

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 with strong fundamentals and performance. Two types of shares are available, a Class A and a Preferred (Priority Equity Share).

Objectives

Preferred Shares (TSX: XCM.PR.A):

(i) to provide holders of the Preferred Shares with fixed, cumulative preferential monthly cash dividends in the amount of \$0.04375 per Preferred Share to yield **5.25% per annum** on the original issue price; and (ii) on or about December 1, 2014 (termination date), to pay the holders of the Preferred Shares the original issue price of those shares by way of the Portfolio Protection Plan.

Class A Shares (TSX: XCM):

(i) to provide holders of the Class A Shares with regular monthly cash dividends initially targeted to be \$0.05 per Class A Share to yield **6.0% per annum** on the original issue price; and (ii) on or about December 1, 2014 (termination date), to pay the holders of Class A Shares at least the original issue price of those shares.

Distributions (by record date)

	XCM	XCM.PR.A	Total
Total to Date	\$0.5500	\$0.5016	\$1.0516
2008 YTD	\$0.0500	\$0.0438	\$0.0938
2007	\$0.5000	\$0.4578 ⁽¹⁾	\$0.9578

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

Commentary

Overall financial markets during the latter half of the year were adversely impacted by deteriorating credit conditions originating from the US sub-prime lending market. At January 31, 2008, the Company's portfolio remained invested in the CIBC common stock. The dividend income in the portfolio continues to be supplemented by a limited covered call writing program which provides some additional income to the portfolio.

Details

Gross Proceeds:	\$174,200,000
Units Issued:	8,710,000
Inception Date:	Feb 16, 2007
Termination Date:	Dec 1, 2014
Net Asset Value:	\$13.47 (Jan 31/08)
Cash Weighting:	4%
Canadian Equity Weighting:	96%
XCM.PR.A Issue Price:	\$10.00
Trading Price:	\$9.36 (Jan 31/08)
Current Yield:	5.6% annually
Asset Coverage:	135%
Market Capitalization:	\$ 81,124,992
XCM Issue Price:	\$10.00
Trading Price:	\$4.20 (Jan 31/08)
Current Yield:	14.3% annually
Market Capitalization:	\$36,402,240

Holding

Symbol

Canadian Imperial Bank of Commerce	CM
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