

# Press Release:



TSX SYMBOLS: XCM, XCM.PR.A

## COMMERCE SPLIT CORP.

### Portfolio Update

**TORONTO, ONTARIO – July 17, 2008 / Marketwire:** Commerce Split Corp. ("Commerce Split") was created to provide exposure to the common shares of Canadian Imperial Bank of Commerce (CIBC) through two classes of securities, the Priority Equity Shares and the Class A Shares (a "Unit"). As stated in the prospectus, holders of the Priority Equity Shares are to be provided with a stable yield and downside protection on the return of their initial investment. Class A Shares are to be provided with leveraged exposure to CIBC common shares including both increases and decreases in the value of the common shares of the Bank and the benefit of any increases in the dividends paid by the Bank on its common shares.

Since the inception of Commerce Split on February 16, 2007 the price of CIBC has declined 44% to \$57.10 from \$102.15 as of July 17, 2008. This sharp decline in CIBC has resulted in the Company's net asset value being reduced significantly and as mentioned in previous updates, has required the Company to implement the Priority Equity Portfolio Protection Plan in accordance with the prospectus. The Plan is designed to provide Priority Equity Share coverage ratio of 125%, based on the par value of the Priority Equity Share less cash and notional value of permitted repayment securities held. Since June 13, 2008 the share price of CIBC has declined by approximately 10% and has required Commerce Split to sell additional shares of CIBC in order to raise cash levels to add to the Priority Equity Protection Plan. The proceeds are being used to purchase permitted repayment securities in order to maintain coverage levels as noted above. It is estimated that the portfolio will have the equivalent of approximately \$5.18 in cash and notional value (value at maturity) of permitted repayment securities per unit. This leaves the Priority Equity Shareholder exposed to \$4.82 per share (\$10.00 par value - \$5.18 in cash and permitted repayment securities) in CIBC holdings. As at the close on July 17, 2008, the Company's investment portfolio had approximately \$7.51 in CIBC exposure per Unit (\$6.19 per unit in CIBC shares and the equivalent of \$1.32 in exposure through long call options which provides exposure to any potential upside in the value of CIBC common shares). The Company has limited call options written at higher levels.

The Company's portfolio is continually rebalanced and adjusted based on market conditions to provide both security for Priority Equity shareholders and upside potential for Class A shareholders. The Company may buy or sell additional shares of CIBC, the permitted repayment securities, and or option positions based on market conditions and provided that the Company remains in compliance with the Priority Equity Protection Plan.

For further information please contact Investor Relations at 416-304-4443, toll free at 1-877-4-Quadra (1-877-478-2372), or visit [www.CommerceSplit.com](http://www.CommerceSplit.com).