

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 extended the rally which began during the first week of March. Gains made in May seemed to reinforce market conviction that equities had become too oversold and that the worst outcomes that were being discounted into the markets earlier in the year would not come to fruition. May's market gains combined with the advance made in March have lifted the broad based North American market indices anywhere from 25 to 40% higher than the March lows.

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. Confidence in the ability of the financial system to improve increased during the month as more details of the government stabilization efforts were released. First quarter financial results from major North American companies were for the most part better than analyst expectations which helped share prices and supported the view that the worst of the economic recession may already have past. Selected leading economic and confidence indicators are showing early, albeit modest signs that point to an increased chance for a rebound in economic growth in the coming months.

The volatility in financial markets has subsided significantly from the "panic" period from Sept 2008 to early March 2009. It appears that 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.

Attractive dividend yields, low 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 May 29, 2009	Year to Date May 29, 2009
TSX	11.21%	15.38%
S&P 500	5.31%	1.76%
DJII	4.07%	-3.15%
NASDAQ	3.32%	12.51%

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:	\$8.96* (May 29/09)

* Net of accrued Preferred share dividends.

Cash & Fixed Income Weighting:	81%*
Canadian Equity Weighting:	19%*

XCM.PR.A Trading Price:	\$7.26 (May 29/09)
Market Capitalization:	\$58,384,739

XCM Trading Price:	\$1.20 (May 29/09)
Market Capitalization:	\$9,650,370

All numbers are approximate.

Holding

Symbol

Canadian Imperial Bank of Commerce CM



Company News

CIBC % return for May 2009:	1.8%
CIBC % return year-to-date 2009:	6.8%
Dividend Yield on CIBC shares:	6.38%