

Interim Financial Reports (unaudited)

for the period ended June 30, 2019

Statement of Financial Position (unaudited) (in 000s, except per unit amounts)

As at June 30, 2019 (note 1)

	June 30, 2019
Assets	
Current assets	
Investments (non-derivative financial assets) †(notes 2 and 3)	\$ 35,791
Cash including foreign currency holdings, at fair value	274
Dividends receivable	25
Derivative assets	38
Total Assets	36,128
Liabilities	
Current liabilities	
Payable for portfolio securities purchased	6
Distributions payable to holders of redeemable units	77
Derivative liabilities	1
Total Liabilities	84
Net Assets Attributable to Holders of Redeemable Units (note 4)	\$ 36,044
Net Assets Attributable to Holders of Redeemable Units per Class	
Common Units	\$ 34,944
Hedged Units	\$ 1,100
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)	
Common Units	\$ 21.84
Hedged Units	\$ 22.00
Closing Market Price	
Common Units	\$ 21.85
Hedged Units	\$ 22.00

† Securities Lending

The tables that follow indicate the CIBC ETF had assets involved in securities lending transactions outstanding as at June 30, 2019.

	Aggregate Value of Securities on Loan (\$000s)	Aggregate Value of Collateral for Loan (\$000s)
June 30, 2019	2,170	2,285

Collateral Type* (\$000s)

	i	ii	iii	iv
June 30, 2019	–	2,285	–	–

* See note 2h for Collateral Type definitions.

Organization of the Exchange Traded Fund (note 1)

The CIBC ETF was established on January 14, 2019 (*Date Established*).

	Inception Date
Common Units	January 14, 2019
Hedged Units	January 14, 2019

CIBC Multifactor U.S. Equity ETF

Statement of Comprehensive Income (unaudited)
(in 000s, except per unit amounts)

For the period ended June 30, 2019 (note 1)

	June 30, 2019	
Net Gain (loss) on Financial Instruments		
Dividend revenue	\$	178
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments and derivatives		2
Net realized gain (loss) on foreign currency (notes 2f and g)		(24)
Net change in unrealized appreciation (depreciation) of investments and derivatives		500
Net Gain (loss) on Financial Instruments		656
Other Income		
Foreign exchange gain (loss) on cash		(2)
		(2)
Expenses (note 5)		
Management fees ±±		24
Audit fees		10
Custodial fees		11
Independent review committee fees		-
Transaction costs		-
Unitholder reporting costs		1
Withholding taxes (note 6)		24
		70
Expenses waived/absorbed by the Manager		(20)
		50
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units (excluding distributions)		604
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Class (excluding distributions)		
Common Units	\$	499
Hedged Units	\$	105
Average Number of Units Outstanding for the period per Class		
Common Units		826
Hedged Units		50
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit (excluding distributions)		
Common Units	\$	0.61
Hedged Units	\$	2.10

±± Maximum Chargeable Annual Management Fee Rates (note 5)

Common Units	0.25%
Hedged Units	0.25%

Administrative and Other Fund Operating Expenses (note 8)

	2019
	1
(\$000s)	1

Service Provider (note 8)

The amount paid by the CIBC ETF (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 period ended June 30, 2019 was as follows:

	2019
	1
(\$000s)	1

CIBC Multifactor U.S. Equity ETF

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (unaudited)
(in 000s)**

For the period ended June 30, 2019 (note 1)

	Common Units	Hedged Units
	June 30, 2019	June 30, 2019
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units (excluding distributions)	\$ 499	\$ 105
Distributions Paid or Payable to Holders of Redeemable Units		
From net investment income	(113)	(5)
	(113)	(5)
Redeemable Unit Transactions		
Amount received from the issuance of units	34,558	1,000
	34,558	1,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	34,944	1,100
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period	–	–
Net Assets Attributable to Holders of Redeemable Units at End of Period	\$ 34,944	\$ 1,100

Redeemable Units Issued and Outstanding (note 4)

As at June 30, 2019

Balance - beginning of period	–	–
Redeemable units issued	1,600	50
	1,600	50
Balance - end of period	1,600	50

CIBC Multifactor U.S. Equity ETF

Statement of Cash Flows (unaudited)
(in 000s)

For the period ended June 30, 2019 (note 1)

		June 30, 2019
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (excluding distributions)	\$	604
Adjustments for:		
Foreign exchange loss (gain) on cash		2
Net realized (gain) loss on sale of investments and derivatives		(2)
Net change in unrealized (appreciation) depreciation of investments and derivatives		(500)
Purchase of investments		(35,474)
Proceeds from the sale of investments		154
Dividends receivable		(25)
		(35,241)
Cash Flows from Financing Activities		
Amount received from the issuance of units		35,558
Distributions paid to unitholders		(41)
		35,517
Increase (Decrease) in Cash during the Period		276
Foreign exchange loss (gain) on cash		(2)
Cash (Bank Overdraft) at Beginning of Period		-
Cash (Bank Overdraft) at End of Period	\$	274
Dividends received, net of withholding taxes	\$	129

CIBC Multifactor U.S. Equity ETF

Schedule of Investment Portfolio (unaudited) As at June 30, 2019

<i>Security</i>	<i>Number of Shares</i>	<i>Average Cost (\$000s)</i>	<i>Fair Value (\$000s)</i>	<i>% of Net Assets</i>
UNITED STATES EQUITIES (note 9)				
Communication Services				
Comcast Corp., Class 'A'	6,829	366	378	
Fox Corp., Class 'A'	1,677	88	80	
Verizon Communications Inc.	4,191	318	314	
Walt Disney Co. (The)	3,853	629	705	
		1,401	1,477	4.1%
Consumer Discretionary				
Advance Auto Parts Inc.	1,518	327	306	
Best Buy Co. Inc.	4,257	381	389	
D.R. Horton Inc.	6,565	365	371	
Darden Restaurants Inc.	2,310	354	368	
Dollar General Corp.	2,145	348	380	
Dollar Tree Inc.	2,475	336	348	
Kohl's Corp.	3,531	304	220	
Lear Corp.	1,749	339	319	
Macy's Inc.	7,918	251	223	
Nike Inc., Class 'B'	3,168	356	348	
Ross Stores Inc.	2,673	339	347	
Target Corp.	3,498	358	397	
Tiffany & Co.	2,805	362	344	
TJX Cos. Inc. (The)	5,148	356	356	
Tractor Supply Co.	2,937	385	418	
Ulta Beauty Inc.	891	389	405	
		5,550	5,539	15.4%
Consumer Staples				
Archer-Daniels-Midland Co.	5,709	321	305	
Church & Dwight Co. Inc.	3,729	348	357	
Constellation Brands Inc., Class 'A'	1,419	346	366	
Costco Wholesale Corp.	1,155	361	400	
Estée Lauder Cos. Inc. (The), Class 'A'	1,848	398	443	
Hormel Foods Corp.	5,775	321	306	
J.M. Smucker Co. (The)	2,442	370	368	
Kroger Co. (The)	8,578	297	244	
McCormick & Co. Inc.	1,749	336	355	
Procter & Gamble Co. (The)	2,640	360	379	
Tyson Foods Inc., Class 'A'	4,257	395	450	
Walgreens Boots Alliance Inc.	3,432	279	246	
		4,132	4,219	11.7%
Energy				
Chevron Corp.	2,178	349	355	
ConocoPhillips	3,795	330	303	
Diamondback Energy Inc.	2,343	327	334	
EOG Resources Inc.	2,543	322	310	
Exxon Mobil Corp.	3,399	352	341	
HollyFrontier Corp.	4,719	313	286	
Occidental Petroleum Corp.	3,762	309	248	
Phillips 66	2,673	334	328	
Valero Energy Corp.	3,168	355	355	
		2,991	2,860	7.9%
Financials				
Aflac Inc.	5,379	359	386	
Alleghany Corp.	396	341	353	
Allstate Corp. (The)	2,970	376	396	
Arthur J. Gallagher & Co.	3,366	363	386	
Cincinnati Financial Corp.	3,234	388	439	
CME Group Inc.	1,353	325	344	
Intercontinental Exchange Inc.	3,399	356	383	
Nasdaq Inc.	3,069	367	386	
Progressive Corp. (The)	4,026	396	421	
Reinsurance Group of America Inc.	1,716	336	351	
Travelers Cos. Inc. (The)	2,079	380	407	
		3,987	4,252	11.8%
Health Care				
Anthem Inc.	990	378	366	
Baxter International Inc.	3,696	375	396	
Centene Corp.	4,224	324	290	
Covetrus Inc.	1,288	57	41	
Edwards Lifesciences Corp.	1,616	382	391	
Henry Schein Inc.	3,234	284	296	
Humana Inc.	891	325	310	
Pfizer Inc.	5,610	315	318	
ResMed Inc.	2,145	303	343	
UnitedHealth Group Inc.	990	327	316	
Universal Health Services Inc., Class 'B'	2,013	350	344	
WellCare Health Plans Inc.	1,023	368	382	
		3,788	3,793	10.5%

CIBC Multifactor U.S. Equity ETF

Schedule of Investment Portfolio (unaudited) As at June 30, 2019 (cont'd)

Security	Number of Shares	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
Industrials				
C.H. Robinson Worldwide Inc.	2,904	335	321	
Delta Air Lines Inc.	5,148	365	383	
Expeditors International of Washington Inc.	3,597	357	357	
Fastenal Co.	9,108	387	389	
Kansas City Southern Industries Inc.	2,442	371	390	
Norfolk Southern Corp.	1,551	387	405	
Raytheon Co.	1,551	370	353	
Republic Services Inc.	3,300	354	374	
Union Pacific Corp.	1,617	362	358	
W.W. Grainger Inc.	891	346	313	
		<u>3,634</u>	<u>3,643</u>	<u>10.1%</u>
Information Technology				
Amdocs Ltd.	4,125	313	335	
Automatic Data Processing Inc.	1,848	384	400	
Broadridge Financial Solutions Inc.	2,475	365	414	
Cognizant Technology Solutions Corp., Class 'A'	3,795	349	315	
F5 Network Inc.	1,485	311	283	
Fiserv Inc.	3,333	382	398	
Fortinet Inc.	3,399	376	342	
Intel Corp.	5,115	345	321	
Intuit Inc.	1,188	390	407	
Jack Henry & Associates Inc.	1,947	354	342	
Micron Technology Inc.	7,225	379	365	
Paychex Inc.	3,696	392	398	
Visa Inc., Class 'A'	1,782	368	405	
VMware Inc., Class 'A'	1,650	393	361	
		<u>5,101</u>	<u>5,086</u>	<u>14.1%</u>
Real Estate				
Duke Realty Corp.	9,210	372	381	
Public Storage Inc.	1,221	356	381	
		<u>728</u>	<u>762</u>	<u>2.1%</u>
Utilities				
AES Corp. (The)	16,235	370	356	
Atmos Energy Corp.	2,640	353	365	
Exelon Corp.	5,379	350	338	
NextEra Energy Inc.	1,419	360	381	
Public Services Enterprise Group Inc.	4,719	365	363	
UGI Corp.	4,488	322	314	
		<u>2,120</u>	<u>2,117</u>	<u>5.9%</u>
TOTAL UNITED STATES EQUITIES				
		<u>33,432</u>	<u>33,748</u>	<u>93.6%</u>
INTERNATIONAL EQUITIES				
¹Bermuda (note 10)				
Arch Capital Group Ltd.	9,238	403	448	
Everest Re Group Ltd.	1,155	352	374	
		<u>755</u>	<u>822</u>	<u>2.3%</u>
¹Ireland (note 10)				
Accenture PLC, Class 'A'	1,683	382	407	
Ingersoll-Rand PLC	2,640	393	438	
		<u>775</u>	<u>845</u>	<u>2.4%</u>
¹Switzerland (note 10)				
Chubb Ltd.	1,947	361	376	
		<u>361</u>	<u>376</u>	<u>1.0%</u>
TOTAL INTERNATIONAL EQUITIES				
		<u>1,891</u>	<u>2,043</u>	<u>5.7%</u>
TOTAL EQUITIES				
		<u>35,323</u>	<u>35,791</u>	<u>99.3%</u>
Less: Transaction costs included in average cost				
		<u>—</u>		
TOTAL INVESTMENTS				
		<u>35,323</u>	<u>35,791</u>	<u>99.3%</u>
Derivative assets			38	0.1%
Derivative liabilities			(1)	0.0%
Other Assets, less Liabilities			216	0.6%
TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS				
			<u>36,044</u>	<u>100.0%</u>

¹Hedging reference number. Refers to a corresponding number on the Schedule of Derivative Assets and Liabilities - Forward Foreign Currency Contracts.

CIBC Multifactor U.S. Equity ETF

Schedule of Derivative Assets and Liabilities - Forward Foreign Currency Contracts (note 9)

<i>Hedging Ref. No.**</i>	<i>Counterparty</i>	<i>Credit Rating for Counterparty*</i>	<i>Settlement Date</i>	<i>Currency Buys</i>	<i>Par Value</i>	<i>Currency Sells</i>	<i>Par Value</i>	<i>Forward Rate</i>	<i>Current Rate</i>	<i>Unrealized Gain (Loss) (\$000s)</i>
1	Bank of New York Mellon (The), New York	A-1+	2019/07/02	USD	18,005	CAD	24,302	1.350	1.310	(1)
1	Bank of New York Mellon (The), New York	A-1+	2019/07/02	CAD	1,073,965	USD	796,333	0.741	0.764	31
1	Bank of New York Mellon (The), New York	A-1+	2019/07/02	CAD	28,948	USD	21,833	0.754	0.764	—
1	Bank of New York Mellon (The), New York	A-1+	2019/07/02	CAD	22,886	USD	17,063	0.746	0.764	1
1	Bank of New York Mellon (The), New York	A-1+	2019/08/01	CAD	1,097,572	USD	833,992	0.760	0.764	6
Derivative Assets and Liabilities - Forwards										37

* 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 CIBC ETF meets or exceeds the minimum designated rating.

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

Supplemental Schedule to Schedule of Investment Portfolio (unaudited)

Offsetting Arrangements (note 2d)

The CIBC ETF may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the Statement 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 Statement of Financial Position as at June 30, 2019, 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	
As at June 30, 2019						
OTC Derivative Assets	\$ 38	\$ –	\$ 38	\$ (1)	\$ –	\$ 37
OTC Derivative Liabilities	(1)	–	(1)	1	–	–
Total	\$ 37	\$ –	\$ 37	\$ –	\$ –	\$ 37

CIBC Multifactor U.S. Equity ETF

Financial Instrument Risks

Investment Objective: CIBC Multifactor U.S. Equity ETF (the *CIBC ETF*) seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the CIBC Multifactor U.S. Equity Index, or any successor thereto. Under normal market conditions, the CIBC ETF will invest primarily in an equally weighted portfolio of U.S. equity securities that exhibit certain factor considerations related to value, momentum, low volatility and quality.

In respect of the Hedged Units, the CIBC ETF seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the CIBC Multifactor U.S. Equity Index (CAD Hedged), or any successor thereto.

Any exposure that the Common Units of the CIBC ETF may have to foreign currencies will not be hedged back to the Canadian dollar. All, or substantially all, of the exposure that the Hedged Units of the CIBC ETF may have to foreign currencies will be hedged back to the Canadian dollar.

Investment Strategies: The CIBC ETF invests in and holds the Constituent Securities of the CIBC Multifactor U.S. Equity Index for Common Units and of the CIBC Multifactor U.S. Equity Index (CAD-Hedged) for Hedged Units (the *CIBC Indices*) in approximately the same proportion as they are reflected in the applicable CIBC Indices or otherwise invest in a manner intended to track the performance of such CIBC Indices.

Significant risks that are relevant to the CIBC ETF 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 June 30, 2019

The Schedule of Investment Portfolio presents the securities held by the CIBC ETF as at June 30, 2019. The Concentration Risk table as at December 31, 2018 has not been shown here because the CIBC ETF did not exist as at that date.

Credit Risk

As at June 30, 2019, the CIBC ETF had no significant investments in debt securities.

Currency Risk

The table that follows indicates the currencies to which the CIBC ETF had significant exposure as at June 30, 2019, based on the market value of the CIBC ETF's financial instruments (including cash and cash equivalents) and the underlying principal amounts of forward foreign currency contracts, as applicable.

As at June 30, 2019

Currency (note 2k)	Total Currency Exposure* (\$000s)	% of Net Assets
USD	34,840	96.7

* 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 June 30, 2019 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.

	June 30, 2019
Impact on Net Assets (\$000s)	348

Interest Rate Risk

As at June 30, 2019, the majority of the CIBC ETF's financial assets and liabilities are non-interest bearing and short-term in nature; accordingly, the CIBC ETF is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Liquidity Risk

Liquidity risk is the risk that the CIBC ETF will encounter difficulty in meeting obligations associated with financial liabilities. The CIBC ETF is exposed to daily redemptions of redeemable units. Since the settlement of redemptions is primarily by delivery of securities, the CIBC ETF is not exposed to any significant liquidity risk. The CIBC ETF maintains sufficient cash on hand to maintain liquidity.

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

For a CIBC ETF that holds 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.

Other Price/Market Risk

The table that follows indicates how net assets as at June 30, 2019 would have increased or decreased had the value of the CIBC ETF's benchmark(s) increased or decreased by 1%. This change is estimated based on the historical correlation between the return of Common Units of the CIBC ETF as compared to the return of the CIBC ETF's benchmark(s), using 5 monthly data points, as available, based on the monthly net returns of the CIBC ETF. 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) June 30, 2019
CIBC Multifactor U.S. Equity Index	327

Fair Value Measurement of Financial Instruments

The following is a summary of the inputs used as at June 30, 2019 in valuing the CIBC ETF's financial assets and financial liabilities, carried at fair value:

As at June 30, 2019

Classification	Level 1 (i) (\$000s)	Level 2 (ii) (\$000s)	Level 3 (iii) (\$000s)	Total (\$000s)
Financial Assets				
Equities	35,791	—	—	35,791
Derivative assets	—	38	—	38
Total Financial Assets	35,791	38	—	35,829
Financial Liabilities				
Derivative liabilities	—	(1)	—	(1)
Total Financial Liabilities	—	(1)	—	(1)
Total Financial Assets and Liabilities	35,791	37	—	35,828

(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.

For the period ended June 30, 2019, there were no transfers of financial assets and liabilities from Level 1 to Level 2.

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

For the period ended June 30, 2019, there were no transfers of financial assets and liabilities from Level 2 to Level 1.

Reconciliation of financial asset and liability movement – Level 3

The CIBC ETF did not hold any Level 3 investments at the beginning of, during, or at the end of the reporting period.

Notes to Financial Statements (unaudited)

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 Exchange Traded Funds (individually, a *CIBC ETF*, and collectively, the *CIBC ETFs*) are exchange traded mutual funds organized under the laws of Ontario and governed by a declaration of trust (*Declaration of Trust*). The address of the CIBC ETFs' registered office is 18 York Street, Suite 1300, Toronto, Ontario.

CIBC Asset Management Inc. (*CAM*) is the promoter, the manager (the *Manager*), the portfolio advisor (the *Portfolio Advisor*) and the trustee (the *Trustee*) of the CIBC ETFs and is responsible for the administration and investment management of the CIBC ETFs.

The CIBC ETFs are offered for sale on a continuous basis by its prospectus in common units (*series*) or where applicable, hedged units (*series*) and trade on the Toronto Stock Exchange (*TSX*) in Canadian dollars. Each CIBC ETF may issue an unlimited number of units of a series. The following table indicates the TSX ticker symbol and the series of units traded on the TSX by each of the CIBC ETFs, as at the date of these financial statements:

Legal Name of CIBC ETF	TSX Ticker Symbol (Common Units)	TSX Ticker Symbol (Hedged Units)
CIBC Active Investment Grade Floating Rate Bond ETF	CAFR	
CIBC Active Investment Grade Corporate Bond ETF	CACB	
CIBC Multifactor Canadian Equity ETF	CMCE	
CIBC Multifactor U.S. Equity ETF	CMUE	CMUE.F

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

The date upon which each CIBC ETF was established by Declaration of Trust (Date Established) and the date upon which each series of units of each CIBC ETF 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 CIBC ETFs is as at June 30, 2019. The Statement of Financial Position of each of the CIBC ETFs are as at June 30, 2019. The Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Units, and the Statement of Cash Flows of each of the CIBC ETFs is for the period ended June 30, 2019.

These financial statements were approved for issuance by the Manager on August 21, 2019.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with International Accounting Standards Interim Financial Reporting (*IAS 34*) as published by the International Accounting Standards Board (*IASB*).

The financial statements have been prepared on a going concern basis using the historical cost convention. However, each CIBC ETF is an investment entity and primarily all financial assets and financial liabilities are measured at fair value in accordance with International Financial Reporting Standards (*IFRS*). Accordingly, the CIBC ETFs' 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 CIBC ETFs. Such changes are reflected in the assumptions when they occur.

These financial statements have been presented in Canadian dollars, which is the CIBC ETFs' functional currency (unless otherwise noted).

a) Financial Instruments

Classification and recognition of financial instruments

In accordance with IFRS 9 Financial Instruments, financial assets are to be classified at initial recognition into one of the below categories based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Those categories are:

- *Amortized Cost* - assets held within a business model whose objective is to collect cash flows and where the contractual cash flows of the assets are solely payments of principal and interest (*SPPI criterion*). Amortization of the asset is calculated utilizing the Effective Interest Rate Method.
- *Fair Value Through Other Comprehensive Income (FVOCI)* - Financial assets such as debt instruments that meet the SPPI criterion and are held within a business model with objectives that include both collecting the associated contractual cash flows and selling financial assets. Gains and Losses are reclassified to Profit or Loss upon de-recognition for debt instruments but remain in Other Comprehensive Income for equity instruments.
- *Fair Value Through Profit or Loss (FVTPL)* - A financial asset is measured at FVTPL unless it is measured at Amortized Cost or FVOCI. Derivative contracts are measured at FVTPL. For all instruments classified as FVTPL, the gains and losses are recognized in Profit or Loss.

Financial Liabilities are classified at FVTPL when they meet the definition of held for trading (HFT) or when they are designated as FVTPL on initial recognition using the fair value option.

The Manager has assessed the business models of the CIBC ETFs and has determined that the CIBC ETFs' portfolio of financial assets and financial liabilities are managed and performance is evaluated on a fair value basis in accordance with the CIBC ETFs' risk management and investment strategies; therefore, classification and measurement of financial assets is FVTPL.

All CIBC ETFs have contractual obligations to distribute cash to the unitholders. As a result, each CIBC ETF'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 CIBC ETFs' 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 CIBC ETFs' investment activities, including monitoring compliance with the investment objectives and strategies, internal guidelines, and securities regulations. Please refer to each CIBC ETF'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 CIBC ETFs. 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 CIBC ETFs 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 CIBC ETFs 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;

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 CIBC ETF'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 CIBC ETF, 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 CIBC ETFs also have a Valuation Committee that meets quarterly to perform detailed reviews of the valuations of investments held by the CIBC ETFs, 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 CIBC ETFs. 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 CIBC ETFs. Certain CIBC ETFs 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 CIBC ETFs' '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. Ratings used by the Portfolio Advisor could be higher or lower than those used for risk disclosure in the financial statements in compliance with their investment policy guidelines.

The CIBC ETFs 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 CIBC ETFs 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 2h.

Currency risk

Currency risk is the risk that the value of an investment will fluctuate due to changes in foreign exchange rates. CIBC ETFs may invest in securities denominated or traded in currencies other than the CIBC ETFs' 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 CIBC ETFs are exposed to daily redemptions of redeemable units and since the settlement of redemptions is primarily by delivery of securities, the CIBC ETF is not exposed to any significant liquidity risk. Generally, the CIBC ETFs 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 CIBC ETF 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 CIBC ETF.

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 CIBC ETF accounted for on an accrual basis. The CIBC ETFs 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) Investment transactions are recorded on a trade date basis. 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. 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 investment.
- v) 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 CIBC ETF 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 CIBC ETF. 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 CIBC ETFs' functional and presentation currency at the current rates prevailing on each valuation date.

Notes to Financial Statements (unaudited)

Purchases and sales of investments, income, and expenses are translated into Canadian dollars, which is the CIBC ETFs' functional and presentation currency 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 CIBC ETFs 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 CIBC ETFs that use the forward foreign currency contracts for hedging, or as Derivative income (loss) from forward foreign currency contracts for CIBC ETFs that do not use the forward foreign currency contracts for hedging.

h) Securities Lending

A CIBC ETF 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 CIBC ETF are not permitted to exceed 50% of the fair value of the assets of that ETF (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 CIBC ETF 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 CIBC ETF's securities lending transactions are reported in footnote *Securities Lending* on the Statements of Financial Position.

National Instrument 81-106 – *Investment Fund Continuous Disclosure* requires a reconciliation of the gross income amount generated from the securities lending transactions of the CIBC ETFs to the revenue from securities lending disclosed in the CIBC ETFs' Statements of Comprehensive Income. The gross amount generated from securities lending includes interest paid on collateral, withholding taxes deducted, the fees paid to the CIBC ETFs' lending agent and the securities lending revenue received by the CIBC ETFs. Where applicable, the reconciliation can be found in the footnotes to the CIBC ETFs' Statements of Comprehensive Income.

i) Multi-Series Structured Funds

The realized and unrealized capital gains or losses, income, and common expenses (other than series-specific operating expenses and management fees) of the CIBC ETF 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 series of units at the date on which the allocation is made. All series-specific operating expenses and management fees do not require allocation. All series-specific operating expenses are paid by the Manager and are collected from the CIBC ETFs on a recoverable basis.

j) Loans and Receivables, Other Assets and Liabilities

Loans and Receivables, other assets and liabilities 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.

k) 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
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	ZAR	– South African Rand
JOD	– Jordanian Dinars		
JPY	– Japanese Yen		

Other Abbreviations

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

I) 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 series 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 CIBC ETF 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 CIBC ETF 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 CIBC ETF 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, 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.

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.

d) Derivatives

Forward contracts 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 forward contracts were to be closed out.

Margin paid or deposited in respect of 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 CIBC ETF will be fair valued in a manner that the Manager determines to represent their fair value.

f) Other Investments

All other investments of the CIBC ETFs 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 CIBC ETF 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. Redeemable Units Issued and Outstanding

The CIBC ETFs are authorized to issue an unlimited number of redeemable, transferable Units, each of which represents an undivided interest in the net assets attributable to holders of redeemable units of that CIBC ETF.

Each Unit entitles the owner to one vote at meetings of Unitholders and is entitled to participate equally with all other Units of the CIBC ETF with respect to all payments made to Unitholders, other than management fee distributions, including distributions of net income and net realized capital gains and, on liquidation, to participate equally in the net assets of the CIBC ETF remaining after satisfaction of any outstanding liabilities that are attributable to Units of the CIBC ETF. The CIBC ETF is not subject to any externally imposed capital requirements.

The capital received by a CIBC ETF is utilized within the respective investment mandate of the CIBC ETF. 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 period ended June 30, 2019 can be found on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

5. Management Fees and Operating Expenses

Management fees are based on the net asset value of the CIBC ETFs 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 series of units of the CIBC ETF is reported in footnote *Maximum Chargeable Annual Management Fee Rates* on the Statements of Comprehensive Income.

In addition to the management fees, the CIBC ETFs are responsible for all expenses relating to the operation and conduct of the business of the CIBC ETFs, 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 series-specific operating expenses are paid by the Manager and recovered from the CIBC ETFs. The CIBC ETFs do not pay a fee to the Trustee.

The Manager may recover from a CIBC ETF less than the actual series-specific operating expenses paid by the Manager, resulting in the Manager absorbing series-specific expenses. The Manager may also charge to a CIBC ETF 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 series-specific operating expenses and/or waiving management fees at any time. Series-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 CIBC ETF that are less than the management fees the Manager is entitled to charge in respect of certain investors in a CIBC ETF. The difference in the amount of the management fees will be paid out by the CIBC ETF to the applicable investors as a distribution of additional units of the CIBC ETF (*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 CIBC ETF or any of the CIBC ETF's other investors. The Manager may increase or decrease the amount of Management Fee Distributions to certain investors from time to time.

6. Income Taxes and Withholding Taxes

The CIBC ETFs intend to qualify as mutual fund trusts under the *Income Tax Act* (Canada). No income tax is payable by the CIBC ETFs 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 CIBC ETFs are redeemed. Sufficient net income and realized capital gains of the CIBC ETFs have been, or will be, distributed to the unitholders such that no tax is payable by the CIBC ETFs and, accordingly, no provision for income taxes has been made in the financial statements. Occasionally, a CIBC ETF may pay distributions in excess of the net income and net realized capital gains of the CIBC ETF. 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.

Non-capital losses are available to be carried forward for 20 years.

Notes to Financial Statements (unaudited)

Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years. Where applicable, a CIBC ETF's net capital and non-capital losses are reported in Canadian dollars in the footnote *Net Capital and Non-Capital Losses* on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

The CIBC ETFs have a taxation year-end of December 15.

The CIBC ETFs 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.

7. Brokerage Commissions and Fees

The total commissions paid by the CIBC ETFs to brokers in connection with portfolio transactions are reported in footnote *Brokerage Commissions and Fees* on the Statements of Comprehensive Income of each CIBC ETF where applicable. In allocating brokerage business to a dealer, consideration may be given by the Portfolio Advisor of the CIBC ETFs to the provision of goods and services by the dealer or a third party, other than order execution (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 with their investment decision-making services to the CIBC ETFs or relate directly to the execution of portfolio transactions on behalf of the CIBC ETFs. The total soft dollar payments paid by the CIBC ETFs to brokers are reported in footnote *Brokerage Commissions and Fees* on the Statements of Comprehensive Income of each CIBC ETF. In addition, the Manager may enter into commission recapture arrangements with certain dealers with respect to the CIBC ETF. Any commission recaptured will be paid to the applicable CIBC ETF.

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).

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 the Portfolio Advisor, as the value of the services supplied to the Portfolio Advisor by the dealer is not ascertainable. When these services benefit more than one CIBC ETF, the costs are allocated among the CIBC ETFs based on transaction activity or some other fair basis as determined by the Portfolio Advisor.

8. Related Party Transactions

Canadian Imperial Bank of Commerce (*CIBC*) and its affiliates have the following roles and responsibilities with respect to the CIBC ETFs and receive the fees described below in connection with their roles and responsibilities. The CIBC ETFs 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 CIBC ETFs, have purchased or sold securities from or to the CIBC ETFs while acting as principal, have purchased or sold securities from or to the CIBC ETFs 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 CIBC ETF.

Manager, Trustee, and Portfolio Advisor of the CIBC ETFs

CAMI is the Manager, Trustee, and Portfolio Advisor of each of the CIBC ETFs.

The Manager also arranges for fund administrative services (other than advertising and promotional, which are the responsibility of the Manager), legal, prospectuses, and other reports. The Manager arranges for the provision of, all other administrative services required by the CIBC ETFs. The dollar amount (including all applicable taxes) of all fund administrative expenses (net of absorptions) that the Manager recovers from a CIBC ETF is reported in footnote *Administrative and Other Fund Operating Expenses* on the Statements of Comprehensive Income.

Brokerage Arrangements and Soft Dollars

The Portfolio Advisor makes 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 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 CIBC ETF.

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 CIBC ETFs. Dealers, including CIBC World Markets Inc. and CIBC World Markets Corp., may furnish goods and services, other than order execution, to the Portfolio Advisor 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 with their investment decision-making services to the CIBC ETF or relate directly to executing portfolio transactions on behalf of the CIBC ETF. The total soft dollar payments paid by the CIBC ETF to related brokers are reported in footnote *Brokerage Commissions and Fees* on the Statements of Comprehensive Income of each CIBC ETF. In addition, the Manager may enter into commission recapture arrangements with certain dealers with respect to the CIBC ETFs. Any commission recaptured will be paid to the relevant CIBC ETF.

Designated Broker and Dealer

CAMI has entered into an agreement with CIBC World Markets Inc., an affiliate of CAMI, to act as designated broker and dealer for distribution of the CIBC ETFs, on terms and conditions that are comparable to arm's length agreements in the exchanged traded funds industry.

Custodian

The custodian holds all cash and securities for the CIBC ETFs 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 CIBC ETFs including record keeping and processing of foreign exchange transactions. CIBC Mellon Trust Company is the custodian of the CIBC ETFs (the *Custodian*). The Custodian may hire sub-custodians for the CIBC ETFs. The fees and spreads for services of the Custodian directly related to the execution of portfolio transactions by a CIBC ETF, or a portion of a CIBC ETF, 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 CIBC ETFs during that month. All other fees for the services of the Custodian are paid by the Manager, and charged to the CIBC ETFs 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 CIBC ETFs, including securities lending, fund accounting and reporting, and portfolio valuation. Such servicing fees are paid by the Manager and charged to the CIBC ETFs on a recoverable basis. CIBC indirectly owns a 50% interest in CIBC GSS.

The dollar amount paid by the CIBC ETFs (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 period ended June 30, 2019 is reported in footnote *Service Provider* on the Statements of Comprehensive Income.

9. 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 CIBC ETFs. 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 CIBC ETFs.

Certain trademarks of Canadian Imperial Bank of Commerce and/or certain of its affiliates (collectively "CIBC") have been licensed by CAMI for use in connection with the CIBC Equity ETFs. The securities of the CIBC Equity ETFs are not sponsored, promoted, sold or supported in any other manner by CIBC or by the index calculation agent, Solactive A.G. ("Solactive") nor do CIBC or Solactive offer any express or implicit guarantee or assurance either with regard to the results of using the Indices on which the CIBC Equity ETFs are based, or the index prices at any time or in any other respect. The prospectus of the CIBC ETFs contains a more detailed description of the limited relationship CIBC and Solactive have with CAMI and the CIBC Equity ETFs.



CIBC Asset Management Inc.
18 York Street, Suite 1300
Toronto, Ontario
M5J 2T8
1-888-888-3863

Website
cibc.com/etfs

CIBC ETFs are managed by CIBC Asset Management Inc., a wholly-owned subsidiary of Canadian Imperial Bank of Commerce (CIBC). Please read the CIBC ETFs prospectus or ETF Facts before investing. To obtain a copy, call 1-888-888-3863, ask your advisor or visit CIBC.com/etfs.

®CIBC Asset Management and the CIBC logo are registered trademarks of Canadian Imperial Bank of Commerce, used under license.