

Interim Management Report of Fund Performance

for the period ended June 30, 2019

All figures are reported in Canadian dollars unless otherwise noted.

This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling toll-free at 1-888-888-3863, by writing to us at CIBC Asset Management Inc., 18 York Street, Suite 1300, Toronto, Ontario, M5J 2T8, or by visiting our website at cibc.com/etfs or SEDAR at sedar.com.

Securityholders 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

Results of Operations

CIBC Active Investment Grade Corporate Bond ETF's (the *CIBC ETF*) portfolio advisor is CIBC Asset Management Inc. (*CAMI* or the *Portfolio Advisor*). The commentary that follows provides a summary of the results of operations for the period ended June 30, 2019. All dollar figures are expressed in thousands, unless otherwise indicated.

Since the CIBC ETF's inception on January 14, 2019, the net asset value increased to \$75,930 as at June 30, 2019.

Global central banks turned away from policy normalization toward more accommodative monetary policy during the period. This marked the likely end of the interest-rate increase cycle and led to positive risk sentiment among investors. The bond market had strong performance in the first half of 2019 as yields declined amid a slowdown in global economic growth and a more cautious tone from the U.S. Federal Reserve Board.

The Bank of Canada (the *BoC*) also adopted a more cautious stance, believing that its current policy rate of 1.75% was appropriate given the challenges the economy faces. Other central banks in the G10 also became more cautious.

At the end of the period, the U.S. federal funds futures market was expecting an interest-rate decrease in July, with another cut in September, and a third in 2020. The BoC was not expected to follow suit this year, given better-than-expected economic data that could lead to a strong rebound in Canada's second-quarter gross domestic product.

Lingering uncertainty regarding global trade and slowing global economic growth led to lower inflation expectations and lower interest rates in the U.S. Better-than-expected economic data, particularly in Canada, supported the decline in corporate bond spreads (the difference in yields between corporate and government bonds of similar maturities).

Security selection contributed to the CIBC ETF's performance. Moderate overweight allocations to the retail, communication services and utilities sectors also contributed to performance. Individual

contributors included Loblaw Cos. Ltd. (4.86%, 2023/09/12), AT&T Inc. (2.85%, 2024/05/25) and TELUS Corp. (3.63%, 2028/03/01) based on relative valuations.

A moderate underweight allocation to non-bank financials bonds and a moderate underweight exposure to bank senior debt detracted from performance. A slight underweight allocation to the energy sector also detracted.

Individual detractors from performance included holdings in CU Inc. (3.55%, 2047/11/22), TransCanada Pipelines Ltd. (4.55%, 2041/11/15) and EPCOR Utilities Inc. (4.55%, 2042/02/28). CU Inc. underperformed due to overall movements in markets and investor sentiment rather than as a result of any fundamental changes to the issuer. TransCanada Pipelines Ltd. was impacted by an unexpected ratings downgrade by one credit rating agency. New supply led to EPCOR's relative underperformance.

The Portfolio Advisor added several new holdings to the CIBC ETF during the period. Rogers Communications Inc. (3.25%, 2029/05/01), a rare issuer in Canadian dollars, was purchased as it is an attractive issuer in an attractive sector. AltaGas Canada Inc. (3.15%, 2026/04/06), a newly approved issuer by CIBC's credit committee (that approves which securities may be included in the portfolio), was also added. Choice Properties REIT (3.53%, 2029/06/11) was purchased at an attractive valuation at new issue levels.

The CIBC ETF's existing holding in Penske Truck Leasing Canada Inc. (2.85%, 2022/12/07) was increased for its attractive relative valuation. Chartwell Retirement Residences (3.79%, 2023/12/11) was also increased for its relative valuation.

TransCanada Pipelines Ltd. (4.55%, 2041/11/15) and TransCanada Pipelines Ltd. (3.39%, 2028/03/15) were sold from the CIBC ETF as Canadian corporate bond spreads were relatively expensive. A holding in Bank of Montreal (2.85%, 2024/03/06) was sold as the Portfolio Advisor's expected value for the security was reached. Holdings in 407

International Inc. (6.47%, 2029/07/27) and Bank of Nova Scotia (1.90%, 2021/12/02) were trimmed to accommodate another trade.

Recent Developments

The composition of the Independent Review Committee (*IRC*) changed during the period. Effective February 28, 2019, Susan Silma resigned as a member of the IRC and, effective April 27, 2019, Barry Pollock was appointed as a member of the IRC.

Related Party Transactions

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

Manager, Trustee, and Portfolio Advisor of the CIBC ETF

CAMI, a wholly-owned subsidiary of CIBC, is the CIBC ETF's Manager, Trustee, and Portfolio Advisor. CAMI receives management fees with respect to the CIBC ETF's day-to-day business and operations, calculated based on the net asset value of units of the CIBC ETF as described in *Management Fees*. As Trustee, CAMI holds title to the CIBC ETF's property (cash and securities) on behalf of its unitholders. As Portfolio Advisor, CAMI provides, or arranges to provide, investment advice and portfolio management services to the CIBC ETF. CAMI also compensates dealers in connection with their marketing activities regarding the CIBC ETF. From time to time, CAMI may invest in units of the CIBC ETF.

Designated Broker and Dealer

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

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 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 CIBC ETF. 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 nature 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 when they process 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 with investment decision-making services for the CIBC ETF or relate directly to the execution of portfolio transactions

on behalf of the CIBC ETF. As per the terms of the designated broker 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 CIBC ETF. Any commission recaptured will be paid to the CIBC ETF.

During the period, the CIBC ETF did not pay any brokerage commissions or other fees to CIBC WM or 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.

CIBC ETF Transactions

The CIBC ETF may enter into one or more of the following transactions (the *Related Party Transactions*) which the Manager, on behalf of the CIBC ETF, has applied for, or obtained exemptive relief from the Canadian Securities Regulatory Authorities:

- invest in or hold equity securities of CIBC or issuers related to CIBC;
- 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" or the "Related Dealers") acts as an underwriter during the offering of the securities or at any time during the 60-day period following the completion of the offering of such securities, including in respect of equity securities of a reporting issuer pursuant to a "private placement" offering (an offering under exemptions from the prospectus requirements) and for the 60-day period following the completion of the offering, in each case in accordance with certain conditions;
- purchase equity and debt securities from or sell them to a Related Dealer, where it is acting as principal;
- purchase securities from or sell securities to another investment fund or a managed account managed by the Manager or an affiliate of the Manager (referred to as inter-fund trades or cross-trades), subject to certain conditions;
- purchase equity securities of a reporting issuer during the period of distribution of the issuer's securities pursuant to a "private placement" offering (an offering under exemptions from the prospectus requirements) and for the 60-day period following the completion of the offering, notwithstanding that a Related Dealer is acting or has acted as underwriter in connection with the offering of the same class of such securities (the "Private Placement Relief Order"); and
- engage in in-specie transfers by receiving portfolio securities from, or delivering portfolio securities to, a managed account or another investment fund managed by the Manager or an affiliate of the

Manager, in respect of a purchase or redemption of Units of the CIBC ETF, subject to certain conditions.

The IRC reviews conflict of interest matters referred to it by the Manager and provides to the Manager a recommendation or, where required under National Instrument 81-107 or elsewhere in securities legislation, an approval relating to these matters. Approvals and recommendations may also be given in the form of standing instructions from the IRC.

Custodian

CIBC Mellon Trust Company is the custodian of the CIBC ETF (the *Custodian*). The Custodian holds cash, securities, and other assets of the CIBC ETF and ensures that those assets are kept separate from any other cash, securities, or other assets that the custodian might be holding. The Custodian also provides other services to the CIBC ETF including record-keeping and processing of foreign exchange transactions. The fees and spreads for services of the Custodian directly related to the execution of portfolio transactions by the 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 ETF during that month. All other fees and spreads for the services of the Custodian are paid by the Manager and charged to the CIBC ETF 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 CIBC ETF, including securities lending, fund accounting and reporting, and portfolio valuation. Such servicing fees are paid by the Manager and charged to the CIBC ETF 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 CIBC ETF and are intended to help you understand its financial performance for the period ended June 30, 2019.

The CIBC ETF's Net Assets per Unit¹ - Common Units

	2019 ^a
Net Assets, beginning of period	\$ 20.00 ^b
Increase (decrease) from operations:	
Total revenue	\$ 0.30
Total expenses	(0.04)
Realized gains (losses) for the period	0.12
Unrealized gains (losses) for the period	0.85
Total increase (decrease) from operations²	\$ 1.23
Distributions:	
From income (excluding dividends)	\$ 0.24
From dividends	—
From capital gains	—
Return of capital	—
Total Distributions³	\$ 0.24
Net Assets, end of period	\$ 21.09

^a Information presented is for the period from January 14, 2019 to June 30, 2019.

^b Initial offering price.

¹ This information is derived from the CIBC ETF's unaudited interim financial statements.

² 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.

³ Distributions were paid in cash.

Ratios and Supplemental Data - Common Units

	2019 ^a
Total Net Asset Value (000s)⁴	\$ 75,930
Number of Units Outstanding⁴	3,600,000
Management Expense Ratio⁵	0.40% *
Management Expense Ratio before waivers or absorptions⁶	0.47% *
Trading Expense Ratio⁷	0.00% *
Portfolio Turnover Rate⁸	60.91%
Net Asset Value per Unit	\$ 21.09
Closing Market Price	\$ 21.13

^a Information presented is for the period from January 14, 2019 to June 30, 2019.

* Ratio has been annualized.

⁴ This information is presented as at June 30, 2019.

⁵ 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 series of units for the period shown, expressed as an annualized percentage of the daily average net asset value of that series during the period. The management expense ratio includes the fees attributable to exchange traded funds, where applicable.

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

⁷ 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.

⁸ 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 CIBC ETF pays CAMI an annual management fee to cover the costs of managing the CIBC ETF. Management fees are based on the CIBC ETF's net asset value and are calculated daily and paid monthly. Management fees are paid to CAMI in consideration for providing, or arranging for the provision of, management, distribution, and portfolio advisory services. Advertising and promotional expenses, and office overhead expenses related to the Manager's activities and the fees of the Portfolio Advisor are paid by CAMI out of the management fees received from the CIBC ETFs. The CIBC ETF is required to pay applicable taxes on the management fees paid to CAMI. Refer to the CIBC ETF's prospectus for the annual management fee rate.

For the period ended June 30, 2019, 100% of the management fees collected from the CIBC ETF was attributable to general administration, investment advice, and profit.

Past Performance

Past performance is not presented because, as at June 30, 2019, the CIBC ETF had not yet completed its first full financial year.

Summary of Investment Portfolio (as at June 30, 2019)

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available by visiting cibc.com/etfs. The Top Positions table shows a CIBC ETF's 25 largest positions. If the CIBC ETF holds fewer than 25 positions in total, all positions are shown.

<i>Portfolio Breakdown</i>	<i>% of Net Asset Value</i>
Corporate Bonds	89.8
Foreign Currency Bonds	8.9
Municipal Government & Guaranteed Bonds	1.3
Cash	0.2
Other Assets, less Liabilities	-0.2

<i>Top Positions</i>	<i>% of Net Asset Value</i>
Toronto-Dominion Bank (The), Variable Rate, Callable, 3.59%, 2028/09/14	4.0
AltaLink L.P., Callable, 3.99%, 2042/06/30	3.7
CU Inc., Callable, 3.55%, 2047/11/22	3.2
SmartCentres REIT, 3.73%, 2022/07/22	3.1
Saputo Inc., Callable, 1.94%, 2022/06/13	2.9
Choice Properties REIT, Series 'I', Callable, 3.01%, 2022/03/21	2.9
Rogers Communications Inc., Callable, 3.25%, 2029/05/01	2.9
Canadian Western Bank, 2.79%, 2021/09/13	2.7
Penske Truck Leasing Canada Inc., Callable, 2.85%, 2022/12/07	2.5
Wells Fargo & Co., 2.09%, 2022/04/25	2.4
RioCan REIT, Series 'T', 3.73%, 2023/04/18	2.2
Enbridge Gas Distribution Inc., Callable, 4.00%, 2044/08/22	2.1
TELUS Corp., Callable, 3.63%, 2028/03/01	2.0
AT&T Inc., Callable, 2.85%, 2024/05/25	2.0
Brookfield Infrastructure Finance ULC, Callable, 3.32%, 2024/02/22	2.0
Metro Inc., Callable, 3.39%, 2027/12/06	2.0
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 3.45%, 2028/04/04	2.0
Chartwell Retirement Residences, Callable, 3.79%, 2023/12/11	2.0
Daimler Canada Finance Inc., 1.91%, 2021/07/08	1.9
Bank of America Corp., Variable Rate, Callable, 3.41%, 2025/09/20	1.9
Canadian Western Bank, 2.75%, 2020/06/29	1.8
AltaGas Canada Inc., Callable, 3.15%, 2026/04/06	1.8
EPCOR Utilities Inc., Callable, 4.55%, 2042/02/28	1.8
Brookfield Infrastructure Finance ULC, 3.54%, 2020/10/30	1.7
Metro Inc., Callable, 2.68%, 2022/12/05	1.7

A note on forward-looking statements

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

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



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