



# Imperial Emerging Economies Pool

## Annual Financial Statements

for the financial year ended December 31, 2016

### Statements of Financial Position (in 000s, except per unit amounts)

As at December 31, 2016 and 2015 (note 1)

	December 31, 2016	December 31, 2015
<b>Assets</b>		
<b>Current assets</b>		
Investments (non-derivative financial assets) † (notes 2 and 3)	\$ 581,478	\$ 514,341
Cash including foreign currency holdings, at fair value	17,117	17,963
Dividends receivable	1,789	1,276
Receivable for portfolio securities sold	947	202
Receivable for units issued	—	317
<b>Total Assets</b>	<b>601,331</b>	<b>534,099</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payable for portfolio securities purchased	1,131	170
Payable for units redeemed	—	109
Other accrued expenses	5	—
<b>Total Liabilities</b>	<b>1,136</b>	<b>279</b>
<b>Net Assets Attributable to Holders of Redeemable Units</b> (note 5)	<b>\$ 600,195</b>	<b>\$ 533,820</b>
<b>Net Assets Attributable to Holders of Redeemable Units per Class</b>		
Class A	\$ 600,195	\$ 533,820
<b>Net Assets Attributable to Holders of Redeemable Units per Unit</b> (note 5)		
Class A	\$ 10.78	\$ 9.86

### † Securities Lending

The tables that follow indicate the Pool had assets involved in securities lending transactions outstanding as at December 31, 2016 and 2015.

	Aggregate Value of Securities on Loan(\$000s)	Aggregate Value of Collateral for Loan(\$000s)
December 31, 2016	43,497	46,868
December 31, 2015	43,820	46,618

### Collateral Type\* (\$000s)

	i	ii	iii	iv
December 31, 2016	—	46,868	—	—
December 31, 2015	—	46,515	—	103

\* See note 2j for Collateral Type definitions.

### Organization of the Fund (note 1)

The Pool was established on June 28, 1999 (*Date Established*).

	Inception Date
Class A	June 28, 1999

# Imperial Emerging Economies Pool

## Statements of Comprehensive Income (in 000s, except per unit amounts)

For the periods ended December 31, 2016 and 2015 (note 1)

	December 31, 2016	December 31, 2015
<b>Net Gain (loss) on Financial Instruments</b>		
Interest for distribution purposes	\$ 3	\$ 4
Dividend revenue	14,250	14,273
Derivative income (loss)	(197)	(154)
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments and derivatives	6,045	18,265
Net realized gain (loss) on foreign currency (notes 2f and g)	(537)	(437)
Net change in unrealized appreciation (depreciation) of investments and derivatives	47,114	(10,669)
<b>Net Gain (loss) on Financial Instruments ±</b>	<b>66,678</b>	<b>21,282</b>
<b>Other Income</b>		
Foreign exchange gain (loss) on cash	36	715
Securities lending revenue ±±	135	149
	171	864
<b>Expenses</b> (note 6)		
Management fees ±±±	1,525	1,487
Audit fees	14	10
Custodial fees	788	830
Independent review committee fees	1	2
Legal fees	5	6
Regulatory fees	45	31
Transaction costs ±±±±	1,811	1,856
Unitholder reporting costs	550	411
Withholding taxes (note 7)	1,598	1,498
Other expenses	4	5
	6,341	6,136
Expenses waived/absorbed by the Manager	(1,697)	(1,586)
	4,644	4,550
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units (excluding distributions)</b>	<b>62,205</b>	<b>17,596</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Class (excluding distributions)</b>		
Class A	\$ 62,205	\$ 17,596
<b>Average Number of Units Outstanding for the period per Class</b>		
Class A	54,448	52,131
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit (excluding distributions)</b>		
Class A	\$ 1.14	\$ 0.34

## ± Net Gain (Loss) on Financial Instruments (in 000s)

	Net gains (losses)	
Category	December 31, 2016	December 31, 2015
<b>Financial assets at FVTPL</b>		
Held for Trading	\$ (616)	\$ (427)
Designated at Inception	67,294	21,709
<b>Total financial assets at FVTPL</b>	<b>\$ 66,678</b>	<b>\$ 21,282</b>

## ±± Securities Lending Revenue (note 2j)

	December 31, 2016		December 31, 2015	
	(in 000s)	% of Gross securities lending revenue	(in 000s)	% of Gross securities lending revenue
Gross securities lending revenue	\$ 205	100.0	\$ 225	100.0
Interest paid on collateral	—	—	—	—
Withholding taxes	12	5.9	10	4.4
Agent fees - Bank of New York Mellon Corp. (The)	58	28.3	66	29.4
<b>Securities lending revenue</b>	<b>\$ 135</b>	<b>65.8</b>	<b>\$ 149</b>	<b>66.2</b>

## ±±± Maximum Chargeable Annual Management Fee Rates (note 6)

Class A	0.25%
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## ±±±± Brokerage Commissions and Fees (notes 8 and 9)

	2016	2015
<b>Brokerage commissions and other fees</b> (\$000s)		
Total Paid	1,301	1,258
Paid to CIBC World Markets Inc.	—	—
Paid to CIBC World Markets Corp.	—	—
<b>Soft dollars</b> (\$000s)		
Total Paid	749	772
Paid to CIBC World Markets Inc. and CIBC World Markets Corp.	—	—

## Service Provider (note 9)

The amounts paid by the Pool (including all applicable taxes) to CIBC Mellon Trust Company for custodial fees, and to CIBC Mellon Global Securities Services Company (*CIBC GSS*) for securities lending, fund accounting and reporting, and portfolio valuation (all net of absorptions) for the periods ended December 31, 2016 and 2015 were as follows:

	2016	2015
(\$000s)	58	64

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (in 000s)

For the periods ended December 31, 2016 and 2015 (note 1)

	Class A Units	
	December 31, 2016	December 31, 2015
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units (excluding distributions)</b>	<b>\$ 62,205</b>	<b>\$ 17,596</b>
<b>Distributions Paid or Payable to Holders of Redeemable Units ‡</b>		
From net investment income	(10,659)	(11,211)
	(10,659)	(11,211)
<b>Redeemable Unit Transactions</b>		
Amount received from the issuance of units	94,407	108,465
Amount received from reinvestment of distributions	10,464	10,990
Amount paid on redemptions of units	(90,042)	(91,963)
	14,829	27,492
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<b>66,375</b>	<b>33,877</b>
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>	<b>533,820</b>	<b>499,943</b>
<b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>	<b>\$ 600,195</b>	<b>\$ 533,820</b>

### Redeemable Units Issued and Outstanding (note 5)

As at December 31, 2016 and 2015

Balance - beginning of period	54,115	51,535
Redeemable units issued	9,384	10,394
Redeemable units issued on reinvestments	982	1,117
	64,481	63,046
Redeemable units redeemed	(8,829)	(8,931)
Balance - end of period	55,652	54,115

### ‡ Net Capital and Non-Capital Losses (note 7)

As at December 2016, the Pool had non-capital and capital losses (in \$000s) for income tax purposes available to be carried forward as follows:

	Total Non-Capital Losses that Expire in: 2026 to 2036
Total Net Capital Losses	18,211
	—

# Imperial Emerging Economies Pool

## Statements of Cash Flows (in 000s)

For the periods ended December 31, 2016 and 2015 (note 1)

	December 31, 2016		December 31, 2015	
<b>Cash Flows from Operating Activities</b>				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (excluding distributions)	\$	62,205	\$	17,596
Adjustments for:				
Foreign exchange loss (gain) on cash		(36)		(715)
Net realized (gain) loss on sale of investments and derivatives		(6,045)		(18,265)
Net change in unrealized (appreciation) depreciation of investments and derivatives		(47,114)		10,669
Purchase of investments		(347,386)		(367,606)
Proceeds from the sale of investments		333,624		348,058
Dividends receivable		(513)		(369)
Other accrued expenses and liabilities		5		—
		(5,260)		(10,632)
<b>Cash Flows from Financing Activities</b>				
Amount received from the issuance of units		94,724		108,317
Amount paid on redemptions of units		(90,151)		(91,933)
Distributions paid to unitholders		(195)		(221)
		4,378		16,163
<b>Increase (Decrease) in Cash during the Period</b>		(882)		5,531
<b>Foreign exchange loss (gain) on cash</b>		36		715
<b>Cash (Bank Overdraft) at Beginning of Period</b>		17,963		11,717
<b>Cash (Bank Overdraft) at End of Period</b>	\$	17,117	\$	17,963
Interest received	\$	3	\$	4
Dividends received, net of withholding taxes	\$	12,139	\$	12,406

# Imperial Emerging Economies Pool

## Schedule of Investment Portfolio As at December 31, 2016

Security	Number of Shares	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
<b>INTERNATIONAL EQUITIES</b>				
<b>Brazil</b>				
Ambev SA, ADR	387,400	3,087	2,554	
Banco Bradesco SA, ADR	523,073	5,893	6,117	
BM&FBOVESPA SA	286,800	1,675	1,952	
Cia Saneamento Basico de Sao Paulo NPV	139,500	940	1,657	
Cielo SA	177,224	1,955	2,039	
Companhia Brasileira de Distribuicao Grupo Pao de Açúcar, ADR	82,200	2,772	1,827	
Companhia de Saneamento Basico do Estado de Sao Paulo, ADR	94,168	850	1,097	
Cosan Ltd., Class 'A'	207,242	1,632	2,090	
Ecorodovias Infraestrutura e Logistica SA	450,500	991	1,531	
Energisa SA	140,460	1,094	1,077	
Estacio Participações SA	223,600	1,231	1,457	
FPC Par Corretora de Seguros SA	285,400	1,717	1,585	
Itau Unibanco Holding SA, ADR	305,141	3,672	4,212	
Itau Unibanco Holding SA, Preferred	346,625	4,331	4,840	
M Dias Branco SA	33,200	1,241	1,575	
Petróleo Brasileiro SA, ADR	176,438	2,145	2,395	
Petróleo Brasileiro SA, Preferred	118,800	1,018	729	
Randon SA Implementos e Participações, Preferred	1,258,765	3,480	1,791	
Sao Martinho SA	249,000	1,380	2,003	
Suzano Bahia Sul Papel e Celulose SA	246,100	1,306	1,442	
Telefonica Brasil SA	79,900	1,684	1,435	
Usinas Siderurgicas de Minas Gerais SA, Preferred, Series 'A'	470,100	1,493	795	
		45,587	46,200	7.7%
<b>Chile</b>				
Banco Santander Chile, ADR	84,700	2,296	2,487	
		2,296	2,487	0.4%
<b>China</b>				
51job Inc., ADR	71,400	2,857	3,240	
AAC Technologies Holdings Inc.	135,500	1,463	1,647	
AirTac International Group	113,050	1,063	1,207	
Alibaba Group Holding Ltd.	71,622	8,580	8,444	
Anhui Conch Cement Co. Ltd., Series 'H'	446,500	1,584	1,622	
Baidu Inc., ADR	9,130	1,686	2,015	
Bank of China Ltd., Class 'H'	9,843,000	5,371	5,827	
China Communications Construction Co. Ltd., Class 'H'	1,363,000	2,082	2,092	
China Construction Bank Corp., Class 'H'	9,371,151	7,740	9,636	
China Dongxiang (Group) Co. Ltd.	2,883,000	536	698	
China Petroleum and Chemical Corp. (Sinopec), Series 'H'	3,226,000	3,279	3,050	
China Shenhua Energy Co. Ltd.	1,205,500	3,336	3,025	
China Shineway Pharmaceutical Group Ltd.	331,000	560	503	
China ZhengTong Auto Services Holdings Ltd.	1,036,500	597	404	
Chinasoft International Ltd.	2,342,000	1,192	1,470	
Ctrip.com International Ltd., ADR	63,000	1,856	3,383	
Dongfeng Motor Corp., Class 'H'	1,346,000	2,265	1,756	
ENN Energy Holdings Ltd.	458,900	3,263	2,525	
JD.com Inc.	85,100	2,903	2,907	
Jiangsu Expressway Co. Ltd., Class 'H'	844,115	1,106	1,429	
Lenovo Group Ltd.	2,438,000	2,577	1,973	
NetEase Inc., ADR	7,243	1,670	2,094	
New Oriental Education & Technology Group Inc., ADR	25,184	1,144	1,424	
Ping An Insurance (Group) Co. of China Ltd.	730,000	4,319	4,869	
Shenzhou International Group	308,000	2,078	2,607	
Tencent Holdings Ltd.	540,300	10,282	17,590	
Weibo Corp., ADR	17,500	1,193	954	
Weichai Power Co. Ltd., Class 'H'	1,620,000	2,632	3,336	
		79,214	91,727	15.4%
<b>Colombia</b>				
Banco Davivienda SA, Preferred	82,523	1,080	1,107	
Bancolombia SA, ADR	51,700	2,857	2,546	
		3,937	3,653	0.6%
<b>Czech Republic</b>				
Komerční Banka AS	63,100	2,811	2,920	
Moneta Money Bank AS	458,808	1,761	1,986	
		4,572	4,906	0.8%
<b>Egypt</b>				
Commercial International Bank Egypt SAE, GDR	161,250	1,154	790	
		1,154	790	0.1%
<b>Hong Kong</b>				
AIA Group Ltd.	798,700	4,404	6,007	
ASM Pacific Technology Ltd.	175,301	1,822	2,489	
C.P. Pokphand Co. Ltd.	9,580,000	1,634	1,589	
China Agri-Industries Holdings Ltd.	3,906,000	1,723	2,041	
China Merchants Port Holdings Co. Ltd.	788,201	3,171	2,615	
China Mobile Ltd.	519,000	6,696	7,347	
China Mobile Ltd., ADR	42,800	3,688	3,013	
China Pharmaceutical Group Ltd.	1,814,000	2,470	2,593	

# Imperial Emerging Economies Pool

## Schedule of Investment Portfolio As at December 31, 2016 (cont'd)

Security	Number of Shares	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
China Resources Gas Group Ltd.	482,000	1,970	1,813	
China Resources Power Holdings Co. Ltd.	986,000	2,001	2,094	
CNOOC Ltd.	1,162,000	1,944	1,939	
CNOOC Ltd., ADR	30,314	5,135	5,045	
Dah Chong Hong Holdings Ltd.	972,000	702	497	
Galaxy Entertainment Group Ltd.	285,000	1,637	1,657	
Hong Kong Exchanges & Clearing Ltd.	53,275	1,667	1,682	
Nine Dragons Paper Holdings Ltd.	1,633,000	1,708	1,980	
Pacific Basin Shipping Ltd.	8,114,000	3,332	1,749	
Sino Biopharmaceutical Ltd.	2,023,517	1,724	1,905	
Stella International Holdings Ltd.	202,000	547	436	
Texwinca Holdings Ltd.	412,000	441	361	
		48,416	48,852	8.1%
<b>Hungary</b>				
Magyar Telekom Telecommunications PLC, Registered	303,187	431	690	
OTP Bank Nyrt.	54,994	1,128	2,108	
Richter Gedeon Nyrt.	124,383	2,401	3,528	
		3,960	6,326	1.1%
<b>India</b>				
Ambuja Cements Ltd.	401,500	1,397	1,634	
Axis Bank Ltd.	482,951	2,737	4,279	
Bank of Baroda	228,100	709	689	
Bharti Airtel Ltd.	236,900	1,424	1,429	
Bharti Infratel Ltd.	287,900	2,326	1,954	
Dabur India Ltd.	338,750	1,079	1,862	
Exide Industries Ltd.	358,950	1,393	1,275	
HCL Technologies Ltd.	178,868	2,908	2,924	
HDFC Bank Ltd., ADR	21,492	1,780	1,751	
Hindalco Industries Ltd.	582,025	1,405	1,769	
Hindustan Zinc Ltd.	281,660	1,411	1,414	
Housing Development Finance Corp. Ltd.	140,525	2,756	3,499	
IRB Infrastructure Developers Ltd.	540,250	2,703	2,089	
ITC Ltd.	525,916	2,261	2,508	
Mahanagar Gas Ltd.	126,192	1,640	1,959	
Manappuram Finance Ltd.	1,134,791	1,906	1,502	
Maruti Suzuki India Ltd.	35,550	1,584	3,729	
National Hydroelectric Power Corp. Ltd.	1,819,375	897	950	
NTPC Ltd.	433,825	1,288	1,412	
Oil and Natural Gas Corp. Ltd.	352,048	1,354	1,329	
Power Grid Corp. of India Ltd.	528,996	1,462	1,916	
Punjab National Bank	177,595	427	403	
Reliance Industries Ltd.	73,350	1,538	1,567	
State Bank of India	140,050	604	690	
Tata Motors Ltd., ADR	54,421	1,938	2,513	
Yes Bank Ltd.	57,968	806	1,320	
		41,733	48,366	8.1%
<b>Indonesia</b>				
PT Astra International TBK	4,155,500	2,833	3,412	
PT Bank Rakyat Indonesia (Persero) TBK	5,815,600	5,783	6,744	
PT Indofood Sukses Makmur TBK	1,551,000	1,401	1,322	
PT Telekomunikasi Indonesia Persero TBK, Series 'B'	4,833,600	1,323	1,909	
		11,340	13,387	2.2%
<b>Kenya</b>				
East African Breweries Ltd.	280,100	1,053	896	
Safaricom Ltd.	4,796,000	1,229	1,202	
		2,282	2,098	0.4%
<b>Luxembourg</b>				
Tenaris SA ADR	83,700	3,492	4,013	
		3,492	4,013	0.7%
<b>Macau</b>				
Sands China Ltd.	952,158	5,889	5,515	
		5,889	5,515	0.9%
<b>Malaysia</b>				
AMMB Holdings BHD	1,245,100	1,646	1,604	
Genting Malaysia BHD	2,502,200	3,513	3,425	
		5,159	5,029	0.8%
<b>Mexico</b>				
Cemex SAB de CV, ADR	150,899	1,293	1,627	
Fomento Economico Mexicano SAB de CV, ADR	12,700	1,315	1,299	
Grupo Aeroportuario del Sureste SA de CV, ADR, Series 'B'	16,400	2,168	3,168	
Grupo Financiero Banorte SAB de CV	620,400	4,185	4,103	
Grupo Financiero Santander Mexico SAB de CV, Series 'B'	881,400	2,023	1,702	
Grupo México SAB de CV, Series 'B'	399,400	1,603	1,456	
Grupo Televisa SA, ADR	126,400	4,787	3,545	
Unifin Financiera SAPI de CV	269,900	1,017	899	
		18,391	17,799	3.0%

# Imperial Emerging Economies Pool

## Schedule of Investment Portfolio As at December 31, 2016 (cont'd)

Security	Number of Shares	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
<b>Netherlands</b>				
Nostrum Oil & Gas PLC	188,000	2,135	1,201	
Steinhardt International Holdings NV	279,780	2,045	1,947	
		4,180	3,148	0.5%
<b>Peru</b>				
Credicorp Ltd.	23,980	3,730	5,083	
		3,730	5,083	0.8%
<b>Philippines</b>				
Bloomberry Resorts Corp.	7,724,300	1,093	1,283	
Universal Robina Corp.	282,400	1,627	1,245	
Vista Land & Lifescapes Inc.	5,581,300	981	745	
		3,701	3,273	0.5%
<b>Poland</b>				
Bank Pekao SA	78,496	4,392	3,164	
Cyfrowy Polsat SA	148,588	1,192	1,173	
		5,584	4,337	0.7%
<b>Qatar</b>				
HSBC Bank PLC - ELN Qatar National Bank, Warrants, 2019/09/09	34,820	1,937	2,091	
		1,937	2,091	0.4%
<b>Russia</b>				
Aeroflot - Russian Airlines PJSC	707,600	1,266	2,379	
Gazprom PAO, ADR	223,602	2,210	1,515	
LUKOIL PJSC, ADR	191,122	11,406	14,401	
MMC Norilsk Nickel PJSC, ADR	151,292	3,047	3,411	
Mobile TeleSystems PJSC, ADR	105,825	1,200	1,294	
Rosneft Oil Co., GDR	663,864	4,487	5,791	
Sberbank of Russia PJSC, ADR	688,265	6,841	10,688	
X5 Retail Group NV, GDR	49,958	1,108	2,179	
		31,565	41,658	6.9%
<b>Singapore</b>				
Flextronics International Ltd.	68,825	621	1,328	
Wilmar International Ltd.	459,100	1,369	1,523	
		1,990	2,851	0.5%
<b>South Africa</b>				
Aspen Pharmacare Holdings Ltd.	120,100	3,299	3,322	
Aveng Ltd.	318,091	887	247	
Barclays Africa Group Ltd.	167,752	2,136	2,764	
Capitec Bank Holdings Ltd.	38,067	2,087	2,580	
Discovery Ltd.	205,385	1,899	2,296	
Exxaro Resources Ltd.	116,002	1,225	1,006	
Kumba Iron Ore Ltd.	104,165	1,475	1,609	
Massmart Holdings Ltd.	78,271	1,171	966	
Naspers Ltd., Series 'N'	36,356	4,659	7,126	
Reunert Ltd.	254,525	1,707	1,691	
Sasol Ltd.	97,412	4,751	3,754	
Standard Bank Group Ltd.	138,300	1,942	2,045	
		27,238	29,406	4.9%
<b>South Korea</b>				
Amorepacific Corp.	3,130	1,278	1,117	
Dongbu Insurance Co. Ltd.	20,660	990	1,436	
DuzonBlzon Co. Ltd.	37,642	1,022	896	
GS Retail Co. Ltd.	28,004	1,604	1,481	
Hana Financial Group Inc.	59,580	2,271	2,065	
Hankook Tire Co. Ltd.	60,130	3,675	3,881	
Hanssem Co. Ltd.	6,000	1,303	1,324	
Hyundai Engineering & Construction Co. Ltd.	35,585	1,709	1,690	
Hyundai Heavy Industries Co. Ltd.	12,845	1,556	2,072	
KB Financial Group Inc.	85,104	3,937	4,038	
KCC Corp.	2,818	1,352	1,125	
Kia Motors Corp.	40,214	2,053	1,752	
KT Corp., ADR	57,948	1,203	1,096	
LG Electronics Inc.	22,025	1,421	1,263	
LG Household & Health Care Ltd.	3,400	3,623	3,239	
Mando Corp.	5,038	973	1,314	
NHN Corp.	6,827	5,972	5,870	
OCI Materials Co. Ltd.	9,575	1,578	1,904	
POSCO	9,850	2,734	2,808	
POSCO, ADR	32,621	2,154	2,302	
Samsung Electronics Co. Ltd.	6,799	9,790	13,586	
Samsung Electronics Co. Ltd., GDR	300	225	301	
Samsung Electronics Co. Ltd., GDR, Preferred	2,725	1,352	2,169	
Samsung Electronics Co. Ltd., GDR, Registered	11,060	7,850	11,041	
SFA Engineering Corp.	29,246	1,889	2,095	

# Imperial Emerging Economies Pool

## Schedule of Investment Portfolio As at December 31, 2016 (cont'd)

Security	Number of Shares	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
Shinhan Financial Group Co. Ltd.	87,267	3,915	4,394	
SK Energy Co. Ltd.	11,711	1,959	1,903	
SK Hynix Inc.	70,073	2,384	3,462	
		71,772	81,624	13.6%
<b>Switzerland</b>				
Coca-Cola HBC AG	86,100	2,287	2,517	
		2,287	2,517	0.4%
<b>Taiwan</b>				
Advantech Co. Ltd.	289,006	1,903	3,060	
Citigroup Global Markets Holdings Inc. - ELN - Compal Electronics Inc.	236,850	231	182	
Compal Electronics Inc.	441,000	395	338	
Compal Electronics Inc., GDR	244,325	1,004	1,150	
Eclat Textile Co. Ltd.	76,850	1,378	1,074	
First Financial Holding Co. Ltd.	2,730,000	1,914	1,952	
Formosa Plastics Corp.	591,000	1,892	2,187	
Fubon Financial Holding Co. Ltd.	1,546,000	2,370	3,272	
Gourmet Master Co. Ltd.	90,300	1,162	921	
Hon Hai Precision Industry Co. Ltd.	455,259	1,004	1,590	
Hon Hai Precision Industry Co. Ltd., GDR, Registered	359,522	1,499	2,455	
Largan Precision Co. Ltd.	25,000	2,994	3,913	
MediaTek Inc.	285,000	2,879	2,556	
Pegatron Corp.	490,000	1,671	1,565	
Realtek Semiconductor Corp.	606,000	2,777	2,570	
Taiwan Semiconductor Manufacturing Co. Ltd.	2,909,000	11,447	21,877	
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	81,750	1,582	3,156	
TCI Co. Ltd.	244,627	1,195	1,670	
Tong Yang Industry Co. Ltd.	632,000	1,235	1,666	
Yuanta Financial Holding Co. Ltd.	5,423,000	2,581	2,700	
		43,113	59,854	10.0%
<b>Thailand</b>				
Bangkok Bank Public Co. Ltd., NVDR	320,400	2,173	1,910	
PTT Public Co. Ltd.	201,100	2,711	2,795	
Siam Cement Public Co. Ltd. (The)	88,000	1,687	1,634	
Siam Commercial Bank Public Co. Ltd.	697,700	3,749	3,973	
Unique Engineering & Construction PCL	2,366,000	1,499	1,753	
		11,819	12,065	2.0%
<b>Turkey</b>				
Akbank T.A.S.	484,480	1,957	1,440	
Arcelik AS	149,989	1,042	1,210	
Tekfen Holding AS	443,978	1,436	1,091	
Turkiye Garanti Bankasi AS	1,228,020	4,356	3,556	
		8,791	7,297	1.2%
<b>Ukraine</b>				
MHP SA, GDR	84,211	1,255	993	
		1,255	993	0.2%
<b>United Arab Emirates</b>				
DP World Ltd.	77,300	2,016	1,818	
Emaar Properties PJSC	502,310	1,245	1,308	
Union National Bank PJSC	567,100	720	940	
Union National Bank PJSC, Warrants, 2018/04/12	560,025	758	929	
		4,739	4,995	0.8%
<b>United Kingdom</b>				
Antofagasta PLC	271,557	2,345	3,019	
BGEO Group PLC	67,795	2,432	3,351	
Standard Chartered PLC	212,800	2,124	2,330	
		6,901	8,700	1.5%
<b>United States</b>				
Cognizant Technology Solutions Corp., Class 'A'	34,050	2,498	2,561	
Genpact Ltd.	29,100	850	951	
iShares MSCI Emerging Markets Index Fund	86,333	4,109	4,058	
MercadoLibre Inc.	8,900	2,037	1,866	
Nexteer Automotive Group Ltd.	630,000	1,183	1,002	
		10,677	10,438	1.7%
<b>TOTAL INTERNATIONAL EQUITIES</b>		<b>518,701</b>	<b>581,478</b>	<b>96.9%</b>
<b>TOTAL EQUITIES</b>		<b>518,701</b>	<b>581,478</b>	<b>96.9%</b>
Less: Transaction costs included in average cost		(1,256)		
<b>TOTAL INVESTMENTS</b>		<b>517,445</b>	<b>581,478</b>	<b>96.9%</b>
Other Assets, less Liabilities			18,717	3.1%
<b>TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>			<b>600,195</b>	<b>100.0%</b>



## **Supplemental Schedule to Schedule of Investment Portfolio**

### **Offsetting Arrangements** (note 2d)

The Pool may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of the contracts.

As at December 31, 2016 and 2015, the Pool did not enter into any arrangements whereby the financial instruments were eligible for offset.

### **Interests in Underlying Funds** (note 4)

As at December 31, 2016 and 2015, the Pool had no investments in underlying funds where the ownership exceeded 20% of each underlying fund.

## Imperial Emerging Economies Pool

### Financial Instrument Risks

Investment Objective: Imperial Emerging Economies Pool (the *Pool*) seeks to provide long-term growth through capital appreciation by investing primarily in equity securities of companies that trade in an emerging country and/or that trade in any market if the companies earn a significant amount of their annual revenue from emerging countries. An emerging country includes any country that is included in the MSCI Emerging Markets Index.

Investment Strategies: The Pool employs a bottom-up approach when making investment decisions, and may invest in units of exchange-traded funds.

Significant risks that are relevant to the Pool are discussed here. General information on risk management and specific discussion on concentration, credit, currency, interest rate, liquidity, and other price/market risk can be found in note 2 of the financial statements.

In the following risk tables, Net Assets is defined as meaning "Net assets attributable to holders of redeemable units".

#### Concentration Risk as at December 31, 2016 and 2015

The Schedule of Investment Portfolio presents the securities held by the Pool as at December 31, 2016.

The following table presents the investment sectors held by the Pool as at December 31, 2015 and groups the securities by asset type, industry sector, geographic region, or currency exposure:

#### As at December 31, 2015

Portfolio Breakdown	% of Net Assets
<b>International Equities</b>	
Argentina	0.2
Austria	0.3
Bermuda	0.2
Brazil	5.0
Chile	1.2
China	14.4
Colombia	0.3
Czech Republic	0.8
Egypt	0.4
Greece	0.4
Hong Kong	10.2
Hungary	1.6
India	8.7
Indonesia	2.3
Luxembourg	0.5
Macau	0.7
Malaysia	0.4
Mexico	5.2
Netherlands	0.7
Peru	0.5
Philippines	0.2
Poland	0.8
Portugal	0.3
Qatar	0.7
Russia	3.8
Saudi Arabia	0.4
Singapore	0.2
South Africa	5.6
South Korea	12.4
Switzerland	0.7
Taiwan	10.2
Thailand	1.9
Turkey	2.2
Ukraine	0.2
United Arab Emirates	0.7
United Kingdom	1.5
United States	0.6
<b>Other Assets, less Liabilities</b>	3.6
<b>Total</b>	<b>100.0</b>

#### Credit Risk

Credit ratings represent a consolidation of the ratings provided by various outside service providers and are subject to change, which could be material.

See the Schedule of Investment Portfolio for counterparty from over-the-counter derivative contracts, where applicable.

As at December 31, 2016 and 2015, the Pool had no significant investments in debt securities.

### Currency Risk

The tables that follow indicate the currencies to which the Pool had significant exposure as at December 31, 2016 and 2015, based on the market value of the Pool's financial instruments (including cash and cash equivalents) and the underlying principal amounts of forward foreign currency contracts, as applicable.

#### As at December 31, 2016

Currency (note 21)	Total Currency Exposure * (\$000s)	% of Net Assets
USD	167,960	28.0
HKD	113,390	18.9
KRW	65,405	10.9
TWD	54,792	9.1
INR	44,102	7.3
ZAR	31,353	5.2
BRL	24,622	4.1
IDR	13,394	2.2
GBP	12,418	2.1
THB	12,065	2.0
MXN	8,262	1.4
TRY	7,297	1.2
HUF	6,326	1.1
MYR	5,204	0.9
CZK	4,906	0.8
PLN	4,337	0.7
PHP	3,275	0.5

\* Amounts reflect the carrying value of monetary and non-monetary items (including the notional amount of forward foreign currency contracts, if any).

#### As at December 31, 2015

Currency (note 21)	Total Currency Exposure * (\$000s)	% of Net Assets
USD	133,184	24.9
HKD	107,462	20.1
KRW	57,527	10.8
TWD	49,224	9.2
INR	35,194	6.6
ZAR	34,316	6.4
MXN	18,032	3.4
BRL	15,013	2.8
IDR	12,206	2.3
TRY	11,843	2.2
THB	10,092	1.9
GBP	9,366	1.8
HUF	8,567	1.6
CZK	4,385	0.8
PLN	4,231	0.8
EUR	3,178	0.6

\* Amounts reflect the carrying value of monetary and non-monetary items (including the notional amount of forward foreign currency contracts, if any).

The table that follows indicates how net assets as at December 31, 2016 and 2015 would have decreased or increased had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies. This analysis assumes that all other variables remain unchanged. In practice, the actual results may differ from this analysis and the difference could be material.

	December 31, 2016	December 31, 2015
<b>Impact on Net Assets (\$000s)</b>	<b>5,861</b>	<b>5,199</b>

#### Interest Rate Risk

As at December 31, 2016 and 2015, the majority of the Pool's financial assets and liabilities are non-interest bearing and short-term in nature; accordingly, the Pool is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

### Liquidity Risk

Liquidity risk is the risk that the Pool will encounter difficulty in meeting obligations associated with financial liabilities. The Pool is exposed to daily cash redemptions of redeemable units. The Pool maintains sufficient cash on hand to fund anticipated redemptions.

With the exception of derivative contracts, where applicable, all of the Pool's financial liabilities are short-term liabilities maturing within 90 days after the period end.

For pools that hold derivative contracts with a term-to-maturity that exceeds 90 days from the period end, further information related to those contracts can be referenced in the derivative schedules following the Schedule of Investment Portfolio.

### Other Price/Market Risk

The table that follows indicates how net assets as at December 31, 2016 and 2015 would have increased or decreased had the value of the Pool's benchmark(s) increased or decreased by 1%. This change is estimated based on the historical correlation between the return of Class A units of the Pool as compared to the return of the Pool's benchmark(s), using 36 monthly data points, as available, based on the monthly net returns of the Pool. This analysis assumes that all other variables remain unchanged. The historical correlation may not be representative of the future correlation and, accordingly, the impact on net assets could be materially different.

Benchmark	Impact on Net Assets (\$000s)	
	December 31, 2016	December 31, 2015
MSCI Emerging Markets Index	5,660	5,030

### Fair Value Measurement of Financial Instruments

The following is a summary of the inputs used as at December 31, 2016 and 2015 in valuing the Pool's financial assets and financial liabilities, carried at fair value:

#### As at December 31, 2016

Classification	Level 1 (i) (\$000s)	Level 2 (ii) (\$000s)	Level 3 (iii) (\$000s)	Total (\$000s)
<b>Financial Assets</b>				
Equities	169,665	411,813	—	581,478
<b>Total Financial Assets</b>	<b>169,665</b>	<b>411,813</b>	<b>—</b>	<b>581,478</b>

(i) Quoted prices in active markets for identical assets

(ii) Significant other observable inputs

(iii) Significant unobservable inputs

#### As at December 31, 2015

Classification	Level 1 (i) (\$000s)	Level 2 (ii) (\$000s)	Level 3 (iii) (\$000s)	Total (\$000s)
<b>Financial Assets</b>				
Equities	134,345	379,996	—	514,341
<b>Total Financial Assets</b>	<b>134,345</b>	<b>379,996</b>	<b>—</b>	<b>514,341</b>

(i) Quoted prices in active markets for identical assets

(ii) Significant other observable inputs

(iii) Significant unobservable inputs

### Transfer of assets between Level 1 and Level 2

Financial assets and liabilities transferred from Level 1 to Level 2 are the result of securities no longer being traded in an active market.

	December 31, 2016	December 31, 2015
<b>Fair value of assets transferred from Level 1 to Level 2 during the period (\$000s)</b>	<b>2,099</b>	<b>7,773</b>

Financial assets and liabilities transferred from Level 2 to Level 1 are the result of securities now being traded in an active market.

For the periods ended December 31, 2016 and 2015, there were no transfers of financial assets and liabilities from Level 2 to Level 1.

### Reconciliation of financial asset and liability movement – Level 3

The Pool did not hold any significant positions of Level 3 investments at the beginning of, during, or at the end of either reporting period.

# Notes to Financial Statements

As at and for the periods as disclosed in the financial statements (note 1)

## 1. Organization of the Funds and Financial Reporting Periods

The Imperial Pools consist 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, and Imperial Emerging Economies Pool (individually, a *Pool*, and collectively, the *Pools*).

The Income Generation Portfolios consist of Conservative Income Portfolio, Balanced Income Portfolio and Enhanced Income Portfolio (individually, a *Portfolio*, and collectively, the *Portfolios*).

Each of the Imperial Pools and Income Generation Portfolios (individually, a *Fund*, and collectively, the *Funds*) is a mutual fund trust organized under the laws of Ontario and governed by a declaration of trust (*Declaration of Trust*). The address of the Funds' registered office is 18 York Street, Suite 1300, Toronto, Ontario.

Canadian Imperial Bank of Commerce (*CIBC*) is the manager (the *Manager*) of the Funds and CIBC Trust Corporation is the trustee (the *Trustee*) of the Funds. Each Fund may issue an unlimited number of classes of units and an unlimited number of units of each class. As at the date of these financial statements, Class A units of each of the Funds are available for sale, except for the Conservative Income Portfolio which offers Class T3 and Class T4 units, the Balanced Income Portfolio which offers Class T4 and Class T5 units, and the Enhanced Income Portfolio which offers Class T5 and Class T6 units.

The date upon which each Fund was established by Declaration of Trust (*Date Established*) and the date upon which units of each Fund was first sold to the public (*Inception Date*) are reported in footnote *Organization of the Fund* on the Statements of Financial Position.

The Schedule of Investment Portfolio of each Fund is as at December 31, 2016. The Statements of Financial Position of each of the Funds are as at December 31, 2016 and 2015. The Statements of Comprehensive Income, Statements of Changes in Net Assets Attributable to Holders of Redeemable Units, and Statements of Cash Flows of each of the Funds are for annual periods ended December 31, 2016 and 2015, except for Funds established during either year, in which case the information presented is from the Date Established or the Inception Date to December 31, 2016 or 2015.

These financial statements were approved for issuance by the Manager on March 2, 2017.

## 2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (*IFRS*) as published by the International Accounting Standards Board (*IASB*). The Funds adopted IFRS in 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Funds prepared their financial statements in accordance with Canadian generally accepted accounting principles (*GAAP*) as defined in Part V of the CPA Canada Handbook.

The financial statements have been prepared on a going concern basis using the historical cost convention. However, each Fund is an investment entity and primarily all financial assets and financial liabilities are measured at fair value in accordance with IFRS. Accordingly, the Funds' accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value for transactions with unitholders. In applying IFRS, these financial statements include estimates and assumptions made by management that affect the reported amounts of assets, liabilities, income, and expenses during the reporting periods. However, existing circumstances and assumptions may change due to market changes or circumstances arising beyond the control of the Funds. Such changes are reflected in the assumptions when they occur.

These financial statements have been presented in Canadian dollars, which is the Funds' functional currency (unless otherwise noted).

### a) Financial Instruments

#### Classification and recognition of financial instruments

In accordance with IAS 39 Financial Instruments: Recognition and Measurement, financial assets and financial liabilities are classified at initial recognition into the following categories:

*Financial assets and liabilities at fair value through profit or loss (FVTPL)*

This category is sub-divided into:

- Financial instruments classified as Held For Trading: Financial assets and liabilities are classified as Held For Trading if they are acquired for the purpose of selling and/or repurchasing in the near term, and are acquired principally for the purpose of generating a profit from short-term fluctuations in price. Derivatives and securities sold short held by the Funds are classified as Held For Trading and do not meet the definition of effective hedging instruments as defined by IAS 39.
- Financial instruments designated as FVTPL through inception: All investments held by the Funds, excluding those classified as Held For Trading (discussed above), are designated as fair value through profit or loss upon initial recognition. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Funds, as set out in the Funds' prospectus.

#### *Loans and receivables*

The Funds include in this category receivable balances relating to portfolio investments and other short-term receivables such as receivable for units issued.

#### *Other financial liabilities*

This category includes all financial liabilities, other than those classified as fair value through profit or loss. The Funds include in this category amounts relating to payables for portfolio securities purchased and other accrued liabilities such as payable for units redeemed and distributions payable to holders of redeemable units.

All Funds have contractual obligations to distribute cash to the unitholders. As a result, each Fund's obligation for net assets attributable to holders of redeemable units represents a financial liability and is presented at the redemption amount.

### b) Risk Management

The Funds' overall risk management approach includes formal guidelines that govern the extent of exposure to various types of risk, including diversification within asset classes and limits on the exposure to individual investments and counterparties. In addition, derivative financial instruments may be used to manage certain risk exposures. The Manager also has various internal controls to oversee the Funds' investment activities, including monitoring compliance with the investment objectives and strategies, internal guidelines, and securities regulations. Please refer to each Fund's *Supplemental Schedule to Schedule of Investment Portfolio* for specific risk disclosures.

#### Fair value of financial instruments by using valuation techniques

Financial instruments are valued at their fair value which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Refer to note 3a to 3f for valuation of each specific type of financial instrument held by the Funds. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the price that is most representative of fair value based on the specific facts and circumstances.

For financial assets and financial liabilities that are not traded in an active market, fair value is determined using valuation techniques.

The Funds classify fair value measurement within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable for the asset or liability.

If inputs are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. Each Fund's fair value hierarchy classification of its assets and liabilities is included in the *Supplemental Schedule to Schedule of Investment Portfolio*.

The carrying values of all non-investment assets and liabilities approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

The Manager is responsible for performing the fair value measurements included in the financial statements of a Fund, including the Level 3 measurements. The Manager obtains pricing from third-party pricing vendors and the pricing is reviewed daily. At each financial reporting date, the Manager reviews and approves all Level 3 fair value measurements. The Funds also have a Valuation Committee which meets quarterly to perform detailed reviews of the valuations of investments held by the Funds, which includes discussion on Level 3 measurements.

#### Credit risk

Credit risk is the risk that a counterparty to a financial instrument, such as a fixed income security or a derivative contract, will fail to discharge an obligation or commitment that it has entered into with the Funds. The value of fixed income securities and derivatives as presented on the Schedule of Investment Portfolio includes consideration of the creditworthiness of the issuer and, accordingly, represents the maximum credit risk exposure of the Funds. Certain Funds may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low and these securities primarily have credit ratings of 'A-1 (Low)' or higher (as rated by S&P Global Ratings, a division of S&P Global, or equivalent rating from another rating service).

The bond ratings noted in the Funds' 'Financial Instruments Risk' under sub-section 'Credit Risk' represent ratings collected and disseminated by recognized third party vendors. These ratings utilized by the Manager, while obtained from vendors skilled and recognized for bond rating services, may not be the same as those used directly by the portfolio advisor or portfolio sub-advisors. Ratings used by the portfolio advisor or portfolio sub-advisors could be higher or lower than those used for risk disclosure in the financial statements in compliance with their investment policy guidelines.

The Funds may engage in securities lending transactions. The credit risk related to securities lending transactions is limited by the fact that the value of cash or securities held as collateral by the Funds in connection with these transactions is at least 102% of the fair value of the securities loaned. The collateral and loaned securities are marked to market on each business day. Further information regarding the collateral and securities on loan can be found in the footnotes to the Statements of Financial Position and in note 2j.

#### Currency risk

Currency risk is the risk that the value of an investment will fluctuate due to changes in foreign exchange rates. Mutual funds may invest in securities denominated or traded in currencies other than the funds' reporting currency.

#### Interest rate risk

Prices of fixed income securities generally increase when interest rates decline and decrease when interest rates rise. This risk is known as interest rate risk. Prices of longer-term fixed income securities will generally fluctuate more in response to interest rate changes than would shorter-term securities. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates.

#### Liquidity risk

The Funds are exposed to daily cash redemptions of redeemable units. Generally, the Funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity. However, liquidity risk also involves the ability to sell an asset for cash easily and at a fair price. Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a Fund to sell such securities quickly or at a fair price. Difficulty in selling securities could result in a loss or lower return for a Fund.

#### Other price/market risk

Other price/market risk is the risk that the value of investments will fluctuate as a result of changes in market conditions. Several factors can influence market trends, such as economic developments, changes in interest rates, political changes, and catastrophic events. All investments are exposed to other price/market risk.

#### c) Investment Transactions, Income Recognition, and Recognition of Realized and Unrealized Gains and Losses

- i) Interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Fund accounted for on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds, which are amortized on a straight-line basis.
- ii) Dividend income is recorded on the ex-dividend date.
- iii) Securities that are exchange-traded are recorded at fair value established by the last traded market price when that price falls within that day's bid-ask spread. Debt securities are recorded at fair value, established by the last traded price on the over-the-counter market (*OTC*) when that price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the price that is most representative of fair value based on the specific facts and circumstances. Unlisted securities are recorded at fair value using fair valuation techniques established by the Manager in establishing a fair value.
- iv) Realized gains and losses on investments and unrealized appreciation or depreciation of investments are calculated using the average cost, excluding transaction costs, of the related investments.
- v) Other income is the sum of income, excluding transaction costs, other than that which is separately classified on the Statements of Comprehensive Income.

#### d) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Where applicable, additional information can be found in the table *Offsetting Arrangements* as part of the Supplemental Schedule to Schedule of Investment Portfolio. This supplemental schedule discloses the *OTC* derivatives which are subject to offsetting.

#### e) Portfolio Securities

The cost of securities of a Fund is determined in the following manner: securities are purchased and sold at a market-traded price to arrive at a value for the position traded. The total purchased value represents the total cost of the security to the Fund. When additional units of the same security are purchased, the cost of those additional units is added to the total security cost. When units of the same security are sold, the proportionate cost of the units of the security sold is deducted from the total security cost. If there is a return of capital paid by a security, the amount of this return of capital is deducted from the total security cost. This method of tracking security cost is known as "average cost" and the current total for any one security is referred to as the "adjusted cost base" or "ACB" of the security. Transaction costs incurred in portfolio transactions are excluded from the average cost of investments and are recognized immediately in net income and are presented as a separate expense item in the financial statements.

The difference between the fair value of securities and their average cost, excluding transaction costs, represents the unrealized appreciation (depreciation) in value of the portfolio investments. The applicable period change in unrealized appreciation (depreciation) of investments is included on the Statements of Comprehensive Income.

Short-term investments on the Schedule of Investment Portfolio are presented at their amortized cost which approximates the fair value. Accrued interest for bonds is disclosed separately on the Statements of Financial Position.

#### f) Foreign Exchange

The value of investments and other assets and liabilities denominated in foreign currencies is translated into Canadian dollars, which is the Funds' functional and presentation currency at the current rates prevailing on each valuation date (unless otherwise indicated).

Purchases and sales of investments, income, and expenses are translated into Canadian dollars, which is the Funds' functional and presentation currency at the foreign exchange rates prevailing on the dates of such transactions. Foreign currency translation gains (losses) on investments and income transactions are included in Net realized gain (loss) on foreign currency on the Statements of Comprehensive Income.

## Notes to Financial Statements

### g) Forward Foreign Currency Contracts

The Funds may enter into forward foreign currency contracts for either hedging or non-hedging purposes where such activity is consistent with their investment objectives and as permitted by the Canadian securities regulatory authorities.

Changes in the fair value of forward foreign currency contracts are included in derivative assets or derivative liabilities on the Statements of Financial Position and are recorded as an Increase (decrease) in unrealized appreciation (depreciation) of investments and derivatives during the applicable period on the Statements of Comprehensive Income.

The gain or loss arising from the difference between the value of the original forward foreign currency contract and the value of such contract at close or delivery is realized and recorded as Net realized gain (loss) on foreign currency for Pools that use the forward foreign currency contracts for hedging or as Derivative income (loss) for Pools that do not use the forward foreign currency contracts for hedging.

### h) Futures Contracts

The margin deposits with brokers relating to futures contracts are included in Margin on the Statements of Financial Position. Any change in the margin requirement is settled daily and included in Receivable for portfolio securities sold or Payable for portfolio securities purchased on the Statements of Financial Position.

Any difference between the settlement value at the close of business on each valuation date and the settlement value at the close of business on the previous valuation date is recorded as Derivative income (loss) on the Statements of Comprehensive Income.

### i) Options

Premiums paid for purchased call and put options are included in derivative assets and subsequently measured at fair value on the Statements of Financial Position. When a purchased option expires, the Fund will realize a loss in the amount of the cost of the option. For a closing transaction, the Fund will realize a gain or loss depending on whether the proceeds are greater or less than the premium paid at the time of purchase. When a purchased call option is exercised, the cost of the security purchased is increased by the premium paid at the time of purchase.

Premiums received from writing options are included in derivative liabilities and subsequently measured at fair value on the Statements of Financial Position as initial reductions in the value of investments. Premiums received from writing options that expire unexercised are recorded as realized gains and reported as Net gain (loss) on sale of investments and derivatives on the Statements of Comprehensive Income. For a closing transaction, if the cost of closing the transaction exceeds the premium received, the Fund will record a realized loss or, if the premium received at the time the option was written is greater than the amount paid, the Fund will record a realized gain and is reported as Net gain (loss) on sale of investments and derivatives. If a written put option is exercised, the cost for the security delivered is reduced by the premiums received at the time the option was written.

### j) Securities Lending

A Fund may lend portfolio securities in order to earn additional revenue, which is disclosed on the Statements of Comprehensive Income. The loaned assets of any one Fund are not permitted to exceed 50% of the fair value of the assets of that Fund (excluding collateral debt for the loaned securities). The minimum allowable collateral is 102% of the fair value of the loaned securities as per the requirements of National Instrument 81-102 – *Investment Funds*. Collateral can consist of the following:

- i) Cash.
- ii) Qualified securities.
- iii) Irrevocable letters of credit issued by a Canadian financial institution that is not the counterparty, or an affiliate counterparty, of the pool in the transaction, if evidences of indebtedness of the Canadian financial institution that are rated as short-term debt by an approved credit rating organization have an approved credit rating.
- iv) Securities that are immediately convertible into securities of the same issuer, class, or type, and the same term, as the securities loaned.

The fair value of the loaned securities is determined on the close of any valuation date and any additional required collateral is delivered to the Pool on the next business day. The securities on loan continue to be included on the Schedule of Investment Portfolio, and are included in the total value on the Statements of Financial Position in Investments (non-derivative financial assets) at fair value. Where applicable, a Fund's securities lending transactions are reported in footnote *Securities Lending* on the Statements of Financial Position.

Changes to National Instrument 81-106 – *Investment Fund Continuous Disclosure* took effect for Funds with a financial year beginning on or after January 1, 2016. Those changes now require a reconciliation of the gross amount generated from the securities lending transactions of the Funds to the revenue from securities lending disclosed in the Funds' Statements of Comprehensive Income. The gross amount generated from securities lending includes interest paid on collateral, withholding taxes deducted, the fees paid to the Funds' lending agent and the securities lending revenue received by the Funds. Where applicable, the reconciliation can be found in the footnotes to the Funds' Statements of Comprehensive Income.

### k) Loans and Receivables, Other Assets and Liabilities

Loans and Receivables, other assets and liabilities (other than those classified as FVTPL) are recorded at cost, which approximates their fair value, with the exception of Net Assets Attributable to Holders of Redeemable Units which are presented at the redemption value.

### l) Legend of Abbreviations

The following is a list of abbreviations (foreign currency translation and others) that may be used in the Schedule of Investment Portfolio:

#### Currency Abbreviations

ARS	– Argentine Peso	JPY	– Japanese Yen
AUD	– Australian Dollar	KES	– Kenyan Shilling
BRL	– Brazilian Real	KRW	– South Korean Won
CAD	– Canadian Dollar	MAD	– Morocco Dirham
CHF	– Swiss Franc	MXN	– Mexican Peso
CLP	– Chilean Peso	MYR	– Malaysian Ringgit
CNY	– Chinese Renminbi	NOK	– Norwegian Krone
COP	– Colombian Peso	NZD	– New Zealand Dollar
CZK	– Czech Koruna	PHP	– Philippine Peso
DKK	– Danish Krone	PLN	– Polish Zloty
EGP	– Egyptian Pound	RUB	– Russian Ruble
EUR	– Euro	SEK	– Swedish Krona
GBP	– British Pound	SGD	– Singapore Dollar
HKD	– Hong Kong Dollar	THB	– Thai Baht
HUF	– Hungarian Forint	TRY	– New Turkish Lira
IDR	– Indonesian Rupiah	TWD	– Taiwan Dollar
ILS	– Israeli Shekel	USD	– United States Dollar
INR	– Indian Rupee	ZAR	– South African Rand

## Other Abbreviations

ADR	– American Depositary Receipt
CVO	– Contingent Value Obligations
ETF	– Exchange-Traded Fund
GDR	– Global Depositary Receipt Securities
NVDR	– Non-Voting Depositary Receipt

**m) Standards Issued but not yet Effective**

Standards issued but not yet effective up to the date of issuance of the Funds' financial statements are listed below. The Funds intend to adopt applicable standards when they become effective.

IFRS 9, *Financial Instruments - Classification and Measurement*

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39, *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. The Funds are in the process of assessing the impact of IFRS 9.

**n) Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit**

Increase (decrease) in net assets attributable to holders of redeemable units per unit of each class is calculated by dividing the Increase (decrease) in net assets attributable to holders of redeemable units (excluding distributions), as reported on the Statements of Comprehensive Income, by the weighted average number of units in issue during the related period.

**3. Valuation of Investments**

The valuation date (*Valuation Date*) for a Fund is any day when the Manager's head office is open for business. The Manager may, at its discretion, establish other Valuation Dates.

The fair value of the investments or assets of a Fund is determined as follows:

**a) Cash and Other Assets**

Cash, accounts receivable, dividends receivable, distributions receivable, and interest receivable are valued at fair value or at their recorded cost, plus or minus any foreign exchange between recognition of the asset by the Fund and the current Valuation Date, which approximates fair value.

**b) Bonds, Debentures, and Other Debt Obligations**

Bonds, debentures, and other debt obligations are fair valued using the last traded price provided by a recognized vendor upon the close of trading on a Valuation Date, whereby the last traded price falls within that day's bid-ask spread. If the last traded price does not fall within that day's bid-ask spread, then the Manager will determine the price that is most representative of fair value based on the specific facts and circumstances.

**c) Listed Securities, Unlisted Securities, and Fair Value Pricing of Foreign Securities**

Any security that is listed or traded on a securities exchange is fair valued using the last traded price, whereby the last traded price falls within that day's bid-ask spread or, if there is no traded price on that exchange or the last traded price does not fall within that day's bid-ask spread and in the case of securities traded on an OTC market, at the fair value as determined by the Manager as an appropriate basis for valuation. In such situations, a fair value will be determined by the Manager to establish current value. If any securities are inter-listed or traded on more than one exchange or market, the Manager will use the principal exchange or market for the fair value of such securities.

Units of each mutual fund in which a Fund invests will be valued at fair value using the most recent net asset value quoted by the Trustee or Manager of the mutual fund on the Valuation Date.

Unlisted securities are fair valued using the last traded price quoted by a recognized dealer, or the Manager may determine a price that more accurately reflects the fair value of these securities if the Manager feels the last traded price does not reflect fair value.

Fair value pricing is designed to avoid stale prices and to provide a more accurate fair value, and may assist in the deterrence of harmful short-term or excessive trading in the Fund. When securities listed or traded on markets or exchanges that close prior to North or South American markets or exchanges are valued by the Manager at their fair market value, instead of using quoted or published prices, the prices of such securities used to calculate the Fund's net assets or net asset value may differ from quoted or published prices of such securities.

**d) Derivatives**

Long positions in options, debt-like securities, and listed warrants are valued at fair value using the last traded price as established on either their principal trading exchange or by a recognized dealer in such securities, whereby the last traded price falls within that day's bid-ask spread and the credit rating of each counterparty (as rated by S&P Global Ratings, a division of S&P Global) meets or exceeds the minimum approved credit rating.

When any option is written by any Fund, the premium received by the Fund will be reflected as a liability that will be valued at an amount equal to the current fair value of the 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 liability shall be deducted in arriving at the net assets attributable to holders of redeemable units of the Fund. The securities that are the subject of a written option, if any, will be valued in the manner described above for listed securities.

Futures contracts, forward contracts, or swaps will be valued at fair value of the gain or loss, if any, that would be realized on the Valuation Date if the position in the futures contracts, forward contracts, or swaps were to be closed out.

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 collateral.

Other derivatives and margin are fair valued in a manner that the Manager determines to represent their fair value.

**e) Restricted Securities**

Restricted securities purchased by any Fund will be fair valued in a manner that the Manager determines to represent their fair value.

**f) Other Investments**

All other investments of the Funds will be fair valued in accordance with the laws of the Canadian securities regulatory authorities, where applicable.

The value of any security or other property of a Fund for which a market quotation is not readily available or where the market quotations do not properly reflect the fair value of such securities will be determined by the Manager by valuing the securities at their fair value. In such situations, fair value will be determined using the fair valuation technique that most accurately reflects the fair value as established by the Manager.

**4. Interest in Underlying Funds**

The Funds may invest in other investment funds (*Underlying Funds*). Each Underlying Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for its unitholders. Each Underlying Fund finances its operations primarily through the issuance of redeemable units, which are puttable at the unitholder's option and entitle the unitholder to a proportionate share of the underlying fund's net assets. The Fund's interests in Underlying Funds held in the form of redeemable units, are reported in its Schedule of Investments at fair value, which represents the Funds' maximum exposure on those investments. The Funds' interests in underlying funds as at the prior year period ends are presented in the Financial Instruments Risks - Concentration Risk section in the Supplemental Schedule to Schedule of Investment Portfolio. Distributions earned from Underlying Funds are included in "Investment Income" in the Statements of Comprehensive Income. The total realized and change in unrealized gains (losses) arising from Underlying Funds are also included in the Statements of Comprehensive Income. The Funds do not provide any additional significant financial or other support to Underlying Funds.

Where applicable, the table "Interests in Underlying Funds" presented as part of the Supplemental Schedule to Schedule of Investment Portfolio, provides additional information on the Funds' investments in Underlying Funds where the ownership interest exceeds 20% of each Underlying Fund.

## Notes to Financial Statements

### 5. Redeemable Units Issued and Outstanding

Each Fund is permitted to have an unlimited number of classes of units and may issue an unlimited number of units of each class. The outstanding units represent the capital of a Fund. Each unit has no par value and the value of each unit is the net assets attributable to holders of redeemable units per unit next determined. Settlement of the cost for units issued is completed as per security regulations in place at the time of issue. Distributions made by a Fund and reinvested by unitholders in additional units also constitute issued redeemable units of a Fund.

Units are redeemed at the net assets attributable to holders of a redeemable unit per unit of a Fund. A right to redeem units of a Fund may be suspended with the approval of the Canadian securities regulatory authorities or when normal trading is suspended on a stock, options, or futures exchange within Canada or outside of Canada on which securities or derivatives that make up more than 50% of the value or underlying exposure of the total assets of a Fund, not including any liabilities of a Fund, are traded and when those securities or derivatives are not traded on any other exchange that represents a reasonably practical alternative for a Fund. The Fund is not subject to any externally imposed capital requirements.

The capital received by a Fund is utilized within the respective investment mandate of the Fund. This includes the ability to make liquidity available to satisfy unitholder unit redemption requirements upon the unitholder's request.

Changes in issued and outstanding units for the annual periods ended December 31, 2016 and 2015 can be found on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

### 6. Management Fees and Operating Expenses

Management fees are based on the net asset value of the Funds and are calculated daily. Management fees are paid to the Manager in consideration for providing, or arranging for the provision of, management, distribution, and portfolio advisory services. The maximum annual management fee expressed as a percentage of the average net asset value that can be charged by a Fund is reported in footnote *Maximum Chargeable Annual Management Fee Rates* on the Statements of Comprehensive Income.

In addition to the management fees, the Funds are responsible for all expenses relating to the operation and conduct of the business of the Funds, which may include interest, operating, and administrative costs (other than advertising and promotional expenses, which are the responsibility of the Manager), brokerage fees, commissions, spreads, regulatory fees, Independent Review Committee fees, taxes, audit and legal fees and expenses, safekeeping and custodial fees, investor servicing costs, and costs of unitholder reports, prospectuses, and other reports. All such operating expenses are paid by the Manager and recovered from the Funds. The Funds do not pay a fee to the Trustee.

The Manager may recover less than the actual operating expenses paid by the Manager, resulting in the Manager absorbing expenses. The Manager may also charge to a Fund less than the maximum management fee in footnote *Maximum Chargeable Annual Management Fee Rates* on the Statements of Comprehensive Income, resulting in the Manager waiving management fees.

At its sole discretion, the Manager may stop absorbing operating expenses and/or waiving management fees at any time. Operating expenses absorbed and/or management fees waived by the Manager are disclosed on the Statements of Comprehensive Income.

In some cases, the Manager may charge management fees to a Fund that are less than the management fees the Manager is entitled to charge in respect of certain investors in a Fund. The difference in the amount of the management fees will be paid out by the Fund to the applicable investors as a distribution of additional units of the Fund (*Management Fee Distributions*). Management Fee Distributions are negotiable between the Manager and the investor and are dependent primarily on the size of the investor's investment in the Fund. Management Fee Distributions paid to qualified investors do not adversely impact the Fund or any of the Fund's other investors. The Manager may increase or decrease the amount of Management Fee Distributions to certain investors from time to time.

Where a Fund invests in units of an Underlying Fund, the Fund does not pay duplicate management fees on the portion of its assets that it invests in units of the Underlying Fund. In addition, the Fund will not pay duplicate sales fees or redemption fees with respect to the purchase or redemption by it of units of the Underlying Fund. Some of the Underlying Funds held by the Funds may offer Management Fee Distributions. Such Management Fee Distributions of an Underlying Fund will be paid out as required for taxable distribution payments by a Fund. The manager of an Underlying Fund may, in some cases, waive a portion of an Underlying Fund's management fee and/or absorb a portion of an Underlying Fund's operating expenses.

### 7. Income Taxes and Withholding Taxes

The Funds qualify as mutual fund trusts under the *Income Tax Act* (Canada). No income tax is payable by the Funds on net income and/or net realized capital gains that are distributed to unitholders. In addition, income taxes payable on undistributed net realized capital gains are refundable on a formula basis when units of the Funds are redeemed. Sufficient net income and realized capital gains of the Funds have been, or will be, distributed to the unitholders such that no tax is payable by the Funds and, accordingly, no provision for income taxes has been made in the financial statements. Occasionally, a Fund may pay distributions in excess of the net income and net realized capital gains of the Fund. This excess distribution is called a return of capital and is non-taxable to the unitholder. However, a return of capital reduces the average cost of the unitholder's units for tax purposes, which may result in a capital gain to the unitholder to the extent the average cost becomes less than zero.

Non-capital losses that arose in 2006 and thereafter are available to be carried forward for 20 years.

Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years. Where applicable, a Fund's net capital and non-capital losses are reported in footnote *Net Capital and Non-Capital Losses* on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

The Funds have a taxation year-end of December 15 (except Imperial Money Market Pool, which has a taxation year-end of December 31).

The Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

### 8. Brokerage Commissions and Fees

The total commissions paid by the Funds to brokers in connection with portfolio transactions are reported in footnote *Brokerage Commissions and Fees* on the Statements of Comprehensive Income of each Fund. In allocating brokerage business to a dealer, consideration may be given by the portfolio sub-advisors of the Funds for the provision of goods and services by the dealer or a third party, other than order execution (referred to in the industry as "soft dollar" arrangements). These goods and services are paid for with a portion of brokerage commissions and assist the portfolio sub-advisors with their investment decision-making services to the Funds or relate directly to executing portfolio transactions on behalf of the Funds. The total soft dollar payments paid by the Funds to brokers are reported in footnote *Brokerage Commissions and Fees* on the Statements of Comprehensive Income of each Fund. In addition, the Manager may enter into commission recapture arrangements with certain dealers with respect to the Fund. Any commission recaptured will be paid to the applicable Fund.

Fixed income and certain other securities are transacted in an OTC market, where participants are dealing as principals. Such securities are generally traded on a net basis and do not normally involve brokerage commissions, but will typically include a "spread" (being the difference between the bid and the offer prices on the security of the applicable marketplace).

Spreads associated with fixed income securities trading and certain other securities are not ascertainable and, for that reason, are not included in the dollar amounts. In addition, the soft dollar amounts only include the value of research and other services supplied by a third party to CIBC Asset Management Inc. (*CAMI* or the *Portfolio Advisor*) and any portfolio sub-advisors, as the value of the services supplied to the Portfolio Advisor and any portfolio sub-advisors by the dealer is not ascertainable. When these services benefit more than one Fund, the costs are allocated among the Funds based on transaction activity or some other fair basis as determined by the Portfolio Advisor and any portfolio sub-advisors.

### 9. Related Party Transactions

CIBC and its affiliates have the following roles and responsibilities with respect to the Funds and receive the fees described below in connection with their roles and responsibilities. The Funds may hold securities of CIBC. CIBC and its affiliates may also be involved in underwriting or lending to issuers of securities that may be held by the Funds, have purchased or sold securities from or to the Funds while acting as principal, have purchased or sold securities from or to the Funds on behalf of another investment fund managed by CIBC or an affiliate, and also may have been involved as a counterparty to derivative transactions. Management fees payable and other accrued expenses on the Statements of Financial Position are amounts generally payable to a related party of the Fund.

*Manager, Trustee, Portfolio Advisor, and certain Portfolio Sub-Advisors of the Funds*

CIBC is the Manager, CIBC Trust Corporation is the Trustee, and CAMI is the Portfolio Advisor of each of the Funds. American Century Investment Management, Inc. (*ACI*) is a portfolio sub-advisor to certain Funds. Although not an affiliate, CIBC had previously owned a 41% equity interest in ACI. On December 21, 2015, CIBC announced that it entered into a definitive agreement to sell its minority position in ACI. The sale was completed on May 19, 2016.

The Manager also arranges for fund administrative services (other than advertising and promotional, which are the responsibility of the Manager), legal, investor servicing, and costs of unitholder reports, prospectuses, and other reports. The Manager is the registrar and transfer agent for the Funds and provides, or arranges for the provision of, all other administrative services required by the Funds. The dollar amount



(including all applicable taxes) of all fund administrative expenses (net of absorptions) that the Manager recovers from a Fund is reported in footnote *Administrative and Other Fund Operating Expenses* on the Statements of Comprehensive Income.

### *Brokerage Arrangements and Soft Dollars*

The Portfolio Advisor generally delegates trading and execution authority to the portfolio sub-advisors. Where applicable, disclosure of the amounts of soft dollars can be found in the *Brokerage Commission and Fees* schedule on the Statements of Comprehensive Income for each Fund.

The Portfolio Advisor and portfolio sub-advisors make decisions, including the selection of markets and dealers and the negotiation of commissions, with respect to the purchase and sale of portfolio securities, certain derivative products and the execution of portfolio transactions. Brokerage business may be allocated by the Portfolio Advisor and portfolio sub-advisors to CIBC World Markets Inc. and/or CIBC World Markets Corp., each a subsidiary of CIBC. The total commissions paid to related brokers in connection with portfolio transactions are reported in footnote *Brokerage Commissions and Fees* on the Statements of Comprehensive Income of each Fund.

CIBC World Markets Inc. and CIBC World Markets Corp. may also earn spreads on the sale of fixed income and other securities, and certain derivative products to the Funds. Dealers, including CIBC World Markets Inc. and CIBC World Markets Corp., may furnish goods and services, other than order execution, to the Portfolio Advisor and portfolio sub-advisors that process trades through them (referred to in the industry as “soft dollar” arrangements). These goods and services are paid for with a portion of brokerage commissions and assist the Portfolio Advisor and portfolio sub-advisors with their investment decision-making services to the Fund or relate directly to executing portfolio transactions on behalf of the Fund. As per terms of the portfolio sub-advisory agreements, such soft dollar arrangements are in compliance with applicable laws. Custodial fees directly related to portfolio transactions incurred by a Fund, otherwise payable by the Fund, shall be paid by CAMI, and/or dealer(s) directed by CAMI, up to the amount of the credits generated under soft dollar arrangements from trading on behalf of the Fund, or a portion of the Fund, during that month. The total soft dollar payments paid by the Fund to related brokers are reported in footnote *Brokerage Commissions and Fees* on the Statements of Comprehensive Income of each Fund. In addition, the Manager may enter into commission recapture arrangements with certain dealers with respect to the Funds. Any commission recaptured will be paid to the relevant Fund.

### *Custodian*

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

### *Service Provider*

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

The dollar amount paid by the Funds (including all applicable taxes) to CIBC Mellon Trust Company for custodial fees (net of absorptions) and to CIBC GSS for securities lending, fund accounting and reporting, and portfolio valuation (net of absorptions) for the annual periods ended December 31, 2016 and 2015 is reported in footnote *Service Provider* on the Statements of Comprehensive Income.

## **10. Hedging**

Certain foreign currency denominated positions have been hedged, or partially hedged, by forward foreign currency contracts as part of the investment strategies of certain Pools. These hedges are indicated by a hedging reference number on the Schedule of Investment Portfolio and a corresponding hedging reference number on the Schedule of Derivative Assets and Liabilities Forward Foreign Currency Contracts for those Pools.

## **11. Collateral on Specified Derivatives**

Short-term investments may be used as collateral for futures contracts outstanding with brokers.

# Independent Auditors' Report

To the Unitholders 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  
(collectively, the "Funds")

Imperial Canadian Equity Pool  
Imperial U.S. Equity Pool  
Imperial International Equity Pool  
Imperial Overseas Equity Pool  
Imperial Emerging Economies Pool  
Conservative Income Portfolio  
Balanced Income Portfolio  
Enhanced Income Portfolio

We have audited the accompanying financial statements of each of the Funds, which comprise the statements of financial position as at December 31, 2016 and 2015, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the periods then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as at December 31, 2016 and 2015, and their financial performance and their cash flows for the periods then ended in accordance with International Financial Reporting Standards.

Toronto, Canada  
March 20, 2017



Chartered Professional Accountants  
Licensed Public Accountants

**Imperial Pools  
Income Generation Portfolios**

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