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

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Bernard Augustin,
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Client portfolio management team

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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 June 30, 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*	$10.03	$10.41
Unit price (USD)*	$7.33	$7.61

Series	A & F
Total fund assets $mi*	$555.72
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 June 30, 2024

Trailing returns	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since Inception
Series A	-1.9	-0.5	5.0	11.1	-2.2	0.2	n/a	0.6
Series F	-1.8	-0.2	5.6	12.3	-1.1	1.3	n/a	1.8
Series A (USD)	-2.2	-1.5	1.7	7.6	-5.4	n/a	n/a	-0.7
Series F (USD)	-2.2	-1.2	2.3	8.8	-4.3	n/a	n/a	0.3

Calendar year returns	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Series A	5.0	3.1	-12.3	-0.3	7.3	0.7	n/a	n/a	n/a	n/a	n/a
Series F	5.6	4.3	-11.3	0.8	8.5	1.9	n/a	n/a	n/a	n/a	n/a
Series A (USD)	1.7	5.4	-18.0	0.4	9.5	n/a	n/a	n/a	n/a	n/a	n/a
Series F (USD)	2.3	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 June 30, 2024

Asset class summary	Portfolio weight	Risk contribution
Core Fixed Income	-12.9%	1.2%
Credit Fixed Income	16.3%	28.3%
Equities	11.7%	30.2%
Currencies	0.8%	39.8%
Commodities	0.0%	0.6%
Cash	84.2%	-
Total	**100.0%**	**100.0%**

Top ten long holdings	Portfolio weight	Risk contribution
LONG INR	9.0%	-4.8%
LONG IDR	8.3%	-1.3%
LONG BRL	8.1%	8.9%
LONG COP	6.7%	2.8%
Long Mini S&P Index	4.1%	8.0%
LONG NOK	4.0%	2.4%
LONG MXN	3.4%	1.2%
Long 3M EURIBOR	3.0%	0.0%
Long SOFR 3-Month	3.0%	0.0%
ICE 3MTH SONIA FU COMM FUTURE	3.0%	-1.0%
Total	**52.6%**	**16.1%**

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)	4.9%
Current Portfolio Value at Risk (VaR)	3.2%
Portfolio Yield	4.9%
Leverage	2.02x

Strategy summary	Portfolio weight	Risk contribution
Market Risk Premia and Tactical Opportunities	5%	0.0%
Alternate Risk Premia: Cross Asset	22%	23.5%
Alternate Risk Premia: Bonds	15%	27.1%
Alternate Risk Premia: Currency	18%	30.1%
Alternate Risk Premia: Defensive	15%	19.3%
Portfolio Risk Oversight	25%	0.0%
Total	**100.0%**	**100.0%**

Top ten short holdings	Portfolio weight	Risk contribution
SHORT CNY	-10.1%	9.6%
SHORT USD	-9.8%	6.8%
SHORT CHF	-8.3%	6.5%
SHORT EUR	-6.9%	1.9%
SHORT THB	-4.3%	3.1%
SHORT SGD	-3.5%	2.0%
SHORT HKD	-2.7%	1.9%
Short US 2-Year T-Notes	-2.5%	0.1%
Short South Africa Index	-2.3%	-2.1%
Long Kospi 200 Index	-2.2%	-3.5%
Total	**-42.5%**	**16.6%**

Glossary

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.

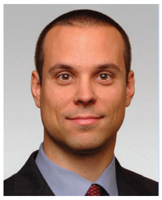
NOTE: Totals may not add up to 100% due to rounding

Detailed portfolio exposure overview As at June 30, 2024

Portfolio exposure	Portfolio weight	Risk contribution
Core Fixed Income	**-12.9%**	**1.2%**
Short 10Y Ultra	6.4%	-0.1%
Long Germany 10Y	3.9%	-0.2%
Long Canadian Overnight Repo	3.0%	-0.2%
Long Australia 10Y	1.0%	0.8%
Short Australia 3Y	0.0%	0.0%
Short Australia 3Y	0.0%	0.0%
Long UK Gilts 10Y	-0.2%	0.0%
Long US 10Y T-NOTES	-0.7%	0.1%
Short Canada 5Y	-0.7%	0.2%
Long Japan 10Y	-0.9%	0.0%
Short US 5Y T-Notes	-1.0%	0.1%
Long Germany 5Y	-1.4%	0.1%
Long Euro Bond SP GOV	-1.9%	-2.6%
Short US 2-Year T-Notes	-2.5%	0.1%
Short Germany 30Y	-2.8%	0.8%
Long Canada 2Y	-2.8%	0.3%
Short Canada 10Y	-3.5%	1.0%
Short US Ultra	-3.9%	1.0%
Short Germany 2Y	-4.7%	-0.1%
Equity	**11.7%**	**30.2%**
Long Mini S&P Index	4.1%	8.0%
Long MINI ITALY MN S&PMIB INDEX	2.3%	3.8%
Long USD DENOM NIKKEI INDEX	2.2%	5.1%
Long India NIFTY	2.2%	2.4%
Long Mexico Bolsa Index	2.2%	2.7%
Long Spain IBEX 35	2.2%	3.5%
Long Switzerland SMI Index	2.2%	1.9%
Long S&P/TSE IX Index	1.0%	1.4%
Long NASDAQ MINI Index	0.5%	0.9%
Long S&P Healthcare Index	0.3%	0.4%
Long S&P Cons. Disc. Index	0.3%	0.7%
Long S&P Emini Comm Index	0.3%	0.4%
Long S&P Industrial Index	0.3%	0.7%
E-Mini S&P Real Estate Index	0.3%	0.7%
Long S&P Financial Index	0.3%	0.7%
Equity directional (Options)	0.0%	0.1%
Volatility Risk Premium (Options)	0.0%	7.6%
Short Australia 3Y	0.0%	0.0%
Short Australia 3Y	0.0%	0.0%
Swap MSCI Brazil	0.0%	3.6%
Systematic Equity Hedge (Options)	-0.2%	-4.8%
Short HSH Index	-2.2%	-2.5%
Long Taiwan Index	-2.2%	-1.4%
Long Kospi 200 Index	-2.2%	-3.5%
Short South Africa Index	-2.3%	-2.1%
Commodities	**0.0%**	**0.0%**
Credit fixed income	**16.3%**	**28.3%**
Macquarie Bank Nov 30 2026	3.0%	-0.4%
Long 3M EURIBOR	3.0%	0.0%
Long SOFR 3-Month	3.0%	0.0%
ICE 3MTH SONIA FU COMM FUTURE	3.0%	-1.0%
Long Euro BTP Bond	2.2%	0.5%

Portfolio exposure	Portfolio weight	Risk contribution
Long Korea 10Y	2.0%	0.4%
BONOS DE TESORERIA 7.30 AUG 12 33	1.2%	-0.2%
iShare 20yr Bond ETF	0.7%	-0.7%
Long Brazil 5Y	0.4%	0.5%
Swap Indonesia	0.2%	0.0%
Swap US Vol	0.1%	0.3%
Swap India	0.0%	0.1%
Long South Africa 10Y	0.0%	1.1%
Swap Poland	0.0%	2.2%
90-DAY BANK BILL COMM FUTURES	0.0%	0.0%
Swap Norway	0.0%	0.6%
Short Australia 3Y	0.0%	0.0%
Swap EUR Vol	0.0%	0.3%
Swap Mexico	0.0%	1.2%
Swap US HY ETF	0.0%	0.0%
Swap Chile	0.0%	-0.4%
Swap China	0.0%	-0.1%
Swap New Zealand	0.0%	-0.7%
Swap Thailand	0.0%	0.3%
Swap Sweden	-0.2%	25.9%
Short Swiss Fed Bond	-2.2%	-1.6%
Currencies	**0.8%**	**39.8%**
LONG INR	9.0%	-4.8%
LONG IDR	8.3%	-1.3%
LONG BRL	8.1%	8.9%
LONG COP	6.7%	2.8%
LONG NOK	4.0%	2.4%
LONG MXN	3.5%	1.2%
LONG HUF	2.7%	0.3%
LONG MYR	2.2%	-1.1%
LONG ZAR	2.1%	0.2%
LONG KRW	2.0%	-0.9%
LONG TRY	1.7%	-0.3%
LONG SEK	0.2%	0.0%
LONG GBP	0.0%	0.0%
LONG CLP	0.0%	0.0%
Short Australia 3Y	0.0%	0.0%
Long NZD	0.0%	0.0%
SHORT AUD	0.0%	0.0%
SHORT JPY	0.0%	0.0%
SHORT PLN	0.0%	0.0%
LONG PEN	-1.3%	0.4%
SHORT CZK	-2.6%	0.3%
SHORT HKD	-2.7%	1.9%
SHORT SGD	-3.5%	2.0%
SHORT THB	-4.3%	3.1%
SHORT EUR	-6.9%	1.9%
SHORT CHF	-8.3%	6.5%
SHORT USD	-9.8%	6.8%
SHORT CNY	-10.2%	9.6%
Cash	**84.2%**	**-**
Cash	84.2%	-

Commentary As at June 30, 2024



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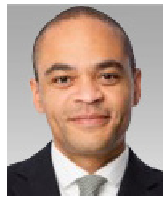

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Summary

- MAARS strategy risk declined in June as geopolitical risks increased. Portfolio positioning continues to have a pro-cyclical tilt.
- Market sentiment deteriorated in June due to slowing growth and increased political risk globally
- Geopolitical risks remain a concern, suggesting caution and selectivity in portfolio positioning and risk.

Market overview

The broad outlook for economies and markets remained relatively benign. The global economy is neither overheating nor particularly weak. Financial conditions are neither too easy nor unnecessarily restrictive. The primary threat to the current constructive investment environment is likely posed by a range of political risks—including US elections, Chinese relations with both the US and Europe, as well as the conflicts in Ukraine and the Middle East—rather than economic developments.

After surprising on the upside earlier this year, the growth of global gross domestic product (GDP) has cooled a little in recent months. Much of this slowing has centered on the US, where a benign gradual reversion to trend seems to be playing out. This includes the labour market, for which supply and demand now appears to be better aligned than in past years. Concurrently, the breadth of the global growth recovery has increased, with more countries reporting a gradual improvement in economic activity. This includes Canada, although here activity data have been relatively mixed but are expected to improve.

Inflation remains above central banks targets in most countries. After a sustained period of consumer price disinflation throughout 2022 and during the first half of 2023, many developed market (DM) central banks spent much of the subsequent period fretting over the extent of a renewed upswing in inflation, led by services. Canada was a noteworthy exception. Despite sustained elevated wage increases the Bank of Canada (BoC) responded in June to the moderation in Canadian consumer price inflation and became the first G7 central bank to cut its policy interest rate, by a quarter point to 4.75%. The European Central Bank also eased policy, a day later than the BoC. The inflation outlook has also recently brightened in the US with the latest consumer price data suggesting inflation has resumed its convergence towards the Federal Reserve's (the Fed) 2.0% policy target. Particularly encouraging was the sharp decline in services inflation in- and excluding shelter; the latter remains central to the timing and magnitude of policy easing by the Fed. Based on the available data, we continue to expect a short and shallow rate easing cycle in most DM countries, with the Fed likely to start easing in the Fall.

China continues to be an important exception to our constructive outlook. The Chinese economy has shown tentative signs of stronger growth in the early months of 2024, reflecting a modest recovery in external demand for Chinese output and stimulus measures supportive of non-housing investment spending. Progress in other sectors of the economy has been less promising, with the outlook for housing particularly bleak. Additional policy stimulus is likely to focus on this sector, which has shrunk to 10-12% of GDP from a peak over 20% just a few years ago. China's housing glut will likely take several more years to resolve, particularly in the context of a declining population, which is uncommon for a country at China's stage of development.

In this situation, we expect the People's Bank of China to gradually become more willing to allow the renminbi (CNH) to depreciate against a broad range of currencies. This is particularly likely given the growing risk of additional US and European tariffs on Chinese manufacturing. As a result, our conviction remains high in using CNH as a core funding currency, particularly against more attractive currencies in Asia such as the Indonesian rupiah and Indian rupee (both of which remain core portfolio longs).

Strategy highlights

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

MAARS risk was reduced in June as geopolitical risks increased. We respectively reduced the risk associated to our Active Currency and Cross asset strategies, waiting for the economic environment to clear up before redeploying risk. Over the longer-term we expect risk to be re-calibrated across all of our investment risk sleeves.

Across the portfolio we have maintained a pro-cyclical portfolio stance, in line with the ongoing economic momentum. Inflation trends in the U.S. have persisted and are still high compared to the Fed's 2% goal. Market players have kept delaying rate hikes to later in 2024 and into 2025.

- **Global Bonds: Selective Bond Exposure**

The U.S. economy has shown resilience, supported by robust economic activity, but it has started to decelerate. The job market remains strong, with weekly jobless claims and job openings data indicating stability. However, the June monthly jobs report revealed an increase in the unemployment rate to 4.1%. As concerns about another inflation surge diminish, market attention is likely to shift towards employment data as an indicator of a slowing economy. Consequently, bond yields in developed markets have declined, providing gains for participants in those markets.

Increased market volatility in emerging markets, driven largely by political events in India, South Africa, and particularly in Mexico, led to underperformance of EM bonds compared to their developed market counterparts. The Morena party's unexpectedly large parliamentary win in Mexico in June triggered significant selling of Mexican assets, including the peso (MXN), and a reversal of the global carry trade. These developments primarily affected Latin American markets and weighed on sentiment toward EM carry currencies more broadly.

Despite these challenges, the Global Bond risk sleeve performed positively in June. We maintain long positions in emerging market local currency bonds, including Brazil and Indonesia, on a currency-hedged basis. Long-term expected returns remain attractive, supported by high yields, relatively strong domestic fundamentals, favorable secular commodity trends, and an anticipated weakening of the U.S. dollar. In Latin America, we believe political risks are largely behind us, and we expect policy rates to be cut over the next 12 months in response to declining inflation, which should benefit our positions in the region.

In June, we initiated long positions in Norway versus Japan, supported by our quantitative ranking process and subsequent support by our qualitative assessment. The Bank of Japan continues to struggle with inflation dynamics and significant currency devaluation, leading us to anticipate a policy rate increase. Additionally, we maintained long positions in Poland, Peru, Korea, Australia, and Mexico against the United States, China, Spain, Canada, and Thailand, respectively. This strategic mix reflects a carefully considered approach to leveraging divergent economic and market conditions across different regions, with each position grounded in a detailed analysis of interest rate differentials, economic environments, and geopolitical factors.

During the month, we closed our long positions in the U.K. and the U.S. versus Germany and Italy, as they no longer aligned with our quantitative ranking process. We also exited our long position in South Africa as markets stabilized. A post-election coalition led by the ANC calmed markets, resulting in a decline in bond yields and strong positive bond performance.

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

Portfolio performance was negative in June. The main driver was idiosyncratic political risk. Election results surprised in India, South Africa, Europe, and Mexico. Fiscal worries continued to surface in Brazil. All these events led to increased market volatility. The broader investment background remained constructive, as did the economic outlook. As a result, we left active risk little changed from its level in May as a percentage of long-term target and made only small changes to portfolio positioning. We also retained a moderate pro-cycle, pro-carry positioning bias.

After range trading for the previous year, BRL experience an initial weakening in May that extended markedly in June. This weakness was driven primarily by increasing market concerns regarding domestic fiscal risks. We continue to think that these concerns are exaggerated, and that the broader fundamental outlook for BRL remains positive. This includes its carry advantage and relatively attractive valuation. We held our long BRL position unchanged in June. Our view was corroborated in early July when the government announced spending cuts equivalent to 0.2% of GDP to be enacted in the second half of 2024 as part of an effort to adhere to fiscal rules and deliver a zero primary fiscal balance by year end.

The unexpectedly large Mexican parliamentary win by the Morena party in June triggered significant selling of Mexican assets, including the peso (MXN). This selling was driven by the expectation that the result will enable constitutional, judicial and pension reform that could adversely impact the fundamental outlook of Mexican assets. It also soured sentiment towards EM carry currencies more broadly, although this effect seems to have been temporary; for instance, in July the Colombian peso (COP) has recovered much of the ground it lost in June. We added to our long COP position at the beginning of June.

We agree that the fundamental outlook for MXN has worsened in response to political events. That said, market positioning turned net short the currency in June, which is a difficult position to sustain in the face of MXN's high carry advantage against many funding currencies. This suggested at least a partial recovery, which we have observed since MXN's local low on June 12. Mexico's positive basic balance, as well as its high carry, also suggest no underlying reason for persistent MXN selling once the adjustment in market positioning is complete. We held on to our remaining MXN long in June but trimmed at the beginning of July, and will continue to appraise.

In India, the Modi government performed relatively poorly in recent elections, and lost its previous majority. However, it was quickly able to organize a working coalition consistent with the implementation of its stated policy objectives on a broadly unchanged timeline. There was little impact on INR. We retain our long-term positive view of the currency and maintained our long position unchanged in June.

With European elections in early June and the subsequent snap parliamentary elections called by French President Macron, political risk has resurfaced in Europe. The immediate impact was a weakening of EUR, and a widening of French and other country sovereign bond spreads. In response, we reduced portfolio risk in Europe by closing our long position in the Swedish krona (SEK) versus EUR, and by introducing a hedge in short EUR versus long the Swiss franc (CHF).

We don't expect significant additional EUR weakness as a result of political risk. The ECB remains credible and independent. The final results in French elections were better than initially feared by the market consensus and appear unlikely to trigger seismic negative changes in domestic the country's fiscal policy; the deficit is already stretching the bounds of possibility as defined by European fiscal rules. And results of the European parliamentary elections actually resulted in a broad continuation of the status quo, despite being largely overshadowed by French politics. However, political risk does have the potential to encourage more EUR volatility and so does the risk of renewed trade tensions with the US and China.

Changes to quantitative factor rankings during June, as well as rising political risk, meant that our investment process no longer supported a long position in the Peruvian sol (PEN) expressed against CHF, and the exposure was closed. Finally, we crystallized gains in June on our long Chilean peso (CLP) position versus the Thai baht (THB).

Positioning in other key portfolio positioning—our long in the Indonesian rupiah, and shorts in the Canadian and US dollars and CNH—were unchanged in June.

- **Cross Asset: Systematic Approach**

MAARS' cross asset sleeve uses a systematic strategy that takes relative market positions. The strategy uses a quantitative process that cross sectionally ranks global equity, global fixed income and global currency markets across carry, value, momentum and cycle factors. Expanding on this, the strategy involves taking long and short positions within each asset class.

In June, we maintained our long positions in the equity markets of India, Italy, Japan, and Switzerland, and short positions in Brazil, China, Korea, and South Africa. Our previous long positions in France and Poland were switched in favour of Mexico and Spain as both presented attractive value opportunities. Furthermore, we shifted our short positions from Sweden and Thailand to Taiwan and the U.S. due to stretched valuations in the latter equity markets.

Within our fixed income universe, we maintained long positions in Chile, India, Poland, South Africa and Thailand, following our ranking model. We switched our previous long position in Mexico to Italy as it offers a more attractive longer-term valuation prospects. We kept our funding positions in China, Germany, Sweden, and Switzerland unchanged. Previous short positions in Colombia and France were switched to Canada and New Zealand as growth prospects in both these economies continue to be unimpressive. China's economic growth has remained weak. Continued accommodative monetary policy by the PBOC continues to make Chinese bonds less appealing.

Within our systematic currency strategy, we maintained our long positions in Brazilian Real (BRL), Colombian Peso (COP), Indonesian Rupiah (IDR), Malaysian Ringgit (MYR), and South African Rand (ZAR)and Indian Rupee (INR).Funding positions in the Swiss Franc (CHF), Chinese Renminbi (CNH), Euro, (EUR) Honk Kong (HKD), Singapore Dollar (SGD), and Thai Baht (THB) remained unchanged. Europe and Asia's attraction as a funding currency partly reflects an expected weak economic recovery in both markets compared with the more resilient US economy.