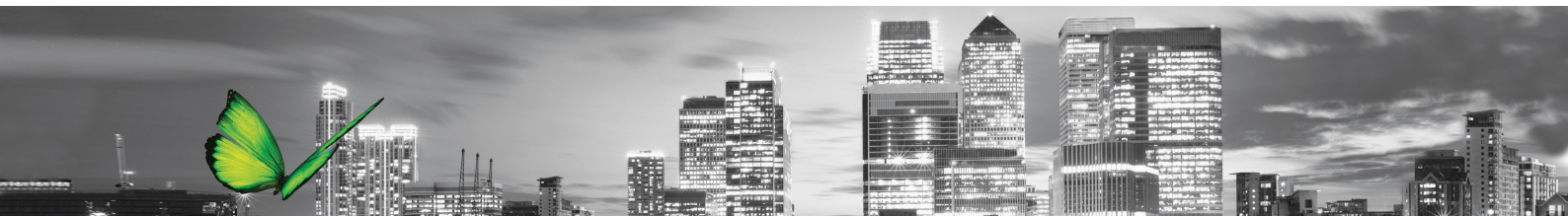


# CIBC

## Single Index Memory Income Autocall June 2020

### Factsheet



#### Investment Description

A 6 year investment linked to the performance of the Canadian Index TSX 60.

If on any of the semi-annual observation dates, including the Final Observation, the closing level of the Underlying is at or above 80% of its initial level, the income will be paid plus any previously missed income payments.

This investment will autocall and mature early if the Underlying is equal to or above its initial level on any semi-annual observation date starting at 12 months. If early maturity occurs, full capital is returned and the investment will end. If early maturity does not occur the investment will continue to the Final Observation date.

At the Final Observation date, if the Underlying is at or above 70% of its initial level, then full capital is returned. If the Underlying is below 70% of its original level, capital return will be reduced on a 1-for-1 basis. For example if the Underlying has fallen to 40% of its original level, 40% of the capital will be returned.

#### BENEFITS

- Opportunity for regular income payments even where the Underlying shows significant falls.
- A memory feature, whereby income previously unpaid, will be included when the income trigger is next activated.
- Autocall feature potentially shortens the investment term and is triggered by minimal growth.
- Early maturity provides an opportunity to re-assess client's wealth strategy.
- Daily pricing.

#### RISKS

- The return is limited to the pre-defined investment terms.
- The income payment is conditional upon the Underlying performance.
- Investors will be exposed to the credit risk of the Issuer. If the Issuer becomes insolvent or cannot make the payments on the Product for any other reason, investors could lose some or all of their investment. A decline in the Issuer's credit quality is likely to reduce the market value of the Product and therefore the price an investor may receive for the Product if they were to sell them in the market.
- There is a risk to capital should the Underlying breach the capital protection barrier on its Final Observation date.
- Should investors need to sell their investment before maturity, the trading price will likely mean they get back less than they invested.

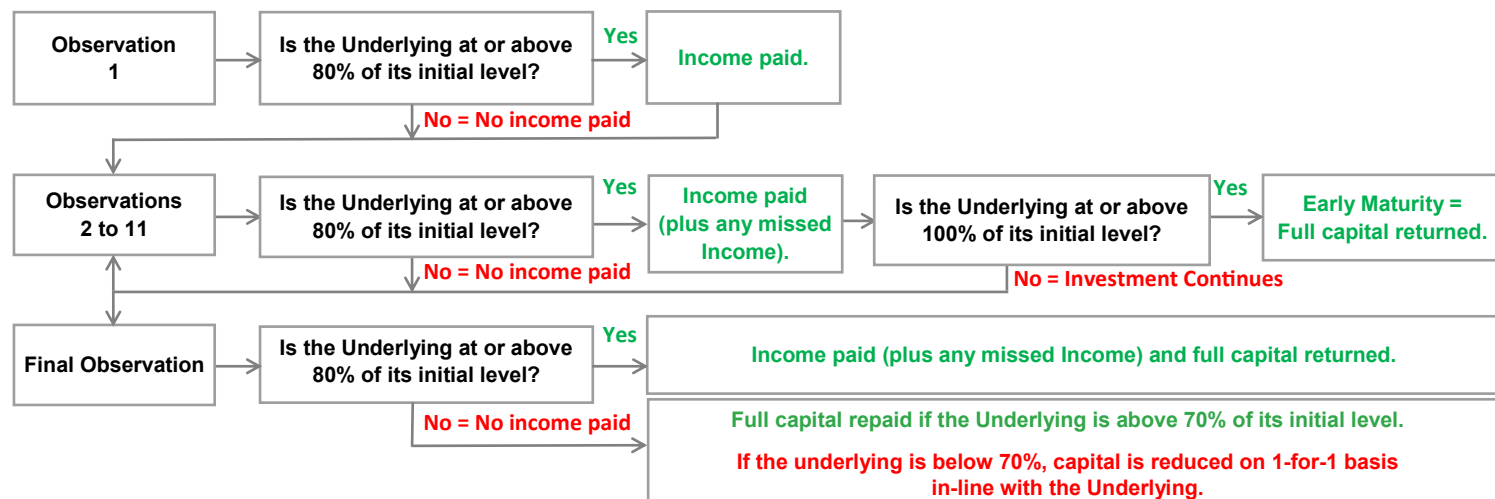
#### Product Factsheets & Features

|                                    |                                                 |
|------------------------------------|-------------------------------------------------|
| <b>Issuer:</b>                     | CIBC                                            |
| <b>Credit Ratings:</b>             | Fitch AA-, Moody's Aa2, S&P A+                  |
| <b>Source:</b>                     | Bloomberg 15.05.2020                            |
| <b>Maximum Term:</b>               | 6 years                                         |
| <b>Investment Structure:</b>       | Memory Income Autocall                          |
| <b>Autocall Opportunities:</b>     | Semi-Annual<br>(First Observation at 12 months) |
| <b>Autocall Trigger:</b>           | 100% of initial level                           |
| <b>Memory Income Rate:</b>         | GBP = 2.50% Semi-Annually                       |
| <b>Income Trigger:</b>             | 80% of initial level                            |
| <b>Capital Risk:</b>               | Not capital protected                           |
| <b>Capital Protection Barrier:</b> | 70% Final level (European style)                |
| <b>Underlying Index</b>            | <b>Bloomberg Code</b>                           |
| Canada: TSX 60                     | SPTSX60 Index                                   |

#### Key Information

|                                  |                                               |
|----------------------------------|-----------------------------------------------|
| <b>Subscription Period:</b>      | 15 May 2020 – 11 Jun 2020<br>(4.30pm UK Time) |
| <b>Issue Price:</b>              | 100%                                          |
| <b>Strike Date:</b>              | 12 June 2020                                  |
| <b>Issue Date:</b>               | 19 June 2020                                  |
| <b>1st Coupon Observation:</b>   | 14 December 2020                              |
| <b>1st Autocall Observation:</b> | 14 June 2021                                  |
| <b>Final Observation:</b>        | 12 June 2026                                  |
| <b>Maturity Date:</b>            | 19 June 2026                                  |
| <b>Denominations:</b>            | 1,000 then lots of 1,000                      |
| <b>ISIN:</b>                     | GBP = XS2178687427                            |

#### How The Investment Works



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#### Observation Dates (some dates may vary if a bank holiday or non-business day occurs)

|                   | Observation Date | Payment Date     | Income Trigger | Autocall Trigger     |
|-------------------|------------------|------------------|----------------|----------------------|
| Observation 1     | 14 December 2020 | 22 December 2020 | 80%            | n/a                  |
| Observation 2     | 14 June 2021     | 22 June 2021     | 80%            | 100%                 |
| Observation 3     | 13 December 2021 | 20 December 2021 | 80%            | 100%                 |
| Observation 4     | 14 June 2022     | 22 June 2022     | 80%            | 100%                 |
| Observation 5     | 12 December 2022 | 19 December 2022 | 80%            | 100%                 |
| Observation 6     | 12 June 2023     | 19 June 2023     | 80%            | 100%                 |
| Observation 7     | 12 December 2023 | 19 December 2023 | 80%            | 100%                 |
| Observation 8     | 12 June 2024     | 19 June 2024     | 80%            | 100%                 |
| Observation 9     | 12 December 2024 | 19 December 2024 | 80%            | 100%                 |
| Observation 10    | 12 June 2025     | 19 June 2025     | 80%            | 100%                 |
| Observation 11    | 12 December 2025 | 19 December 2025 | 80%            | 100%                 |
| Final Observation | 12 June 2026     | 19 June 2026     | 80%            | 100%                 |
| Final Observation | 12 June 2026     | 19 June 2026     | 80%            | 70% European Barrier |

IDAD was established in 2002 and our approach from the outset, is what we call the "IDAD Difference". The selection of the investments we offer is not decided in terms of profitability alone and when developing investment products, we favour evidence over dogma. We are happy to work with advisers and product providers alike to deliver a range of investment options to suit differing client wealth strategies. We're proud of our approach to business as well as the investments delivered as a result of the "IDAD Difference". We are committed to building upon our reputation for bringing benefits to all involved in the investment process, but most importantly to the clients.

Canadian Imperial Bank of Commerce provides banking and financial services to consumers, individuals, and corporate clients in Canada and around the world.

Source: Bloomberg 15.05.2020

#### RATIONALE

Structured products are becoming increasingly popular for investors due to the wide variety of payoffs and levels of protection that can be achieved by the different types of structures that are available.

The opportunity for an income stream can be of key importance to investors as part of their wealth planning. The probability of an income payment being triggered is increased with this investment as the Underlying needs to show a fall of 20% from its initial level on any observation date before the income stream is disrupted.

The investment also benefits from a memory feature so that if any income payments have missed being paid, they will catch-up the next time the Underlying is above 80% of its initial levels on an observation date.

The Underlying detailed overleaf has been selected in order to support the anticipated delivery of that income.

The autocall payoff can bring an early return of capital allowing the opportunity for a re-assessment of investment strategy. The value of this feature cannot be underestimated as it brings with it the opportunity to secure capital value, as well as the chance to take advantage of future market trends.

To manage the capital risk, a final level barrier set at 70% means the Underlying must fall by more than 40% over 6 years before capital is at risk.

#### Secondary Market

The Issuing bank will endeavour to provide quotes under normal market conditions for trading purposes upon request, subject to a Bid-Offer spread of 1%. On the secondary market, traded prices will include any accrued interest ("dirty prices").

Sale trades will settle 2 days after the trade date.

Trade orders should be sent to [orders@idad.com](mailto:orders@idad.com)

All trades will be settled direct with IDAD's Euroclear a/c 44382

#### SUITABILITY

This product may be suitable for investors who:

- Are seeking the opportunity for higher returns than current cash rates at the time this product was launched.
- Are seeking income rather than growth.
- Understand and accept there is a risk to capital and how the Capital Protection Barrier works.
- Understand the impact of global economic issues and how they will affect the product.
- Understand the criteria which will determine the income payments.
- Are looking to invest for the medium to long term, being happy to remain invested until maturity.
- Can afford to have their cash invested for the full term of the Product.
- Wish to use this investment as part of a well-diversified portfolio.
- Understand that the returns are pre-defined and that they will forgo any growth in the Underlying which exceeds the fixed level available with this investment product.
- Understand the risk to capital in the event of a counterparty default.
- Should they need to sell their investment, accept that the trading price will likely mean they get back less than they invested.
- Appreciate that income payments are conditional but understand that the memory feature can deliver previously missed income payments.

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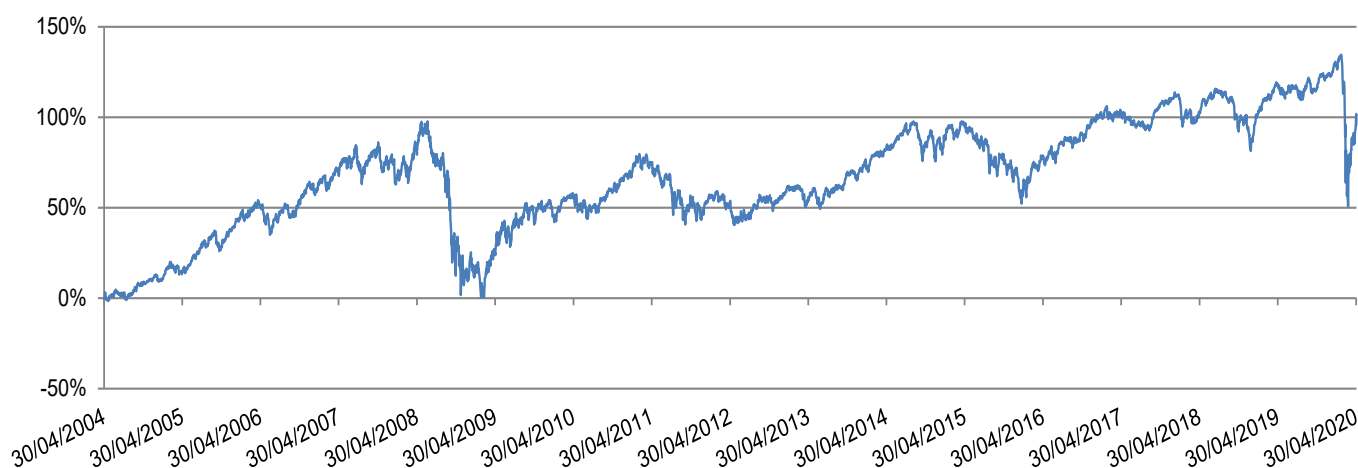
#### The Underlying

The **S&P/Toronto Stock Exchange 60** is a capitalization-weighted index. It consists of 60 of the largest and most liquid (heavily traded) stocks listed on the Toronto Stock Exchange (TSX). They are usually domestic or multinational industry leaders.

Source: Bloomberg 15.05.2020

#### Movement in the Underlyings over a 16 year period

SP/TSX 60



#### 16 Year Back-Testing

Back-testing shows how the investment would have performed historically using data from previous potential strike dates and observations. Although past performance is not an indication of future performance, it can give a factual insight into how the investment would have performed historically.

This 16 year back-test shows the historical data for a full 10 years of 6 year products that could reach the full term.

Of the 2,501 scenarios tested, 7.32% would reach the full term without autocalling and none of these would have breached the 70% final level barrier.

Every coupon observation has also been tested, and out of all 2,501 scenarios tested, 100% of coupons would have been paid thanks to the Memory feature.

| Autocall Test | Autocalled | %      | Autocall Test | Autocalled | %     |
|---------------|------------|--------|---------------|------------|-------|
| 12 Months     | 1,959      | 78.33% | 42 Months     | 24         | 0.96% |
| 18 Months     | 48         | 1.92%  | 48 Months     | 1          | 0.04% |
| 24 Months     | 4          | 0.16%  | 54 Months     | 0          | 0.00% |
| 30 Months     | 81         | 3.24%  | 60 Months     | 0          | 0.00% |
| 36 Months     | 198        | 7.92%  | 66 Months     | 3          | 0.12% |

| Total Number Tested | % Matured Early | % To Reach Final Date | % That Returned Full Capital | % Barrier Breach | % Of Coupons Paid | Average Historic Return GBP |
|---------------------|-----------------|-----------------------|------------------------------|------------------|-------------------|-----------------------------|
| 2501                | 92.68%          | 7.32%                 | 100%                         | 0.00%            | 100%              | 5.00% p.a.                  |

**Past performance is not a reliable indicator of future performance and should not be used to assess the future returns or risks**

Source: Bloomberg 15.05.2020, Data period: 30.04.2004 to 30.04.2020 - Assumptions shown are net of any initial fees or costs and describe the potential historic return that a client would have received based on the terms of this Product.



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