

NEW

As at December 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

Macro headlines emanating from Europe continued to dominate financial markets. The ongoing and prolonged European debt crisis continued to dictate market sentiment in December as investors remained concerned about the adverse implications that a contagion of the crisis could have on the world economy. The European Central bank provided a significant amount of low cost funding to several large European Banks which appeared to have a stabilizing impact towards the end of the month. In addition, the continued political instability in Washington has added a further level of uncertainty for investors. Some seasonal year end factors such as tax loss selling and asset reallocation were observed in many sectors as the year closed out. US economic indicators continued to point to a steady, albeit modest recovery, which is being offset by the prospect of deteriorating expectations for the European economy and slowing growth in China.

Although markets continued to be dominated by these macro developments and concerns, valuations remain relatively attractive in this low interest rate environment. 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. Overall broad market returns for 2011 as shown below were reflective of the suboptimal macro-economic and political environment. As most market participants maintained their focus on these macro factors as indicated by extremely high fixed income allocations, any relief in these overall factors could provide the impetus for a meaningful market rally in 2012. Due to increased market volatility in the recent months, the covered call writing program has added a higher level of income to supplement dividend income earned in the portfolio.

	One Month to Dec 30, 2011	Year to Date Dec 30, 2011
TSX	-2.04%	-11.07%
S&P 500	0.85%	0.00%
DJII	1.43%	5.53%
NASDAQ	-0.58%	-1.80%

Distributions (by record date)

	YCM	YCM.PR.A	YCM.PR.B	Total
Total to Date	\$0.0000	\$0.6875	\$0.0000	\$0.6875
2011 YTD	\$0.0000	\$0.3750	\$0.0000	\$0.3750
2010	\$0.0000	\$0.3125	\$0.0000	\$0.3125

Details

Units Outstanding:	3,249,047
Inception Date:	February 16, 2007
Capital Reorganization Date:	March 26, 2010
Termination Date:	December 1, 2014
Net Asset Value:	\$9.61
Cash Weighting:	0%
Canadian Equity Weighting:	100%
YCM.PR.A Trading Price:	\$5.32
Current Yield*:	7.0%
Market Capitalization:	\$17,284,930
<i>*Last distribution annualized.</i>	
YCM.PR.B Trading Price:	\$2.86
Market Capitalization:	\$9,292,274
YCM Trading Price:	\$0.50
Market Capitalization:	\$1,624,524

Holding

Symbol

Canadian Imperial Bank of Commerce	CM
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CIBC Company News

CIBC % return for Dec 2011:	1.2%
CIBC % return year-to-date 2011:	-5.8%
Dividend Yield on CIBC shares:	4.88%