

**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

Continued concerns over Greek sovereign debt and possible contagion effects, a possible Chinese slowdown and the specter of faltering growth in the U.S was a recipe for stock market stagnation during the month of June. Continued stock market weakness in June added to the May market declines. 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% to 15% from their recent highs.

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 500 declined by -4.28% and -5.39% respectively in the month of June. The economy and stock markets seem to have reached a critical juncture as market participants are increasingly questioning the durability and robustness of the recovery as many of the government sponsored stimulus measures come to an end. High unemployment, continued housing weakness and ballooning deficits in the U.S continue to act as a significant headwind for a more robust economic recovery. The Canadian economy is clearly doing better than most other developed countries but will be adversely impacted if worldwide growth slows due to its dependence on resource exports.

The impact of these global events and the highly divergent and changing views among market participants of how the economy will behave over the next 6 to 12 months continues to increase daily market volatility as the market reacts to various economic data.

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  
June 30, 2010

Year to Date  
June 30, 2010

TSX	-3.98%	-3.85%
S&P 500	-5.39%	-7.57%
DJII	-3.58%	-6.27%
NASDAQ	-6.55%	-7.05%

## Distributions (by record date)

	YCM	YCM.PR.A	YCM.PR.B	Total
Total to Date	\$0.0000	\$0.1250	\$0.0000	\$0.1250
2010 YTD	\$0.0000	\$0.1250	\$0.0000	\$0.1250

## Details

Units Outstanding:	3,790,509
Inception Date:	Feb 16, 2007
Capital Reorganization Date:	Mar 26, 2010
Termination Date:	Dec 1, 2014
Net Asset Value:	\$9.09 (June 30/10)
Cash Weighting:	20%
Canadian Equity Weighting:	80%

<b>YCM.PR.A</b> Trading Price:	\$5.30 (June 30/10)
Current Yield:	7.2%* annually
Market Capitalization:	\$20,089,697

\*Last distribution annualized.

<b>YCM.PR.B</b> Trading Price:	\$2.50 (June 30/10)
Market Capitalization:	\$9,476,273

<b>YCM</b> Trading Price:	\$0.88 (June 30/10)
Market Capitalization:	\$3,335,648

## Holding Symbol

Canadian Imperial Bank of Commerce CM



## CIBC Company News

CIBC % return for June 2010:	-7.8%
CIBC % return year-to-date 2010:	-2.9%
Dividend Yield on CIBC shares:	5.26%