CIBC

CIBC CAPITAL MARKETS

HCF LARGE CAP INDEX

Quantifying the relationship between employers and employees



Tap into the investable correlation between behavioral factors and the market performance of public companies

The CIBC Human Capital Index represents a broadly diversified long-only large-cap strategy designed to provide exposure to companies identified as having strong corporate cultures. The Index is suitable as a diversified core holding for ESG-sensitive investors who wish to hold companies with strong employer-employee relationships, or as a pure tactical play for exposure to the 'Human Capital Factor.'

The team behind the index

Irrational Capital is an investment research and development firm that applies workplace behavioral science, data science and other disciplines to provide its partner with The Human Capital Factor, which is confirmed by some quantitative research group as "the highest returns and lowest volatility among all U.S. investment styles, with very low correlation to other factors." With the data provided, its partner are able to create investment strategies that extract excess return.

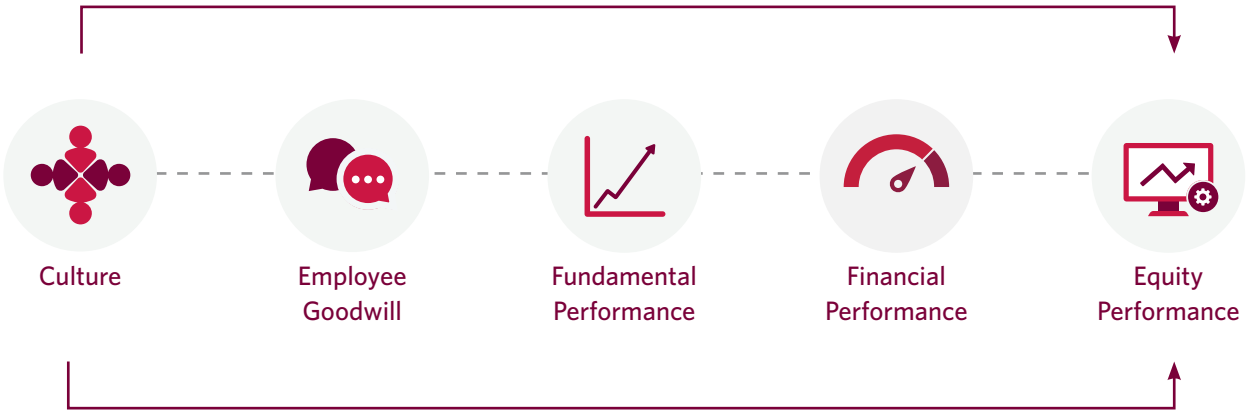
CIBC (CM: NYSE, TSX)is a leading North American financial institution with more than $1 trillion in assets and a market capitalization of $86 billion. Headquartered in Canada, we are rated A+ by Standard & Poor's Ratings Services, Aa2 by Moody's Investor Service and AA by Fitch Ratings. Across our Personal and Business Banking, Commercial Banking, Wealth Management and Capital Markets businesses, our 49,000 employees provide a full range of financial products and services to 14 million personal banking, business, public sector and institutional clients in North America and around the world.



Investing in the human capital factor

Through behavioral economics reach on large data sets, Irrational capital quantifies and values a new input that it refers to as "Human Capital Factor". This serves as a direct link between company culture and equity performance.

Quantifying Human Capital Profitability



In analyzing 15+ years of data from 1,000+ companies, research demonstrates that strong signals are often found in characteristics that are difficult to quantify and not easily reportable. The Human Capital Factor research evaluates organizations based on behavioral / cultural characteristics and then creates a ranking. These rankings / scores are then systematically used to select individual stocks as constituents in the Human Capital Index (HCI).

How people and teams function within and across an organization are the new fundamentals. What matters is emotional, personal and difficult to quantify and independent of size, geography and stage. Strong signals include Management, Leadership, Psychological Safety, Alignment, Pride, Motivation, amongst others while Training, Job Title, Expected Tenure are weak signals.

The CIBC Human Capital Index.™
Seeking excess returns through evaluating corporate culture.

Expansive data sources to back its numbers

Irrational Capital's research findings are predicated on an extensive library of quantitative data from multiple sources, each providing perspective and insight regarding the perception of employees about their employer. This compilation represents a unique, and in some cases, proprietary data repository. Insights from the analysis of these data sources are applied to select constituents from the data set used for the HCI Index.

How it works:



1. Evaluate

The Index evaluates the 500 largest publicly traded U.S. companies for their corporate cultures and human capital performance using a proprietary multi-factor scoring model



2. Select

On an annual basis, the Index selects and invests in approximately 150 stocks



3. Rebalance

The Index targets the same sector weights as the starting universe, and the stocks within each sector are rebalanced annually to float-adjusted market capitalization weights

Key features

Bloomberg ticker	HCFLCT
Asset class	Equity
Geographical focus	US
Launch date	October 22, 2020
Type of return	Total Return
Index sponsor	CIBC
Calculation agent	Solactive AG
Website	https://indices.cibccm.com/HCFLCT/

Risks & warnings

Indicative risk factors summary only. The risk factors are not complete and should be read together with 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.

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- 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 component securities or instruments of the Index may offset each other and thus act to reduce the level of the Index below what it would have achieved if the poorer performing component securities or instruments 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.
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https://indices.cibccm.com/HCFLCT/

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