

Short-term investing for near-term goals



Realize your investment goals with short-term goals-based investing

Achieving your financial goals requires more than just picking an investment product - it involves aligning specific objectives, including your time horizon, for achieving these goals. That is why it is important to set goals that are 'SMART' -- Specific, Measurable, Achievable, Relevant and Time-bound. This can be done by focusing on "goals-based investing" and nearer-term investment goals.

What is goals-based investing?

Goals-based investing involves creating 'SMART' objectives that account for the risk tolerances of an investor, specific time horizons and overall investment objectives. Goals-based investing allows an investor to identify specific investment products that directly align with their objectives and can further aid in motivating an individual to achieve their ambitions. This is because each investment vehicle would have a specific purpose that directly aligns with meeting their ambitions. It is important that when conducting goals-based investing, each goal is prioritized by their level of importance and time horizon as this will help with finding the right product fit.

Investors looking for advice or seeking professional guidance, can always work with their Financial Advisor to help them carefully create a customized investment strategy that aligns with their ambitions.

How to start your goals-based investment journey

It is important to understand that goals-based investing means focusing on a specific outcome related to your individual goals, rather than trying to outperform the market. Once this has been understood, an investor can begin the process of crafting their 'SMART' objectives.



Specific

Ensure that your goal is specific, clear and concise. Consider leveraging the 5 W's methodology (who, what, where, when, and why) when defining your goal.



Relevant

Have a goal that is relevant to your unique circumstances and characteristics.



Measurable

Make sure that the goal can be measured. It is important to be able to monitor and track the progress of your goal so that changes can be made, if necessary.



Time-bound

Ensure that the goal has a specific time frame to keep yourself and the goal on track. Consider what can be done to ensure that it is achieved within the time frame.



Achievable

The goal should be attainable and more importantly, realistic. Consider your current situation and apply it to the goal. Identify how the goal may be achieved, but ensure that it is practical.

Example of 'SMART' goals-based investing

- **Specific** - To have regular income generated by investing in a CIBC Investment Grade Bond Fund with a redemption of 2030, for the first year of their child's college tuition.
- **Measurable** - To ensure that regular income is generated for their child's first year of tuition, the parent will monitor with their Financial Advisor, that income is continually generated on a monthly basis.
- **Achievable** - The goal can be achieved because it aligns with the parents volatility profile and income target to generate sufficient cashflow and capital appreciation to assist in paying for their child's future tuition.
- **Relevant** - The parent is seeking regular income generation, and wants to leverage the new income to pay for their child's tuition, something that they are keen on assisting with.
- **Time bound** - 6 years to achieve income generation for their child's tuition.



Meeting nearer-term goals with CIBC's Investment Grade Bond Funds

Investing for nearer-term goals coupled with the goal methodology of 'SMART' provides investors with a wide array of investment solutions which may be overwhelming. Working with a dedicated Financial Advisor can help investors narrow down the appropriate investment solution for them. A solution that can help investors meet their goals for nearer-term plans are the CIBC Investment Grade Bond Funds, which are available as mutual funds and ETFs in Canadian and US Dollars.

Whatever your short-term savings goals are, whether you are buying a house, or saving for a vacation, or building an emergency fund, CIBC's Investment Grade Bond Funds make it simple to build customized portfolios that aligns to the timing of your individual savings goals.



Saving for a down
payment



Funding a vacation



Building an emergency
fund

What are the CIBC Investment Grade Bond Funds?

CIBC's Investment Grade Bond Funds combine the characteristics of individual bonds with defined maturities, regular cash flow, and a reduction of duration over time. The Funds also have the diversification and selectivity of a traditional bond fund, and are all backed by the credit research team at CIBC.

Key benefits

- **Diversification** - Portfolio of Canadian or US dollar investment grade corporate and government bonds with defined maturity dates with built-in diversification.
- **Cash flow management** - Defined maturity dates and monthly distributions allow investors to plan for regular cash flow needs. Income is distributed monthly, with the choice of receiving the distribution as cash or reinvesting it in additional units of the fund.
- **Simplicity** - Customized portfolios tailored to specific time frames and investment goals; similar to individual bonds or GICs, while managing interest rate risk.
- **Potential for tax efficiency*** - Bonds trading at a discount to their par value may offer a tax advantage over cash, GICs and individual bonds (purchased at their par value) as a larger portion of its total return may be derived from capital gains which are subject to lower tax rates than interest income.
- **Scale and expertise** - Benefit from the deep investment and credit expertise of CIBC Asset Management's Fixed Income team.

CIBC Investment Grade Bond Funds for an array of investors

Because each investor's situation are uniquely theirs, CIBC has investment solutions for those interested in CAD or USD returns based on their unique lifestyles. Each of CIBC Investment Grade Bond Funds has its own maturity date to help ensure that the investors' goals remain time-bound.

Fund comparison	CIBC Investment Grade Bond Funds	CIBC US Investment Grade Bond Funds
Investor characteristics	<ul style="list-style-type: none"> ▪ Investors saving for shorter-term goals ▪ Investors nearing mortgage renewal savings ▪ Investors transitioning investments from HISA ▪ Investors with idle cash ▪ Investors seeking regular income generation ▪ Investors seeking potential for better after-tax return profiles ▪ Investors seeking portfolio diversification 	<p>In addition to the Canadian investor characteristics, the CIBC US Investment Grade Bond Funds are also for:</p> <ul style="list-style-type: none"> ▪ Investors who spend time in the US (i.e., snowbirds) ▪ Investors with US property ▪ Investors with USD income ▪ Investors with US - based businesses ▪ Investors with USD goals ▪ Investors seeking potential for better after-tax return profiles



Comparing investment vehicles for shorter-term goals

Understanding the basic characteristics of an investment vehicle can be very important when it comes to finding the right product for an investor's goals. The table below breaks down the basic characteristics of three products: a savings account, a GIC and CIBC Investment Grade Bond Funds.

Comparing investment vehicles for shorter-term goals	Savings account	GIC	CIBC Investment Grade Bond Funds
Yield	Variable	Fixed	Fixed
Liquidity	Liquid	Illiquid	Liquid
Time horizon for investment	Under 1 year	1-5 years	1-5 years
Distribution frequency	Monthly	Monthly, semi-annually or annually depending on institution	Monthly
Professionally managed	No	No	Yes

Summary

There are various investment vehicles that investors can leverage to meet their financial goals. The key for investing is to understand and define their goals for both their short-term and long-term objectives. Investors seeking to achieve near-term goals may want to consider the 'SMART' investment methodology for goals-based investing to help define and remain focused on their ambitions.

CIBC Investment Grade Bond Funds can help client ambitions become a reality, due to their lower volatility, capital appreciation, regular income payments, and portfolio diversification. This can help investors meet their goals as they can begin saving for their future-dated objectives today.

Interested in beginning the journey to achieving your short-term goals? Talk to a Financial Advisor today who can help you get closer to making your ambition's become a reality.



All information in this document is as at June 30, 2024, unless otherwise indicated, and is subject to change.

*While the CIBC U.S. Investment Grade Bond Funds intend to take the position that the bonds are held on capital account, there can be no assurance that the Canada Revenue Agency will agree with the tax treatment adopted by the Fund. Please read the Income Tax Consequences and Fund Specific Information - Taxation risk headings in the Fund's Prospectus for more information.

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