

NEW

As at September 30, 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 continued to weaken during the month largely as a result of US economic data suggesting the economic recovery had begun to moderate significantly. Global economic indicators have deteriorated with several Euro zone countries having to consider significant reductions in spending to reign in record deficits. Market participants are concerned that this will further impact growth in these countries with a spillover to overall world growth. As mentioned in previous commentaries, the key question of whether 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. Although it should be noted that Canadian economic growth did stall out in the second quarter and could continue to deteriorate if global financial conditions worsen. 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 overlay on the companies in the Portfolio.

	One Month to Sept 30, 2011	Year to Date Sept 30, 2011
TSX	-8.97%	-13.53%
S&P 500	-7.18%	-10.04%
DJII	-6.03%	-5.74%
NASDAQ	-6.36%	-8.95%

Distributions (by record date)

	YCM	YCM.PR.A	YCM.PR.B	Total
Total to Date	\$0.0000	\$0.5938	\$0.0000	\$0.5938
2011 YTD	\$0.0000	\$0.2813	\$0.0000	\$0.2813
2010	\$0.0000	\$0.3125	\$0.0000	\$0.3125

Details

Units Outstanding:	3,684,743
Inception Date:	February 16, 2007
Capital Reorganization Date:	March 26, 2010
Termination Date:	December 1, 2014
Net Asset Value:	\$9.60
Cash Weighting:	11%
Canadian Equity Weighting:	89%
YCM.PR.A Trading Price:	\$5.25
Current Yield*:	7.1%
Market Capitalization:	\$19,344,901
<i>*Last distribution annualized.</i>	
YCM.PR.B Trading Price:	\$2.90
Market Capitalization:	\$10,685,755
YCM Trading Price:	\$0.69
Market Capitalization:	\$2,542,473

Holding

Symbol

Canadian Imperial Bank of Commerce	CM
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CIBC Company News

CIBC % return for Sept 2011:	-4.0%
CIBC % return year-to-date 2011:	-6.3%
Dividend Yield on CIBC shares:	4.91%