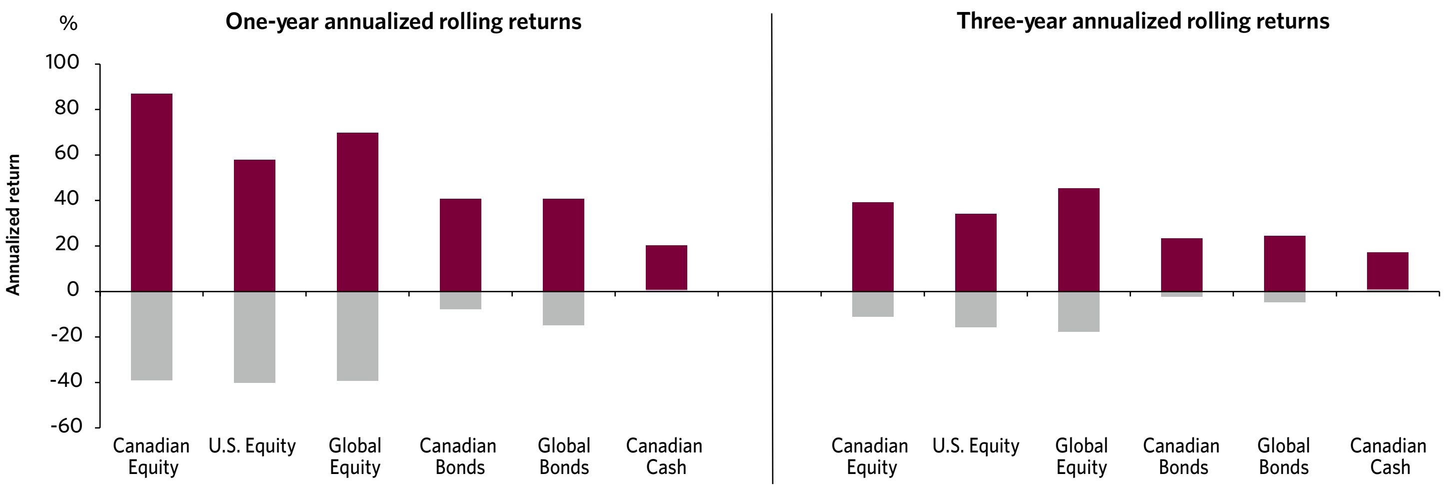
CIBC
Asset Management

CIBC MULTI-ASSET ABSOLUTE RETURN STRATEGY

Volatile financial markets and very low returns from most traditional investments—does this sound familiar?

Day-to-day volatility fostered by rapidly changing geopolitical and economic conditions are some of the causes of large swings in the returns realized by global asset classes.

Worst and best annualized asset class returns - CAD (1950 – 2019)*



Source: CIBC Asset Management Inc., Zephyr July 2020

Investment professionals at CIBC Asset Management are forecasting lower expected returns in traditional asset classes versus what they have historically provided.

Asset class returns - CAD (%)

Asset class	Historical annual returns*	Forecasted (10-year outlook)[1] annual returns
Canadian Equity	9.8	8.0
U.S. Equity	11.6	4.4
Global Equity	11.0	6.3
Canadian Bonds	6.5	0.5
Global Bonds	6.0	(0.1)
Canadian Cash	5.2	1.3

Source: CIBC Asset Management Inc.

* Historical returns are based on data from 1950-2019. Source: Zephyr July 2020.

[1] Forecasts are as at April 2020.

Asset classes are represented by the following: Canadian Equity is the TSE TR Index; U.S. Equity is the S&P 500 TR Index in CAD; Global Equity is the Global Financial Data CAD World 1950-1982, then MSCI World CAD; Canadian Bonds is the All Government Canadian Bonds with 10yr + maturity until 1990, then FTSE Universe; Global Bonds is the U.S. IT Government TR (%Total Return) - Currency Prorated over the decade from 1950 - 1960, U.S. IT Government TR (%Total Return) in Canadian Dollars from 1960 - 1985, JP Morgan Global Government Bond Ex Canada, from 1986 and after; Canadian Cash is the FTSE 91 Day T-Bill.

In response to what we are seeing and what investors are experiencing, we'd like to introduce the CIBC Multi-Asset Absolute Return Strategy.

The CIBC Multi-Asset Absolute Return Strategy

The CIBC Multi-Asset Absolute Return Strategy is a solution that provides investors with different sources of return to improve diversification. It aims to offer positive returns in all market environments while managing volatility.

+5% T-bills + 5% target return

The return objective aims to achieve a positive absolute return by targeting, over rolling three-year periods, an annualized return of 5% in excess of Government of Canada 91-day treasury bills (gross of fees and expenses).

½ Volatility of global equities

The strategy aims to achieve an annualized volatility, under normal market conditions, at a level that is generally half the volatility of global equities, represented by the MSCI AC World Index (CAD), measured over rolling three-year periods.

Key benefits for investors

1 Seeks to provide capital growth

- Aims to provide an annualized absolute return of T-bills plus 5% over a rolling three-year period, before fees and expenses
- Free from benchmark constraints

2 Smoother investment experience

- Less risk than an equity portfolio by aiming to manage annualized volatility, under normal market conditions, at a level that is generally half that of global equities over a rolling three-year period[2]

3 Increased diversification

- Taps global markets, alternative asset classes and strategies that go beyond traditional stock and bond markets (examples include currencies, commodities and factor-based strategies) in an effort to improve a portfolio's overall diversification

To learn more about the CIBC Multi-Asset Absolute Return Strategy and Absolute Return Investing contact your investment representative.

[2] As measured by the MSCI AC World Index (CAD)

Certain information that we have provided to you may constitute "forward-looking" statements. These statements involve known and unknown risks, uncertainties and other factors that may cause the actual results or achievements to be materially different than the results, performance or achievements expressed or implied in the forward-looking statements.

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There can be no guarantee that the Fund will achieve its return and volatility targets. All investment performance is inherently subject to significant uncertainties and contingencies, many of which are beyond the Manager's control. In considering the return and volatility targets, you should bear in mind that such targeted performance and volatility is not a guarantee, projection or prediction and is not indicative of future results of the Fund.

The fund will make significant use of derivatives. The fund may use derivatives such as futures, forwards, swaps, options, covered warrants, debt like securities which have an option component or any combination of these instruments, the value of which is based upon the market price value or level of an index, or the market price or value of a security, currency, commodity or financial instrument. Derivative instruments may be used for the following purposes: to hedge, gain or reduce portfolio exposures. The fund may also use derivatives for currency management purposes. The fund's use of derivatives may introduce leverage into the fund. Leverage occurs when the fund's notional exposure to underlying assets is greater than the amount invested and is an investment technique that can magnify gains and losses. The information does not constitute legal or tax advice.

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