

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
ONTARIO, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
CANADIAN IMPERIAL BANK OF COMMERCE**

AND

**CIBC INCOME PORTFOLIO
CIBC INCOME PLUS PORTFOLIO
CIBC BALANCED PORTFOLIO
CIBC BALANCED GROWTH PORTFOLIO
CIBC BALANCED GROWTH RSP PORTFOLIO
CIBC GROWTH PORTFOLIO
CIBC GROWTH RSP PORTFOLIO
CIBC AGGRESSIVE GROWTH PORTFOLIO
CIBC AGGRESSIVE GROWTH RSP PORTFOLIO**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (collectively, the **ADecision Makers@**) in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador (collectively, the **AJurisdictions@**) has received an application (the **AApplication@**) from Canadian Imperial Bank of Commerce (the **AManager@**) in its own capacity and on behalf of CIBC Income Portfolio, CIBC Income Plus Portfolio, CIBC Balanced Portfolio, CIBC Balanced Growth Portfolio, CIBC Balanced Growth RSP Portfolio, CIBC Growth Portfolio, CIBC Growth RSP Portfolio, CIBC Aggressive Growth Portfolio, CIBC Aggressive Growth RSP Portfolio and other mutual funds managed by the Manager after the date of this Decision (defined herein) having as their investment objective to invest all or substantially all of their assets in other mutual funds managed by the Manager (collectively, the **ATop Funds@**, individually, a **ATop Fund@**) for a decision by each Decision Maker (collectively, the **ADecision@**) pursuant to the securities legislation of the Jurisdictions (the **ALegislation@**) that the following provisions of the Legislation (the **AApplicable Requirements@**) shall not apply to the Manager or the Top Funds, as the case may be, in respect of certain investments to be made from time to time by a Top Fund in the units of CIBC Money Market Fund, CIBC Canadian Bond Fund, CIBC Global Bond Fund, Canadian Imperial Equity Fund, CIBC U.S. Small Companies Fund, CIBC European Equity Fund, CIBC Emerging Economies Fund, CIBC Far East Prosperity Fund, CIBC Canadian Short-Term Bond Index Fund, CIBC U.S. Equity Index Fund, CIBC U.S. Index RRSP Fund, CIBC International Index

RRSP Fund, CIBC Canadian Bond Index Fund, CIBC Canadian Index Fund and such other mutual funds managed by the Manager after the date of this Decision (collectively, the **Underlying Funds**, individually, an **Underlying Fund**):

- (a) the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder, and
- (b) the requirements contained in the Legislation requiring a management company, or in British Columbia, a mutual fund manager, to file a report relating to a purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies.

AND WHEREAS pursuant to the Mutual Reliance Review System (**MRRS**) for Exemptive Relief Applications (the **System**), the Ontario Securities Commission is the principal regulator for this Application;

AND WHEREAS the Manager has represented to the Decision Makers as follows:

1. The Manager is a Canadian chartered bank with its head office located in Toronto, Ontario, and is, or will be, the Manager of the Top Funds and Underlying Funds.
2. Each of the Top Funds and Underlying Funds is or will be an open-end mutual fund trust established under the laws of the Province of Ontario. Units of each of the Top Funds and Underlying Funds will be qualified for distribution in each of the Jurisdictions under a simplified prospectus and annual information form (together, the **Prospectus**) filed with and accepted by the Decision Makers.
3. Each of the Top Funds and Underlying Funds is or will be a reporting issuer in each of the Jurisdictions and is not or will not be in default of any requirements of the Legislation.
4. To achieve their respective investment objectives, each of the Top Funds will invest fixed percentages (the **Fixed Percentages**) of its net assets, excluding cash and cash equivalents, directly in units of the specified Underlying Funds, subject to a permitted deviation to account for market fluctuations of not more than 2.5 percent above or below the Fixed Percentages (the **Permitted Ranges**).
5. The Prospectus for the Top Funds will disclose the names, investment objectives, investment strategies, risks and restrictions of the Top Funds and Underlying Funds, as well as the Fixed Percentages to be invested in each Underlying Fund and the Permitted Ranges.
6. Where an Underlying Fund or a Fixed Percentage is changed, the Manager will amend the Prospectus in accordance with securities legislation to reflect this significant change, or will file a

new simplified prospectus reflecting the significant change within ten days thereof, and will provide 60 days prior written notice of the change to unitholders of the relevant Top Fund.

7. Each of the Top Funds will not invest in a mutual fund whose investment objective includes investing in other mutual funds.
8. CIBC Securities Inc., a wholly owned subsidiary of the Manager is or will be the principal distributor and will act as dealer for the purchase by a Top Fund of units of an Underlying Fund. The arrangements will be such that the Top Fund is not charged any initial sales charge in connection with its purchase of units of an Underlying Fund, and the purchase of such units will be on a basis that does not give rise to any deferred sales charge payable by a Top Fund.
9. The investments by each of the Top Funds in securities of the Underlying Funds represent the business judgement of Aresponsible persons@ (as defined in the Legislation) uninfluenced by considerations other than the best interests of the Top Fund.
10. Except to the extent evidenced by this Decision and specific approvals granted by the regulator or the securities regulatory authority in each of the provinces and territories of Canada pursuant to National Instrument 81-102 Mutual Funds (ANI 81-102"), the investments by each Top Fund in an Underlying Fund have been structured to comply with the investment restrictions of the Legislation and NI 81-102.
11. In the absence of this Decision, pursuant to the Legislation, the Top Funds are prohibited from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder. As a result, in the absence of this Decision, the Top Funds would be required to divest themselves of any such investments.
12. In the absence of this Decision, the Legislation requires the Manager to file a report on every purchase and sale of securities of the Underlying Funds by the Top Funds.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker;

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicable Requirements shall not apply so as to prevent the Top Funds from making and holding an investment in securities of the Underlying Funds or require the Manager to file a report relating to the purchase and sale of such securities;

PROVIDED IN EACH CASE THAT:

1. the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with matters in section 2.5 of NI 81-102;
2. the Decision shall only apply if, at the time a Top Fund makes or holds an investment in its Underlying Funds, the following conditions are satisfied:
 - (a) the securities of both the Top Fund and the Underlying Funds are being offered for sale in the jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form which has been filed with and accepted by the Decision Maker;
 - (b) the investment by the Top Fund in the Underlying Funds is compatible with the fundamental investment objectives of the Top Fund;
 - (c) the Prospectus discloses the intent of the Top Fund to invest in securities of the Underlying Funds, the names of the Underlying Funds, the Fixed Percentages and the Permitted Ranges within which such Fixed Percentages may vary;
 - (d) the investment objective of the Top Fund discloses that the Top Fund invests in securities of other mutual funds;
 - (e) the Underlying Funds are not mutual funds whose investment objective includes investing directly or indirectly in other mutual funds;
 - (f) the Top Fund invests its assets (exclusive of cash and cash equivalents) in the Underlying Funds in accordance with the Fixed Percentages disclosed in the Prospectus;
 - (g) the Top Fund's holding of securities in the Underlying Funds does not deviate from the Permitted Ranges;
 - (h) any deviation from the Fixed Percentages is caused by market fluctuations only;
 - (i) where an investment by the Top Fund in any of the Underlying Funds has deviated from the Permitted Ranges as a result of market fluctuations, the Top Fund's investment portfolio was re-balanced to comply with the Fixed Percentages on the next day on which the net asset value was calculated following the deviation;
 - (j) if the Fixed Percentages and the Underlying Funds which are disclosed in the Prospectus have been changed, either the Top Fund's Prospectus has been amended or a new simplified prospectus has been filed to reflect the change, and the security holders of the Top Fund have been given at least 60 days' notice of the change;

- (k) there are compatible dates for the calculation of the net asset value of the Top Fund and the Underlying Funds for the purpose of the issue and redemption of the securities of such mutual funds;
- (l) no sales charges are payable by the Top Fund in relation to its purchases of securities of the Underlying Funds;
- (m) no redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by the Top Fund of securities of the Underlying Fund owned by the Top Fund;
- (n) no fees or charges of any sort are paid by the Top Fund and the Underlying Funds, by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the Top Fund's purchase, holding or redemption of the securities of the Underlying Funds;
- (o) the arrangements between or in respect of the Top Fund and the Underlying Funds are such as to avoid the duplication of management fees;
- (p) any notice provided to security holders of an Underlying Fund as required by applicable laws or the constating documents of that Underlying Fund has been delivered by the Top Fund to its security holders;
- (q) all of the disclosure and notice material prepared in connection with a meeting of security holders of the Underlying Funds and received by the Top Fund has been provided to its security holders, the security holders have been permitted to direct a representative of the Top Fund to vote its holdings in the Underlying Fund in accordance with their direction, and the representative of the Top Fund has not voted its holdings in the Underlying Funds except to the extent the security holders of the Top Fund have directed;
- (r) in addition to receiving the annual, and upon request, the semi-annual financial statements, of the Top Fund, security holders of the Top Fund have received appropriate summary disclosure in respect of the Top Fund's holdings of securities of the Underlying Funds in the financial statements of the Top Fund; and

- (s) to the extent that the Top Fund and the Underlying Funds do not use a combined simplified prospectus and annual information form containing disclosure about the Top Fund and the Underlying Funds, copies of the simplified prospectus and annual information form of the Underlying Funds have been provided upon request to security holders of the Top Fund and the right to receive these documents is disclosed in the Prospectus of the Top Fund.

DATED January 16, 2002.

*A*K. D. Adams@

K. D. Adams

*A*Robert W. Korthals@

Robert W. Korthals

Headnote

Investment by mutual funds in a portfolio of specified mutual funds under common management exempted from the self-dealing prohibition in clause 111(2)(b) and subsection 111(3), and from the reporting requirements of clauses 117(1)(a) and 117(1)(d), subject to certain specified conditions.

Statutes Cited

Securities Act (Ontario), R.S.O. 1990, c.S.5, as am., 111(2)(b), 111(3), 117(1)(a) and 117(1)(d).