



# CIBC Dividend Income Fund

## 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)	\$ 474,787	\$ 472,208
Cash including foreign currency holdings, at fair value	505	765
Cash collateral received for securities on loan (note 2j)	10,780	30,295
Interest receivable	774	760
Dividends receivable	1,257	1,277
Receivable for portfolio securities sold	—	210
Receivable for units issued	65	394
Derivative assets	19	7
<b>Total Assets</b>	<b>488,187</b>	<b>505,916</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Obligation to repay cash collateral under securities lending (note 2j)	10,780	30,295
Payable for units redeemed	62	520
Derivative liabilities	137	203
<b>Total Liabilities</b>	<b>10,979</b>	<b>31,018</b>
<b>Net Assets Attributable to Holders of Redeemable Units</b> (note 5)	<b>\$ 477,208</b>	<b>\$ 474,898</b>
<b>Net Assets Attributable to Holders of Redeemable Units per Class</b>		
Class A	\$ 167,557	\$ 173,082
Class O	\$ 309,651	\$ 301,816
<b>Net Assets Attributable to Holders of Redeemable Units per Unit</b> (note 5)		
Class A	\$ 10.00	\$ 9.14
Class O	\$ 12.87	\$ 11.40

### † Securities Lending

The tables that follow indicate the Fund 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	29,515	30,711
December 31, 2015	94,142	98,249

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

	i	ii	iii	iv
December 31, 2016	10,780	19,931	—	—
December 31, 2015	30,295	67,798	—	156

\* See note 2j for Collateral Type definitions.

### Organization of the Fund (note 1)

The Fund was established on May 9, 2005 (*Date Established*).

	Inception Date
Class A	June 20, 2005
Class O	June 1, 2010

# CIBC Dividend Income Fund

## 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	\$ 4,242	\$ 4,516
Dividend revenue	12,338	13,136
Derivative income (loss)	129	(1,613)
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments and derivatives	8,984	(15,611)
Net realized gain (loss) on foreign currency (notes 2f and g)	(1)	99
Net change in unrealized appreciation (depreciation) of investments and derivatives	50,240	(32,630)
<b>Net Gain (loss) on Financial Instruments ±</b>	<b>75,932</b>	<b>(32,103)</b>
<b>Other Income</b>		
Foreign exchange gain (loss) on cash	(7)	179
Securities lending revenue ±±	66	57
	59	236
<b>Expenses</b> (note 6)		
Management fees ±±±	3,189	3,766
Audit fees	14	11
Custodial fees	23	24
Independent review committee fees	1	—
Legal fees	2	3
Regulatory fees	13	17
Transaction costs ±±±±	70	54
Unitholder reporting costs	203	224
Withholding taxes (note 7)	7	3
Other expenses	1	4
	3,523	4,106
Expenses waived/absorbed by the Manager	(23)	(7)
	3,500	4,099
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units (excluding distributions)</b>	<b>72,491</b>	<b>(35,966)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Class (excluding distributions)</b>		
Class A	\$ 23,603	\$ (16,072)
Class O	\$ 48,888	\$ (19,894)
<b>Average Number of Units Outstanding for the period per Class</b>		
Class A	17,814	19,877
Class O	25,174	26,155
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit (excluding distributions)</b>		
Class A	\$ 1.33	\$ (0.81)
Class O	\$ 1.95	\$ (0.76)

## ± 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	\$ 212	\$ (1,582)
Designated at Inception	75,720	(30,521)
<b>Total financial assets at FVTPL</b>	<b>\$ 75,932</b>	<b>\$ (32,103)</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	\$ 178	100.0	\$ 247	100.0
Interest paid on collateral	81	45.5	163	66.0
Withholding taxes	3	1.7	3	1.2
Agent fees - Bank of New York Mellon Corp. (The)	28	15.7	24	9.7
<b>Securities lending revenue</b>	<b>\$ 66</b>	<b>37.1</b>	<b>\$ 57</b>	<b>23.1</b>

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

Class A	1.70%
Class O	0.00%

## ±±±± Brokerage Commissions and Fees (notes 8 and 9)

	2016	2015
<b>Brokerage commissions and other fees</b> (\$000s)		
Total Paid	70	54
Paid to CIBC World Markets Inc.	—	2
Paid to CIBC World Markets Corp.	—	—
<b>Soft dollars</b> (\$000s)		
Total Paid	43	32
Paid to CIBC World Markets Inc. and CIBC World Markets Corp.	—	1

## Administrative and Other Fund Operating Expenses (note 9)

	2016	2015
(\$000s)	177	204

## Service Provider (note 9)

The amounts paid by the Fund (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)	50	48

## 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)

	<b>Class A Units</b>		<b>Class O Units</b>	
	<b>December 31, 2016</b>	December 31, 2015	<b>December 31, 2016</b>	December 31, 2015
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units (excluding distributions)</b>	<b>\$ 23,603</b>	<b>\$ (16,072)</b>	<b>\$ 48,888</b>	<b>\$ (19,894)</b>
<b>Distributions Paid or Payable to Holders of Redeemable Units ‡</b>				
From net investment income	(2,623)	(1,902)	(10,804)	(9,517)
Return of capital	(5,872)	(7,598)	(1,193)	(3,036)
	<b>(8,495)</b>	<b>(9,500)</b>	<b>(11,997)</b>	<b>(12,553)</b>
<b>Redeemable Unit Transactions</b>				
Amount received from the issuance of units	12,566	21,767	8,982	15,952
Amount received from reinvestment of distributions	7,749	8,666	11,997	12,553
Amount paid on redemptions of units	(40,948)	(45,108)	(50,035)	(18,482)
	<b>(20,633)</b>	<b>(14,675)</b>	<b>(29,056)</b>	<b>10,023</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<b>(5,525)</b>	<b>(40,247)</b>	<b>7,835</b>	<b>(22,424)</b>
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>	<b>173,082</b>	<b>213,329</b>	<b>301,816</b>	<b>324,240</b>
<b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>	<b>\$ 167,557</b>	<b>\$ 173,082</b>	<b>\$ 309,651</b>	<b>\$ 301,816</b>

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

As at December 31, 2016 and 2015

Balance - beginning of period	18,938	20,427	26,471	25,624
Redeemable units issued	1,324	2,126	806	1,335
Redeemable units issued on reinvestments	812	869	992	1,024
	<b>21,074</b>	<b>23,422</b>	<b>28,269</b>	<b>27,983</b>
Redeemable units redeemed	(4,321)	(4,484)	(4,205)	(1,512)
Balance - end of period	<b>16,753</b>	<b>18,938</b>	<b>24,064</b>	<b>26,471</b>

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

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

<b>Total Net Capital Losses</b>	<b>Total Non-Capital Losses that Expire in: 2026 to 2036</b>
9,253	—

**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)	\$ 72,491	\$ (35,966)
Adjustments for:		
Foreign exchange loss (gain) on cash	7	(179)
Net realized (gain) loss on sale of investments and derivatives	(8,984)	15,611
Net change in unrealized (appreciation) depreciation of investments and derivatives	(50,240)	32,630
Purchase of investments	(321,852)	(231,616)
Proceeds from the sale of investments	378,629	244,861
Interest receivable	(14)	74
Dividends receivable	20	(69)
	<b>70,057</b>	<b>25,346</b>
<b>Cash Flows from Financing Activities</b>		
Amount received from the issuance of units	21,877	37,615
Amount paid on redemptions of units	(91,441)	(63,333)
Distributions paid to unitholders	(746)	(834)
	<b>(70,310)</b>	<b>(26,552)</b>
<b>Increase (Decrease) in Cash during the Period</b>	<b>(253)</b>	<b>(1,206)</b>
<b>Foreign exchange loss (gain) on cash</b>	<b>(7)</b>	<b>179</b>
<b>Cash (Bank Overdraft) at Beginning of Period</b>	<b>765</b>	<b>1,792</b>
<b>Cash (Bank Overdraft) at End of Period</b>	<b>\$ 505</b>	<b>\$ 765</b>
Interest received	\$ 4,228	\$ 4,590
Dividends received, net of withholding taxes	\$ 12,351	\$ 13,064

*CIBC Dividend Income Fund*

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

<i>Security</i>	<i>Number of Shares</i>	<i>Average Cost (\$000s)</i>	<i>Fair Value (\$000s)</i>	<i>% of Net Assets</i>
<b>CANADIAN EQUITIES</b>				
<b>Consumer Discretionary</b>				
Canadian Tire Corp. Ltd., Class 'A'	23,850	1,512	3,321	
Cineplex Inc.	7,160	144	367	
Gildan Activewear Inc.	78,357	2,658	2,671	
Magna International Inc.	124,320	2,447	7,248	
Restaurant Brands International Inc.	36,818	1,607	2,354	
Thomson Reuters Corp., Preferred, Series 'II', Floating Rate	5,100	116	63	
		8,484	16,024	3.4%
<b>Consumer Staples</b>				
Alimentation Couche-Tard Inc., Class 'B'	136,730	2,699	8,324	
Jean Coutu Group (PJC) Inc. (The), Class 'A'	138,360	1,642	2,894	
North West Co. Inc. (The)	104,435	1,751	2,874	
Saputo Inc.	79,110	1,424	3,759	
		7,516	17,851	3.7%
<b>Energy</b>				
AltaGas Ltd.	185,830	6,129	6,300	
AltaGas Ltd., Preferred, Series 'A', Variable Rate, Convertible, Callable	2,800	72	50	
AltaGas Ltd., Preferred, Series 'E', Variable Rate, Perpetual	15,000	375	354	
AltaGas Ltd., Preferred, Series 'G', Variable Rate, Perpetual	10,000	250	221	
AltaGas Ltd., Preferred, Series 'I', Variable Rate, Perpetual	8,650	217	223	
ARC Resources Ltd.	217,105	5,008	5,017	
Canadian Natural Resources Ltd.	217,460	7,544	9,305	
Crescent Point Energy Corp.	177,890	6,654	3,247	
Enbridge Inc.	242,315	8,014	13,691	
Enbridge Inc., 4.00%, Preferred, Series 'H', Perpetual	3,200	82	52	
Enbridge Inc., Preferred, Series '11', Variable Rate, Perpetual	9,600	240	181	
Enbridge Inc., Preferred, Series '3', Variable Rate, Perpetual	18,640	466	322	
Enbridge Inc., Preferred, Series '7', Variable Rate, Perpetual	13,750	344	257	
Enbridge Inc., Preferred, Series '9', Variable Rate, Perpetual	10,000	250	188	
Enbridge Inc., Preferred, Series 'B', Variable Rate, Perpetual	3,300	84	57	
Enbridge Inc., Preferred, Series 'D', Variable Rate, Perpetual	4,800	122	82	
Enbridge Inc., Preferred, Series 'F', Variable Rate, Perpetual	1,800	46	32	
Keyera Corp.	165,978	4,256	6,715	
Pembina Pipeline Corp.	230,527	6,769	9,673	
PrairieSky Royalty Ltd.	70,941	2,216	2,266	
Suncor Energy Inc.	299,049	12,180	13,128	
TransCanada Corp.	184,560	7,888	11,173	
TransCanada Corp., Preferred, Series '13', Variable Rate, Perpetual	17,000	429	453	
TransCanada Corp., Preferred, Series '3', Variable Rate, Convertible, Callable	2,200	55	29	
TransCanada Corp., Preferred, Series '5', Variable Rate, Convertible, Perpetual	1,000	26	14	
TransCanada Corp., Preferred, Series '9', Variable Rate, Perpetual	21,500	527	425	
Vermilion Energy Inc.	97,285	4,075	5,496	
		74,318	88,951	18.6%
<b>Financials</b>				
Bank of Montreal	156,641	8,678	15,127	
Bank of Montreal, 4.00%, Preferred, Class 'B', Series '27', Callable	6,001	150	121	
Bank of Montreal, Preferred, Class 'B', Series '29', Variable Rate, Perpetual	15,000	375	292	
Bank of Montreal, Preferred, Class 'B', Series '33', Variable Rate, Perpetual	3,100	77	69	
Bank of Montreal, Preferred, Series '31', Variable Rate, Perpetual	10,000	250	195	
Bank of Nova Scotia	267,164	13,782	19,973	
Bank of Nova Scotia, 5.25%, Preferred, Series '16', Perpetual	6,500	173	163	
Bank of Nova Scotia, 5.60%, Preferred, Series '17', Callable	1,500	40	38	
Bank of Nova Scotia, Preferred, Series '32', Variable Rate, Convertible, Callable	2,900	73	61	
Bank of Nova Scotia, Preferred, Series '34', Variable Rate, Perpetual	18,900	480	510	
Bank of Nova Scotia, Preferred, Series '36', Variable Rate, Perpetual	22,320	569	600	
Brookfield Asset Management Inc., Class 'A'	7,735	354	343	
Canadian Imperial Bank of Commerce	147,260	10,866	16,134	
Element Fleet Management Corp.	216,514	2,923	2,698	
Great-West Lifeco Inc., 4.50%, Preferred, Series 'I', Callable	4,410	98	95	
Great-West Lifeco Inc., 5.40%, Preferred, Series 'P', Callable	8,360	214	208	
Great-West Lifeco Inc., 5.65%, Preferred, Series 'L', Perpetual	2,800	71	72	
Great-West Lifeco Inc., 5.90%, Preferred, Series 'F', Perpetual	600	15	15	
Intact Financial Corp.	68,230	3,328	6,557	
Manulife Financial Corp.	490,717	9,282	11,733	
Manulife Financial Corp., 4.50%, Preferred, Series '3', Callable	3,000	73	65	
Manulife Financial Corp., Preferred, Class '1', Series '15', Variable Rate, Perpetual	30,849	749	608	
Manulife Financial Corp., Preferred, Class '1', Series '19', Variable Rate, Perpetual	5,761	144	116	

*CIBC Dividend Income Fund*

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

Security	Number of Shares	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
Manulife Financial Corp., Preferred, Class '1', Series '7', Variable Rate, Perpetual	2,275	59	54	
Manulife Financial Corp., Preferred, Series '21', Variable Rate, Perpetual	5,000	125	135	
National Bank of Canada	62,630	1,931	3,415	
National Bank of Canada, Preferred, Series '28', Variable Rate, Perpetual	8,400	212	207	
National Bank of Canada, Preferred, Series '30', Variable Rate, Callable	7,700	192	151	
National Bank of Canada, Preferred, Series '34', Variable Rate, Perpetual	7,500	187	198	
National Bank of Canada, Preferred, Series '36', Variable Rate, Perpetual	6,207	155	163	
Power Financial Corp., 4.95%, Preferred, Series 'K', Callable	5,300	123	123	
Power Financial Corp., 5.25%, Preferred, Series 'E', Perpetual	400	10	10	
Power Financial Corp., 5.50%, Preferred, Series 'R', Callable	2,300	60	58	
Power Financial Corp., 6.00%, Preferred, Series 'I', Callable	3,700	94	95	
Power Financial Corp., Preferred, Series 'A', Floating Rate, Perpetual	500	11	6	
Royal Bank of Canada	274,530	14,227	24,947	
Royal Bank of Canada, 4.45%, Preferred, Series 'AA', Perpetual	7,500	184	189	
Royal Bank of Canada, 4.45%, Preferred, Series 'AF', Callable	7,200	169	181	
Royal Bank of Canada, 4.50%, Preferred, Series 'AD', Perpetual	5,050	127	127	
Royal Bank of Canada, 4.50%, Preferred, Series 'AE', Perpetual	9,900	245	249	
Royal Bank of Canada, 4.50%, Preferred, Series 'AG', Perpetual	6,900	165	173	
Royal Bank of Canada, 4.60%, Preferred, Series 'AC', Perpetual	2,500	62	63	
Royal Bank of Canada, 4.70%, Preferred, Series 'AB', Perpetual	3,500	90	88	
Royal Bank of Canada, Preferred, Series 'BB', Variable Rate, Perpetual	4,703	118	92	
Royal Bank of Canada, Preferred, Series 'BF', Variable Rate, Perpetual	3,390	83	73	
Royal Bank of Canada, Preferred, Series 'BK', Variable Rate, Perpetual	20,000	500	538	
Sun Life Financial Inc.	194,864	6,081	10,045	
Sun Life Financial Inc., 4.45%, Preferred, Class 'A', Series '4', Perpetual	25,050	588	535	
Sun Life Financial Inc., 4.50%, Preferred, Class 'A', Series '5', Perpetual	5,500	127	118	
Sun Life Financial Inc., 4.75%, Preferred, Class 'A', Series '1', Callable	7,800	185	177	
Toronto-Dominion Bank (The)	441,111	16,282	29,210	
Toronto-Dominion Bank (The), Preferred, Series '1', Variable Rate, Perpetual	40,000	1,000	795	
Toronto-Dominion Bank (The), Preferred, Series '12', Variable Rate, Perpetual	8,460	213	230	
Toronto-Dominion Bank (The), Preferred, Series 'Y', Variable Rate, Convertible, Callable	3,300	85	82	
		<b>96,454</b>	<b>148,320</b>	<b>31.1%</b>
<b>Industrials</b>				
Canadian National Railway Co.	204,590	6,596	18,487	
Westshore Terminals Investment Corp.	75,830	1,746	1,963	
		<b>8,342</b>	<b>20,450</b>	<b>4.3%</b>
<b>Information Technology</b>				
DH Corp.	144,340	3,105	3,216	
Open Text Corp.	71,670	2,734	5,943	
		<b>5,839</b>	<b>9,159</b>	<b>1.9%</b>
<b>Materials</b>				
Agnico Eagle Mines Ltd.	87,713	4,263	4,951	
Agrium Inc.	63,240	5,160	8,535	
First Quantum Minerals Ltd.	89,526	1,659	1,195	
Franco-Nevada Corp.	21,510	1,643	1,727	
Goldcorp Inc.	231,280	7,428	4,228	
Hudbay Minerals Inc.	99,033	1,103	760	
Labrador Iron Ore Royalty Corp.	110,830	2,597	2,064	
		<b>23,853</b>	<b>23,460</b>	<b>4.9%</b>
<b>Real Estate</b>				
Boardwalk REIT	40,200	2,230	1,956	
Canadian Apartment Properties REIT	186,536	3,269	5,852	
CREIT	51,589	2,170	2,388	
Granite REIT, Stapled Units	9,039	362	405	
H&R REIT	67,722	1,498	1,515	
RioCan REIT	235,601	4,915	6,274	
		<b>14,444</b>	<b>18,390</b>	<b>3.9%</b>
<b>Telecommunication Services</b>				
BCE Inc.	199,812	6,772	11,595	
BCE Inc., Preferred, Series 'AC', Variable Rate, Perpetual	1,000	23	16	
BCE Inc., Preferred, Series 'AK', Variable Rate, Convertible, Perpetual	7,000	165	107	
BCE Inc., Preferred, Series 'R', Variable Rate, Perpetual	15,100	256	267	
Rogers Communications Inc., Class 'B'	56,970	2,167	2,950	
TELUS Corp.	223,530	6,346	9,556	
		<b>15,729</b>	<b>24,491</b>	<b>5.1%</b>

# CIBC Dividend Income Fund

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

Security				Number of Shares	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
Utilities							
Brookfield Renewable Partners L.P.				62,010	1,330	2,471	
Canadian Utilities Ltd., Preferred, Series 'FF', Variable Rate, Perpetual				13,000	325	353	
CU Inc., 4.60%, Preferred, Series '1', Perpetual				5,300	128	116	
Emera Inc.				79,125	2,246	3,591	
Westcoast Energy Inc., 5.50%, Preferred, Series '7', Perpetual				6,175	156	154	
Westcoast Energy Inc., 5.60%, Preferred, Series '8', Perpetual				4,800	121	121	
Westcoast Energy Inc., Preferred, Series '10', Variable Rate, Perpetual				8,800	220	226	
					4,526	7,032	1.5%
TOTAL CANADIAN EQUITIES					259,505	374,128	78.4%
INTERNATIONAL EQUITIES							
²United States (note 10)							
Macy's Inc.				22,210	1,977	1,068	
					1,977	1,068	0.2%
TOTAL INTERNATIONAL EQUITIES					1,977	1,068	0.2%
TOTAL EQUITIES					261,482	375,196	78.6%
Security	Coupon Rate (%)	Maturity Date	Additional Details	Par Value	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
CANADIAN BONDS							
Government of Canada & Guaranteed							
Canada Housing Trust No. 1	1.15%	2021/12/15		497,000	495	488	
Canada Housing Trust No. 1	1.08%	2022/03/15	Floating Rate	900,000	900	901	
Canada Housing Trust No. 1	1.90%	2026/09/15		6,250,000	6,349	6,074	
Government of Canada	1.50%	2023/06/01		1,337,000	1,345	1,345	
Government of Canada	2.25%	2025/06/01		45,000	47	47	
Government of Canada	1.00%	2027/06/01		1,900,000	1,829	1,751	
Government of Canada	4.00%	2041/06/01		1,545,000	2,016	2,019	
Government of Canada	1.50%	2044/12/01		225,000	307	316	
Government of Canada	3.50%	2045/12/01		1,190,000	1,604	1,479	
Government of Canada	1.25%	2047/12/01		125,000	165	159	
					15,057	14,579	3.0%
Provincial Government & Guaranteed							
New Brunswick F-M Project Co. Inc.	6.47%	2027/11/30		378,970	444	465	
Province of British Columbia	4.95%	2040/06/18		895,000	1,150	1,159	
Province of British Columbia	2.80%	2048/06/18	Series 'BCCD-35'	1,630,000	1,510	1,523	
Province of Manitoba	6.30%	2031/03/05		260,000	369	353	
Province of Ontario	4.60%	2039/06/02		15,000	18	18	
Province of Ontario	2.90%	2046/12/02		1,075,000	986	1,008	
Province of Quebec	2.50%	2026/09/01		2,260,000	2,379	2,258	
Province of Quebec	6.25%	2032/06/01		1,225,000	1,841	1,702	
Province of Saskatchewan	2.55%	2026/06/02		1,420,000	1,461	1,420	
Province of Saskatchewan	5.80%	2033/09/05		460,000	668	611	
Province of Saskatchewan	3.40%	2042/02/03		535,000	544	538	
Province of Saskatchewan	3.90%	2045/06/02		440,000	483	484	
Province of Saskatchewan	2.75%	2046/12/02		365,000	326	324	
					12,179	11,863	2.5%
Municipal Government & Guaranteed							
Greater Toronto Airports Authority	3.04%	2022/09/21	Callable	165,000	165	174	
Municipal Finance Authority of British Columbia	4.45%	2020/06/01		1,235,000	1,294	1,353	
Municipal Finance Authority of British Columbia	3.75%	2023/09/26		690,000	688	753	
Municipal Finance Authority of British Columbia	2.50%	2026/04/19		290,000	291	286	
Ottawa MacDonald-Cartier International Airport Authority	3.93%	2045/06/09	Series 'E', Sinkable, Restricted, Callable	150,000	150	148	
Regional Municipality of Peel	3.85%	2042/10/30		265,000	264	277	
Vancouver International Airport Authority	7.43%	2026/12/07	Series 'B', Step Rate	325,000	439	449	
					3,291	3,440	0.7%
Mortgage-Backed Securities							
Genesis Trust II	2.43%	2019/05/15	Class 'A', Series '2014-1'	120,000	125	123	
Genesis Trust II	1.70%	2020/04/15	Series '15-1'	260,000	260	260	
Institutional Mortgage Securities Canada Inc.	1.94%	2024/09/12	Class 'A1', Series '2015-6', Restricted, Callable	255,259	255	250	
Real Estate Asset Liquidity Trust	5.20%	2017/03/12	Class 'A1', Series '2007-2', Variable Rate, Callable	6,882	8	7	
Real Estate Asset Liquidity Trust	5.20%	2017/06/12	Class 'A2', Series '2007-2'	110,000	121	111	
					769	751	0.2%
²Corporate (note 10)							
1011778 B.C. ULC / New Red Finance Inc.	6.00%	2022/04/01	Callable, USD	210,000	232	295	
407 International Inc.	3.35%	2024/05/16	Callable	235,000	235	250	
407 International Inc.	2.43%	2027/05/04	Callable	50,000	50	48	
407 International Inc.	5.75%	2036/02/14	Series '06D1'	1,425,000	1,687	1,785	
407 International Inc.	3.60%	2047/05/21	Callable	95,000	95	92	
AGT Food and Ingredients Inc.	5.88%	2021/12/21	Callable	170,000	171	172	
Alimentation Couche-Tard Inc.	3.32%	2019/11/01		260,000	261	271	
Alimentation Couche-Tard Inc.	3.90%	2022/11/01	Series '3'	335,000	337	358	
Alimentation Couche-Tard Inc.	3.60%	2025/06/02	Series '5', Restricted, Callable	810,000	810	831	

The accompanying notes are an integral part of these financial statements.

# CIBC Dividend Income Fund

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

Security	Coupon Rate (%)	Maturity Date	Additional Details	Par Value	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
AltaGas Ltd.	4.07%	2020/06/01	Series '7', Callable	450,000	469	478	
Bank of Montreal	2.10%	2020/10/06	Callable	290,000	290	293	
Bank of Montreal	1.61%	2021/10/28		665,000	665	652	
Bank of Montreal	2.12%	2022/03/16	Callable	430,000	430	430	
Bank of Montreal	3.32%	2026/06/01	Variable Rate, Callable	1,105,000	1,110	1,123	
Bank of Montreal Subordinated Notes Trust	5.75%	2022/09/26	Variable Rate, Callable	95,000	107	98	
Bank of Nova Scotia	2.40%	2019/10/28		360,000	360	368	
Bank of Nova Scotia	2.27%	2020/01/13		750,000	767	764	
Bank of Nova Scotia	3.04%	2024/10/18	Variable Rate, Callable	315,000	317	325	
Bank of Nova Scotia	1.90%	2021/12/02		970,000	970	963	
Bell Canada	3.35%	2023/03/22	Series 'M-26', Callable	215,000	215	224	
Bell Canada	8.88%	2026/04/17		30,000	37	41	
Bell Canada	7.65%	2031/12/30	Series '2', Callable	155,000	196	191	
Bell Canada	4.35%	2045/12/18	Callable	220,000	219	213	
Blackbird Infrastructure 407 General Partnership	1.71%	2021/10/08	Series 'B', Variable Rate, Callable	240,000	238	237	
Bombardier Inc.	7.50%	2025/03/15	Callable, USD	320,000	378	427	
BP L.P.	3.24%	2020/01/09	Sinkable, Restricted	273,369	273	279	
British Columbia Ferry Services Inc.	4.70%	2043/10/23	Series '13-1', Restricted, Callable	235,000	236	274	
British Columbia Ferry Services Inc.	4.29%	2044/04/28	Series '14-1', Callable	160,000	160	176	
Brookfield Asset Management Inc.	5.95%	2035/06/14		180,000	163	198	
BRP Finance ULC	5.14%	2020/10/13	Series '7', Callable	155,000	156	170	
Bruce Power L.P.	2.84%	2021/06/23	Restricted	250,000	250	254	
Calloway REIT	4.05%	2020/07/27	Callable	110,000	117	116	
Calloway REIT	3.75%	2021/02/11	Series 'L'	175,000	175	183	
Canadian Natural Resources Ltd.	2.60%	2019/12/03	Callable	570,000	568	576	
Canadian Natural Resources Ltd.	3.31%	2022/02/11		895,000	898	914	
Capital City Link General Partnership	4.39%	2046/03/31	Sinkable, Callable	460,000	462	471	
Cascades Inc.	5.50%	2021/07/15	Restricted, Callable	120,000	120	123	
Choice Properties REIT	2.30%	2020/09/14	Series 'E', Callable	335,000	336	336	
Choice Properties REIT	4.06%	2025/11/24	Series 'F', Callable	285,000	304	297	
Clarica Life Insurance Co.	6.30%	2028/05/15	Series '2'	50,000	53	63	
Cogeco Cable Inc.	5.15%	2020/11/16	Callable	480,000	500	524	
CT REIT	2.85%	2022/06/09	Series 'A', Callable	175,000	175	176	
CU Inc.	4.09%	2044/09/02	Callable	440,000	440	462	
CU Inc.	4.56%	2053/11/07	Callable	150,000	150	169	
Daimler Canada Finance Inc.	1.78%	2019/08/19		95,000	95	95	
Daimler Canada Finance Inc.	1.80%	2019/12/16		245,000	245	245	
Daimler Canada Finance Inc.	1.91%	2021/07/08		385,000	385	381	
Dollarama Inc.	2.34%	2021/07/22	Restricted	345,000	345	344	
Dream Office REIT	3.42%	2018/06/13	Series 'A', Callable	250,000	251	251	
Eldorado Gold Corp.	6.13%	2020/12/15	Callable, USD	185,000	190	253	
Enbridge Inc.	4.24%	2042/08/27	Callable	325,000	314	306	
Enbridge Pipelines Inc.	5.33%	2040/04/06	Callable	130,000	138	150	
Fairfax Financial Holdings Ltd.	4.95%	2025/03/03		415,000	415	437	
Fairfax Financial Holdings Ltd.	4.70%	2026/12/16	Callable	320,000	319	324	
Federated Co-Operatives Ltd.	3.92%	2025/06/17	Restricted, Callable	525,000	525	515	
First Quantum Minerals Ltd.	6.75%	2020/02/15	Callable, USD	108,000	120	145	
First Quantum Minerals Ltd.	7.00%	2021/02/15	Callable, USD	93,000	105	125	
Ford Credit Canada Ltd.	2.45%	2020/05/07	Restricted	435,000	433	435	
Ford Credit Canada Ltd.	2.58%	2021/05/10		95,000	95	94	
Fortis Inc.	2.85%	2023/12/12	Callable	125,000	125	125	
Fortis Inc.	6.51%	2039/07/04	Callable	140,000	150	180	
Gibson Energy Inc.	7.00%	2020/07/15	Callable	195,000	192	203	
Gibson Energy Inc.	5.38%	2022/07/15	Restricted, Callable	90,000	90	90	
Glacier Credit Card Trust	2.76%	2018/11/20	Series '2013-1'	235,000	244	241	
Glacier Credit Card Trust	2.24%	2020/09/20		630,000	632	637	
Great Canadian Gaming Corp.	6.63%	2022/07/25	Callable	220,000	223	231	
Great-West Lifeco Inc.	4.65%	2020/08/13	Callable	100,000	101	110	
Great-West Lifeco Inc.	6.67%	2033/03/21	Callable	60,000	69	78	
HCN Canadian Holdings-1 L.P.	3.35%	2020/11/25		100,000	100	103	
Hospital Infrastructure Partners NOH Partnership	5.44%	2045/01/31	Series 'A', Sinkable, Callable	172,329	181	192	
HSBC Bank Canada	2.08%	2018/11/26		225,000	225	227	
HudBay Minerals Inc.	7.63%	2025/01/15	Callable, USD	45,000	60	63	
Husky Energy Inc.	5.00%	2020/03/12	Callable	280,000	294	303	
Husky Energy Inc.	3.55%	2025/03/12	Callable	375,000	373	380	
Hydro One Inc.	4.59%	2043/10/09	Callable	370,000	370	419	
Intact Financial Corp.	3.77%	2026/03/02	Callable	200,000	200	212	
Intact Financial Corp.	5.16%	2042/06/16	Series '5', Callable	185,000	202	211	
Iron Mountain Canada Operations ULC	6.13%	2021/08/15	Callable	125,000	127	131	
Iron Mountain Canada Operations ULC	5.38%	2023/09/15	Callable	140,000	140	141	
Loblaw Cos. Ltd.	4.86%	2023/09/12	Callable	635,000	635	712	
Lundin Mining Corp.	7.50%	2020/11/01	Callable, USD	125,000	140	179	
Lundin Mining Corp.	7.88%	2022/11/01	Callable, USD	125,000	140	183	
Magna International Inc.	3.10%	2022/12/15	Callable	405,000	410	415	
Manufacturers Life Insurance Co. (The)	2.82%	2023/02/26	Callable	140,000	143	142	
Manufacturers Life Insurance Co. (The)	3.18%	2027/11/22	Variable Rate, Callable	725,000	724	746	
Manulife Financial Capital Trust II	7.41%	2019/12/31	Series '1', Variable Rate, Callable	535,000	596	609	
Master Credit Card Trust	2.63%	2017/01/21		185,000	187	185	
Master Credit Card Trust II	2.72%	2018/11/21		545,000	547	559	
Mattamy Group Corp.	6.88%	2020/11/15	Callable	280,000	281	284	
Mattamy Group Corp.	6.88%	2023/12/15	Callable, USD	155,000	206	212	
Metro Inc.	3.20%	2021/12/01	Series 'C', Restricted, Callable	350,000	357	364	



# CIBC Dividend Income Fund

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

Security	Coupon Rate (%)	Maturity Date	Additional Details	Par Value	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
Metro Inc.	5.03%	2044/12/01	Series 'D', Restricted, Callable	220,000	220	234	
Millar Western Forest Products Ltd.	8.50%	2021/04/01	Callable, USD	195,000	180	145	
National Bank of Canada	2.11%	2022/03/18		340,000	340	339	
NBC Asset Trust	7.45%	2020/06/30	Series '2', Variable Rate, Perpetual	85,000	98	98	
North West Redwater Partnership / NWR Financing Co. Ltd.	3.20%	2024/07/22	Series 'A', Callable	160,000	159	166	
North West Redwater Partnership / NWR Financing Co. Ltd.	4.15%	2033/06/01	Series 'H', Restricted, Callable	445,000	444	466	
North West Redwater Partnership / NWR Financing Co. Ltd.	4.05%	2044/07/22	Callable	205,000	204	209	
Original Wempi Inc.	4.06%	2024/02/13	Series 'B2', Sinkable, Callable	162,211	162	167	
Parkland Fuel Corp.	6.00%	2022/11/21	Restricted, Callable	215,000	215	225	
Parkland Fuel Corp.	5.75%	2024/09/16	Callable	220,000	222	227	
Pembina Pipeline Corp.	3.71%	2026/08/11	Series '7', Callable	290,000	290	293	
Penske Truck Leasing Canada Inc.	3.65%	2018/02/01	Callable	240,000	243	245	
Penske Truck Leasing Canada Inc.	2.95%	2020/06/12		115,000	115	116	
Plenary Health Care Partnerships Humber L.P.	4.82%	2044/11/30	Callable	215,000	219	239	
Plenary Properties LTAP L.P.	6.29%	2044/01/31	Callable	478,883	527	612	
Quebecor Media Inc.	7.38%	2021/01/15	Callable	160,000	161	164	
Quebecor Media Inc.	6.63%	2023/01/15	Callable	475,000	482	496	
RBC Capital Trust	6.82%	2018/06/30	Series '2018', Variable Rate, Perpetual	295,000	343	316	
RioCan REIT	3.73%	2023/04/18	Series 'T'	215,000	215	223	
Rogers Communications Inc.	4.00%	2022/06/06	Callable	175,000	174	189	
Rogers Communications Inc.	4.00%	2024/03/13	Callable	415,000	414	447	
Rogers Communications Inc.	6.11%	2040/08/25		500,000	515	605	
Royal Bank of Canada	2.82%	2018/07/12		445,000	445	455	
Royal Bank of Canada	1.92%	2020/07/17		335,000	336	337	
Royal Bank of Canada	2.86%	2021/03/04		650,000	650	674	
Royal Bank of Canada	2.03%	2021/03/15		415,000	415	417	
Royal Bank of Canada	1.65%	2021/07/15		465,000	465	458	
Royal Bank of Canada	1.58%	2021/09/13		530,000	530	519	
Royal Bank of Canada	1.97%	2022/03/02		760,000	765	753	
Royal Bank of Canada	2.33%	2023/12/05		560,000	560	556	
Scotiabank Tier I Trust	7.80%	2019/06/30	Variable Rate, Callable	385,000	433	433	
Seven Generations Energy Ltd.	6.88%	2023/06/30	Callable, USD	210,000	256	300	
SGTP Highway Bypass L.P.	4.11%	2045/01/31	Series 'A', Sinkable, Callable	310,000	310	312	
Sherritt International Corp.	8.00%	2021/11/15	Series '1', Callable	90,100	90	67	
Sherritt International Corp.	7.50%	2023/09/24	Series '2', Callable	83,920	84	61	
Sherritt International Corp.	7.88%	2025/10/11	Callable	130,000	127	93	
Sirius XM Canada Holdings Inc.	5.63%	2021/04/23	Callable	120,000	120	120	
Smart REIT	3.99%	2023/05/30	Series 'I', Callable	325,000	326	339	
SNC-Lavalin Group Inc.	6.19%	2019/07/03	Callable	320,000	347	346	
SNC-Lavalin Innisfree McGill Finance Inc.	6.63%	2044/06/30	Callable	328,729	355	419	
Sobeys Inc.	3.52%	2018/08/08		95,000	95	96	
Sobeys Inc.	4.70%	2023/08/08	Callable	330,000	329	329	
Sun Life Financial Inc.	2.77%	2024/05/13	Series '14-1', Variable Rate, Callable	240,000	240	244	
Sun Life Financial Inc.	2.60%	2025/09/25	Variable Rate, Callable	110,000	110	111	
Sun Life Financial Inc.	3.10%	2026/02/19	Variable Rate, Callable	440,000	439	451	
Sun Life Financial Inc.	3.05%	2028/09/19	Variable Rate, Callable	680,000	682	680	
Suncor Energy Inc.	3.10%	2021/11/26	Series '5', Callable	230,000	229	240	
Suncor Energy Inc.	3.00%	2026/09/14	Series '5', Callable	350,000	349	345	
Suncor Energy Inc.	4.34%	2046/09/13	Series '5', Callable	165,000	165	161	
Superior Plus L.P.	6.50%	2021/12/09	Callable	195,000	195	204	
TD Capital Trust III	7.24%	2018/12/31	Variable Rate, Perpetual	125,000	145	138	
TD Capital Trust IV	6.63%	2021/06/30	Variable Rate, Callable	305,000	325	353	
TELUS Corp.	5.05%	2020/07/23	Series 'CH', Callable	125,000	132	138	
TELUS Corp.	2.35%	2022/03/28	Callable	380,000	380	378	
TELUS Corp.	3.35%	2023/03/15	Series 'CJ', Callable	215,000	215	223	
TELUS Corp.	3.75%	2025/01/17	Callable	255,000	254	267	
TELUS Corp.	4.40%	2043/04/01	Callable	795,000	794	759	
TELUS Corp.	5.15%	2043/11/26	Callable	235,000	243	250	
Teranet Holdings L.P.	4.81%	2020/12/16	Callable	450,000	463	487	
Teranet Holdings L.P.	3.27%	2031/12/01	Callable	320,000	360	384	
Thomson Reuters Corp.	3.31%	2021/11/12	Callable	340,000	341	353	
Toronto-Dominion Bank (The)	5.76%	2017/12/18	Variable Rate, Callable	490,000	538	510	
Toronto-Dominion Bank (The)	1.69%	2020/04/02		575,000	575	575	
Toronto-Dominion Bank (The)	2.05%	2021/03/08		230,000	230	231	
Toronto-Dominion Bank (The)	1.68%	2021/06/08	Series 'CBL14'	490,000	490	487	
Toronto-Dominion Bank (The)	1.91%	2023/07/18		555,000	555	540	
Toronto-Dominion Bank (The)	4.86%	2031/03/04	Variable Rate, Callable	1,260,000	1,316	1,380	
Toyota Credit Canada Inc.	1.75%	2021/07/21		255,000	255	252	
TransCanada Pipelines Ltd.	3.69%	2023/07/19	Callable	95,000	101	102	
TransCanada Pipelines Ltd.	4.35%	2046/06/06	Callable	180,000	180	183	
Union Gas Ltd.	3.19%	2025/09/17	Callable	90,000	90	93	
Union Gas Ltd.	5.20%	2040/07/23	Callable	190,000	198	230	
Videotron Ltd.	5.63%	2025/06/15	Restricted, Callable	240,000	240	247	
Wells Fargo Financial Canada Corp.	2.94%	2019/07/25		305,000	305	315	
Wells Fargo Financial Canada Corp.	3.04%	2021/01/29		645,000	650	672	
Westcoast Energy Inc.	8.50%	2018/09/04	Series 'O'	50,000	63	55	
Westcoast Energy Inc.	4.57%	2020/07/02	Series '10', Callable	135,000	136	146	
Westcoast Energy Inc.	3.12%	2022/12/05		460,000	458	471	
Westcoast Energy Inc.	8.85%	2025/07/21		130,000	179	182	
<b>TOTAL CANADIAN BONDS</b>					<b>54,221</b>	<b>55,799</b>	<b>11.7%</b>
					<b>85,517</b>	<b>86,432</b>	<b>18.1%</b>

# CIBC Dividend Income Fund

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

Security	Coupon Rate (%)	Maturity Date	Additional Details	Par Value	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
<b>INTERNATIONAL BONDS</b>							
<b><sup>2</sup>Australia</b> (note 10)							
Commonwealth Bank of Australia	5.15%	2020/04/09		345,000	349	376	
FMG Resources (August 2006) Pty Ltd.	6.88%	2022/04/01	Callable, USD	225,000	253	316	
					602	692	0.1%
<b><sup>2</sup>Cayman Islands</b> (note 10)							
Seagate HDD Cayman	4.75%	2025/01/01	Callable, USD	150,000	170	193	
Transocean Inc.	9.00%	2023/07/15	Callable, USD	390,000	494	544	
					664	737	0.2%
<b><sup>2</sup>Luxembourg</b> (note 10)							
Intelsat Jackson Holdings SA	7.25%	2020/10/15	Callable, USD	170,000	178	177	
					178	177	0.0%
<b><sup>1</sup>Mexico</b> (note 10)							
United Mexican States	10.00%	2024/12/05	Series 'M20', MXN	5,820,000	630	436	
					630	436	0.1%
<b><sup>2</sup>Netherlands</b> (note 10)							
Fiat Chrysler Automobiles NV	4.50%	2020/04/15	Callable, USD	40,000	52	55	
Fiat Chrysler Automobiles NV	5.25%	2023/04/15	Callable, USD	180,000	217	246	
					269	301	0.1%
<b>United Kingdom</b>							
Aviva PLC	4.50%	2021/05/10	Restricted	345,000	344	363	
					344	363	0.1%
<b><sup>2</sup>United States</b> (note 10)							
Alere Inc.	6.50%	2020/06/15	Callable, USD	75,000	77	100	
Aleris International Inc.	7.88%	2020/11/01	Callable, USD	122,000	138	165	
AMC Entertainment Holdings Inc.	5.88%	2026/11/15	Callable, USD	90,000	121	124	
Anheuser-Busch InBev Finance Inc.	2.38%	2018/01/25	Callable	335,000	340	339	
CenturyLink Inc.	7.50%	2024/04/01	Series 'Y', Callable, USD	50,000	65	71	
CHS / Community Health Systems Inc.	7.13%	2020/07/15	Callable, USD	190,000	209	195	
Communications Sales & Leasing Inc. / CSL Capital LLC	8.25%	2023/10/15	Callable, USD	250,000	314	357	
Frontier Communications Corp.	6.25%	2021/09/15	Callable, USD	155,000	170	198	
Frontier Communications Corp.	10.50%	2022/09/15	Series 'WI', Callable, USD	110,000	148	156	
Frontier Communications Corp.	11.00%	2025/09/15	Series 'WI', Callable, USD	135,000	181	188	
General Cable Corp.	5.75%	2022/10/01	Variable Rate, Callable, USD	80,000	89	105	
HCA Inc.	7.50%	2022/02/15	Callable, USD	115,000	168	176	
HDTFS Inc.	6.25%	2022/10/15	Callable, USD	185,000	190	234	
Iron Mountain Inc.	5.75%	2024/08/15	Callable, USD	65,000	69	90	
Landry's Inc.	6.75%	2024/10/15	Callable, USD	220,000	295	301	
MasTec Inc.	4.88%	2023/03/15	Callable, USD	130,000	126	171	
MGM Resorts International	7.75%	2022/03/15	USD	120,000	153	186	
Micron Technology Inc.	5.25%	2024/01/15	Callable, USD	65,000	67	87	
Molson Coors International LP.	2.84%	2023/07/15	Callable	730,000	733	723	
NRG Energy Inc.	6.63%	2023/03/15	Callable, USD	155,000	199	210	
NRG Energy Inc.	6.63%	2027/01/15	Callable, USD	165,000	215	210	
Post Holdings Inc.	7.75%	2024/03/15	Callable, USD	75,000	97	112	
Reynolds Group Issuer Inc. / Reynolds Group Issuer LLC / Reynolds Group Issuer (Luxembourg) SA	5.75%	2020/10/15	USD	75,000	73	104	
Reynolds Group Issuer Inc. / Reynolds Group Issuer LLC / Reynolds Group Issuer (Luxembourg) SA	8.25%	2021/02/15	USD	57,221	77	79	
Sprint Corp.	7.88%	2023/09/15	USD	250,000	298	359	
Tenet Healthcare Corp.	5.00%	2019/03/01	Callable, USD	100,000	110	132	
Tenet Healthcare Corp.	8.13%	2022/04/01	Callable, USD	270,000	356	344	
T-Mobile USA Inc.	6.63%	2023/04/01	Callable, USD	195,000	203	278	
Triumph Group Inc.	4.88%	2021/04/01	Callable, USD	65,000	70	82	
United Rentals North America Inc.	5.50%	2027/05/15	Callable, USD	100,000	135	133	
Wells Fargo & Co.	2.51%	2023/10/27		425,000	419	417	
Wells Fargo & Co.	3.87%	2025/05/21	Series 'O', Restricted	375,000	376	385	
					6,281	6,811	1.4%
<b>TOTAL INTERNATIONAL BONDS</b>					<b>8,968</b>	<b>9,517</b>	<b>2.0%</b>
<b>SUPRANATIONAL BONDS</b>							
Inter-American Development Bank	4.40%	2026/01/26		563,000	621	645	
					621	645	0.2%
<b>TOTAL SUPRANATIONAL BONDS</b>					<b>621</b>	<b>645</b>	<b>0.2%</b>
<b>TOTAL BONDS</b>					<b>95,106</b>	<b>96,594</b>	<b>20.3%</b>
<b>TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS</b>					<b>356,588</b>	<b>471,790</b>	<b>98.9%</b>
<b>SHORT-TERM INVESTMENTS</b>							
Government of Canada	0.50%	2017/03/23	Treasury Bill	3,000,000	2,996	2,997	
<b>TOTAL SHORT-TERM INVESTMENTS</b>					<b>2,996</b>	<b>2,997</b>	<b>0.6%</b>
Less: Transaction costs included in average cost					(35)		
<b>TOTAL INVESTMENTS</b>					<b>359,549</b>	<b>474,787</b>	<b>99.5%</b>
Derivative assets						19	0.0%

# CIBC Dividend Income Fund

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

Security	Coupon Rate (%)	Maturity Date	Additional Details	Par Value	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
Derivative liabilities						(137)	0.0%
Other Assets, less Liabilities						2,539	0.5%
<b>TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>						<b>477,208</b>	<b>100.0%</b>

<sup>1,2</sup>Hedging reference number. Refers to a corresponding number on the Schedule of Derivative Assets and Liabilities - Forward Foreign Currency Contracts.

## Schedule of Derivative Assets and Liabilities - Forward Foreign Currency Contracts (note 10)

Hedging Ref. No.**	Counterparty	Credit Rating for Counterparty*	Settlement Date	Currency Buys	Par Value	Currency Sells	Par Value	Forward Rate	Current Rate	Unrealized Gain (Loss) (\$000s)
1	State Street Trust Co. Canada	A-1+	2017/01/09	MXN	320,000	CAD	20,907	0.065	0.065	—
1	Canadian Imperial Bank of Commerce	A-1	2017/01/09	CAD	474,382	MXN	7,045,000	14.851	15.453	19
2	Bank of Montreal	A-1	2017/03/13	CAD	8,337,420	USD	6,302,000	0.756	0.745	(117)
2	Bank of Montreal	A-1	2017/03/13	CAD	992,235	USD	750,000	0.756	0.745	(14)
2	Royal Bank of Canada	A-1+	2017/03/13	CAD	66,777	USD	50,000	0.749	0.745	(1)
2	State Street Trust Co. Canada	A-1+	2017/03/13	CAD	263,213	USD	200,000	0.760	0.745	(5)
<b>Derivative Assets and Liabilities - Forwards</b>										<b>(118)</b>

\* The credit rating of each counterparty (as rated by S&P Global Ratings, a division of S&P Global) of the forward foreign currency contracts held by the Fund meets or exceeds the minimum approved credit rating.

\*\* See corresponding reference number on the Schedule of Investment Portfolio.

## Supplemental Schedule to Schedule of Investment Portfolio

**Offsetting Arrangements** (note 2d)  
(in 000s)

The Fund 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.

The following table reconciles the net amount of "Over-The-Counter" derivatives presented in the Statements of Financial Position, as at December 31, 2016 and 2015, to:

- The gross amount before offsetting required under IFRS; and
- The net amount after offsetting under the terms of master netting arrangements or other similar arrangements, but which do not meet the criteria for offsetting under IFRS.

Financial Assets and Liabilities	Amounts Offset			Amounts Not Offset			Net
	Gross Assets (Liabilities)	Amounts Offset Under IFRS	Net Amounts Presented on Statements of Financial Position	Master Netting Arrangements	Cash Collateral Received		
<b>As at December 31, 2016</b>							
OTC Derivative Assets	\$ 19	\$ —	\$ 19	\$ —	\$ —		19
OTC Derivative Liabilities	(137)	—	(137)	—	—		(137)
<b>Total</b>	<b>\$ (118)</b>	<b>\$ —</b>	<b>\$ (118)</b>	<b>\$ —</b>	<b>\$ —</b>		<b>(118)</b>
<b>As at December 31, 2015</b>							
OTC Derivative Assets	\$ 7	\$ —	\$ 7	\$ (6)	\$ —		1
OTC Derivative Liabilities	(203)	—	(203)	6	—		(197)
<b>Total</b>	<b>\$ (196)</b>	<b>\$ —</b>	<b>\$ (196)</b>	<b>\$ —</b>	<b>\$ —</b>		<b>(196)</b>

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

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

## CIBC Dividend Income Fund

### Financial Instrument Risks

Investment Objective: CIBC Dividend Income Fund (the *Fund*) seeks to maximize returns with a conservative investment philosophy by investing primarily in a diversified portfolio of Canadian income generating equity and debt securities.

Investment Strategies: The Fund uses a fundamental approach to invest mainly in income trusts, dividend producing equity securities, and Canadian fixed income securities, with varying exposures to these areas depending on their relative potential at a particular time.

Significant risks that are relevant to the Fund 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 Fund as at December 31, 2016.

The following table presents the investment sectors held by the Fund 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>Canadian Equities</b>	
Consumer Discretionary	3.4
Consumer Staples	4.5
Energy	14.8
Financials	33.5
Health Care	1.5
Industrials	3.7
Information Technology	2.6
Materials	3.7
Telecommunication Services	5.3
Utilities	1.8
<b>International Equities</b>	
United States	0.2
<b>Canadian Bonds</b>	
Government of Canada & Guaranteed	6.0
Provincial Government & Guaranteed	2.5
Municipal Government & Guaranteed	0.7
Mortgage-Backed Securities	0.2
Corporate	11.0
<b>International Bonds</b>	
Australia	0.1
Luxembourg	0.1
Mexico	0.1
Netherlands	0.1
United States	1.4
<b>Supranational Bonds</b>	0.1
<b>Short-Term Investments</b>	2.1
<b>Other Assets, less Liabilities</b>	0.6
<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 Fund invested in debt securities with the following credit ratings:

	% of Net Assets	
Debt Securities by Credit Rating (note 2b)	December 31, 2016	December 31, 2015
'AAA'	5.5	10.4
'AA'	3.0	2.1
'A'	4.7	4.6
'BBB'	5.1	5.1
Below 'BBB'	2.6	2.2
<b>Total</b>	<b>20.9</b>	<b>24.4</b>

#### Currency Risk

The tables that follow indicate the currencies to which the Fund had significant exposure as at December 31, 2016 and 2015, based on the market value of the Fund'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 2m)	Total Currency Exposure * (\$000s)	% of Net Assets
USD	497	0.1
MXN	2	—

\* 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 2m)	Total Currency Exposure * (\$000s)	% of Net Assets
USD	316	0.1
MXN	31	—

\* 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</b>	<b>3</b>

#### Interest Rate Risk

The Fund's short-term assets and liabilities were not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates.

The table that follows indicates the Fund's exposure to fixed income securities by remaining term-to-maturity.

	December 31, 2016 (\$000s)	December 31, 2015 (\$000s)
<b>Remaining Term-to-Maturity</b>		
Less than 1 year	813	2,417
1-3 years	6,434	9,220
3-5 years	20,884	20,959
> 5 years	68,463	73,721
<b>Total</b>	<b>96,594</b>	<b>106,317</b>

The table that follows indicates how net assets as at December 31, 2016 and 2015 would have increased or decreased had the interest rate decreased or increased by 25 basis points and assuming a parallel shift in the yield curve. This change is estimated using the weighted average duration of the fixed income portfolio. This analysis assumes that all other variables remain unchanged. In practice, 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>1,992</b>	<b>2,207</b>

#### Liquidity Risk

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

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

For funds 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.

## CIBC Dividend Income Fund

### 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 Fund'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 Fund as compared to the return of the Fund's benchmark(s), using 36 monthly data points, as available, based on the monthly net returns of the Fund. 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
S&P/TSX Composite Dividend Index	3,277	3,175
FTSE TMX Canada Universe Bond Index	609	1,465
80% S&P/TSX Composite Dividend Index 20% FTSE TMX Canada Universe Bond Index	4,116	3,884

### 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 Fund'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>				
Fixed Income Securities	—	96,594	—	96,594
Short-Term Investments	—	2,997	—	2,997
Equities	374,857	339	—	375,196
Derivative assets	—	10,155	—	10,155
<b>Total Financial Assets</b>	<b>374,857</b>	<b>110,085</b>	<b>—</b>	<b>484,942</b>
<b>Financial Liabilities</b>				
Derivative liabilities	—	(10,273)	—	(10,273)
<b>Total Financial Liabilities</b>	<b>—</b>	<b>(10,273)</b>	<b>—</b>	<b>(10,273)</b>
<b>Total Financial Assets and Liabilities</b>	<b>374,857</b>	<b>99,812</b>	<b>—</b>	<b>474,669</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>				
Fixed Income Securities	—	106,317	—	106,317
Short-Term Investments	—	9,746	—	9,746
Equities	355,974	171	—	356,145
Derivative assets	—	11,660	—	11,660
<b>Total Financial Assets</b>	<b>355,974</b>	<b>127,894</b>	<b>—</b>	<b>483,868</b>
<b>Financial Liabilities</b>				
Derivative liabilities	—	(11,856)	—	(11,856)
<b>Total Financial Liabilities</b>	<b>—</b>	<b>(11,856)</b>	<b>—</b>	<b>(11,856)</b>
<b>Total Financial Assets and Liabilities</b>	<b>355,974</b>	<b>116,038</b>	<b>—</b>	<b>472,012</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>274</b>	<b>218</b>

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

	December 31, 2016	December 31, 2015
<b>Fair value of assets transferred from Level 2 to Level 1 during the period (\$000s)</b>	<b>—</b>	<b>95</b>

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

The Fund 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 (see note 1)

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

Each of the CIBC Mutual Funds and CIBC Family of Managed 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.

CIBC Securities Inc. is the principal distributor, Canadian Imperial Bank of Commerce (*CIBC*) is the manager (the *Manager*), and CIBC Trust Corporation is the trustee (the *Trustee*) of the Funds.

Each Fund is permitted to have an unlimited number of classes of units and may issue an unlimited number of units of each class. In the future, the offering of any classes of units of a Fund may be terminated or additional classes of units may be offered. The following table indicates the classes of units offered for sale by each of the Funds, as at the date of these financial statements:

Funds	Class A	Class T4	Class T6	Class T8	Premium Class	Institutional Class	Class O
CIBC Canadian T-Bill Fund	✓				✓		
CIBC Money Market Fund	✓				✓		✓
CIBC U.S. Dollar Money Market Fund	✓				✓		✓
CIBC Short-Term Income Fund	✓				✓		✓
CIBC Canadian Bond Fund	✓				✓		✓
CIBC Monthly Income Fund	✓						✓
CIBC Global Bond Fund	✓						✓
CIBC Global Monthly Income Fund	✓						✓
CIBC Balanced Fund	✓						
CIBC Dividend Income Fund	✓						✓
CIBC Dividend Growth Fund	✓						✓
CIBC Canadian Equity Fund	✓						✓
CIBC Canadian Equity Value Fund	✓						✓
CIBC Canadian Small-Cap Fund	✓						
CIBC U.S. Equity Fund	✓						✓
CIBC U.S. Small Companies Fund	✓						✓
CIBC Global Equity Fund	✓						
CIBC International Equity Fund	✓						✓
CIBC European Equity Fund	✓						✓
CIBC Emerging Markets Fund	✓						✓
CIBC Asia Pacific Fund	✓						✓
CIBC Latin American Fund	✓						
CIBC International Small Companies Fund	✓						
CIBC Financial Companies Fund	✓						
CIBC Canadian Resources Fund	✓						✓
CIBC Energy Fund	✓						✓
CIBC Canadian Real Estate Fund	✓						✓
CIBC Precious Metals Fund	✓						✓
CIBC Global Technology Fund	✓						
CIBC Canadian Short-Term Bond Index Fund	✓				✓	✓	✓
CIBC Canadian Bond Index Fund	✓				✓	✓	✓
CIBC Global Bond Index Fund	✓				✓	✓	
CIBC Balanced Index Fund	✓				✓	✓	
CIBC Canadian Index Fund	✓				✓	✓	✓
CIBC U.S. Broad Market Index Fund	✓				✓	✓	✓
CIBC U.S. Index Fund	✓				✓	✓	✓
CIBC International Index Fund	✓				✓	✓	✓
CIBC European Index Fund	✓				✓	✓	
CIBC Emerging Markets Index Fund	✓				✓	✓	✓
CIBC Asia Pacific Index Fund	✓				✓	✓	✓
CIBC Nasdaq Index Fund	✓				✓	✓	
CIBC Managed Income Portfolio	✓	✓	✓				
CIBC Managed Income Plus Portfolio	✓	✓	✓				
CIBC Managed Balanced Portfolio	✓	✓	✓	✓			
CIBC Managed Monthly Income Balanced Portfolio	✓		✓	✓			
CIBC Managed Balanced Growth Portfolio	✓	✓	✓	✓			
CIBC Managed Growth Portfolio	✓	✓	✓	✓			
CIBC Managed Aggressive Growth Portfolio	✓	✓	✓	✓			
CIBC U.S. Dollar Managed Income Portfolio	✓	✓	✓				
CIBC U.S. Dollar Managed Balanced Portfolio	✓	✓	✓	✓			
CIBC U.S. Dollar Managed Growth Portfolio	✓	✓	✓	✓			

Each class of units may charge a different management fee. Operating expenses can be either common or class-specific. Class-specific expenses are allocated on a class-by-class basis. As a result, a separate net asset value per unit is calculated for each class of units.

Class A units are available to all investors on a no-load basis with a minimum investment of \$500. Investors may have to pay a short-term trading fee if applicable.

Class T4, T6, and T8 units have the same characteristics as Class A units, except that they each intend to pay a fixed distribution amount per unit, which also results in a separate net asset value per unit for each class, and may have different minimum investment requirements.

Premium Class units are available to investors on a no-load basis with a minimum investment of \$100,000 for CIBC Canadian T-Bill Fund and CIBC Money Market Fund, US\$100,000 for CIBC U.S. Dollar Money Market Fund, \$50,000 for CIBC Short-Term Income Fund, CIBC Canadian Bond Fund, CIBC Canadian Short-Term Bond Index Fund, CIBC Canadian Bond Index Fund, CIBC Global Bond Index Fund, CIBC Balanced Index Fund, CIBC Canadian Index Fund, CIBC U.S. Broad Market Index Fund, CIBC U.S. Index Fund, CIBC International Index Fund, CIBC European Index Fund, CIBC Emerging Markets Index Fund, CIBC Asia Pacific Index Fund, and CIBC Nasdaq Index Fund, and US\$50,000 for the U.S. dollar purchase option of CIBC U.S. Broad Market Index Fund and CIBC Nasdaq Index Fund. Management fees charged in respect of Premium Class units are lower than those charged in respect of Class A units.

Institutional Class units are available to investors with a minimum investment of \$50,000. Institutional Class units are available to investors participating in programs that do not require the payment of sales charges by investors and do not require the payment of service or trailing commissions to dealers, and others who pay an annual fee to their dealer. For these investors, we “unbundle” the typical distribution costs and charge a lower management fee. Potential investors include institutional clients, clients of “fee-for-service” investment advisors, dealer sponsored “wrap accounts”, and others who pay an annual fee to their dealer instead of transactional sales charges and where the dealer does not receive service fees or trailing commissions from the Manager.

Class O units are only available to certain investors who have been approved by and have entered into a Class O unit account agreement with the Manager or whose dealer or discretionary manager offers separately managed accounts or similar programs and has entered into a Class O unit account agreement with the Manager. These investors are typically financial services companies, including the Manager, that use Class O units of a fund to facilitate offering other products to investors. No management fees or operating expenses are charged to a fund in respect of Class O units; instead, a negotiated management fee is charged by the Manager directly to, or as directed by, Class O unitholders or dealers and discretionary managers on behalf of unitholders.

The date upon which each Fund was established by Declaration of Trust (*Date Established*) and the date upon which each class of 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 of the Funds 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 the Statements of Cash Flows of each of the Funds are for the annual periods ended December 31, 2016 and 2015, except for Funds or classes established during either period, 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 notes 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;



## Notes to Financial Statements

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 or Canadian municipal 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 a 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. Gold bullion recorded at fair value established by the last traded market price when the price falls within that day's bid-ask spread. 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) Investment income is the sum of income paid to the fund that is generated from a fund's investment fund holdings.
- vi) 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 Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units 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 (except for CIBC U.S. Dollar Money Market Fund, CIBC U.S. Dollar Managed Income Portfolio, CIBC U.S. Dollar Managed Balanced Portfolio, and CIBC U.S. Dollar Managed Growth Portfolio, which are valued in U.S. dollars) at the current rates prevailing on each valuation date.

Purchases and sales of investments, income, and expenses are translated into Canadian dollars, which is the Funds' functional and presentation currency (with the exception of the above-mentioned Funds which are valued in U.S. dollars) 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 and in Income, respectively, on the Statements of Comprehensive Income.

**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 Funds that use the forward foreign currency contracts for hedging, or as Derivative income (loss) from forward foreign currency contracts for Funds 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) from futures contracts 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 fund 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 Fund 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) Multi-Class Structured Funds**

The realized and unrealized capital gains or losses, income, and common expenses (other than class-specific operating expenses and management fees) of the Fund are allocated on each valuation date to the unitholders in proportion to the respective prior day's net asset value, which includes unitholder trades dated for that day, of each class of units at the date on which the allocation is made. All class-specific operating expenses and management fees do not require allocation. All class-specific operating expenses are paid by the Manager and are collected from the Funds on a recoverable basis.

**l) 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.

**m) Legend of Abbreviations**

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

*Currency Abbreviations*

AED	– United Arab Emirates Dirham	KRW	– South Korean Won
ARS	– Argentine Peso	MAD	– Morocco Dirham
AUD	– Australian Dollar	MXN	– Mexican Peso
BRL	– Brazilian Real	MYR	– Malaysian Ringgit
CAD	– Canadian Dollar	NOK	– Norwegian Krone
CHF	– Swiss Franc	NZD	– New Zealand Dollar
CLP	– Chilean Peso	PEN	– Peruvian Nuevo Sol
CNY	– Chinese Renminbi	PHP	– Philippine Peso
COP	– Colombian Peso	PKR	– Pakistan Rupee

## Notes to Financial Statements

CZK	– Czech Koruna	PLN	– Polish Zloty
DKK	– Danish Krone	QAR	– Qatari Riyal
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	VEF	– Venezuelan Bolivar Fuerte
JOD	– Jordanian Dinars	ZAR	– South African Rand
JPY	– Japanese Yen		

### Other Abbreviations

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

### n) 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.

### o) 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 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, the Manager will then determine the price that is most representative of fair value based on the specific facts and circumstances.

### c) Listed Securities, Unlisted Securities, Gold Bullion 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.

Gold bullion, which is listed and traded on a securities exchange is fair valued using the last traded price, if the last traded price falls within that day's bid-ask spread. If there is no traded price on a securities exchange or if the last traded price does not fall within that day's bid-ask spread, the fair value is determined by the Manager.

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 fair valued 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 fair valuation techniques that most accurately reflect their 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 funds' interests in Underlying Funds held in the form of redeemable units, are reported in their 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.

**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 net assets attributable to holders of redeemable units of a Fund. Each unit has no par value and the value of each unit is the net asset value as determined on each valuation date. 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 a 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 for each class of units of the Fund is reported in footnote *Maximum Chargeable Annual Management Fee Rates* on the Statements of Comprehensive Income. For Class O units, management fees are negotiated with and paid by, or as directed by, unitholders, or dealers and discretionary managers on behalf of unitholders.

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, including 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 class-specific 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 from a Fund less than the actual class-specific operating expenses paid by the Manager, resulting in the Manager absorbing class-specific 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 class-specific operating expenses and/or waiving management fees at any time. Class-specific 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.

CIBC U.S. Dollar Money Market Fund, CIBC U.S. Dollar Managed Income Portfolio, CIBC U.S. Dollar Managed Balanced Portfolio, and CIBC U.S. Dollar Managed Growth Portfolio may realize net foreign currency gains and losses on the translation of their net realized capital gains to Canadian dollars for tax purposes. These gains will be distributed to investors annually unless these Funds elect to retain them, with the result that the tax would be payable by the Funds.

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 for CIBC Canadian T-Bill Fund, CIBC Money Market Fund, CIBC U.S. Dollar Money Market Fund which have 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 where applicable. In allocating brokerage business, consideration may be given by the portfolio sub-advisors of the Funds to dealers that furnish research, statistical analysis, and other securities to portfolio sub-advisors that process trades through such dealers (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. 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).

## Notes to Financial Statements

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.

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 or portfolio sub-advisors to CIBC World Markets Inc. and 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 Funds. 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 Funds.

### 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

CIBC Canadian T-Bill Fund  
CIBC Money Market Fund  
CIBC U.S. Dollar Money Market Fund  
CIBC Short-Term Income Fund  
CIBC Canadian Bond Fund  
CIBC Monthly Income Fund  
CIBC Global Bond Fund  
CIBC Global Monthly Income Fund  
CIBC Balanced Fund  
CIBC Dividend Income Fund  
CIBC Dividend Growth Fund  
CIBC Canadian Equity Fund  
CIBC Canadian Equity Value Fund  
CIBC Canadian Small-Cap Fund  
CIBC U.S. Equity Fund  
CIBC U.S. Small Companies Fund  
CIBC Global Equity Fund  
CIBC International Equity Fund  
CIBC European Equity Fund  
CIBC Emerging Markets Fund  
CIBC Asia Pacific Fund  
CIBC Latin American Fund  
CIBC International Small Companies Fund  
CIBC Financial Companies Fund  
CIBC Canadian Resources Fund  
CIBC Energy Fund  
(collectively, the "Funds")

CIBC Canadian Real Estate Fund  
CIBC Precious Metals Fund  
CIBC Global Technology Fund  
CIBC Canadian Short-Term Bond Index Fund  
CIBC Canadian Bond Index Fund  
CIBC Global Bond Index Fund  
CIBC Balanced Index Fund  
CIBC Canadian Index Fund  
CIBC U.S. Broad Market Index Fund  
CIBC U.S. Index Fund  
CIBC International Index Fund  
CIBC European Index Fund  
CIBC Emerging Markets Index Fund  
CIBC Asia Pacific Index Fund  
CIBC Nasdaq Index Fund  
CIBC Managed Income Portfolio  
CIBC Managed Income Plus Portfolio  
CIBC Managed Balanced Portfolio  
CIBC Managed Monthly Income Balanced Portfolio  
CIBC Managed Balanced Growth Portfolio  
CIBC Managed Growth Portfolio  
CIBC Managed Aggressive Growth Portfolio  
CIBC U.S. Dollar Managed Income Portfolio  
CIBC U.S. Dollar Managed Balanced Portfolio  
CIBC U.S. Dollar Managed Growth 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 years 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 years then ended in accordance with International Financial Reporting Standards.

Toronto, Canada  
March 20, 2017



Chartered Professional Accountants  
Licensed Public Accountants

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