



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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VIA SEDAR

January 16, 2002

Stikeman Elliott

Attention: Jennifer Northcote

Dear Sirs/Mesdames:

**Re: Canadian Imperial Bank of Commerce (the "Manager") and CIBC Portfolios
MRRS Exemptive Relief Application pursuant to section 19.1 of National Instrument 81-
102 Mutual Funds ("NI 81-102")
- SEDAR #405228 ; Application No. 1281/01**

By letter dated November 28, 2001 (the "Application"), you applied to the regulator or the securities regulatory authority in each of the provinces and territories of Canada (collectively, the "Decision Makers") on behalf of the Manager 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 to be managed by the Manager after the date of this letter having as their investment objective to invest all or substantially all of their assets in other mutual funds managed by the Manager (collectively, the "Top Funds", individually, a "Top Fund"), for exemptive relief from the restrictions in subsections 2.1(1), 2.2(1), and clause 2.5(1)(a) of NI 81-102 to permit a fund-on-fund structure whereby the Top Funds each invest all of their assets in a portfolio of selected mutual funds under common management, comprised of a combination of the following mutual funds: 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 letter (collectively, the "Underlying Funds, individually, an "Underlying Fund").

The Application states that each Top Fund will invest fixed percentages (the "Fixed Percentages") of its assets (exclusive of cash and cash equivalents), as specified in the simplified prospectus of the Top Funds, in the securities of the Underlying Funds, subject to a variation of 2.5 percent above or below the Fixed Percentages (the "Permitted Ranges") to account for market fluctuations.

The securities of the Top Funds and of the Underlying Funds are or will be qualified for sale in the jurisdiction of each Decision Maker under a (final) simplified prospectus and annual information form filed with and accepted by each Decision Maker.

This letter confirms that, based on the information and representations contained in the Application, and for the purposes described in the Application, the Decision Makers hereby exempt each of the Top Funds from the following requirements of NI 81-102:

- (i) subsection 2.1(1), to permit a Top Fund to invest more than 10 percent of its net assets in securities of an Underlying Fund;
- (ii) subsection 2.2(1), to permit a Top Fund to purchase securities of an Underlying Fund, even if, as a result of such purchase, the Top Fund would hold securities representing more than 10 percent of the voting or equity securities of the Underlying Fund;
- (iii) clause 2.5(1)(a), to permit a Top Fund to purchase securities of one or more Underlying Funds, even if such purchase exceeds the prescribed 10 percent aggregate limit.

This letter further confirms that you have withdrawn your request for an approval pursuant to clause 5.5(1)(d) of NI 81-102 to allow a Top Fund to suspend redemptions for the whole or any part of a period during which one or more of its respective Underlying Funds have suspended redemptions.

The Decision Makers grant the exemptions to permit each of the Top Funds to purchase securities of the Underlying Funds, subject to the following conditions:

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 simplified 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 simplified 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 simplified prospectus have been changed, either the Top Fund's simplified 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 simplified prospectus of the Top Fund.

Yours truly,

"Paul A. Dempsey"
Paul A. Dempsey
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