

**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

December proved to be strong as all of the broad market indices posted continued gains and ended the year with solid returns, most coming since the March 2009 lows as shown below.

Leading indicators in both Canada and the United States continue to point to improving economic conditions. Overall confidence in the US financial system continues to improve as some of the larger US Banks continue to repay government funds and raise private capital. However, credit expansion through lending is still very sluggish and this will likely have the effect of dampening the recovery as many small businesses in particular have not been able to access capital. Concerns over commercial real estate and a still weak US housing market continue to weigh on the prospect of a more robust recovery. A surprisingly strong housing market and continued increases in commodity prices have continued to provide support to the Canadian economy.

Although economic conditions are continuing to improve, double digit unemployment in the U.S. is likely to keep fiscal and monetary stimulus in place for some time to come. The low levels of interest rates around the world are proving to provide significant fuel to propel the prices of financial assets and commodities. As Canadian and US government fixed income yields continue to remain at very low absolute and relative rates, this should continue to be very supportive to the strong dividend paying companies.

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 Dec 31, 2009	Year to Date Dec 31, 2009
TSX	2.61%	30.69%
S&P 500	1.78%	23.45%
DJII	0.80%	18.82%
NASDAQ	5.81%	43.89%

## 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:	\$9.26* (Dec 31/09)

\* Net of accrued Preferred share dividends.

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

<b>XCM.PR.A</b> Trading Price:	\$7.84 (Dec 31/09)
Market Capitalization:	\$46,575,872

<b>XCM</b> Trading Price:	\$0.73 (Dec 31/09)
Market Capitalization:	\$4,336,711

\* All numbers are approximate.

## Holding Symbol

Canadian Imperial Bank of Commerce	CM
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## CIBC Company News

CIBC % return for December 2009:	-0.8%
CIBC % return year-to-date 2009:	33.4%
Dividend Yield on CIBC shares:	5.11%