



## Interim Management Report of Fund Performance

for the period ended February 29, 2016

*All figures are reported in Canadian dollars unless otherwise noted.*

This interim management report of fund performance contains financial highlights but does not contain either the complete interim or annual financial statements of the investment fund. If you have not received a copy of the interim financial reports with this interim management report of fund performance, you can get a copy of the interim financial reports or annual financial statements at your request, and at no cost, by calling us toll-free at 1-888-888-3863, by writing to us at Renaissance Investments, 1500 Robert-Bourassa Boulevard, Suite 800, Montreal, QC, H3A 3S6, by visiting the SEDAR website at [sedar.com](http://sedar.com), or by visiting [renaissanceinvestments.ca](http://renaissanceinvestments.ca).

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

### Management Discussion of Fund Performance

#### Results of Operations

The portfolio advisor of Frontiers Canadian Short Term Income Pool (the *Pool*) is CIBC Asset Management Inc. (*CAMI*, the *Manager*, or *Portfolio Advisor*). The commentary that follows provides a summary of the results of operations for the six-month period ended February 29, 2016. All dollar figures are expressed in thousands, unless otherwise indicated.

The Pool's net asset value decreased by 4% during the period, from \$5,766 as at August 31, 2015 to \$5,564 as at February 29, 2016. Net redemptions of \$200 in the period, which included purchases of \$14 due to rebalancing of a portfolio product that holds units of the Pool, resulted in an overall decrease in net asset value.

Class A units of the Pool posted a return of 0.0% for the period. The Pool's benchmark, the FTSE TMX Canada 91 Day T-Bill Index (the *benchmark*), returned 0.2% for the same period. The Pool's return is after the deduction of fees and expenses, unlike the benchmark.

The Bank of Canada (the *BoC*) maintained its 0.50% overnight rate target in December 2015. While interest rates are not expected to increase in the short term, the BoC indicated the possibility of a rate cut in 2016 if the economy continues to underperform or decelerate. Monetary policy between Canada and the U.S. continued to diverge, with the potential for gradual interest-rate increases likely in the coming year.

The Canadian energy sector continued to face challenges over the period, negatively affecting business investment. A significantly weaker Canadian dollar and the ongoing economic recovery in the U.S. supported Canadian exports.

The Pool continued to hold a large overweight allocation to corporate bonds, which contributed to performance. Holdings in Canadian bank floating-rate notes and short-term, asset-backed securities also contributed to the Pool's performance, as they have a higher yield (investment income) than government or commercial bonds.

With low and stable interest rates, a flat yield curve and narrow credit spreads (the difference in yield between two similar bonds with

different credit ratings), the Portfolio Advisor is targeting exposure to higher-yield, short-term floating-rate notes. When the yield curve is flat, there is little difference between short- and long-term rates for bonds of the same credit quality.

With the low likelihood of near-term adjustments in Canadian monetary policy, treasury bill yields are expected to be stable and the yield curve flat, providing limited opportunity for the Manager to add value in these activities.

#### Recent Developments

Effective April 27, 2016, the composition of the Independent Review Committee (*IRC*) changed. John Crow resigned his position as member and Chair. Marcia Lewis Brown was appointed as member and Don Hunter was appointed as Chair.

Effective April 17, 2016, the name of the Pool changed from Frontiers Canadian Short Term Income Pool to Renaissance Ultra Short-Term Income Private Pool.

#### Related Party Transactions

CIBC and its affiliates have the following roles and responsibilities with respect to the Pool, and receive the fees described below in connection with their roles and responsibilities.

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

CAMI, a wholly-owned subsidiary of CIBC, is the Manager, Trustee, and Portfolio Advisor of the Pool. CAMI receives management fees with respect to the day-to-day business and operations of the Pool, calculated based on the net asset value of each respective class of units of the Pool as described in *Management Fees*. As Trustee, CAMI holds title to the property (cash and securities) of the Pool on behalf of its unitholders. As Portfolio Advisor, CAMI provides, or arranges to provide, investment advice and portfolio management services to the Pool. CAMI also compensates dealers in connection with their marketing activities regarding the Pool. From time to time, CAMI may provide seed capital to the Pool.

### Distributor

The CIBC Wood Gundy division of CIBC World Markets Inc. (*CIBC WM*) is a dealer through which units of the Pool are sold to investors. CIBC WM is a wholly-owned subsidiary of CIBC. CAMI may pay sales commissions and trailing commissions to the dealer in connection with the sale of units of the Pool. CIBC WM may pay a portion of these sales commissions and trailing commissions to their advisors who sell units of the Pool to investors.

### Brokerage Arrangements and Soft Dollars

The Portfolio Advisor makes decisions, including the selection of markets and dealers and the negotiation of commissions, with respect to the purchase and sale of portfolio securities, certain derivative products (including futures) and the execution of portfolio transactions. Brokerage business may be allocated by the Portfolio Advisor to CIBC WM and CIBC World Markets Corp., each a subsidiary of CIBC. CIBC WM and CIBC World Markets Corp. may also earn spreads on the sale of fixed income securities, other securities, and certain derivative products (including forwards) to the Pool. A spread is the difference between the bid and ask prices for a security in the applicable marketplace, with respect to the execution of portfolio transactions. The spread will differ based upon various factors such as the nature and liquidity of the security.

Dealers, including CIBC WM and CIBC World Markets Corp., may furnish goods and services, other than order execution, when CAMI processes trades through them (referred to in the industry as "soft-dollar" arrangements). These goods and services are paid for with a portion of brokerage commissions and assist CAMI with investment decision-making services for the Pool or relate directly to the execution of portfolio transactions on behalf of the Pool.

The fees and spreads for services of the Custodian directly related to the execution of portfolio transactions by the Pool are paid by CAMI and/or dealer(s) directed by CAMI, up to the amount of the credits generated under soft dollar arrangements from trading on behalf of the Pool during that month.

In addition, CAMI may enter into commission recapture arrangements with certain dealers with respect to the Pool. Any commission recaptured will be paid to the Pool.

During the period, the Pool did not pay any brokerage commissions or other fees to CIBC WM or CIBC World Markets Corp. Spreads associated with fixed income and other securities are not ascertainable and, for that reason, cannot be included when determining these amounts.

### Pool Transactions

The Pool may enter into one or more of the following transactions (the *Related Party Transactions*) in reliance on the standing instructions issued by the Independent Review Committee (*IRC*):

- invest in or hold equity securities of CIBC or issuers related to a portfolio sub-advisor;

- invest in or hold non-exchange-traded debt securities of CIBC or an issuer related to CIBC in a primary offering and in the secondary market;
- make an investment in the securities of issuers for which CIBC WM, CIBC World Markets Corp., or any affiliate of CIBC (a *Related Dealer*) acts as an underwriter during the offering of such securities at any time during the 60-day period following the completion of the offering of such securities (in the case of a "private placement" offering, in accordance with the exemptive relief order granted by the Canadian securities regulatory authorities and in accordance with the policies and procedures relating to such investment);
- purchase equity or debt securities from or sell them to a Related Dealer, where it is acting as principal;
- undertake currency and currency derivative transactions where a Related Dealer is the counterparty; and
- purchase securities from or sell securities to another investment fund or a managed account managed by the Manager or an affiliate of the Manager.

The IRC reviews the Related Party Transactions for which they have issued standing instructions at least annually. The IRC is required to advise the Canadian securities regulatory authorities if it determines that an investment decision was not made in accordance with conditions of its approval.

### Custodian

CIBC Mellon Trust Company is the custodian of the Pool (the *Custodian*). The Custodian holds all cash and securities for the Pool 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 Pool including record-keeping and processing foreign exchange transactions. The fees and spreads for services of the Custodian directly related to the execution of portfolio transactions by the Pool are paid by CAMI and/or dealer(s) directed by CAMI, up to the amount of the credits generated under soft dollar arrangements from trading on behalf of the Pool during that month. All other fees and spreads for the services of the Custodian are paid by the Manager and charged to the Pool on a recoverable basis. CIBC owns a 50% interest in the Custodian.

### Service Provider

CIBC Mellon Global Securities Services Company (*CIBC GSS*) provides certain services to the Pool, including securities lending, fund accounting and reporting, and portfolio valuation. Such servicing fees are paid by the Manager and charged to the Pool on a recoverable basis. CIBC indirectly owns a 50% interest in CIBC GSS.

## Frontiers Canadian Short Term Income Pool

### Financial Highlights

The following tables show selected key financial information about the Pool and are intended to help you understand the Pool's financial performance for the period ended February 29, 2016 and August 31 of any other period(s) shown.

#### The Pool's Net Assets per Unit<sup>1</sup> - Class A Units

	2016	2015	2014	2013	2012	2011
<b>Net Assets, beginning of period</b>	\$ 9.93	\$ 9.94	\$ 9.93	\$ 9.91	\$ 9.91	\$ 9.87
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.04	\$ 0.12	\$ 0.12	\$ 0.13	\$ 0.10	\$ 0.11
Total expenses	(0.04)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)
Realized gains (losses) for the period	–	–	–	(0.01)	0.02	(0.01)
Unrealized gains (losses) for the period	–	–	0.01	0.01	(0.01)	0.03
<b>Total increase (decrease) from operations<sup>2</sup></b>	\$ –	\$ 0.03	\$ 0.04	\$ 0.04	\$ 0.02	\$ 0.04
<b>Distributions:</b>						
From income (excluding dividends)	\$ 0.01	\$ 0.04	\$ 0.02	\$ 0.02	\$ 0.03	\$ –
From dividends	–	–	–	–	–	–
From capital gains	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–
<b>Total Distributions<sup>3</sup></b>	\$ 0.01	\$ 0.04	\$ 0.02	\$ 0.02	\$ 0.03	\$ –
<b>Net Assets, end of period</b>	\$ 9.91	\$ 9.93	\$ 9.94	\$ 9.93	\$ 9.91	\$ 9.91

<sup>1</sup> This information is derived from the Pool's audited annual and unaudited interim financial statements. The Pool adopted IFRS on September 1, 2014. Previously, the Pool prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP) as defined in Part V of the CPA Canada Handbook. Under Canadian GAAP, the Pool measured fair values of its investments in accordance with CICA Handbook Section 3855 which required the use of bid prices for long positions and ask prices for short positions. As such, the net assets per unit figure presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements prior to September 1, 2014. Upon adoption of IFRS, the Pool measures the fair value of its investments by using the close market prices, where the close market price falls within the bid-ask spread. As such, the Pool's accounting policies for measuring the fair value of investments in the financial statements are consistent with those used in measuring the net asset value for transactions with unitholders. Accordingly, the opening net asset figure as at September 1, 2013 reflects the adjusted amount in accordance with IFRS. All figures presented for periods prior to September 1, 2013 were prepared in accordance with Canadian GAAP.

<sup>2</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The total increase (decrease) from operations is based on the weighted average number of units outstanding during the period.

<sup>3</sup> Distributions were paid in cash, reinvested in additional units of the Pool, or both.

#### Ratios and Supplemental Data - Class A Units

	2016	2015	2014	2013	2012	2011
<b>Total Net Asset Value (000s)<sup>4</sup></b>	\$ 5,564	\$ 5,766	\$ 5,651	\$ 6,432	\$ 2,329	\$ 2,055
<b>Number of Units Outstanding<sup>4</sup></b>	561,291	580,624	568,409	647,922	234,959	207,294
<b>Management Expense Ratio<sup>5</sup></b>	0.88% *	0.88%	0.88%	0.88%	0.88%	0.88%
<b>Management Expense Ratio before waivers or absorptions<sup>6</sup></b>	3.39% *	3.41%	3.18%	3.47%	3.50%	3.87%
<b>Trading Expense Ratio<sup>7</sup></b>	0.00% *	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Portfolio Turnover Rate<sup>8</sup></b>	12.81%	75.48%	46.90%	51.52%	92.48%	10.12%
<b>Net Asset Value per Unit</b>	\$ 9.91	\$ 9.93	\$ 9.94	\$ 9.93	\$ 9.91	\$ 9.91

\* Ratio has been annualized.

<sup>4</sup> This information is presented as at February 29, 2016 and August 31 of the period(s) shown.

<sup>5</sup> Management expense ratio is based on the total expenses of the fund (excluding commissions and other portfolio transaction costs), incurred by or allocated to a class of units for the period shown, expressed as an annualized percentage of the daily average net asset value of that class during the period.

<sup>6</sup> The decision to waive and/or absorb management fees and operating expenses is at the discretion of the Manager. The practice of waiving and/or absorbing management fees and operating expenses may continue indefinitely or may be terminated at any time without notice to unitholders.

<sup>7</sup> The trading expense ratio represents total commissions and other portfolio transaction costs before income taxes expressed as an annualized percentage of the daily average net asset value during the period. Spreads associated with fixed income securities trading are not ascertainable and, for that reason, are not included in the trading expense ratio calculation.

<sup>8</sup> The portfolio turnover rate indicates how actively the portfolio advisor and/or portfolio sub-advisor manages the portfolio investments. A portfolio turnover rate of 100% is equivalent to a fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a portfolio turnover rate in a period, the greater the trading costs payable by a fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

## Management Fees

The Pool pays an annual management fee to CAMI to cover the costs of managing the Pool. Management fees are based on the net asset value of the Pool and are calculated daily and paid monthly. Management fees are paid to CAMI in consideration for providing, or arranging for the provision of, management, distribution, and portfolio advisory services. Advertising and promotional expenses, office overhead expenses, and trailing commissions are paid by CAMI out of the management fees received from the Pool. The Pool is required to pay applicable taxes on the management fees paid to CAMI. Refer to the simplified prospectus for the maximum annual management fee rate.

The following table shows a breakdown of the services received in consideration of the management fees, as a percentage of the management fees collected from the Pool for the period ended February 29, 2016. These amounts do not include waived fees or absorbed expenses.

	Class A Units
Sales and trailing commissions paid to dealers	61.01%
General administration, investment advice, and profit	38.99%

## Past Performance

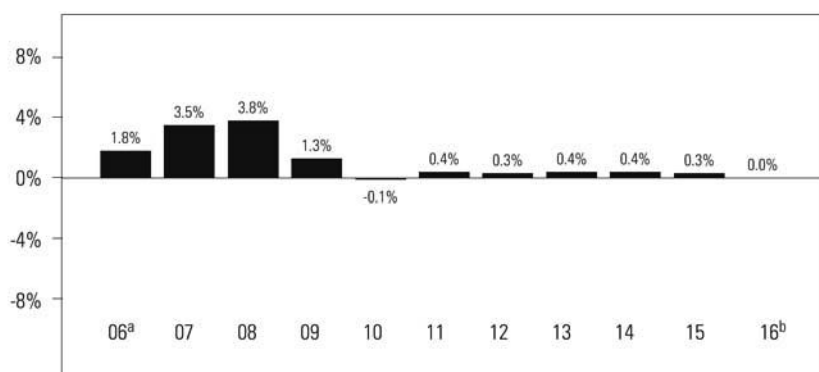
The performance data provided assumes reinvestment of distributions only and does not take into account sales, redemption, distribution, or other optional charges payable by any unitholder that would have reduced returns. Past performance does not necessarily indicate how a fund will perform in the future.

The Pool's returns are after the deduction of fees and expenses. See *Financial Highlights* for the management expense ratio.

## Year-by-Year Returns

This bar chart shows the annual performance of Class A units of the Pool for each of the periods shown, and illustrates how the performance has changed from period to period. The bar chart shows, in percentage terms, how much an investment made on September 1 would have increased or decreased by August 31, unless otherwise indicated.

*Class A Units*



<sup>a</sup> 2006 return is for the period from October 1, 2005 to August 31, 2006.

<sup>b</sup> 2016 return is for the period from September 1, 2015 to February 29, 2016.

*Frontiers Canadian Short Term Income Pool*

**Summary of Investment Portfolio** (as at February 29, 2016)

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available by visiting [renaissanceinvestments.ca](http://renaissanceinvestments.ca). The Top Positions table shows a fund's 25 largest positions. For funds with fewer than 25 positions in total, all positions are shown.

<i>Portfolio Breakdown</i>	<i>% of Net Asset Value</i>
Short-Term Investments	82.3
Fixed Income Securities	16.7
Cash	1.0

<i>Top Positions</i>	<i>% of Net Asset Value</i>
Ridge Trust, Discount Note, 0.92%, 2016/06/14	8.1
King Street Funding Trust, Discount Note, 0.95%, 2016/07/05	8.1
Merit Trust, Senior Discount Note, 0.87%, 2016/03/23	6.7
Plaza Trust, Discount Note, 0.81%, 2016/04/04	5.4
OMERS Financial Trust, Discount Note, 0.77%, 2016/04/25	5.4
Bay Street Funding Trust, Discount Note, 0.84%, 2016/04/26	5.4
Canadian Master Trust, Discount Note, 0.95%, 2016/06/08	3.6
Prime Trust, Senior Discount Note, 0.90%, 2016/07/27	3.6
Hydro One Inc., Discount Note, 0.94%, 2016/07/26	3.6
Toronto-Dominion Bank (The), Floating Rate, 1.05%, 2016/04/21	3.5
Canadian Master Trust, Discount Note, 0.90%, 2016/07/26	3.1
Royal Bank of Canada, Variable Rate, 0.97%, 2016/06/23	3.0
TransCanada PipeLines Ltd., Discount Note, 0.91%, 2016/03/30	2.7
Hydro One Inc., Discount Note, 0.88%, 2016/05/05	2.7
Honda Canada Finance Inc., Discount Note, 0.80%, 2016/04/26	2.7
First Bank, Bankers' Acceptance, 0.77%, 2016/05/20	2.7
Canadian Western Bank, Bearer Deposit Note, 0.95%, 2016/06/07	2.7
Bay Street Funding Trust, Discount Note, 0.85%, 2016/06/02	2.7
Royal Bank of Canada, Floating Rate, 1.03%, 2016/09/16	2.0
National Bank of Canada, Floating Rate, 1.11%, 2016/06/23	1.5
Bank of Montreal, Variable Rate, 1.13%, 2017/04/10	1.5
Bank of Nova Scotia, Floating Rate, 0.96%, 2016/03/11	1.5
National Bank of Canada, Floating Rate, 0.99%, 2016/06/22	1.4
Royal Bank of Canada, Floating Rate, 1.09%, 2016/12/02	1.3
Bank of Montreal, Floating Rate, 1.30%, 2017/06/12	1.0

The management report of fund performance may contain forward-looking statements. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or other similar wording. In addition, any statements that may be made concerning future performance, strategies, or prospects and possible future actions taken by the fund, are also forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results and achievements of the fund to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to: general economic, market, and business conditions; fluctuations in securities prices, interest rates, and foreign currency exchange rates; changes in government regulations; and catastrophic events. CIBC Asset Management Inc. does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments, or otherwise prior to the release of the next management report of fund performance.

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