CIBC Asset Management

CIBC MULTI-ASSET ABSOLUTE RETURN STRATEGY

INVESTMENT OBJECTIVE

The Fund's investment objective is to achieve a positive absolute return that exceeds the return of the Government of Canada 91-day treasury bills over rolling three-year periods, regardless of the prevailing economic conditions, by actively managing a diversified portfolio with direct and indirect exposure primarily to equity securities, fixed income securities, commodities, currencies, and derivatives investments.

INVESTMENT STRATEGY

The Portfolio Advisor identifies and pursues multiple investment ideas and opportunities across and within a wide range of asset classes. The identity and number of investment strategies used by the Fund, and the amount of assets allocated among them, will change over time.

INVESTMENT MANAGEMENT TEAM

Luc de la Durantaye, CFA
CIBC Asset Management Inc.

Francis Thivierge, CFA
CIBC Asset Management Inc.

Patrick Bernes, CFA
CIBC Asset Management Inc.

VOLATILITY RANKING

LOW	**LOW - MEDIUM**	MEDIUM	MEDIUM - HIGH	HIGH

FUND DETAILS *As at December 31, 2020

Series	A	F
Management Fee	1.90%	0.90%
Administrative Fee	0.20%	0.20%
Fund Code	ATL5012	ATL5010
Fund Code (USD)	ATL5014	ATL5015
Inception Date	October 22, 2018	October 22, 2018
Inception Date (USD)	October 28, 2019	October 28, 2019
Unit Price*	$10.69	$10.79
Unit Price (USD)*	$8.40	$8.47

Series	A & F
Total Fund Assets $MI*	$1,186.76
Distribution Frequency	Semi-Annually
Minimum Investment	$500
Minimum Additional Investment	$100
Liquidity	Daily
Fund Category	Alternative Multi-Strategy

STRATEGY OBJECTIVE

+5%

T-BILLS + 5% TARGET RETURN

Aims to achieve a positive absolute return by targeting, over rolling three-year periods, an annualized return of 5% in excess of the Government of Canada 91-day treasury bills (gross of fees and expenses)

½

VOLATILITY OF GLOBAL EQUITIES

Aims to achieve an annualized volatility, under normal market conditions, at a level that is generally half the volatility of global equities represented by the MSCI AC World Index (CAD) measured over the same three-year rolling periods

PERFORMANCE (%) *As at December 31, 2020

TRAILING RETURNS	1 MTH	3 MTHS	6 MTHS	1 YR	3 YRS	5 YRS	10 YRS	SINCE INCEPTION
Series A	1.8	2.5	1.8	7.3	-	-	-	4.2
Series F	1.9	2.8	2.3	8.5	-	-	-	5.4
Series A (USD)	3.9	7.2	8.6	9.5	-	-	-	8.1
Series F (USD)	4.0	7.5	9.1	10.7	-	-	-	9.0

CALENDAR YEAR RETURNS	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Series A	7.3	0.7	-	-	-	-	-	-	-	-
Series F	8.5	1.9	-	-	-	-	-	-	-	-
Series A (USD)	9.5	-	-	-	-	-	-	-	-	-
Series F (USD)	10.7	-	-	-	-	-	-	-	-	-

MONTHLY PORTFOLIO SUMMARY *As at December 31, 2020

ASSET CLASS SUMMARY	PORTFOLIO WEIGHT	RISK CONTRIBUTION
Core Fixed Income	-4.5%	0.5%
Credit Fixed Income	27.8%	24.8%
Equities	18.2%	53.5%
Currencies	-16.2%	8.2%
Commodities	7.8%	13.1%
Cash	66.9%	-
Total	**100.0%**	**100.0%**

STRATEGY SUMMARY	PORTFOLIO WEIGHT	RISK CONTRIBUTION
Market Risk Premia	35.5%	38.9%
Alternative Risk Premia	31.3%	11.4%
Tactical Opportunities	33.2%	49.8%
Total	**100.0%**	**100.0%**

TOP TEN LONG HOLDINGS	PORTFOLIO WEIGHT	RISK CONTRIBUTION
Long INR	8.2%	-2.7%
Long CNY	6.4%	-1.4%
Long Gold	5.4%	3.1%
Long Colombia 10Y	5.1%	7.6%
Long Euro Stoxx 50 Div.	3.7%	5.5%
Long Indonesia 5Y	3.5%	0.9%
Long JPM Emerging Bond Vaneck	3.4%	2.5%
Long Emerging Bond iShares	3.4%	3.6%
Long MXN	3.3%	1.7%
Long Malaysia Kuala Lumpur	3.1%	4.2%
Total	**45.4%**	**25.0%**

TOP TEN SHORT HOLDINGS	PORTFOLIO WEIGHT	RISK CONTRIBUTION
Short USD	-19.6%	9.7%
Short COP	-3.5%	-3.1%
Short Nasdaq 100	-2.6%	-5.6%
Short TWD	-2.5%	0.7%
Short Germany 10Y	-2.5%	0.0%
Short MYR	-2.5%	0.2%
Short UK Gilts 10Y	-2.4%	0.0%
Short PLN	-2.4%	-0.1%
Short ZAR	-2.2%	-0.9%
Short PHP	-1.6%	0.4%
Total	**-22.0%**	**-8.2%**

PORTFOLIO OVERVIEW	VALUE
Long Term MSCI ACWI (CAD) Risk (Rolling 3-year annualized standard deviation)	17.2%
Current Target Risk (Annualized Standard Deviation) (50% of MSCI ACWI CAD)	8.6%
Current Portfolio Risk (Annualized Standard Deviation)	8.7%
Current Portfolio Value at Risk (VaR)	6.3%
Portfolio Yield	1.4%
Leverage	1.64x

A positive or negative sign next to the values in the Risk Contribution columns identifies whether or not that exposure is adding or subtracting risk to the portfolio.

GLOSSARY

Portfolio Weight: The dollar value of each position as a percentage of the value of the total portfolio. Note, the portfolio weight of option contracts is represented by their market value weight; the equivalent notional exposure to the underlying asset may differ.

Risk Contribution: Identifies the amount of portfolio risk attributed to each position, asset class, or strategy as a percentage of overall portfolio risk.

Core Fixed Income: Invests in developed markets government bonds.

Credit Fixed Income: Invests in corporate bonds and emerging markets sovereign bonds.

Value at Risk (VaR): Measures the potential portfolio loss over the next month, at a 99% confidence level.

Market Risk Premia: Long-only opportunities across equities, bonds - both on a fully currency hedged basis - and developed market and emerging market currencies.

Alternative Risk Premia: Long/short relative opportunities from non-traditional style premia such as Value, Momentum, and Carry.

Tactical Opportunities: Tactical opportunities resulting from market cycles and investor behaviour not captured by either Market Risk Premia or Alternative Risk Premia. Also exploits systematic hedging strategies that mitigate tail risks during periods of unexpected market turbulence.

MSCI ACWI (CAD): The benchmark index used for the strategy's volatility target is the Morgan Stanley Capital Index (MSCI) All Country World Index (ACWI) in Canadian dollars.

NOTE: Totals may not add up to 100% due to rounding

DETAILED PORTFOLIO EXPOSURE OVERVIEW *As at December 31, 2020

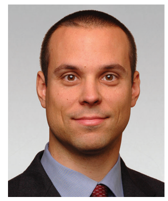
PORTFOLIO EXPOSURE	PORTFOLIO WEIGHT	RISK CONTRIBUTION
CORE FIXED INCOME	**-4.5%**	**0.5%**
Long Australia 10Y	1.3%	0.0%
Long Japan 10Y	1.2%	0.0%
Long iShares US 20Y+ Bond ETF	0.0%	0.0%
Short US 10Y Ultra	-1.1%	0.2%
Short Canada 10Y	-1.1%	0.2%
Short UK Gilts 10Y	-2.4%	0.0%
Short Germany 10Y	-2.5%	0.0%
EQUITY	**18.2%**	**53.5%**
Long Euro Stoxx 50 Div.	3.7%	5.5%
Long Malaysia Kuala Lumpur	3.1%	4.2%
Long Russell 2000 Value	2.6%	7.3%
Long H Shares China	2.5%	5.4%
Long Korea Kospi 200	2.5%	5.3%
Long Australia ASX 200	2.4%	3.3%
Long Euro Stoxx Banks	1.7%	5.7%
Long iShares MSCI Chile ETF	1.7%	4.3%
Long MSCI Singapore	1.6%	2.9%
Long FTSE Taiwan	1.2%	2.3%
Long Russia ETF	1.1%	3.7%
Long UK FTSE 100	0.7%	1.4%
Long Poland WIG 20	0.7%	1.8%
Long Sweden OMX	0.7%	1.4%
Long Japan Nikkei	0.5%	1.1%
Equity Directional (Options)	0.3%	4.1%
Volatility Carry (Options)	0.2%	7.6%
Swap MSCI EM ex-Asia	0.1%	7.4%
Swap GSXFBNKS	0.0%	3.4%
Systematic Equity Hedge (Options)	0.0%	2.2%
Swap MSCI Indonesia Equities	0.0%	-2.5%
Volatility Risk Premium (Options)	-0.1%	3.7%
Swap MSCI EM Asia	-0.1%	-6.5%
Swap MSCI Brazil	-0.4%	-4.9%
Short Thailand SET 50	-0.9%	-2.1%
Short India Nifty	-1.0%	-1.4%
Short Mexico Bolsa	-1.2%	-1.9%
Short S&P 500	-1.3%	-2.9%
Short South Africa Index	-1.3%	-2.9%
Short Nasdaq 100	-2.6%	-5.6%
COMMODITIES	**7.8%**	**13.1%**
Long Gold	5.4%	3.1%
Long Brent Crude Oil	2.2%	9.5%
Long Iron	0.5%	0.4%
Swap S&P GSCI Copper	0.0%	0.7%
Swap S&P GSCI Zinc	0.0%	0.7%
Swap S&P GSCI Nickel	0.0%	0.5%

PORTFOLIO EXPOSURE	PORTFOLIO WEIGHT	RISK CONTRIBUTION
Swap S&P GSCI Aluminum	0.0%	0.4%
Swap S&P GSCI Lead	0.0%	0.3%
Commodities Carry basket	-0.3%	-2.5%
CREDIT FIXED INCOME	**27.8%**	**24.8%**
Long Colombia 10Y	5.1%	7.6%
Long Indonesia 5Y	3.5%	0.9%
Long JPM Emerging Bond Vaneck	3.4%	2.5%
Long Emerging Bond iShares	3.4%	3.6%
Long Malaysia 10Y	2.4%	-0.1%
Long Indonesia 10Y	2.4%	0.6%
Long Poland 10Y	2.3%	0.1%
Long South Africa 10Y	2.1%	2.3%
Long Brazil 5Y	1.8%	1.0%
Long Korea 10Y	1.2%	0.0%
Swap High Yield Fallen Angels iShares	0.1%	3.1%
Swap JPM EM Bonds iShares ETF	0.0%	3.3%
CURRENCIES	**-16.2%**	**8.2%**
Long INR	8.2%	-2.7%
Long CNY	6.4%	-1.4%
Long MXN	3.3%	1.7%
Long RUB	2.8%	1.6%
Long NOK	2.4%	1.0%
Long IDR	0.7%	0.0%
Long CLP	0.1%	0.0%
Long KRW	0.0%	0.0%
Long SEK	0.0%	0.0%
Short PEN	0.0%	0.0%
Short JPY	0.0%	0.0%
Short SGD	0.0%	0.0%
Short THB	0.0%	0.0%
Short GBP	0.0%	0.0%
Short EUR	-0.3%	0.1%
Short AUD	-0.8%	-0.1%
Short HKD	-1.0%	0.5%
Short BRL	-1.0%	-0.5%
Short ILS	-1.1%	0.0%
Short CHF	-1.6%	0.9%
Short PHP	-1.6%	0.4%
Short ZAR	-2.2%	-0.9%
Short PLN	-2.4%	-0.1%
Short MYR	-2.5%	0.2%
Short TWD	-2.5%	0.7%
Short COP	-3.5%	-3.1%
Short USD	-19.6%	9.7%
CASH	**66.9%**	**-**
Cash	66.9%	-

COMMENTARY *As at December 31, 2020

LUC DE LA DURANTAYE

Chief Investment Strategist,
Multi-Asset and Currency Management



FRANCIS THIVIERGE

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PATRICK BERNES

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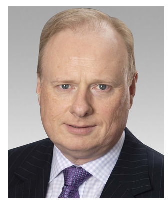

MICHAEL SAGER

Vice President,
Multi-Asset and Currency Management

SUMMARY

- MAARS strategy risk was increased in December.
- Although markets remain susceptible to headline risk, including on Covid, inflation, and politics, overall uncertainty appears lower and tail risks have diminished.
- The portfolio retains a pro-cyclical tilt, with Equity the main risk contributor, followed by Emerging Market (EM) credit, then Currencies and Commodities. We continue to dislike Developed Market (DM) sovereign bonds, given low expected returns.
- We remain constructive on the long-term global economic recovery, even though near-term growth momentum will likely slow further due to Covid-related restrictions on economic activity. The recovery will be underpinned by continued ample liquidity and, as we progress through 2021, widespread COVID vaccinations. China is expected to retain growth leadership.

MARKET OVERVIEW

We have become more constructive on the outlook for economic recovery and risk assets. The global economic recovery has remained relatively resilient, with strong Chinese growth the main contributor. Leading indicators project a further acceleration of Chinese growth in coming months. U.S. growth, although likely to weaken further in the short term, has remained more robust than expected in the face of heightened Covid-related activity restrictions. It will be boosted in 2021 by the additional fiscal stimulus announced at the end of December, as well as by vaccine deployment. Similarly in Europe, a loss of growth momentum in recent months will likely persist through early 2021, but then will be replaced by a growth rebound fuelled in part by recently added European Central Bank (ECB) policy stimulus.

Headline inflation data are expected to strengthen in early 2021, and move above central bank targets in Spring. This will likely be a short-lived phenomenon, driven primarily by base effects related to March 2020 Covid lockdowns. From a trend perspective, and despite the growth recovery, aggregate global economic activity levels remain relatively low, particularly in service industries. They will likely not get back to highs reported at the beginning of 2020 until well into 2021, at the earliest. This suggests continued subdued underlying inflation pressures, even if abundant liquidity eventually tilts trend inflation risks to the upside. A mix of strong global growth and low activity levels is expected to encourage policy makers to keep financial conditions accommodative for an extended period, until the trajectory of underlying inflation data becomes consistent with central bank targets.

STRATEGY HIGHLIGHTS

- **Stable Portfolio Risk; a Pro-Cycle Tilt in Positioning**

Portfolio risk was increased in December, to be broadly in line with its long-term target. Positioning is tilted towards pro-cyclical assets and strategies, with a focus on equity risk.

- **Equities: Longs Focused on China & Europe**

We expect an increase in equity markets over the next several quarters in aggregate. Near-term headwinds remain, ahead of a broad distribution of COVID vaccines. But a continued robust economic growth recovery supported by an abundance of liquidity, in addition to vaccines, is expected to be a longer-term support.

We have maintained long equity exposure to China, as well as related markets, including Australia, Korea and Malaysia. This positioning reflects our view of China as the primary growth engine of the global economic recovery. Some other Asian equities markets are less attractive, including Indonesia and Thailand, for instance due to heightened COVID-19 related risks, and we have shorts in both.

We are also positively exposed, in aggregate, to Developed and Emerging Europe, including Euro Stoxx Dividends, Russia, Poland, and Sweden, reflecting our constructive long-term outlook for this region. We remain short North American Large Cap, via the U.S. and Mexico.

We are positioned to benefit from a continued thematic rotation away from Growth and towards Value. This positioning includes longs in Small Cap Value, and European and EM banks, and short the Nasdaq.

The expected return premium of equity markets, broadly, over DM sovereign bonds remains large, justifying our continued tilt towards equity risk.

- **Currencies: Continued Focus on Long-Term Fundamentals; short the U.S. dollar**

We maintain long exposure in currencies of countries with relatively strong long-term fundamentals, relatively attractive interest rate carry and valuations, and a pro-cyclical bias. Most are located in the Emerging Markets, including the Chinese renminbi, Mexican peso, Russian ruble, and Indian rupee. Funding for Asian longs in this group includes a short Taiwan dollar position. In the Developed Markets, we favour the Norwegian krone. We are short core DM currencies, including the U.S. dollar, which is expected to experience a continued trend decline, and the Swiss franc.

- **Bonds: EM Opportunities**

Yields in a number of EM countries, including in Latin America and Asia, remain relatively attractive. As well as constructive domestic fundamentals, EM bond returns will likely be boosted by the expected long-term weakening trajectory of the U.S. dollar.

- **Commodities: Long Industrial Metals, Oil, & Gold**

Reflecting our constructive outlook for the global economic recovery, we are long Industrial metals, including steel, zinc, and nickel. We are also long Brent crude oil, which is attractive from a growth perspective, but also hedges longer-term upside inflation risks.

The long-term outlook for gold remains positive, notwithstanding its correction lower over recent months. A strategic allocation to gold makes sense, particularly as low yields render Developed Market bonds a less effective hedge against future periods of equity market stress. Massive fiscal deficits and substantial monetary stimulus are also expected to be long-term positives for gold. And in the short term negative U.S. real interest rates will also be supportive.

OUTLOOK

We remain positive on the longer-term trajectory of the global economic recovery, despite an ongoing loss of momentum. We are also constructive on the fundamental outlook for risk assets, across equities, credit, currencies, and commodities. Policy-inspired liquidity will remain plentiful for many quarters, vaccine news has been strongly positive, an inventory rebuild cycle has begun, and consumers have considerable excess savings which will likely be deployed as confidence builds.

The Chinese economy is expected to remain the principal driver of the global recovery. European economic activity is likely to remain relatively weak in the short term, due to re-introduction of restrictive measures to slow COVID infection rates. The U.S. and Canadian economies will likely lose further momentum as well. But recent additional ECB monetary easing and fiscal stimulus in the U.S. and Canada, as well as broad vaccine deployment, will combine to boost growth as we move through 2021, more than compensating for shortfalls in the near term.

Although markets remain susceptible to headline risk, including on Covid, inflation, and politics, overall uncertainty appears lower and tail risks have diminished.