

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

September showed a continuation in the upward market trends that have been in place since the lows in March. Fueled by record low interest rates and increasing optimism of economic recovery, all major market indices showed very impressive gains as shown below.

Most economists now believe 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. 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 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 9.8% is now at a 27 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 <u>Sept 30, 2009</u>	Year to Date <u>Sept 30, 2009</u>
TSX	4.85%	26.78%
S&P 500	3.57%	17.03%
DJII	2.27%	10.66%
NASDAQ	5.64%	34.58%

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:	\$9.29* (Sept 30/09)

* Net of accrued Preferred share dividends.

Cash & Fixed Income Weighting:	80%*
Canadian Equity Weighting:	20%*

XCM.PR.A Trading Price:	\$7.75 (Sept 30/09)
Market Capitalization:	\$61,969,581

XCM Trading Price:	\$0.93 (Sept 30/09)
Market Capitalization:	\$7,436,350

* All numbers are approximate.

Holding Symbol

Canadian Imperial Bank of Commerce CM



CIBC Company News

CIBC % return for Sept 2009:	1.6%
CIBC % return year-to-date 2009:	27.8%
Dividend Yield on CIBC shares:	5.32%