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This Brochure provides information about the qualifications and business practices of CIBC Global Asset Management, Inc. ("CGAM"). If you have any questions about the contents of this Brochure, please contact us at 514-875-7040 or at cibcam-info@cibc.ca. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

CGAM is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about CGAM also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission ("SEC") published "Amendments to Form ADV," which amends the disclosure document that we provide to clients in accordance with SEC rules. This Brochure dated January 31, 2012 is a new document prepared according to the SEC's new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous Brochure did not require. In the future, this Item will highlight material changes that are made to the Brochure.

Item 3 – Table of Contents

Item 2	– Material Changes	ii
Item 3	– Table of Contents	iii
Item 4	– Advisory Business.....	1
Item 6	– Performance-Based Fees and Side-By-Side Management.....	2
Item 7	– Types of Clients.....	2
Item 8	– Methods of Analysis, Investment Strategies, and Risk of Loss	3
Item 9	– Disciplinary Information	10
Item 10	– Other Financial Industry Activities and Affiliations	10
Item 11	– Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading.....	11
Item 13	– Review of Accounts.....	15
Item 14	– Client Referrals and Other Compensation	16
Item 15	– Custody	16
Item 16	– Investment Discretion	17
Item 17	– Voting Client Securities	17
Item 18	– Financial Information	18

Item 4 – Advisory Business

CIBC Global Asset Management Inc. ("CGAM") is a wholly owned subsidiary of the Canadian Imperial Bank of Commerce ("CIBC"), a publicly-traded Canadian chartered bank, and offers discretionary investment portfolio management services. CGAM was formed in 1973 and registered with the SEC in January 1974.

Advisory services provided to clients with segregated accounts are tailored to the unique requirements and investment restrictions of each client. In addition, CGAM provides discretionary investment advisory services to certain pooled investment vehicles (the "Funds") based on the investment objectives, guidelines, and restrictions of each Fund. CGAM does not tailor advisory services provided to the Funds to the individual needs of underlying Fund investors.

CGAM provides discretionary investment advisory services based on different investment strategies, which are described in more detail in Item 8 below.

As of December 31, 2011 CGAM managed approximately \$72.7 billion of client assets on a discretionary basis.

Item 5 – Fees and Compensation

For investment advisory services, CGAM receives a management fee based upon a percentage of assets under management. Fees are charged to each client in accordance with an agreed upon fee schedule and are calculated monthly based on the market value of the assets at the end of each month. Fees are billed quarterly in arrears and typically range as follows:

International Equity Strategy

0.35%-0.75% per annum

Canadian Fixed Income Strategy

0.17%-0.35% per annum

Currency Management Strategy

0.025%-0.045% per annum for passive management and 15% of targeted value added for active currency management

Management fees may be negotiated on a case-by-case basis and are determined by a number of factors, including the investment strategy and size of the account.

The Funds do not pay management fees. Rather, management fees are charged separately to each underlying investor.

Clients may elect to be billed directly for fees or to authorize CGAM to submit an invoice to their custodian so that management fees may be directly debited from their accounts. Management fees may be prorated for significant cash flows during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

Certain qualified segregated account clients may also be charged a performance-based fee, which is typically 30% of the performance generated over a specific performance objective. Performance fees may vary and are negotiated on a client-by-client basis. (Please refer to Item 6 below for additional information regarding performance-based fees.)

In addition to management and performance fees, all clients, including the Funds, are responsible for any costs or expenses related to brokerage transactions, custodial services, interest, and regulatory requirements. Clients are also responsible for any taxes that may be levied on the supply of goods or services by the various levels of governments. Finally, each Fund is responsible for its own auditing, legal, and administrative fees. A complete description of fees and expenses applicable to each Fund is available in the Fund's governing documents.

Item 6 – Performance-Based Fees and Side-By-Side Management

As stated above, CGAM has entered into performance fee arrangements with certain qualified segregated account clients. Such fees are subject to negotiation with each client. CGAM will structure any performance or incentive fee arrangement in accordance with applicable regulations. In measuring a client's assets for the calculation of performance-based fees, CGAM shall include realized and unrealized capital gains and losses.

Performance-based fee arrangements may create an incentive for CGAM to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. CGAM has controls designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among client accounts.

Item 7 – Types of Clients

CGAM provides portfolio management services to pension funds, insurance companies, multi-employer plans, endowments, foundations, Canadian mutual funds, and pooled investment vehicles.

There is no pre-determined minimum account size; however, CGAM does have minimum annual fees that are applied to certain types of mandates.

Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

CGAM uses a variety of methods of analysis and investment strategies in managing client assets. These methods of analysis and strategies are generally designed for long term investing. The resulting investment returns are highly dependent on the value of the underlying securities and are impacted by trends in their respective markets. The methods of analysis that we use for each investment strategy are described below.

International Equity Portfolio Strategy

The investment objective of the International Equity strategy is to provide long-term growth through capital appreciation by investing primarily in a diversified portfolio of equity securities of foreign companies located in Europe, the Far East, and the Pacific Basin.

Our decision-making process is mainly a bottom-up approach to selecting companies that are global or regional leaders in their respective industries and whose earnings growth rate is faster than that of the global economy. We focus on sectors exhibiting long-term, predictable, above-average volume growth. The securities that will be researched and potentially held in our portfolio must meet our four investment criteria: (1) consistent industry growth, (2) barriers to entry, (3) competent company management, and (4) companies trading at a discount to their value, as determined by CGAM. These criteria drive our entire decision-making process and each represents a key element to the inclusion or exclusion of a stock. Within the growth sectors previously identified based on our fundamental analysis for a fair value to be assigned to each security.

The International Equity strategy may use derivatives such as options, futures, forward contracts, swaps, and other similar instruments for hedging and non-hedging purposes to provide exposure to securities, indices, or currencies without investing in them directly. Derivatives may also be used to manage risk. The portfolios may also invest in index participation units and other similar instruments.

The primary risks of an investment in the International Equity strategy include the following, which are described in more detail at the end of this section:

- Capital depreciation risk
- Currency risk
- Equity risk
- Foreign market risk
- General market risk
- Legal and regulatory risk

Canadian Fixed Income Portfolio Strategy

The primary investment objective of the Canadian Fixed Income strategy is to generate income while attempting to preserve capital by investing primarily in bonds, debentures, and other debt instruments of Canadian governments and corporations.

Fundamental macroeconomic research forms the basis for portfolio construction utilizing top down strategies such as duration, sector allocation, and yield curve positioning. Macroeconomic research also plays a role in our credit research efforts, as it impacts various industries and companies. Our security selection strategy relies on a variety of valuation techniques in order to identify attractively priced securities.

Adjustments to the strategy are based on a review of macroeconomic and capital market conditions. The strategy may invest in securities of foreign issuers. The strategy may use derivatives consistent with its investment objectives and may include options, futures, forward contracts, swaps, and other similar instruments for hedging and non-hedging purposes to provide exposure to securities, indices, or currencies without investing in them directly. Derivatives may also be used to manage risk.

Portfolio Managers rely on a dedicated in-house Credit Research team responsible for analyzing the credit of every issuer or potential issuer in the money market and bond portfolios.

Credit analysis is at the centre of the security selection process. Our rigorous approach to selecting corporate securities for the portfolio ensures that we investigate before we invest. We invest in quality and value – in their absence, we divest.

Our credit analysis involves research into the following key factors:

- Industry,
- Management,
- Borrower's strengths and weaknesses,
- Competition's strengths and weaknesses,
- Financial statements and notes
- Balance sheet trends and leverage
- Income statement trends and coverage ratios,
- Projections, and
- Covenants.

We conduct this analysis through a number of avenues that may include meetings with management, discussions with industry analysts, and analyzing financial, industry, and ratings agency reports. We undertake our own due diligence including preparation of our own financial models.

Technical analysis is primarily used in reviewing the interest rate risk for our client portfolios and what term or duration strategies should be employed for a given market environment. We look at various technical indicators to gauge the sentiment in the market. We look at momentum indicators, contrarian indicators, and the new issuance calendar. And finally, we consider other qualitative factors that may have an impact, for instance structural changes (such as a large increase in government bonds to fund expected large deficits) or geopolitical or demographic forces that may alter our outlook. All of these factors come together to give us our duration target that is appropriate for the risks we see in the marketplace.

Risk analysis is used to help identify and quantify the major risks that the portfolios are exposed to, including interest rate, sector, individual security, and credit risk. For example, as risk analysis applies to sector positioning, we set our target weights in corporate, provincial, and federal government bonds and establish the overall risk profile utilizing our proprietary Sector Spread Sensitivity (SSS) measure. The SSS is a summary statistic that captures a security's potential impact on the portfolio return if its credit spread changes. It is similar to how duration provides a sense of how a portfolio will perform, given a change in interest rates. The SSS of a security takes into account its maturity, structure, sector, and credit rating.

The primary risks of an investment in the Canadian Fixed Income strategy include the following, which are described in more detail at the end of this section:

- Currency risk
- Derivatives risk
- Fixed income risk
- Foreign market risk
- General market risk
- Legal and regulatory risk
- Sovereign debt risk

Currency Management Strategy

CGAM offers both passive and active currency management. The investment objective of passive currency management strategies is to hedge some or all of the foreign currency exposure back to base currency. The intent is to protect against the impact of currency fluctuations in the foreign holdings of a portfolio. In contrast, the investment objective of active currency management strategies is to manage an investment portfolio's currency exposure, aiming to generate incremental value or to protect the investor from foreign currency fluctuations.

Our approach to currency management is based on the belief that currency movements are driven by three primary factors: (1) valuation factors – the value of one currency relative to another is driven in part by the relative productivity and terms of trade of the underlying countries, (2) cyclical factors – currencies are prone to over/undershoot their fair value driven by business cycles, and (3) momentum factors – short-term movements in currencies tend to be driven by other technical factors such as price momentum, investor positioning, and sentiment. The key to successfully assessing the direction of relative currency values is to adopt a well-diversified

approach that optimally weighs the effectiveness of the aforementioned factors given the prevailing macro-economic environment and to enhance the output of these quantitative tools by the application of experience and judgment.

Our investment process includes a ranking of our currency universe based on a number of predetermined factors that have demonstrated persistence in adding value and can be combined due to their low degree of correlation. The main factors include valuation, cyclical differentiation, and momentum. We use quantitative methods to analyze these factors.

Our currency process also assesses the sensitivity of the different currency factors to various macroeconomic conditions in order to help choose the circumstances under which these factors should be used. Guided by the experience of the team members, quantitative analysis is used to test the performance of these factors under various macroeconomic circumstances.

Our global macroeconomic research effort is also an important part of our process. Our efforts aim to anticipate changing economic conditions and so provide an assessment of where we are in the business cycle. We continually monitor the macroeconomic environment by identifying key signposts that should materialize if our main economic scenario is to unfold as expected. Based on this macroeconomic assessment, we can determine which factors we should be exposed to in our currency portfolio and which factors we should avoid.

A qualitative analysis is used to determine whether there are events outside our models that must be considered. Some of the specific situations where we would need to account for information outside our models include:

- Fiscal or monetary policy surprises,
- Financial crisis,
- Merger activity,
- Structural change in market environment,
- Conviction that key model input variables will change significantly in the near future, and
- A factor that was not included in the models is shown to have a strong bearing on currency trends in the current environment.

Our approach to risk management is flexible in order to provide a wide range of views on our risk exposure. As such, we use both internal and external risk management systems. Our approach aims to provide as much information as possible on the risk factors in the currency portfolios.

The primary risks of an investment in the Currency Management strategy include the following, which are described in more detail at the end of this section:

- Currency risk
- Derivatives risk
- Counterparty risk

Summary of Risks

Investing in securities involves risk of loss that all clients should be prepared to bear.

1. Capital Depreciation Risk

Some portfolio strategies aim to generate or maximize income while preserving capital. In certain situations, such as periods of declining markets or changes in interest rates, a portfolio's value could be reduced such that the portfolio is unable to preserve capital. This may affect the portfolio's ability to generate future income.

2. Derivatives Risk

A derivative is a financial instrument whose value is derived from the value of an underlying variable, usually in the form of a security or asset. CGAM typically invests in the following types of derivatives: futures contracts, forward contracts, options, and swaps. The prices of many derivatives are highly volatile. The value of options and swap agreements depends upon the price of the underlying securities, currencies, or other assets. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies, or other assets. Accordingly, options on highly volatile securities, currencies, or other assets may be more expensive than options on other securities, currencies, or other assets.

There is also a risk that derivatives trading counterparties may fail. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

3. Equity Risk

Equity securities, such as common stock, and equity-related securities, such as convertible securities and warrants, rise and fall with the financial well-being of the companies that issue them. The price of a share is also influenced by general economic, industry, and market trends. When the economy is strong, the outlook for many companies will be positive and share prices will generally rise, as will the value of the strategies that own these shares. On the other hand, share prices usually decline with a general economic or industry downturn. There is the chance that one portfolio may select stocks that underperform the markets or other investment products when compared to another portfolio with similar investment objectives and investment strategies.

4. Fixed Income Risk

One risk of investing in fixed income securities, such as bonds, is the risk that the issuer of the security will be unable to pay the interest or principal when due. This is generally referred to as "credit risk." The degree of credit risk will depend not only on the financial condition of the issuer, but also on the terms of the bonds in question. A

portfolio may reduce credit risk by investing in senior bonds, those that have a claim prior to junior obligations and equity on the issuer's assets in the event of bankruptcy. Credit risk may also be minimized by investing in bonds that have specific assets pledged to the lender during the term of the debt.

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 generally fluctuate more in response to interest rate changes than do shorter-term securities.

Portfolios that invest in convertible securities also carry interest rate risk. These securities provide a fixed income stream, so their value varies inversely with interest rates, just like bond prices. Convertible securities are generally less affected by interest rate fluctuations than bonds because they can be converted into common shares.

5. Foreign Market Risk

The Canadian equity market represents just over 3% of global securities markets, so portfolios may take advantage of investment opportunities available in other countries. Foreign securities offer more diversification than an investment made only in Canada, since the price movement of securities traded on foreign markets tends to have a low correlation with the price movement of securities traded in Canada. Foreign investments, however, involve special risks not applicable to Canadian and U.S. investments that can increase the chance that a client will lose money.

The economies of certain foreign markets may not compare with that of Canada on such issues as growth of gross national product, reinvestment of capital resources, and balance of payments position. These economies may rely heavily on particular industries or foreign capital, and are more vulnerable to diplomatic developments, the imposition of economic sanctions against a particular country or countries, changes in international trading patterns, trade barriers, and other protectionist or retaliatory measures.

Investments in foreign markets may be adversely affected by governmental actions, such as the imposition of capital controls, nationalization of companies or industries, expropriation of assets, or the imposition of punitive taxes. Foreign governments may participate in economic or currency unions. Like other investment companies and business organizations, a Fund could be adversely affected if a participating country withdraws from, or other countries join, the economic or currency unions.

The governments of certain countries may prohibit or impose substantial restrictions on foreign investment in their capital markets or in certain industries. Any of these actions could severely affect security prices, impair a client's ability to purchase or sell foreign securities or transfer a client's assets or income back into Canada, or otherwise adversely affect a client's operations.

Other foreign market risks include foreign exchange controls, difficulties in pricing securities, defaults on foreign government securities, difficulties in enforcing favorable legal judgments in foreign courts, different accounting standards, and political and social instability. Legal remedies available to investors in certain foreign countries may be less extensive than those available to investors in Canada or other foreign countries.

Because there are generally fewer investors and a smaller number of shares traded each day on some foreign exchanges, it may be difficult for a portfolio to buy and sell securities on those exchanges. In addition, prices of foreign securities may fluctuate more than prices of securities traded in Canada.

6. Currency risk

Portfolios may invest in securities denominated or traded in currencies other than the Canadian dollar. The value of these securities held by portfolios will be affected by changes in foreign currency exchange rates. Generally, when the Canadian dollar rises in value against a foreign currency, your investment is worth fewer Canadian dollars. Similarly, when the Canadian dollar decreases in value against a foreign currency, your investment is worth more Canadian dollars. This is known as "currency risk," which is the possibility that a stronger Canadian dollar will reduce returns for Canadians investing outside of Canada and a weaker Canadian dollar will increase returns for Canadians investing outside of Canada.

7. General Market Risk

General market risk is the risk that markets will go down in value, including the possibility that those markets will go down sharply and unpredictably. Several factors can influence market trends, such as economic developments, changes in interest rates, political changes, and catastrophic events. All investments are subject to general market risk.

8. Legal and Regulatory Risk

Costs of complying with laws, regulations, and policies of regulatory agencies, as well as possible legal actions, have an impact on the value of investments held by a client.

9. Sovereign Debt Risk

Some portfolios may invest in sovereign debt securities. These securities are issued or guaranteed by foreign government entities. Investments in sovereign debt are subject to the risk that a government entity may delay or refuse to pay interest or repay principal on its sovereign debt. Some of the reasons for this may include cash flow problems, insufficient foreign currency reserves, political considerations, the size of its debt position relative to its economy, or failure to put in place economic reforms required by the International Monetary Fund or other agencies. If a government entity defaults, it may ask for more time in which to pay or for further loans. There is no legal process for collecting sovereign debts that a government does not pay or bankruptcy

proceeding by which all or part of sovereign debt that a government entity has not repaid may be collected.

Item 9 – Disciplinary Information

There have been no legal or disciplinary events involving CGAM or any of its employees in the last ten years that would be material to a client's evaluation of CGAM or its personnel.

Item 10 – Other Financial Industry Activities and Affiliations

CGAM is registered as a Commodity Trading Manager in the province of Ontario, which is a requirement for CGAM to be able to provide advice and discretionary trading to certain of its advisory service clients with respect to commodities.

CGAM is wholly-owned by CIBC, which has numerous other subsidiaries/affiliates, including the following Canadian-registered dealers and advisers: CIBC Trust Corporation, CIBC Asset Management Inc., CIBC Investor Services Inc., CIBC Private Investment Counsel Inc., CIBC World Markets Inc. Other international subsidiaries include CIBC Bank and Trust Company (Cayman) Limited and CIBC Trust Company (Bahamas) Limited

CGAM may effect trades for client accounts with an affiliated broker-dealer. As such, the affiliated broker-dealer will earn a commission or other fee in connection with such transactions. (Please refer to Item 12 below for additional information regarding CGAM's brokerage practices.)

CGAM serves as the sub-advisor for certain mutual funds managed by CIBC Asset Management Inc., an affiliate. CGAM also serves as the sub-advisor to certain segregated account clients that are managed by CIBC Private Investment Counsel. American Century Investments Inc. serves as a sub-advisor of certain of CGAM's equity Funds.

Additionally, CIBC Mellon Trust Company ("CIBC Mellon"), which is jointly-owned by CIBC and the Bank of New York Mellon Corporation, may be selected by certain segregated account clients to serve as their custodian. All segregated account clients are free to select their own custodian and CGAM does not recommend any custodian over any other custodian. CIBC Mellon also serves as the trustee and custodian for the Funds and, as such, earns custodial and trustee fees from the Funds.

CGAM will take reasonable steps to identify existing material conflicts of interest that we may reasonably expect to arise between us and our affiliates. We will respond as appropriate to each such conflict of interest by avoiding, controlling, or disclosing to our clients.

In addition to managing your assets, we also manage the assets of other clients. We may give advice and take action in the performance of our duties for other clients that may differ from advice given, or in the timing and nature of action taken, with respect to your account.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Code of Ethics

CGAM requires that all of its supervised personnel be subject to and comply with all applicable provisions of both the CIBC Code of Conduct and the CIBC Asset Management Personal Trading Policy (the “Personal Trading Policy”). Together these two policies constitute CGAM’s Code of Ethics. All supervised persons at CGAM must acknowledge the terms of the Code of Ethics annually, or as amended.

Both the CIBC Code of Conduct and the Personal Trading Policy mandate supervised persons to comply with applicable laws and report violations or other contraventions of the Code of Conduct or Personal Trading Policy to appropriate parties.

All supervised persons are responsible for recognizing that, since CGAM is a U.S. registered investment adviser, each supervised person has:

- An obligation not only to personally comply with all applicable U.S. federal securities laws, but also
- An obligation to affirmatively report to the persons and/or in the manner indicated in the CIBC Code of Conduct or the Personal Trading Policy, as applicable, any personal, witnessed, or suspected violations by other supervised personnel of any provision of either the CGAM Code of Ethics or U.S. federal securities laws.

Personal Trading Policy

The Personal Trading Policy prohibits employees from short term and abusive trading and requires all CGAM employees to comply with certain trading restrictions on securities transactions.

Failure to comply with the Personal Trading Policy constitutes a violation and results in sanctions including, without limitation, formal warning with manager notification, reversal of a trade, suspension of trading privileges, and/or suspension or termination of employment.

The Personal Trading Policy guides the personal investment activities of employees, officers and directors, and members of their immediate families to ensure that while conducting such activities, they make decisions in the best interest of our clients. The Personal Trading Policy requires employees of CGAM, to (a) provide duplicate confirmations of any transactions in accounts held directly by an employee or beneficially owned by an employee and (b) comply with restrictions regarding certain securities as detailed in the Personal Trading Policy.

In addition, certain of our officers and employees that participate in providing investment advice to our clients, and other persons who consistently obtain information regarding current recommendations with respect to portfolios of our clients or real-time trading information, are required to comply with additional restrictions. These additional restrictions include, but are not limited to, pre-clearance of personal

securities transactions in non-exempt securities, periodic transaction reporting and maintaining their account at a CIBC affiliate.

Under the Personal Trading Policy, certain classes of securities have been designated as exempt transactions based upon a determination that these would materially not interfere with the best interest of our clients. Because the Personal Trading Policy in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from investment activity in a client's account. Due to this conflict of interest between us and our clients, our compliance department monitors and reviews transactions against the activity on the trading blotters and/or employee personal account statements.

CGAM will provide a copy of the Code of Ethics to any client or prospective client upon request.

Trade Allocation

CGAM endeavors to combine or bunch orders for clients in respect of trades in the same security that have identical terms (i.e., price limits) and approximate time of entry. If the full amount of the order originally placed is not received (i.e., a "partial fill" occurs), the order will generally be allocated on a *pro rata* basis across client accounts.

Allocations of partial fills shall be made at the average execution price. Deviations from a *pro rata* allocation may be required in certain circumstances to ensure fairness. With respect to equity securities, this may occur, for example, where: (1) only a small allocation has been obtained compared to the size of the original order, (2) the value of the order is, on relative terms, insignificant compared to the total value of the account, or (3) the parameters of an order with respect to a particular client (or clients) is modified, so that the execution of the order needs to be revisited. Any deviation from a *pro rata* allocation must be documented.

With respect to orders for initial public offerings ("IPO"), the portfolio manager, prior to placing the order, may determine a minimum size allocation in shares or amount for each participating portfolio. If a portfolio's allocation is lower than the minimum, those shares are re-allocated among the other participating portfolios.

With respect to fixed income securities, clients whose portfolios are furthest from alignment with respect to their investment criteria or strategy may receive preference in allocation.

The reallocation of any bunched order after the close of business on the execution date must have the prior approval of the Chief Investment Officer, or his designate, a senior manager who is at arms length to the transaction. Such reallocations are only made in exceptional circumstances and must be documented for review by the Business Controls group or the Compliance Department.

Interest in Client Transactions

CGAM or certain of its affiliates may recommend that their clients buy or sell securities in which they have certain financial interest. These securities include Funds for which CGAM acts as investment manager and in which CGAM, its officers, employees, and affiliates may have a direct or indirect financial interest. CGAM may be able to offer a segregated account client the ability to invest in mutual funds that may be managed by CGAM. For any segregated account client assets invested in a mutual fund sub-advised by CGAM, the amount of such assets will be excluded from the total account value on which management fees are calculated.

Item 12 – Brokerage Practices

Brokerage and Soft Dollar Arrangements

“Soft dollars” refers to circumstances where CGAM directs client brokerage commissions to a broker-dealer in return for the provision of goods and services, other than order execution, from the broker-dealer or a third party.

Soft dollar arrangements may give rise to potential conflicts of interest. This concern arises as these arrangements could provide an incentive for CGAM to direct trades to broker-dealers in return for goods and services that would benefit CGAM, but not our clients. Securities legislation and our own internal policies set out a number of rules that are designed to identify, address, and mitigate such conflicts of interest. CGAM is committed to dealing fairly, honestly, and in good faith in matters of trade execution and soft dollar arrangements, and ensuring that trade execution decisions will be made on the basis of the best interests of our clients.

Broker-Dealer Selection Process

CGAM has adopted policies and procedures designed to ensure that broker-dealers are selected based solely on the best interests of our clients and to allow CGAM to achieve “best execution” on their behalf. During the year, CGAM conducts a due diligence process to approve a number of new broker-dealers to whom trades may be directed during the year. CGAM evaluates, among other things, whether these broker-dealers are in good standing with the regulators and whether they have sufficient financial strength and stability in order to limit risk to CGAM and our clients and CGAM.

When considering to which broker-dealer a given trade should be directed, CGAM considers a number of factors, including:

- the broker-dealer’s execution capability (i.e., trading experience, competency on block trading, ability to commit capital, reliability in executing trades, access to underwriting and secondary market offerings, etc.) given the timing and size of a particular order and available liquidity;
- commission rates;
- responsiveness, reliability, and accuracy of communications;
- fairness in resolving disputes;
- access to electronic communication networks; and
- the quality and relevance of the research and/or order execution goods and services offered.

Throughout the process outlined above, CGAM seeks to achieve “best execution” by executing our client’s trades at the most favorable execution terms reasonably available under the particular circumstances at that time.

While, pursuant to this process, CGAM may direct trades to CIBC World Markets Inc. and CIBC World Markets Corp. (collectively, “CIBC World Markets”), affiliated broker-dealers of CGAM, CGAM does not, under any circumstances treat CIBC World Markets more favorably than other broker-dealers or apply the factors discussed above differently to CIBC World Markets.

To mitigate any conflict that could arise in the brokerage selection process due to the provision of gifts and entertainment to our personnel, the Code of Conduct includes a provision that restricts an employee’s ability to accept gifts. That provision prohibits any employee from accepting one or a series of gifts worth an aggregate of \$100 each year from any person, firm, or company with which CGAM does or seeks to do business, provided that such gifts are in accordance with normally accepted business practices.

Soft Dollar Arrangements

Section 28(e) of the Securities and Exchange Act of 1934 provides a safe harbor for persons who exercise investment and brokerage discretion over advisory accounts to pay for research and brokerage services with commission dollars generated by account transactions. Such arrangements are sometimes referred to as “soft dollar arrangements.”

CGAM receives research from certain broker-dealers under “soft dollar arrangements” that comply with Section 28(e) of the Securities Exchange Act of 1934. Because research is “bundled” with execution services, research generally does not have an identifiable price. We become eligible to receive research by sending trades and paying commissions to approved executing broker-dealers. In order to obtain research, we may cause our clients to pay commissions higher than those obtainable from other broker-dealers. We will do so only if we determine in good faith that the amount of commissions paid is reasonable in relation to the value of the research provided by the broker-dealer.

We may use research for the benefit of one or more of our clients, and not just for the clients that pay commissions to the brokers providing the research. We do not accept products, consulting services, payment of exchange fees (other than for market data) or other items that might be considered office overhead expenses from broker-dealers.

CGAM has entered into soft dollar agreements with certain broker-dealers that may provide goods and services, other than order execution, in exchange for a portion of client brokerage commissions received in connection with the execution of eligible trades. Under these agreements, dealers set aside such portion of the brokerage commissions in a “soft dollar pool,” which CGAM can allocate to the payment of eligible goods and services provided by the dealer itself or by a third party provider, by submitting invoices to the dealer.

CGAM also has brokerage relationships with certain full-service dealers where a portion of the client brokerage commissions is used to compensate the dealer for providing proprietary goods and services in addition to order execution.

The goods and services obtained under these arrangements assist CGAM with providing investment decision-making services to our clients or relate directly to executing portfolio transactions for our client accounts. In certain cases, such goods and services may be “mixed use” in nature where certain functions do not assist the investment decision-making or trading process. In such cases, a reasonable allocation is made by CGAM based on a good faith estimate of how the good or service is used.

The following types of research and execution goods and services may be received through soft dollar arrangements:

- research reports and information about particular countries, economies, markets, industries, companies and/or securities
- access to analysts and industry experts
- company meeting facilitation
- statistical and market data and news services
- quantitative analytical research services
- risk attribution systems
- best execution and trade quality evaluation services
- order management systems
- custodial services directly related to client trades

CGAM has established controls, monitoring, and record keeping procedures to ensure that the client accounts that generated the soft dollar commissions receive reasonable benefit over a reasonable period of time considering the use of the goods and services received and the amount of commissions paid.

These procedures require pre-approval of all goods or services paid for with soft dollar commissions and take into account the fair value of the goods or services received where determinable. It is, however, possible that accounts other than those that generated the soft dollar commissions may benefit from the goods and services obtained through soft dollars.

Directed Brokerage Arrangements

Clients may direct CGAM to execute trades through specific broker-dealers. CGAM may not be able to achieve best execution with respect to transactions executed on behalf of such client accounts. Further, directed brokerage account clients may pay higher brokerage commissions because CGAM may not be able to aggregate orders to reduce transaction costs.

Item 13 – Review of Accounts

On an ongoing basis, Portfolio Managers (typically at the Vice President level or above) are responsible for managing client assets within the guidelines of a client’s investment policy for specific mandates assigned.

The Investment Services Group perform semi-monthly reconciliations of a client's portfolio holdings against investment guidelines and regulatory requirements. Portfolio Managers are requested to review any deviations resulting from these reviews and provide rationale and, if required, immediate corrective action. The results of the semi-monthly evaluations are reported to members of the following groups on a monthly basis: Client Servicing, Investment Management, and Business Controls. Client reporting of deviations from policies are prepared on a frequency agreed upon with each client.

The Business Controls Group is responsible for monitoring compliance with the Company's established compliance policies and procedures. Business Controls perform ongoing monitoring of CGAM activity and reports the results of their reviews to the Chief Compliance Officer and senior management. Business Controls also ensure that a Portfolio Manager's rationale and/or corrective action to deviations from policies will reasonably address the deviation.

Clients are provided with a monthly report detailing a list of assets that should be held in their account at their custodian and a quarterly report that provides performance and portfolio characteristics.

Item 14 – Client Referrals and Other Compensation

CGAM may participate in client referral arrangements with other CIBC affiliates. These referrals are governed by a referral agreement that includes the roles and responsibilities of each party. A referral arrangement may be perceived as a conflict of interest; however, we mitigate this conflict by providing full disclosure of the referral fee to clients and obtaining their written acknowledgment that they are aware of the fee. There is no additional charge to a client if they are referred. The actual referral fee will vary depending on the referrer but is generally a percentage of the annual fee and will be paid for a pre-determined number of years.

CGAM does not currently have referral arrangements with third parties nor does CGAM pay any trailer fees.

Item 15 – Custody

CGAM does not have physical custody of any client assets. All client assets are held in custody by a qualified custodian. Segregated account clients will receive account statements directly from their custodian and should carefully review those statements. All clients receive statements directly from CGAM. Clients should compare the account statements they receive from their custodian to those received from CGAM.

With respect to the Funds, CGAM is deemed to have custody because an affiliate of CGAM serves as the Funds' trustee. Fund investors do not receive statements directly from custodians. All Funds are subject to an annual audit and audited financial statements are distributed to each investor. Audited financial statements are prepared in accordance with Canadian generally accepted accounting principles and distributed within 90 days of each Fund's fiscal year end to meet Canadian requirements.

Item 16 – Investment Discretion

Prior to undertaking any management of a client's assets CGAM enters into an Investment Management Agreement (IMA). Incorporated into the IMA is the reference to manage the assets in accordance with the client's Investment Policy Statement and Guidelines.

Item 17 – Voting Client Securities

If a client has assigned the voting responsibility for the clients' investments to CGAM, the client must instruct their trustee/custodian to forward all proxy voting materials to CGAM or such other party which may include an independent proxy adviser, (the "Proxy Adviser"), selected by CGAM from time to time. CGAM will exercise its voting responsibility in accordance with the best economic interest of the beneficiaries.

If a client has retained the right to exercise its voting rights, the client will assume responsibility for proxy voting. CGAM will not be responsible for the proxy voting of clients' investments that may be out on loan as contracted in a securities lending agreement as determined between the client and their custodian/trustee. In addition, CGAM will not undertake any action to have securities returned from a borrower.

CGAM has developed proxy voting guidelines (the "Guidelines") that set out how CGAM intends to vote on routine and non-routine issues. These Guidelines are based on the premise that environmental, social and governance issues may affect investment performance and that appropriate consideration of these issues is required in order to protect the investment. CGAM is of the view that even though the main criteria for corporations' remain economic profit, behaving in a socially responsible manner should increase the economic value of the firm while reducing potential liability, and therefore will be considered as part of the overall analysis of the investment in a company.

Votes would normally be cast as per the recommendations of the Proxy Adviser applying the Guidelines. However, due to the factual situation at hand and/or the interpretation of the Guidelines, the portfolio managers may have a different opinion and therefore vote differently from the Adviser's voting recommendation, subject to review and approval from the applicable Asset Class Head. A representative of CGAM may decide to contact the company's management in order to assess the impact of the proposal(s). The representative can also consult with CIBC Legal where appropriate. Votes will be cast based on CGAM's best judgment of the economic interests of the beneficiaries based on the information that was available at the time of the proxy vote. CGAM may participate in shareholder action groups where deemed appropriate. All proxy voting decisions that don't follow the Proxy Adviser's recommendations will be documented and include the rationale for the decision (collectively, referred to as the "Standard Procedure").

CGAM will undertake reasonable efforts to vote all proxies in its possession with the understanding that CGAM will only be able to do so if it has the required documentation and sufficient information to make an informed decision within the given time frame. However, due to operational challenges that can surround proxy

voting activity, CGAM's assessment of all its clients' best interest or for other reasons, CGAM might not vote proxies in all instances.

CGAM is a wholly owned subsidiary of CIBC. To address actual or perceived conflicts of interests, CGAM has decided to rely exclusively on the Proxy Adviser for all proxy voting at meetings of CIBC security holders. With respect to a company where CIBC or any of its subsidiaries is providing advice, funding, underwriting or other financial services, or any other case where CIBC might have an interest in the outcome of the vote, votes would be cast following the Standard Procedure. CIBC has established ethical walls/information barriers designed to prevent the transmission of information and undue influence by CIBC and its subsidiaries on CGAM.

In the event that an actual or perceived conflict of interest between CGAM and a client or clients is identified, CGAM will always place the interests of the client and their respective beneficiaries above its own. When a conflict of interest involving CGAM (but not any of its affiliates) has been identified for a particular vote, whether it results from any material business, personal or familial relationship with senior personnel at a corporation in question or a material arrangement by CGAM with any such corporation or any other reason, CGAM will generally refrain from making a decision on the proxy vote at issue and will rely on the Proxy Adviser's recommendation on voting the proxies unless it concludes that the Proxy Adviser's recommendation is not in the best interest of its clients, in which case, the Standard Procedure will apply.

CGAM will assess on an annual basis whether the Proxy Adviser remains independent and will assess its ability to make recommendations for voting proxies in an impartial manner and in the best interest of CGAM's clients and their respective beneficiaries.

The Guidelines will be reviewed at least annually by Business Management to ensure that CGAM follows the evolution of proxy voting practices. All relevant CGAM Investment Professionals will also be asked to participate in this review process. As a general principle, voting should be consistent across the Firm.

CGAM's complete proxy voting policy and procedures are memorialized in writing and are available for review by clients upon request. In addition, a record of all proxy votes cast on behalf of clients is available upon request. To receive a copy, please contact us at 514-875-7040 or at cibcam-info@cibc.ca.

Item 18 – Financial Information

CGAM has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.