

**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 increased concerns over Greek sovereign debt and possible contagion effects consumed global markets throughout May and hampered stock markets throughout the world resulting in the most significant market declines in quite some time. After almost 13 months of improving economic growth and stock market recovery from the March 2009 lows, most broad based global markets have now experienced a market correction of at least 10% from their recent highs. In particular, the downgrading of Greek sovereign debt and the instability that it has caused in the EURO monetary unit required unprecedented financial intervention by the IMF and the other stronger EURO members to stabilize the situation. Investors worldwide sought the perceived "comparative" safety of the US dollar and gold which seemed to be the only beneficiaries during the month of May.

Despite an improving earnings profile from most North American companies, North American markets suffered in tandem with these events. The TSX 60 and the S&P 50 declined by -3.67% and -8.20% respectively. Economic conditions in Canada continue to remain stronger than in the US. Q1 GDP continues to outpace that in the United States and the Canadian housing and financial sectors remain comparatively much stronger than in the United States. The ecological and economic impact created by the BP oil spill disaster in the Gulf and the looming hurricane season creates a very uncertain impact on the US economy. Increased political tensions in the mid-east and between North and South Korea are also factors which could create more periods of market instability.

In short, the interconnectivity of global economies and financial interdependence was once again demonstrated in May. The impact of these global events has caused an increase in market volatility and once again demonstrated the extent to which equity markets across the world are correlated in times of global instability.

On a positive note, this increase in market volatility has increased option premium levels available for the Fund's covered call writing program. The Fund will try to take advantage of these periods of instability to generate higher income for the Fund. The valuations of the companies in the portfolio generally remain at very reasonable levels when measured by price to earnings ratios. Dividend yields should act as a major support at these current market prices.

In order for North American economies to sustain continued economic growth, there needs to be a greater transition from government led growth created through very stimulative fiscal and monetary policies, to private economic growth through the free market capitalist system. If this transition is successful, the companies in the portfolio will be significant beneficiaries of this growth.

	One Month to May 31, 2010	Year to Date May 31, 2010
TSX	-3.67%	0.14%
S&P 500	-8.20%	-2.30%
DJII	-7.92%	-2.79%
NASDAQ	-8.29%	-0.53%

## Distributions (by record date)

	YCM	YCM.PR.A	YCM.PR.B	Total
Total to Date	\$0.0000	\$0.0938	\$0.0000	\$0.0938
2010 YTD	\$0.0000	\$0.0938	\$0.0000	\$0.0938

## Details

Units Outstanding:	3,824,009
Inception Date:	Feb 16, 2007
Capital Reorganization Date:	Mar 26, 2010
Termination Date:	Dec 1, 2014
Net Asset Value:	\$9.60 (May 31/10)
Cash Weighting:	20%
Canadian Equity Weighting:	80%

<b>YCM.PR.A</b> Trading Price:	\$5.23 (May 31/10)
Current Yield:	7.2%* annually
Market Capitalization:	\$19,999,567

\*Last distribution annualized.

<b>YCM.PR.B</b> Trading Price:	\$2.73 (May 31/10)
Market Capitalization:	\$10,439,545

<b>YCM</b> Trading Price:	\$1.05 (May 31/10)
Market Capitalization:	\$4,015,209

## Holding Symbol

Canadian Imperial Bank of Commerce CM



## CIBC Company News

CIBC % return for May 2010:	-3.8%
CIBC % return year-to-date 2010:	5.3%
Dividend Yield on CIBC shares:	4.85%