CIBC CAPITAL MARKETS

CIBC WISDOMTREE SIEGEL STRATEGIC VALUE INDEX™

An advanced value investing strategy



Ideas into impact

The CIBC WisdomTree Siegel Strategic Value Index™ was developed by some of the brightest minds in capital markets today.

This innovative quantitative investment strategy leverages decades of experience and insight, leading index construction, and objective asset allocation processes from three prominent industry leaders. Backed by the highly-acclaimed work of Professor Jeremy J. Siegel, Senior Investment Strategy Advisor, WisdomTree Investments Inc., the CIBC WisdomTree Siegel Strategic Value Index™ seeks to provide excess returns through a unique set of proprietary volatility controls.

The team behind the index



Jeremy Siegel is the Russell E. Palmer Professor of Finance at The Wharton School of the University of Pennsylvania, where he has taught since 1976. He received his Ph.D. in Economics from the Massachusetts Institute of Technology in 1971.

Prof. Siegel is the author of numerous professional articles and two books. His bestselling book, *Stocks for the Long Run*, now in its fifth edition, has been named by the *Washington Post* and *Business Week* as one of the ten-best investment books of all time. Prof. Siegel has received many awards and citations for his research and excellence in teaching including the Distinguished Leadership Award by the Securities Industry Association and the prestigious Nicholas Molodovsky Award by the Chartered Financial Analysts Institute. Prof. Siegel also serves as the Academic Director of the Securities Industry Institute and the Senior Investment Strategy Advisor of WisdomTree Investments, Inc.

WISDOMTREE®

WisdomTree (NASDAQ: WETF) launched its first Exchange Traded Funds (ETFs) in June 2006 and is currently one of the largest Exchange Traded Product sponsors in the U.S. WisdomTree pioneered the concept of fundamentally weighted ETFs and active ETFs and is currently an industry leader in both categories with over $54 billion in assets under management.*

*$54 billion in assets under management provided by WisdomTree as of December 19, 2018.

CIBC

CIBC (CM: NYSE, TSX) is a leading North American financial institution with more than $1 trillion in assets and a market capitalization of $150 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 51,000 employees provide a full range of financial products and services to 15 million personal banking, business, public sector and institutional clients in North America and around the world.

Proven methodologies backed by rigorous academic research

Systematically leverage proven investment strategies with the aim to provide excess returns through volatility controls.

Value investing

Based on the latest value investing research by Professor Jeremy Siegel, the Index seeks to systematically identify undervalued U.S. market sectors.

Trend analysis

The Index attempts to use trend analysis to predict future market movements based on historical data in order to capitalize on momentum when the markets are moving higher and reduce exposure when markets are declining.

Company valuation

As defined by Professor Siegel, rather than using traditional valuation metrics like book value, or price-to-earnings ratios, the Index focuses on the use of operating earnings and total enterprise value as more reliable measures of valuation.

Risk management

The Index utilizes a risk management strategy which enables a shift to a more conservative allocation when equity markets become volatile in an effort to reduce the impact of market declines.

A new way to look at time-tested practices

As opposed to using traditional valuation metrics like book value or price-to-earnings ratios, the Index bases its investment approach on the ratio of operating earnings and total enterprise value as more reliable measures of valuation.

- Valuation based on operating earnings avoids the potential for significant earnings swings due to changes in accounting principles

- By using operating earnings and total enterprise value (TEV), rather than market capitalization on earnings (or price-to-earnings ratio (P/E ratio)), this formula creates more accurate comparisons for companies with different capital structures

- The methodology also leverages Professor Siegel's research on aggregation bias, which addresses cases where a few companies with very large losses can result in an artificially high P/E ratio at an aggregate level

The CIBC WisdomTree Siegel Strategic Value Index.™
Seeking excess returns through volatility controls.

How it works:

1. Evaluate

The Index evaluates 500 of the largest publicly traded U.S. companies by market capitalization across 10 industry sectors for fundamental factors including operating earnings and total enterprise value



2. Select

The Index selects the four best valued U.S. market sectors and invests quarterly



3. Rebalance

Each month, the selected market sectors are rebalanced to capture potential gains



A strategic way to hedge against potential market declines

Proprietary volatility controls



Trend analysis leverages long- and short-term trends to capitalize on momentum when markets are moving higher and to reduce exposure when markets are declining



The Index also includes a **risk management strategy** that combines a 100% long equity strategy (the selected equity market sectors) with a 100% short position in a broad equity market index in an effort to hedge against market risk when the broad market is declining

Navigate the complexities of an evolving market with financial solutions based on proven methodologies and accredited analysis.

These innovative volatility controls built into the Index construction seek to maximize value while minimizing downside risk across market conditions.

When the trend analysis is positive, the Index is always in some combination of the equity strategy and risk management strategy to seek a balanced return

When the trend analysis is negative, the Index allocates all assets into the risk management strategy

When Index volatility is low, the Index allocates up to a maximum of 150% to the strategy; as Index volatility increases, a cash allocation is added to maintain the volatility target



The end result?
Whether it's a bull market or a bear market, the Index automatically seeks exposure to equities within a predefined volatility target.

Key features

Bloomberg ticker	CIBQWS6E Index
Asset class	Equity, cash
Geographical focus	US
Launch date	December 19, 2018
Type of return	Excess return
Index sponsor	CIBC Capital Markets
Calculation agent	Bloomberg
Maintenance fees	0.20% per annum
Website	wtsiegelindex.cibccm.com



Risks & warnings

Indicative risk factors summary only. 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.

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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 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, WisdomTree™ or Professor Jeremy Siegel or any of their respective affiliates that an investment linked to the Index will generate a positive return.
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- Publicly available information on the Index and its methodology is limited.

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In calculating the level of the Index, the index methodology deducts a maintenance fee of 0.20% per annum, calculated daily. Furthermore, while the volatility control applied by CIBC as part of the index methodology may result in less fluctuation in rates of return as compared to indices without volatility controls, it may also reduce the overall rate of return for Products referencing the Index as compared to other indices not subject to volatility controls.

About CIBC Capital Markets

CIBC Capital Markets works with domestic and international organizations looking for a banking relationship that combines in-depth industry knowledge with comprehensive capital markets, corporate banking and investment banking capabilities to address their most pressing needs. We strive to forge strong and deep relationships with our clients to understand the demands of their business and bring distinctive and appropriate solutions to the table.

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