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 February 29, 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*	$9.98	$10.32
Unit price (USD)*	$7.35	$7.61

Series	A & F
Total fund assets $mi*	$581.45
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 February 29, 2024

Trailing returns	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since Inception
Series A	2.2	4.1	10.3	10.0	-2.1	0.3	n/a	0.6
Series F	2.2	4.4	10.9	11.2	-1.0	1.4	n/a	1.7
Series A (USD)	1.2	4.1	9.8	10.6	-4.2	n/a	n/a	-0.7
Series F (USD)	1.3	4.4	10.4	11.8	-3.1	n/a	n/a	0.3

Calendar year returns	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Series A	4.5	3.1	-12.3	-0.3	7.3	0.7	n/a	n/a	n/a	n/a	n/a
Series F	4.7	4.3	-11.3	0.8	8.5	1.9	n/a	n/a	n/a	n/a	n/a
Series A (USD)	2.0	5.4	-18.0	0.4	9.5	n/a	n/a	n/a	n/a	n/a	n/a
Series F (USD)	2.2	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 February 29, 2024

Asset class summary	Portfolio weight	Risk contribution
Core Fixed Income	4.7%	1.5%
Credit Fixed Income	14.9%	25.3%
Equities	12.2%	8.0%
Currencies	8.2%	64.8%
Commodities	1.9%	0.4%
Cash	58.1%	-
Total	**100.0%**	**100.0%**

Top ten long holdings	Portfolio weight	Risk contribution
LONG INR	17.7%	-1.7%
LONG IDR	15.7%	-1.7%
LONG BRL	14.2%	27.9%
Long Mini S&P Index	10.2%	3.6%
Long Nikkei	10.1%	6.6%
LONG COP	8.8%	5.5%
LONG MXN	8.6%	7.2%
Long Ausralia SPI 200	7.7%	3.0%
Long India	6.3%	3.2%
Long FTSE UK	6.3%	2.8%
Total	**105.4%**	**56.3%**

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)	6.2%
Current Portfolio Value at Risk (VaR)	4.2%
Portfolio Yield	4.6%
Leverage	263%

Strategy summary	Portfolio weight	Risk contribution
Market Risk Premia and Tactical Opportunities	15%	6.8%
Alternate Risk Premia: Cross Asset	25%	21.6%
Alternate Risk Premia: Bonds	15%	26.7%
Alternate Risk Premia: Currency	25%	41.7%
Alternate Risk Premia: Defensive	15%	3.3%
Portfolio Risk Oversight	5%	0.0%
Total	**100.0%**	**100.0%**

Top ten short holdings	Portfolio weight	Risk contribution
SHORT USD	-16.2%	5.2%
SHORT CNY	-16.2%	6.0%
SHORT CHF	-14.7%	5.8%
SHORT EUR	-11.3%	0.2%
SHORT TWD	-7.1%	2.4%
Short South Africa Index	-5.8%	-2.9%
Short Thailand Set50 Index	-5.6%	-3.1%
Short Canada 5Y	-3.8%	0.6%
Short Sweden OMX	-3.2%	-3.1%
Short DAX Mini Index	-2.6%	-2.9%
Total	**-70.3%**	**3.1%**

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: Portfolio 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 dollars

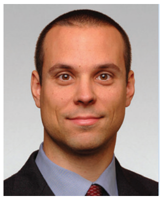
NOTE: Totals may not add up to 100% due to rounding

Detailed portfolio exposure overview As at February 29, 2024

Portfolio exposure	Portfolio weight	Risk contribution
Core Fixed Income	**4.7%**	**1.5%**
Long Canada 2Y	8.0%	-0.7%
Short 10Y Ultra	3.7%	-1.1%
Long Japan 10Y	2.4%	0.2%
Long Australia 10Y	2.0%	-0.1%
Long Germany 10Y	1.5%	-0.4%
Long US 2Y	0.6%	0.0%
Long Germany 5Y	0.4%	-0.1%
Long UK Gilts 10Y	-0.1%	0.0%
Short US 5Y T-Notes	-0.3%	0.0%
Long US 10Y T-NOTES	-0.5%	0.1%
Short Germany 2Y	-1.0%	0.1%
Short Germany 30Y	-1.8%	1.2%
Short US Ultra	-2.0%	1.0%
Short Canada 10Y	-2.3%	0.9%
Short Australia 3Y	-2.3%	0.0%
Short Canada 5Y	-3.8%	0.6%
Equity	**12.2%**	**8.0%**
Long Mini S&P Index	4.2%	3.6%
Long Nikkei	4.2%	6.6%
Long Ausralia SPI 200	3.2%	3.0%
Long Italy Index	3.2%	4.6%
Long India	2.6%	3.2%
Long FTSE UK	2.6%	2.8%
Long Mini Hang Seng Index	2.4%	4.8%
Long Taiwan Index	1.1%	0.7%
Long Kospi 200 Index	0.5%	0.6%
Long UK FTSE 100	0.4%	0.4%
Long NASDAQ MINI Index	0.2%	0.1%
E-Mini S&P Real Estate Index	0.1%	0.1%
S&P Consumer Staples Index	0.1%	0.1%
Equity directional (Options)	0.0%	0.0%
Volatility Risk Premium (Options)	0.0%	0.8%
Systematic Equity Hedge (Options)	-0.1%	-3.1%
Swap MSCI Brazil	-0.5%	-7.0%
Long S&P/TSE IX Index	-1.5%	-1.3%
Short Thailand Set50 Index	-2.3%	-3.1%
Short South Africa Index	-2.4%	-2.9%
Short DAX Mini Index	-2.6%	-2.9%
Short Sweden OMX	-3.2%	-3.1%
Commodities	**1.9%**	**0.0%**
Commodities	1.9%	0.0%
Credit fixed income	**14.9%**	**25.3%**
Long Euro BTP Bond	2.5%	-0.5%
Macquarie Bank Nov 30 2026	2.3%	-0.4%
ICE 3MTH SONIA FU COMM FUTURE	1.9%	-0.1%

Portfolio exposure	Portfolio weight	Risk contribution
Long 3M EURIBOR	1.9%	0.0%
Long SOFR 3-Month	1.9%	0.1%
BANK ACCEPT COMM FUTURE	1.9%	0.0%
Long South Africa 10Y	1.4%	1.6%
Long Brazil 5Y	0.9%	1.9%
Long Colombia 10Y	0.5%	0.3%
Swap Indonesia	0.2%	0.0%
Swap India	0.0%	0.4%
Swap Thailand	0.0%	-0.7%
Swap Chile	0.0%	0.5%
Swap Hungary	0.0%	-0.2%
90-DAY BANK BILL COMM FUTURES	0.0%	0.0%
Swap Malaysia	0.0%	0.0%
Swap US HY ETF	0.0%	0.6%
Swap Sweden	-0.1%	0.3%
Swap Columbia	-0.1%	6.8%
Swap Mexico	-0.1%	-0.8%
Swap Poland	-0.2%	15.4%
Currencies	**8.2%**	**64.8%**
LONG INR	17.7%	-1.7%
LONG IDR	15.7%	-1.7%
LONG BRL	14.2%	27.9%
LONG COP	8.8%	5.5%
LONG MXN	8.6%	7.2%
LONG SEK	8.0%	2.6%
LONG CLP	4.3%	3.3%
LONG KRW	4.0%	0.1%
LONG TRY	2.7%	-0.2%
LONG NOK	2.3%	0.7%
LONG ZAR	0.9%	0.3%
LONG HUF	0.2%	0.1%
LONG AUD	0.0%	0.0%
LONG GBP	0.0%	0.0%
SHORT MYR	0.0%	0.0%
SHORT CZK	0.0%	0.0%
SHORT JPY	-0.6%	0.4%
SHORT PLN	-2.4%	-1.1%
SHORT HKD	-2.5%	0.8%
SHORT THB	-2.6%	0.3%
SHORT SGD	-5.4%	0.7%
SHORT TWD	-7.1%	2.4%
SHORT EUR	-11.3%	0.2%
SHORT CHF	-14.7%	5.8%
SHORT CNY	-16.2%	6.0%
SHORT USD	-16.2%	5.2%
Cash	**58.1%**	**-**
Cash	58.1%	-

COMMENTARY As at February 29, 2024



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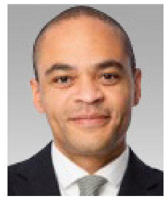

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Summary

- MAARS strategy risk increased slightly in February but remains below its long-term average. Portfolio positioning continues to have a pro-cyclical tilt.
- Market sentiment remained positive in February as resilient growth has remained.
- Geopolitical and, to a lesser degree, recession risks remain concerns, suggesting caution and selectivity in portfolio positioning and risk.

Market overview

February's economic data prints were broadly suggestive of more global recovery green shoots. US economic activity has remained resilient, with consumer spending still a key driver of above-trend growth. With employment and real household income continuing to grow strongly, and household wealth haven risen sharply in recent months, it seems likely US resilience will persist. Canadian data—including employment, business sentiment and Q4 GDP—were relatively healthy and suggestive of a gradual economic recovery. And although the European Central Bank (ECB) recently downgraded its economic outlook for 2024, several data prints have recently positively surprised consensus expectations suggesting we have also reached the bottom of the European economic cycle. With purchasing manager sentiment surveys showing signs of improvement in a swath of other countries, evidence is consistent with the start of a gradual global cyclical recovery. The two main exceptions remain China and Japan.

We gained little additional insight during the month into the outlook for inflation. Major Developed market central banks appear cautiously confident that a return to 2% policy targets is within reach. The ECB predicts inflation at target for 2025 as a whole. The US Federal Reserve has a similar outlook, and the Bank of Canada (BoC) projected a more sanguine message at its latest policy meeting. Market pricing of these central banks has been scaled back substantially during the early months of 2024, and is now broadly consistent with our expectation at the start of the year for three 25 basis point cuts in 2024. As a base case, this still seems reasonable. But the risk of a renewed upturn in inflation—which has increased recently with the release of stronger inflation data, particularly in service and rental sectors—would likely cause major central banks to cut less than currently expected. Thus far, equity markets and broader investor sentiment have looked through the rate outlook and have continued to be driven by the surprising strength of growth and the positive outlook for technology and Artificial Intelligence. We doubt this will remain the case were we to see a further meaningful repricing in favour of Higher for Longer.

As with growth, Japan and China are outliers on inflation, with central banks in both countries engaged in efforts to nurture more inflation, not less. Recent comments out of the Bank of Japan (BoJ) suggest increasing conviction that a persistent escape from decades of sub-par inflation is within reach; an exit from its Negative Interest Rate Policy (NIRP) may come as soon as April. The BoJ has been trying to generate sustained inflation in the Japanese economy since the 2012 introduction of Abenomics. BoJ Governor Ueda has frequently referenced the need to proceed extremely cautiously. This suggests that when NIRP does end, the BoJ will likely begin by announcing a dovish hike. Year/year Chinese consumer price inflation turned positive in February, following months of falling price levels. Even so, Chinese policymakers likely remain biased towards more policy easing rather than less given structural weaknesses in the domestic economy, related to excess housing supply and local government indebtedness. And China will likely continue to export deflation to the rest of the world for the foreseeable future; the level of producer prices has continued to decline, by 2.7% year/year in February.

In Emerging Markets, most Asian central banks still appear primarily concerned with continued inflation risks and appear unlikely to ease policy soon. By contrast, in Latin America and Emerging Europe—with the significant exception of Turkey—further policy easing remains front and center. Many of these central banks were much more proactive than the Fed, and other DM's, in tightening policy early in 2021 in the face of rising inflation. They are now cutting policy interest rates in response to clear evidence of disinflation; inflation in Brazil and Chile has already returned to central bank policy target bands. And even the Bank of Mexico, arguably the most hawkish central bank in the region, appeared to prepare the markets for the start of a rate cutting cycle at its most recent meeting.

Strategy highlights

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

Through February, we observed a modest uptick in portfolio risk, a trend expected to extend into March. Our portfolio positioning has remained pro-cyclical, aligning with the ongoing economic strength. The resilience of Q4 earnings, particularly in the U.S., has bolstered this stance. Market dynamics have undergone notable shifts, particularly concerning expectations regarding interest rate cuts. Market sentiment shifted from the earlier expectation of 5-6 aggressive cuts to a more reasonable 2-3 cuts, prompted by a surprise in the inflation print.

- **Equities: Targeted Opportunities**

The rally in developed market equities persisted in February, driven by momentum, strong economic growth, and robust earnings. Japanese Equities continue to perform well in 2024. Our bullish stance on Japan is underpinned by domestic cyclical factors, such as an ultra-loose monetary policy, coupled with structural changes emphasizing the enhancement of corporate profitability. Additionally, Japan's equity market boasts greater diversity compared to the more concentrated markets of the U.S., Korea, and China, further bolstering its potential for outperformance irrespective of broader global market trends. We have maintained our long equity position in Japan.

S&P 500 performance has become increasingly concentrated into a few companies that have displayed a lack of sensitivity to the cyclical economic outlook. Most of our indicators point toward near-term relative underperformance of US equities. As such, we have eliminated our long U.S. equity position. Valuation has remained attractive in other equity markets and thus we have retained our long positions in Canada, and Australia. Our decision-making process was guided by rigorous analysis, including signals from our momentum indicator that pointed to attractive entry points in these markets.

Additionally, we have maintained our long positions in the Japan and Taiwan equity markets, as they rank strongly in both our quantitative and qualitative evaluation processes. Overall, our approach reflects a commitment to staying agile in response to evolving market conditions while maintaining a strategic focus on regions and sectors that offer the greatest potential for sustainable growth and returns.

- **Bonds: Retention of Key DM & EM Bond Steepeners**

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.

We continue to hold long positions in emerging market local currency bonds, including long Brazil and Colombia on an unhedged basis, and South Africa 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.

We retained core relative bond positions consisting of long positions in Australia, Poland, and the United Kingdom, while simultaneously holding short positions in bonds from Canada, Czechia, and Germany, respectively. 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.

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

Portfolio positioning was tilted in favour of pro-cycle, pro-value currencies. The interest rate carry of positioning has remained attractive, but is expected to shift back towards its historical average as we move through the year as an increasing number of central banks embark upon policy easing cycles.

Core longs are in Latin America (LATAM), with the Brazilian real (BRL), Colombian peso (COP), and Mexican peso (MXN). We increased BRL and COP positions slightly in February. The add to BRL was funded with the Canadian dollar (CAD); the increase in our COP long was funded through a combination of shorts in the Singapore dollar (SGD), which screens as expensive, and the Euro (EUR).

Other core portfolio long positions, that are in part predicated on positive interest rate carry, were retained. This includes Indonesian rupiah (IDR) and Indian rupee (INR) positions. A recent research trip to India underscored our positive assessment of this currency. We maintained our tactical long position in the Turkish lira (TRY).

Tactical longs that gave exposure to a combination of improving cyclical prospects and attractive valuation include the Korean won (KRW) and the Swedish krona (SEK). We increased the size of both positions in February; KRW against the Swiss franc (CHF) and SEK against EUR. We took profits on our PLN position—versus the Czech koruna (CZK) and CHF—and closed the ZAR long—also against CHF—on concerns of heightened domestic political risk.

The portfolio's principal funding currencies were unchanged during the month. In Asia, the portfolio remained short the Chinese renminbi (CNH) and, to a lesser extent, Taiwan dollar (TWD). Both currencies exhibited low carry, and, at the margin, remain vulnerable to elevated geopolitical risk. The size of the TWD short position was trimmed towards the end of 2023 in response to the improvement in cyclical economic prospects outside of China.

In North America, we maintained core short positions in the Canadian (CAD) and US dollars (USD). CAD is a pro-cycle currency with relative poor fundamentals that make it particularly exposed to—domestic and global—recession risk. EUR remains an attractive long-term funding currency on weaker economic activity in Europe compared with a more resilient US economy. Persistent underlying structural weaknesses also continued to contribute to our short EUR conviction.

- **Commodities: Near-Term Headwinds, Long-Term Positive**

Commodity volatility has remained high due to heightened geopolitical and recession risks. Longer-term demand is expected to be more constructive for commodity prices broadly, including crude, and so will low current inventory levels, including the U.S. Strategic Petroleum Reserve. Years of under investment across a range of commodities also suggests chronic supply shortages that will help prices in the long term.

We have eliminated our our small long positions in Oil, Gasoline, and Copper markets and look to re-engage as price levels become more attractive. We also retained our long gold exposure, as a hedge against heightened geopolitical and recession risks.

The fund will make significant use of derivatives. CIBC Asset Management may use derivative instruments in the management of its accounts when permitted. The Fund may use derivatives such as futures, forwards, swaps, options, covered warrants, debt like securities which have an option component or any combination of these instruments, the value of which is based upon the market price value or level of an index, or the market price or value of a security, currency, commodity or financial instrument. Derivative instruments may be used for the following purposes: to hedge, gain or reduce portfolio exposures. The Fund may also use derivatives for currency management purposes. The Fund's use of derivatives may introduce leverage into the Fund. Leverage occurs when the fund's notional exposure to underlying assets is greater than the amount invested and is an investment technique that can magnify gains and losses.

Hedging: the offset or reduction of the risk associated with all or a portion of an existing investment or group of investments. Cross-hedging is permitted as long as there is a high degree of correlation between changes in the market value of the investment or group of investments to be hedged and the hedging instrument; Creating effective exposures to certain markets: replication of equity, fixed income, money market, currency or other indices or securities, in order to reduce transaction costs and achieve greater liquidity; Facilitating the investment management process: increase the speed, flexibility and efficiency in the investment management operation of the client account; Enhancing returns: benefiting from a lower cost or locking-in of arbitrage profits, except for private client accounts.