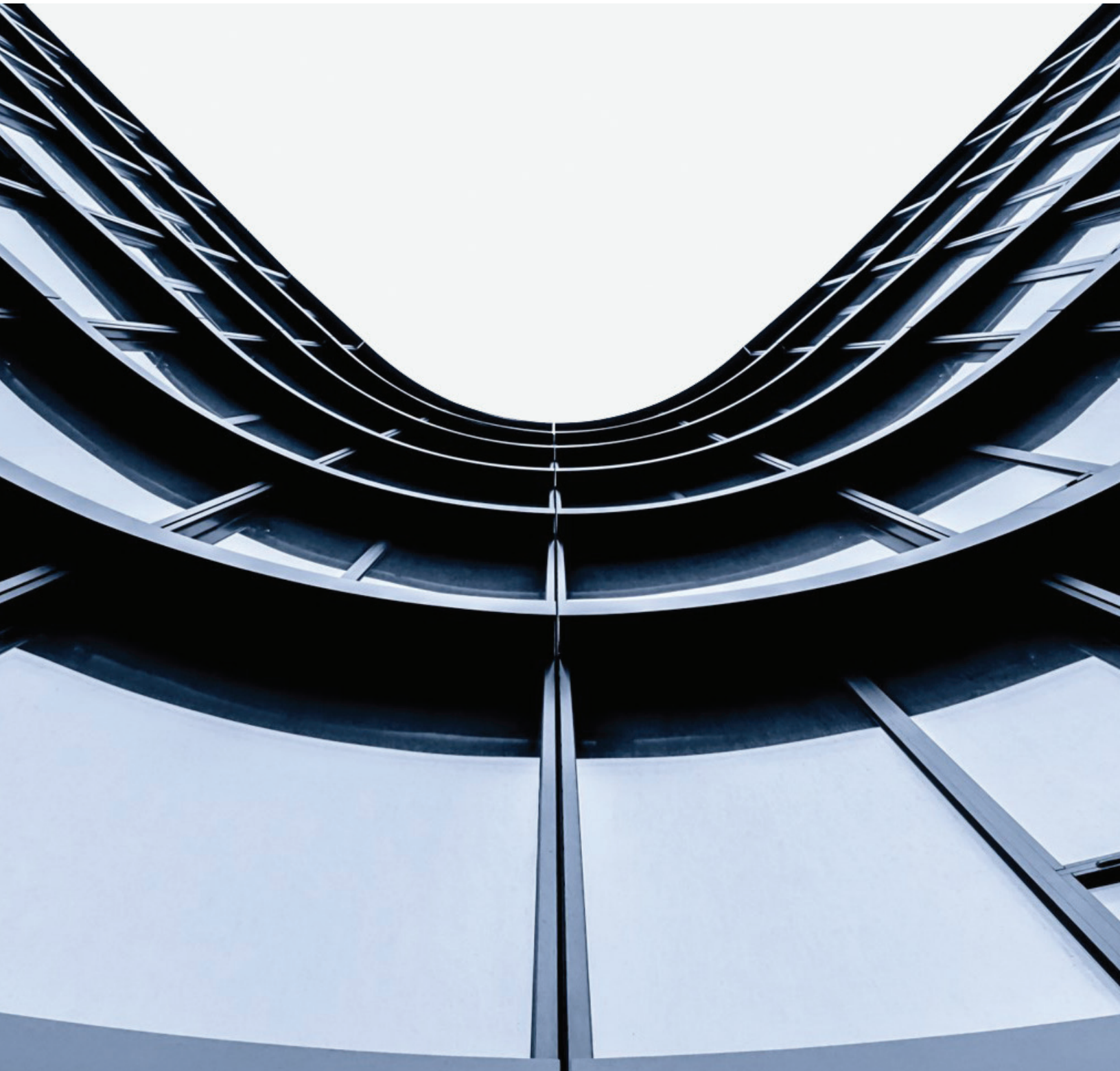
CIBC

CIBC CAPITAL MARKETS

CIBC BALANCED ASSET 5 INDEX™

Seeking excess returns while effectively managing risk



Boutique coverage with big bank stability and reach

We are a leading Canadian-based global financial institution dedicated to delivering customized financial solutions that meet the unique needs and challenges of our clients across the globe.

We understand that complex financial challenges require more than a one-size fits-all approach. That's why we work with our clients to understand their requirements across a wide range of products, asset classes and geographies, and develop specialized investment solutions to effectively diversify portfolios and generate returns in an evolving market.

Commitment in action

With offices throughout North America and other major financial centres, we are widely recognized as a strong global financial institution with more than $1 trillion in assets and a market capitalization of $150.75 billion. Headquartered in Canada, we are rated A+ by Standard & Poor's Ratings Services, Aa2 by Moody's Investor Service and AA+ by Fitch Ratings.

Our strategy

At CIBC, our goal is to deliver superior client experience and top-tier shareholder returns while maintaining our financial strength. To achieve our ambition, we are executing on three strategic priorities:

- Focusing on key client segments to accelerate our earnings growth
- Simplifying and transforming to deliver a modern relationship-banking proposition
- Advancing our purpose-driven culture

Your partner in index strategies

Our professionals around the world work in highly-disciplined, cross-functional teams to provide the market intelligence and creative strategies clients need to thrive in an ever-changing environment.

We specialize in monetizing specific market views across asset classes and sectors with bespoke solutions designed to match clients' return objectives and risk tolerance.

Quality credit

We have the highest credit rating among major global banks and, as a Canadian bank, we are a part of the world's soundest banking system.

Customization

We work closely with clients to customize systematic strategies to meet your unique needs.

Experience

We have been a provider of systematic strategies for over 10 years with an established and scalable institutional platform across all major assets. Our expertise allows us to deliver in record time and with operational excellence.

Capacity

We have capacity for diverse exposures across asset classes: commodities, equities, foreign exchange and interest rates.

Canada recognized as having the 2nd most stable banking system in the world

– *World Economic Forum Global Competitive Index*[1]

Canada Derivatives House of the Year

– The GlobalCapital Americas Derivatives Awards[2]

Approach

1. Evaluate

The Index is comprised of specific BlackRock ETFs to obtain distinct market exposure:

- BlackRock iShares Core S&P 500 ETF (IVV)
- BlackRock iShares 20+ Year Treasury Bond ETF (TLT)

The Index portfolio is constructed using the 60 / 40 allocation to IVV and TLT respectively.

2. Rebalance

Each month the Index is rebalanced back to 60 / 40 weights.

3. Volatility control

Index volatility is managed at 5% using custom volatility control strategies, which shift a percentage of assets into cash as required, capping leverage at 150%.

Key features

Bloomberg ticker	CIBQB05E
Asset class	Equity, fixed income
Geographical focus	U.S.
Live date	June 29, 2020
Inception date	October 28, 2003
Type of return	Excess return
Index sponsor	CIBC Capital Markets
Calculation agent	Bloomberg
Maintenance fees	0.85% p.a.

Risks and warnings

The risk factors are not complete and you should read the risk factors contained in any final offering document prior to investing in any products linked to this Index. This is provided for information purposes only and does not purport to summarize or contain all of the provisions that would be set forth in a final offering document.

- Neither the CIBC Balanced Asset 5 Index™ (the "Index") nor any of the assets comprising the Index are guaranteed to yield specific results. There can be no assurance that the Index will be successful. Past performance is not indicative of future results.
- The Index is comprised of notional assets. The exposure to the underlying Index that tracks the total return of the underlying assets is purely notional. There is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest.
- Changes in the value of the underlying ETFs may offset each other and thus act to reduce the level of the Index below what it would have achieved if the poorer performing ETFs were not included.
- Prior to investing in the Index or purchasing any products linked to (or based on) the Index, investors and consumers should seek independent investment, financial, business, legal, regulatory, tax or accounting advice.
- In calculating the performance of the Index, CIBC deducts a maintenance fee, calculated on a daily basis. This fee will reduce the potential positive change in the Index, and increase the potential negative change in the Index.
- Certain extraordinary and disruption events may impact the calculation of the Index.
- The Index lacks substantial operating history and, as it is based on complex algorithms, may perform in unanticipated ways. Neither this document nor the issuance of any investment product with returns linked to the Index should be deemed as investment advice or as an assurance or guarantee by CIBC or any of their respective affiliates that an investment linked to the Index will generate a positive return.
- The Index was launched on June 29, 2020. Therefore, all data for the Index prior to launch date represents the application of the index methodology by CIBC in order to reconstruct hypothetical historical data. This back-tested, hypothetical, historical data has inherent limitations and is provided for illustrative purposes only. Results during these periods may have been different (perhaps considerably) had the Index actually been in existence. Unlike actual performance records, hypothetical or simulated performances, returns or scenarios may not necessarily reflect certain market factors such as liquidity constraints.
- The Index performance reflects the price evolution of the ETFs composing the Index, including any dividend payment occurring while a given ETF is part of the index.
- The roles of the different teams involved within CIBC in the design, maintenance or replication of the Index have been strictly defined. Where CIBC holds a product having the Index as its underlying and other positions exposing it to the Index for its own account, the replication of the Index is made in the same manner by a single team within CIBC, be it for the purpose of hedging the product held by external investors and consumers or for the purpose of the positions held by CIBC acting for its own account. CIBC may take positions in the market of the financial instruments or of other assets involved in the composition of the Index, including as liquidity provider.
- Publicly available information on the Index and its methodology is limited.

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indices.cibccm.com/CIBQB05E

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[1] World Economic Forum Global Competitive Index (2017 – 2018).

[2] The GlobalCapital Americas Derivatives Awards (2014 – 2017).

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