



Dear Unitholder:

I am writing on behalf of the Independent Review Committee (the "IRC") of the funds managed by Canadian Imperial Bank of Commerce ("CIBC") and CIBC Asset Management Inc. ("CAMI"), which was established pursuant to *National Instrument 81-107–Independent Review Committee for Investment Funds* ("NI 81-107").

Securities regulators have given the IRC a mandate to review mutual fund conflict of interest matters identified and referred to the IRC by CIBC and CAMI and to give its approval or recommendation, depending on the conflict of interest matter. The IRC's focus is on the question of whether the manager's proposed action in a conflict of interest matter achieves a fair and reasonable result for the mutual fund.

The members of the IRC have expertise in a variety of fields, including financial institutions, investment funds, other investment businesses, legal, and accounting.

At least once a year, the IRC reviews and assesses the adequacy and effectiveness of the policies relating to conflict of interest matters in respect of the Funds (hereinafter defined), and conducts a self-assessment of the IRC's independence, compensation, and effectiveness. The IRC conducted its fourth annual assessment at its May 2011 meeting. After this review, the IRC confirmed that each of its members was still independent and concluded that the committee as a whole, and each of its members, were functioning in a positive and effective manner.

The report that follows, prepared as of August 31, 2011, is the annual report to unitholders of the Funds managed by CAMI (collectively, the "Funds", and individually, a "Fund"), comprising the Renaissance Investments family of funds, the Axiom Portfolios, and the Frontiers Pools, under the requirements of NI 81-107.

The IRC looks forward to continuing to serve in the best interests of the Funds and to working effectively with management for the Funds.

John W. Crow

Chair of the Independent Review Committee

November 21, 2011



Member of the IRC	Fund Families other than CIBC on whose IRC Member Serves	Reappointed in	Expiry of Term
Name			
John W. Crow Chair of the IRC Toronto, Ontario	Aston Hill Funds	2010	2013
Donald W. Hunter, FCA Toronto, Ontario	None	2011	2014
Tim Kennish Toronto, Ontario	None	2011	2014
Merle Kriss Toronto, Ontario	None	2009	2012
William Thornhill Mississauga, Ontario	Quadravest Funds	2010	2013

John Crow – Mr. Crow is former Governor of the Bank of Canada, and is currently a director of a number of companies, a Senior Fellow of the C.D. Howe Institute, and Chair of the Public Accountants Council for the Province of Ontario. Prior to joining the Bank of Canada, Mr. Crow was employed with the International Monetary Fund. During his career at the Bank of Canada, he held a variety of senior positions before being appointed Governor for a seven-year term. In 1993, he was elected Chairperson of the central bank governors of the Group of Ten countries, a position he relinquished when his term as Governor ended. Mr. Crow is the author (2002) of *Making Money: An Insider's Perspective on Finance, Politics, and Canada's Central Bank* and was appointed Officer of the Order of Canada in July 2009.

Donald W. Hunter – Mr. Hunter is a Chartered Accountant and professional director. From 1982 to July 2005, he was a partner in PricewaterhouseCoopers LLP. He was the audit engagement partner on a number of Canada's largest financial services companies in the banking, investment, and asset management sectors. Mr. Hunter has been on the Accounting and Auditing Advisory panel of the Financial Services Commission of Ontario, has lectured at the University of Toronto and the CICA, and has participated on numerous community boards. Mr. Hunter has an MBA from York University and a B.E.Sc. (Engineering) from the University of Western Ontario.

Tim Kennish – Mr. Kennish is a retired partner of the Osler, Hoskin & Harcourt law firm, having served as its co-managing partner, chair, and co-chair. He is the former chair of the Firm's competition and antitrust practice group and is a past chair of the National Competition Law Section of the Canadian Bar Association and of the Task Force on Competition Law and Policy of the Canadian Chamber of Commerce. He is also a public representative of the Province of Ontario on the Governing Council of the Institute of Chartered Accountants of Ontario and is a member of the Management Advisory Committee of the Institute. Mr. Kennish is a graduate of Trinity College School, Harvard College, and Osgoode Hall Law School. He is a past chair of the Governing Body of Trinity College School and is currently Chair of the Trinity College School Foundation and co-chair of the School's 150th Anniversary Campaign. He is a past President of the Harvard Club of Toronto and a recent recipient of the Osgoode Hall Law School Gold Key Award.

Merle Kriss – Mrs. Kriss is a seasoned financial services executive with more than twenty years' experience in domestic and international banking with a major Canadian bank. After a career that was principally focused on corporate and investment banking, she moved into personal finance, where she initiated a comprehensive Private Client Services offering. She subsequently formed Kriss & Associates



Limited, a consulting practice in finance and wealth management. Mrs. Kriss earned a B.A. and an MBA from the University of Toronto and holds both a CFP and an ICD.D designation. She is an experienced director and currently serves on a number of boards and foundations.

William Thornhill – Mr. Thornhill is a 40-year veteran of the financial services industry, and is currently president of Thornhill Consulting, which provides management consulting services to the banking and investment industries. Before forming his own consultancy, he was Executive Vice President at Canada Trust, responsible for all business strategies. While there, he held senior positions in finance, banking, investments, and retail product development. Mr. Thornhill has been a member of the IRC since its inception. He is a past governor of the University of Waterloo Advisory Board, and holds a B.Sc. in mathematics and computer science from the University of Western Ontario.

All of the members listed above were initially appointed to the IRC on April 27, 2007.

Holdings of Securities:

(a) Funds

As at August 31, 2011, the percentage of units of each class of the Funds covered by this report beneficially owned, directly or indirectly, in aggregate, by all members of the IRC totaled less than 1 per cent for each Fund.

(b) Manager

As at August 31, 2011, the percentage of each class or series of voting or equity securities of CIBC beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 0.1 per cent of all of the issued and outstanding classes or series of voting or equity securities of CIBC. As at the same date, no member of the IRC beneficially owned, directly or indirectly, any issued and outstanding classes or series of voting or equity securities of CAMI.

(c) Service providers

As at August 31, 2011, no member of the IRC beneficially owned, directly or indirectly, more than a negligible amount of any class or series of voting or equity securities of a person or company that provides services to the Funds or the manager of the Funds with respect to its fund business.

IRC Compensation and Indemnities

The aggregate compensation paid to the IRC for the twelve-month period from September 1, 2010 to August 31, 2011 was \$310,752. This amount was allocated among the Funds and other investment funds managed by CIBC and/or its affiliates in a manner that is considered by CIBC to be fair and reasonable to the Funds and the other investment funds.

As at the date of this report, each member of the IRC receives an annual retainer of \$50,000 (\$75,000 for the Chair) and \$1,500 for each meeting of the IRC that the member attends in excess of six meetings per year, plus expenses for each meeting. During the twelve-month period from September 1, 2010 to August 31, 2011, the IRC met four times.

The IRC reviews its compensation on an annual basis, giving consideration to the following:

1. Industry practice, including industry averages and surveys on independent review committee compensation;
2. The number, nature, and complexity of the Funds for which the IRC acts; and
3. The nature and extent of the workload of each member of the IRC, including the commitment of time and energy that is expected from each member.

The IRC reviewed its compensation on May 26, 2011. The IRC concluded that its compensation was reasonable and, therefore, no change was made. No indemnities were paid to the IRC by the Funds or the manager of the Funds during the period.



IRC Charter

On September 23, 2010, the IRC reviewed and approved minor revisions to the IRC Charter. The IRC did not make any further changes to the IRC Charter when last assessed on May 26, 2011.

Conflict of Interest Matters

The manager identifies and refers conflict of interest matters, along with its proposed action, to the IRC for its review and decision. Depending on the nature of the matter, the decision of the IRC must either be (a) an approval or rejection or (b) a positive or negative recommendation.

For each ongoing conflict matter referred by the manager to the IRC during the twelve-month period from September 1, 2010 to August 31, 2011, the IRC granted an approval or made a positive recommendation. These approvals and recommendations are described below, and, except for the change of sub-advisor of Renaissance European Fund, were accompanied by standing instructions permitting the manager to engage in the activity on an ongoing basis, subject to compliance with the manager's policies and procedures as reported to and reviewed by the IRC. The manager must report to the IRC on these matters and request the IRC to renew the standing instructions at least annually.

The manager has an obligation to report to the Funds' unitholders any instances in which it acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its approval or recommendation. The IRC is also required to advise the Canadian securities regulatory authorities if it determines that the manager did not comply with a condition imposed by securities legislation or the IRC. Breaches were reported to the Ontario Securities Commission in March 2011 in connection with inter-fund transactions that were effected in funds managed by CIBC and CAMI during the period covered in this report in contravention of the applicable policies and procedures of CIBC Global Asset Management Inc. ("CGAM"), a sub-advisor to the Funds. The breaches were discussed at a meeting of the IRC on February 24, 2011, in the context of the IRC's annual review of standing instructions relating to the inter-fund trading conflict of interest. The manager and CGAM described to the IRC the steps they proposed to take to attempt to prevent future breaches, including improved oversight processes. The IRC is of the opinion that the breaches were not material to the Funds' unitholders and that the actions taken in relation to the breaches were an appropriate response in the circumstances.

Approvals

Listed below are the conflict of interest matters for which the manager is required to obtain the approval of the IRC before engaging in these transactions. For each of these matters, the IRC has given approval, in the form of standing instructions.

1. *Buying Securities of Related Issuers:* The Funds may invest in or hold equity securities of CIBC or of issuers related to CIBC or a sub-advisor acquired in the secondary market and purchase debt securities of CIBC or issuers related to CIBC in the primary or secondary market. These transactions create a potential conflict of interest, as the Funds could invest in these securities solely to assist CIBC or the sub-advisor.
2. *Offerings Underwritten by Related Dealers:* The Funds may invest in the securities of an issuer where CIBC World Markets Inc. or any other affiliate of CIBC (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. These transactions create a potential conflict of interest, as CIBC could use its influence to induce the Funds to invest in the securities in order to generate revenue for the Related Dealers or to ensure the sale of securities that otherwise would be difficult to sell.
3. *Inter-Fund Trading:* The Funds may purchase securities from or sell securities to another Fund or pooled fund or segregated account managed by the manager or an affiliate of the manager (referred to as inter-fund trades or cross trades). These transactions create a potential conflict of interest, as the trades could be beneficial to one of the parties to the inter-fund trade but not the other party.



Recommendations

Listed below are the other conflict of interest matters that have been identified by the manager for the IRC to consider in this period. For each of the following matters, the IRC has provided the manager a positive recommendation, in the form of standing instructions, to act in accordance with the manager's policies and procedures so that the resolution of these potential conflicts achieves a fair and reasonable result for the Funds.

1. *Trading Securities with Related Dealers Acting as Principal:* The purchase or sale of equity or debt securities from or to a related dealer, where it is acting as principal, creates a potential conflict of interest since the manager or sub-advisor could exercise its discretion to carry out the transaction upon terms that favour the interests of the related dealer as opposed to those of the Funds.
2. *Trading with a Related Broker-Dealer:* Placing trades on behalf of Funds by a sub-advisor through its related broker-dealers in their capacity as brokers, dealers, or counterparties creates a potential conflict of interest, as the Funds absorb the commission costs, while the related broker-dealer receives the income from the commissions paid.
3. *Trading Allocation:* Trade allocation creates a potential conflict of interest because a sub-advisor could allocate trades in a manner that favours itself instead of its clients or in a manner that favours one particular client to the detriment of others.
4. *Use of Client Brokerage Commission as Payment for Order Execution Services or Research Services ("soft dollar" arrangements):* These arrangements are a means for a sub-advisor, on behalf of its clients, to obtain products or services (most notably, research) from a broker-dealer in exchange for the direction of client brokerage transactions to that same broker-dealer. The use of soft dollars creates a potential conflict of interest since a sub-advisor could use soft dollars to acquire goods or services that benefit the sub-advisor instead of the Funds it manages.
5. *Voting Securities of CIBC:* In voting securities of CIBC held by the Funds, a conflict of interest may exist in that the sub-advisors related to CIBC may have to choose between supporting the management decisions of CIBC and voting in the best interest of the Funds.
6. *Valuing Assets of a Fund and Net Asset Value Errors:* The manager of the Funds has a duty to use fair pricing procedures and to identify and fix incorrect calculations of the Funds' net asset values. In valuing assets of a Fund and correcting net asset value errors, there is a potential conflict of interest because the manager may have an incentive to overvalue assets of a Fund.
7. *Allocating Fund Expenses:* The manager of the Funds recovers from the Funds operating expenses that it pays on behalf of the Funds. There is a potential conflict of interest in allocating Fund expenses because the manager may be motivated to favour one Fund over another or to allocate expenses to Funds that the manager should be bearing itself.
8. *Employee Conflicts of Interest:* Employees of the manager who have access to non-public information regarding the Funds and who accept gifts and entertainment from clients and suppliers of the Funds are in a conflict of interest position.
9. *Large Unitholders:* Allowing a large unitholder to invest in a Fund may constitute a conflict of interest because the manager will earn revenues, or gain other benefits, from the assets invested by the large unitholder, while there is the possibility that the trading activities of the unitholder could adversely affect the remaining unitholders of the Fund. As a result, a reasonable person could consider that the manager has an interest that conflicts with its ability to act in good faith and in the best interests of the Fund as a whole.
10. *Money Market Fund Deposits in Savings Accounts Offered by CIBC or a CIBC Affiliate:* Depositing the Funds' assets in CIBC Savings Accounts creates a potential conflict of interest since the manager and/or sub-advisors may be making decisions that are motivated to



generate revenue for CIBC or an affiliate of CIBC rather than only by the best interests of the Funds.

On May 26, 2011, the IRC provided a positive recommendation for CAMI, as the manager of the Funds, to transfer portfolio sub-advisory responsibilities for Renaissance European Fund (the "Renaissance Fund") from an external sub-advisor to CGAM. The manager undertook that the transfer of this mandate to CGAM would:

- be proposed free from any influence by an entity related to the manager and without taking into account any consideration relevant to an entity related to the manager;
- represent the business judgment of the manager uninfluenced by considerations other than the best interests of the Renaissance Fund;
- be in compliance with the manager's written policies and procedures relating to the transfer; and
- be undertaken with the intention of achieving a fair and reasonable result for the Renaissance Fund.

This report is available on the Funds' website at www.renaissanceinvestments.ca or you may request a copy, at no cost to you, by contacting CAMI toll-free at 1-888-888-FUND (3863) or by writing to CIBC Asset Management Inc., 1500 University Street, Suite 800, Montreal, Quebec, H3A 3S6. This document and other information about the Funds are available at www.sedar.com.



Funds covered by this report:

Renaissance Investments family of funds

Renaissance Asian Fund
Renaissance Canadian All-Cap Equity Fund
Renaissance Canadian Balanced Fund
Renaissance Canadian Bond Fund
Renaissance Canadian Core Value Fund
Renaissance Canadian Dividend Fund
Renaissance Canadian Growth Fund
Renaissance Canadian Monthly Income Fund
Renaissance Canadian Small-Cap Fund
Renaissance Canadian T-Bill Fund
Renaissance China Plus Fund
Renaissance Corporate Bond Capital Yield Fund
Renaissance Corporate Bond Fund
Renaissance Diversified Income Fund
Renaissance Emerging Markets Fund
Renaissance European Fund
Renaissance Global Bond Fund
Renaissance Global Focus Currency Neutral Fund
Renaissance Global Focus Fund
Renaissance Global Growth Currency Neutral Fund
Renaissance Global Growth Fund
Renaissance Global Health Care Fund
Renaissance Global Infrastructure Currency Neutral Fund
Renaissance Global Infrastructure Fund
Renaissance Global Markets Fund
Renaissance Global Real Estate Currency Neutral Fund
Renaissance Global Real Estate Fund
Renaissance Global Resource Fund
Renaissance Global Science & Technology Fund
Renaissance Global Small-Cap Fund
Renaissance Global Value Fund
Renaissance High-Yield Bond Fund
Renaissance International Dividend Fund

Renaissance International Equity Currency Neutral Fund
Renaissance International Equity Fund
Renaissance Millennium High Income Fund
Renaissance Money Market Fund
Renaissance Optimal Global Equity Currency Neutral Portfolio
Renaissance Optimal Global Equity Portfolio
Renaissance Optimal Income Portfolio
Renaissance Optimal Inflation Opportunities Portfolio
Renaissance Real Return Bond Fund
Renaissance Short-Term Income Fund
Renaissance U.S. Equity Currency Neutral Fund
Renaissance U.S. Equity Fund
Renaissance U.S. Equity Growth Fund
Renaissance U.S. Equity Value Fund
Renaissance U.S. Money Market Fund

Axiom Portfolios

Axiom All Equity Portfolio
Axiom Balanced Growth Portfolio
Axiom Balanced Income Portfolio
Axiom Canadian Growth Portfolio
Axiom Diversified Monthly Income Portfolio
Axiom Foreign Growth Portfolio
Axiom Global Growth Portfolio
Axiom Long-Term Growth Portfolio

Frontiers Pools

Frontiers Canadian Equity Pool
Frontiers Canadian Fixed Income Pool
Frontiers Canadian Monthly Income Pool
Frontiers Canadian Short Term Income Pool
Frontiers Emerging Markets Equity Pool
Frontiers Global Bond Pool
Frontiers International Equity Pool
Frontiers U.S. Equity Currency Neutral Pool
Frontiers U.S. Equity Pool