

NEW

As at December 31, 2010

COMMERCE Split

Monthly Update

New Commerce Split Corp is an Investment Corporation that invests in common shares of Canadian Imperial Bank of Commerce, a Canadian financial institution. Three types of shares are available, a Capital share, a Class I Preferred and a Class II Preferred.

On March 26, 2010 a Capital Reorganization of Commerce Split was completed. Two funds were created, Original Commerce Split and New Commerce Split.

Holders of Priority Equity Shares (Symbol: **XCM.PR.A**) that did not elect to remain in the Original Commerce Split Fund had each Priority Equity Share held converted into the following new securities in the New Commerce Split Fund: One \$5.00 Class I Preferred Share (Symbol: **YCM.PR.A**); One \$5.00 Class II Preferred Share (Symbol: **YCM.PR.B**); One half 2011 Warrant (Symbol: **YCM.WT**); and One 2012 Warrant (Symbol: **YCM.WT.A**).

Holders of Class A Shares (Symbol: **XCM**) that did not elect to remain in the Original Commerce Split Fund had each Class A Share held converted into the following securities (in order to achieve the required balancing objectives):

- 0.7167721 of a Capital Share in the New Commerce Split Fund (Symbol: **YCM**); and
- 0.283228 of a Class A Share 2010 in the Original Commerce Split Fund (Symbol: **YCM.X**)

For complete details, please [click here](#) to view the Information Circular dated December 23, 2009.

Commentary

The North American financial markets ended the year on a strong note. The extension of the Bush tax cuts for all individuals in the United States for at least another two years combined with improving economic data seemed to provide the fuel for the strong rally in the month of December. The US housing market and unemployment market continue to exert a large drag on the US economy. Other measures of economic activity including manufacturing activity and retail sales seemed to suggest that the economy continues to improve, albeit at a fairly modest pace. Continued commitment by the US Federal reserve to its quantitative easing program seems to be providing additional upward bias to all commodity and stock markets. The question of whether this economic growth can become sustainable without the continued record levels of fiscal and monetary stimulus remains to be answered in the coming months and years.

The valuations of the companies in the portfolio generally remain at very reasonable levels when measured by price to earnings ratios and current dividend yields and this should continue to act as a major support at these current market prices. Many Canadian companies held in the portfolios are expected to raise their dividends over the next 6 months. The dividend income continues to be supplemented by income generated by the covered call writing program.

	One Month to Dec 31, 2010	Year to Date Dec 31, 2010
TSX	3.79%	14.45%
S&P 500	6.53%	12.78%
DJII	5.19%	11.02%
NASDAQ	6.19%	16.91%

Distributions (by record date)

	YCM	YCM.PR.A	YCM.PR.B	Total
Total to Date	\$0.0000	\$0.3125	\$0.0000	\$0.3125
2010 YTD	\$0.0000	\$0.3125	\$0.0000	\$0.3125

Details

Units Outstanding:	3,367,663
Inception Date:	February 16, 2007
Capital Reorganization Date:	March 26, 2010
Termination Date:	December 1, 2014
Net Asset Value:	\$10.20
Cash Weighting:	7%
Canadian Equity Weighting:	93%
YCM.PR.A Trading Price:	\$5.55
Current Yield*:	6.8%
Market Capitalization:	\$18,690,530
<i>*Last distribution annualized.</i>	
YCM.PR.B Trading Price:	\$3.13
Market Capitalization:	\$10,540,785
YCM Trading Price:	\$1.12
Market Capitalization:	\$3,771,783

Holding

Symbol

Canadian Imperial Bank of Commerce CM



CIBC Company News

CIBC % return for Dec 2010:	-0.9%
CIBC % return year-to-date 2010:	14.9%
Dividend Yield on CIBC shares:	4.44%