

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 (\$10); 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 (\$10) of those shares.

Distributions (by record date)

| | XCM | XCM.PR.A | Total |
|---------------|----------|-------------------------|----------|
| Total to Date | \$0.5500 | \$0.5891 | \$1.1391 |
| 2008 YTD | \$0.0500 | \$0.1313 | \$0.1813 |
| 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 last two quarters were adversely impacted by deteriorating credit conditions originating from the US sub-prime lending market. At March 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.

The current dividend yield on CIBC is 5.3%

Details

| | |
|-------------------|---------------------|
| Gross Proceeds: | \$174,200,000 |
| Units Issued: | 8,710,000 |
| Inception Date: | Feb 16, 2007 |
| Termination Date: | Dec 1, 2014 |
| Net Asset Value: | \$12.13 (Mar 31/08) |

| | |
|--------------------------------|-----|
| Cash & Fixed Income Weighting: | 11% |
| Canadian Equity Weighting: | 89% |

| | |
|--------------------------------|--------------------|
| XCM.PR.A Trading Price: | \$8.70 (Mar 31/08) |
| Current Yield: | 6.0% annually |
| Asset Coverage: | 121% |
| Market Capitalization: | \$75,404,640 |

| | |
|---------------------------|--------------------|
| XCM Trading Price: | \$3.11 (Mar 31/08) |
| Current Yield: | 16.1% annually |
| Market Capitalization: | \$26,954,992 |

Holding

Symbol

| | |
|------------------------------------|----|
| Canadian Imperial Bank of Commerce | CM |
|------------------------------------|----|

