

## Interim Financial Reports (unaudited)

for the period ended February 29, 2020

### Statements of Financial Position (unaudited) (in 000s, except per unit amounts)

As at February 29, 2020 and August 31, 2019 (notes 1 and 9)

	February 29, 2020	August 31, 2019
<b>Assets</b>		
<b>Current assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	\$ 117,985	\$ 128,154
Cash including foreign currency holdings, at fair value	517	562
Receivable for units issued	13	–
<b>Total Assets</b>	<b>118,515</b>	<b>128,716</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payable for units redeemed	326	133
<b>Total Liabilities</b>	<b>326</b>	<b>133</b>
<b>Net Assets Attributable to Holders of Redeemable Units</b> (note 5)	<b>\$ 118,189</b>	<b>\$ 128,583</b>
<b>Net Assets Attributable to Holders of Redeemable Units per Class</b>		
Class A	\$ 90,488	\$ 98,975
Class T6	\$ 2,913	\$ 3,094
Class T8	\$ 2,071	\$ 2,492
Select Class	\$ 7,836	\$ 8,277
Select-T6 Class	\$ 752	\$ 769
Elite Class	\$ 6,890	\$ 7,564
Class F	\$ 7,086	\$ 7,294
Class FT6	\$ 153	\$ 118
<b>Net Assets Attributable to Holders of Redeemable Units per Unit</b> (note 5)		
Class A	\$ 10.41	\$ 10.59
Class T6	\$ 7.74	\$ 7.95
Class T8	\$ 5.95	\$ 6.18
Select Class	\$ 9.94	\$ 10.10
Select-T6 Class	\$ 7.93	\$ 8.13
Elite Class	\$ 10.64	\$ 10.78
Class F	\$ 12.24	\$ 12.38
Class FT6	\$ 9.26	\$ 9.45

### Organization of the Portfolio (note 1)

The Portfolio was established on March 11, 2005 (Date Established).

	Inception Date
Class A	March 15, 2005
Class T6	November 15, 2007
Class T8	November 15, 2007
Select Class	September 19, 2006
Select-T6 Class	April 18, 2008
Elite Class	October 9, 2006
Class F	March 13, 2006
Class FT6	September 21, 2017

## Axiom Diversified Monthly Income Portfolio

### Statements of Comprehensive Income (unaudited) (in 000s, except per unit amounts)

For the periods ended February 29, 2020 and February 28, 2019 (notes 1 and 9)

	February 29, 2020	February 28, 2019
<b>Net Gain (Loss) on Financial Instruments</b>		
Investment income	\$ 541	\$ 1,337
Dividend revenue	611	1,479
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments and derivatives	1,959	2,432
Net change in unrealized appreciation (depreciation) of investments and derivatives	(1,381)	(5,186)
<b>Net Gain (Loss) on Financial Instruments</b>	<b>1,730</b>	<b>62</b>
<b>Expenses (note 6)</b>		
Management fees ±±	1,202	1,296
Audit fees	4	5
Custodial fees	38	41
Independent review committee fees	—	—
Regulatory fees	12	5
Transaction costs	—	—
Unitholder reporting costs	56	67
Other expenses	7	9
	<b>1,319</b>	<b>1,423</b>
Expenses waived/absorbed by the Manager	(56)	(69)
	<b>1,263</b>	<b>1,354</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units (excluding distributions)</b>	<b>467</b>	<b>(1,292)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Class (excluding distributions)</b>		
Class A	\$ 320	\$ (1,043)
Class T6	\$ 9	\$ (37)
Class T8	\$ 12	\$ (25)
Select Class	\$ 21	\$ (94)
Select-T6 Class	\$ 2	\$ (6)
Elite Class	\$ 46	\$ (39)
Class F	\$ 56	\$ (48)
Class FT6	\$ 1	\$ —
<b>Average Number of Units Outstanding for the Period per Class</b>		
Class A	9,037	10,334
Class T6	382	452
Class T8	382	433
Select Class	799	933
Select-T6 Class	95	96
Elite Class	673	794
Class F	584	585
Class FT6	16	12
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit (excluding distributions)</b>		
Class A	\$ 0.04	\$ (0.11)
Class T6	\$ 0.01	\$ (0.08)
Class T8	\$ 0.03	\$ (0.05)
Select Class	\$ 0.03	\$ (0.10)
Select-T6 Class	\$ 0.02	\$ (0.07)
Elite Class	\$ 0.06	\$ (0.04)
Class F	\$ 0.10	\$ (0.09)
Class FT6	\$ 0.06	\$ 0.03

#### ±± Maximum Chargeable Management Fee Rates (note 6)

Class A	1.80%
Class T6	1.80%
Class T8	1.80%
Select Class	2.08%
Select-T6 Class	2.08%
Elite Class	1.53%
Class F	0.80%
Class FT6	0.80%

#### Administrative and Other Fund Operating Expenses (note 8)

	2020	2019
(\$000s)	32	39

#### Service Provider (note 8)

The amounts paid by the Portfolio (including all applicable taxes) to CIBC Mellon Trust Company for custodial fees, and to CIBC Mellon Global Securities Services Company (CIBC GSS) for fund accounting and reporting, and portfolio valuation (all net of absorptions) for the periods ended February 29, 2020 and February 28, 2019 were as follows:

	2020	2019
(\$000s)	32	31

*Axiom Diversified Monthly Income Portfolio*

**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (unaudited)  
(in 000s)**

For the periods ended February 29, 2020 and February 28, 2019 (note 1)

	Class A Units		Class T6 Units		Class T8 Units		Select Class Units	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units (excluding distributions)</b>	\$ 320	\$ (1,043)	\$ 9	\$ (37)	\$ 12	\$ (25)	\$ 21	\$ (94)
<b>Distributions Paid or Payable to Holders of Redeemable Units</b>								
From net investment income	(764)	(838)	(35)	(39)	(32)	(38)	(70)	(74)
From net realized capital gains	—	(1,125)	—	(35)	—	(34)	—	(95)
Return of capital	(1,013)	(174)	(52)	(35)	(58)	(39)	(83)	(14)
	(1,777)	(2,137)	(87)	(109)	(90)	(111)	(153)	(183)
<b>Redeemable Unit Transactions</b>								
Amount received from the issuance of units	4,093	5,568	243	9	—	—	—	1,009
Amount received from reinvestment of distributions	1,634	1,955	32	39	18	23	92	112
Amount paid on redemptions of units	(12,757)	(14,140)	(378)	(300)	(361)	(72)	(401)	(2,098)
	(7,030)	(6,617)	(103)	(252)	(343)	(49)	(309)	(977)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	(8,487)	(9,797)	(181)	(398)	(421)	(185)	(441)	(1,254)
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>	98,975	112,037	3,094	3,759	2,492	2,807	8,277	9,954
<b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>	\$ 90,488	\$ 102,240	\$ 2,913	\$ 3,361	\$ 2,071	\$ 2,622	\$ 7,836	\$ 8,700

**Redeemable Units Issued and Outstanding** (note 5)

As at February 29, 2020 and February 28, 2019

Balance - beginning of period	9,348	10,606	389	464	404	437	819	989
Redeemable units issued	382	550	30	1	—	—	—	103
Redeemable units issued on reinvestments	154	195	4	5	2	4	10	12
	9,884	11,351	423	470	406	441	829	1,104
Redeemable units redeemed	(1,193)	(1,399)	(47)	(39)	(58)	(12)	(40)	(216)
Balance - end of period	8,691	9,952	376	431	348	429	789	888

	Select-T6 Class Units		Elite Class Units		Class F Units		Class FT6 Units	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units (excluding distributions)</b>	\$ 2	\$ (6)	\$ 46	\$ (39)	\$ 56	\$ (48)	\$ 1	\$ —
<b>Distributions Paid or Payable to Holders of Redeemable Units</b>								
From net investment income	(9)	(9)	(74)	(82)	(85)	(74)	(2)	(2)
From net realized capital gains	—	(11)	—	(175)	—	(97)	—	(1)
Return of capital	(13)	(4)	(63)	—	(50)	—	(2)	—
	(22)	(24)	(137)	(257)	(135)	(171)	(4)	(3)
<b>Redeemable Unit Transactions</b>								
Amount received from the issuance of units	7	6	—	—	245	320	42	12
Amount received from reinvestment of distributions	3	4	137	257	91	115	2	1
Amount paid on redemptions of units	(7)	(15)	(720)	(187)	(465)	(1,036)	(6)	—
	3	(5)	(583)	70	(129)	(601)	38	13
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	(17)	(35)	(674)	(226)	(208)	(820)	35	10
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>	769	799	7,564	8,564	7,294	7,386	118	107
<b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>	\$ 752	\$ 764	\$ 6,890	\$ 8,338	\$ 7,086	\$ 6,566	\$ 153	\$ 117

**Redeemable Units Issued and Outstanding** (note 5)

As at February 29, 2020 and February 28, 2019

Balance - beginning of period	95	97	702	792	589	602	12	11
Redeemable units issued	1	1	—	—	20	27	5	2
Redeemable units issued on reinvestments	—	—	12	26	7	10	—	—
	96	98	714	818	616	639	17	13
Redeemable units redeemed	(1)	(2)	(66)	(18)	(37)	(89)	(1)	—
Balance - end of period	95	96	648	800	579	550	16	13

*Axiom Diversified Monthly Income Portfolio*

**Statements of Cash Flows (unaudited)**  
**(in 000s)**

For the periods ended February 29, 2020 and February 28, 2019 (note 1)

	February 29, 2020	February 28, 2019
<b>Cash Flows from Operating Activities</b>		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (excluding distributions)	\$ 467	\$ (1,292)
Adjustments for:		
Net realized (gain) loss on sale of investments and derivatives	(1,959)	(2,432)
Net change in unrealized (appreciation) depreciation of investments and derivatives	1,381	5,186
Reinvested distributions from underlying funds	(1,152)	(2,816)
Purchase of investments	(2,781)	(7,315)
Proceeds from the sale of investments	14,680	19,948
Other receivables	-	20
	<b>10,636</b>	<b>11,299</b>
<b>Cash Flows from Financing Activities</b>		
Amount received from the issuance of units	4,617	6,889
Amount paid on redemptions of units	(14,902)	(17,748)
Distributions paid to unitholders	(396)	(501)
	<b>(10,681)</b>	<b>(11,360)</b>
<b>Increase (Decrease) in Cash during the Period</b>	<b>(45)</b>	<b>(61)</b>
<b>Foreign Exchange Loss (Gain) on Cash</b>	<b>-</b>	<b>-</b>
<b>Cash (Bank Overdraft) at Beginning of Period</b>	<b>562</b>	<b>727</b>
<b>Cash (Bank Overdraft) at End of Period</b>	<b>\$ 517</b>	<b>\$ 666</b>

*Axiom Diversified Monthly Income Portfolio*

**Schedule of Investment Portfolio (unaudited)** As at February 29, 2020

<i>Security</i>	<i>Number of Units</i>	<i>Average Cost (\$000s)</i>	<i>Fair Value (\$000s)</i>	<i>% of Net Assets</i>
<b>MUTUAL FUNDS</b>				
Renaissance Canadian Equity Private Pool, Class 'O'	1,501,254	19,207	21,525	
Renaissance Canadian Fixed Income Private Pool, Class 'O'	4,408,537	45,508	47,947	
Renaissance Equity Income Private Pool, Class 'O'	4,415,201	37,116	42,638	
Renaissance U.S. Equity Private Pool, Class 'O'	200,543	2,494	5,875	
<b>TOTAL MUTUAL FUNDS</b>		<b>104,325</b>	<b>117,985</b>	<b>99.8%</b>
Less: Transaction costs included in average cost		—		
<b>TOTAL INVESTMENTS</b>		<b>104,325</b>	<b>117,985</b>	<b>99.8%</b>
Other Assets, less Liabilities			204	0.2%
<b>TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>			<b>118,189</b>	<b>100.0%</b>

## Axiom Diversified Monthly Income Portfolio

### Supplemental Schedule to Schedule of Investment Portfolio (unaudited)

#### Offsetting Arrangements (note 2d)

The Portfolio may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of the contracts.

As at February 29, 2020 and August 31, 2019, the Portfolio did not enter into any arrangements whereby the financial instruments were eligible for offset.

#### Interest in Underlying Funds (note 4)

The following table presents additional information on the Portfolio's investments in Underlying Funds where the ownership interest exceeds 20% of each Underlying Fund as at February 29, 2020 and August 31, 2019:

As at February 29, 2020

<b>Holding</b>	<b>% of Net Assets</b>	<b>Country of Establishment &amp; Principal Place of Business</b>	<b>% of Ownership Interest</b>
Renaissance Equity Income Private Pool	36.1	Canada	39.3

As at August 31, 2019

<b>Holding</b>	<b>% of Net Assets</b>	<b>Country of Establishment &amp; Principal Place of Business</b>	<b>% of Ownership Interest</b>
Renaissance Equity Income Private Pool	36.9	Canada	39.7

## Axiom Diversified Monthly Income Portfolio

### Financial Instrument Risks

Investment Objective: Axiom Diversified Monthly Income Portfolio (the *Portfolio*) seeks to achieve a mix of high current income and some long-term capital growth by investing primarily in a diversified blend of income and bond mutual funds, along with equity mutual funds (its *Underlying Funds*).

Investment Strategies: The Portfolio has, under normal market conditions, a long-term strategic asset mix of fixed income (25-55%) and equities (45-75%). The Portfolio Advisor may review and adjust the asset mix, in its sole discretion, depending on economic conditions and relative value of income and equity securities. The Portfolio will utilize strategic and tactical asset allocation strategies that will:

- invest up to 100% of the Portfolio's net asset value primarily in units of its Underlying Funds managed by the Manager or one of its affiliates;
- allocate the Portfolio's assets among the Underlying Funds according to the asset mix determined by the Portfolio Advisor and monitor, review, and periodically rebalance or modify the Portfolio's asset mix, change the percentage holdings of any Underlying Fund, and add or remove any Underlying Fund at the Portfolio Advisor's sole discretion.

As the Portfolio invests in the Underlying Funds, it may be indirectly exposed to concentration, credit, currency, and interest rate risks from these holdings. Only direct exposure to significant risks that are relevant to the Portfolio is discussed here. General information on risk management and specific discussion on concentration, credit, currency, interest rate, liquidity, and other price/market risk can be found in note 2 of the financial statements.

In the following risk tables, Net Assets is defined as meaning "Net assets attributable to holders of redeemable units".

#### Concentration Risk as at February 29, 2020 and August 31, 2019

The Schedule of Investment Portfolio presents the securities held by the Portfolio as at February 29, 2020.

The following table presents the investment sectors held by the Portfolio as at August 31, 2019, and groups the securities by asset type, industry sector, geographic region, or currency exposure:

As at August 31, 2019

Portfolio Breakdown	% of Net Assets
<b>Mutual Funds</b>	
Canadian Bond	39.3
Canadian Equity	55.5
U.S. Equity	4.9
<b>Other Assets, less Liabilities</b>	0.3
<b>Total</b>	<b>100.0</b>

#### Credit Risk

Credit ratings represent a consolidation of the ratings provided by various outside service providers and are subject to change, which could be material.

See the Schedule of Investment Portfolio for counterparties related to over-the-counter derivative contracts, where applicable.

As at February 29, 2020 and August 31, 2019, the Portfolio had no significant investments in debt securities.

#### Currency Risk

As at February 29, 2020 and August 31, 2019, the Portfolio did not have a significant exposure to currency risk.

#### Interest Rate Risk

As at February 29, 2020 and August 31, 2019, the majority of the Portfolio's financial assets and liabilities are non-interest bearing and short-term in nature; accordingly, the Portfolio is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

#### Liquidity Risk

Liquidity risk is the risk that the Portfolio will encounter difficulty in meeting obligations associated with financial liabilities. The Portfolio is exposed to daily cash redemptions of redeemable units. The Portfolio maintains sufficient cash on hand to fund anticipated redemptions.

With the exception of derivative contracts, where applicable, all of the Portfolio's financial liabilities are short-term liabilities maturing within 90 days after the period end.

#### Other Price/Market Risk

The table that follows indicates how net assets as at February 29, 2020 and August 31, 2019 would have increased or decreased had the value of the Portfolio's benchmark(s) increased or decreased by 1%. This change is estimated based on the historical correlation between the return of Class A units of the Portfolio as compared to the return of the Portfolio's benchmark(s), using 36 monthly data points, as available, based on the monthly net returns of the Portfolio. This analysis assumes that all other variables remain unchanged. The historical correlation may not be representative of the future correlation and, accordingly, the impact on net assets could be materially different.

Benchmark	Impact on Net Assets (\$000s)	
	February 29, 2020	August 31, 2019
S&P/TSX Composite Dividend Index	671	704
FTSE Canada Universe Bond Index	637	583
40% FTSE Canada Universe Bond Index 36.6% S&P/TSX Composite Dividend Index 18.4% S&P/TSX Composite Index 5% S&P 500 Index	1,113	1,196

#### Fair Value Measurement of Financial Instruments

The following is a summary of the inputs used as at February 29, 2020 and August 31, 2019 in valuing the Portfolio's financial assets and financial liabilities, carried at fair value:

As at February 29, 2020

Classification	Level 1 (i) (\$000s)	Level 2 (ii) (\$000s)	Level 3 (iii) (\$000s)	Total (\$000s)
<b>Financial Assets</b>				
Mutual Funds	117,985	—	—	117,985
<b>Total Financial Assets</b>	<b>117,985</b>	<b>—</b>	<b>—</b>	<b>117,985</b>

(i) Quoted prices in active markets for identical assets

(ii) Significant other observable inputs

(iii) Significant unobservable inputs

As at August 31, 2019

Classification	Level 1 (i) (\$000s)	Level 2 (ii) (\$000s)	Level 3 (iii) (\$000s)	Total (\$000s)
<b>Financial Assets</b>				
Mutual Funds	128,154	—	—	128,154
<b>Total Financial Assets</b>	<b>128,154</b>	<b>—</b>	<b>—</b>	<b>128,154</b>

(i) Quoted prices in active markets for identical assets

(ii) Significant other observable inputs

(iii) Significant unobservable inputs

#### Transfer of assets between Level 1 and Level 2

Financial assets and liabilities transferred from Level 1 to Level 2 are the result of securities no longer being traded in an active market.

For the periods ended February 29, 2020 and August 31, 2019, there were no transfers of financial assets and liabilities from Level 1 to Level 2.

Financial assets and liabilities transferred from Level 2 to Level 1 are the result of securities now being traded in an active market.

For the periods ended February 29, 2020 and August 31, 2019, there were no transfers of financial assets and liabilities from Level 2 to Level 1.

#### Reconciliation of financial asset and liability movement – Level 3

The Portfolio did not hold any Level 3 investments at the beginning of, during, or at the end of either reporting period.

# Notes to Financial Statements (unaudited)

As at and for the periods as disclosed in the financial statements (see note 1)

## 1. Axiom Portfolios — Organization of the Portfolios and Financial Reporting Periods

The Axiom Portfolios consist of Axiom Balanced Income Portfolio, Axiom Diversified Monthly Income Portfolio, Axiom Balanced Growth Portfolio, Axiom Long-Term Growth Portfolio, Axiom Canadian Growth Portfolio, Axiom Global Growth Portfolio, Axiom Foreign Growth Portfolio, and Axiom All Equity Portfolio.

Each of the Axiom Portfolios (individually, a *Portfolio*, and collectively, the *Portfolios*) is a mutual fund trust, organized under the laws of Ontario and governed by a declaration of trust (*Declaration of Trust*). The address of the Portfolios' registered office is 18 York Street, Suite 1300, Toronto, Ontario.

The Portfolios are managed by CIBC Asset Management Inc. (the *Manager*). The Manager is also the trustee, registrar, portfolio advisor, and transfer agent of the Portfolios. Each Portfolio may issue an unlimited number of classes of units and an unlimited number of units of each class. On September 1, 2017, the Manager closed certain classes of units to all purchases. The following tables outline the classes of units available for sale as of the date of these financial statements, and the classes of units that were closed to purchases as of September 1, 2017:

*Classes of Units Available for Sale:*

Portfolios	Class A	Class T4	Class T6	Class F	Class FT4	Class FT6
Axiom Balanced Income Portfolio	✓	✓	✓	✓	✓	✓
Axiom Diversified Monthly Income Portfolio	✓		✓	✓		✓
Axiom Balanced Growth Portfolio	✓	✓	✓	✓	✓	✓
Axiom Long-Term Growth Portfolio	✓	✓	✓	✓	✓	✓
Axiom Canadian Growth Portfolio	✓	✓	✓	✓	✓	✓
Axiom Global Growth Portfolio	✓	✓	✓	✓	✓	✓
Axiom Foreign Growth Portfolio	✓	✓	✓	✓	✓	✓
Axiom All Equity Portfolio	✓	✓	✓	✓	✓	✓

*Classes of Units Closed to Purchases as of September 1, 2017:*

Portfolios	Class T8	Elite Class	Elite-T4 Class	Elite-T6 Class	Select Class	Select-T4 Class	Select-T6 Class
Axiom Balanced Income Portfolio	✓	✓	✓		✓	✓	✓
Axiom Diversified Monthly Income Portfolio	✓	✓			✓		✓
Axiom Balanced Growth Portfolio	✓	✓		✓	✓		
Axiom Long-Term Growth Portfolio		✓			✓		
Axiom Global Growth Portfolio		✓			✓		
Axiom All Equity Portfolio					✓		

In the future, the offering of any classes of a Portfolio may be terminated or additional classes may be offered.

Each class of units may charge a different management fee. Operating expenses can either be common or class-specific. Class-specific expenses are allocated on a class-by-class basis. As a result, a separate net asset value per unit is calculated for each class of units.

Class A, T4, and T6 units are available to all investors on a load basis. Investors may pay a sales commission when purchasing Class A, T4, and T6 units of the Portfolios or may pay a deferred sales charge if they redeem their Class A, T4, and T6 units. They may have to pay a short-term trading fee, if applicable.

Class T4, T6, and T8 units have the same characteristics as Class A units, except that they each intend to pay a unique maximum fixed distribution amount per unit, which also results in a separate net asset value per unit. Select-T4, Select-T6, and Select-T8 Class units are the same as Select Class units, except that they each intend to pay a unique maximum fixed distribution amount per unit. Elite-T4, Elite-T6, and Elite-T8 Class units are the same as Elite Class units, except that they each intend to pay a unique maximum fixed distribution amount per unit.

Class F, FT4 and FT6 units are available to investors participating in programs that do not require the payment of service fees or trailing commissions to dealers. For these investors, the Manager "unbundles" the typical distribution costs and charges a lower management fee. Potential investors include clients of "fee-for-service" investment advisors, dealer-sponsored "wrap accounts", and others who pay an annual fee to their dealer instead of transactional sales charges and where the dealer does not receive service fees or trailing commissions from the Manager. Class FT4 and FT6 units have the same characteristics as Class F units, except that they each intend to pay a unique maximum fixed distribution amount per unit, which also results in a separate net asset value per unit.

The date upon which each Portfolio was established by Declaration of Trust (*Date Established*) and the date upon which each class of units of each Portfolio was first sold to the public (*Inception Date*) are reported in footnote *Organization of the Portfolio* on the Statements of Financial Position.

The Schedule of Investment Portfolio of each Portfolio is as at February 29, 2020. The Statements of Financial Position are as at February 29, 2020 and August 31, 2019. The Statements of Comprehensive Income, Statements of Changes in Net Assets Attributable to Holders of Redeemable Units and Statements of Cash Flows are for the six months ended February 29, 2020 and February 28, 2019, except for Portfolios or classes established during either period, in which case the information presented is from the Date Established or the Inception Date to February 29, 2020 and February 28, 2019.

These financial statements were approved for issuance by the Manager on April 20, 2020.

## 2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with International Accounting Standards (*IAS 34*) as published by the International Accounting Standards Board (*IASB*).

The financial statements have been prepared on a going concern basis using the historical-cost convention. However, each Portfolio is an investment entity and primarily all financial assets and financial liabilities are measured at fair value in accordance with IFRS. Accordingly, the Portfolios' accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the net asset value for transactions with unitholders. In applying IFRS, these financial statements include estimates and assumptions made by management that affect the reported amounts of assets, liabilities, income, and expenses during the reporting periods. However, existing circumstances and assumptions may change due to market changes or circumstances arising beyond the control of the Portfolios. Such changes are reflected in the assumptions when they occur.

These financial statements have been presented in Canadian dollars, which is the Portfolios' functional currency (unless otherwise noted).

### a) Financial Instruments

#### Classification and recognition of financial instruments

Under IFRS 9 Financial Instruments, the Portfolios classify financial assets into one of three categories based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Those categories are:

- *Amortized Cost* - assets held within a business model whose objective is to collect cash flows and where the contractual cash flows of the assets are solely payments of principal and interest (SPPI criterion). Amortization of the asset is calculated utilizing the Effective Interest Rate Method.



- *Fair Value Through Other Comprehensive Income (FVOCI)* - Financial assets such as debt instruments that meet the SPPI criterion and are held within a business model with objectives that include both collecting the associated contractual cash flows and selling financial assets. Gains and Losses are reclassified to Profit or Loss upon de-recognition for debt instruments but remain in Other Comprehensive Income for equity instruments.
- *Fair Value Through Profit or Loss (FVTPL)* - A financial asset is measured at FVTPL unless it is measured at Amortized Cost or FVOCI. Derivative contracts are measured at FVTPL. For all instruments classified as FVTPL, the gains and losses are recognized in Profit or Loss.

Financial Liabilities are classified at FVTPL when they meet the definition of held-for-trading (HFT) or when they are designated as FVTPL on initial recognition using the fair value option.

The Manager has assessed the business models of the Portfolios and has determined that the Portfolios' portfolio of financial assets and financial liabilities are managed and performance is evaluated on a fair value basis in accordance with the Portfolios' risk management and investment strategies; therefore, classification and measurement of financial assets is FVTPL.

All Portfolios have contractual obligations to distribute cash to the unitholders. As a result, the Portfolios' obligation for net assets attributable to holders of redeemable units represents a financial liability and is presented at the redemption amount.

#### **b) Risk Management**

The Portfolios' overall risk management approach includes formal guidelines that govern the extent of exposure to various types of risk, including diversification within asset classes and limits on the exposure to individual investments and counterparties. The Manager also has various internal controls to oversee the Portfolios' investment activities, including monitoring compliance with the investment objective and strategies, internal guidelines, and securities regulations. Please refer to each Portfolio's Supplemental Schedule to Schedule of Investment Portfolio for specific risk disclosures.

#### **Fair value measurement of financial instruments**

Financial instruments are valued at their fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Refer to notes 3a to 3c for valuation of each specific type of financial instruments held by the Portfolios. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The Portfolios use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

For financial assets and financial liabilities that are not traded in an active market, fair value is determined using valuation techniques.

The Portfolios classify fair value measurement within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable for the asset or liability.

If inputs are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. Each Portfolio's fair value hierarchy classification of its assets and liabilities is included in the Supplemental Schedule to Schedule of Investment Portfolio.

The carrying values of all non-investment assets and liabilities approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

The Manager is responsible for performing the fair value measurements included in the financial statements of a Portfolio, including the Level 3 measurements. The Manager obtains pricing from third-party pricing vendors and the pricing is reviewed daily. At each financial reporting date, the Manager reviews and approves all Level 3 fair value measurements. The Portfolios also have a Valuation Committee, which meets quarterly to perform detailed reviews of the valuations of investments held by the Portfolios, which includes discussion on Level 3 measurements.

#### **Credit risk**

Credit risk is the risk that a counterparty to a financial instrument, such as a fixed income security or a derivative contract, will fail to discharge an obligation or commitment that it has entered into with a Portfolio. The value of fixed income securities and derivatives as presented on the Schedule of Investment Portfolio includes consideration of the creditworthiness of the issuer and, accordingly, represents the maximum credit risk exposure of the Portfolios.

#### **Currency risk**

Currency risk is the risk that the value of an investment will fluctuate due to changes in foreign exchange rates.

#### **Interest rate risk**

Prices of fixed income securities generally increase when interest rates decline and decrease when interest rates rise. This risk is known as interest rate risk. Prices of longer-term fixed income securities will generally fluctuate more in response to interest rate changes than would shorter-term securities. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates.

#### **Liquidity risk**

The Portfolios are exposed to daily cash redemptions of redeemable units. Generally, the Portfolios retain sufficient cash and cash equivalent positions to maintain adequate liquidity. However, liquidity risk also involves the ability to sell an asset for cash easily and at a fair price. Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a Portfolio to sell such securities quickly or at a fair price. Difficulty in selling securities could result in a loss or lower return for a Portfolio.

#### **Other price/market risk**

Other price/market risk is the risk that the value of investments will fluctuate as a result of changes in market conditions. Several factors can influence market trends, such as economic developments, changes in interest rates, political changes, and catastrophic events. All investments are exposed to other price/market risk.

#### **c) Investment Transactions, Income Recognition, and Recognition of Realized and Unrealized Gains and Losses**

- Each transaction of purchase or sale of a portfolio asset by a Portfolio is reflected in the net assets no later than the first computation of net assets made after the date on which the transaction becomes binding upon the Portfolio.
- Interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Portfolio accounted for on an accrual basis. The Portfolios do not amortize premiums paid or discounts received on the purchase of fixed income securities, except for zero coupon bonds, which are amortized on a straight-line basis.
- Dividend income is recorded on the ex-dividend date.
- Security transactions are recorded on a trade date basis. Securities that are exchange-traded are recorded at fair value established by the last traded market price when that price falls within that day's bid-ask spread. Debt securities are recorded at fair value, established by the last traded price on the Over-the-Counter (OTC) market when that price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Unlisted securities are recorded at fair value using fair valuation techniques established by the Manager in establishing a fair value.
- Realized gains and losses on investments and unrealized appreciation or depreciation of investments are calculated using the average cost, excluding transaction costs, of the related investments.
- Investment income is the sum of income paid to the Portfolio that is generated from a Portfolio's investment fund holdings.
- Other income is the sum of income, excluding transaction costs, other than that which is separately classified on the Statements of Comprehensive Income.

## Notes to Financial Statements (unaudited)

### d) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Where applicable, additional information can be found in the table *Offsetting Arrangements* as part of the Supplemental Schedule to Schedule of Investment Portfolio. This supplemental schedule discloses the OTC derivatives, which are subject to offsetting.

### e) Portfolio Securities

The cost of securities of the Portfolios is determined in the following manner. Securities are purchased and sold at a market-traded price to arrive at a value for the position traded. The total purchased value represents the total cost of the security to the Portfolio. When additional units of the same security are purchased, the cost of those additional units is added to the total security cost. When units of the same security are sold, the proportionate cost of the units of the security sold is deducted from the total security cost. If there is a return of capital paid by a security, the amount of this return of capital is deducted from the total security cost. This method of tracking security cost is known as "average cost" and the current total for any one security is referred to as the adjusted cost base or "ACB" of the security. Transaction costs incurred in portfolio transactions are excluded from the average cost of investments and are recognized immediately in Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units and are presented as a separate expense item in the financial statements.

The difference between the fair value of securities and their average cost, excluding transaction costs, represents the unrealized appreciation (depreciation) of investments. The applicable period change in unrealized appreciation (depreciation) of investments is included on the Statements of Comprehensive Income.

### f) Multi-Class Structured Portfolios

Each Portfolio may issue an unlimited number of classes of units. The realized and unrealized capital gains or capital losses, income, and common expenses (other than class-specific operating expenses and management fees) of a Portfolio are allocated on each Valuation Date (as defined in note 3) to the unitholders in proportion to the respective prior day's net asset value, which includes the unitholder trade(s) dated for that day, of each class of units at the date on which the allocation is made. Class-specific operating expenses and management fees do not require allocation. All class-specific operating expenses are paid by the Manager and are collected from the Portfolios on a recoverable basis.

### g) Loans and Receivables, Other Assets and Liabilities

Loans and receivables, other assets and liabilities are recorded at cost, which approximates their fair value with the exception of net assets attributable to holders of redeemable units, which are presented at the redemption value.

### h) Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

Increase (decrease) in net assets attributable to holders of redeemable units per unit of each class is calculated by dividing the Increase (decrease) in net assets attributable to holders of redeemable units (excluding distributions), as reported in the Statements of Comprehensive Income, by the weighted average number of units in issue during the related period.

## 3. Valuation of Investments

The valuation date for a Portfolio is any day when the Manager's head office is open for business (*Valuation Date*). The Manager may, at its discretion, establish other Valuation Dates. The value of the investments or assets of a Portfolio is determined as follows:

### a) Cash and Other Assets

Cash, accounts receivable, dividends receivable, distributions receivable, and interest receivable are valued at their fair value or at their recorded cost.

### b) Mutual Fund Units

Units of each mutual fund in which a Portfolio invests are fair valued at the most recent net asset value quoted by the trustee or manager of the mutual fund on the Valuation Date.

### c) Other Securities

All other securities held by the Portfolios will be fair valued in accordance with the laws of the Canadian securities regulatory authorities, where applicable, and using fair valuation techniques that most accurately reflect their current value as determined by the Manager.

The value of any security or other property of a Portfolio for which a market quotation is not readily available or where, in the opinion of the Manager, the market quotations do not properly reflect the current value of such securities, will be determined by the Manager by valuing the securities at their fair value. In such situations, fair value will be determined using fair valuation techniques that most accurately reflect their fair value as established by the Manager.

## 4. Interest in Underlying Funds

The Portfolios invest in other investment funds (*Underlying Funds*). Each Underlying Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for its unitholders. Each Underlying Fund finances its operations primarily through the issuance of redeemable units, which are puttable at the unitholder's option and entitle the unitholder to a proportionate share of the Underlying Fund's net assets. The Portfolios' interests in Underlying Funds held in the form of redeemable units are reported in its Schedule of Investments at fair value, which represents the Portfolios' maximum exposure on those investments. The Portfolios' interests in Underlying Funds as at the prior year period ends are presented in the Financial Instrument Risks – Concentration Risks section in the Supplemental Schedule to the Schedule of Investment Portfolio. Distributions earned from Underlying Funds are included in "Investment Income" in the Statements of Comprehensive Income. The total realized and change in unrealized gains (losses) arising from Underlying Funds are also included in the Statements of Comprehensive Income. The Portfolios do not provide any additional significant financial or other support to Underlying Funds.

Where applicable, the table *Interests in Underlying Funds* is presented as part of the Supplemental Schedule to Schedule of Investment Portfolio, which provides additional information on the Portfolios' investments in Underlying Funds where the ownership interest exceeds 20% of each Underlying Fund.

## 5. Redeemable Units Issued and Outstanding

Each Portfolio is permitted to have an unlimited number of classes of units and may issue an unlimited number of units of each class. The outstanding units represent the net assets attributable to holders of redeemable units of the Portfolios. Each unit has no par value and the value of each unit is the net asset value determined on each valuation date. Settlement of the cost for units issued is completed as per laws of the Canadian securities regulatory authorities in place at the time of issue. Distributions made by the Portfolios and reinvested by unitholders in additional units also constitute issued redeemable units of the Portfolios.

Units are redeemed at the net assets attributable to holders of a redeemable unit per unit of each class of units of the Portfolio. A right to redeem units of a Portfolio may be suspended with the approval of the Canadian securities regulatory authorities or when normal trading is suspended on a stock, options, or futures exchange in Canada or outside of Canada on which securities or derivatives that make up more than 50% of the value or underlying market exposure of the total assets of the Portfolio, not including any liabilities of the Portfolio, are traded and when those securities or derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Portfolio. The Portfolios are not subject to any externally imposed capital requirements.

The capital received by a Portfolio is utilized within the respective investment mandate of the Portfolio. This includes, for all Portfolios, the ability to make liquidity available to satisfy unitholder unit redemption requirements upon unitholder request.

Changes in issued and outstanding units for the six-month periods ended February 29, 2020 and February 28, 2019 can be found on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

## 6. Management Fees and Operating Expenses

Management fees are based on the net asset value of the Portfolios and are calculated daily and paid monthly. Management fees are paid to the Manager in consideration for providing, or arranging for the provision of, management, distribution, and portfolio advisory services. Advertising and promotional expenses, office overhead expenses related to the Manager's activities, trailing commissions and the fees of the portfolio sub-advisors are paid by the Manager out of the management fees received from the Portfolios.

For all classes except Class O, the Portfolios may charge up to a maximum annual management fee. The maximum annual management fee expressed as a percentage of the average net asset value for each class of units of the Portfolio is reported in footnote *Maximum Chargeable Management Fee* on the Statements of Comprehensive Income.

In addition to the management fees, the Portfolios are responsible for all expenses relating to the operation and conduct of the business of the Portfolios, including interest, operating, and administrative costs (other than advertising and promotional expenses, which are the responsibility of the Manager), brokerage fees, commissions, spreads, regulatory fees (including the portion of the regulatory fees paid by the Manager that are attributable to the Portfolios), Independent Review Committee fees and expenses, taxes, audit and legal fees and expenses, trustee fees, safekeeping fees, custodial fees, any agency fees, investor servicing costs, and costs of unitholder reports, prospectuses, fund facts, and other reports. All class-specific operating expenses are paid by the Manager and recovered from the Portfolios. The Portfolios do not pay a fee to the trustee.

The Manager may recover from a Portfolio less than the actual class-specific operating expenses paid by the Manager, resulting in the Manager absorbing class-specific expenses. The Manager may also charge to a Portfolio less than the maximum management fee noted in footnote *Maximum Chargeable Management Fee* on the Statements of Comprehensive Income, resulting in the Manager waiving management fees.

The decision to waive and/or absorb management fees and class-specific operating expenses is at the discretion of the Manager. The practice of waiving and/or absorbing management fees and class-specific operating expenses may continue indefinitely or may be terminated at any time without notice to unitholders. Class-specific operating expenses absorbed and/or management fees waived by the Manager are disclosed on the Statements of Comprehensive Income.

In some cases, the Manager may charge management fees to a Portfolio that are less than the management fees the Manager is entitled to charge in respect of certain investors in a Portfolio. The difference in the amount of the management fees will be paid out by the Portfolio to the applicable investors as a distribution of additional units of the Portfolio (*Management Fee Distributions*). Management Fee Distributions are negotiable between the Manager and the investor and are dependent primarily on the size of the investor's investment in the Portfolio. Management Fee Distributions paid to qualified investors do not adversely impact the Portfolio or any of the Portfolio's other investors. The Manager may increase or decrease the amount of Management Fee Distributions to certain investors from time to time.

Where a Portfolio invests in units of an Underlying Fund, the Portfolio does not pay duplicate management fees on the portion of its assets that it invests in units of the Underlying Fund. In addition, the Portfolio will not pay sales fees or redemption fees with respect to the purchase or redemption by it of units of the Underlying Funds. The manager of the Underlying Funds may, in some cases, waive all or a portion of an Underlying Fund's management fee, if any, and/or absorb all or a portion of an Underlying Fund's operating expenses.

#### 7. Income Taxes and Withholding Taxes

All of the Portfolios qualify as mutual fund trusts under the *Income Tax Act* (Canada). No income tax is payable by the Portfolios on net income and/or net realized capital gains that are distributed to unitholders. In addition, for all of the Portfolios, income taxes payable on undistributed net realized capital gains are refundable on a formula basis when units of the Portfolios are redeemed. Sufficient net income and realized capital gains of the Portfolios have been, or will be, distributed to the unitholders such that no tax is payable by the Portfolios and, accordingly, no provision for income taxes has been made in the financial statements. Occasionally, a Portfolio may pay distributions in excess of net income and realized capital gains of the Portfolio. This excess distribution is called a return of capital and is non-taxable for the unitholders. However, a return of capital will reduce the adjusted cost base of the unitholders' units for tax purposes.

Non-capital losses are available to be carried forward for 20 years.

Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years. Where applicable, a Portfolio's net capital and non-capital losses are reported in footnote *Net Capital and Non-Capital Losses* on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

All the Portfolios have a taxation year-end of December 15.

The Portfolios may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

#### 8. Related Party Transactions

Canadian Imperial Bank of Commerce (*CIBC*) and its affiliates have the following roles and responsibilities with respect to the Portfolios and receive the fees described below in connection with their roles and responsibilities. Management fees payable and other accrued expenses on the Statements of Financial Position are amounts generally payable to a related party of the Portfolio.

##### *Manager, Trustee, and Portfolio Advisor of the Portfolios*

CIBC Asset Management Inc. (*CAMI*), a wholly owned subsidiary of CIBC, is the Manager, trustee, and portfolio advisor of each of the Portfolios. The Manager also arranges for fund administrative services (other than advertising and promotional services, which are the responsibility of the Manager), legal, investor servicing, costs of unitholder reports, prospectuses, and other reports. The Manager is the registrar and transfer agent for the Portfolios and provides, or arranges for the provision of, all other administrative services required by the Portfolios. The dollar amount (including all applicable taxes) of all fund administrative expenses (net of absorptions) that the Manager recovers from the Portfolio is reported in footnote *Administrative and Other Fund Operating Expenses* on the Statements of Comprehensive Income.

##### *Custodian*

The Custodian holds cash and securities for the Portfolios 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 Portfolios, which could include record keeping and processing of foreign exchange transactions. CIBC Mellon Trust Company is the custodian of the Portfolios (the *Custodian*). The fees and spreads for the services of the Custodian are paid by the Manager and charged to each Portfolio on a recoverable basis. CIBC owns a 50 percent interest in the Custodian.

##### *Service Provider*

CIBC Mellon Global Securities Services Company (*CIBC GSS*) provides certain services to the Portfolios, including fund accounting and reporting, and portfolio valuation. CIBC indirectly owns a 50 percent interest in CIBC GSS. The dollar amount paid by the Portfolios (including all applicable taxes) to CIBC Mellon Trust Company for custodial fees (net of absorptions) and to CIBC GSS for fund accounting, reporting, and fund valuation (all net of absorptions) for the six-month periods ended February 29, 2020 and February 28, 2019 is reported in footnote *Service Provider* on the Statements of Operations.

#### 9. Subsequent Event

Subsequent to February 29, 2020, coronavirus disease 2019 had been classified as a pandemic by the World Health Organization and unprecedented actions have been taken by governments around the world to curtail the spread of the disease. The situation has caused a high level of uncertainty and volatility in the financial markets and has had an enormous impact on businesses and consumers in all sectors. The outcome and timeframe to a recovery from the current pandemic is highly unpredictable and as such, it is not possible to reliably estimate the impact on the financial results and conditions of the Manager and its Portfolios performance in future periods.



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