

NEW

As at January 31, 2011

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: **YCM.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: **YCM**) 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 and that performance continued into the first month in 2011. 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 continued rally in the month of January. The US housing market and unemployment market continue to exert a 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. 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 Jan 31, 2011	Year to Date Jan 31, 2011
TSX	0.81%	0.81%
S&P 500	2.26%	2.26%
DJII	2.72%	2.72%
NASDAQ	1.78%	1.78%

Distributions (by record date)

	YCM	YCM.PR.A	YCM.PR.B	Total
Total to Date	\$0.0000	\$0.3438	\$0.0000	\$0.3438
2011 YTD	\$0.0000	\$0.0313	\$0.0000	\$0.0313
2010	\$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:	\$10.01
Cash Weighting:	8%
Canadian Equity Weighting:	92%
YCM.PR.A Trading Price:	\$5.41
Current Yield*:	6.9%
Market Capitalization:	\$18,219,057
<i>*Last distribution annualized.</i>	
YCM.PR.B Trading Price:	\$3.05
Market Capitalization:	\$10,271,372
YCM Trading Price:	\$1.00
Market Capitalization:	\$3,367,663

Holding

Symbol

Canadian Imperial Bank of Commerce	CM
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CIBC Company News

CIBC % return for Jan 2011:	-2.6%
CIBC % return year-to-date 2011:	-2.6%
Dividend Yield on CIBC shares:	4.56%