

Annual Management Report of Fund Performance

for the financial year ended December 31, 2023

All figures are reported in Canadian dollars unless otherwise noted.

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling toll-free at [1 888 357-8777](tel:18883578777), by emailing us at info@cibcassetmanagement.com, by writing to us at CIBC Square, 81 Bay Street, 20th floor, Toronto, Ontario, M5J 0E7, or by visiting our website at www.cibc.com/mutualfunds or SEDAR+ at www.sedarplus.ca.

Unitholders may also contact us using one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

Investment Objective: Imperial Canadian Diversified Income Pool (referred to as the *Pool*) seeks to generate income and potential capital growth by investing primarily in Canadian income-generating equity securities and debt securities.

Investment Strategies: The Pool employs a bottom-up approach to investing with a focus on the fundamental characteristics of individual securities.

Risk

The Pool is a Canadian neutral balanced fund that is suitable for medium term investors who can tolerate low to medium investment risk.

For the period ended December 31, 2023, the Pool's overall level of risk remained as discussed in the prospectus.

Results of Operations

The Pool's portfolio advisor is CIBC Asset Management Inc. (referred to as *CAMI* or the *Portfolio Advisor*). The commentary that follows provides a summary of the results of operations for the period ended December 31, 2023. All dollar figures are expressed in thousands, unless otherwise indicated.

The Pool's net asset value increased by 4% during the period, from \$811,775 as at December 31, 2022 to \$846,937 as at December 31, 2023. Positive investment performance was partially offset by net redemptions of \$18,302, resulting in an overall increase in net asset value.

Class A units of the Pool posted a return of 6.8% for the period. The Pool's primary benchmark, the S&P/TSX Composite Dividend Index (referred to as the *primary benchmark*), returned 9.6% for the same period. The Pool's return is after the deduction of fees and expenses, unlike the primary benchmark's return.

Canada's economy expanded over the first half of the period, buoyed by strong consumer spending and net exports. However, high inflation and rising borrowing costs weighed on households and businesses, eventually slowing consumer spending and hindering economic activity.

Gross domestic product shrank in the third quarter of the period as exports declined sharply.

Canada's labour market added jobs in most months, while the unemployment rate remained relatively low. Wage growth slowed but remained high.

In a continued effort to combat inflation, the Bank of Canada (referred to as the *BoC*) raised its benchmark overnight interest rate to 5.00% from 4.25% between January and July. With inflation and economic activity slowing, the BoC held the rate unchanged through the final three meetings of 2023. The BoC did not rule out the possibility of further interest rate increases, warning that core inflation (prices for goods other than food and energy) remained above its target.

The U.S. Federal Reserve Board (referred to as the *Fed*) raised the target range of its federal funds rate by a total of 100 basis points to end the period at 5.25%–5.50%. The Fed hinted that it might begin to reduce the federal funds rate in 2024.

Fears that high interest rates could lead to a recession persisted. Despite interest rate and inflation concerns, corporate operating results and consumer spending remained strong.

Rising interest rates had a disproportionately negative impact on rate-sensitive equities such as utilities, real estate investment trusts (referred to as *REITs*), telecommunications and some financials.

Volatile commodity prices for both oil and gas drove some outsized moves in energy-related equities.

Underweight exposure to the information technology sector detracted from the Pool's performance. The Pool holds an underweight allocation to the sector as the result of valuation concerns. However, information technology stocks rebounded during the period.

Individual detractors from the Pool's performance included an underweight holding in RioCan REIT. RioCan's share price was negatively affected by rising interest rates.

Underweight exposure to the materials sector, specifically underweight exposure to gold, contributed to the Pool's performance, as did an overweight exposure to the financials sector. The valuations of banks

and insurance companies were positively affected by higher interest rates.

Individual contributors to the Pool's performance included an overweight holding in Brookfield Corp., whose shares outperformed after the company had reported positive operating results.

The Portfolio Advisor took advantage of market volatility to increase the Pool's existing holdings in Canadian Natural Resources Ltd., Suncor Energy Inc., Gibson Energy Inc., Enbridge Inc. and TransCanada PipeLines Ltd. The Portfolio Advisor believes these companies to be strong businesses with improving valuations.

The Portfolio Advisor eliminated the Pool's holdings in Primaris REIT and Boardwalk REIT as their valuations increased, in favour of opportunities with what the Portfolio Advisor believed to be better risk-reward profiles.

The Pool's holdings in Restaurant Brands International Inc. and George Weston Ltd. were reduced based on valuation as their stock prices rose, reducing future return potential, in the Portfolio Advisor's opinion.

Recent Developments

Effective April 27, 2023, Bryan Houston was appointed Chair of the Independent Review Committee.

The COVID-19 pandemic and the Russia-Ukraine war have disrupted the global economy and financial markets in unprecedented and unpredictable ways. This has resulted in significant volatility and uncertainty in financial markets. It is unclear what further actions may be taken by governments and the resulting impact on global economies, businesses and financial markets. Inflation has increased in many markets across the globe, leading central banks to raise interest rates in order to counter rapidly rising prices. These factors may adversely affect the Pool's performance. The Manager continues to monitor ongoing developments and the impact to investment strategies.

Related Party Transactions

Canadian Imperial Bank of Commerce (referred to as *CIBC*) and its affiliates have the following roles and responsibilities with respect to the Pool, and receive the fees described below in connection with their roles and responsibilities.

Manager

CIBC is the Pool's manager (referred to as the *Manager*). CIBC receives management fees with respect to the Pool's day-to-day business and operations, calculated based on the Pool's net asset value as described in the Management Fees section of this document.

Trustee

CIBC Trust Corporation (CIBC Trust), a wholly-owned subsidiary of CIBC, is the Pool's trustee (referred to as the *Trustee*). The Trustee holds title to the Pool's property (cash and securities) on behalf of its unitholders.

Portfolio Advisor

The portfolio advisor provides, or arranges to provide, investment advice and portfolio management services to the Pool. CAMI, a wholly-owned subsidiary of CIBC, is the Pool's portfolio advisor.

Discretionary Managers

As at the date of this report, units of the Pool are offered through discretionary investment management services provided by certain subsidiaries of CIBC (collectively, referred to as the *Discretionary Managers*). The Discretionary Managers may include CIBC Trust and CAMI. The Discretionary Managers arrange to purchase, convert, switch and redeem units of the Pool on behalf of their clients who have entered into discretionary investment management agreements with one of the Discretionary Managers. The Discretionary Managers are the registered unitholders of the Pool for the purposes of receiving all unitholder materials and having the right to vote all proxies with respect to units of the Pool. Units of the Pool are also offered to investors in connection with certain products offered by affiliated dealers pursuant to the terms of the account agreements governing such products. There are no compensation arrangements with these dealers in respect of the sale of units of the Pool. However, CIBC Trust receives fees from its clients for offering discretionary management services and, from these fees, CIBC Trust may pay affiliated dealers and other CIBC members for services provided in connection with the client's discretionary investment managed account, which may hold units of the Pool.

CIBC receives fees from CIBC Trust for the services of CIBC advisors that assist investors with opening discretionary investment management accounts where CIBC Trust acts as the Discretionary Manager and for acting as the investors' ongoing relationship manager. CIBC is responsible for the remuneration of the CIBC advisors and may pay the CIBC advisors out of such fees. Further details of the arrangement between CIBC and CIBC Trust may be found in the discretionary investment management agreement between CIBC Trust and investors. CAMI receives fees from their clients for offering discretionary investment managed accounts, which may hold units of the Pool, and may pay a portion of such fees to their investment counsellors.

Brokerage Arrangements and Soft Dollars

The Portfolio Advisor makes decisions, including the selection of markets and dealers and the negotiation of commissions, with respect to the purchase and sale of portfolio securities, certain derivative products and the execution of portfolio transactions. Brokerage business may be allocated by CAMI to CIBC World Markets Inc. (referred to as *CIBC WM*) and CIBC World Markets Corp., each a subsidiary of CIBC. CIBC WM and CIBC World Markets Corp. may also earn spreads on the sale of fixed income and other securities to the Pool. A spread is the difference between the bid and ask prices for a security in the applicable marketplace, with respect to the execution of portfolio transactions. The spread will differ based upon various factors such as the type and liquidity of the security.

Dealers, including CIBC WM and CIBC World Markets Corp., may furnish goods and services other than order execution to the Portfolio Advisor in partial exchange for processing trades through them (referred to in the industry as soft dollar arrangements). These goods and services are paid for with a portion of the brokerage commissions and assist the Portfolio Advisor with investment decision-making services for the Pool or relate directly to the execution of portfolio transactions on behalf of the Pool.

During the period, the Pool paid brokerage commissions and other fees of \$6,965 to CIBC WM; the Pool did not pay any brokerage commissions or other fees to CIBC World Markets Corp. Spreads associated with fixed income and other securities are not ascertainable and, for that reason, cannot be included when determining these amounts.

Pool Transactions

The Pool may enter into one or more of the following transactions (referred to as the *Related Party Transactions*) in reliance on the standing instructions issued by the CIBC Independent Review Committee (the *IRC*):

- invest in or hold equity securities of CIBC or issuers related to a portfolio sub-advisor;
- invest in or hold non-exchange-traded debt securities of CIBC or an issuer related to CIBC, with terms-to-maturity of 365 days or more, issued in a primary offering and in the secondary market;
- make an investment in the securities of an issuer for which CIBC WM, CIBC World Markets Corp., or any affiliate of CIBC (referred to as a *Related Dealer* or the *Related Dealers*) acts as an underwriter during the offering of the securities or at any time during the 60-day period following the completion of the offering of such securities (in the case of a “private placement” offering, in accordance with the exemptive relief order granted by the Canadian securities regulatory authorities and in accordance with the policies and procedures relating to such investment);
- purchase equity or debt securities from or sell them to a Related Dealer, where it is acting as principal;
- undertake currency and currency derivative transactions where a Related Dealer is the counterparty;
- purchase securities from or sell securities to another investment fund or a managed account managed by the Manager or an affiliate; and
- engage in in-specie transfers by receiving portfolio securities from, or delivering portfolio securities to, a managed account or another investment fund managed by the Manager or an affiliate, in respect of a purchase or redemption of units in the fund, subject to certain conditions.

At least annually, the IRC reviews the Related Party Transactions for which they have issued standing instructions. The IRC is required to advise the Canadian securities regulatory authorities, after a matter has been referred or reported to the IRC by the Manager, if it determines that an investment decision was not made in accordance with a condition imposed by securities legislation or the IRC in any Related Party Transactions requiring its approval.

Custodian

CIBC Mellon Trust Company is the Pool's custodian (referred to as the *Custodian*). The Custodian holds all cash and securities for the Pool and ensures that those assets are kept separate from any other cash or securities that the Custodian might be holding. The Custodian also provides other services to the Pool including record-keeping and processing of foreign exchange transactions. The Custodian may hire sub-custodians for the Pool. The fees and spreads for services of the

Custodian directly related to the execution of portfolio transactions initiated by CAMI as the Portfolio Advisor are paid by CAMI and/or dealer(s) directed by CAMI, up to the amount of the credits generated under soft dollar arrangements from trading by CAMI on behalf of the Pool during that month. All other fees and spreads for the services of the Custodian are paid by the Manager and charged to the Pool on a recoverable basis. CIBC owns a 50% interest in the Custodian.

Service Provider

CIBC Mellon Global Securities Services Company Inc. (referred to as *CIBC GSS*) provides certain services to the Pool, including securities lending, fund accounting and reporting, and portfolio valuation. Such servicing fees are paid by the Manager and charged to the Pool on a recoverable basis. CIBC indirectly owns a 50% interest in CIBC GSS.

Imperial Canadian Diversified Income Pool

Financial Highlights

The following tables show selected key financial information about the Pool and are intended to help you understand the Pool's financial performance for the period ended December 31.

The Pool's Net Assets per Unit¹ - Class A Units Inception date: November 24, 2003

	2023		2022		2021		2020		2019	
Net Assets, beginning of period	\$	25.09	\$	27.42	\$	24.23	\$	23.99	\$	21.87
Increase (decrease) from operations:										
Total revenue	\$	1.01	\$	0.91	\$	0.84	\$	0.87	\$	0.83
Total expenses		(0.04)		(0.05)		(0.05)		(0.04)		(0.04)
Realized gains (losses) for the period		(0.01)		0.34		1.03		0.57		0.58
Unrealized gains (losses) for the period		0.71		(2.66)		2.35		(0.39)		1.60
Total increase (decrease) from operations²	\$	1.67	\$	(1.46)	\$	4.17	\$	1.01	\$	2.97
Distributions:										
From income (excluding dividends)	\$	0.29	\$	0.22	\$	0.19	\$	0.23	\$	0.21
From dividends		0.66		0.65		0.60		0.61		0.59
From capital gains		–		–		0.18		0.01		–
Return of capital		–		–		–		–		–
Total Distributions³	\$	0.95	\$	0.87	\$	0.97	\$	0.85	\$	0.80
Net Assets, end of period	\$	25.81	\$	25.09	\$	27.42	\$	24.23	\$	23.99

Ratios and Supplemental Data - Class A Units

	2023		2022		2021		2020		2019	
Total Net Asset Value (000s)⁴	\$	846,937	\$	811,775	\$	858,783	\$	778,395	\$	802,728
Number of Units Outstanding⁴		32,813,100		32,351,638		31,323,147		32,124,806		33,455,245
Management Expense Ratio⁵		0.17%		0.17%		0.17%		0.17%		0.16%
Management Expense Ratio before waivers or absorptions⁶		0.27%		0.27%		0.28%		0.29%		0.29%
Trading Expense Ratio⁷		0.01%		0.01%		0.01%		0.02%		0.02%
Portfolio Turnover Rate⁸		11.34%		9.02%		13.20%		16.88%		21.27%
Net Asset Value per Unit	\$	25.81	\$	25.09	\$	27.42	\$	24.23	\$	23.99

¹ This information is derived from the Pool's audited annual financial statements.

² Net assets and distributions are based on the actual number of units outstanding at the relevant time. The total increase (decrease) from operations is based on the weighted average number of units outstanding during the period.

³ Distributions were paid in cash, reinvested in additional units of the Pool, or both.

⁴ This information is presented as at December 31 of the period(s) shown.

⁵ Management expense ratio is based on the total expenses of the Pool (excluding commissions and other portfolio transaction costs), incurred by or allocated to a class of units for the period shown, expressed as an annualized percentage of the daily average net asset value of that class during the period.

⁶ The decision to waive management fees is at the discretion of the Manager. The practice of waiving management fees may continue indefinitely or may be terminated at any time without notice to unitholders.

⁷ The trading expense ratio represents total commissions and other portfolio transaction costs before income taxes expressed as an annualized percentage of the daily average net asset value during the period. Spreads associated with fixed income securities trading are not ascertainable and, for that reason, are not included in the trading expense ratio calculation.

⁸ The portfolio turnover rate indicates how actively the portfolio advisor and/or portfolio sub-advisor manages the portfolio investments. A portfolio turnover rate of 100% is equivalent to a Pool buying and selling all of the securities in its portfolio once in the course of the period. The higher a portfolio turnover rate in a period, the greater the trading costs payable by a Pool in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Pool.

Management Fees

The Pool, either directly or indirectly, pays CIBC an annual management fee to cover the costs of managing the Pool. Management fees are based on the Pool's net asset value and are calculated daily and paid monthly. Management fees are paid to CIBC in consideration for providing, or arranging for the provision of, management, distribution, and portfolio advisory services. Advertising and promotional expenses, office overhead expenses, trailing commissions, and the fees of the portfolio sub-advisor(s) are paid by CIBC out of the management fees received from the Pool. The Pool is required to pay applicable taxes on the management fees paid to CIBC. Refer to the Simplified Prospectus for the annual management fee rate.

For the period ended December 31, 2023, 100% of the management fees collected from the Pool was attributable to general administration and investment advice.

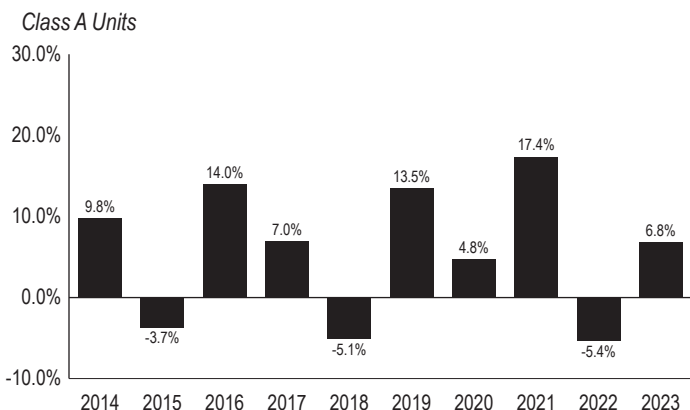
Past Performance

The performance data provided assumes reinvestment of distributions only and does not take into account sales, redemption, distribution, or other optional charges payable by any unitholder that would have reduced returns. Past performance does not necessarily indicate how a fund will perform in the future.

The Pool's returns are after the deduction of fees and expenses. See the *Financial Highlights* section for the management expense ratio.

Year-by-Year Returns

The bar chart shows the Pool's annual performance for each of the periods shown, and illustrates how the performance has changed from period to period. The bar chart shows, in percentage terms, how an investment made on January 1 would have increased or decreased by December 31, unless otherwise indicated.



Annual Compound Returns

This table shows the annual compound return of each class of units of the Pool for each indicated period ended on December 31, 2023. The annual compound total return is also compared to the Pool's benchmark(s).

The Pool's primary benchmark is the S&P/TSX Composite Dividend Index.

The Pool's blended benchmark (referred to as *Blended Benchmark*) is comprised of the following:

- 45% S&P/TSX Composite Dividend Index
- 20% FTSE Canada Mid Term Bond Index
- 20% FTSE Canada Short Term Overall Bond Index
- 15% S&P/TSX Preferred Share Index

	1 Year (%)	3 Years (%)	5 Years (%)	10 Years* (%)	or Since Inception* (%)	Inception Date
Class A units	6.8	5.9	7.1	5.6		November 24, 2003
S&P/TSX Composite Dividend Index	9.6	11.9	11.5	8.1		
Blended Benchmark	7.6	5.0	6.4	4.9		

* If a class of units has been outstanding for less than 10 years, the annual compound return since inception is shown.

FTSE Canada Mid Term Bond Index is comprised of Canadian Investment-grade bonds with remaining terms greater than 5 years and less than or equal to 10 years. Returns are calculated daily and are weighted by market capitalization.

FTSE Canada Short Term Overall Bond Index is intended to represent the Canadian short-term bond market. It contains bonds with remaining effective terms greater than or equal to one year and less than or equal to 5 years.

S&P/TSX Composite Dividend Index aims to provide a broad-based benchmark of Canadian dividend-paying stocks. It includes all stocks in the S&P/TSX Composite Index with positive annual dividend yields as of the latest rebalancing of the S&P/TSX Composite Index.

S&P/TSX Preferred Share Index is comprised of preferred shares trading on the Toronto Stock Exchange that meet criteria relating to minimum size, liquidity, issuer rating, and exchange listing.

A discussion of the Pool's relative performance compared to its benchmark(s) can be found in *Results of Operations*.

Imperial Canadian Diversified Income Pool

Summary of Investment Portfolio (as at December 31, 2023)

The summary of investment portfolio may change due to ongoing portfolio transactions of the Pool. A quarterly update is available by visiting www.cibc.com/mutualfunds. The Top Positions table shows the Pool's 25 largest positions. If the Pool holds fewer than 25 positions in total, all positions are shown. Cash and cash equivalents are shown in total as one position.

<i>Portfolio Breakdown</i>	<i>% of Net Asset Value</i>	<i>Top Positions</i>	<i>% of Net Asset Value</i>
Financials	29.0	Canada Housing Trust No. 1, 2.35%, 2028/03/15	5.0
Government of Canada & Guaranteed Bonds	16.1	Royal Bank of Canada	4.8
Energy	12.5	Toronto-Dominion Bank (The)	4.4
Corporate Bonds	9.1	Canada Housing Trust No. 1, 1.40%, 2031/03/15	4.0
Other Equities	7.6	Canadian National Railway Co.	2.8
Provincial Government & Guaranteed Bonds	6.3	Canadian Natural Resources Ltd.	2.7
Industrials	5.4	Cash & Cash Equivalents	2.7
Utilities	4.0	Bank of Montreal	2.7
Materials	3.5	Enbridge Inc.	2.7
Real Estate	2.9	Canadian Pacific Kansas City Ltd.	2.6
Cash & Cash Equivalents	2.7	Brookfield Corp., Class 'A'	2.6
Foreign Currency Bonds	0.9	Canada Housing Trust No. 1, 1.90%, 2026/09/15	2.1
		Canada Housing Trust No. 1, 3.65%, 2033/06/15	2.1
		Province of Ontario, 2.70%, 2029/06/02	2.0
		Canadian Imperial Bank of Commerce	2.0
		Province of Ontario, 3.75%, 2032/06/02	2.0
		TC Energy Corp.	1.9
		Canada Housing Trust No. 1, 2.35%, 2027/06/15	1.8
		Manulife Financial Corp.	1.7
		Province of Quebec, 1.90%, 2030/09/01	1.5
		Bank of Nova Scotia	1.4
		TELUS Corp.	1.4
		George Weston Ltd.	1.3
		Canada Housing Trust No. 1, 1.95%, 2025/12/15	1.3
		Suncor Energy Inc.	1.3

A note on forward-looking statements

The management report of fund performance may contain forward-looking statements. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or other similar wording. In addition, any statements that may be made concerning future performance, strategies, or prospects and possible future actions taken by the fund, are also forward-looking statements. Forward-looking statements are not guarantees of future performance. These statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results and achievements of the fund to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to: general economic, market, and business conditions; fluctuations in securities prices, interest rates, and foreign currency exchange rates; changes in government regulations; and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. CIBC does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments, or otherwise prior to the release of the next management report of fund performance.



**Imperial Pools
Income Generation Portfolios**

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