



## Annual Management Report of Fund Performance

for the financial year ended December 31, 2016

*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. If you have not received a copy of the annual financial statements with this annual management report of fund performance, you can get a copy of the annual financial statements at your request, and at no cost, by calling us toll-free at 1-800-465-3863, by writing to us at CIBC, 18 York Street, Suite 1300, Toronto, Ontario, M5J 2T8, or by visiting [www.cibc.com/mutualfunds](http://www.cibc.com/mutualfunds) or the SEDAR website 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 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 Monthly Income Fund (the *Fund*) seeks to provide a reasonably consistent level of monthly income while attempting to preserve capital by investing primarily in a diversified portfolio of debt and equity instruments.

**Investment Strategies:** The Fund aims to add value through prudent security selection based on fundamental, bottom-up analysis and through the allocation of assets between cash and fixed income instruments, equities, such as common and preferred shares, income trusts, and other equity securities. Asset allocation can vary over time depending on the portfolio sub-advisor's outlook for the economy and capital markets.

#### Risk

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

For the period ended December 31, 2016, the Fund's overall level of risk remains as discussed in the simplified prospectus.

#### Results of Operations

CIBC Asset Management Inc. (*CAMI* or the *Portfolio Advisor*) and American Century Investment Management, Inc. (*ACI*) provide investment advice and investment management services to the Fund. CAMI and ACI use different investment styles and the percentage of the Fund allocated to them will change from time to time.

- CAMI – Canadian Equity and Fixed Income, approximately 90%
- ACI – Global Equity, approximately 10%

The commentary that follows provides a summary of the results of operations for the period ended December 31, 2016. All dollar figures are expressed in thousands, unless otherwise indicated.

The Fund's net asset value decreased by 4% during the period, from \$4,558,365 as at December 31, 2015 to \$4,393,177 as at December 31, 2016. Net redemptions of \$618,814 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 11.7% for the period. The Fund's primary benchmarks are the S&P/TSX Composite Dividend Index and the FTSE TMX Canada Universe Bond Index (the *benchmarks*), which returned 24.0% and 1.7%, respectively, for the same period. The Fund's return is after the deduction of fees and expenses, unlike the benchmarks. See *Past Performance* for the returns of other classes of units offered by the Fund.

Despite volatility, global stock markets gained modestly over the period. In the first half of the year, markets were affected by concerns about slowing global growth, slow inflation and political uncertainty. This uncertainty favoured yield-based investments. Following the election of Donald Trump as U.S. president in November, U.S. interest rates rose and the U.S. dollar strengthened. Overall, value-oriented stocks outperformed growth-oriented stocks.

Global monetary policy diverged. Signs of U.S. economic growth eventually led the U.S. Federal Reserve Board to raise interest rates in December, while other central banks, notably the European Central Bank, Bank of Japan and People's Bank of China, continued accommodative monetary policies.

Returns in the Canadian equity market were significantly affected by rising prices for commodities such as oil, copper and gold. The best-performing sectors were materials and energy. Rising commodity prices also improved sentiment regarding the risk of bank loan loss provisions, which was reflected in Canadian bank stock performance.

In the Canadian equity and fixed income component of the Fund, a moderate underweight allocation in the materials sector, based on company valuations in that sector, detracted from performance as gold and base metal stocks benefited from higher commodity prices.

Individual detractors included Empire Co. Ltd. Continued cyclical and operational challenges negatively affected Empire's share price, which significantly detracted from performance.

A moderate underweight allocation in the consumer discretionary sector and significant underweight allocation in the consumer staples sector contributed to performance as these sectors underperformed. A slight overweight allocation in the energy sector also contributed, as commodity prices recovered and companies reduced costs and fortified their balance sheets.

Significant individual contributors included Teck Resources Ltd. and TransCanada Corp. Teck benefited from rising coal prices, while TransCanada benefited from rising energy prices.

CAMI established a new holding in Boardwalk REIT as its stock price weakened. CAMI believes the company will benefit as higher oil prices strengthen the economy in western Canada.

CAMI added to existing holdings in Enbridge Inc. and Empire. Enbridge's stock price weakened and its valuation improved. CAMI does not believe Empire's current stock price reflects the long-term earning power of the company.

In addition, CAMI replaced its holding in CSX Corp. with a new holding in Canadian Pacific Railway Ltd. and increased exposure to Canadian National Railway Co., both of which traded at a lower valuation.

As their equity valuations improved, CAMI reduced exposure to bank stocks as well as to TransCanada, Complete Production Services, Inc. and Canadian Apartment Properties REIT.

In the global equity component of the Fund, stock selection in the consumer discretionary and financials sectors, and a moderate underweight exposure to banks, detracted significantly from relative performance. From a geographic perspective, stock selection in the U.S. and the U.K. detracted.

Significant individual detractors included Royal Bank of Scotland Group PLC, Italy-based bank Intesa Sanpaolo and U.S.-based peer-to-peer lending company LendingClub Corp., all of which were subsequently sold. Royal Bank of Scotland declined after concerns that earnings could be affected by slowing U.K. economic growth. Intesa faced the persistent challenge of low interest rates and concern that Intesa's financial strength would be used to bail out less well-capitalized Italian banks. LendingClub's shares suffered following a breakdown in corporate governance.

Stock selection in the real estate sector, particularly REITs, made a slight contribution to performance. Stock selection in the materials sector also contributed, especially among construction materials companies, where the component had a moderately overweight exposure.

Significant individual contributors included Martin Marietta Materials Inc. as well as investments in companies that reported earnings growth and improving fundamentals such as WhiteWave Foods Co. and Ulta Salon, Cosmetics & Fragrance Inc.

Martin Marietta, which manufactures cement and aggregates, benefited from volume and pricing growth as a result of robust U.S. construction activity. WhiteWave, a consumer packaged food and beverage company, rallied after its acquisition was announced. ACI

sold the holding to lock in these gains. U.S.-based cosmetics retailer ULTA continued to generate strong same-store sales growth and benefited from the expansion of its store network in the U.S.

ACI initiated new holdings in two U.S.-based companies. Oil and gas exploration company Pioneer Natural Resources Co. is well positioned to remain profitable if oil and gas prices remain persistently low. Commercial products company Newell Brands Inc. is growing through beneficial acquisitions.

ACI eliminated the holdings in online retailer and cloud computing company Amazon.com Inc. and pharmaceuticals company Bristol-Myers Squibb Co. ACI believes that lower consensus earnings expectations for Amazon.com are appropriate and that the risk/reward is no longer compelling. Bristol-Myers Squibb released disappointing drug trial results.

### **Recent Developments**

Effective April 27, 2016, the composition of the Independent Review Committee (*IRC*) changed. John Crow resigned his position as member and Chair. Marcia Lewis Brown was appointed as member and Don Hunter was appointed as Chair.

### **Related Party Transactions**

Canadian Imperial Bank of Commerce (*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 Manager of the Fund. CIBC receives management fees with respect to the day-to-day business and operations of the Fund, 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 also compensates its wholesalers in connection with their marketing activities regarding the Fund. From time to time, CIBC may provide seed capital to the Fund.

#### *Trustee*

CIBC Trust Corporation, a wholly-owned subsidiary of CIBC, is the trustee (the *Trustee*) of the Fund. The Trustee holds title to the property (cash and securities) of the Fund 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 portfolio advisor of the Fund.

#### *Portfolio Sub-Advisor*

CAMI has retained ACI to provide investment advice and portfolio management services to the Fund. A portion of the portfolio advisory fees CAMI receives from the Manager will be paid to ACI. Although not an affiliate, up until May 19, 2016, CIBC owned a 41% equity interest in ACI. On May 19, 2016, CIBC completed the sale of its minority position in ACI.

### *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. (*CIBC SI*), the CIBC Investor's Edge discount brokerage division of CIBC Investor Services Inc. (*CIBC ISI*), the CIBC Imperial Service division of CIBC ISI, and the CIBC Wood Gundy division of CIBC World Markets Inc. (*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 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.

### *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 \$78,653 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 (the *Related Party Transactions*) in reliance on the standing instructions issued by the IRC:

- invest in or hold equity securities of CIBC or issuers related to a portfolio sub-advisor;
- invest in or hold non-exchange-traded debt securities of CIBC or an issuer related to CIBC in a primary offering and in the secondary market;
- make an investment in the securities of an issuer for which CIBC WM, CIBC World Markets Corp., or any affiliate of CIBC (a *Related Dealer*) acts as an underwriter during the offering of the securities 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; and
- purchase securities from or sell securities to another investment fund or a managed account managed by the Manager or an affiliate of the Manager.

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

### *Custodian*

CIBC Mellon Trust Company is the custodian of the Fund (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 (*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

	2016	2015	2014	2013	2012
<b>Net Assets, beginning of period</b>	\$ 11.49	\$ 12.82	\$ 12.94	\$ 12.74	\$ 12.77
<b>Increase (decrease) from operations:</b>					
Total revenue	\$ 0.42	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.44
Total expenses	(0.18)	(0.19)	(0.20)	(0.19)	(0.19)
Realized gains (losses) for the period	0.28	(0.01)	0.47	0.39	0.12
Unrealized gains (losses) for the period	0.78	(0.86)	(0.15)	0.24	0.30
<b>Total increase (decrease) from operations<sup>2</sup></b>	\$ 1.30	\$ (0.59)	\$ 0.59	\$ 0.91	\$ 0.67
<b>Distributions:</b>					
From income (excluding dividends)	\$ 0.09	\$ 0.09	\$ 0.10	\$ 0.02	\$ 0.01
From dividends	0.17	0.20	0.49	0.26	0.24
From capital gains	—	—	—	0.19	—
Return of capital	0.46	0.43	0.13	0.25	0.47
<b>Total Distributions<sup>3</sup></b>	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72
<b>Net Assets, end of period</b>	\$ 12.08	\$ 11.49	\$ 12.82	\$ 12.94	\$ 12.73

<sup>1</sup> This information is derived from the Fund's audited annual financial statements. The Fund adopted International Financial Reporting Standards (*IFRS*) on January 1, 2014. Previously, the Fund prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles (*GAAP*) as defined in Part V of the CPA Canada Handbook. Under Canadian GAAP, the Fund measured fair values of its investments in accordance with CICA Handbook Section 3855 which required the use of bid prices for long positions and ask prices for short positions. As such, the net assets per unit figure presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements issued prior to January 1, 2014. Upon adoption of IFRS, the Fund measures the fair value of its investments by using the close market prices, where the close market price falls within the bid-ask spread. As such, the Fund's accounting policies for measuring the fair value of investments in the financial statements are consistent with those used in measuring the net asset value for transactions with unitholders. Accordingly, the opening net asset figure as at January 1, 2013 was restated to reflect accounting policy adjustments made in accordance with IFRS. All figures presented for periods prior to January 1, 2013 were prepared in accordance with Canadian GAAP and subsequent thereto were prepared in accordance with IFRS.

<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

	2016	2015	2014	2013	2012
<b>Total Net Asset Value (000s)<sup>4</sup></b>	\$ 4,302,806	\$ 4,464,876	\$ 5,780,722	\$ 5,894,766	\$ 6,163,146
<b>Number of Units Outstanding<sup>4</sup></b>	356,191,672	388,742,223	450,867,167	455,390,200	483,623,090
<b>Management Expense Ratio<sup>5</sup></b>	1.47%	1.47%	1.47%	1.48%	1.48%
<b>Management Expense Ratio before waivers or absorptions<sup>6</sup></b>	1.47%	1.47%	1.47%	1.48%	1.48%
<b>Trading Expense Ratio<sup>7</sup></b>	0.05%	0.03%	0.05%	0.03%	0.06%
<b>Portfolio Turnover Rate<sup>8</sup></b>	47.48%	38.24%	111.19%	49.66%	61.84%
<b>Net Asset Value per Unit</b>	\$ 12.08	\$ 11.49	\$ 12.82	\$ 12.94	\$ 12.74

<sup>4</sup> This information is presented as at December 31 of the period(s) 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.

<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.

<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.

<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 Monthly Income Fund

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

	2016	2015	2014	2013	2012
<b>Net Assets, beginning of period</b>	\$ 9.82	\$ 10.74	\$ 10.64	\$ 10.29	\$ 10.13
<b>Increase (decrease) from operations:</b>					
Total revenue	\$ 0.36	\$ 0.39	\$ 0.42	\$ 0.38	\$ 0.35
Total expenses	(0.01)	(0.01)	(0.01)	—	—
Realized gains (losses) for the period	0.24	—	0.45	0.32	0.09
Unrealized gains (losses) for the period	0.68	(0.71)	(0.11)	0.20	0.23
<b>Total increase (decrease) from operations<sup>2</sup></b>	\$ 1.27	\$ (0.33)	\$ 0.75	\$ 0.90	\$ 0.67
<b>Distributions:</b>					
From income (excluding dividends)	\$ 0.13	\$ 0.13	\$ 0.09	\$ 0.03	\$ 0.02
From dividends	0.24	0.27	0.43	0.35	0.30
From capital gains	—	—	—	0.07	—
Return of capital	0.18	0.15	0.03	0.10	0.23
<b>Total Distributions<sup>3</sup></b>	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55
<b>Net Assets, end of period</b>	\$ 10.55	\$ 9.82	\$ 10.74	\$ 10.64	\$ 10.27

<sup>1</sup> This information is derived from the Fund's audited annual financial statements. The Fund adopted International Financial Reporting Standards (*IFRS*) on January 1, 2014. Previously, the Fund prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles (*GAAP*) as defined in Part V of the CPA Canada Handbook. Under Canadian GAAP, the Fund measured fair values of its investments in accordance with CICA Handbook Section 3855 which required the use of bid prices for long positions and ask prices for short positions. As such, the net assets per unit figure presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements issued prior to January 1, 2014. Upon adoption of IFRS, the Fund measures the fair value of its investments by using the close market prices, where the close market price falls within the bid-ask spread. As such, the Fund's accounting policies for measuring the fair value of investments in the financial statements are consistent with those used in measuring the net asset value for transactions with unitholders. Accordingly, the opening net asset figure as at January 1, 2013 was restated to reflect accounting policy adjustments made in accordance with IFRS. All figures presented for periods prior to January 1, 2013 were prepared in accordance with Canadian GAAP and subsequent thereto were prepared in accordance with IFRS.

<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 O Units

	2016	2015	2014	2013	2012
<b>Total Net Asset Value (000s)<sup>4</sup></b>	\$ 90,371	\$ 93,489	\$ 128,752	\$ 263,278	\$ 260,517
<b>Number of Units Outstanding<sup>4</sup></b>	8,567,142	9,524,739	11,990,272	24,746,239	25,328,183
<b>Management Expense Ratio<sup>5</sup></b>	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Management Expense Ratio before waivers or absorptions<sup>6</sup></b>	0.01%	0.01%	0.00%	0.00%	0.00%
<b>Trading Expense Ratio<sup>7</sup></b>	0.05%	0.03%	0.05%	0.03%	0.06%
<b>Portfolio Turnover Rate<sup>8</sup></b>	47.48%	38.24%	111.19%	49.66%	61.84%
<b>Net Asset Value per Unit</b>	\$ 10.55	\$ 9.82	\$ 10.74	\$ 10.64	\$ 10.29

<sup>4</sup> This information is presented as at December 31 of the period(s) 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.

<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.

<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.

<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 an annual management fee to CIBC to cover the costs of managing the Fund. Management fees are based on the net asset value of the Fund 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 maximum annual management fee rate for each class of units. For Class O units, the management fee is negotiated with and paid by, or as directed by, unitholders or dealers and discretionary managers on behalf of unitholders. Such Class O management fee will not exceed the Class A unit 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, 2016. These amounts do not include waived fees or absorbed expenses.

	Class A Units
Sales and trailing commissions paid to dealers	39.87%
General administration, investment advice, and profit	60.13%

## Past Performance

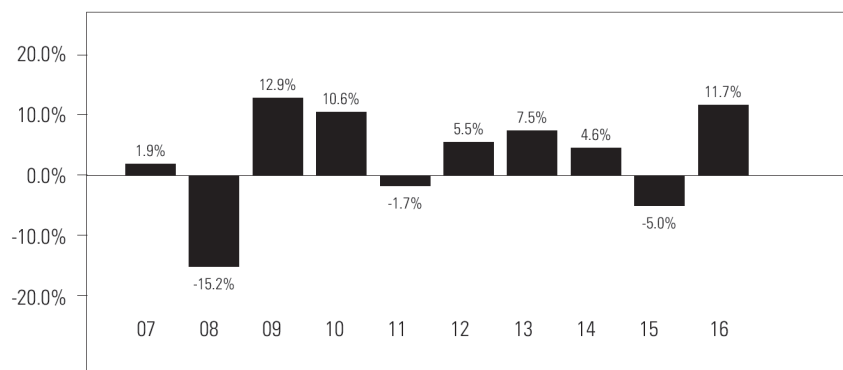
The performance data provided assumes reinvestment of distributions only and does not take into account sales, redemption, distribution, or other optional charges payable by any unitholder that would have reduced returns. Past performance does not necessarily indicate how a fund will perform in the future.

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 the section entitled *Financial Highlights* for the management expense ratio.

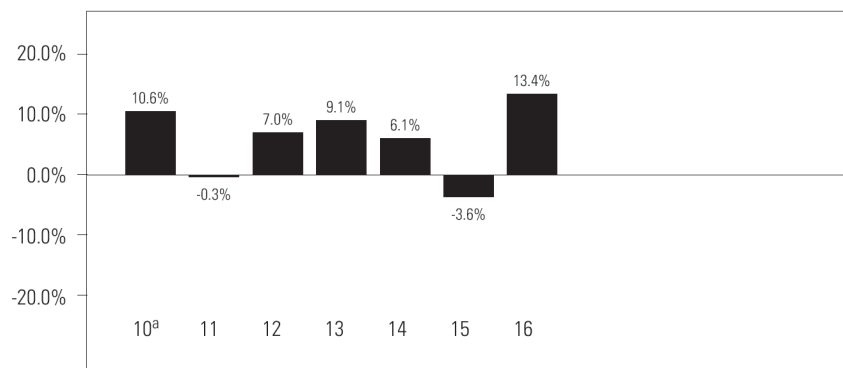
## Year-by-Year Returns

These bar charts show the annual performance of each class of units of the Fund for each of the periods shown, and illustrate how the performance has changed from period to period. These bar charts show, 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 O Units



<sup>a</sup> 2010 return is for the period from June 1, 2010 to December 31, 2010.

### 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, 2016. The annual compound total return is also compared to the Fund's benchmark(s).

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

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

- 42.5% FTSE TMX Canada Universe Bond Index
- 40% S&P/TSX Composite Dividend Index
- 10% MSCI World Index (local currency)
- 7.5% Merrill Lynch BB-B US Cash Pay High Yield Index (100% hedged)

	1 Year	3 Years	5 Years	10 Years*	or	Since Inception*	Inception Date
Class A units	11.7%	3.5%	4.7%	2.9%			September 22, 1998
S&P/TSX Composite Dividend Index	24.0%	8.3%	9.3%	5.5%			
FTSE TMX Canada Universe Bond Index	1.7%	4.6%	3.2%	4.8%			
Blended Benchmark	12.0%	6.5%	7.1%	5.5%			
Class O units	13.4%	5.1%	6.3%			6.3%	June 1, 2010
S&P/TSX Composite Dividend Index	24.0%	8.3%	9.3%			8.2%	
FTSE TMX Canada Universe Bond Index	1.7%	4.6%	3.2%			4.5%	
Blended Benchmark	12.0%	6.5%	7.1%			7.1%	

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

**FTSE TMX 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.

**Merrill Lynch BB-B US Cash Pay High Yield Index** is a subset of the BofA Merrill Lynch US Cash Pay High Yield Index including all securities rated BB1 through B3, inclusive. The BofA Merrill Lynch US Cash Pay High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the US domestic market.

**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 Dividend Index** aims to provide a broad-based benchmark of Canadian dividend-paying stocks. It includes all stocks in the S&P/TSX Composite Index with positive annual dividend yields as of the latest rebalancing of the S&P/TSX Composite Index.



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

**Summary of Investment Portfolio** (as at December 31, 2016)

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. For funds with 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>
Corporate Bonds	24.6
Other Equities	19.6
Financials	19.2
Energy	8.7
Foreign Currency Bonds	6.6
Provincial Government & Guaranteed Bonds	6.1
Other Bonds	4.8
Industrials	4.3
Real Estate	3.8
Cash & Cash Equivalents	2.4
Other Assets, less Liabilities	0.1
Forward & Spot Contracts	-0.2

<i>Top Positions</i>	<i>% of Net Asset Value</i>
Royal Bank of Canada	3.4
Toronto-Dominion Bank (The)	3.1
Cash & Cash Equivalents	2.4
Canadian National Railway Co.	1.9
Province of British Columbia, 4.95%, 2040/06/18	1.8
Bank of Montreal	1.7
Bank of Nova Scotia	1.6
Manulife Financial Corp.	1.6
BCE Inc.	1.6
Canadian Imperial Bank of Commerce	1.6
Canadian Natural Resources Ltd.	1.3
Enbridge Inc.	1.2
TransCanada Corp.	1.1
Suncor Energy Inc.	1.1
TELUS Corp.	1.1
Power Financial Corp.	0.9
Bank of Montreal, Series 'F', Variable Rate, Callable, 6.17%, 2023/03/28	0.9
Sun Life Financial Inc.	0.9
Magna International Inc.	0.9
Granite REIT, Stapled Units	0.8
Province of Quebec, 2.50%, 2026/09/01	0.8
Asian Development Bank, 4.65%, 2027/02/16	0.8
Government of Canada, 3.50%, 2045/12/01	0.8
Fortis Inc.	0.8
Agrium Inc.	0.8

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

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