

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 achieved very significant gains in the month of September. Although the various economic data points continue to show a very sluggish and mixed recovery, stock market valuations especially in context within the record low interest rate environment appear to be relatively attractive. Impetus for the latest market move appears to have resulted in part from the recent US Federal Reserve minutes of the last meeting which made it clear that monetary policy will continue to be highly accommodative for as long as it takes for the recovery to become sustainable. The prospect of more quantitative easing and a corresponding weaker US dollar is perceived by most market participants as positive for US stocks. In addition, increasing prospects of political gridlock in the United States over the remaining 2 years of the Obama administration appear to be potentially supportive for the market going forward.

The Canadian economy continues to be among the leaders of developed countries but will be adversely impacted if US growth remains below average since it remains Canada's most important trading partner.

As mentioned in previous commentaries, market participants will continue to carefully scrutinize every piece of economic data in order to try and ascertain the shape and durability of this economic recovery. Sustained economic growth will require a greater transition from government led growth to private economic growth.

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 by the covered call writing program.

	One Month to Sept 30, 2010	Year to Date Sept 30, 2010
TSX	3.82%	5.30%
S&P 500	8.76%	2.34%
DJII	7.72%	3.45%
NASDAQ	12.04%	4.38%

Distributions (by record date)

	YCM	YCM.PR.A	YCM.PR.B	Total
Total to Date	\$0.0000	\$0.2188	\$0.0000	\$0.2188
2010 YTD	\$0.0000	\$0.2188	\$0.0000	\$0.2188

Details

Units Outstanding:	3,730,207
Inception Date:	Feb 16, 2007
Capital Reorganization Date:	Mar 26, 2010
Termination Date:	Dec 1, 2014
Net Asset Value:	\$9.94 (Sept 30/10)
Cash Weighting:	25%
Canadian Equity Weighting:	75%
YCM.PR.A Trading Price:	\$5.30 (Sept 30/10)
Current Yield:	7.1%* annually
Market Capitalization:	\$19,770,097
<small>*Last distribution annualized.</small>	
YCM.PR.B Trading Price:	\$3.00 (Sept 30/10)
Market Capitalization:	\$11,190,621
YCM Trading Price:	\$1.08 (Sept 30/10)
Market Capitalization:	\$4,028,623

Holding

Symbol

Canadian Imperial Bank of Commerce	CM
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CIBC Company News

CIBC % return for Sept 2010:	3.0%
CIBC % return year-to-date 2010:	9.5%
Dividend Yield on CIBC shares:	4.66%