CIBC SUSTAINABLE INVESTMENT SOLUTIONS

CIBC SUSTAINABLE CONSERVATIVE BALANCED SOLUTION

Portfolio commentary as of January 2023

Market overview:

- January's U.S. Payrolls report painted a surprisingly strong picture of labour market conditions. But the broader outlook for economic growth has become increasingly gloomy, consistent with our recession base case for 2023.
- We continue to expect a moderate fall in the level of economic activity in the U.S., Canada, and Europe this year, although the extent of the European decline is likely to be shallower than previously expected as the risk of a winter energy crisis has been averted.
- Chinese economic growth is expected to remain positive but relatively weak, despite a more rapid post-Covid re-opening than expected and tentative signs of a bounce in sentiment data. A key risk remains the weak outlook for exports.

Tactical tilting:

- Investor sentiment has relatively optimistic, driven by expectations of Chinese economic reopening and a weakening in U.S. inflation data. We think this optimism is misplaced.
- Our relatively gloomy outlook for economic growth, as well as relatively high valuations and overly optimistic market earnings expectations all motive our continued inclusion of underweight tactical tilts in Canadian, U.S., and International equity.
- Also reflecting the challenging economic outlook, the portfolio is overweight in short-term and Canadian fixed income. Both are defensive positions that are expected to outperform in a global recession.
- The longer-term return outlook has improved, particularly for bonds given the increase in yields over the past couple of years.

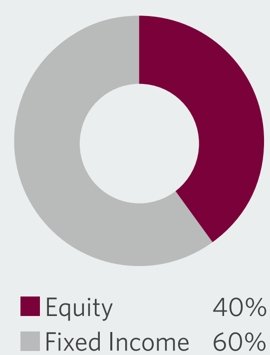
Asset allocation

Asset class	Strategic weight	Current weight[1]	Relative to last month
Global Equity	30.0%	30.0%	Unchanged
Canadian Equity	10.0%	10.0%	Unchanged
Canadian Bond	60.0%	60.0%	Unchanged

CIBC's Sustainable Investment Solutions are actively managed portfolios designed to align investors' wealth objectives with a values-based approach focused on responsible investing. The portfolios offer access to a broad range of investment opportunities through a mix of CIBC Sustainable Investment top funds.

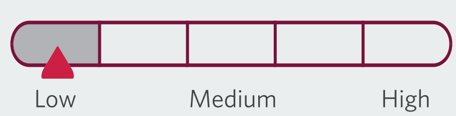
For more information, access the CIBC Sustainable Conservative Balanced Solution fund pages: Class A | Class F

Debt to equity ratio



SAA: 40% Equity/60% Fixed Income

Volatility



Underlying fund performance:

- The portfolio remains overweight the corporate sector and underweight the Government of Canada and Provincial sectors. The yield of the portfolio is above the benchmark due to the sector allocation strategy and duration was modestly longer than the benchmark during the period.
- The Sustainable Canadian Equity strategy returned 7.54% in January, outperforming the S&P/TSX Composite Index by 0.13% during the month, largely due to its structural underweight to the Energy sector, which did not perform as well as other areas of the market.
- The Sustainable Global Equity strategy returned 4.51% in January, underperforming the MSCI World Index by approximately 0.79% during the month. Performance of the fund's Consumer Discretionary and Financials holdings lagged their respective peers in January, with Dollar General (-6.58%) and HDFC Bank (-3.03%) providing most of the performance headwinds. This was partially offset by strong relative performance from the fund's Technology and Consumer Staples holdings, which managed to outperform peers. Top performers included Costco (+10.27%), L'Oreal (+13.57%), Samsung (+19.87%), and NVIDIA (+31.65%)

Sustainability insight[2]

Fund	Morningstar sustainability rating
CIBC Sustainable Canadian Core Plus Bond Fund	Above average
CIBC Sustainable Canadian Equity Fund	Above average
CIBC Sustainable Global Equity Fund	High

[1] Total may not sum to 100% due to rounding.

[2] Morningstar sustainability ratings are updated monthly. Data derived from Morningstar Direct as of January 30, 2023. © 2023 Morningstar Research Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

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