

CIBC ALTERNATIVE CREDIT STRATEGY

An actively managed multi-strategy credit solution that can generate consistent returns over a full market cycle, manage market volatility and mitigate interest rate risk exposure.



Helps **reduce the vulnerability** of a traditional fixed income portfolio to a rise in interest rates and volatility.



Aims to **provide a positive total net return over a full market cycle** without increasing credit risk or extending duration.



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

Strategy at a glance

Investment objective: To provide a positive total net return over a full market cycle, regardless of general market direction, by investing primarily in long and short positions in North American corporate and government fixed-income securities.

Investor suitability

- A complement to core fixed income allocation

Risk tolerance: Low to medium

Investment options:

- Series O mutual fund

The CIBC Alternative Credit Strategy combines foundational characteristics of a traditional bond portfolio, with the capabilities of an alternative credit strategy. The strategy leverages both the fixed income and quantitative expertise of CIBC Asset Management (CIBC AM), reflecting the firm’s research capabilities and security selection decisions within the unconstrained mandate.



Traditional Bond Fund

Traditional Bond Fund Characteristics:

Long-only focused ▪ Benchmark-Aware ▪ Tracking error focused ▪ Investment Grade & High Yield exposure



Alternative Credit Strategy

Alternative Credit Strategy Characteristics:

Long-short ▪ Benchmark Unconstrained ▪ Opportunistic Market Exposure ▪ Use of Derivatives



CIBC AM Fixed Income Expertise

CIBC AM Fixed Income Expertise:

Proprietary Credit Research & Analysis ▪ Macroeconomic Assessment ▪ Portfolio Construction ▪ Top-Down Strategies ▪ Bottom-Up Strategies

Portfolio Manager: CIBC Asset Management

With over \$191 billion in assets under management¹, CIBC AM is one of Canada's largest asset management firms and provides a broad range of high-quality global investment management solutions to retail and institutional clients.

CIBC AM offers a comprehensive approach to managing fixed income assets, using multiple strategies to diversify sources of added value in portfolios.

The team consists of 30 investment professionals, and each applies their unique market knowledge and experience, of both passive and active management, through a collaborative team approach.

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.

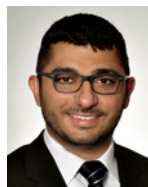
Experienced investment team



Jacques Prévost
CFA
First Vice President



Gaurav Dhiman
CFA
Portfolio Manager



Amer Shreim
Ph.D.
Head, Quantitative Research



Patrick Sauvé
Head, OTC Trading,
Structured Investments



Trevor Bateman
CFA, CA
Head, Credit Research



Jeremy Kinney
CFA
Associate Portfolio Manager, High Yield

¹ Includes \$37 billion in multi-asset and notional currency overlay mandates and \$35 billion in 3rd party sub-advised assets. Assets shown as of December 31, 2022.

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