

NEW

As at May 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.

Capital Share (YCM)

The Capital Shares participate in any net asset value growth over \$10 per unit. These shares are highly leveraged to any change in the value of the CIBC common shares. In addition, dividends would be paid if and when the net asset value exceeds \$15.00.

Class I Preferred Share (YCM.PR.A)

Class I Preferred Shares receive cumulative monthly dividends to yield 7.5% of its \$5 par value. These shares have excellent asset coverage and their dividends are covered by dividends received on the underlying portfolio.

Class II Preferred Share (YCM.PR.B)

The Class II Preferred Shares have a par value of \$5 and are entitled to the assets of the company above \$5 per unit to a maximum of \$5. In addition, the Class II Preferred Shares are entitled to receive dividends at a rate of 7.5% once the net asset value of the company exceeds \$12.50.

Note: On March 26, 2010 a Capital Reorganization of Commerce Split was completed. Two funds were created, Original Commerce Split and New Commerce Split. For complete details, please [click here](#) to view the Information Circular dated December 23, 2009.

Commentary

The North American financial markets generally weakened during the month largely as result of US economic data suggesting the economic recovery had begun to moderate significantly. The impact of the Japanese tsunami disaster on the supply chain for the automotive and technology industry was a contributing factor for some of the slower economic growth. Higher commodity prices, especially energy costs were also seen to be impacting growth.

The U.S. housing market and unemployment market continue to exert a drag on the U.S. economy. The anticipated end of the US Federal Reserve's "QE2" policy at the end of June has also been a source of apprehension by market participants. Market participants have worried that the removal of this major source of monetary stimulus will adversely impact equity markets which has in large part been credited for fueling a significant increase in equity markets since its announcement and implementation in the fall of 2010. 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.

Canadian economic indicators generally remain relatively strong with housing and employment conditions much stronger than most other developed economies.

Record low interest rates in North America are expected to remain until economic growth is deemed to be on a self sustaining growth path. In the context of these low rates, 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. The dividend income continues to be supplemented by income generated from the covered call writing program.

	One Month to May 31, 2011	Year to Date May 31, 2011
TSX	-1.02%	2.68%
S&P 500	-1.35%	6.96%
DJII	-1.88 %	8.57%
NASDAQ	-1.33%	6.88%

Distributions (by record date)

	YCM	YCM.PR.A	YCM.PR.B	Total
Total to Date	\$0.0000	\$0.4688	\$0.0000	\$0.4688
2011 YTD	\$0.0000	\$0.1563	\$0.0000	\$0.1563
2010	\$0.0000	\$0.3125	\$0.0000	\$0.3125

Details

Units Outstanding:	4,179,997
Inception Date:	February 16, 2007
Capital Reorganization Date:	March 26, 2010
Termination Date:	December 1, 2014
Net Asset Value:	\$10.52
Cash Weighting:	21%
Canadian Equity Weighting:	79%
YCM.PR.A Trading Price:	\$5.40
Current Yield*:	6.9%
Market Capitalization:	\$22,571,984
<i>*Last distribution annualized.</i>	
YCM.PR.B Trading Price:	\$3.45
Market Capitalization:	\$14,420,990
YCM Trading Price:	\$1.20
Market Capitalization:	\$5,015,996

Holding

Symbol

Canadian Imperial Bank of Commerce	CM
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CIBC Company News

CIBC % return for May 2011:	-2.0%
CIBC % return year-to-date 2011:	2.5%
Dividend Yield on CIBC shares:	4.33%

77 King Street West, P.O. Box 341, Toronto, ON M5K 1K7

416-304-4443

1-877-478-2372

www.commercesplit.com

info@quadravest.com