CIBC ASSET MANAGEMENT

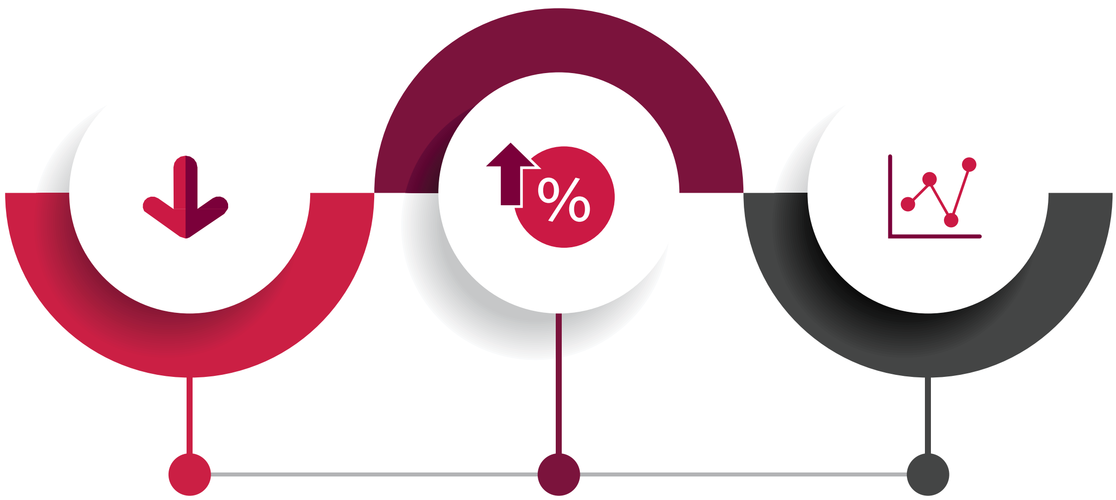
CIBC ALTERNATIVE CREDIT STRATEGY

A multi-strategy credit solution tailored for the modern portfolio

Key challenges for investors

Most investors want to participate in the potential rewards of investing without taking excessive risk.

Current challenges faced by investors are characterized by:



Low expected real returns across nearly all asset classes

Volatile interest rate environment

Heightened volatility fostered by rapidly changing geopolitical and economic conditions

Against the backdrop of an everchanging investment landscape, investors holding traditional fixed income within their balanced portfolios are faced with complexities, such as:

- Risk is mostly concentrated in the equity allocation of what may appear to be a well-diversified portfolio.
- Rising inflation within developed economies is hindering the yield-generation of traditional fixed income assets.
- Elevated portfolio risk, due to growing macroeconomic homogeneity across global geographies and sectors.

In this new environment, a fixed income allocation can be a portfolio ballast and key driver to fulfilling investor's desires.

We are proposing a fixed income strategy that provides innate credit diversification and aims to generate positive returns while mitigating overall portfolio volatility.

Introducing the CIBC Alternative Credit Strategy

The CIBC Alternative Credit Strategy encompasses a broad range of investment strategies across fixed income sectors, as well as diversification across investment horizon, instruments, and capital structure.

As an actively managed multi-strategy credit solution, the CIBC Alternative Credit Strategy can be a complement to a core fixed income portfolio by providing a consistent and diversifying return potential that aims to minimize volatility and interest rate risk.

Core Tenets of the CIBC Alternative Credit Strategy

Benchmark agnostic

Full flexibility to align portfolio to desired outcomes. Thus, the strategy is wholly diversified across sectors, geographies, capital structures and investment vehicles.

Managing interest rate sensitivity

Lower duration credit assets and rate hedging reduces rate sensitivity.

Lower yield volatility of short duration corporate credit

Unconstrained credit-oriented strategy with enhanced flexibility to manage risk exposures, thus reducing volatility, protecting capital and improving portfolio diversification.

Harvesting return premiums across the global credit cycle

Capitalizing on regional (i.e., North American) and sector valuation divergences allows for greater return generation.

Capitalizing on bottom-up credit research

The strategy will only hold highest conviction positions, back by extensive research and insight. Each decision is supported by the expertise of portfolio managers with a proven track record of generating alpha.

Hedging unwanted risk

Use of derivatives and short-selling strategies that would not be feasible in a long-only portfolio.

Key benefits for investors

Seeks to provide capital growth

Aims to generate credit-like returns without increasing credit risk or extending duration.

Mitigate downside risk

Aims to reduce the vulnerability to interest rate volatility and credit deterioration relative to a corporate focused portfolio.

Enhances diversification

Access to the full opportunity set across the fixed income universe, offering the potential for enhanced portfolio diversification within a risk-managed framework.

Investment approach

The CIBC Alternative Credit Strategy will actively manage risk and opportunities in all environments with the objective to deliver positive total net returns over a full market cycle by implementing a broad range of strategies; which may include leverage, short selling and derivatives.

CIBC Alternative Credit Strategy

Liquid Alternative Strategy

- Credit strategy that benefits from a variety of tools, unconstrained from a benchmark.
- Targets a positive total net return over a full market cycle.
- Combination of directional & relative positioning.

Asset Universe

- Investment grade corporates, high yield, floating rate loans, securitized debt, preferred shares, hybrids, emerging market debt, and government bonds.
- Views expressed through cash, bonds, exchange-traded funds, and derivatives.
- Derivatives used to gain exposure and hedge interest rate risk.
- Primarily North-American focused.

Decision Making Process

- Strong team with more than 3 decades of experience in credit investing.
- Quantitative analysis & forward-looking qualitative judgement.
- Relative value focused plus cycle & behavioral factors.
- 5-person trade vetting committee.
- Risk management leveraging Quant Team's active risk and stress testing models.

Investment process

A core component of the investment and portfolio construction process is based on answering two foundational investment questions which in turn shape the strategy position.

CIBC Alternative Credit Strategy

How much risk?

- How much risk to use on any given day?
- Will vary depending on current & expected economic & market risk environment.
- More risk in periods when fundamentals drive assets returns; less risk otherwise.

High or Low Risk?

Pro/Contra Cycle?

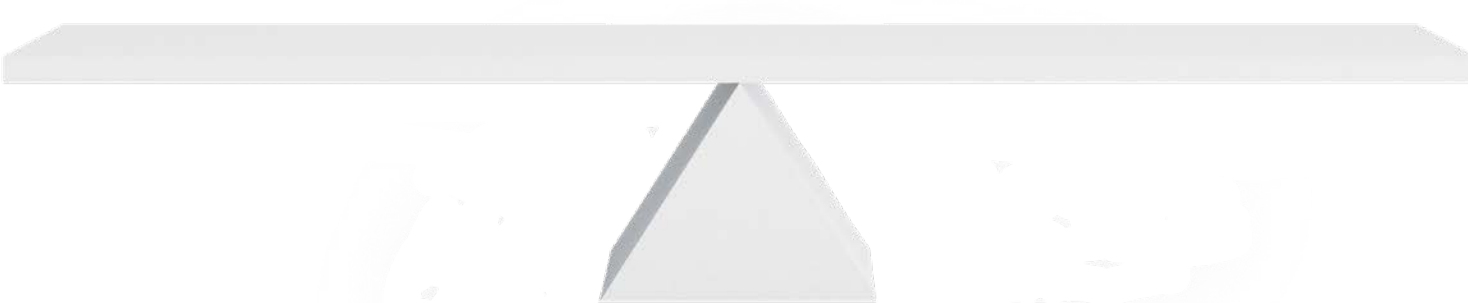
Where to allocate risk?

- Identifying most & least attractive sectors and geographies across three complementary investment strategies.
- Tilt risk towards investment strategies & sectors with highest expected returns per unit of risk over shorter-term periods.

Leveraged Credit

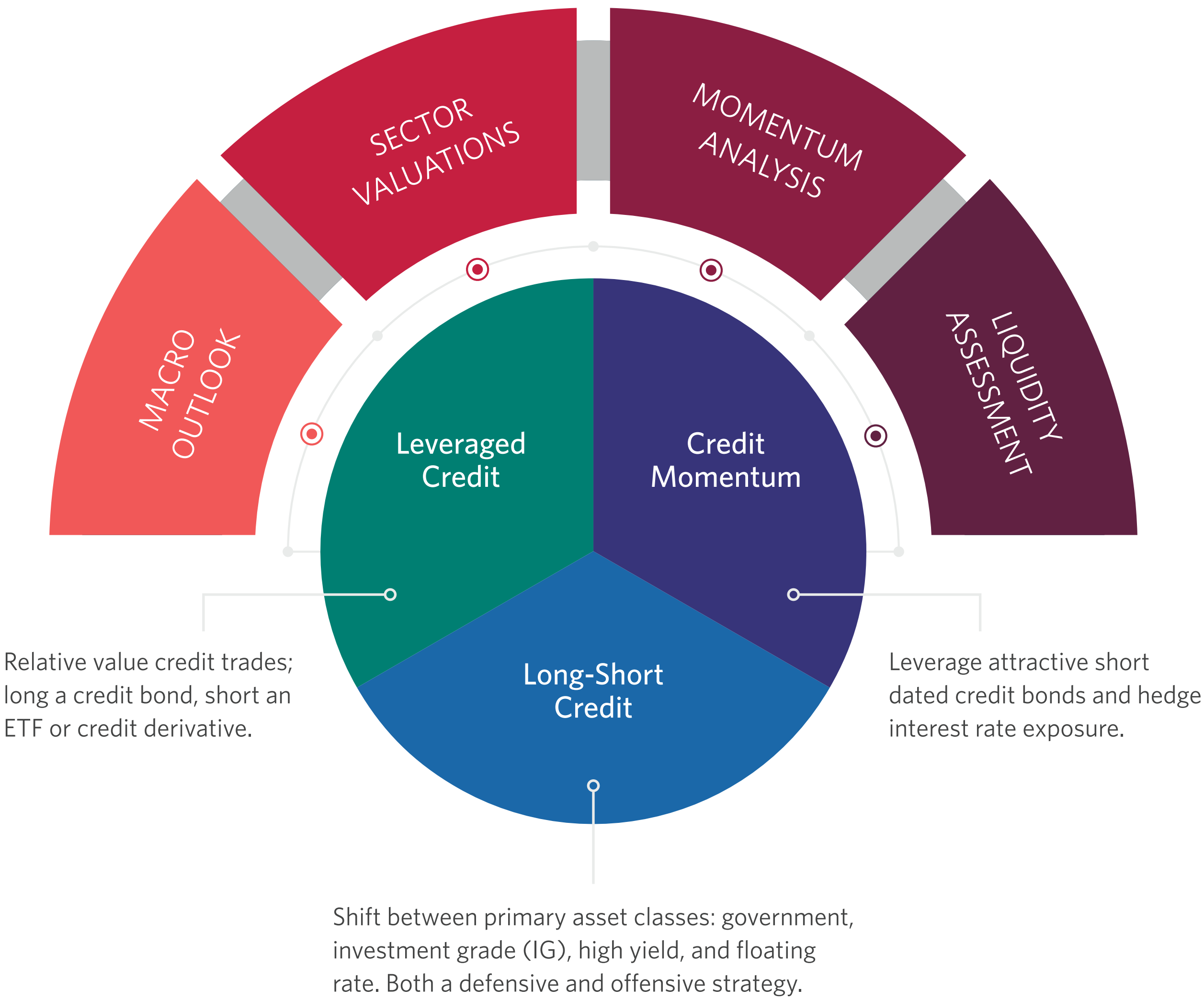
Credit Momentum

Long-Short Credit



Investment strategies

Identifying assets with highest expected returns using four complementary investment strategies. Each strategy integrates quantitative analysis & forward-looking qualitative judgement. Active risk is scaled based on the market cycle.



Risk management embedded in every stage of the process.

Why invest with CIBC?

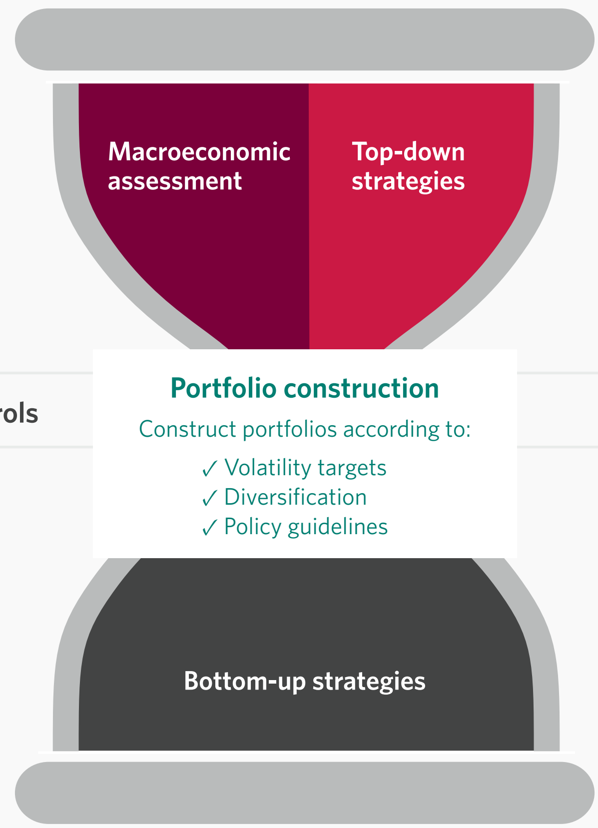
CIBC Asset Management Inc. (CAM) offers a comprehensive approach to managing fixed income assets, using multiple strategies to diversify sources of added value in portfolios.

The team consists of 28 investment professionals, and each applies their unique market knowledge and experience, of both passive and active management, through a collaborative team approach.

Investment philosophy

The team believes that a core fixed income portfolio combining multiple sources of added value—tactical sector rotation, prudent duration management, security selection, and optimal yield curve positioning—should lead to superior performance.

- Economic outlook
- Develop interest rate outlook in collaboration with our Asset Allocation team
- Formal team meetings: daily, monthly and quarterly



- Sector allocation
- Duration targeting
- Yield curve positioning

Risk management and controls

Risk management and controls

- Corporate analysis: Analyze and evaluate financial risk of companies
- Government analysis: Assess fiscal and political conditions

- Security selection: Identify cheap and expensive securities
- Out of benchmark selection

What sets us apart:

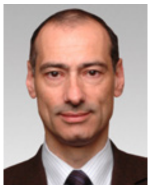
Research: Dedicated credit analysis and specialist teams conduct rigorous proprietary research.

Philosophy, process and security: Structured approach using duration, term structure, sector allocation, and security selection.

Scale: Informational advantage and depth of knowledge in the Canadian marketplace.

Experience: The entire team has an average of 20 years of industry experience

The portfolio management team



Jacques Prévost, CFA

First Vice-President, Global Fixed Income

Jacques Prévost specializes in active corporate bond management applied to both asset-only and asset-liability portfolios. He also oversees a team responsible for quantitative and structured solutions and contributes to the firm's research specialization model.

Gaurav Dhiman, CFA

Portfolio Manager, Global Fixed Income

Gaurav Dhiman is responsible for corporate bond portfolio management. Prior to joining CIBC Am in 2018, Mr. Dhiman was a portfolio manager at Cumberland Private Wealth. At Cumberland, he was solely responsible for the management, research and trading of a high net worth fixed income portfolio. Mr. Dhiman previously worked at Aviva Investors as a portfolio manager and BMO Capital Markets as a research analyst.

Amer Shreim

Head of Quantitative Investing, Equities

Amer Shreim is a member of the Portfolio Management and Research Equities Team. Mr. Shreim is responsible for developing and managing quantitative strategies, enhancing portfolio construction, and improving risk management.

Jeremy Kinney, CFA

Associate Portfolio Manager, Global Fixed Income

Jeremy Kinney is a member of the Global Fixed Income team. He contributes to the management of High-Yield portfolios through researching and recommending securities, visiting companies and providing other portfolio construction and management support.

Trevor Bateman, CFA, CA

Head of Investment-Grade Research, Global Fixed Income – Credit

Trevor Bateman leads a team of credit analysts who are responsible for all investment-grade fixed income research and contribute to the execution of CIBC Asset Management's (CAM) ESG activities. Mr. Bateman also covers several sectors in the investment-grade corporate bond universe and engages in idea generation for various portfolios.

Patrick Sauvé

Head of Over-the-Counter (OTC) Trading, Structured Investments, Trading and Business Initiatives

Patrick Sauvé is a member of the Structured Investments and Trading team. Mr. Sauvé oversees all OTC derivatives trading in fixed income and currencies. He also supports the development of OTC instruments related to the firm's investment strategies.

Applying absolute return strategies in a portfolio

Portfolio Fit: Fixed Income

- **Provide a compliment to traditional core fixed income allocations** – may act as a hedge during periods of rising interest rates, while also potentially offering enhanced risk/return benefits and diversification.
- **Provide a replacement to "satellite" fixed income exposures** – potentially mitigate volatility and drawdown risk when credit spreads widen. Multi-strategy approach, use of leverage/short-selling and credit-risk hedging can provide a smoother return experience.

Portfolio Fit: Equity

- **Provide a replacement to equities** – return expectations for fixed income asset classes look attractive in the current environment. Opportunity to de-risk equity exposures while still offering attractive returns with potentially lower volatility and drawdowns.

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