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

Francis Thivierge, CFA
Senior Portfolio Manager, Multi-Asset & Currency Management, CIBC Asset Management Inc.

Bernard Augustin,
Director, Quantitative Research, Multi-Asset & Currency Management, CIBC Asset Management Inc.

Client portfolio management team

Michael Sager, Ph.D.
Managing Director & Head, Multi-Asset & Currency Management, CIBC Asset Management Inc.

Giuseppe Pietrantonio, CFA
Associate Client Portfolio Manager, Multi-Asset & Currency Management, CIBC Asset Management Inc.

Volatility ranking

Low	**Low - Medium**	Medium	Medium - High	High

Fund details *As at May 31, 2024

Series	A	F
Management fee	1.70%	0.70%
Administrative fee	0.15%	0.15%
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*	$10.22	$10.60
Unit price (USD)*	$7.50	$7.78

Series	A & F
Total fund assets $mi*	$575.26
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 May 31, 2024

Trailing returns	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since Inception
Series A	1.4	2.4	6.7	12.0	-2.0	0.9	n/a	1.0
Series F	1.5	2.7	7.3	13.3	-0.9	2.0	n/a	2.1
Series A (USD)	2.5	2.0	6.2	11.6	-5.9	n/a	n/a	-0.2
Series F (USD)	2.6	2.3	6.8	12.8	-4.8	n/a	n/a	0.8

Calendar year returns	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Series A	7.0	3.1	-12.3	-0.3	7.3	0.7	n/a	n/a	n/a	n/a	n/a
Series F	7.6	4.3	-11.3	0.8	8.5	1.9	n/a	n/a	n/a	n/a	n/a
Series A (USD)	4.1	5.4	-18.0	0.4	9.5	n/a	n/a	n/a	n/a	n/a	n/a
Series F (USD)	4.6	6.5	-17.1	1.4	10.7	n/a	n/a	n/a	n/a	n/a	n/a

Monthly portfolio summary As at May 31, 2024

Asset class summary	Portfolio weight	Risk contribution
Core Fixed Income	-7.0%	1.7%
Credit Fixed Income	7.1%	13.5%
Equities	10.9%	33.0%
Currencies	4.6%	51.8%
Commodities	0.0%	0.0%
Cash	84.4%	-
Total	**100.0%**	**100.0%**

Top ten long holdings	Portfolio weight	Risk contribution
LONG INR	13.6%	-1.4%
LONG IDR	12.5%	-2.3%
LONG BRL	11.6%	16.7%
LONG COP	8.6%	4.5%
Long Mini S&P Index	6.0%	9.9%
LONG MXN	5.6%	5.2%
LONG NOK	5.2%	2.9%
LONG SEK	3.7%	0.3%
LONG KRW	3.5%	0.4%
Long MINI ITALY MN S&PMIB INDEX	3.4%	5.8%
Total	**73.8%**	**42.1%**

Portfolio overview	Value
Long Term MSCI ACWI (CAD) Risk (Rolling 3-year annualized standard deviation)	14.0%
Current Target Risk (Annualized Standard Deviation) 50% of MSCI ACWI CAD	7.0%
Current Portfolio Risk (Annualized Standard Deviation)	6.0%
Current Portfolio Value at Risk (VaR)	4.4%
Portfolio Yield	4.9%
Leverage	2.58x

Strategy summary	Portfolio weight	Risk contribution
Market Risk Premia and Tactical Opportunities	5%	0.0%
Alternate Risk Premia: Cross Asset	25%	44.2%
Alternate Risk Premia: Bonds	15%	-0.1%
Alternate Risk Premia: Currency	25%	40.1%
Alternate Risk Premia: Defensive	15%	15.9%
Portfolio Risk Oversight	15%	0.0%
Total	**100.0%**	**100.0%**

Top ten short holdings	Portfolio weight	Risk contribution
SHORT CNY	-15.5%	7.0%
SHORT CHF	-15.3%	5.4%
SHORT USD	-12.8%	5.8%
SHORT EUR	-9.9%	-0.5%
SHORT THB	-8.6%	2.5%
SHORT SGD	-4.7%	1.2%
SHORT CZK	-4.5%	-1.5%
SHORT HKD	-3.4%	1.5%
Long Euro BTP Bond	-2.8%	0.5%
Short South Africa Index	-2.7%	-2.7%
Total	**-64.6%**	**12.2%**

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: T he dollar value of each position as a percentage of the value of the total pPortfolio Weight: The dollar value of each position as a percentage of the value of the total portfolio.

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

Value at Risk (VaR): Measures the maximum 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 market neutral 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 indice used for the volatility target is the Morgan Stanley Capital Index (MSCI) All Country World Index (ACWI) in Canadian dollarsla

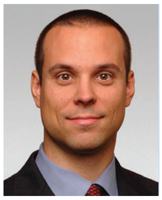
NOTE: Totals may not add up to 100% due to rounding

Detailed portfolio exposure overview As at May 31, 2024

Portfolio exposure	Portfolio weight	Risk contribution
Core Fixed Income	**-7.0%**	**1.7%**
Short 10Y Ultra	6.9%	-0.8%
Long Canadian Overnight Repo	2.9%	0.1%
Long Germany 10Y	1.5%	-0.5%
Long UK Gilts 10Y	1.4%	-0.5%
Short US 30Y	1.3%	-0.3%
Long Australia 10Y	0.9%	0.0%
Short Australia 3Y	0.0%	0.0%
Short Australia 3Y	0.0%	0.0%
Long US 10Y T-NOTES	-0.6%	0.1%
Short Canada 5Y	-0.9%	0.1%
Long Euro Bond SP GOV	-0.9%	-1.4%
Long Germany 5Y	-1.0%	0.3%
Short US 5Y T-Notes	-1.1%	0.1%
Short Canada 10Y	-1.4%	0.3%
Long US 2Y	-2.6%	0.2%
Short Germany 30Y	-2.7%	2.2%
Long Canada 2Y	-3.1%	0.2%
Short US Ultra	-3.7%	1.2%
Short Germany 2Y	-3.9%	0.4%
Equity	**10.9%**	**33.0%**
Long Mini S&P Index	6.0%	9.9%
Long MINI ITALY MN S&PMIB INDEX	3.4%	5.8%
Long USD DENOM NIKKEI INDEX	3.0%	7.0%
Long India NIFTY	2.7%	6.2%
Long Spain Ibex	2.7%	3.7%
Long Switzerland SMI Index	2.6%	2.3%
Long CAC40	2.5%	3.7%
Long S&P/TSE IX Index	1.1%	1.5%
Long NASDAQ MINI Index	0.3%	0.5%
Swap MSCI Brazil	0.1%	0.2%
Equity directional (Options)	0.0%	0.0%
Short Australia 3Y	0.0%	0.0%
Short Australia 3Y	0.0%	0.0%
Short Australia 3Y	0.0%	0.0%
Short Australia 3Y	0.0%	0.0%
Short Australia 3Y	0.0%	0.0%
Volatility Risk Premium (Options)	0.0%	8.6%
Systematic Equity Hedge (Options)	-0.1%	-2.7%
Long Kospi 200 Index	-2.4%	-3.5%
Long WIG 20 INDEX	-2.4%	-2.7%
Short Thailand Set50 Index	-2.4%	-1.8%
Short South Africa Index	-2.7%	-2.7%
Short Sweden OMX	-3.4%	-3.0%
Commodities	**0.0%**	**0.0%**
Credit fixed income	**7.1%**	**13.5%**
Long 3M EURIBOR	2.9%	0.0%
Macquarie Bank Nov 30 2026	2.9%	-0.3%
Long SOFR 3-Month	2.9%	0.0%
ICE 3MTH SONIA FU COMM FUTURE	2.9%	0.0%

Portfolio exposure	Portfolio weight	Risk contribution
BONOS DE TESORERIA 7.30 AUG 12 33	1.2%	0.2%
Long Korea 10Y	0.9%	0.2%
iShare 20yr Bond ETF	0.6%	-0.4%
Long South Africa 10Y	0.4%	1.2%
Long Brazil 5Y	0.2%	0.3%
Swap Indonesia	0.2%	0.0%
Swap Columbia	0.1%	-0.5%
Swap India	0.0%	-0.4%
90-DAY BANK BILL COMM FUTURES	0.0%	0.0%
Short Australia 3Y	0.0%	0.0%
Swap Thailand	0.0%	0.1%
Swap China	0.0%	-0.2%
Swap Chile	0.0%	6.1%
Swap Poland	0.0%	5.4%
Swap Mexico	-0.1%	0.4%
Swap Sweden	-0.1%	0.8%
Short Swiss Fed Bond	-2.5%	-0.6%
Short French OAT 10Y	-2.5%	0.6%
Long Euro BTP Bond	-2.8%	0.5%
Currencies	**4.6%**	**58.1%**
LONG INR	13.6%	-1.4%
LONG IDR	12.6%	-2.3%
LONG BRL	11.6%	16.7%
LONG COP	8.6%	4.5%
LONG MXN	5.7%	5.2%
LONG NOK	5.2%	2.9%
LONG HUF	4.4%	1.4%
LONG SEK	3.7%	0.3%
LONG KRW	3.5%	0.4%
LONG TRY	3.0%	0.6%
LONG CLP	2.7%	2.2%
LONG MYR	2.5%	-1.1%
LONG ZAR	2.1%	1.0%
LONG PEN	0.1%	0.0%
LONG PLN	0.0%	0.0%
LONG GBP	0.0%	0.0%
Short Australia 3Y	0.0%	0.0%
Short Australia 3Y	0.0%	0.0%
SHORT AUD	0.0%	0.0%
SHORT JPY	0.0%	0.0%
SHORT HKD	-3.4%	1.5%
SHORT CZK	-4.5%	-1.5%
SHORT SGD	-4.7%	1.2%
SHORT THB	-8.6%	2.5%
SHORT EUR	-10.0%	-0.5%
SHORT USD	-12.8%	5.8%
SHORT CHF	-15.3%	5.4%
SHORT CNY	-15.5%	7.0%
Cash	**84.4%**	**-**
Cash	84.4%	-

COMMENTARY As at May 31, 2024



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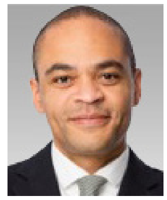

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Summary

- MAARS strategy risk increased slightly in May and is broadly in line with its long-term target. Portfolio positioning continues to have a pro-cyclical tilt.
- Market sentiment deteriorated in May due to continued sticky inflation reports
- Geopolitical risks remain a concern, suggesting caution and selectivity in portfolio positioning and risk.

Market overview

After surprising on the upside earlier this year, led by the US economy, global GDP growth has cooled somewhat in recent months. Much of this slowing has also centered on the US, where a benign gradual reversion to trend seems to be playing out. Concurrently, the breadth of the global economic recovery has risen, with an increasing number of countries reporting a gradual improvement in economic activity. Driven by these economies, leading indicators of global manufacturing momentum strengthened over the past month, and service activity remained resilient. A broadening in the cyclical recovery across the global economy allied to a more sustainable US cycle raises our conviction in the quality and resilience of the recovery. This is likely to be a positive development for risk assets over the next few months as a whole, including fundamentally attractive Emerging and peripheral Developed Market (DM) currencies.

Another aspect of the environment for risk assets is the behaviour of inflation which remains key to the speed and magnitude of central bank policy rate cutting cycles. Several DM central banks have initiated easing cycles. This includes Switzerland and Sweden, where inflation is already broadly back to rates consistent with achievement of policy targets. The Bank of Canada (BoC) and European Central Bank (ECB) announced their first cuts in May. Both of these central banks will likely need to see further slowing in wage inflation in order to be willing to implement additional cuts in 2024. The US Federal Reserve (Fed) remains on the sidelines. May US inflation data—for both consumer and producer prices—represented a positive development and will have likely raised the Fed's confidence that the reacceleration in inflation observed from summer 2023 through to the early months of this year was a temporarily aberration in an underlying disinflation trend. As a result, the Fed is likely to begin easing its policy stance before year end, but the resilient US real economy remains suggestive of a relatively short and shallow easing cycle.

China continues to be an important exception to our constructive cyclical outlook. The Chinese economy has shown tentative signs of stronger growth in the early months of 2024, reflecting a modest recovery in external demand for Chinese output and stimulus measures supportive of non-housing investment spending. Progress in other sectors of the economy has been less promising, with the outlook for housing particularly bleak. Additional policy stimulus is likely to focus on this sector which has shrunk to 10-12% of GDP from a peak over 20% just a few years ago. China's housing glut will likely take several more years to resolve, particularly in the context of a declining population, which is uncommon for a country at China's stage of economic development.

In this situation, we expect the People's Bank of China to gradually become more willing to allow the renminbi (CNH) to depreciate against a broad range of currencies. This is particularly likely given the growing risk of additional US and European tariffs on Chinese manufacturing. As a result, our conviction remains high in using CNH as a core funding currency, particularly against more attractive currencies in Asia such as the Indonesian rupiah and Indian rupee (both of which remain core portfolio longs).

Strategy highlights

- **Portfolio Risk Below Long-Term Target; Positive Cyclical Positioning**

Through May, we observed a moderate increase in portfolio risk. Risk remains tilted towards our active currency and cross asset sleeves. Over the longer-term we expect risk to be re-calibrated across all of our investment risk sleeves.

Across the portfolio we have maintained a pro-cyclical portfolio stance, in line with the ongoing economic momentum. Inflation trends in the U.S. have persisted, and are still high compared to the Fed's 2% goal. Market players have kept delaying rate hikes to later in 2024 and into 2025.

- **Global Bonds: Selective Bond Exposure**

The resilience observed in the US economy, bolstered by robust economic activity and characterized by tight labor markets, is now poised to potentially reignite concerns surrounding inflationary pressures. Recent data releases, notably from the service and rental sectors, have exceeded initial forecasts, increasing the likelihood of inflationary spikes in the near term.

This unexpected surge in economic indicators has prompted a reassessment among market participants, who are now revising down their expectations for the extent and timing of potential interest rate cuts, particularly throughout the year 2024. As a result, there has been an increase in yields, prompting bond market participants to adopt a selective approach. This involves navigating through a combination of long only and relative positioning.

The Global Bond risk sleeve performance was positive in May. We continue to hold long positions in emerging market local currency bonds, including long positions in Brazil and Indonesia on a currency-hedged basis. Longer-term expected returns remain attractive, reflecting high yields, relatively constructive domestic fundamentals, supportive secular commodity tailwinds, and an expected trend weakening in the US dollar. In addition, key central banks in Latin America have started to cut policy interest rates, in response to declining inflation, which will also likely be helpful to our positions in this region.

In May we initiated long positions in Korea, Australia, and Mexico, versus Spain, Canada and Thailand respectively. In addition, we retained relative pair trades in key geographic regions including longs in Peru, versus China. This strategic combination reflects a nuanced approach to capitalizing on divergent economic and market conditions across various regions. Each selection is based on thorough analysis and assessment of factors such as interest rate differentials, economic environment, and geopolitical considerations. In addition, we closed our long position in Malaysia versus Japan as they were no longer supported buy our quantitative ranking process.

- **Currencies: Focus on Carry, Value, and Cycle**

Portfolio performance was positive in May. Consistent with our relatively constructive outlook for global growth, portfolio positioning during the month exhibited a moderate pro-cycle and pro-carry bias. We have also been gradually moving long positioning in favour of undervalued currencies; the expected return associated with our quantitative valuation factor remained historically attractive throughout the month. In terms of core positioning, the portfolio remained long the Brazilian real (BRL) and Colombian peso (COP) in Latin America, the Mexican peso (MXN) in North America, and the Indian rupee (INR) and Indonesian rupiah (IDR) in Asia. Funding continued to be spread primarily between the US (USD) and Canadian dollars (CAD), Swiss franc (CHF) and Euro (EUR), and CNH.

The positive performance outcome for May as a whole masked a month of two halves. During the first half, markets were focused predominantly on the improving global cyclical economic outlook, with positive performance from a range of pro-cycle, pro-commodity currencies. The second half was more challenging, primarily reflecting idiosyncratic market policy concerns.

One of the more important policy concerns remained Brazilian fiscal slippage, and market participants continued to fret in May over the risk of larger deficits than planned. This weakened the currency which was adverse for the portfolio; the Brazilian real (BRL) remained the largest contributor to portfolio risk. We remained content to hold our position, given the attractive carry BRL continues to offer and our view that market concerns are overdone.

Another important disruptive event at the end of May was the commentary by Swiss National Bank President Jordan. Swiss franc (CHF) weakness has benefited the portfolio in 2024, given our core short position. According to Jordan this weakness has triggered a small upside risk to inflation. His suggestion of potential SNB foreign currency sales to dampen CHF volatility, perhaps concurrent to a further cut in the SNB's policy rate, triggered a bounce in CHF that took it back up to levels that held in March when the SNB was more concerned about downside inflation risk. We saw this bounce as an opportunity to add to the portfolio's short CHF position, against our long in the Colombian peso (COP).

Position adjustments elsewhere in the portfolio were small with no changes in core themes. The net of all changes implemented in May led to a small increase in the portfolio's active risk as a percentage of long-term target. Noteworthy changes, in addition to CHF versus COP noted above, included a small tactical increase in our short US dollar (USD) position in response to weaker US economic activity data, more sanguine Fed comments, and removal of upside risk to the Fed's policy interest rate. This USD position increase was implemented in part against a larger long in the Turkish lira (TRY). In Australasia, we closed our long New Zealand dollar (NZD) exposure against both CHF and the Australian dollar (AUD). Recent data did not support our expectation for a more hawkish Reserve Bank of New Zealand (RBNZ) relative to the market consensus. In Europe, we added to longs in the Hungarian forint (HUF)—our investment process suggests the market is under-estimating the outlook for monetary policy and carry in Hungary versus Czechia—and the Norwegian krone (NOK)—domestic economic fundamentals remain attractive, and we consider the recent sell-off in oil as overdone. In Latin America, reflecting the positive cyclical outlook and underlying support from climate transition, we established long positions in the Chilean peso (CLP) and Peruvian New Sol (PEN); both are currencies of important copper producing countries.

- **Cross Asset: Systematic Approach**

MAARS' cross asset sleeve uses a systematic strategy that takes relative market positions. The strategy uses a quantitative process that cross sectionally ranks global equity, global fixed income and global currency markets across carry, value, momentum and cycle factors. Expanding on this, the strategy involves taking long and short positions within each asset class.

In May, we maintained our long positions in the equity markets of India, Italy, Japan, and Switzerland, and short positions in Korea, South Africa, Sweden, and Thailand. Our previous long positions in Hong Kong and the U.K. were switched in favour of France and Spain that both presented attractive value opportunities. Furthermore, we shifted our short positions from Canada and Taiwan to Brazil and Poland due to the lagging momentum in the latter markets. Within our fixed income universe, we maintained long positions in India, Mexico, South Africa and Thailand, following our ranking model. We switched our previous long position in Italy and Malaysia to Chile and Poland as they offer more attractive current yields and longer-term valuation prospects. We kept our funding positions in China, Colombia, France, Germany, Sweden, and Switzerland unchanged. China's economic growth has remained relatively weak. Continued accommodative monetary policy by the PBOC continues to make Chines bonds less appealing.

Within our systematic currency strategy, we maintained our long positions in Brazilian Real (BRL), Colombian Peso (COP), Indonesian

Rupiah (IDR), Malaysian Ringgit (MYR), and South African Rand (ZAR). Our previous long position in the CLP was replaced by a position in the Indian Rupee (INR), as political uncertainty from recent elections in India offered the opportunity to add the INR at attractive levels.

Funding positions in the Swiss Franc (CHF), Chinese Renminbi (CNH), Euro, (EUR) Honk Kong (HKD), Singapore Dollar (SGD), and Thai Baht (THB) remained unchanged. Europe and Asia's attraction as a funding currency partly reflects an expected weak economic recovery in both markets compared with the more resilient US economy.