

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

Most major equity market indices strengthened during the month of July as prospects for a 2009 second half economic recovery appeared to gain further momentum. 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.

Although economic conditions continue to remain difficult, it appears the cumulative efforts of governments around the world to stabilize the financial system have gained some traction. 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. Several US financial services companies began to repay government loans, which was also a positive signal for market participants.

It appears the worst of the deleveraging and capital market liquidation may have already occurred and if so, this will be positive for investors focusing on fundamentals of the underlying companies. In addition to improving fundamentals, the historic high levels of low yielding cash and money market instruments "sitting on the sidelines" could prove to be a further 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 July 31, 2009	Year to Date July 31, 2009
TSX	3.97%	20.02%
S&P 500	7.41%	9.32%
DJII	8.58%	4.50%
NASDAQ	7.82%	25.46%

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 ⁽¹⁾	\$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:	\$9.25* (July 31/09)

* Net of accrued Preferred share dividends.

Cash & Fixed Income Weighting:	76%*
Canadian Equity Weighting:	24%*

XCM.PR.A Trading Price:	\$7.65 (July 31/09)
Market Capitalization:	\$61,444,609

XCM Trading Price:	\$1.14 (July 31/09)
Market Capitalization:	\$9,156,452

* All numbers are approximate.

Holding Symbol

Canadian Imperial Bank of Commerce	CM
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CIBC Company News

CIBC % return for July 2009:	13.7%
CIBC % return year-to-date 2009:	29.8%
Dividend Yield on CIBC shares:	5.25%