

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

The steady pace of the upward market trend that has been ongoing since the lows reached in March has come to a halt with October showing a pullback in many of the equity indices. This slight retracement in the market is to be expected as investors begin to digest the bevy of economic news shaping the market.

Last month many economists believed the worst recession since the Great Depression will have officially ended in the quarter ending September 2009 and that Q3 GDP for both Canada and the United States will be positive. However, Canada surprised investors this month with a slip in the newly released August GDP number. Although the slip was merely 0.1%, it complicates investors' vision on whether we are truly coming out of the recession. Market participants are now grappling with what the recovery may look like over the next few quarters and how that assessment will be reflected in equity prices.

Although many other leading economic indicators are pointing to a growing economy, unemployment rates (a lagging indicator) continue to be problematic, especially in the United States. The official US unemployment rate at 10.2% (as of October 2009) is now at a 26 year high and remains the biggest challenge to a robust recovery. Policy makers in the United States have become very focused on this metric and as a result it is likely that US interest rates will remain low and government stimulus will continue until this trend starts reversing.

Canada's economy appears to be in much stronger shape with a stronger financial system, lower unemployment levels, improving commodity prices and a much stronger housing market.

Against the historic low level of current interest rates, equity markets appear to be fairly supported by attractive dividend yields. The high levels of low yielding cash and money market instruments "sitting on the sidelines" could prove to be a catalyst for further market gains if investors shift some of this money towards equities as the economy continues to recover.

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 Oct 30, 2009 | Year to Date Oct 30, 2009 |
|---------|------------------------------|------------------------------|
| TSX | -4.25% | 21.40% |
| S&P 500 | -1.98% | 14.72% |
| DJII | 0.00% | 10.67% |
| NASDAQ | -3.64% | 29.68% |

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: | \$9.14* (Oct 30/09) |

* Net of accrued Preferred share dividends.

| | |
|--------------------------------|------|
| Cash & Fixed Income Weighting: | 84%* |
| Canadian Equity Weighting: | 16%* |

| | |
|--------------------------------|--------------------|
| XCM.PR.A Trading Price: | \$7.52 (Oct 30/09) |
| Market Capitalization: | \$60,130,484 |

| | |
|---------------------------|--------------------|
| XCM Trading Price: | \$0.86 (Oct 30/09) |
| Market Capitalization: | \$6,876,624 |

* All numbers are approximate.

Holding

Symbol

Canadian Imperial Bank of Commerce CM



CIBC Company News

| | |
|----------------------------------|-------|
| CIBC % return for October 2009: | -5.0% |
| CIBC % return year-to-date 2009: | 21.4% |
| Dividend Yield on CIBC shares: | 5.61% |