CIBC Group RRSP
Employee guide

The CIBC Group RRSP – an important part of your retirement plan

Everyone dreams about retiring to a comfortable, stress-free life of leisure. Time to relax. Travel. Take up a new hobby. Or spend more time with loved ones.

But to make that dream a reality, you need to put aside an investment portfolio that will provide you with a comfortable retirement. You don't want to worry about how to make ends meet during your retirement.

An important part of your retirement planning is thinking about what you can do *now*, to ensure a comfortable retirement, *tomorrow*. Investing in a Registered Retirement Savings Plan (RRSP) can play a key role in saving for your future.

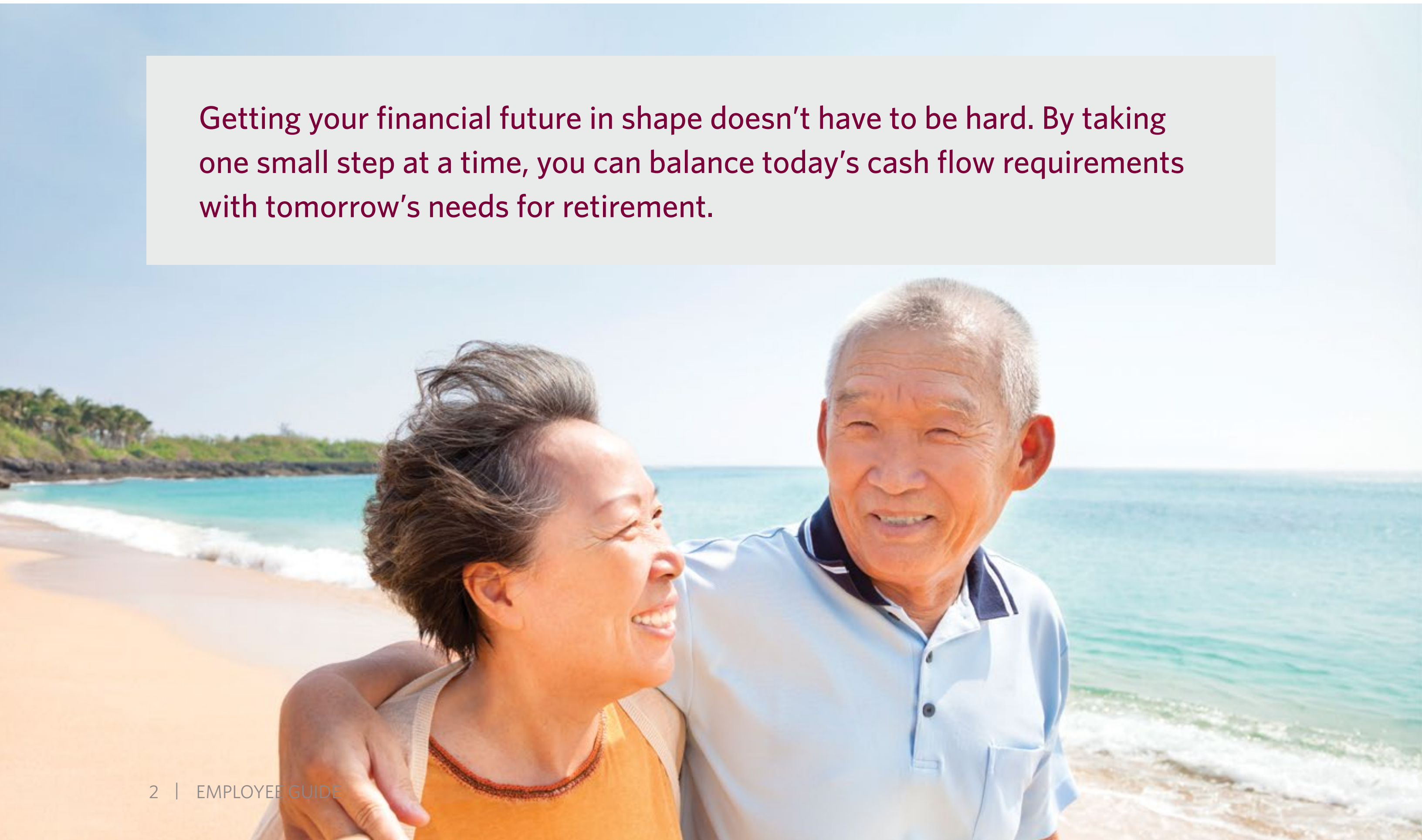
Making sure you are investing for a successful retirement is as important to your employer as it is to you. That's why your employer has decided to sponsor a CIBC Group RRSP to help you achieve your personal and financial retirement goals.

Our experienced professionals and wide range of investment options can help you make the most of your CIBC Group RRSP, right from the very first contribution you make.

What is a group RRSP?

A Group RRSP is a registered retirement savings plan sponsored by a business for its employees. It is a collection of the individual RRSPs held by the employees of a company. Each year employees can invest up to a certain amount of money in their Group RRSPs through automatic payroll deductions. Contributions provide immediate tax advantages, the plan earnings are tax-sheltered, and the proceeds will not be taxed until the employee begins to withdraw funds from the plan.

Getting your financial future in shape doesn't have to be hard. By taking one small step at a time, you can balance today's cash flow requirements with tomorrow's needs for retirement.



Benefit from the many features of a CIBC Group RRSP

Immediate tax advantage

When you make contributions directly from your pay cheque, the amount will be taken from your gross pay. This means your contribution is made before income tax is applied to your earnings, which provides you with an immediate tax advantage instead of having to wait until you file your annual tax return.

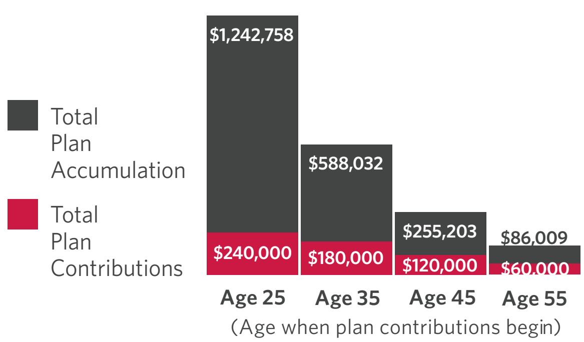
Example: In each scenario below, the employee contributes $500 monthly to an RRSP. When the contribution is made in a Group RRSP, rather than in a regular RRSP with after-tax dollars, the employee has an extra $165 per month in disposable income and doesn't have to wait for this tax advantage until an annual tax return is filed.

Example	Regular RRSP	Group RRSP
Gross monthly salary	$3,000	$3,000
Group RRSP contribution	0	(500)
Taxable salary	3,000	2,500
Tax at source (33%)*	(990)	(825)
RRSP contribution	(500)	0
Net monthly income	**$1,510**	**$1,675**

*Your rate may vary.

Tax-sheltered and compound growth

The sooner you begin making contributions to your CIBC Group RRSP, the faster your money will start working for you. The investments in your CIBC Group RRSP will grow on a tax-sheltered basis and your earnings will compound over time.

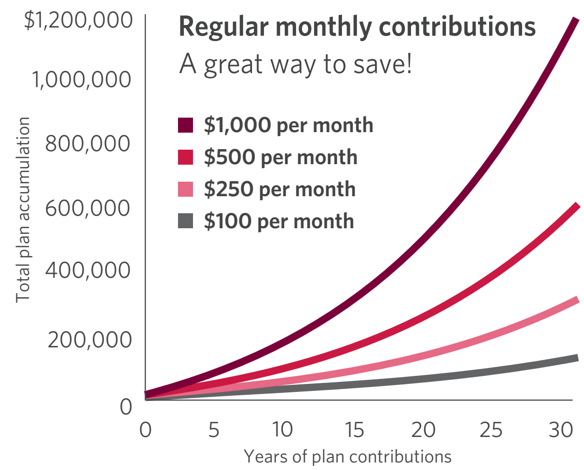


In each case, $500 is invested per month in a registered plan until age 65. For illustration purposes, this chart assumes an effective annual return of 7% compounded monthly. Actual returns may vary. This is for general purposes only and should not be relied upon.

Source: CIBC Securities Inc.

A disciplined and convenient way to save

Ongoing contributions will help ensure that you pay yourself first! By setting up a regular investment plan, your contributions are invested immediately, and you won't have to come up with a lump sum contribution each year at tax time.



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Source: CIBC Securities Inc.

Dollar cost averaging

Regular contributions may lower the average cost of mutual fund units you purchase over time, benefiting your long-term portfolio. For example, your money will buy more units of the fund when prices are low and fewer units when prices are high.

A flexible retirement plan

All of your contributions belong to you and you can withdraw your money from the plan at any time. You can also increase or decrease your contribution amount, as well as transfer from one investment option to another within the CIBC Group RRSP. Spousal RRSPs and locked-in options are also available to suit each employee's individual circumstances.

Full portability

The CIBC Group RRSP is your property and you may transfer it or take it with you if your employment situation changes.

Basic investing principles for your CIBC Group RRSP

Saving for a successful retirement means having a solid investment strategy that will help your money grow over time. We are dedicated to helping you realize a financially secure retirement.

The best place to start is to follow the six basic investing principles:

1. Know yourself

It is important to understand why you are investing, what your time horizon is, and how comfortable you are with taking risks. This is known as your *investor profile*; it will help you determine the right mix of investments to meet your retirement savings goals.

2. Start early

The sooner you get your money working, the sooner your assets can begin to accumulate for your future. This is particularly important when investing for your retirement, as your RRSPs compound in value, tax-sheltered. Starting early can have a dramatic impact on the total value of your portfolio when the time comes to retire.

3. Build a diversified portfolio

Spreading your assets across a wide range of different investments is one of the best ways to reduce your risk and increase your potential returns over the long term. Called "asset allocation", this means holding a combination of the major asset classes: cash, fixed income and equities. Your asset class selections should be made based on your investment objectives, time horizon and risk tolerance.

4. Invest regularly

It's usually much easier to come up with a smaller amount to invest on a monthly or weekly basis, than it is to make a large, lump-sum contribution once or twice a year. A regular investment plan, such as the convenient payroll deduction plan available as part of your CIBC Group RRSP, takes advantage of this and also helps you to make saving for your retirement a priority.

5. Review your portfolio

It's a good idea to examine your investment portfolio at least once a year to make sure it continues to meet your anticipated financial needs for your retirement. Of course, major changes in your life such as marriage, the birth of a child, or different plans for your retirement should also be a cue that it's time to review your portfolio and investment strategies.

6. Think long term

Market fluctuations are a reality. No one can predict exactly what the market will do or when fluctuations will occur. One of the keys to saving for a secure retirement is creating a diversified long-term plan and staying the course.

Investment options for your CIBC Group RRSP

Your CIBC Group RRSP provides you with access to a wide range of investment choices. CIBC Smart Investment Solutions, our All-In-One Investment Solution, helps you select a professionally managed portfolio, freeing you from researching, monitoring and rebalancing your own portfolio. You can also choose from a wide range of individual investment options including competitive CIBC GICs, and a broad range of CIBC Mutual Funds.

Cash

As a short-term alternative for parking your RRSP funds, your contribution can be retained as cash, which will earn a competitive daily interest savings rate.

CIBC Guaranteed Investment Certificates (GICs)

A CIBC Group RRSP offers a range of competitive CIBC GICs, available in terms of 6 months and 1 to 5 years. They can be redeemed at any time (certain conditions and restrictions apply), and have a minimum investment of only $250. GICs are considered a low risk investment because your initial investment and interest rate are fully guaranteed and your interest is compounded annually and paid at maturity. As well, contributions may be accumulated in cash until $250 is obtained, and then funds are automatically transferred to a GIC with the term you have selected. GICs are an ideal solution for the secure portion of a diversified retirement investment portfolio and may be a particularly appropriate consideration as you approach retirement when capital preservation and security are even more important.

TIP: By “staggering” or “laddering” your investments equally between several GICs, and reinvesting into 5-year terms at each maturity, you can maximize returns and also have a GIC maturing each year.

While a GIC may be redeemed in full at any time, a market value adjustment will apply if current GIC rates are higher than the rate on the GIC being redeemed. In most cases, this means that interest will be paid to the redemption date at a lower rate if rates have risen. If interest rates have increased significantly, it is possible that no interest may be earned and the amount credited on redemption may be less than the principal amount invested (the GIC principal).

CIBC Mutual Funds

We have a comprehensive selection of individual mutual funds including savings, income and growth funds, as well as a variety of index funds.

- **Savings Funds** are designed to produce a steady level of income with a high priority on protecting the value of our initial investment.
- **Income Funds** provide the potential to generate a higher level of income than savings funds, with some capital growth over the long term.
- **Growth Funds** invest primarily in the stocks of different companies, with the objective of generating capital growth. Growth funds have more risk, but they tend to outperform other asset classes over the long term.
- **Index Funds** attempt to mirror the performance of a sample of securities within a specific market.

CIBC Smart Investment Solutions – modern portfolios made simple

With thousands of mutual funds to choose from, you not only face the challenge of what funds to choose, but the greater challenge of how to combine them to build a portfolio that reflects your personal profile.

An easier and more reliable solution is to hand the responsibility of managing your money to professional investment managers.

With CIBC Smart Investment Solutions all-in-one portfolios, finding a modern approach to support your ambitions is simple.

Our straightforward, but sophisticated portfolios are:

Designed for success

CIBC Smart Investment Solutions are carefully crafted portfolios built upon a strategic asset allocation best suited for your individual investor profile. Our modern, diversified approach invests in traditional and non-traditional investments. This positions your portfolio to perform today—and tomorrow. Your portfolio benefits from both passive and active investment strategies that provides enhanced diversification.

Managed by experts

CIBC Smart Investment Solutions are managed by our experienced team of investment professionals, who work to make sure your portfolio navigates changing markets, while staying aligned with your investment objectives. As the investments in your portfolio change in value, we monitor and rebalance your portfolio to ensure it aligns with your investor profile.

Built to offer more

A well-managed and diversified portfolio is important to achieving your goals—so are the fees you pay. To deliver the best value, your portfolio is designed to keep your cost low, so you can save more of your money. You can begin with a $500 investment, or through a regular investment plan—with monthly contributions as little as $25—getting you closer to achieving your goals.

A CIBC Group RRSP makes retirement savings easier for you and gives you the help you're looking for in planning for retirement.

Helping you develop a sound retirement investment strategy is fast and easy.

For more information, or to set up your new CIBC Group RRSP, contact a CIBC advisor or call 1-800-465-3863 today.

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