal Trading Policy guides the personal investment activities of employees, officers and directors, and accounts in which employees have an interest, to ensure that, among other things, the personal securities transactions of all employees are conducted in accordance with the following general principles:

- a duty at all times to place the interests of clients first and foremost;
- the requirement that all personal securities transactions be conducted in a manner that avoids any actual or potential conflict of interest or the appearance of a conflict of interest or any abuse of an employee's position of trust and responsibility; and
- that employees should not take inappropriate advantage of their positions.

The Personal Trading Policy requires employees of CIBC AM to: (a) maintain their trading account at a CIBC affiliate or where an exception has been granted, to provide duplicate confirmations to CIBC AM of any transactions in accounts held directly by an employee or beneficially owned by an employee; (b) comply with restrictions regarding certain securities as detailed in the Personal Trading Policy; and, (c) pre-clear certain personal securities transactions as detailed in the Personal Trading Policy.

Under the Personal Trading Policy, certain classes of securities have been designated as exempt transactions based upon a determination that these are highly liquid and personal trading in such securities will have no impact on client holdings. Because the Personal Trading Policy in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from investment activity in a client's account. Due to this conflict of interest between us and our clients, CIBC AM's Compliance department (part of CIBC's Compliance & Global Regulatory Affairs team) monitors and reviews transactions against the activity on the trading blotters and/or employee personal account statements.

An employee who fails to comply with any provision of the Personal Trading Policy may be subject to disciplinary action including, without limitation, formal warning with manager notification, reversal of a trade, suspension of trading privileges, and/or suspension or termination of employment.

CIBC AM will provide a copy of the Code of Ethics to any client or prospective client upon request.

## **INTEREST IN CLIENT TRANSACTIONS**

CIBC AM may recommend that clients buy or sell securities in which CIBC AM has a financial interest. These securities include securities of an issuer related or connected to CIBC AM; and in which CIBC AM, its officers, employees, and affiliates may have a direct or indirect financial interest.

When a client enters an agreement with CIBC AM or prior to the first transaction in securities related or connected to CIBC AM, CIBC AM discloses this conflict and obtains client consent.

## **Item 12 - Brokerage Practices**

### **BROKER-DEALER SELECTION PROCESS**

CIBC AM has adopted policies and procedures designed to select broker-dealers based on the best interests of our clients and to allow CIBC AM to seek "best execution" on their behalf. CIBC AM or an affiliate conducts a due diligence process on new and existing broker-dealers to whom trades may be directed. CIBC AM or an affiliate evaluates, among other things, whether these broker-dealers are in good standing with the regulators.

Before a broker-dealer is approved, CIBC AM considers a number of factors. These factors include, but are not limited to, the following:

- the broker-dealers are adequately registered;
- reputation for fair dealing, stability and integrity in the marketplace
- the broker-dealer's execution capability (i.e., trading experience, competency on block trading, ability to commit capital, access to underwriting and secondary market offerings, etc.);
- commission rates;
- access to electronic communication networks;
- ability to execute transactions in the desired size under various market conditions;
- and
- the quality and relevance of the research and/or order execution goods and services offered.

When deciding to which broker-dealer a given trade should be directed, CIBC AM takes into account the following additional factors:

- the equity team commission budget;
- the fixed income team dealer evaluation;
- the global trading and global beta team broker and counterparty evaluation;
- the broker-dealer's execution capability (e.g., reliability in executing trades);
- commission rates;
- financial responsibility, strength and stability;
- responsiveness, reliability, and accuracy of communications;
- fairness in resolving disputes;
- ability to execute transactions:
  - in a timely and accurate manner at the time of the trade;
  - in the desired size under various market conditions; and
  - within the context of market price levels under various market conditions.

CIBC AM seeks to achieve "best execution" by executing our clients' trades at the most favorable execution terms reasonably available under the particular circumstances at that time.

While, pursuant to this process, CIBC AM may direct trades to CIBC World Markets Inc. and CIBC World Markets Corp. (collectively, "CIBC World Markets"), CIBC AM affiliated broker-dealers, CIBC AM does not treat CIBC World Markets more favorably than other broker-dealers or apply the factors discussed above differently to CIBC World Markets. Securities transactions executed through CIBC World Markets on behalf of U.S. clients are executed on an agency basis.

To mitigate any conflict that could arise in the brokerage selection process due to the provision of gifts and entertainment to our personnel, the CIBC Code of Conduct includes a provision that restricts an employee's ability to give or accept gifts. That provision prohibits any employee from giving or accepting one or a series of gifts worth an aggregate of \$200 (CDN) each year to or from any person, firm, or company with which CPIC does or seeks to do business, provided that such gifts are in accordance with normally accepted business practices.

## SOFT DOLLAR ARRANGEMENTS

"Soft dollars" refers to the practice of directing client brokerage commissions to a dealer in return for the provision of goods and services, other than order execution, from the dealer or a third-party provider. Soft dollar arrangements may give rise to potential conflicts of interest. This concern arises as these arrangements could provide an incentive for CIBC AM to place trades through brokers in return for goods and services that would benefit CIBC AM's investment decision making and/or order execution processes without CIBC AM needing to spend its own resources to obtain them. Securities legislation and our own internal policies set out a number of rules that are designed to identify, address, and mitigate such conflicts of interest. CIBC AM is committed to

dealing fairly, honestly, and in good faith in matters of trade execution and soft dollar arrangements and ensuring that trade execution decisions will be made on the basis of the best interests of our clients.

Section 28(e) of the U.S. Securities Exchange Act of 1934 ("Exchange Act") provides a safe harbor that allows an investment adviser to pay more than the lowest available commission to obtain brokerage and research services (commonly referred to as a "soft dollar" arrangement). The Section 28(e) safe harbor is available for transactions in which:

- The adviser has investment discretion over all of the accounts in question;
- The brokerage and research services are provided by the broker-dealer;
- The adviser makes a good faith determination that the commissions are reasonable in relation to the value of brokerage and research services provided, viewed in terms of either a particular transaction or the adviser's overall responsibilities to all discretionary accounts; and
- The adviser discloses its policies and practices regarding the payment of commissions pursuant to soft dollar arrangements.

For purposes of the Section 28(e) safe harbor, a broker-dealer "provides brokerage and research services" when it:

- Furnishes advice, directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or trading counterparties;
- Furnishes analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or
- Affects securities transactions and performs associated functions such as clearance, settlement, and custody.

Section 28(e) specifically excludes transactions involving securities futures from the safe harbor.

As CIBC AM places orders for its clients with broker-dealers, some brokers provide a credit for a portion of commissions spent on execution that can be used by CIBC AM to obtain research and other products designed to assist it in its investment decision-making or order execution processes for clients. This credit, also referred to as soft dollars and accumulated in a commission sharing account, can be spent on research and execution-related services and products. Where we have the ability to choose which brokers or dealers to use when placing trades for your account, CIBC AM can select a broker that provides us with soft dollars, which can be used to purchase research and execution related services and products.

**Best execution is the primary factor considered when choosing which brokers or dealers to use when placing trades for your account. However, when soft dollars are available to use, CIBC AM has established controls, monitoring, and record keeping procedures to confirm that the client accounts that generated the soft dollar commissions receive reasonable benefit over a reasonable period of time considering the use of the goods and services received and the amount of commissions paid.**

These procedures require pre-approval of all goods or services paid for with soft dollar commissions and take into account the fair value of the goods or services received where determinable. It is, however, possible that accounts other than those that generated the soft dollar commissions may benefit from the goods and services obtained through soft dollars.

## CLIENT DIRECTED BROKERAGE ARRANGEMENTS

Clients may direct CIBC AM to execute trades through specific broker-dealers. CIBC AM may not be able to achieve best execution with respect to transactions executed on behalf of such client accounts. Further, directed brokerage account clients may pay higher brokerage commissions because CIBC AM may not be able to aggregate orders to reduce transaction costs or otherwise negotiate commissions.

## TRADE ALLOCATION

Under all circumstances, CIBC AM aims to be fair, reasonable and equitable to all clients based on their investment objectives and investment policies and must avoid conflicts of interest or favoritism among clients or groups of clients.

When making an investment decision, the PM must consider if all client accounts with similar mandates should participate in the transaction to ensure they all have access to the same investment opportunities and no client accounts are disadvantaged. This remains a requirement even if clients sharing similar mandates happen to have different portfolios due, for example, to different cash flow and/or inception dates.

CIBC AM endeavors to combine or aggregate orders for clients in respect of trades in the same security that have identical terms (i.e., price limits) and approximate time of entry. If the approximate time of entry is different and there is still an active portion of the trade remaining on the desk, we will still aggregate the balance of the existing order with a new order if the terms are the same. If the full amount of the order originally placed is not received (i.e., a “partial fill” occurs), the order will generally be allocated on a pro rata basis across client accounts.

Allocations of partial fills are made at the average execution price. Deviations from a pro rata allocation may be required in certain circumstances for fairness. With respect to equity securities, this may occur, for example, where: (1) only a small allocation has been obtained compared to the size of the original order, (2) the value of the order is, on relative terms, insignificant compared to the total value of the account, or (3) the parameters of an order with respect to a particular client (or clients) is modified, so that the execution of the order needs to be revisited. Any deviation from a pro rata allocation must be documented and be approved by the applicable Head of Asset Class or a senior manager who is at arm’s length to the transaction.

## CROSS TRADES

From time to time, we may effect cross-transactions between CIBC AM investment advisory clients, with the clients’ consent. CIBC AM will ensure that the terms of the purchase and sale will be no less beneficial to the accounts involved than those generally available to other market participants in arm’s length transactions.

## Item 13 - Review of Accounts

On an ongoing basis, PMs are responsible for the management of client assets within the guidelines of a client’s investment policy for the specific mandates assigned. PMs, CSMs, the Investment Controls group, as well as other relevant CIBC AM employees are responsible for regularly monitoring client portfolios to determine adherence with investment guidelines and regulatory requirements for client portfolio holdings. The frequency and extent of the reviews vary by client and are driven generally by client circumstances, changes to a client’s financial situation, and assets and investments currently held or proposed to be held or when requested by the client. Other factors that may trigger a review include extraordinary events, changes in the tax law, or major investment developments.

CIBC AM utilizes various pre- and post-trade controls and monitoring techniques, including automated or manual processes.

The Investment Controls group performs monitoring of accounts holdings to verify that portfolios are managed in accordance with investment guidelines and regulatory requirements. PMs are required to review any deviations resulting from these monitoring results, provide rationales and, if required, initiate corrective action. CSMs conduct periodic account reviews with their clients at least annually to ensure consistency with the client’s strategy and performance objectives. Client reporting of deviations from policies is prepared on a frequency agreed upon with each client.

Institutional clients are provided with a written monthly report detailing performance and the assets that should be held in their custodial accounts. A written quarterly report is also issued that includes performance and portfolio characteristics. Each client's qualified custodian maintains the official books and records for the client account and reports holdings and activities in the account during the previous period, by delivering account statements to the client. Clients are urged to carefully review the account statements received from their custodian and to promptly notify us, and their custodian, if they find any discrepancies or have any questions.

#### **Item 14 - Client Referrals and Other Compensation**

CIBC AM may participate in client referral arrangements with other CIBC affiliates. These referrals are governed by a referral agreement that includes the roles and responsibilities of each party. A referral arrangement may be perceived as a conflict of interest; however, we mitigate this conflict by providing full disclosure of the referral fee to clients and obtaining their written acknowledgment that they are aware of the fee. There is no additional charge to a client who has been referred to CIBC AM. The actual referral fee will vary depending on the referring party but is generally a percentage of the annual fee and will be paid for a pre-determined period.

#### **Item 15 - Custody**

Clients are responsible for selecting the qualified custodian at which their assets will be maintained.

CIBC AM does not have custody of any client assets except in cases where client accounts are maintained by a qualified custodian that is affiliated with CIBC AM and is not operationally independent of CIBC AM. All client assets are held in custody by a qualified custodian. Clients will receive account statements directly from their custodian and should carefully review those statements. All clients receive statements directly from CIBC AM. Clients should compare the account statements they receive from their custodian to those received from CIBC AM and promptly notify us and their custodian if they find any discrepancies or have any questions.

When the client's custodian is CIBC Trust, CIBC AM is deemed to have custody because it is affiliated with CIBC Trust through a common parent and CIBC Trust is not operationally independent of CIBC AM. In that case and on an annual basis, CIBC Trust retains an independent accounting firm that is registered with, and subject to regular inspection by, the PCAOB and delivers an internal controls report to CIBC AM. In addition, CIBC AM undergoes a surprise examination by an independent accountant to perform a physical examination of client funds and securities maintained in the custody of CIBC Trust. Please refer to the above-mentioned conflict of interest related to custody.

#### **Item 16 - Investment Discretion**

Prior to undertaking any management of a client's assets, on a discretionary basis, CIBC AM enters into an IMA with the client. The IMA authorizes CIBC AM to manage the client's assets in accordance with the client's Investment Policy Statement. Clients can impose reasonable restrictions on the investments in their account(s), such as excluding particular securities or types of securities.

Depending upon account guidelines, objectives, cash-flow characteristics and other criteria, CIBC AM may offer different advice and actions with respect to a client's account, in the performance of our duties relative to other clients.

## Item 17 - Voting Client Securities

If a client has assigned the voting responsibility for the client's investments to CIBC AM, the client must instruct their trustee/custodian to forward all proxy voting materials to CIBC AM or such other party, which may include an independent proxy adviser (the "Proxy Adviser"), selected by CIBC AM from time to time. CIBC AM will exercise its voting responsibility in accordance with the best economic interest of the client.

If a client has retained the right to exercise its voting rights, the client will assume responsibility for proxy voting. CIBC AM is not responsible for the proxy voting of clients' investments that are 'out on loan' as contracted in the applicable securities lending agreement. This is decided between the client and their custodian/trustee.

CIBC AM has developed proxy voting guidelines (the "Guidelines") that set out how CIBC AM intends to vote on routine and non-routine issues. These Guidelines are based on the premise that environmental, social and governance issues may affect investment performance.

Votes would normally be cast in accordance with the recommendations of the Proxy Adviser applying the Guidelines. However, due to the factual situation at hand and/or the interpretation of the Guidelines, the PMs may have a different opinion and therefore vote differently from the Proxy Adviser's voting recommendation. Votes will be cast based on CIBC AM's best judgment of the economic interests of the clients based on the information that was available at the time of the proxy vote. CIBC AM may participate in shareholder action groups where deemed appropriate. All proxy voting decisions, including voting CIBC securities, that do not follow the Proxy Adviser's recommendations will be documented and include the rationale for the decision. Any deviations related to voting CIBC securities held in the Funds will be referred to the independent review committee for their consideration, in accordance with applicable Canadian regulations.

CIBC AM will undertake reasonable efforts to vote all proxies in its possession with the understanding that CIBC AM will only be able to do so if it has the required documentation and sufficient information to make an informed decision within the given time frame. However, due to operational challenges that can surround proxy voting activity or for other reasons that may impede CIBC AM's ability to assess all of its clients' best interests, CIBC AM might not vote proxies in all instances.

With respect to a company where CIBC or any of its subsidiaries is providing advice, funding, underwriting or other financial services, or any other case where CIBC might have an interest in the outcome of the vote, the votes are generally cast in accordance with the Guidelines and the Proxy Adviser's recommendation. CIBC has established ethical walls/information barriers designed to prevent the transmission of information and undue influence by CIBC and its subsidiaries on CIBC AM.

If an actual or perceived conflict of interest between CIBC AM and a client or clients is identified, CIBC AM will always place the interests of the client and their respective beneficiaries above its own. When a conflict of interest involving CIBC AM (but not any of its affiliates) has been identified for a particular vote, whether it results from any material business, personal or familial relationship with senior personnel at a corporation in question or a material arrangement by CIBC AM with any such corporation or any other reason, CIBC AM will generally refrain from making a decision on the proxy vote at issue and will rely on the Proxy Adviser's recommendation on voting the proxies unless it concludes that the Proxy Adviser's recommendation is not in the best interest of its clients, in which case, the proxy Guidelines will apply.

CIBC AM will assess on an annual basis whether the Proxy Adviser remains independent and will assess its ability to make recommendations for voting proxies in an impartial manner and in the best interest of CIBC AM's clients and their respective beneficiaries. The Guidelines will be reviewed at least annually by management to ensure that CIBC AM follows the evolution of proxy voting practices. All relevant CIBC AM investment professionals will also be asked to participate in this review process. CIBC AM's complete proxy voting policy and procedures are available to clients upon request.

In addition, a record of all proxy votes cast on behalf of clients is available upon request. To receive a copy, please contact us at [institutional@cibc.com](mailto:institutional@cibc.com).

### **Item 18 - Financial Information**

CIBC AM does not require or solicit prepayment of more than \$1,200 USD in fees per client, six months or more in advance. CIBC AM is not subject to any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients. CIBC AM has not been subject to any bankruptcy petitions within the last ten years.