



Interim Management Report of Fund Performance

for the period ended June 30, 2017

All figures are reported in Canadian dollars unless otherwise noted.

This interim management report of fund performance contains financial highlights but does not contain either the complete interim or annual financial statements of the investment fund. If you have not received a copy of the interim financial reports with this interim management report of fund performance, you can get a copy of the interim or annual financial statements at your request, and at no cost, by calling us toll-free at 1-888-357-8777, by writing to us at CIBC, 18 York Street, Suite 1300, Toronto, Ontario, M5J 2T8, or by visiting www.cibc.com/mutualfunds or the SEDAR website at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Results of Operations

The portfolio advisor of Balanced Income Portfolio (the *Portfolio*) is CIBC Asset Management Inc. (CAMI or the *Portfolio Advisor*). The commentary that follows provides a summary of the results of operations for the six-month period ended June 30, 2017. All dollar figures are expressed in thousands, unless otherwise indicated.

The Portfolio's net asset value increased by 99% during the period, from \$484,376 as at December 31, 2016 to \$963,427 as at June 30, 2017. Net sales of \$469,931 and positive investment performance resulted in an overall increase in net asset value.

Class T4 units of the Portfolio posted a return of 2.3% for the period. The Portfolio's primary benchmark, the FTSE TMX Canada Universe Bond Index (the *primary benchmark*), returned 2.4% for the same period. The Portfolio's blended benchmark (the *blended benchmark*) comprises 20.7% FTSE TMX Canada Universe Bond Index, 18% Barclays U.S. Aggregate Bond Index, 15.3% S&P/TSX Composite Dividend Index, 13.5% MSCI World Index, 10% FTSE TMX Canada 91 Day T-Bill Index, 9% FTSE TMX Canada Short Term Bond Index, 6.3% Barclays Global Aggregate Bond Index, 3.6% Dow Jones Brookfield Global Infrastructure Index, 2.9% FTSE EPRA/NAREIT Developed Real Estate Index (Net), 0.5% Bank of America Merrill Lynch Global High Yield Index and 0.2% Bank of America Merrill Lynch Global Broad Market Corporate Index. The blended benchmark returned 1.9% for the same period. The blended benchmark closely reflects the asset classes in which the Portfolio invests. It provides a more useful comparative to the Portfolio's performance. The Portfolio's return is after the deduction of fees and expenses, unlike the primary and blended benchmarks. See *Past Performance* for the returns of other classes of units offered by the Portfolio.

In Canadian fixed income markets, bond yields declined for most of the period as it appeared that U.S. economic growth would slow and that the U.S. administration would face significant obstacles in its attempts to implement policy changes. Canada's economy exceeded expectations, with strong growth in jobs, retail sales and both imports and exports.

The period ended with higher Canadian yields, however, as the Bank of Canada and other central banks indicated their plans to consider raising interest rates or begin to taper their bond purchase programs in the second half of 2017.

Global equities performed strongly during the period. The first months of 2017 witnessed a strong appetite for risk in response to positive economic data, but market sentiment later deteriorated.

The main backdrop to financial markets was a combination of growing doubts about the likelihood of a significant fiscal expansion in the U.S., a well-flagged tightening by the U.S. Federal Reserve Board (the *Fed*) and moderating global inflationary expectations.

The high-yield bond market performed well and posted positive returns on improved investor sentiment, primarily driven by continued improvement and stability in commodity prices, both for energy and raw materials, as well as on expectations for improved credit quality.

Commodity price movements had a strong effect on Canadian equities over the period. The volatility of oil prices increased before the meeting of the Organization of the Petroleum Exporting Countries. Oil prices dropped 14%, while gold and copper rose 8%.

In global fixed income markets, U.S. dollar weakness and the Fed's gradual monetary tightening supported emerging markets countries as well as their currencies.

During the period, the Portfolio's largest weightings were in Imperial Canadian Bond Pool, Renaissance Multi-Sector Fixed Income Private Pool, Imperial Canadian Dividend Income Pool and Imperial Global Equity Income Pool.

After strong growth in late 2016, global economic momentum has faded this year. Supported by accommodative monetary conditions, the global economy may resume its sluggish expansion and grow around potential. However, imbalances are arising in the form of excess leverage, overvalued real estate prices and excess capacity in commodity production.

Despite the slowdown and these rising challenges, equity markets have so far proven resilient, discounting an overly positive backdrop. Valuations in both high-yield credit and equities are getting less compelling, and further disappointment in data could prompt investors to question the growth path ahead.

Inflation pressure may be balanced between upside pressure from an economy at full potential and downside pressure from global deflationary forces. The Fed is expected to continue on its normalization path, albeit at a slow pace, and will most likely favour being behind the curve as opposed to pre-empt any inflation pressure from building. The European Central Bank sees an improving economic outlook with no inflation pressure, but there is a limit to how long tapering can be delayed. In China, the policy objective behind the recent credit tightening is not an economic slowdown but, rather, to engineer targeted deleveraging.

With an economy growing at potential yet slowing, a lack of strong inflation pressure and gradual policy normalization, bond yields may remain in a stable trading range. This dynamic also sets up for continued outperformance of select emerging markets bonds as macroeconomic fundamentals remain on a stable or improving path. Equities may still end up generating positive returns over the long term, but the rising possibility of economic challenges makes them less attractive on a risk/reward basis for now.

Recent Developments

Effective April 27, 2017, the composition of the Independent Review Committee (*IRC*) changed. Tim Kennish and William Thornhill resigned as members of the IRC and Susan Silma and Bryan Houston were appointed as members of the IRC.

During the period, the Portfolio's blended benchmark was changed from 20.7% FTSE TMX Canada Universe Bond Index, 18% Barclays U.S. Aggregate Bond Index, 15.3% S&P/TSX Composite Dividend Index, 13.5% MSCI World Index, 10% FTSE TMX Canada 91 Day T-Bill Index, 9% FTSE TMX Canada Short Term Bond Index, 7.2% Dow Jones Brookfield Global Infrastructure Index and 6.3% Barclays Global Aggregate Bond Index to a blended benchmark comprised of 20.7% FTSE TMX Canada Universe Bond Index, 18% Barclays U.S. Aggregate Bond Index, 15.3% S&P/TSX Composite Dividend Index, 13.5% MSCI World Index, 10% FTSE TMX Canada 91 Day T-Bill Index, 9% FTSE TMX Canada Short Term Bond Index, 6.3% Barclays Global Aggregate Bond Index, 3.6% Dow Jones Brookfield Global Infrastructure Index, 2.9% FTSE EPRA/NAREIT Developed Real Estate Index (Net), 0.5% Bank of America Merrill Lynch Global High Yield Index and 0.2% Bank of America Merrill Lynch Global Broad Market Corporate Index. The current blended benchmark better reflects the Portfolio's strategic asset mix.

Related Party Transactions

Canadian Imperial Bank of Commerce (*CIBC*) and its affiliates have the following roles and responsibilities with respect to the Portfolio, and receive the fees described below in connection with their roles and responsibilities.

Manager

CIBC is the Manager of the Portfolio. CIBC receives management fees with respect to the day-to-day business and operations of the Portfolio. The Portfolio pays the Manager a maximum annual management fee rate of 0.25% of the net asset value of the Portfolio, as described in the section entitled *Management Fees*.

Trustee

CIBC Trust Corporation (*CIBC Trust*), a wholly-owned subsidiary of CIBC, is the trustee (the *Trustee*) of the Portfolio. The Trustee holds title to the property (cash and securities) of the Portfolio on behalf of its unitholders.

Portfolio Advisor

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

Discretionary Managers

As at the date of this report, units of the Portfolio are offered through discretionary investment management services provided by certain subsidiaries of CIBC (collectively, the *Discretionary Managers*). The Discretionary Managers may include CIBC Trust and CAMI. The Discretionary Managers arrange to purchase, switch, and redeem units of the Portfolio on behalf of their clients who have entered into discretionary investment management agreements with one of the Discretionary Managers. The Discretionary Managers are the registered unitholders of the Portfolios for the purposes of receiving all unitholder materials and having the right to vote all proxies with respect to units of the Portfolio. Units of the Portfolio are also offered to investors in connection with certain products offered by affiliated dealers pursuant to the terms of the account agreements governing such products. There are no compensation arrangements with these dealers in respect of the sale of units of the Portfolio. However, CIBC Trust receives fees from its clients for offering discretionary management services and, from these fees, CIBC Trust may pay affiliated dealers and other CIBC members for services provided in connection with the client's discretionary investment managed account, which may hold units of the Portfolio.

CIBC receives fees from CIBC Trust for the services of CIBC advisors that assist investors with opening discretionary investment management accounts where CIBC Trust acts as the Discretionary Manager and for acting as the investors' ongoing relationship manager. CIBC is responsible for the remuneration of the CIBC advisors and may pay the CIBC advisors out of such fees. Further details of the arrangement between CIBC and CIBC Trust may be found in the discretionary investment management agreement between CIBC Trust and investors. CAMI receives fees from their clients for offering discretionary investment managed accounts, which may hold units of the Portfolio, and may pay a portion of such fees to their investment counsellors.

Brokerage Arrangements and Soft Dollars

The Portfolio Advisor and any portfolio sub-advisors make decisions, including the selection of markets and dealers and the negotiation of commissions, with respect to the purchase and sale of portfolio securities, certain derivative products and the execution of portfolio transactions. Brokerage business may be allocated by the Portfolio Advisor and any portfolio sub-advisors to CIBC World Markets Inc. (CIBC WM) and CIBC World Markets Corp., each a subsidiary of CIBC. CIBC WM and CIBC World Markets Corp. may also earn spreads on the sale of fixed income and other securities and certain derivative products to the Portfolio. A spread is the difference between the bid and ask prices for a security in the applicable marketplace, with respect to the execution of portfolio transactions. The spread will differ based upon various factors such as the nature and liquidity of the security.

Dealers, including CIBC WM and CIBC World Markets Corp., may furnish goods and services, other than order execution, to the Portfolio Advisor and any portfolio sub-advisors in partial exchange for processing trades through them (referred to in the industry as “soft dollar” arrangements). These goods and services are paid for with a portion of the brokerage commissions and assist the Portfolio Advisor and any portfolio sub-advisors with investment decision-making services for the Portfolio or relate directly to the execution of portfolio transactions on behalf of the Portfolio. As per the terms of the portfolio sub-advisory agreement, such soft dollar arrangements are in compliance with applicable laws.

In addition, the Manager may enter into commission recapture arrangements with certain dealers with respect to the Portfolio. Any commission recaptured will be paid to the Portfolio.

During the period, the Portfolio did not pay any brokerage commissions or other fees to CIBC WM or CIBC World Markets Corp. Spreads associated with fixed income and other securities are not ascertainable and, for that reason, cannot be included when determining these amounts.

Portfolio Transactions

The Portfolio may enter into one or more of the following transactions (the *Related Party Transactions*) in reliance on the standing instructions issued by the IRC:

- invest in or hold equity securities of CIBC or issuers related to a portfolio sub-advisor;
- invest in or hold non-exchange-traded debt securities of CIBC or an issuer related to CIBC in a primary offering and in the secondary market;
- invest in or hold debt securities of CIBC or issuers related to a portfolio sub-advisor purchased in the secondary market;
- make an investment in the securities of an issuer for which CIBC WM, CIBC World Markets Corp., or any affiliate of CIBC (a *Related Dealer*) acts as an underwriter during the offering of such securities at any time during the 60-day period following the completion of the offering of the securities (in the case of a “private placement”

offering, in accordance with the exemptive relief order granted by the Canadian securities regulatory authorities and in accordance with the policies and procedures relating to such investment);

- purchase equity or debt securities from or sell them to a Related Dealer, where it is acting as principal;
- undertake currency and currency derivative transactions where a Related Dealer is the counterparty; and
- purchase securities from or sell securities to another investment fund or a managed account managed by the Manager or an affiliate of the Manager.

At least annually, the IRC reviews the Related Party Transactions for which they have issued standing instructions. The IRC is required to advise the Canadian securities regulatory authorities, after a matter has been referred or reported to the IRC by the Manager, if it determines that an investment decision was not made in accordance with conditions of its approval.

Custodian

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

Service Provider

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

Balanced Income Portfolio

Financial Highlights

The following tables show selected key financial information about the Portfolio and are intended to help you understand the Portfolio's financial performance for the period ended June 30, 2017 and December 31 of any other period(s) shown.

The Portfolio's Net Assets per Unit¹ - Class T4 Units

	2017	2016	2015 ^a
Net Assets, beginning of period	\$ 10.18	\$ 10.00	\$ 10.00 ^b
Increase (decrease) from operations:			
Total revenue	\$ 0.24	\$ 0.32	\$ —
Total expenses	—	—	—
Realized gains (losses) for the period	—	(0.01)	—
Unrealized gains (losses) for the period	(0.08)	0.01	—
Total increase (decrease) from operations²	\$ 0.16	\$ 0.32	\$ —
Distributions:			
From income (excluding dividends)	\$ 0.20	\$ 0.12	\$ —
From dividends	—	—	—
From capital gains	—	0.05	—
Return of capital	—	0.06	—
Total Distributions³	\$ 0.20	\$ 0.23	\$ —
Net Assets, end of period	\$ 10.21	\$ 10.18	\$ 10.00

^a Information presented is for the period from December 15, 2015 to December 31, 2015.

^b Initial offering price.

¹ This information is derived from the Portfolio's audited annual and unaudited interim financial statements.

² Net assets and distributions are based on the actual number of units outstanding at the relevant time. The total increase (decrease) from operations is based on the weighted average number of units outstanding during the period.

³ Distributions were paid in cash, reinvested in additional units of the Portfolio, or both.

Ratios and Supplemental Data - Class T4 Units

	2017	2016	2015 ^a
Total Net Asset Value (000s)⁴	\$ 601,477	\$ 293,153	\$ 150
Number of Units Outstanding⁴	58,914,419	28,800,683	15,000
Management Expense Ratio⁵	0.20% *	0.20%	0.00% *
Management Expense Ratio before waivers or absorptions⁶	1.16% *	1.17%	0.00% *
Trading Expense Ratio⁷	0.08% *	0.07%	0.00% *
Portfolio Turnover Rate⁸	3.88%	6.49%	0.00%
Net Asset Value per Unit	\$ 10.21	\$ 10.18	\$ 10.00

^a Information presented is for the period from December 15, 2015 to December 31, 2015.

* Ratio has been annualized.

⁴ This information is presented as at June 30, 2017 and December 31 of the period(s) shown.

⁵ Management expense ratio is based on the total expenses of the pool (excluding commissions and other portfolio transaction costs), incurred by or allocated to a class of units for the period shown, expressed as an annualized percentage of the daily average net asset value of that class during the period.

⁶ The decision to waive and/or absorb management fees and operating expenses is at the discretion of the Manager. The practice of waiving and/or absorbing management fees and operating expenses may continue indefinitely or may be terminated at any time without notice to unitholders.

⁷ The trading expense ratio represents total commissions and other portfolio transaction costs before income taxes expressed as an annualized percentage of the daily average net asset value during the period. Spreads associated with fixed income securities trading are not ascertainable and, for that reason, are not included in the trading expense ratio calculation. The trading expense ratio includes the fees attributable to exchange traded funds.

⁸ The portfolio turnover rate indicates how actively the portfolio advisor and/or portfolio sub-advisor manages the portfolio investments. A portfolio turnover rate of 100% is equivalent to a fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a portfolio turnover rate in a period, the greater the trading costs payable by a fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Balanced Income Portfolio

The Portfolio's Net Assets per Unit¹ - Class T5 Units

	2017	2016 ^a
Net Assets, beginning of period	\$ 10.13	\$ 10.01 ^b
Increase (decrease) from operations:		
Total revenue	\$ 0.24	\$ 0.32
Total expenses	—	—
Realized gains (losses) for the period	—	(0.01)
Unrealized gains (losses) for the period	(0.06)	—
Total increase (decrease) from operations²	\$ 0.18	\$ 0.31
Distributions:		
From income (excluding dividends)	\$ 0.25	\$ 0.12
From dividends	—	—
From capital gains	—	0.08
Return of capital	—	0.09
Total Distributions³	\$ 0.25	\$ 0.29
Net Assets, end of period	\$ 10.11	\$ 10.13

^a Information presented is for the period from June 1, 2016 to December 31, 2016.

^b Initial offering price.

¹ This information is derived from the Portfolio's audited annual and unaudited interim financial statements.

² Net assets and distributions are based on the actual number of units outstanding at the relevant time. The total increase (decrease) from operations is based on the weighted average number of units outstanding during the period.

³ Distributions were paid in cash, reinvested in additional units of the Portfolio, or both.

Ratios and Supplemental Data - Class T5 Units

	2017	2016 ^a
Total Net Asset Value (000s)⁴	\$ 361,950	\$ 191,223
Number of Units Outstanding⁴	35,797,948	18,878,048
Management Expense Ratio⁵	0.20%*	0.20%*
Management Expense Ratio before waivers or absorptions⁶	1.16%*	1.15%*
Trading Expense Ratio⁷	0.08%*	0.07%
Portfolio Turnover Rate⁸	3.88%	6.49%
Net Asset Value per Unit	\$ 10.11	\$ 10.13

^a Information presented is for the period from June 1, 2016 to December 31, 2016.

* Ratio has been annualized.

⁴ This information is presented as at June 30, 2017 and December 31 of the period(s) shown.

⁵ Management expense ratio is based on the total expenses of the pool (excluding commissions and other portfolio transaction costs), incurred by or allocated to a class of units for the period shown, expressed as an annualized percentage of the daily average net asset value of that class during the period.

⁶ The decision to waive and/or absorb management fees and operating expenses is at the discretion of the Manager. The practice of waiving and/or absorbing management fees and operating expenses may continue indefinitely or may be terminated at any time without notice to unitholders.

⁷ The trading expense ratio represents total commissions and other portfolio transaction costs before income taxes expressed as an annualized percentage of the daily average net asset value during the period. Spreads associated with fixed income securities trading are not ascertainable and, for that reason, are not included in the trading expense ratio calculation. The trading expense ratio includes the fees attributable to exchange traded funds.

⁸ The portfolio turnover rate indicates how actively the portfolio advisor and/or portfolio sub-advisor manages the portfolio investments. A portfolio turnover rate of 100% is equivalent to a fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a portfolio turnover rate in a period, the greater the trading costs payable by a fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Management Fees

The Portfolio, either directly or indirectly, pays an annual management fee to CIBC to cover the costs of managing the Portfolio. Management fees are based on the net asset value of the Portfolio and are calculated daily and paid monthly. Management fees are paid to CIBC in consideration for providing, or arranging for the provision of, management, distribution, and portfolio advisory services. Advertising and promotional expenses, office overhead expenses, trailing commissions, and the fees of the portfolio sub-advisor(s) are paid by CIBC out of the management fees received from the Portfolio. The Portfolio is required to pay applicable taxes on the management fees paid to CIBC. Refer to the Simplified Prospectus for the maximum annual management fee rate.

For the period ended June 30, 2017, 100% of the management fees collected from the Portfolio was attributable to general administration, investment advice, and profit.

Past Performance

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

The Portfolio's returns are after the deduction of fees and expenses. See the section entitled *Financial Highlights* for the management expense ratio.

Year-by-Year Returns

The bar chart shows the annual performance of the Portfolio for each of the periods shown, and illustrates how the performance has changed from period to period. The bar chart shows, in percentage terms, how an investment made on January 1 would have increased or decreased by December 31, unless otherwise indicated.

Class T4 Units



^a 2016 return is for the period from June 2, 2016 to December 31, 2016.

^b 2017 return is for the period from January 1, 2017 to June 30, 2017.

Class T5 Units



^a 2016 return is for the period from June 1, 2016 to December 31, 2016.

^b 2017 return is for the period from January 1, 2017 to June 30, 2017.

Balanced Income Portfolio

Summary of Investment Portfolio (as at June 30, 2017)

This Portfolio invests in units of its Underlying Funds. You can find the prospectus and additional information about the Underlying Funds by visiting www.sedar.com.

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available by visiting www.cibc.com/mutualfunds. The Top Positions table shows a fund's 25 largest positions. For funds with fewer than 25 positions in total, all positions are shown.

<i>Portfolio Breakdown</i>	<i>% of Net Asset Value</i>
Canadian Bond Mutual Funds	29.7
International Equity Mutual Funds	20.6
U.S. Bond Mutual Funds	18.0
Canadian Equity Mutual Funds	15.3
International Bond Mutual Funds	6.3
Short-term investments	6.0
Bonds	2.6
Margin	0.7
Equities	0.6
Cash	0.3
Derivative assets	0.2
Other Assets, Less Liabilities	-0.1
Derivative liabilities	-0.2

<i>Top Positions</i>	<i>% of Net Asset Value</i>
Imperial Canadian Bond Pool, Class 'A'	20.7
Renaissance Multi-Sector Fixed Income Private Pool, Class 'S'	18.0
Imperial Canadian Dividend Income Pool, Class 'A'	15.3
Imperial Global Equity Income Pool, Class 'A'	13.4
Imperial Short-Term Bond Pool, Class 'A'	9.0
Renaissance Real Assets Private Pool, Class 'S'	7.2
Imperial International Bond Pool, Class 'A'	6.3
Short-term investments	6.0
Bonds	2.6
Margin	0.7
Equities	0.6
Cash	0.3
Derivative assets	0.2
Other Assets, Less Liabilities	-0.1
Derivative liabilities	-0.2

The management report of fund performance may contain forward-looking statements. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or other similar wording. In addition, any statements that may be made concerning future performance, strategies, or prospects and possible future actions taken by the fund, are also forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results and achievements of the fund to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to: general economic, market, and business conditions; fluctuations in securities prices, interest rates, and foreign currency exchange rates; changes in government regulations; and catastrophic events. We do not undertake, and specifically disclaim, any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments, or otherwise prior to the release of the next management report of fund performance.

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