



## Annual Management Report of Fund Performance

for the financial year ended December 31, 2020

All figures are reported in Canadian dollars unless otherwise noted.

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling toll-free at 1-800-465-3863, by writing to us at CIBC, Brookfield Place, 161 Bay Street, 22nd floor, Toronto, Ontario, M5J 2S1, or by visiting our website at [www.cibc.com/mutualfunds](http://www.cibc.com/mutualfunds) or SEDAR at [www.sedar.com](http://www.sedar.com).

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

### Management Discussion of Fund Performance

#### Investment Objective and Strategies

**Investment Objective:** CIBC Balanced Fund (referred to as the *Fund*) seeks to provide a balanced portfolio of primarily Canadian securities that produce income and capital appreciation by investing primarily in Canadian money market instruments, debt securities, and common and preferred shares.

**Investment Strategies:** The Fund invests in a combination of equity and fixed income securities issued by governments and corporations. In combination with a strategic asset allocation strategy, uses a bottom-up, fundamental approach to primarily invest in equity securities of high-quality companies that are attractively valued from a discount to intrinsic value perspective.

#### Risk

The Fund is a Canadian neutral balanced fund that is suitable for medium- to long-term investors who can tolerate low to medium investment risk.

For the period ended December 31, 2020, the Fund's overall level of risk remained as discussed in the simplified prospectus.

#### Results of Operations

CIBC Asset Management Inc. (referred to as *CAMI* or the *Portfolio Advisor*) and American Century Investment Management, Inc. (referred to as *ACI*) provide investment advice and investment management services to the Fund. The investment style and the percentage of the portfolio allocated to CAMI and the portfolio sub-advisor are outlined below. The portfolio allocation may change from time to time.

- CAMI – Canadian Equities and Fixed Income, approximately 85% (until August 31, 2020)
- ACI – Global Growth, approximately 15% (until August 31, 2020)
- CAMI – approximately 100% (effective September 1, 2020)

The commentary that follows provides a summary of the results of operations for the period ended December 31, 2020. All dollar figures are expressed in thousands, unless otherwise indicated.

The Fund's net asset value decreased by 1% during the period, from \$341,566 as at December 31, 2019 to \$337,558 as at December 31, 2020. Net redemptions of \$27,271 were partially offset by positive investment performance, resulting in an overall decrease in net asset value.

Class A units of the Fund posted a return of 7.5% for the period. The Fund's primary benchmarks, the S&P/TSX Composite Index and the FTSE Canada Universe Bond Index (referred to as the *benchmarks*), returned 5.6% and 8.7%, respectively, for the same period. The Fund's return is after the deduction of fees and expenses, unlike the benchmarks' returns. See the section *Past Performance* for the returns of other classes of units offered by the Fund.

Although the global economy and financial markets started 2020 off relatively strong, measures to contain the spread of COVID-19 slowed economies around the world. In response, central banks and governments implemented massive monetary and fiscal stimulus programs, including substantial asset purchases, to support their respective economies and financial markets. Government bond yields reached record lows as a result of these measures.

The spring economic slowdown reduced demand for commodities, which, in combination with oversupply, led to a brief period of negative crude oil prices.

Equities plunged sharply into a bear market in March before rallying in response to the unprecedented stimulus programs, which kept global yields at historically low levels. Investment-grade corporate bond spreads (the difference in yields from government bonds) briefly reached a level not seen since 1929. The price of gold reached record highs.

Continued market optimism in the second half of the period supported a further rise in equities and bonds as well as a recovery in commodity prices. Despite a second wave of COVID-19 infections, this optimism was fuelled by hopes of economic re-opening and progress toward the distribution of vaccines. Other positive factors included the resolution of U.S. election uncertainty, expectations of a deal between the U.K. and

the European Union, and a limit on oil output by the Organization of the Petroleum Exporting Countries (referred to as OPEC).

Canadian equity markets ended the period up slightly. With hopes of an end to the pandemic and economic recovery, investors moved back into cyclical sectors, which had seen a steep sell-off earlier. Overall, the information technology and materials sector were leaders, while the energy and health care sectors declined.

In the Fund's Canadian Equities and Fixed Income component (until August 31), stock selection in the industrials, utilities and materials sectors detracted from performance. A moderate underweight exposure to Canadian and global bonds detracted from performance as central bank stimulus programs led to strong performance for government bonds. Individual equity detractors included overweight holdings in Air Canada and Keyera Corp. Air Canada's share price declined in response to travel restrictions imposed during the pandemic. CAMI eliminated the holding in July based on the expectation that travel demand will take time to recover, given high COVID-19 infection rates in the U.S. Keyera suffered as the economic slowdown reduced demand for oil and the commodity price fell sharply.

Within the fixed income portfolio of the Canadian Equities and Fixed Income component, individual detractors from performance included 407 International Inc. (5.75%, 2036/02/14), which was negatively affected as lockdowns reduced traffic levels. Suncor Energy Inc. (5.39%, 2037/03/26) and Inter Pipeline Ltd. (6.88%, 2079/03/26) suffered from lower oil prices as the lockdowns reduced demand.

Stock selection in the information technology and financials sectors contributed to performance in the Canadian Equities and Fixed Income component. A moderate overweight allocation to emerging markets equities contributed to performance, as Asian equity markets had a more shallow correction during the spring and rebounded quickly afterward. A moderate overweight exposure to global small-capitalization stocks also contributed. Individual equity contributors included overweight holdings in Shopify Inc. and Newmont Corp. Shopify benefited from the accelerated shift to e-commerce during the pandemic. Newmont's share price appreciated in response to strong gold prices.

In the fixed income portfolio of the Canadian Equities and Fixed Income component, a material overweight allocation to corporate bonds contributed to performance as credit spreads declined (that is, as the difference in yield from Government of Canada bonds with the same maturity decreased). The management of fixed income duration (sensitivity to changes in interest rates) also contributed as yields moved lower. Overweight exposure to the mid-term part of the yield curve contributed to performance as yields moved lower and the yield curve steepened. Individual fixed income contributors included Government of Canada (4.00%, 2041/06/01), Government of Canada Real Return (1.50%, 2044/12/01) and Government of Canada (3.50%, 2045/12/01) as a result of their weightings within the portfolio and their duration as long-term bond yields declined.

In the Fund's Global Growth component (until August 31), stock selection in information technology detracted from performance. Individual detractors included an underweight holding in Microsoft Corp., which outperformed. A holding in India-based HDFC Bank Ltd.

also detracted as the bank's substantial local business loans were negatively affected by the pandemic.

Stock selection in the health care sector, particularly a moderate overweight exposure to life sciences tools and services, contributed to performance in the Global Growth component (until August 31). Stock selection in consumer discretionary also contributed, especially a moderate overweight exposure to Internet and catalogue retail stocks. Individual contributors included Etsy Inc., Catalent Inc. and Amazon.com Inc. Etsy benefited from increased online shopping during the pandemic. Catalent reported strong quarterly results after product launches in its oral and specialty delivery segment. Amazon.com benefited from demand for cloud computing, e-commerce and emerging technology.

In the Fund as a whole (from September 1), underweight exposure to some outperforming large-capitalization stocks, such as Apple Inc., detracted from performance. As optimism regarding vaccines led to a rotation toward more cyclical stocks in November, the component's defensive holdings lagged. Individual detractors included American Tower Corp. and The Home Depot Inc., which underperformed as equities broadly rebounded from the lows seen in March. CAMI added to both these holdings on share price weakness.

A bias to high-quality companies contributed to the Fund's performance after September 1. Underweight exposure to stocks sensitive to falling interest rates contributed, as did cyclical holdings, which are sensitive to economic recovery. Individual contributors to performance included holdings in Taiwan Semiconductor Manufacturing Co. Ltd., Neste Oil OYJ and Orsted AS. Taiwan Semiconductor's technological leadership was clearly established as Intel Corp. disappointed the markets. Finnish refiner Neste experienced strong demand while expanding its margins through attractive sourcing of raw materials and hedging. Danish offshore wind farm operator Orsted benefited from progress on climate change, renewables and energy usage, especially in Europe.

CAMI added several new holdings to the Fund after September 1. Suzuki Motor Corp. has an attractive valuation, and adds exposure to the economic cycle and to India. Linde PLC was also added as a high-quality cyclical stock. A constructive conversation with TransUnion's management added to CAMI's conviction on the stock's return potential. Activision Blizzard Inc. has strong fundamentals going into 2021. After positive vaccine news, CAMI added exposure to global travel and leisure through Southwest Airlines Co. LPL Financial Holdings Inc. was added to increase exposure to interest rates based on CAMI's view that rates would not fall further in 2020.

The Fund's holdings in McDonald's Corp., LVMH Moët Hennessey-Louis Vuitton SE and Novo Nordisk AS were eliminated as they reached or exceeded CAMI's estimate of fair value. Based on higher conviction, Verisk Analytics Inc. was sold in favour of TransUnion, Verizon Communications Inc. was sold in favour of Activision Blizzard, and Ross Stores Inc. was sold in favour of Home Depot. The holdings in Cintas Corp. and Taiwan Semiconductor were reduced following large gains.

The Fund's higher portfolio turnover rate was due to portfolio adjustments resulting from the portfolio sub-advisor change that occurred during the period.

### Recent Developments

Effective September 1, 2020, CAMI directly provides all investment management services to the Fund, replacing ACI. In addition, the annual management fees were reduced from 1.90% to 1.80% for Class A units and from 0.90% to 0.80% for Class F units of the Fund.

On July 6, 2020, Class F units of the Fund were made available for purchase.

The composition of the Independent Review Committee (referred to as *IRC*) changed. Don Hunter and Merle Kriss retired effective April 26, 2020. Effective April 27, 2020, David Forster and Deborah Leckman were appointed as members of the IRC. Marcia Lewis Brown was appointed Chair effective April 1, 2020.

The international spread of COVID-19 caused a significant slowdown in the global economy and volatility in financial markets. The COVID-19 outbreak may adversely affect global markets and the Fund's performance.

### Related Party Transactions

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

#### Manager

CIBC is the Fund's manager (referred to as the *Manager*). CIBC receives management fees with respect to the Fund's day-to-day business and operations, calculated based on the net asset value of each respective class of units of the Fund as described in the section entitled *Management Fees*. The Manager compensates its wholesalers in connection with their marketing activities regarding the Fund. From time to time, CIBC may invest in units of the Fund.

#### Trustee

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

#### Portfolio Advisor

The portfolio advisor provides, or arranges to provide, investment advice and portfolio management services to the Fund. CAMI, a wholly-owned subsidiary of CIBC, is the Fund's portfolio advisor.

#### Distributor

Dealers and other firms sell the units of the Fund to investors. These dealers and other firms include CIBC's related dealers such as the principal distributor, CIBC Securities Inc. (referred to as *CIBC SI*), the CIBC Investor's Edge discount brokerage division of CIBC Investor Services Inc. (referred to as *CIBC ISI*), the CIBC Imperial Investor Service division of CIBC ISI, and the CIBC Wood Gundy division of CIBC World Markets Inc. (referred to as *CIBC WM*). CIBC SI, CIBC ISI, and CIBC WM are wholly-owned subsidiaries of CIBC.

CIBC may pay trailing commissions to these dealers and firms, except for CIBC SI, in connection with the sale of units of the Fund. These dealers and other firms may pay a portion of these trailing commissions

to their advisors who sell units of the Fund to investors. CIBC does not pay trailing commissions to CIBC SI for selling units of the Fund, although overall sales of CIBC funds may be considered in assessing the performance of their advisors and may therefore contribute to their annual compensation.

#### Brokerage Arrangements and Soft Dollars

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

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

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

During the period, the Fund paid brokerage commissions and other fees of \$15,307 to CIBC WM; the Fund did not pay any brokerage commissions or other fees to CIBC World Markets Corp. Spreads associated with fixed income and other securities are not ascertainable and, for that reason, cannot be included when determining these amounts.

#### Fund Transactions

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

- invest in or hold equity securities of CIBC or issuers related to a portfolio sub-advisor;
- invest in or hold non-exchange-traded debt securities of CIBC or an issuer related to CIBC, with terms-to-maturity of 365 days or more, issued in a primary offering and in the secondary market;
- make an investment in the securities of an issuer for which CIBC WM, CIBC World Markets Corp., or any affiliate of CIBC (referred to as a *Related Dealer*) acts as an underwriter during the offering of

the securities or at any time during the 60-day period following the completion of the offering of such securities (in the case of a “private placement” offering, in accordance with the exemptive relief order granted by the Canadian securities regulatory authorities and in accordance with the policies and procedures relating to such investment);

- purchase equity or debt securities from or sell them to a Related Dealer, where it is acting as principal;
- undertake currency and currency derivative transactions where a Related Dealer is the counterparty;
- purchase securities from or sell securities to another investment fund or a managed account managed by the Manager or an affiliate; and
- engage in in-specie transfers by receiving portfolio securities from, or delivering portfolio securities to, a managed account or another investment fund managed by the Manager or an affiliate, in respect of a purchase or redemption on units in the fund, subject to certain conditions.

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

#### *Custodian*

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

#### *Service Provider*

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

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended December 31.

### The Fund's Net Assets per Unit<sup>1</sup> - Class A Units

	2020	2019	2018	2017	2016
<b>Net Assets, beginning of period</b>	\$ 19.62	\$ 17.86	\$ 19.39	\$ 19.17	\$ 19.14
<b>Increase (decrease) from operations:</b>					
Total revenue	\$ 0.46	\$ 0.67	\$ 0.46	\$ 0.68	\$ 0.36
Total expenses	(0.46)	(0.47)	(0.47)	(0.49)	(0.50)
Realized gains (losses) for the period	1.00	1.00	0.62	1.10	1.35
Unrealized gains (losses) for the period	0.40	1.43	(1.47)	(0.02)	(0.34)
<b>Total increase (decrease) from operations<sup>2</sup></b>	\$ 1.40	\$ 2.63	\$ (0.86)	\$ 1.27	\$ 0.87
<b>Distributions:</b>					
From income (excluding dividends)	\$ —	\$ —	\$ —	\$ —	\$ —
From dividends	—	0.20	—	0.19	—
From capital gains	0.66	0.63	0.63	0.85	0.85
Return of capital	—	—	—	—	—
<b>Total Distributions<sup>3</sup></b>	\$ 0.66	\$ 0.83	\$ 0.63	\$ 1.04	\$ 0.85
<b>Net Assets, end of period</b>	\$ 20.41	\$ 19.62	\$ 17.86	\$ 19.39	\$ 19.17

<sup>1</sup> This information is derived from the Fund's audited annual financial statements.

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

<sup>3</sup> Distributions were paid in cash, reinvested in additional units of the Fund, or both.

### Ratios and Supplemental Data - Class A Units

	2020	2019	2018	2017	2016
<b>Total Net Asset Value (000s)<sup>4</sup></b>	\$ 337,375	\$ 341,566	\$ 333,478	\$ 386,680	\$ 399,390
<b>Number of Units Outstanding<sup>4</sup></b>	16,533,109	17,412,620	18,676,746	19,947,320	20,836,659
<b>Management Expense Ratio<sup>5</sup></b>	2.27%	2.30%	2.30%	2.30%	2.41%
<b>Management Expense Ratio before waivers or absorptions<sup>6</sup></b>	2.33%	2.34%	2.34%	2.35%	2.42%
<b>Trading Expense Ratio<sup>7</sup></b>	0.06%	0.06%	0.08%	0.13%	0.13%
<b>Portfolio Turnover Rate<sup>8</sup></b>	67.83%	51.42%	53.98%	73.45%	124.85%
<b>Net Asset Value per Unit</b>	\$ 20.41	\$ 19.62	\$ 17.86	\$ 19.39	\$ 19.17

<sup>4</sup> This information is presented as at December 31 of the periods shown.

<sup>5</sup> Management expense ratio is based on the total expenses of the fund (excluding commissions and other portfolio transaction costs), incurred by or allocated to a class of units for the period shown, expressed as an annualized percentage of the daily average net asset value of that class during the period. The management expense ratio includes the fees attributable to exchange traded funds.

<sup>6</sup> The decision to waive and/or absorb management fees and operating expenses is at the discretion of the Manager. The practice of waiving and/or absorbing management fees and operating expenses may continue indefinitely or may be terminated at any time without notice to unitholders. The management expense ratio before waivers or absorptions includes the fees attributable to exchange traded funds.

<sup>7</sup> The trading expense ratio represents total commissions and other portfolio transaction costs before income taxes expressed as an annualized percentage of the daily average net asset value during the period. Spreads associated with fixed income securities trading are not ascertainable and, for that reason, are not included in the trading expense ratio calculation. Previously, the trading expense ratio included the non-trading expenses attributable to exchange traded funds which are now no longer included in the TER. Prior year fees attributable to exchange traded funds have been reclassified to the management expense ratio and management expense ratio before waivers or absorptions.

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

*CIBC Balanced Fund*

**The Fund's Net Assets per Unit<sup>1</sup> - Class F Units**

	2020 <sup>a</sup>
<b>Net Assets, beginning of period</b>	\$ 10.00 <sup>b</sup>
<b>Increase (decrease) from operations:</b>	
Total revenue	\$ 0.19
Total expenses	(0.04)
Realized gains (losses) for the period	0.04
Unrealized gains (losses) for the period	0.05
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$ 0.24</b>
<b>Distributions:</b>	
From income (excluding dividends)	\$ —
From dividends	—
From capital gains	0.11
Return of capital	—
<b>Total Distributions<sup>3</sup></b>	<b>\$ 0.11</b>
<b>Net Assets, end of period</b>	<b>\$ 10.64</b>

<sup>a</sup> Information presented is for the period from July 6, 2020 to December 31, 2020.

<sup>b</sup> Initial offering price.

<sup>1</sup> This information is derived from the Fund's audited annual financial statements.

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

<sup>3</sup> Distributions were paid in cash, reinvested in additional units of the Fund, or both.

**Ratios and Supplemental Data - Class F Units**

	2020 <sup>a</sup>
<b>Total Net Asset Value (000s)<sup>4</sup></b>	\$ 183
<b>Number of Units Outstanding<sup>4</sup></b>	17,162
<b>Management Expense Ratio<sup>5</sup></b>	1.11%*
<b>Management Expense Ratio before waivers or absorptions<sup>6</sup></b>	1.23%*
<b>Trading Expense Ratio<sup>7</sup></b>	0.06%
<b>Portfolio Turnover Rate<sup>8</sup></b>	67.83%
<b>Net Asset Value per Unit</b>	\$ 10.64

<sup>a</sup> Information presented is for the period from July 6, 2020 to December 31, 2020.

\* Ratio has been annualized.

<sup>4</sup> This information is presented as at December 31 of the periods shown.

<sup>5</sup> Management expense ratio is based on the total expenses of the fund (excluding commissions and other portfolio transaction costs), incurred by or allocated to a class of units for the period shown, expressed as an annualized percentage of the daily average net asset value of that class during the period. The management expense ratio includes the fees attributable to exchange traded funds.

<sup>6</sup> The decision to waive and/or absorb management fees and operating expenses is at the discretion of the Manager. The practice of waiving and/or absorbing management fees and operating expenses may continue indefinitely or may be terminated at any time without notice to unitholders. The management expense ratio before waivers or absorptions includes the fees attributable to exchange traded funds.

<sup>7</sup> The trading expense ratio represents total commissions and other portfolio transaction costs before income taxes expressed as an annualized percentage of the daily average net asset value during the period. Spreads associated with fixed income securities trading are not ascertainable and, for that reason, are not included in the trading expense ratio calculation. Previously, the trading expense ratio included the non-trading expenses attributable to exchange traded funds which are now no longer included in in the TER. Prior year fees attributable to exchange traded funds have been reclassified to the management expense ratio and management expense ratio before waivers or absorptions.

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

## Management Fees

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

The following table shows a breakdown of the services received in consideration of the management fees, as a percentage of the management fees collected from the Fund for the period ended December 31, 2020. These amounts do not include waived fees or absorbed expenses.

	Class A Units	Class F Units
Sales and trailing commissions paid to dealers	47.49%	0.00%
General administration, investment advice, and profit	52.51%	100.00%

## Past Performance

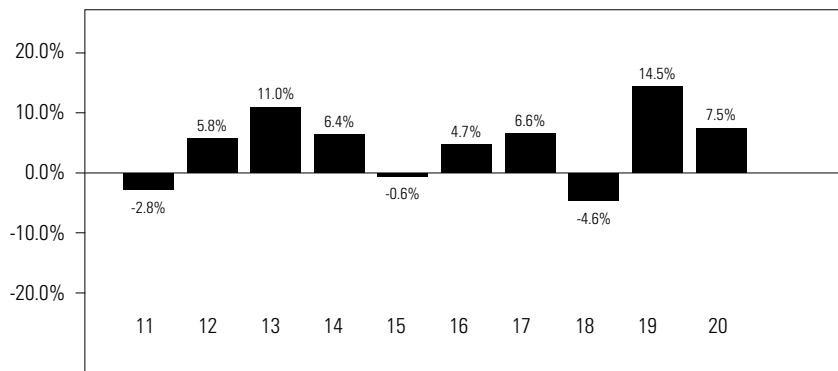
The performance data provided assumes reinvestment of distributions only and does not take into account sales, redemption, distribution, or other optional charges payable by any unitholder that would have reduced returns. Past performance does not necessarily indicate how a fund will perform in the future.

The Fund's returns are after the deduction of fees and expenses, and the difference in returns between classes of units is primarily due to differences in the management expense ratio. See *Financial Highlights* section for the management expense ratio.

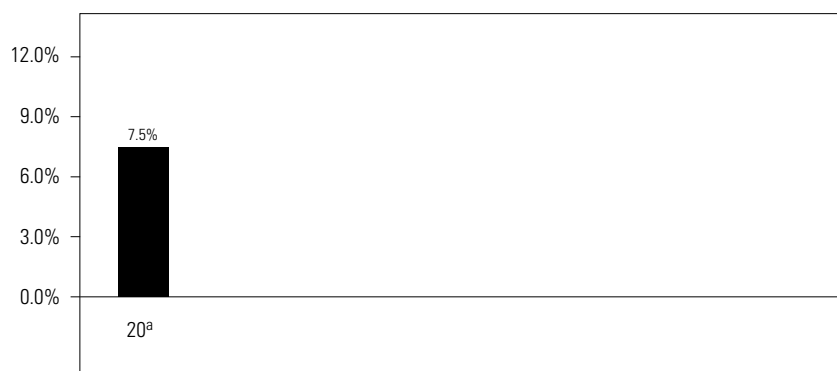
## Year-by-Year Returns

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

Class A Units



Class F Units



<sup>a</sup> 2020 return is for the period from July 6, 2020 to December 31, 2020.

**Annual Compound Returns**

This table shows the annual compound return of each class of units of the Fund for each indicated period ended on December 31, 2020. The annual compound total return is also compared to the Fund's benchmarks.

The Fund's primary benchmarks are the FTSE Canada Universe Bond Index and the S&P/TSX Composite Index.

The Fund's blended benchmark (referred to as *Blended Benchmark*) is comprised of the following:

- 40% FTSE Canada Universe Bond Index
- 40% S&P/TSX Composite Index
- 20% MSCI World Index

	1 Year	3 Years	5 Years	10 Years*	or	Since Inception*	Inception Date
Class A units	7.5%	5.5%	5.5%	4.7%			December 31, 1987
S&P/TSX Composite Index	5.6%	5.7%	9.3%	5.7%			
FTSE Canada Universe Bond Index	8.7%	5.6%	4.2%	4.5%			
Blended Benchmark	9.2%	7.2%	7.8%	6.9%			
Class F units						7.5%	July 6, 2020
S&P/TSX Composite Index						13.3%	
FTSE Canada Universe Bond Index						0.9%	
Blended Benchmark						8.6%	

\* If a class of units has been outstanding for less than 10 years, the annual compound return since inception is shown.

**FTSE Canada Universe Bond Index** is comprised of marketable Canadian bonds intended to reflect the performance of the broad Canadian investment-grade bond market. Returns are calculated daily and are weighted by market capitalization.

**MSCI World Index** is a free float-adjusted market capitalization index composed of companies representative of the market structure of developed market countries in North America, Europe and the Asia/Pacific region.

**S&P/TSX Composite Index** is intended to represent the Canadian equity market and includes the largest companies listed on the TSX.

A discussion of the Fund's relative performance compared to its primary benchmarks can be found in *Results of Operations*.



*CIBC Balanced Fund*

**Summary of Investment Portfolio** (as at December 31, 2020)

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available by visiting [www.cibc.com/mutualfunds](http://www.cibc.com/mutualfunds). The Top Positions table shows a fund's 25 largest positions. If the fund holds fewer than 25 positions in total, all positions are shown. Cash and cash equivalents are shown in total as one position.

<i>Portfolio Breakdown</i>	<i>% of Net Asset Value</i>	<i>Top Positions</i>	<i>% of Net Asset Value</i>
Other Equities	22.0	Shopify Inc., Class 'A'	3.1
Corporate Bonds	19.7	Cash & Cash Equivalents	2.8
Financials	16.3	Royal Bank of Canada	2.7
Information Technology	7.6	Government of Canada, 4.00%, 2041/06/01	2.6
Government of Canada & Guaranteed Bonds	7.2	Toronto-Dominion Bank (The)	2.4
Industrials	7.0	Brookfield Asset Management Inc., Class 'A'	2.1
Materials	6.2	Canadian National Railway Co.	1.7
Provincial Government & Guaranteed Bonds	5.7	TELUS Corp.	1.6
Other Bonds	5.1	Enbridge Inc.	1.6
Cash & Cash Equivalents	2.8	Canadian Pacific Railway Ltd.	1.5
Forward & Spot Contracts	0.5	Canadian Imperial Bank of Commerce	1.1
Other Assets, less Liabilities	-0.1	Barrick Gold Corp.	1.0
		Canadian Apartment Properties REIT	1.0
		Government of Canada, 3.50%, 2045/12/01	0.9
		Bank of Nova Scotia	0.9
		Nutrien Ltd.	0.9
		Fortis Inc.	0.9
		National Bank of Canada	0.8
		Canada Housing Trust No. 1, 1.75%, 2030/06/15	0.8
		TC Energy Corp.	0.8
		Microsoft Corp.	0.8
		Intact Financial Corp.	0.8
		Province of Ontario, 2.90%, 2046/12/02	0.8
		Agnico Eagle Mines Ltd.	0.8
		Saputo Inc.	0.7

**A note on forward-looking statements**

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

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. CIBC does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments, or otherwise prior to the release of the next management report of fund performance.

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