

# CIBC Investment Grade Bond Funds | Expert Access featuring Ebad Saif

[Inspiring music]

Ebad Saif (offscreen): Post-Covid we had interest rates at near-zero levels. In an attempt to fight inflation central banks have been quick to move rates from near zero to the elevated levels that we see today. They've done this at a very fast pace and the magnitude of change has been rapid.

[Global interest rates (2009–2024)]

[A chart shows the change in global interest rates from 2009 to 2024. In 2009 it was just below 4%, then dropped to just under 1% in 2020, at which point it began rising again to over 4% around 2024. The image zooms in on the most recent years, and a highlight emphasizes the increase seen from January 2021 to April 2023.]

[Source: Bloomberg®. As at Dec. 31, 2023. Based on Bloomberg Global Aggregate Bond Index.]

This has resulted in bonds repricing significantly lower.

[Canadian bond market (2002–2023)]

[A line chart measures the average prices for Canadian bonds from 2002 to 2023. The y-axis measures units from 120 to 85, with 100 called “Par value”, any value over 100 called “Bonds trading at premium”, and any value below 100 called “Bonds trading at discount”. The chart shows that from 2002 to roughly 2021, bonds always traded at premium, but from roughly 2021 to 2023, bonds have been trading at discount.]

[Source: Bloomberg. As at March 25, 2024. Based on Bloomberg Canada Aggregate Bond Index.]

[Ebad Saif, an adult male wearing a suit, appears onscreen, talking. He’s framed against a blurred background which suggests that he sits in a modern office building.]

Ebad Saif (onscreen): So today we're seeing an environment where fixed income bonds are trading at a value below their par value that we haven't seen in decades.

[A still image with a mostly empty blue background, and the top part of a modern bridge towards the right side of the frame.]

[CIBC logo]

[CIBC Asset Management]

[CIBC Investment Grade Bond Funds  
Expert Access featuring Ebad Saif]

[Ebad Saif, CFA  
Client Portfolio Manager, Global Fixed Income  
CIBC Asset Management]

Ebad Saif (onscreen): The CIBC Investment Grade Bond solutions are strategies that are designed to give our clients a similar investment experience to owning an individual bond.

[A graphic showing the different CIBC Investment Grade Bond Funds and CIBC U.S. Investment Grade Bond Funds. CIBC Investment Grade Bond Funds include funds for 2025, 2026, 2027, 2028 2029 and 2030. CIBC U.S. Investment Grade Bond Funds include funds for 2025, 2026 and 2027. The following descriptors appear beside graphics:

Maturity date  
Indication of total returns  
Source of returns]

Ebad Saif (offscreen): So, as an investor, you know what your maturity date is. You have an indication of what your total return looks like and where that return's sourced from how much of it is coming from income, how much of it is coming from capital gains.

The additional benefits are you get a basket of securities that are diversified across both government bonds and investment grade corporate bonds.

[Fixed income breakdown]

[A donut chart appears onscreen. Beside the chart is a legend that indicates investment grade corporate bonds and government bonds.]

[For illustrative purposes only.]

You get the additional benefit of these strategies being liquid and you get access to CIBC's investment research capabilities and our ability to source bonds in the market at very attractive prices.

[The CIBC Square building. The CIBC logo installed on the exterior of an office building. CIBC Asset Management employees gathered at a large table in a meeting room. A portfolio manager talking in a meeting. Typing on a keyboard. Finance graphs on a computer monitor.]

[How do these funds fit in an investor's portfolio?]

Ebad Saif (onscreen): These investment solutions can be a key tool for our investors to meet their short to medium term investment objectives. Whether it's buying a house, or going on vacation.

[How do the funds compare to traditional fixed income solutions?]

These investment solutions by design are “buy and hold” investments. So we buy the underlying securities and we hold them to maturity. In a traditional bond portfolio there isn't a terminal date. That means you're continuously buying and selling bonds, whereas in these portfolios, we buy the bonds and we hold them to maturity.

How they're are also different from a GIC portfolio: these are liquid investments. There isn't a penalty for liquidating early where often there might be a penalty to liquidate a GIC before its terminal date.

[What happens at maturity?]

[Maturity year]

[A chart measures percentages (100%, 50% and 0%) on the y-axis and the months of January, June and November on the x-axis. A triangle filling the inner-most part of the chart, with January at 100% and November at 0%, appears onscreen. Text reading “% invested in bonds” appears on this triangle. Another triangle filling the outermost part of the chart, with January at 0% and November at 100%, appears onscreen. Text reading “% invested in cash or cash equivalents” appears on this triangle.]

Ebad Saif (offscreen): As the portfolios approach maturity, the cash invested in these portfolios begins to increase. And if there's a significant amount of time before the terminal date, we'll reinvest these portfolios to get an attractive return until terminal date.

At which point the full portfolio is in cash. We terminate the fund and we give clients their money back.

[The image zooms in to the right part of the chart, and the words “Final distribution to investor”, accompanied by an icon of coins going into a jar, appear next to “November”.]

[Key takeaway for investors]

Ebad Saif (onscreen): I think we're giving our clients additional tools to manage their short to medium term investment objectives with a product that gives you a terminal date.

So as an investor, you know when you're going to receive your capital back. And you have a strong indication of what that total return looks like over your investment horizon.

[To learn more, connect with your advisor or CIBC Asset Management representative]

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