



## Interim Management Report of Fund Performance

for the period ended June 30, 2023

*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 emailing us at [info@cibcassetmanagement.com](mailto:info@cibcassetmanagement.com), by writing to us at CIBC Square, 81 Bay Street, 20th floor, Toronto, Ontario, M5J 0E7, or by visiting our website at [www.cibc.com/mutualfunds](http://www.cibc.com/mutualfunds) or SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

### Management Discussion of Fund Performance

#### Results of Operations

CIBC Emerging Markets Local Currency Bond Fund's (referred to as the *Fund*) portfolio advisor is CIBC Asset Management Inc. (referred to as *CAMI* or the *Portfolio Advisor*). The commentary that follows provides a summary of the results of operations for the six-month period ended June 30, 2023. All dollar figures are expressed in thousands, unless otherwise indicated.

The Fund's net asset value increased by 84% during the period, from \$21,702 as at December 31, 2022 to \$39,912 as at June 30, 2023. Net sales of \$16,655 and positive investment performance resulted in an overall increase in net asset value.

Global equity and fixed income markets delivered positive returns over the period despite continued policy tightening by major central banks and increasing risks of an economic slowdown. Geopolitical tensions continued as a result of the war in Ukraine.

Economic growth continued, although fears of a potential recession persisted given tighter global monetary conditions. Inflation weakened, pushed down by lower energy prices, but remained high. Earnings reports indicated healthy consumption of goods and services despite high interest rates.

During the period, inflation in emerging markets countries, notably in Latin America and Europe, appeared to peak. Waning inflation led to a higher probability that central banks in those countries could begin cutting their policy interest rates, pushing yields lower.

However, in response to continued high inflation in the U.S. and Europe, the U.S. Federal Reserve Board (referred to as the *Fed*) and the European Central Bank tightened monetary conditions further by raising interest rates.

The Fed raised the target range of its federal funds rate by a total of 75 basis points to end the period at 5.00%–5.25%. At its June meeting, the Fed kept the federal funds rate unchanged. However, comments from Fed officials following the meeting signalled the central bank's intention to continue raising interest rates while inflation remains well above the Fed's 2% target.

Political events in Turkey and Brazil led to rallies in their respective local-currency bonds.

The reopening of China early in the period had a smaller economic impact than the markets had originally expected, despite growth from a low base given last year's COVID-19 lockdowns.

The disappointing China recovery and global recessionary concerns weighed on commodity prices. Crude oil was down 15% even as the Organization of the Petroleum Exporting Countries and Saudi Arabia pledged to cut a total of two million barrels per day in production.

Although inflation remained high and developed market central banks maintained tight monetary policy, the price of gold rose by only 4%.

Exposure to Brazil contributed to the Fund's performance as fiscal concerns abated in the country. Individual contributors to performance included overweight holdings in Federative Republic of Brazil (10.00%, 2033/01/01) and Republic of Hungary (4.50%, 2028/03/23), both of which outperformed.

Overweight exposure to long-duration South African government bonds (8.88%, 2035/02/28; 8.75%, 2044/01/31; 8.75%, 2048/02/28) detracted from the Fund's performance as these bonds underperformed in response to domestic economic and social issues. An underweight holding in Kingdom of Thailand (3.35%, 2033/06/17) also detracted from performance as this bond outperformed.

Several new holdings were added to the Fund. The Portfolio Advisor added Republic of Hungary (4.50%, 2028/03/23) in March as the central bank began to indicate its policy interest rates had peaked. As central bank activity started to outweigh fiscal concerns, in the Portfolio Advisor's opinion, Republic of Poland (6.00%, 2033/10/25) was added in April. Exposure to Turkish government bonds was added in June after these bonds declined in response to concerns about the new government's monetary authority advisors.

The Portfolio Advisor reduced the Fund's exposure to Brazil and Colombia to realize profits.

## Recent Developments

Effective April 27, 2023, Bryan Houston was appointed Chair of the Independent Review Committee.

The COVID-19 pandemic and the Russia-Ukraine war have disrupted the global economy and financial markets in unprecedented and unpredictable ways. This has resulted in significant volatility and uncertainty in financial markets. It is unclear what further actions may be taken by governments and the resulting impact on global economies, businesses and financial markets. Inflation has increased in many markets across the globe, leading central banks to raise interest rates in order to counter rapidly rising prices. These factors may adversely affect the performance of the Fund. The Manager continues to monitor ongoing developments and the impact to investment strategies.

## Related Party Transactions

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

### *Manager, Trustee, and Portfolio Advisor of the Fund*

CAMI, a wholly-owned subsidiary of CIBC, is the Fund's Manager, Trustee, and Portfolio Advisor. As Manager, CAMI receives management fees with respect to the Fund's day-to-day business and operations, calculated based on the net asset value of units of the Fund as described in *Management Fees*.

As Trustee, CAMI holds title to the Fund's property (cash and securities) on behalf of its unitholders. As Portfolio Advisor, CAMI provides, or arranges to provide for, investment advice and portfolio management services to the Fund. CAMI also compensates dealers in connection with their marketing activities regarding the Fund. From time to time, CAMI may invest in units of the Fund.

### *Distributor*

Dealers and other firms sell units of the Fund to investors. These dealers and other firms include CAMI's related dealers such as the CIBC Investor's Edge discount brokerage division of CIBC Investor Services Inc. (referred to as CIBC ISI), the CIBC Imperial Service division of CIBC ISI, and the CIBC Wood Gundy division of CIBC World Markets Inc. (referred to as CIBC WM). CIBC ISI and CIBC WM are wholly-owned subsidiaries of CIBC.

CAMI may pay sales commissions and trailing commissions to these dealers and firms in connection with the sale of units of the Fund. These dealers and other firms may pay a portion of these sales commissions and trailing commissions to their advisors who sell units of the Fund to investors.

### *Brokerage Arrangements and Soft Dollars*

CAMI generally delegates trading and execution authority to the portfolio sub-advisors and does not, in its capacity as portfolio advisor, receive any goods or services directly through soft dollar arrangements.

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 securities and other securities and certain derivative products to the Fund. A spread is the difference between the bid and ask prices for a security in the applicable marketplace, with respect to the execution of portfolio transactions. The spread will differ based upon various factors such as the type and liquidity of the security.

Dealers, including CIBC WM and CIBC World Markets Corp., may furnish goods and services, other than order execution, to the Portfolio Advisor in partial exchange for processing trades through them (referred to in the industry as "soft dollar" arrangements). These goods and services are paid for with a portion of the brokerage commissions and assist the Portfolio Advisor with investment decision-making services for the Fund or relate directly to the execution of portfolio transactions on behalf of the Fund.

During the period, the Fund 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.

### *Fund Transactions*

The Fund may enter into one or more of the following transactions (referred to as the Related Party Transactions) in reliance on the standing instructions issued by the Independent Review Committee (referred to as the IRC):

- invest in or hold equity securities of CIBC or issuers related to a Portfolio Advisor;
- invest in or hold non-exchange-traded debt securities of CIBC or an issuer related to CIBC, with terms-to-maturity of 365 days or more, issued 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 (referred to as 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 (in the case of a "private placement" offering, in accordance with the Private Placement Relief Order and the policies and procedures relating to such investment);
- purchase equity or debt securities from, or sell them to, a Related Dealer, where it is acting as principal;
- undertake currency and currency derivative transactions where a related party is the counterparty;
- purchase securities from or sell securities to another investment fund or a managed account managed by the Manager or an affiliate (referred to as inter-fund trades or cross-trades); 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, in respect of a purchase or redemption of units of the Fund, subject to certain conditions.

At least annually, the IRC reviews the Related Party Transactions for which they have issued standing instructions. The IRC is required to advise the Canadian securities regulatory authorities, after a matter has

been referred to or reported to it by the Manager, if it determines that an investment decision was not made in accordance with conditions imposed by securities legislation or the IRC in any Related Party Transactions requiring its approval.

*Custodian*

CIBC Mellon Trust Company is the custodian of the Fund (referred to as the Custodian). The Custodian holds all cash and securities for the Fund and ensures that those assets are kept separate from any other cash or securities that the custodian might be holding. The Custodian

also provides other services to the Fund including record-keeping and processing of foreign exchange transactions. CIBC owns a 50% interest in the Custodian.

*Service Provider*

CIBC Mellon Global Securities Services Company (referred to as CIBC GSS) provides certain services to the Fund, including securities lending, fund accounting and reporting, and portfolio valuation. Such servicing fees are paid by the Manager. CIBC indirectly owns a 50% interest in CIBC GSS.

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2023 and December 31 of any other period(s) shown.

The Fund's Net Assets per Unit<sup>1</sup> - Series A Units

Inception date: November 16, 2022

	2023	2022 <sup>a</sup>
<b>Net Assets, beginning of period</b>	\$ 10.37	\$ 10.00 <sup>b</sup>
<b>Increase (decrease) from operations:</b>		
Total revenue	\$ 0.39	\$ 0.11
Total expenses	(0.09)	(0.03)
Realized gains (losses) for the period	0.11	0.03
Unrealized gains (losses) for the period	0.20	0.37
<b>Total increase (decrease) from operations<sup>2</sup></b>	\$ 0.61	\$ 0.48
<b>Distributions:</b>		
From income (excluding dividends)	\$ 0.19	\$ 0.08
From dividends	—	—
From capital gains	—	0.03
Return of capital	—	—
<b>Total Distributions<sup>3</sup></b>	\$ 0.19	\$ 0.11
<b>Net Assets, end of period</b>	\$ 10.78	\$ 10.37

## Ratios and Supplemental Data - Series A Units

	2023	2022 <sup>a</sup>
<b>Total Net Asset Value (000s)<sup>4</sup></b>	\$ 22,365	\$ 21,124
<b>Number of Units Outstanding<sup>4</sup></b>	2,074,024	2,037,212
<b>Management Expense Ratio<sup>5</sup></b>	1.53%*	1.45%*
<b>Management Expense Ratio before waivers or absorptions<sup>6</sup></b>	1.53%*	1.53%*
<b>Trading Expense Ratio<sup>7</sup></b>	0.04%*	0.00%*
<b>Portfolio Turnover Rate<sup>8</sup></b>	21.78%	9.22%
<b>Net Asset Value per Unit</b>	\$ 10.78	\$ 10.37

The Fund's Net Assets per Unit<sup>1</sup> - Series F Units

Inception date: November 16, 2022

	2023	2022 <sup>a</sup>
<b>Net Assets, beginning of period</b>	\$ 10.31	\$ 10.00 <sup>b</sup>
<b>Increase (decrease) from operations:</b>		
Total revenue	\$ 0.37	\$ 0.03
Total expenses	(0.06)	—
Realized gains (losses) for the period	0.10	0.01
Unrealized gains (losses) for the period	0.15	(0.03)
<b>Total increase (decrease) from operations<sup>2</sup></b>	\$ 0.56	\$ 0.01
<b>Distributions:</b>		
From income (excluding dividends)	\$ 0.23	\$ 0.10
From dividends	—	—
From capital gains	—	0.03
Return of capital	—	—
<b>Total Distributions<sup>3</sup></b>	\$ 0.23	\$ 0.13
<b>Net Assets, end of period</b>	\$ 10.71	\$ 10.31

## Ratios and Supplemental Data - Series F Units

	2023	2022 <sup>a</sup>
<b>Total Net Asset Value (000s)<sup>4</sup></b>	\$ 139	\$ 5
<b>Number of Units Outstanding<sup>4</sup></b>	12,932	487
<b>Management Expense Ratio<sup>5</sup></b>	0.92%*	0.84%*
<b>Management Expense Ratio before waivers or absorptions<sup>6</sup></b>	0.92%*	0.87%*
<b>Trading Expense Ratio<sup>7</sup></b>	0.04%*	0.00%*
<b>Portfolio Turnover Rate<sup>8</sup></b>	21.78%	9.22%
<b>Net Asset Value per Unit</b>	\$ 10.71	\$ 10.31

*CIBC Emerging Markets Local Currency Bond Fund*

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

**Inception date: November 16, 2022**

	2023	2022 <sup>a</sup>
<b>Net Assets, beginning of period</b>	\$ 10.42	\$ 10.00 <sup>b</sup>
<b>Increase (decrease) from operations:</b>		
Total revenue	\$ 0.34	\$ 0.04
Total expenses	(0.01)	—
Realized gains (losses) for the period	0.09	0.02
Unrealized gains (losses) for the period	(0.03)	0.36
<b>Total increase (decrease) from operations<sup>2</sup></b>	\$ 0.39	\$ 0.42
<b>Distributions:</b>		
From income (excluding dividends)	\$ 0.28	\$ —
From dividends	—	—
From capital gains	—	—
Return of capital	—	—
<b>Total Distributions<sup>3</sup></b>	\$ 0.28	\$ —
<b>Net Assets, end of period</b>	\$ 10.82	\$ 10.42

**Ratios and Supplemental Data - Series O Units**

	2023	2022 <sup>a</sup>
<b>Total Net Asset Value (000s)<sup>4</sup></b>	\$ 1,866	\$ —
<b>Number of Units Outstanding<sup>4</sup></b>	172,503	2
<b>Management Expense Ratio<sup>5</sup></b>	0.00%*	0.00%*
<b>Management Expense Ratio before waivers or absorptions<sup>6</sup></b>	0.00%*	0.00%*
<b>Trading Expense Ratio<sup>7</sup></b>	0.04%*	0.00%*
<b>Portfolio Turnover Rate<sup>8</sup></b>	21.78%	9.22%
<b>Net Asset Value per Unit</b>	\$ 10.82	\$ 10.42

**The Fund's Net Assets per Unit<sup>1</sup> - Series S Units**

**Inception date: November 16, 2022**

	2023	2022 <sup>a</sup>
<b>Net Assets, beginning of period</b>	\$ 10.33	\$ 10.00 <sup>b</sup>
<b>Increase (decrease) from operations:</b>		
Total revenue	\$ 0.38	\$ 0.05
Total expenses	(0.02)	—
Realized gains (losses) for the period	0.10	0.01
Unrealized gains (losses) for the period	(0.06)	(0.06)
<b>Total increase (decrease) from operations<sup>2</sup></b>	\$ 0.40	\$ —
<b>Distributions:</b>		
From income (excluding dividends)	\$ 0.26	\$ 0.10
From dividends	—	—
From capital gains	—	0.03
Return of capital	—	—
<b>Total Distributions<sup>3</sup></b>	\$ 0.26	\$ 0.13
<b>Net Assets, end of period</b>	\$ 10.75	\$ 10.33

**Ratios and Supplemental Data - Series S Units**

	2023	2022 <sup>a</sup>
<b>Total Net Asset Value (000s)<sup>4</sup></b>	\$ 15,542	\$ 573
<b>Number of Units Outstanding<sup>4</sup></b>	1,445,495	55,476
<b>Management Expense Ratio<sup>5</sup></b>	0.25%*	0.25%*
<b>Management Expense Ratio before waivers or absorptions<sup>6</sup></b>	0.90%*	0.90%*
<b>Trading Expense Ratio<sup>7</sup></b>	0.04%*	0.00%*
<b>Portfolio Turnover Rate<sup>8</sup></b>	21.78%	9.22%
<b>Net Asset Value per Unit</b>	\$ 10.75	\$ 10.33

<sup>a</sup> Information presented is for the period from the inception date to December 31.

<sup>b</sup> Initial offering price.

\* Ratio has been annualized.

<sup>1</sup> This information is derived from the Fund's audited annual and unaudited interim financial statements.

<sup>2</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The total increase (decrease) from operations is based on the weighted average number of units outstanding during the period.

<sup>3</sup> Distributions were paid in cash, reinvested in additional units of the Fund, or both.

<sup>4</sup> This information is presented as at June 30, 2023 and December 31 of the period(s) shown.

- <sup>5</sup> Management expense ratio is based on the total expenses of the fund (excluding commissions and other portfolio transaction costs), incurred by or allocated to a 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 mutual funds, where applicable.
- <sup>6</sup> The decision to waive management fees is at the discretion of the Manager. The practice of waiving management fees may continue indefinitely or may be terminated at any time without notice to unitholders. The management expense ratio before waivers includes the fees attributable to mutual funds, where applicable.
- <sup>7</sup> The trading expense ratio represents total commissions and other portfolio transaction costs before income taxes expressed as an annualized percentage of the daily average net asset value during the period. Spreads associated with fixed income securities trading are not ascertainable and, for that reason, are not included in the trading expense ratio calculation.
- <sup>8</sup> The portfolio turnover rate indicates how actively the portfolio advisor and/or portfolio sub-advisor manages the portfolio investments. A portfolio turnover rate of 100% is equivalent to a fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a portfolio turnover rate in a period, the greater the trading costs payable by a fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

## Management Fees

The Fund, either directly or indirectly, pays CAMI an annual management fee to cover the costs of managing the Fund. Management fees are based on the Fund'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, office overhead expenses and trailing commissions are paid by CAMI out of the management fees received from the Fund. The Fund is required to pay applicable taxes on the management fees paid to CAMI. Refer to the Simplified Prospectus for the annual management fee rate for each series of units. For Series O units, the management fee is negotiated with and paid by, or as directed by, unitholders or dealers and discretionary managers on behalf of unitholders. Such Series O management fee will not exceed the Series F unit management fee rate.

For the period ended June 30, 2023, 100% of the management fees collected from the Fund was attributable to general administration and investment advice.

## Past Performance

Past performance is not presented because, as at June 30, 2023, the Fund had not yet completed its first full financial year.

## Summary of Investment Portfolio (as at June 30, 2023)

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update is available by visiting [www.cibc.com/mutualfunds](http://www.cibc.com/mutualfunds). The Top Positions table shows the Fund's 25 largest positions. If the Fund holds fewer than 25 positions in total, all positions are shown. Cash and cash equivalents are shown in total as one position.

<i>Portfolio Breakdown</i>	<i>% of Net Asset Value</i>	<i>Top Positions</i>	<i>% of Net Asset Value</i>
Other Bonds	26.5	Cash & Cash Equivalents	5.8
Mexican Peso	11.3	People's Republic of China, 2.80%, 2029/03/24	2.9
Brazilian Real	10.0	Federative Republic of Brazil, Zero Coupon, 2026/01/01	2.7
Indonesian Rupiah	9.3	Federation of Malaysia, Series '0222', 4.70%, 2042/10/15	2.5
South African Rand	8.8	Republic of South Africa, Series '2035', 8.88%, 2035/02/28	2.4
Malaysian Ringgit	8.4	Republic of Indonesia, Series 'FR54', 9.50%, 2031/07/15	2.3
China Renminbi	7.9	Republic of Hungary, 4.50%, 2028/03/23	2.2
Polish Zloty	7.3	Federation of Malaysia, Series '0220', 2.63%, 2031/04/15	2.2
Thailand Baht	6.2	Czech Republic, 2.75%, 2029/07/23	2.1
Cash & Cash Equivalents	5.8	United Mexican States, Series 'M', 8.00%, 2023/12/07	2.0
Forward & Spot Contracts	(0.1)	Republic of Indonesia, Series 'FR82', 7.00%, 2030/09/15	1.9
Other Assets, less Liabilities	(1.4)	United Mexican States, Series 'M', 5.83%, 2026/03/05	1.9
		United Mexican States, Series 'M', 8.00%, 2053/07/31	1.9
		Kingdom of Thailand, 1.59%, 2035/12/17	1.8
		Republic of Indonesia, Series 'FR92', 7.13%, 2042/06/15	1.8
		Republic of South Africa, Series 'R213', 7.00%, 2031/02/28	1.8
		Republic of Poland, Series '1026', 0.25%, 2026/10/25	1.7
		Republic of Indonesia, Series 'FR56', 8.38%, 2026/09/15	1.7
		People's Republic of China, 2.76%, 2032/05/15	1.6
		Federative Republic of Brazil, Series 'F', 10.00%, 2027/01/01	1.6
		Republic of Poland, Series '0428', 2.75%, 2028/04/25	1.5
		Republic of Poland, Series '0725', 3.25%, 2025/07/25	1.5
		Government of Romania, Series '8Y', 4.15%, 2028/01/26	1.4
		Republic of Colombia, Series 'B', 7.00%, 2031/03/26	1.4
		United Mexican States, Series 'M', 7.75%, 2031/05/29	1.4

#### **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. CAMI 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.





CIBC ASSET  
MANAGEMENT

**CIBC Asset Management Inc.**

CIBC Square  
81 Bay Street, 20th Floor  
Toronto, Ontario  
M5J 0E7

1-888-888-3863

[www.cibc.com/mutualfunds](http://www.cibc.com/mutualfunds)

[info@cibcassetmanagement.com](mailto:info@cibcassetmanagement.com)