

**Commerce Split Corp** is an Investment Corporation designed to pay monthly cash dividends. The Corporation invests in common shares of Canadian Imperial Bank of Commerce, a Canadian financial institution. Two types of shares are available, a Class A and a Preferred (Priority Equity Share).

## Commentary

August continued to raise hopes for a second half economic recovery as certain key economic indicators continued to improve. The volume of new home sales in both Canada and the United States increased in August helping to lower housing inventories in both countries. The price performance of housing in Canada remains very resilient. The monthly unemployment numbers in both Canada and United States showed further improvement in August. Of particular note was an increase in commodity prices which appears to be indicative of a rebound in economic growth, especially in the developing economies. Financial services companies, which have raised significant amounts of capital in recent months, continued an impressive recovery as share prices continue to rebound from their March lows. The historic low interest rate environment appears to be providing very favorable conditions for these companies to rebuild their earnings power. In particular Q3 reported earnings from the Canadian banks generally surpassed analyst's estimates and led to improved share price performance.

During the month of August, the TSX topped the 11,000 mark for the first time in over 10 months and the S&P 500 reached an impressive 50% recovery in the past 5 months since its March low making it the third strongest recovery on record.

It appears that governments around the world continue to ensure that fiscal and monetary conditions are supportive of economic growth. The popular cash for clunkers program in the United States proved to be an example of the supportive measures governments are willing to undertake to stimulate growth.

The historic high levels of low yielding cash and money market instruments "sitting on the sidelines" could prove to be a catalyst for further market gains if investors shift some of this money towards equities.

Attractive dividend yields, low historic valuations and significant option premiums available in the market place continue to bode well for the portfolio. The Manager continues to actively manage the relative weightings of the companies held within the portfolio.

	One Month to Aug 31, 2009	Year to Date Aug 31, 2009
TSX	0.75%	20.92%
S&P 500	3.36%	12.99%
DJII	3.54%	8.20%
NASDAQ	1.54%	27.40%

## Distributions (by record date)

	XCM	XCM.PR.A	Total
Total to Date	\$0.6000	\$1.0266	\$1.6266
2009 YTD	\$0.0000	\$0.0438	\$0.0438
2008	\$0.1000	\$0.5250	\$0.6250
2007	\$0.5000	\$0.4578 <sup>(1)</sup>	\$0.9578

(1) Initial distribution for the period Feb 16/07 to Mar 31/07.

## Details\*

Units Issued:	8,710,000
Inception Date:	Feb 16, 2007
Termination Date:	Dec 1, 2014
Net Asset Value:	\$9.21* (Aug 31/09)

\* Net of accrued Preferred share dividends.

Cash & Fixed Income Weighting:	79%*
Canadian Equity Weighting:	21%*

<b>XCM.PR.A</b> Trading Price:	\$7.78 (Aug 31/09)
Market Capitalization:	\$62,209,463

<b>XCM</b> Trading Price:	\$1.05 (Aug 31/09)
Market Capitalization:	\$8,395,879

\* All numbers are approximate.

## Holding

## Symbol

Canadian Imperial Bank of Commerce	CM
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## CIBC Company News

CIBC % return for Aug 2009:	-3.1%
CIBC % return year-to-date 2009:	25.8%
Dividend Yield on CIBC shares:	5.42%