

CIBC Private Client Fund Limited

Prospectus

May 2011



The Trinidad and Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.

Prospectus

for

**CIBC Private Client Fund Limited
(the "Company")**

IMPORTANT, if you are in any doubt about the contents of this offering document you should contact your stockbroker, bank manager, solicitor, accountant or other financial adviser.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Distribution of this listing document is not authorised unless it is accompanied by the latest audited accounts of the Company and, if published later, its semi-annual accounts. Such accounts and this listing document together form the Prospectus for the issue of Participating Shares of the Company.

Cayman Islands

This listing document includes information given in compliance with the listing rules of the Cayman Islands Stock Exchange. The directors of the Company whose names appear in section 2.1 ("the **Directors**") collectively and individually accept full responsibility for the accuracy of the information contained in the listing document and confirm, having made reasonable enquiry, that to the best of their knowledge and belief there are no facts the omission of which would make any statement within the listing document misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document.

The Bahamas

This Prospectus in connection with the offer of securities by the issuer has not been registered with the Securities Commission of The Bahamas as the Prospectus is exempted from the filing and registration requirements of the Securities Industry Act, 1999. No offer or sale of any securities of the issuer can be made in The Bahamas unless the offer of the securities is made by or through a broker-dealer or securities investment advisor licensed by the Securities Commission of The Bahamas and in compliance with Bahamian Exchange Control Regulations (Chapter 360 of the Subsidiary Legislation of The Bahamas).

The shares may not be directly or indirectly offered, sold or otherwise disposed of in any manner whatsoever to persons designated or otherwise deemed "resident" pursuant to Bahamian Exchange Control Regulations (Chapter 360 of the Subsidiary Legislation of The Bahamas) unless such persons obtain or have obtained the prior approval of the Central Bank of The Bahamas in this regard.

Canada

No subscriptions will be accepted from any person or entity who is a resident of Canada.

Trinidad and Tobago

This distribution is being made by a foreign mutual fund pursuant to disclosure documents prepared in accordance with foreign securities laws. Purchasers should be aware that these requirements may differ from those of Trinidad and Tobago.

All of the directors and officers of the foreign mutual fund, and all of the experts named in this Prospectus reside outside of Trinidad and Tobago. Substantially all of the assets of these persons and of the foreign mutual fund may be located outside of Trinidad and Tobago. The foreign mutual fund has appointed Bourse Securities Limited of 90 Independence Square, Port of Spain, Trinidad, as its agent for Service of Process in Trinidad and Tobago. It may not be possible for investors to effect service of process within Trinidad and Tobago upon the directors and officers referred to above. It may also not be possible to enforce against the foreign mutual fund, its directors and officers, named in this prospectus judgments obtained in Trinidad and Tobago.

Purchasers should be aware that the expert(s) responsible for any expertise statement, report or opinion in the Prospectus have not submitted to the jurisdiction of Trinidad and Tobago and therefore it may not be possible for an investor to take legal proceedings against the expert(s) in Trinidad and Tobago.

The foreign mutual fund is incorporated or organised under the laws of a foreign jurisdiction and the rights and remedies available under Trinidad and Tobago law may not be available.

This document together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities being distributed by this Prospectus.

USA

Shares of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**1933 Act**”), nor has the Company been registered as an investment company under the Investment Company Act of 1940, as amended (the “**1940 Act**”). Shares of the Company are not being offered to, nor will any subscriptions be accepted from, any person or entity who is a United States Person. For such purposes, “United States” means the United States, each state thereof, its territories, possessions and all areas subject to its jurisdiction and a “United States Person” means:

- (i) any natural person who is a citizen of or resident in the United States;
- (ii) any partnership or corporation organized or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a U.S. person;
- (iv) any trust of which any trustee is a U.S. person;
- (v) any agency or branch of a foreign entity located in the United States;
- (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States;
- (viii) any employee benefit plan (within the meaning of section 3(3) of ERISA other than a plan described in section 4(b)(4) of ERISA; and
- (ix) any partnership or corporation if (A) organized or incorporated under the laws of any foreign jurisdiction; and (B) formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.

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DIRECTORY

Directors

Ben Gillooly
Michael Halsey
Andrew Needham

Manager, Administrator, Custodian, Secretary and Registrar

CIBC Bank and Trust Company (Cayman) Limited
CIBC Financial Centre
11 Dr. Roy's Drive
P.O. Box 694
George Town, Grand Cayman KY1-1107
Cayman Islands

Investment Advisor

CIBC Asset Management Inc.
20 Bay Street
Suite 1402
Toronto, Ontario, M5J 2N8
Canada

**Legal Advisors
in the Cayman Islands**

Higgs & Johnson
5th Floor, Anderson Square
Shedden Road
P.O. Box 866
George Town, Grand Cayman KY1-1103
Cayman Islands

Auditor

Ernst & Young
62 Forum Lane
Camana Bay
P.O. Box 510
Grand Cayman KY1-1106
Cayman Islands

Cayman Islands Listing Agent

Higgs & Johnson
5th Floor, Anderson Square
Shedden Road
P.O. Box 866
George Town, Grand Cayman KY1-1103
Cayman Islands

Trinidad & Tobago Registration Agent

Bourse Securities Limited
1st Floor, Furness House
90 Independence Square
Port of Spain
Trinidad & Tobago

1. STRUCTURE

1.1 Background

The Company was incorporated in Guernsey on 12 March 1993 as an investment company of unlimited duration under the Laws of the Bailiwick of Guernsey.

On 22 September 1999 the first class of participating shares of the Company was admitted to the Official List of the Cayman Islands Stock Exchange.

The migration of the Company from Guernsey to the Cayman Islands was approved by a special resolution passed by the shareholders of the Company on 14 October 2005.

Accordingly, on 29 November 2005, the Company migrated to the Cayman Islands and was continued as an exempted company limited by shares under the laws of the Cayman Islands and is registered as such with the Cayman Islands Registrar of Companies. The principal office and registered address of the Company is CIBC Financial Centre, 11 Dr. Roy's Drive, P.O. Box 694GT, George Town, Grand Cayman, Cayman Islands. The Company retained its investment objectives and strategies when it migrated to the Cayman Islands.

The continuation of the Company under the laws of the Cayman Islands neither: operates to create a new legal entity; affects the Company's assets or liabilities; nor prejudices or affects the identity or continuity of the Company as previously constituted.

On 26 March 2010 the shareholders of the Company resolved to adopt a new Memorandum and Articles of Association of the Company (the "**Articles**") which became effective on 27 March 2010. On the same date the shareholders of the Company resolved to adopt the investment objectives, strategies and restrictions set out in this Prospectus and accordingly, the investment objectives and strategies of 11 of the then listed classes of participating shares, were amended and are being implemented during a transitional investment period. The transitional investment period is scheduled to commence on 10 May 2010 and end on 31 May 2010. In April 2010 the Company applied to the Cayman Islands Stock Exchange to delist the Global Bond (euro) class and to list the Capital Preservation – Retail class and the anticipated date of such delisting and listing is the commencement of the transitional investment period.

During the transitional investment period the outgoing investment advisor will liquidate the existing investments of each Class (except the CIBC US Dollar Money Market Fund, the CIBC US Dollar Bond Fund and the CIBC Canadian Dollar Money Market Fund) and the new investment advisor will implement the new investment policies, strategies and restrictions prior to the end of the transitional investment period. The Classes (except the CIBC US Dollar Money Market Fund, the CIBC US Dollar Bond Fund and the CIBC Canadian Dollar Money Market Fund) will therefore have a higher proportion of cash during the transitional investment period than would normally be the case and the investment returns for the transitional investment period will be affected (either positively or negatively) thereby.

1.2 Cayman Islands Stock Exchange Listing

As noted above, the Company has been admitted to the Official List of the Stock Exchange of the Cayman Islands, accordingly the shares of the Company are listed on the Cayman Islands Stock Exchange. The Cayman Islands Stock Exchange takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this Prospectus.

The Directors do not anticipate that any active secondary market will develop in respect of the shares in the Company.

1.3 Trinidad and Tobago Securities and Exchange Commission

The Company has been authorised by the Trinidad and Tobago Securities and Exchange Commission in Trinidad and Tobago to offer the 15 classes of shares offered hereunder through the local representative agent Bourse Securities Limited. The Company is registered as a Collective Investment Scheme with the Trinidad and Tobago Securities and Exchange Commission. The Trinidad and Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.

1.4 Offering of Participating Shares

The authorised Share Capital of the Company is £500,100 divided into 100 management shares (“**Management Shares**”) of a nominal or par value of £1 each (all of which are held by the Manager) and 50,000,000 unclassified shares of £0.01 each. Such unclassified shares may be issued as either participating redeemable preference shares (“**Participating Shares**”), nominal shares (“**Nominal Shares**”) or as special investment shares (“**Special Investment Shares**”). Further details of the share rights can be found below in section 9 under the heading “Constitution of the Company”.

Fifteen Classes of Participating Shares of the Company (each a “**Class**”) are currently offered as set out below and other Classes of Participating Shares may be offered from time to time.

The fifteen Classes of Participating Shares comprise of the following:

- CIBC US Dollar Money Market Fund
- CIBC US Dollar Bond Fund
- CIBC Canadian Dollar Money Market Fund

- CIBC Axiom Capital Preservation Fund – Retail
- CIBC Axiom Capital Preservation Fund – Wealth
- CIBC Axiom Capital Preservation Fund – Institutional

- CIBC Axiom Conservative Fund – Retail
- CIBC Axiom Conservative Fund – Wealth
- CIBC Axiom Conservative Fund – Institutional

- CIBC Axiom Balanced Fund – Retail
- CIBC Axiom Balanced Fund – Wealth
- CIBC Axiom Balanced Fund – Institutional

- CIBC Axiom Growth Fund – Retail
- CIBC Axiom Growth Fund – Wealth
- CIBC Axiom Growth Fund – Institutional

2. MANAGEMENT AND SERVICE PROVIDERS

2.1 Directors

The Directors of the Company can be contacted via the principal office of the Company:

Ben Gillooly

Mr Gillooly is Chief Executive Officer of CIBC Bank and Trust Company (Cayman) Limited (“**CIBC Cayman**”), which acts as the Manager, Administrator, Registrar and Custodian of the Company. CIBC Cayman is one of the largest class “A” banks in the Cayman Islands. He is also Chief Executive Officer of CIBC Trust Company (Bahamas) Limited. Mr Gillooly has lived in the Cayman Islands since 1974.

Prior to joining CIBC Cayman in 1990, he was the Managing Director of Bank of Butterfield International (Cayman) Ltd. and was a senior officer with Royal Bank Trust Co. (Cayman) Ltd. prior thereto. He commenced his career with the Bank of Ireland in Dublin, Ireland in 1966 in the Trust Department.

Michael Halsey

Mr Halsey is Senior Manager, Trust Services, of CIBC Cayman, which acts as the Manager, Administrator, Registrar and Custodian of the Company. He is an Associate of the Chartered Institute Secretaries and Administrators in the UK, having qualified in 1995. He has been in the trust business for 15 years, the first 6 with Deloitte in Jersey and the last 12 with CIBC Cayman. Mr Halsey has responsibility for 10 staff in the Trust Services Department and manages the Corporate Department. He handles a portfolio of high net worth accounts and travels throughout the Caribbean, North America and Europe to meet both new and existing clients.

Andrew Needham

Mr Needham is a Senior Manager, Trust Services, of CIBC Cayman, which acts as the Manager, Administrator, Registrar and Custodian of the Company. He has a BSc(Hons) in Financial Services from the University of Manchester, is an Associate of the Chartered Institute of Bankers in the UK and is a member of STEP. He has been in the trust business for over 20 years, the first eight in the UK with NatWest and the remainder in the Cayman Islands with CIBC Cayman. Mr Needham has responsibility for staff in the Trust Services Department, handles a portfolio of high net worth accounts and travels throughout the Caribbean, North America and Europe to meet both new and existing clients.

2.2 The Manager

The Company has entered into a Management Agreement (the “**Management Agreement**”) with CIBC Cayman (the “**Manager**”), providing that the Manager is responsible for the management of the assets of the Company.

The Manager has its registered office at CIBC Financial Centre, 11 Dr. Roy’s Drive, P.O. Box 694, George Town, Grand Cayman, Cayman Islands. It is an indirect wholly-owned subsidiary of the Canadian Imperial Bank of Commerce (“**CIBC**”), Toronto, Canada, a Canadian chartered bank with assets exceeding CAD\$300 billion as at 1 January 2010. The Manager has assets under management and administration of approximately US\$19 billion as at 31 October 2009.

The Manager was incorporated in the Cayman Islands on 19 June 1967. It is licensed by the Cayman Islands Monetary Authority (“**CIMA**”) as: (i) a bank and trust company pursuant to the provisions of the Banks and Trust Companies Law of the Cayman Islands; (ii) a mutual fund administrator pursuant to the Mutual Funds Law of the Cayman Islands; and (iii) a securities investment business licensee pursuant to the Securities Investment Business Law of the Cayman Islands. The Manager is one of the largest trust companies in the Cayman Islands, offering banking, trust and investment services as well as mutual fund administration. Its clients include individuals, corporations and other institutions in the Cayman Islands and around the world.

The Manager is entitled to purchase and redeem Participating Shares in the Company without accounting for or reporting any profits or losses to the Company or the Company’s shareholders.

Pursuant to the Management Agreement, the Manager is entitled to receive an annual fee, from the Company, of up to 5% of the Net Asset Value of each of the Classes. However, the Manager and the Company have agreed that, for the time being, the Manager will receive a fee, payable monthly,

calculated and accrued in advance on the Net Asset Value at the beginning of the period adjusted for subscriptions and redemptions, and at the rates as set out below:

Class	Accrual basis	Fee rate
CIBC US Dollar Money Market Fund	Daily	0.35%
CIBC US Dollar Bond Fund	Daily	0.50%
CIBC Canadian Dollar Money Market Fund	Daily	0.35%
CIBC Axiom Capital Preservation Fund – Retail	weekly	0.95%
CIBC Axiom Capital Preservation Fund – Wealth	weekly	0.75%
CIBC Axiom Capital Preservation Fund – Institutional	weekly	0.65%
CIBC Axiom Conservative Fund – Retail	weekly	1.50%
CIBC Axiom Conservative Fund – Wealth	weekly	1.40%
CIBC Axiom Conservative Fund – Institutional	weekly	1.20%
CIBC Axiom Balanced Fund – Retail	weekly	1.75%
CIBC Axiom Balanced Fund – Wealth	weekly	1.50%
CIBC Axiom Balanced Fund – Institutional	weekly	1.35%
CIBC Axiom Growth Fund – Retail	weekly	2.45%
CIBC Axiom Growth Fund – Wealth	weekly	2.00%
CIBC Axiom Growth Fund – Institutional	weekly	1.50%

The Manager may charge the Company all out of pocket expenses and costs incurred by the Manager as set out in section 6.3. The Manager may increase or decrease the above fees, up to the maximum of 5% of the Net Asset Value of each of the Classes, in its sole discretion, at any time, and without prior notice.

The Manager is not liable for damage, loss, claims, proceedings, demands, liabilities, costs or expenses suffered or incurred by any person at any time from any cause whatsoever unless arising directly as a result of the Manager’s actual fraud, Gross Negligence or wilful default, or that of any of its directors, officers, employees, delegates or agents, as the case may be. The Manager is not liable in any case in tort, statutory duty, pre-contract or misrepresentation (other than fraudulent misrepresentation) or otherwise for: (i) any consequential, indirect or special loss or damage, or (ii) any economic loss. Pursuant to the Custody Agreement “Gross Negligence” means in relation to a person “a standard of conduct beyond negligence whereby a person acts with reckless disregard for the consequences of his action or inaction”.

The Company agrees to indemnify and hold harmless the Manager, for itself and as trustee for each of its directors, officers, employees and agents, against all liabilities, obligations, losses, damages, penalties, actions, proceedings, claims, judgments, demands, costs, expenses or disbursements of any kind whatsoever which they or any of them may incur or be subject to in consequence of the Management Agreement or as a result of the performance of its obligations under the Management Agreement except to the extent that the same are a result of the fraud, Gross Negligence or wilful default of the party seeking such indemnity.

The Management Agreement provides that it will continue until terminated by any party giving to the other party not less than 90 days written notice (or such shorter notice as the parties may agree to accept) provided that the Management Agreement may be terminated forthwith by the Company in certain circumstances. The Management Agreement is governed by the laws of the Cayman Islands.

2.3 Custodian

The Company has entered into a Custody Agreement with CIBC Cayman (the “**Custodian**”) dated 10 May 2010 (the “**Custody Agreement**”) providing that the Custodian is responsible for fiduciary control of the investors' assets and the safe custody of the assets of the Company.

The Custodian receives an annual fee from the Company not exceeding 0.125% of the Net Asset Value of the Company which is calculated by reference to the Net Asset Value of the Company, accrued weekly and paid monthly. All out-of-pocket expenses and costs of the Custodian incurred in relation to acting as custodian of the Company are reimbursed monthly to the Custodian.

The Custodian is not liable for damage, loss, claims, proceedings, demands, liabilities, costs or expenses suffered or incurred by any person at any time from any cause whatsoever unless arising directly as a result of the Custodian's actual fraud, Gross Negligence or wilful default, or that of any of its directors, officers, employees, delegates or agents, as the case may be. The Custodian is not liable in any case in tort, statutory duty, pre-contract or misrepresentation (other than fraudulent misrepresentation) or otherwise for: (i) any consequential, indirect or special loss or damage, or (ii) any economic loss. Pursuant to the Custody Agreement “Gross Negligence” means in relation to a person “a standard of conduct beyond negligence whereby a person acts with reckless disregard for the consequences of his action or inaction”.

The Company agrees to indemnify and hold harmless the Custodian, for itself and as trustee for each of its directors, officers, employees and agents, against all liabilities, obligations, losses, damages, penalties, actions, proceedings, claims, judgments, demands, costs, expenses or disbursements of any kind whatsoever which they or any of them may incur or be subject to in consequence of the Custody Agreement or as a result of the performance of its obligations under the Custody Agreement except to the extent that the same are a result of the fraud, Gross Negligence or wilful default of the party seeking such indemnity.

Except where a sub-custodian is a direct or indirect subsidiary of CIBC, the Custodian shall not be liable for any loss occasioned by any sub-custodians that it appoints provided that the Custodian has exercised reasonable skill and care in the selection of that sub-custodian.

The Custodian has appointed CIBC Mellon Trust Company (“CIBC Mellon”) as a sub-custodian of the Company. Although, CIBC indirectly owns 50% of CIBC Mellon, CIBC Mellon is not a subsidiary of CIBC.

The Custody Agreement provides that it will continue until terminated by any party giving to the other party not less than 90 days written notice (or such shorter notice as the parties may agree to accept) provided that the Custody Agreement may be terminated forthwith by the Company in certain circumstances. The Custody Agreement is governed by the laws of the Cayman Islands.

2.4 Administrator, Registrar and Secretary

Under the terms of an Administration Agreement dated 10 May 2010 between CIBC Cayman (the “**Administrator**”) and the Company (the “**Administration Agreement**”), the Administrator is responsible, inter alia, for processing subscriptions and redemptions of shares, preparing valuations of the Company and calculating issue and redemption prices and maintaining the accounts and records of the Company.

Under the terms of the Administration Agreement CIBC Cayman also acts as Registrar (the “**Registrar**”) of the Company and the Registrar is responsible for maintaining the Register of Members of the

Company. The Register of Members (the list of shareholders of the Company) is not open to inspection by a shareholder.

Under the terms of the Administration Agreement CIBC Cayman also acts as Secretary (the “**Secretary**”) of the Company and is responsible for preparing annual filings and paying annual fees of the Company to comply with Cayman Islands law.

The Manager is responsible for the fees of the Administrator, Registrar and Secretary.

The Administrator is not liable for damage, loss, claims, proceedings, demands, liabilities, costs or expenses suffered or incurred by any person at any time from any cause whatsoever unless arising directly as a result of the Administrator’s actual fraud, Gross Negligence or wilful default, or that of any of its directors, officers, employees, delegates or agents, as the case may be. The Administrator is not liable in any case in tort, statutory duty, pre-contract or misrepresentation (other than fraudulent misrepresentation) or otherwise for: (i) any consequential, indirect or special loss or damage, or (ii) any economic loss. Pursuant to the Administration Agreement “Gross Negligence” means in relation to a person “a standard of conduct beyond negligence whereby a person acts with reckless disregard for the consequences of his action or inaction”.

The Company agrees to indemnify and hold harmless the Administrator, for itself and as trustee for each of its directors, officers, employees and agents, against all liabilities, obligations, losses, damages, penalties, actions, proceedings, claims, judgments, demands, costs, expenses or disbursements of any kind whatsoever which they or any of them may incur or be subject to in consequence of the Administration Agreement or as a result of the performance of its obligations under the Administration Agreement except to the extent that the same are a result of the fraud, Gross Negligence or wilful default of the party seeking such indemnity.

The Administration Agreement provides that it will continue until terminated by any party giving to the other party not less than 90 days’ written notice (or such shorter notice as the parties may agree to accept) provided that the Administration Agreement may be terminated forthwith by the Company in certain circumstances. The Administration Agreement is governed by the laws of the Cayman Islands.

The Administrator may sub-contract the provision of all or part of its administration services to a third party. Except where a sub-administrator is a direct or indirect subsidiary of CIBC, the Administrator shall not be liable for any loss occasioned by any sub-administrators that it appoints provided that the Administrator has exercised reasonable skill and care in the selection of that sub-administrator.

2.5 The Investment Advisor

The Company has entered into an Investment Advisory Agreement with CIBC Asset Management Inc. (the “**Investment Advisor**”) dated 10 May 2010 (the “**Investment Advisory Agreement**”).

The Investment Advisor is a wholly owned subsidiary of CIBC. The Investment Advisor has been selected for its expertise in selecting sub-advisors who have the relevant experience and knowledge in their respective markets and it is one of Canada’s largest asset management firms with over CA\$60 billion under management. The Investment Advisor is regulated by the Ontario Securities Commission.

The Investment Advisor is responsible for providing or arranging investment management and administrative services to the Company. The Company has given authority to the Investment Advisor to trade on a discretionary basis within the parameters and restrictions set out herein.

For its services, the Investment Advisor receives a fee from the Manager based on the Net Asset Value of each Class. The Manager is solely responsible for the Investment Advisor’s fees.

The Investment Advisor is not liable for damage, loss, claims, proceedings, demands, liabilities, costs or expenses suffered or incurred by any person at any time from any cause whatsoever unless arising directly as a result of the Investment Advisor's actual fraud, Gross Negligence or wilful default, or that of any of its directors, officers, employees, delegates or agents, as the case may be. The Investment Advisor is not liable in any case in tort, statutory duty, pre-contract or misrepresentation (other than fraudulent misrepresentation) or otherwise for: (i) any consequential, indirect or special loss or damage, or (ii) any economic loss. Pursuant to the Investment Advisory Agreement "Gross Negligence" means in relation to a person "a standard of conduct beyond negligence whereby a person acts with reckless disregard for the consequences of his action or inaction".

The Company agrees to indemnify the Investment Advisor from and against any and all losses, costs, damages and expenses (other than those resulting from fraud, Gross Negligence or willful default on the part of the Investment Advisor, or a breach of the standard of care set out in the Investment Advisory Agreement by the Investment Advisor) incurred by the Investment Advisor, its affiliates, their officers, directors or employees in respect of any claim, demand, action or suit arising as a result of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Investment Advisor or with respect to any matter to which the Investment Advisory Agreement relates.

The Investment Advisory Agreement provides that it will continue until terminated by any party giving to the other party not less than 90 days' written notice (or such shorter notice as the parties may agree to accept) provided that the Investment Advisory Agreement may be terminated forthwith by the Company in certain circumstances.

The Investment Advisor may sub-contract the provision of all or parts of its services to a third party. The Investment Advisor has entered into an agreement with each of CIBC Global Asset Management Inc. and Federated Investment Counseling (the "Sub-Advisors") in respect of the CIBC US Dollar Money Market Fund and the CIBC US Dollar Bond Fund, respectively. The Sub-Advisors can be replaced without prior notice to or consent from the Company's shareholders. The Investment Advisor is solely responsible for the payment of the Sub-Advisors' fees.

3. TERMS OF THE SHARES AND THE OFFERING

3.1 Dealing in Shares

With the exception of the CIBC US Dollar Money Market Fund, the CIBC US Dollar Bond Fund and the CIBC Canadian Dollar Money Market Fund, the shares of each Class of the Company are available for subscription and redemption on Thursday of each week, or such other business day as may from time to time be determined by the Directors. The shares of the CIBC US Dollar Money Market Fund, the CIBC US Dollar Bond Fund and the CIBC Canadian Dollar Money Market Fund are available for subscription and redemption on each business day of the week. Each dealing day applicable to each Class is herein referred to as a "**Dealing Day**". The term "**business day**" as used in this Prospectus means any day on which banks are open in the Cayman Islands and Toronto, Canada.

3.2 Subscription for Shares

Investors may deliver applications for subscription for Participating Shares to the Manager by 4:00 p.m. on the business day prior to the relevant Dealing Day. If the amount subscribed is not sufficient to purchase a whole number of shares, fractions of shares (to six decimal places adjusted downwards) will be issued, and any excess subscription monies remaining shall be retained for the benefit of the Manager.

Subscriptions for Participating Shares may be made on the prescribed Application Form, or by facsimile sent to the Manager.

Payment for subscriptions must have been made to the Manager in cleared funds and received no later than the deadline for the receipt of applications for subscriptions.

For their subscriptions to the Company, investors receive Participating Shares in a Class of the Company. These Participating Shares rank pari passu with each other and entitle the shareholder to participate in the assets and income of the Class of the Company in proportion to their investment.

Once received a subscription is irrevocable by an applicant for Participating Shares unless the Directors determine otherwise. The Directors may in their sole discretion accept or reject any subscriptions for Participating Shares in whole or in part, and will do so promptly. Any monies paid in respect of such rejected applications (whether in whole or in part) shall be returned to applicants without interest at their risk and at the cost of the applicant.

3.3 Share Certificates

Share certificates are not normally issued but shareholders may request a share certificate in respect of their holding for a fee. The Company will send an investor a contract note showing the result of any transaction by them in the shares of the Company, usually within 2 Business Days following the relevant Dealing Day. It should be noted that an entry in the Register of Members will be conclusive evidence of ownership of shares in the Company.

3.4 Redemption of Shares

Participating Shares may be redeemed at a shareholder's request by providing notice of redemption in writing, by facsimile in a form acceptable to the Manager quoting that shareholder's account number. Such requests are to be received by the Manager before 4:00 p.m. on the business day immediately prior to a Dealing Day. If a request for redemption shall have been received by facsimile, the Manager reserves the right not to pay the redemption proceeds until the original written notice is received by the Manager. For shares in respect of which a share certificate has been issued, the relevant share certificate or share certificates must be returned before any dealing or payment can be made. Once received a request for redemption is irrevocable by a shareholder unless the Directors determine otherwise or as otherwise provided herein.

Within two days of the Dealing Day, the Manager will forward a contract note confirming the transaction. If requested by a shareholder, statements showing the number of shares held by such shareholder and their aggregate values will be made available from the Registrar provided that the Manager reserves the right to charge a shareholder for the provision of statements if that shareholder shall request more than two statements in any twelve month period.

Redemption proceeds will normally be paid to shareholders by the Manager on the third business day following the relevant Dealing Day, however, the Manager reserves the right to settle up to ten business days after the relevant Dealing Day. In the case of the CIBC US Dollar Money Market Fund, CIBC US Dollar Bond Fund and the CIBC Canadian Dollar Money Market Fund, settlement will normally be made on the business day following Dealing Day. The settlement date will be stated on each contract note. The Company may retain up to 1% of the redemption proceeds as a fee, but does not intend to do so.

If redemption requests are suspended a shareholder may withdraw his request for redemption during the period of suspension, provided such withdrawal is submitted in writing and is actually received by the Company, or its duly authorised agent, before termination of the suspension period. If the request is not so withdrawn the redemption of the Participating Shares shall be made on the Dealing Day next following the end of the suspension or on such earlier day as the Directors may agree with the shareholder.

The Company shall not be bound to redeem on any single Dealing Day more than 10 per cent of the Participating Shares in issue or deemed to be in issue. If the Company so refuses, the requests for redemption on such Dealing Day shall be reduced *pro rata* to the 10 per cent level (or such higher level as the Directors shall determine) and the Participating Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all Participating Shares to which the original request related, have been redeemed. Redemption requests which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be processed ahead of later requests. In the event that a request for redemption is held over as described above, the Company shall notify the relevant shareholder, who shall be entitled to cancel such request by notice in writing, notice of such cancellation to be received by the Company before the relevant Redemption Deadline.

See section 7 in relation to compulsory redemption of Participating Shares.

3.5 Minimum Thresholds

The minimum amounts for initial subscriptions of each Class are as follows unless the Directors determine otherwise:

CIBC US Dollar Money Market Fund	US\$5,000
CIBC US Dollar Bond Fund	US\$5,000
CIBC Canadian Dollar Money Market Fund	US\$5,000
CIBC Axiom Capital Preservation Fund – Retail	US\$5,000
CIBC Axiom Capital Preservation Fund – Wealth	US\$100,000
CIBC Axiom Capital Preservation Fund – Institutional	US\$250,000
CIBC Axiom Conservative Fund – Retail	US\$5,000
CIBC Axiom Conservative Fund – Wealth	US\$100,000
CIBC Axiom Conservative Fund – Institutional	US\$250,000
CIBC Axiom Balanced Fund – Retail	US\$5,000
CIBC Axiom Balanced Fund – Wealth	US\$100,000
CIBC Axiom Balanced Fund – Institutional	US\$250,000
CIBC Axiom Growth Fund – Retail	US\$5,000
CIBC Axiom Growth Fund – Wealth	US\$100,000
CIBC Axiom Growth Fund – Institutional	US\$250,000

The minimum additional subscriptions and redemptions are as follows unless the Directors determine otherwise:

CIBC US Dollar Money Market Fund	US\$1,000
CIBC US Dollar Bond Fund	US\$1,000
CIBC Canadian Dollar Money Market Fund	US\$1,000
CIBC Axiom Capital Preservation Fund – Retail	US\$1,000
CIBC Axiom Capital Preservation Fund – Wealth	US\$1,000
CIBC Axiom Capital Preservation Fund – Institutional	US\$1,000
CIBC Axiom Conservative Fund – Retail	US\$1,000
CIBC Axiom Conservative Fund – Wealth	US\$1,000
CIBC Axiom Conservative Fund – Institutional	US\$1,000
CIBC Axiom Balanced Fund – Retail	US\$1,000
CIBC Axiom Balanced Fund – Wealth	US\$1,000
CIBC Axiom Balanced Fund – Institutional	US\$1,000
CIBC Axiom Growth Fund – Retail	US\$1,000
CIBC Axiom Growth Fund – Wealth	US\$1,000
CIBC Axiom Growth Fund – Institutional	US\$1,000

3.6 Conversion of Shares between Classes

There is no fee for conversion.

Participating Shares in any Class may be converted to shares in another Class at a shareholder's request, by providing a request for a conversion in a form acceptable to the Manager in writing, or by facsimile to the Manager (together with any share certificates if issued) before 4:00 p.m. on the business day prior to the relevant Dealing Day. Merely holding Participating Shares in excess of the minimum threshold for the wealth or institutional Classes of the relevant Participating Shares will not constitute a request to convert the retail or wealth Class (as applicable) into the wealth or institutional Class (as applicable). Shareholders must provide a request for conversion in accordance with this section (and meet the minimum threshold requirements) in order to convert between retail, wealth and institutional Classes.

Shares, other than from the CIBC US Dollar Money Market Fund, the CIBC US Dollar Bond Fund or the CIBC Canadian Dollar Money Market Fund, will be converted on the basis of the Redemption Price of the Class being converted out of, to the Subscription Price (excluding any Front End Fee) of the Class or Classes being converted into.

In the case of conversions from the CIBC US Dollar Money Market Fund, the CIBC US Dollar Bond Fund or the CIBC Canadian Dollar Money Market Fund, shares will be converted on the basis of the Redemption Price of the CIBC US Dollar Money Market Fund, the CIBC US Dollar Bond Fund or the CIBC Canadian Dollar Money Market Fund, as applicable, to the Subscription Price (including any Front End Fee) of the Class or Classes being converted into. The Front End Fee may be waived for subsequent conversions for which such a fee was originally paid by the shareholder.

If a request for conversion shall have been received by facsimile, the Manager reserves the right not to convert until an original written request is received by the Manager. For shares for which a share certificate or share certificates has or have been issued, the Manager will not convert until the share certificate or share certificates representing the shares converted out of has or have been received.

Once received a request for conversion is irrevocable by a shareholder unless the Directors determine otherwise. The Directors may refuse a request for conversion where the value of the shares to be converted does not meet the minimum initial subscription amount for the Class being converted into.

See section 7 in relation to compulsory conversion of Participating Shares.

3.7 Pricing of Shares

The Company, or its delegate, calculates the Net Asset Value per Share at each Valuation Point by calculating the Net Asset Value of each Class and dividing by the number of Participating Shares of that Class in issue. The “**Valuation Point**” is 5:00 p.m. Cayman Islands time on the business day immediately preceding the relevant Dealing Day, as may from time to time be determined by the Directors.

For the purpose of calculating the value of the assets of the Company and of each Class the investments of the Company attributable to each Class shall be valued as follows:

- (i) the value of any cash on hand or on deposit or on call, bills and notes, accounts receivable, prepaid expenses, dividends declared or distributions received (or to be received and declared to security holders of record on a date before the date as of which the net asset value of a Company is determined), and interest accrued and not yet received shall be deemed to be the full face amount thereof unless the Manager determines that any such call, bill, note, account receivable, prepaid expense, dividend declared or distribution received, or interest accrued is not worth the face amount thereof, in which case the value thereof shall be deemed to be such value as the Manager shall deem to be the fair value thereof;
- (ii) short-term investments, including notes and money market instruments, shall be valued at their cost at the time of purchase and any income earned shall be amortized on a straight-line basis;
- (iii) the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on the day of the Valuation Point at such times as the Manager, in its discretion, deems appropriate. For money market funds, bonds are valued at cost plus accrued interest and plus or minus amortization, including foreign currency translation, if applicable, which approximates market value;
- (iv) the value of any security that is listed or dealt with on a securities exchange shall be the closing sale price (unless it is determined by the Manager that this is inappropriate as a basis for valuation) or, if there is no closing sale price on that exchange, and in the case of securities traded on an over-the-counter (“**OTC**”) market, at the average of the closing ask price and the closing bid price or at a price no higher than the closing ask price and no lower than the closing bid price as determined by the Manager. If there are no bid or ask quotations in respect of securities listed on a securities exchange or traded on an OTC market, then a realistic and fair valuation will be made;
- (v) units will be valued at the most recent net asset value quoted by the trustee or manager of each underlying fund on the day of the Valuation Point;
- (vi) unlisted securities are valued at the average of the most recent bid and ask prices quoted by a recognized dealer in such unlisted securities or such price as the Manager may from time to time determine more accurately reflects the fair value of these securities;

- (vii) restricted securities will be valued in a manner that the Manager reasonably determines to represent their fair market value;
- (viii) long positions in clearing corporation options, options on futures, OTC options, debt-like securities, and listed warrants shall be at the current market value thereof;
- (ix) where a covered clearing corporation option, option on futures, or OTC option is written by any underlying fund, the premium received by the Company will be reflected as a deferred credit that will be valued at an amount equal to the current market value of the clearing corporation option, option on futures, or OTC option that would have the effect of closing the position. Any difference resulting from revaluation will be treated as an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the net asset value of the Company or any class net asset value per unit. The securities, if any, that are the subject of a written covered clearing corporation option or OTC option will be valued in the manner described above for listed securities;
- (x) the value of a futures contract, forward contract, or swap will be the gain or loss, if any, that would be realized if, on the valuation date, the position in the futures contract, forward contract, or swap, as the case may be, were to be closed out, unless daily limits are in effect, in which case fair value, based on the current market value of the underlying interest, will be determined by the Manager;
- (xi) margin paid or deposited in respect of futures contracts and forward contracts will be reflected as an account receivable and margin consisting of assets other than cash will be noted as held as margin;
- (xii) other derivatives and margin shall be valued in a manner which the Manager reasonably determines to represent its fair market value;
- (xiii) all other assets of the underlying funds will be valued in a manner that, in the opinion of the Manager, most accurately reflects their fair value;
- (xiv) in the event of a compulsory redemption of Participating Shares, the Directors may determine that any one or more of the above assets be valued at the latest available bid prices; and
- (xv) notwithstanding any provision in the Articles to the contrary, any investment designated as a special investment shall be valued as the Directors may determine.

Notwithstanding the foregoing, if securities are inter-listed or traded on more than one exchange or market, the Manager will use the last sale price or the closing bid price, as the case may be, reported on the exchange or market determined by the Manager to be the principal exchange or market for such securities.

The value of any security or other property for which a market quotation is not readily available or to which, in the opinion of the Manager, the above principles cannot be applied or for which, in the opinion of the Manager, the market quotations do not properly reflect the fair value of such securities, will be determined by the Manager by valuing the securities at such prices as appear to the Manager to most closely reflect the fair value of the securities.

Where such prices are not available, the Manager utilises the last available price for the asset or such other price as the Directors of the Manager consider to be a reasonable reflection of the current value.

3.8 Subscription Price

The subscription price of each Class of Participating Shares is calculated by assessing the Net Asset Value of the relevant Class as at the relevant Valuation Point and dividing by the number of Participating Shares of the relevant Class in issue or deemed to be in issue. A Front End Fee may be payable in relation thereto, as more fully described in section 6.1.

3.9 Redemption Price

The redemption price of each Class of Participating Shares is calculated by assessing the Net Asset Value of the relevant Class as at the relevant Valuation Point and dividing by the number of Participating Shares in issue or deemed to be in issue to arrive at the Redemption Price receivable by the shareholder. Any rounding is retained for the use and benefit of the Manager.

3.10 Payment of Redemption Proceeds

Subject to receipt by the Manager of the appropriate documentation by the appropriate time, redemption proceeds will be paid as set out in section 3.4 either:

- (i) by cheque posted in the Cayman Islands; or
- (ii) upon the request of the redeeming shareholder by telegraphic or electronic transfer, the cost of such transfer to be deducted from the redemption proceeds.

If the redemption proceeds are required to be paid in a currency other than the denomination of the Class, the Manager will, on request, arrange any required foreign exchange under the normal terms and conditions of the Custodian (available on request).

3.11 Publication of Net Asset Value of Participating Shares

The Net Asset Value of Participating Shares will be published on the CIBC website at www.cibc-global.com and will be available from the Manager during business hours.

The shares of the Company are listed on the Cayman Islands Stock Exchange and as such the Net Asset Value of Participating Shares will be notified to the Exchange immediately upon calculation.

3.12 Suspension of Dealings

No Participating Shares of a Class shall be issued or redeemed during any period when the determination of the Net Asset Value of Participating Shares of that Class is suspended. Such suspension will be notified to the Cayman Islands Stock Exchange.

3.13 Suspension of valuation of Net Asset Value

The Directors may determine to suspend the valuation of the Net Asset Value of Participating Shares of any one or more Classes for the whole or any part of a period during which they determine that:

- (i) a breakdown has occurred and is continuing in any of the means normally employed by the Directors in ascertaining the value of investments comprised in the assets of the Company or of any one or more Classes;
- (ii) for any reason the value of a substantial part of the investments held by the Company or of any one or more Classes cannot reasonably be ascertained;

- (iii) circumstances exist as a result of which it is not reasonably practical for the Company to realise or to dispose of investments held by the Company in respect of any one or more Classes or fairly to determine the Net Asset Value;
- (iv) the remittance of funds which will or may be involved in the realisation of, or in the payment for, investments or the issue sale or redemption of Participating Shares cannot be carried out without undue delay and at normal rates of exchange; or
- (v) such a suspension shall be desirable in the interests of continuing shareholders.

3.14 Client Money Rules

The Manager is required to operate a client money account in respect of money received from subscribers or held for the account of redeeming shareholders. Any interest accruing in respect of such account is for the benefit of the Manager.

3.15 Transfer of Shares

Subject always to the provisions of the Articles and section 8.9, Shares shall be transferable by a transfer in writing in any usual or common form, or in such other form as the Directors shall from time to time sanction or allow, but so that every form of transfer shall relate to shares of one Class only and shall state the full name and address (and, if required by the Directors, the nationality) of the transferor and the transferee. The Directors may in their discretion decline to register any transfer of Shares, however it is intended that they will only do so in very limited circumstances (such as, legal or regulatory purposes).

4. INVESTMENT POLICY & STRATEGY

4.1 Primary Investment Objective

The objective of the Company is to provide capital appreciation or generate income for its shareholders. Each Class has its own primary investment objective, as set out in section 5. Unless the Manager is satisfied that the changes are not to the detriment of such shareholders, no alteration to the primary investment objective of any Class as set out herein may be made without the passing of a special resolution by the shareholders of that Class. In any event, at least one month's notice of an impending change to the primary investment objective of a Class will be given to shareholders of the relevant Class.

The assets of the Company are invested with the objective of spreading risk therefore it is usual for the assets to be invested in a spread of investments, either directly or by investing in underlying funds. However, the Manager has given the Investment Advisor discretion to hold some or all of the assets in cash or cash equivalents during the periods of investment or at such time that the Investment Advisor feels it would be prudent and in the shareholders' interests to liquidate some or all of the investments. The investment restrictions applicable to derivatives, generally and for a Class, are set out in section 5.1.

For certain Classes, as described below, the Company will have exposure to underlying funds and it will most likely gain this exposure through investment in derivative instruments that are linked to the returns of the underlying funds as described in section 4.2.

4.2 Investment Strategy

To achieve the investment objectives of each Class as set out herein (except in the case of the CIBC US Dollar Money Market Fund, the CIBC US Dollar Bond Fund and the CIBC Canadian Dollar Money Market Fund), the Company is initially expected to invest primarily in fixed income securities and enter into swap contracts with one or more financial institutions called counterparties (which may include a

counterparty that is related to the Manager) in order to provide the relevant Classes with a return determined with reference to the performance of certain underlying funds. Alternatively, the Company may use other types of derivative instruments to gain exposure to the return of underlying funds and may invest directly in underlying funds and/or securities similar to those held by the underlying funds where it would be beneficial to the shareholders to do so.

If the net asset value per unit of the underlying fund increases more than the costs of the derivative contract, the counterparty pays the Company an amount equal to the increase. If the net asset value per unit of the underlying fund decreases, the Company pays (out of the assets of the Class) an amount to the counterparty equal to the decrease and the cost of the derivative contract. The value of the derivative contracts – and therefore the Net Asset Value per Share of the Class – rises and falls with the net asset value per unit of the underlying funds.

Prior to the maturity or termination of the swap contract, the fixed income securities or other securities acceptable to the counterparty will be pledged to the counterparty and held by the counterparty as security for the obligations of the Company under the swap contract.

A swap counterparty may choose, but will not be required, to enter into transactions in order to hedge its exposure to the underlying funds under a swap contract. There is no assurance that the counterparty will maintain a hedge with respect to the full amount of the entire term of the swap contract. The return of the Class of the Company will be lower than the returns of the reference underlying funds due to a number of factors, including the fee paid to the counterparty, the fees payable to the Manager and other costs of the Class.

The Company may elect to terminate all or part of its swap contracts prior to their maturity in order to fund distributions to be made to shareholders, redemptions of its shares by shareholders, market purchases of shares by the Company, or to pay expenses of the Company. The counterparty may also terminate a swap contract prior to its maturity but only upon the occurrence of certain events, including, but not limited to, due to a loss of hedge or an increase in its hedging costs. In such events, the Company may be required to pay certain costs to the counterparty.

Additional information on these swap contracts is included in section 5.1 in the discussion on derivatives.

In relation to all the Classes (except CIBC US Dollar Money Market Fund, the CIBC US Dollar Bond Fund and the CIBC Canadian Dollar Money Market Fund) the Company may also retain cash and invest in money market instruments pending investments, or payments of its expenses, redemption proceeds or distributions.

5. INVESTMENT RESTRICTIONS

5.1 All Class Funds

Each Class, with the exception of the CIBC US Dollar Money Market Fund, the CIBC US Dollar Bond Fund and the CIBC Canadian Dollar Money Market Fund, may use derivative instruments for the purpose of efficient portfolio management in a manner which is consistent with the investment restrictions of the Class. Derivatives include futures, forwards, swaps, and options (together hereinafter referred to as "**Derivatives**").

Derivatives must be traded on markets or with counterparties approved by the Manager.

Derivatives can be used for hedging, reducing the risk associated with all or a portion of an existing investment, group of investments or currency exposure, or creating effective exposures to certain markets or securities as permitted by the investment restrictions of the Class.

The writing of call options on the investments of each Class may not exceed 25% of the Net Asset Value of that Class in terms of the exercise price.

Each Class must at all times hold and continue to hold sufficient cash or cash equivalent securities cover in an amount which, together with the margin funds, is not less than the underlying market exposure of the derivatives.

Although borrowing is not normally utilised for investment purposes, the Company may borrow to take advantage of investment opportunities in which event borrowing is limited to 10% of the gross Net Asset Value of the Class with the exception of the CIBC US Dollar Money Market Fund, the CIBC US Dollar Bond Fund and the CIBC Canadian Dollar Money Market Fund where no such borrowing is permitted. However, solely to meet redemptions, each Class may borrow up to 10% of its Net Asset Value for periods up to thirty days.

The base currency of all of the Classes is US Dollars. The Company may at all times hold currencies other than the base currency of any Class.

The Company will only place cash with approved banks and deposit taking institutions authorised by the Manager from time to time and to a maximum limit as authorised by the Manager and Custodian. An approved bank is a person who is licensed under the Banks and Trust Companies Law of the Cayman Islands or under the law of any other jurisdiction as may be approved by CIMA.

Not more than 10% of the Net Asset Value of any Class may consist of warrants and/or convertible bonds.

All debt instruments shall bear a credit rating of Standard and Poor's "BBB-", or the equivalent of an alternative rating agency, or better at time of purchase or, in the absence of a rating, be of equivalent quality in the view of the Manager. In the event of a split rating, the higher of the two ratings shall apply.

No short sale, which is not a hedging transaction, may be entered into.

In the event that any of the limitations or restrictions applicable to any Class is at any time exceeded, for whatever reason, all such steps as are necessary to remedy the situation, after taking due account of the interest of holders of shares of the Class in question generally, shall be taken within a reasonable period of time thereafter.

The Company will not take management control of any underlying investments, however the Company may implement its investment strategies through the use of one or more wholly owned trading subsidiaries and in such circumstances the investment restrictions of each Class will apply at the level of the trading subsidiary.

Except when prohibited by law or the applicable listing rules, the Company may alter the investment restrictions, or the investment strategies used to achieve the primary investment objective, of any Class without the consent of the shareholders. In such event the Company will give at least one month's prior notice of an impending change to the investment restrictions or strategies of a Class to the shareholders of the relevant Class.

Separate restrictions may apply to individual Classes, details of which may be found in section 5.

5.2 CIBC US Dollar Money Market Fund

The primary investment objective is to obtain interest income, while maintaining security of capital and liquidity by investing in primarily high-quality debt obligations denominated in US Dollars

To achieve the primary investment objective of this Class the Company may:

- (i) invest primarily in bank deposits or high-quality U.S. dollar debt instruments and obligations issued or guaranteed by Governments, quasi-Government bodies, large corporations and financial institutions in the U.S., Canada, Europe, Japan, or other industrialized nations and by the governments, provinces, states, territories, or any of their agencies;
- (ii) have a portfolio consisting primarily of investments rated A- (low) or better at time of purchase (rating is by Standard & Poor's or the equivalent of an alternate rating agency if not rated by Standard & Poor's), with a weighted average term-to-maturity of 90 days or less (and the term to maturity of any single issue will not exceed one-year);
- (iii) invest in commercial paper, bankers' acceptances, asset backed commercial paper, and any other form of non-government indebtedness; and / or
- (iv) enter into securities lending, repurchase, and reverse repurchase transactions to earn additional income.

5.3 CIBC US Dollar Bond Fund

The primary investment objective is to generate total investment return comprised of interest income and capital appreciation by investing primarily in high quality debt obligations denominated in US Dollars.

To achieve the primary investment objective of this Class, the assets of this Class may be primarily invested in debt instruments issued by Governments, quasi-Government bodies or corporations. This may also include securitized investments. Investments may also be made in bank deposits, certificates of deposit, and similar investments. If this Class shall hold convertible bond, then that bond shall not be converted and the equity received as a result shall be sold upon any mandatory conversion. If this Class shall hold convertible stock, then that stock can only be purchased once that stock has announced with certainty that it will convert into bond. This Class will primarily invest in securities denominated in US Dollars.

5.4 CIBC Canadian Dollar Money Market Fund

The primary investment objective is to obtain interest income, while maintaining security of capital and liquidity by investing in primarily high-quality debt obligations denominated in Canadian Dollars

To achieve the primary investment objective of this Class the Company may:

- (i) invest primarily in bank deposits or high-quality Canadian dollar debt instruments and obligations issued or guaranteed by Governments, quasi-Government bodies, large corporations and financial institutions in the U.S., Canada, Europe, Japan, or other industrialized nations and by the governments, provinces, states, territories, or any of their agencies;
- (ii) have a portfolio consisting primarily of investments rated A- (low) or better at time of purchase (rating is by Standard & Poor's or the equivalent of an alternate rating agency if not rated by Standard & Poor's), with a weighted average term-to-maturity of 90 days or less (and the term to maturity of any single issue will not exceed one-year);
- (iii) invest in commercial paper, bankers' acceptances, asset backed commercial paper, and any other form of non-government indebtedness; and / or

- (iv) enter into securities lending, repurchase, and reverse repurchase transactions to earn additional income.

5.5 CIBC Axiom Capital Preservation Funds (Retail, Wealth, Institutional)

The primary investment objective is to protect principal. While fixed income investments (bonds and money market) represent a significant part of the investment of these Classes, some focus on stocks offering liquidity and dividend consistency is also sought to provide some protection against the inroads of inflation.

The Investment Advisor will establish a long-term strategic asset mix weighting for these Classes. These Classes have, under normal market conditions, an asset mix of U.S. Dollar Money Market (0% - 60%), U.S. fixed income (20% - 60%), Global Bonds (0% - 20%) and U.S. Equities (0% - 20%). While the Investment Advisor will not generally actively manage the asset mix of these Classes, the Investment Advisor may review and change the asset mix, without notice to, or consent of the shareholders of these Classes, in order to meet the objectives of these Classes. Also, investments in underlying funds may change from time to time and the Investment Advisor may add or remove underlying funds as it deems necessary without notice or consent of the shareholders of these Classes.

To achieve the primary investment objective of these Classes the Company may:

- (i) invest via underlying funds (including without limitation, listed funds, exchange traded funds and unlisted funds, any one or more of which may be managed by affiliates of the Manager);
- (ii) place its cash on deposit with major financial institutions or invest in qualifying money market securities or Bankers Acceptance or other financial instruments. The qualifying money market securities may include non US dollar denominated investments;
- (iii) enter into securities lending, repurchase and reverse repurchase transactions to earn additional income; and / or
- (iv) gain its notional exposure to underlying funds through investment in derivative instruments that are linked to the returns of the underlying funds, less transaction costs (i.e., the cost of forward and management fees and other costs of the Class). See section 4.2 for additional information.

5.6 CIBC Axiom Conservative Funds (Retail, Wealth, Institutional)

The primary investment objective is to achieve moderate returns in the longer term by accepting limited downside fluctuation. Investing in fixed income securities is sought for consistent yield. Equity focus is also sought, on the potential for growth as an offset against inflation.

The Investment Advisor will establish a long-term strategic asset mix weighting for these Classes. These Classes have, under normal market conditions, an asset mix of U.S. Dollar Money Market (0% - 20%), U.S. fixed income (25% - 75%), Global Bonds (0% - 40%), U.S. Equities (0% - 40%), International Equities (0% - 20%) and Emerging Markets (0% - 10%). While the investment Advisor will not generally actively manage the asset mix of these Classes, the Investment Advisor may review and change the asset mix, without notice to, or consent of the shareholders of these Classes, in order to meet the objectives of these Classes. Also, investments in underlying funds may change from time to time and the Investment Advisor may add or remove underlying funds as it deems necessary without notice or consent of the shareholders of these Classes.

To achieve the primary investment objective of these Classes the Company may:

- (i) invest via underlying funds (including without limitation, listed funds, exchange traded funds and unlisted funds, any one or more of which may be managed by affiliates of the Manager);
- (ii) place its cash on deposit with major financial institutions or invest in qualifying money market securities or Bankers Acceptance or other financial instruments. The qualifying money market securities may include non US dollar denominated investments;
- (iii) enter into securities lending, repurchase and reverse repurchase transactions to earn additional income; and / or
- (iv) gain its notional exposure to underlying funds through investment in derivative instruments that are linked to the returns of the underlying funds, less transaction costs (i.e., the cost of forward and management fees and other costs of the Class). See section 4.2 for additional information.

5.7 CIBC Axiom Balanced Funds (Retail, Wealth, Institutional)

The primary investment objective is to achieve a total return through investing in combination of stocks and bonds, which provide interest income, dividend growth for inflation protection, and capital appreciation for wealth accumulation.

The Investment Advisor will establish a long-term strategic asset mix weighting for these Classes. These Classes have, under normal market conditions, an asset mix of U.S. Dollar Money Market (0% - 10%), U.S. fixed income (0% - 50%), Global Bonds (0% - 50%), U.S. Equities (10% - 50%), International Equities (0% - 30%) and Emerging Markets (0% - 20%). While the investment Advisor will not generally actively manage the asset mix of these Classes, the Investment Advisor may review and change the asset mix, without notice to, or consent of the shareholders of these Classes, in order to meet the objectives of these Classes. Also, investments in underlying funds may change from time to time and the Investment Advisor may add or remove underlying funds as it deems necessary without notice or consent of the shareholders of these Classes.

To achieve the primary investment objective of these Classes the Company may:

- (i) invest via underlying funds (including without limitation, listed funds, exchange traded funds and unlisted funds, any one or more of which may be managed by affiliates of the Manager);
- (ii) place its cash on deposit with major financial institutions or invest in qualifying money market securities or Bankers Acceptance or other financial instruments. The qualifying money market securities may include non US dollar denominated investments;
- (iii) enter into securities lending, repurchase and reverse repurchase transactions to earn additional income; and / or
- (iv) gain its notional exposure to underlying funds through investment in derivative instruments that are linked to the returns of the underlying funds, less transaction costs (i.e., the cost of forward and management fees and other costs of the Class). See section 4.2 for additional information.

5.8 CIBC Axiom Growth Funds (Retail, Wealth, Institutional)

The primary investment objective is to achieve above-average capital growth over a long-term time horizon. The investor is willing to make a larger than usual commitment to stocks. Investors may experience a wide variance in results from one year to the next in the pursuit of long-term goals.

The Investment Advisor will establish a long-term strategic asset mix weighting for these Classes. These Classes have, under normal market conditions, an asset mix of U.S. Dollar Money Market (0% - 10%), U.S. fixed income (0% - 30%), Global Bonds (0% - 30%), U.S. Equities (30% - 70%), International Equities (10% - 30%) and Emerging Markets (0% - 20%). While the investment Advisor will not generally actively manage the asset mix of these Classes, the Investment Advisor may review and change the asset mix, without notice to, or consent of the shareholders of these Classes, in order to meet the objectives of these Classes. Also, investments in underlying funds may change from time to time and the Investment Advisor may add or remove underlying funds as it deems necessary without notice or consent of the shareholders of these Classes.

To achieve the primary investment objective of these Classes the Company may:

- (i) invest via underlying funds (including without limitation, listed funds, exchange traded funds and unlisted funds, any one or more of which may be managed by affiliates of the Manager);
- (ii) place its cash on deposit with major financial institutions or invest in qualifying money market securities or Bankers Acceptance or other financial instruments. The qualifying money market securities may include non US dollar denominated investments;
- (iii) enter into securities lending, repurchase and reverse repurchase transactions to earn additional income; and / or
- (iv) gain its notional exposure to underlying funds through investment in derivative instruments that are linked to the returns of the underlying funds, less transaction costs (i.e., the cost of forward and management fees and other costs of the Class). See section 4.2 for additional information.

6. FEES, CHARGES AND DISTRIBUTION

6.1 Front End Fee

The Directors may allow the Manager to charge up to a maximum of 5% of the subscription price on subscription for each Class as a Front End Fee, except that no Front End Fee shall apply in respect of the CIBC US Dollar Money Market Fund, the CIBC US Dollar Bond Fund or the CIBC Canadian Dollar Money Market Fund. Such Front End Fee will either be payable by an investor in addition to the subscription price, or be deducted from subscription moneys provided to the Company, in which case the number of Participating Shares allotted shall thereby be reduced accordingly. Out of the Front End Fee, the Manager may pay commission to stockbrokers, banks, solicitors, accountants, licensed dealers in securities and other recognised agents.

There will be no double charging if the Manager invests, on behalf of the Company, via an underlying fund that is also managed by the Manager (or an affiliate of the Manager), in such instance the Manager (or its affiliate) will only receive a fee in respect of one fund and not in respect of both. The Manager may differentiate between applicants and Classes as to the amount of the Front End Fee, if applicable.

The Front End Fee (if applicable) is the only fee payable directly by the investor to subscribe to the Company. However, there will be ongoing fees paid by the Company, including the management fee, the custodian fee and the other administrative fees as detailed in section 6.

6.2 Service Provider fees

The Manager is paid out of the assets of the Company as set out in section 2.2. The Manager is responsible for paying, out of its own fees, the fees of the Administrator, Registrar, Secretary and Investment Advisor as set out in sections 2.4 and 2.5. For the avoidance of doubt the Administrator, Registrar, Secretary and Investment Advisor are not separately remunerated by the Company. The Manager may also elect to pay, from the management fee, trailing commissions to selected parties.

The Custodian is paid out of the assets of the Company as set out in section 2.3.

6.3 Other costs

The Company is responsible for all its other operating expenses, including such items as legal advice, publicity costs and expenses, bank charges, annual mutual fund fees payable to CIMA, annual exempted company fees in the Cayman Islands, listing fees, Directors' fees and expenses and audit fees. If not attributable specifically to a particular Class of Shares, such fees will be allocated pro-rata between the Classes of the Company, on a basis the Manager, after consultation with the Custodian, considers to be fair to the shareholders in each Class which will normally be on the basis of the Net Asset Value of each Class.

6.4 Director fees

The Directors are entitled to receive annual fees that will not exceed US\$25,000 per Director and all reasonable travel or other expenses will be reimbursed to the Directors as more particularly set out in section 9.11. Every Director that is an employee of CIBC, or a wholly owned subsidiary thereof, has agreed to waive the right to payment of directors fees while they are such an employee. As at the date hereof, CIBC Cayman is a subsidiary of CIBC.

6.5 Dividends

Whilst the Articles of the Company allow for dividends to be paid, the Directors do not currently intend to recommend that any dividends or allocation of income to shareholders be made.

7. COMPULSORY CONVERSION & COMPULSORY REDEMPTION OF SHARES

7.1 Compulsory Conversion of Shares

If the Company were to implement a redemption request for part of a shareholder's holding in a Class that would result in the holding falling below 80% of the minimum initial subscription amount for that Class (set out in section 3.5) the Company has the right to compulsorily convert any or all of the Participating Shares held by the redeeming shareholder into Participating Shares of another Class, in respect of which higher administrative fees may be charged and / or different investment criteria may apply.

7.2 Compulsory Redemption of Shares

If at any time the Net Asset Value of any Class at each Dealing Day falling within a period of twelve consecutive weeks shall be less than the currency equivalent of US\$1,500,000 the Company may upon not less than 4 weeks' notice, expiring on a Dealing Day, redeem at the respective redemption price all (but not some) of the Participating Shares of that Class on that Dealing Day.

7.3 Compulsory Redemption and Compulsory Conversion of Shares

At any time, the Directors may determine to compulsorily redeem or compulsorily convert all, or some of the, Participating Shares that a shareholder owns in a Class if the Directors determine that:

- (i) that shareholder's entire holding of Participating Shares of that Class falls, at any time, below half of any minimum initial subscription amount relating to that Class;
- (ii) the shareholder engages in short-term or excessive trading of the Participating Shares;
- (iii) the shareholder becomes a resident for securities laws or tax purposes of a foreign jurisdiction where such foreign residency may have negative legal, regulatory, or tax effects on the Company;
- (iv) the criteria the Company establishes for eligibility to hold Participating Shares, either specified in the relevant disclosure documents of the Company or in respect of which notice has been given to shareholders, are not met (or could not be met if the holding was retained without conversion or redemption);
- (v) it would be in the best interest of the Company or the Class to do so;
- (vi) the Company becomes aware that continued direct, or indirect, ownership of Participating Shares might cause adverse consequences for the Company, its agents or other shareholders;
- (vii) any underlying fund in which the Company has directly invested exercises its rights to compulsorily redeem the Company's investment therein; or
- (viii) any underlying fund to which the Company has notional exposure through a derivative instrument exercises its rights to redeem its units.

Shareholders will be responsible for all the tax consequences, costs, and losses, if any, associated with the compulsory redemption or compulsory conversion of Participating Shares in the event that the Company exercises its right to compulsorily redeem or compulsorily convert.

7.4 Not Qualified Holder

If it shall come to the notice of the Directors that any Participating Shares are owned or appear to be owned or held either directly or beneficially by any person other than a Qualified Holder then the Directors may:

- (i) give notice to the person in whose name the shares are registered requiring him to transfer (and/or procure the disposal of interests in) such shares to a person who in the opinion of the Directors is qualified or entitled to own the same; or
- (ii) give a request in writing for the redemption of such shares, in which case such shares shall be redeemed in accordance with the Articles.

8. GENERAL

8.1 Financial Statements

Annual and Interim Report and Financial Statements are normally published and sent to shareholders within three months following the end of the period to which they relate. The accounts will include the investment portfolio for each of the underlying funds as at the financial year end.

The Financial Year-End of the Company is the last Wednesday in September. The Interim (half-year) accounting period ends on the last Wednesday in March. The Report and Financial Statements will be produced as at the last Wednesday of September and March annually.

As at the date of this Prospectus the Company has no short or long term borrowings.

8.2 Inspection of documents

The constitutional documents of the Company, material service provider agreements, shareholder circulars, interim financial reports (if any) and the most recent Report and Financial Statements may be inspected at the office of the Manager in the Cayman Islands during normal business hours. Further copies of the Prospectus and Report and Financial Statements will be made available to shareholders free of charge upon request.

8.3 No Litigation

As at the date of this document there is no pending or active litigation against the Company.

8.4 No Share option

No capital of the Company is under option.

8.5 Taxation

The Cayman Islands currently have no income, corporation or capital gains tax, no taxes by way of withholding and no estate duty, inheritance tax or gift tax. As an exempted company under Cayman Islands law, the Company has applied for and obtained an undertaking from the Governor-in-Cabinet of the Cayman Islands as to tax concessions pursuant to section 6 of the Tax Concessions Law which provides that, for a period of 20 years from the date of issue of the undertaking, no law thereafter enacted in the Cayman Islands imposing any taxes to be levied on profits, income, gains or appreciation will apply to the Company or its operations nor will any tax to be levied on profits, income, gains or appreciation or which is in the nature of estate duty or inheritance tax be payable on or in respect of the Participating Shares or debentures or other obligations of the Company, or by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law. No capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of the Participating Shares.

8.6 EU Savings Directive

The Reporting of Savings Income Information (European Union) Law, 2005 of the Cayman Islands was passed on 23 June 2005 and the Reporting of Savings Income Information (European Union) Regulations, 2005 of the Cayman Islands were made on 23 August 2005 (collectively the “**Cayman EUSD Legislation**”). The Cayman EUSD Legislation implements measures similar to the EU Council Directive 2003/48/EC of June 3, 2003 on taxation of savings income in the form of interest payments (the “**EUSD**”). The EUSD requires withholding of tax or exchange of tax information on interest and savings

income paid to EU resident individuals and certain EU intermediary entities in certain limited circumstances.

If a shareholder is based in the EU or in a state which has implemented equivalent measures (such as the Cayman Islands) and the shareholder is making investments on behalf of other investors who are individuals or certain unincorporated entities located in the EU then the provisions of the EUSD as implemented in a member state of the EU, or a jurisdiction applying measures similar or equivalent to the EUSD, it is possible that the EUSD may apply. In such circumstances the shareholder may become the paying agent for EUSD purposes and may be required to obtain all relevant documentation relating to its investors and make reports on the investors to the appropriate tax authorities under the relevant implementing EUSD legislation or withhold tax from any redemption proceeds.

Whether the EUSD will apply in any given case will depend upon: the characterisation of the Company; the circumstances surrounding the relevant shareholder or investor; and the manner in which the EUSD has been implemented in the relevant EU member state. In light of the foregoing, shareholders should consult with their own legal advisors as to the possible application of the EUSD to any distributions or income that they receive in connection with their shares.

8.7 Annual fee

An annual registration fee will be payable by the Company to the Cayman Islands government which will be calculated by reference to the nominal amount of its authorized capital. The Company will also pay the applicable annual fee to CIMA for so long as it is a regulated mutual fund in the Cayman Islands.

8.8 Cayman Islands Monetary Authority Supervision

The Company falls within the definition of a “mutual fund” under the Mutual Funds Law of the Cayman Islands (the “**Mutual Funds Law**”) and accordingly it is regulated under the Mutual Funds Law. The Company has been registered as a mutual fund with CIMA pursuant to section 4(1)(b) of the Mutual Funds Law. Such registration does not imply that CIMA or any other regulatory authority in the Cayman Islands has approved this Prospectus or the offering of the Participating Shares hereunder nor is it intended that they will.

As a regulated mutual fund, the Company is subject to the supervision of CIMA, and CIMA may at any time instruct the Company to have its accounts audited and to submit them within such time as CIMA specifies. In addition, CIMA may ask the Company’s Directors to give it such information or such explanation in respect of the Company as CIMA may reasonably require to enable it to carry out its duties under the Mutual Funds Law.

The Directors must give CIMA access to or provide at any reasonable time all records relating to the Company, and CIMA may copy or take an extract of any record to which it is given access. Failure to comply with requests by CIMA may result in substantial fines on the part of the Directors and may result in CIMA applying to a court to have the business of the Company terminated. CIMA is prohibited by its governing legislation from disclosing any information relating to the affairs of a mutual fund other than disclosure required for the effective regulation of a mutual fund or when required to by law or by the court.

8.9 Anti-Money Laundering Regulations

In order to comply with Cayman Islands regulations aimed at the prevention of money laundering applicable to the Company, the Manager and the Administrator (or their respective affiliates, subsidiaries or associates) may require verification of identity and source of funds from all prospective investors unless in any case the Directors are satisfied that an exemption under the Money Laundering Regulations

of the Cayman Islands (“**Regulations**”) or the Guidance Notes issued pursuant thereto (“**Guidance Notes**”) applies. Depending on the circumstances of each subscription, a detailed verification might not be required where:

- (i) a prospective investor makes the payment for his investment from an account held in the prospective investor's name at a recognized financial institution; or
- (ii) the prospective investor is regulated by a recognized regulatory authority and is based or incorporated in, or formed under the law of, a country recognized in Schedule 3 of the Regulations; or
- (iii) the subscription is made through an intermediary which is regulated by a recognized regulatory authority and is based or incorporated in, or formed under the law of, a country recognized in Schedule 3 of the Regulations.

For the purposes of these exceptions, recognition of a financial institution, regulatory authority or jurisdiction will be determined in accordance with the Regulations and Guidance Notes by reference to those jurisdictions recognized by the Cayman Islands as having sufficient anti-money laundering regulations.

The Company and the Directors, directly or through an agent or service provider, reserve the right to request such information as is necessary to verify the identity of a prospective investor. In the event of delay or failure by the prospective investor to produce any information required for verification purposes, the Directors, the Manager or the Administrator may refuse to accept the application and, if so, any funds received will be returned without interest to the account from which the monies were originally debited.

The Company and the Administrator also reserve the right to refuse to make any redemption payment or distribution to a shareholder if the Company, any of the Directors, or the Administrator suspects or is advised that the payment of any redemption or distribution moneys to such shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Company, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

If any person who is resident in the Cayman Islands (including the Company, the Manager or the Administrator) has a suspicion that a payment to the Company (by way of subscription or otherwise) contains the proceeds of criminal conduct, that person is required to report such suspicion pursuant to the Proceeds of Crime Law of the Cayman Islands and the Regulations and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by any enactment or otherwise. Failure to comply with the Proceeds of Crime Law and the Regulations is a criminal offense.

9. CONSTITUTION OF THE COMPANY

9.1 Share Capital

The authorised Share Capital of the Company is £500,100 divided into 100 Management Shares of a nominal or par value of £1 each (all of which are held by the Manager) and 50,000,000 unclassified shares of £0.01 each. Such unclassified shares may be issued as either Participating Shares, Nominal Shares or Special Investment Shares.

9.2 Management Shares

Management Shares may only be issued at par and only to the Manager or its nominee. Holders of the Management Shares are entitled to receive notice of general meetings of the Company and to attend and vote thereat. On a poll, a holder of Management Shares is entitled to one vote for each Management Share held by him. In a winding up of the Company, holders of Management Shares are only entitled to a return of paid up capital, after the return of the capital paid up on the Participating Shares, Special Investment Shares and the Nominal Shares (as more particularly set out in section 9.14). Management Shares carry no right to a dividend, are not redeemable at the option of the holder and are not convertible.

9.3 Participating Shares

Participating Shares are issued at a premium. Holders of Participating Shares are entitled to receive notice of all general meetings of the Company and to attend and vote thereat. On a poll, a holder of Participating Shares is entitled to one vote for each Participating Share held. In a winding up of the Company, holders of Participating Shares are entitled to a return of paid up capital and, after the return of the capital paid up on the Nominal Shares and Management Shares, are entitled to share in any surplus (as more particularly set out in section 9.14). The Participating Shares carry a right to a dividend, are redeemable at the option of the holder and are convertible, in accordance with the terms of the Articles.

9.4 Nominal Shares

Nominal Shares may only be issued at par and only for the purpose of providing moneys for the redemption of Participating Shares at par value. Holders of Nominal Shares are entitled to receive notices of all general meetings of the Company and to attend and vote thereat. On a poll, a holder of Nominal Shares is entitled to one vote irrespective of the number of Nominal Shares held by him. In a winding up of the Company, holders of Nominal Shares are only entitled to a return of paid up capital, after the return of the capital paid up on the Participating Shares and the Special Investment Shares (as more particularly set out in section 9.14). Nominal Shares carry no right to a dividend, are not redeemable at the option of the holder and are not convertible. It is intended that Nominal Shares will only be issued if necessary to fund payment of par value to a redeeming shareholder.

9.5 Special Investment Shares (side pockets)

Subject to the applicable listing rules, the Directors may determine to designate any one or more of the Company's underlying investments as a special investment, on the grounds that the Directors have determined that such investment either:

- (i) is, has become, or is expected to become illiquid;
- (ii) cannot be reasonably valued; or
- (iii) would, if it was to remain within its current Class Fund, cause the Directors to consider the suspension of the calculation of the Net Asset Value of that Class pursuant to the Articles.

To the extent required by the listing rules applicable to the Company, from time to time, the Directors intend that: (i) no more than 50% of the gross assets of the relevant Class Fund may be invested in Special Investment Shares; and (ii) approval of the shareholders will be sought prior to the allocation of investments to a Special Investment Share class and to their disposal.

The Directors shall appoint an independent administrator to determine the value, if any, of the special investment in accordance with applicable listing rules and accounting standards and, having done so, shall

then determine a day as at which all holders of Participating Shares of the relevant Class (in issue or deemed to be in issue at the time as at which the investment is deemed to have been designated a special investment) shall have (or shall have been deemed to have had) the proportionate number of such Participating Shares redeemed and the redemption proceeds applied to purchase the same number of Special Investment Shares (subject to any limitations or other terms as the Directors may determine). The aggregate Redemption Price for the Participating Shares being so redeemed, and the aggregate Subscription Price for the respective new Special Investment Shares, shall be satisfied in full by the relevant interest in the special investment being transferred, and credited, to the Class Fund attributable to the new Class of Special Investment Shares issued in respect of such special investment. Special Investment Shares shall only be allotted to holders of relevant Participating Shares.

Subject to such terms of issue as the Directors may determine (and declare at or before the allotment of Special Investment Shares to holders of relevant Participating Shares), each Class of Special Investment Shares shall have:

- (i) the right to receive notices of all general meetings of the Company and the right to attend and vote thereat;
- (ii) on a poll, one vote per Special Investment Share held;
- (iii) no right to a dividend;
- (iv) in a winding up of the Company, a return of paid up capital and, after the return of the capital paid up on the Nominal Shares and Management Shares, a share in any surplus (as more particularly set out in section 9.14);
- (v) no right to redeem a Special Investment Share; and
- (vi) no right to convert a Special Investment Share, except as set out below.

Special Investment Shares are not convertible into Shares of any other Class save that on the occurrence of a Realisation Event (as defined in the Articles) in respect of a special investment, the corresponding Special Investment Shares of each shareholder shall be compulsorily redeemed as of a day determined by the Directors (being a day not later than the next Dealing Day) and the redemption proceeds applied to purchase a new series of Participating Shares of the Class previously held by each such shareholder and which were originally converted to create the series of Special Investment Shares being re-converted.

Where subscription moneys or, in relation to Special Investment Shares, the value of the Special Investment, will not produce an exact number of Shares, the Company may issue fractions of Shares (calculated to six decimal places) and, save as otherwise provided in the Articles, any such fraction of a Share shall be subject to and carry the corresponding fraction of limitations, preferences, privileges, qualifications, restrictions, rights or other attributes of a whole Share of the relevant Class.

9.6 Qualified Holders

No Participating Shares may be acquired or held by any person other than a Qualified Holder and the Directors shall have power to determine and impose such restrictions (other than a restriction on transfer) as they may think necessary for the purpose of ensuring the same. A “Qualified Holder” is any person or entity other than:

- (i) any US person other than pursuant to an exemption available under the Securities Act of 1933 of the United States of America or any other relevant securities laws of the United States; or

- (ii) any person whose holding of Participating Shares (and/or Special Investment Shares) would or might result in the Company having more than 80 beneficial owners of Shares (whether directly or by attribution pursuant to section 3(c)(1)(A) of the Investment Company Act) who are US persons or any person whose holding would require the Company to register as an “investment company” under the Investment Company Act; or
- (iii) any person whose holding might cause or might be likely to cause the assets of the Company to be considered “plan assets” within the meaning of the regulations adopted under the United States Employee Retirement Income Security Act of 1974, as amended; or
- (iv) subject to certain qualifications, a “benefit plan investor” as defined in the Regulations of the US Department of Labor; or
- (v) any person in breach of any law or any applicable money laundering regulations; or
- (vi) any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Participating Shares; or
- (vii) any person or persons in circumstances which (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Directors to be relevant), as determined by the Directors, might cause or be likely to cause the Company or shareholders some legal, regulatory, pecuniary, tax or material administrative disadvantage which the Company or shareholders might not otherwise have incurred or suffered; or
- (viii) any person under the age of 18.

9.7 Variation of Share Rights

The Company in general meeting or its Directors may, from time to time, confer on the holders of Participating Shares of any Class such rights and privileges in addition to those herein contained as it or they may think fit without conferring such rights or privileges generally on the holders of all Classes of Participating Shares, PROVIDED THAT by so doing the rights of holders of any other Class of Participating Shares as to: voting; dividend; redemption; conversion; return of capital on a winding up; or the application of the assets of the Company relating to such Class, are not thereby reduced or abrogated.

The special rights attached to any Class or series of Participating Shares or separate Class or series of Participating Shares issued with preferred or other special rights shall NOT (unless otherwise expressly provided by the conditions of issue of such shares) be deemed to be varied by the exercise of the powers to allocate assets (or amounts treated as notional assets) and charge liabilities to the various Class Funds or any of them as provided for in the Articles.

The special rights attached to Participating Shares having preferential rights (unless otherwise expressly provided by the conditions of issue of Participating Shares) shall be deemed NOT to be varied by:

- (i) the creation, allotment or issue of further Participating Shares ranking *pari passu* therewith;
- (ii) the creation, allotment or issue of further Classes of Participating Shares;

- (ii) the creation, allotment or issue of Management Shares, Nominal Shares, or Special Investment Shares;
- (iii) the creation of unclassified shares;
- (iv) the redemption of Participating Shares, Nominal Shares, or Special Investment Shares;
- (v) the compulsory conversion or compulsory redemption of shares;
- (vi) the exercise of discretion, or the making of any determination or decision, by the Directors; or
- (vii) if the Company should be wound up, the exercise by the Liquidator of his powers pursuant to the Articles.

9.8 Variation of Share Capital

In accordance with the Articles and the Companies Law of the Cayman Islands, the Company may from time to time:

- (i) by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the Ordinary Resolution shall prescribe and make such notifications in respect thereof;
- (ii) by Ordinary Resolution alter (without reducing) its share capital; or
- (iii) by Special Resolution reduce its share capital in any way.

9.9 Annual meeting

In the normal course of events, no annual meetings of shareholders will be held. In the event that a shareholders' meeting is convened, a shareholder may appoint another person to vote on their behalf who will not necessarily need to be a shareholder.

9.10 Change of Name

The Company may only change its name where all the votes attached to the Management Shares vote in favour of such motion.

9.11 Directors Interests

Unless otherwise determined by the shareholders by Special Resolution, the number of Directors shall not be less than three and they shall hold office until they resign or are disqualified in accordance with the provisions of the Articles. A majority of the Directors shall not be resident in Canada. The Directors shall have power from time to time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors.

A Director need not be a shareholder of the Company but shall be entitled to receive notice of and attend all general meetings of the Company.

Subject to the following paragraph, a Director or his firm may hold any other office or place of profit under the Company (other than the office of Auditor), in conjunction with his office of Director, on such terms as the Directors may determine. A Director may act by himself or by his firm in a professional

capacity for the Company other than as auditor and he or his firm shall be entitled to remuneration for professional services as if he were not a Director. A Director may be interested, whether as a member, director, managing director, manager or other officer, in a company in which the Company is interested and, unless otherwise agreed, shall not be accountable for any remuneration or other benefits received by him as such. A Director or his firm shall not be disqualified from entering into other contracts with the Company. A Director shall not be required to account to the Company for any profit realised under any contract or arrangement in which the Director has an interest and no such contract or arrangement is liable to be avoided by the Company.

The existence and nature of a Director's interest in any proposed contract or arrangement shall be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first considered, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he becomes so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made, then at the first meeting of the Directors held after he becomes so interested. A general notice in writing given to the Directors by any Director (or record in the minutes of the meeting of the Directors) to the effect that he is a member of any specified company or firm, and is to be regarded as interested in any contract which may thereafter be made with that company or firm, shall (if such Director shall give the same at a meeting of the Directors or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Directors after it is given) be deemed a sufficient declaration of interest in relation to any contract so made.

Subject to the following paragraph, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters namely:

- (i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by giving of security;
- (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, PROVIDED THAT he is not the holder of or beneficially interested in 1 per cent or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed to be a material interest in all circumstances); or
- (v) any contract for the purchase or maintenance for any Director or Directors of insurance against any liability.

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

If any question shall arise at any meeting as to the materiality of the Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

9.12 Borrowing Powers

Subject to any restriction set out in section 5.1, the Directors may, in accordance with the Articles, exercise all the powers of the Company to borrow or raise money.

9.13 Indemnities

Every Director, Secretary, Manager, Administrator, Custodian and other officer or servant of the Company shall be indemnified by the Company against (and it shall be the duty of the Directors to pay out of the funds of the Company) all liabilities losses and expenses which the same may sustain or incur or become liable to or in respect of by reason of any contract entered into or in any way in discharge of his or its duties or obligations to the Company including travelling expenses. No Director or other officer shall be liable for any loss damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office, unless the same shall happen through his own gross negligence, fraud or wilful default, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the shareholders over all other claims.

No Director, Secretary, Manager, Administrator, Custodian or other officer or servant of the Company shall be liable for the acts receipts neglects or defaults of any other Director or officer or other such person or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy insolvency or tortious act of any person with whom any moneys securities or effects shall be deposited or for any loss damage or misfortune whatever which shall happen in the execution of the duties of his respective office or in relation thereto unless the same happen through his own gross negligence, fraud or wilful default.

9.14 Winding Up

At any time they think fit, the Directors may convene an extraordinary general meeting of the Company for the purpose of considering a Special Resolution for the winding up of the Company.

If the Company shall be wound up the Liquidator shall apply the assets of the Company in satisfaction of creditors' claims in such manner and order as he thinks fit. The Liquidator shall in relation to the assets available for distribution among the shareholders make in the books of the Company such transfers thereof within the Company and between Class Funds as may be necessary in order that the effective burden of such creditors' claims may be shared between the holders of shares of different Classes in such proportions as the Liquidator in his absolute discretion may think equitable.

The assets available for distribution among the shareholders shall then be applied in the following priority:

- (i) firstly, in the payment to the holders of Participating Shares (and/or Special Investment Shares, as the case may be) of a sum equal to the nominal amount of the Participating Shares (and/or Special Investment Shares) held by such holders respectively PROVIDED THAT there are sufficient assets available in the relevant Class Fund to enable such payment to be made. In the event that as regards the shares of any Class, there are insufficient assets capable of allocation to such Class to enable such payment to be made, recourse shall be had first to the assets of the Company comprised within the relevant Class Fund and secondly to the assets of the Company not comprised within any Class Fund;
- (ii) secondly, in the payment to the holders of Nominal Shares of sums up to the nominal amount paid up thereon out of the assets of the Company not comprised within the relevant Class Fund remaining after recourse thereto under sub-paragraph (i) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any other Class Fund;
- (iii) thirdly, in the payment to the holders of Management Shares of sums up to the nominal amount paid up thereon out of the assets of the Company not comprised within any Class Fund remaining after any recourse thereto under sub-paragraph (i) above and after payment in full to the holders of the Nominal Shares under sub-paragraph (ii) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made to the holders of the Management Shares no recourse shall be had to the assets comprised within any other Class Fund; and
- (iv) fourthly, in the payment to the holders of Participating Shares (and/or Special Investment Shares, as the case may be) of any balance then remaining in the relevant Class Fund, such payment being made in proportion to the number of shares held therein by each such holder.

10. CONFLICTS OF INTEREST

Prospective investors in the Company should be aware of the conflicts of interest set out below.

Due to the activities which may be undertaken by the Directors, the Manager, the Administrator, the Investment Manager, the Custodian, and their respective employees, officers, agents, holding companies, subsidiaries and affiliates (each an “**Interested Party**”) conflicts of interest may arise. An Interested Party may provide similar services to third parties. An Interested Party may acquire or dispose of any investments notwithstanding that the same or similar investments may be owned by, for the account of, or in connection with the Company.

In particular, the Manager, Custodian, Registrar, Administrator, Secretary and Investment Advisor are all wholly owned indirect subsidiaries of CIBC, a Canadian chartered bank listed on the Toronto Stock Exchange and the New York Stock Exchange. In particular Mr Gillooly is a director of the Manager, Custodian, Registrar, Administrator and Secretary.

The Manager depends on the Investment Advisor for ongoing investment advice in relation to the Company’s investment portfolio. Although the Investment Advisor devotes as much of its time and resources to the activities of the Company as in their judgment is reasonably required, the Investment Advisor is nevertheless involved in the management of other portfolios and in other business activities.

The Investment Advisor may identify investment opportunities that may be suitable for the Company as well as other clients of the Investment Advisor. The Investment Advisor endeavours to allocate all investment opportunities pro rata amongst all of its clients to ensure fairness (the “**General Rule**”). However, the Investment Advisor may deviate from the General Rule based on the following factors:

- (i) significance of the proposed final allocation in relation to the size of the client account;
- (ii) specific investment needs of the participating clients, including portfolio cash flows;
- (iii) appropriateness of the investment to a portfolio’s style, performance time horizons, and client’s risk objectives;
- (iv) existing levels of portfolio ownership in the intended investment and in similar types of securities; and/or
- (v) size of allocation of order from dealer compared to original order size.

The Manager and the Administrator may rely in part on the Investment Advisor, albeit in consultation with the Administrator, to value securities and other instruments held by the Company for which quotations are not readily available.

The Company depends on its Directors, the Manager and the Administrator for ongoing management and administration of its business activities. Although the Directors, Manager and Administrator devote as much time and resources as in their judgment are reasonably required, each of the Directors, the Manager and the Administrator is involved in other business activities.

11. RISK WARNINGS

11.1 General

Investors are reminded that the value of investments will vary from day to day, notably reflecting changes in economic or market conditions, interest rates, and market and corporate news. As a result, the value of your investment can fall as well as rise and in addition, the value of your investment may be more or less when you sell it than when you purchased it.

Risk tolerance will differ amongst individuals. You will need to take into account your own comfort with risk as well as the amount of risk suitable for your investment goals.

Different investments will have different types of investment risks. Listed below are some of the most common types of investment risks that can affect the value of your investment:

11.2 Class risk

The Company and some investment funds offer multiple classes of shares. If, for any reason, a mutual fund cannot pay the expenses of one class using that class’ proportionate share of the fund’s assets, the investment fund will be required to pay those expenses out of the other classes’ proportionate share of the investment fund’s assets. This could lower the investment returns of the other classes.

11.3 Commodity risk

Some investment funds may invest in securities, the underlying value of which depends on the price of commodities, such as natural resource and agricultural commodities. The value of the Company could therefore be influenced by changes in the price of the commodities, which tend to be cyclical and can

move dramatically in a short period of time. In addition, new discoveries or changes in government regulations can affect the price of commodities.

11.4 Compulsory Redemption and Conversion risk

The Company is an open ended investment fund but may experience fluctuations in liquidity where: (i) large numbers of redemption requests are received by the Company which may cause a delay in settlement, during which time the Net Asset Value per Share may fall, and (ii) an underlying fund becomes illiquid or difficult to value. In the latter event the Directors have the discretion to designate that investment as a special investment, and to transfer that investment into a separate Class Fund, at which time the relevant number of Special Investment Shares will be issued to the holders of shares in the relevant Class from which the asset was moved: the Special Investment Shares are not redeemable until they are converted back into Participating Shares upon the happening of certain prescribed events (for example, when the Company has received a distribution of profit or income from the special investment).

11.5 Concentration risk

In the event an investment fund invests or holds more than 11% of its net assets in the securities of a single issuer (including government and government-guaranteed issuers), the investment fund offers less diversification, which could have an adverse effect on its returns. By concentrating investments on fewer issuers or securities, there may be increased volatility in the unit price of a fund and there may be a decrease in the portfolio liquidity of the fund.

11.6 Currency risk

Investment funds may invest in securities denominated or traded in currencies other than US dollars. Changes in foreign currency exchange rates will affect the value of these securities held in the Company. Generally, when the US dollar rises in value against a foreign currency, your investment is worth fewer US dollars. Similarly, when the US dollar decreases in value against a foreign currency, your investment is worth more US dollars. This is generally known as “currency risk”, which is the possibility that a stronger US dollar will reduce returns for investors investing outside of US dollar denominated assets and a weaker US dollar will increase returns for investors investing outside of US dollar denominated assets.

Foreign governments may participate in economic or currency unions. Like other investment companies and business organizations, a fund could be adversely affected if a participating country withdraws from, or other countries join, the economic or currency unions.

11.7 Derivatives risk

A derivative is a financial instrument whose value is derived from the value of an underlying variable, usually in the form of a security or asset. Derivatives can be traded on exchanges or over-the-counter with other financial institutions, known as counterparties. There are many different kinds of derivatives, but derivatives usually take the form of an agreement between two parties to buy or sell an asset, such as a basket of stocks or a bond, at a future time for an agreed upon price.

Funds may use derivatives for two purposes: hedging and effective exposure (non-hedging).

(i) Hedging

Hedging means protecting against changes in the level of security prices, currency exchange rates, or interest rates that negatively affect the price of securities held in a fund. There are costs associated with hedging as well as risks, such as:

- (a) there is no guarantee the hedging strategy will offset the price movement of a security;
 - (b) it is not always easy to unwind a derivatives position quickly. Sometimes futures exchanges or government authorities put trading limits on derivatives. So, even if a hedging strategy works, there is no assurance that a liquid market will always exist to permit a fund to realize the benefits of the hedging strategy;
 - (c) it is not always possible to buy or sell the derivative at the desired price if everybody else in the market is expecting the same changes; and
 - (d) the change in value of derivatives does not always perfectly correspond to the change in value of the underlying investment.
- (ii) Effective exposure (non-hedging)

Effective exposure (non-hedging) investment funds may use derivatives, such as futures, forward contracts, options, swaps, or similar instruments instead of investing in the actual underlying investment. An investment fund might do this because the derivative may be cheaper, it may be sold more quickly and easily, it may have lower transaction and custodial costs, or because it can make the portfolio more diversified.

However, effective exposure does not guarantee that a fund will make money. There are risks involved. For example:

- (a) derivatives can drop in value just as other investments can drop in value;
 - (b) derivative prices can be affected by factors other than the price of the underlying security. For example, some investors may speculate in the derivative, driving the price up or down;
 - (c) the price of derivatives may change more than the price of the underlying investment;
 - (d) if trading in a substantial number of stocks in an index is interrupted or stopped, or if the composition of the index changes, it could adversely affect derivatives based on that index;
 - (e) it may be difficult to unwind a futures, forward, or option position, because the futures or options exchange has imposed a temporary trading limit, or because a government authority has imposed restrictions on certain transactions; and
 - (f) the other party in a derivative contract may not be able to fulfill a promise to buy or sell the derivative, or settle the transaction, which could result in a loss to the fund.
- (iii) Some common types of derivatives that a fund may use include:
- (a) **Futures contracts:** A futures contract is an exchange-traded contract involving the obligation of the seller to deliver, and the buyer to receive, certain assets (or a money payment based on the change in value of certain assets or an index) at a specified time.

- (b) **Forward contracts:** A forward contract is a private contract involving the obligation of the seller to deliver, and the buyer to receive, certain assets (or a money payment based on the change in value of certain assets or an index) at a specified time.
- (c) **Options:** Options are exchange-traded or private contracts involving the right of a holder to sell (*put*) or buy (*call*) certain assets (or a money payment based on the change in value of certain assets or an index) from another party at a specified price within a specified time period.
- (d) **Swaps:** A swap is a private contract between two parties used to exchange periodic payments in the future based on a formula to which the parties have agreed. Swaps are generally equivalent to a series of forward contracts packaged together.

11.8 Emerging markets risk

The risks of foreign investments are usually greater in emerging markets. An emerging market includes any country that is defined as emerging or developing by the World Bank, the International Finance Corporation, or the United Nations or any country that is included in the MSCI Emerging Markets Index.

The risks of investing in an emerging market are greater because emerging markets tend to be less developed. Many emerging markets have histories of, and continue to present the risk of, hyper-inflation and currency devaluations versus the US dollar (which adversely affect returns to investors). In addition, the securities markets in many of these countries have far lower trading volumes and less liquidity than developed markets. Because these markets are so small, investments in them may suffer sharper and more frequent price changes or long-term price depression due to adverse publicity, investor perceptions, or the actions of a few large investors. In addition, traditional measures of investment value used in the developed world, such as price-to-earnings ratios, may not apply to certain small markets.

A number of emerging markets have histories of instability and upheaval in internal politics that could increase the chances that their governments would take actions that are hostile or detrimental to private enterprise or foreign investment. Certain emerging markets may also face other significant internal or external risks, including the risk of war or ethnic, religious, and racial conflicts. Governments in many emerging market countries participate to a significant degree in their economies and securities markets, which may impair investment and economic growth.

The economies of certain foreign markets do not necessarily compare favourably with that of first world nations on such issues as growth of gross national product, reinvestment of capital resources, and balance-of-payments position. These economies may rely heavily on particular industries or foreign capital, and are more vulnerable to diplomatic developments, the imposition of economic sanctions against a particular country or countries, changes in international trading patterns, trade barriers, and other protectionist or retaliatory measures.

11.9 Equity risk

Equity securities (such as common stock) and equity-related securities (such as convertible securities and warrants) rise and fall with the financial well-being of the companies that issue them. The price of a share in any company is also influenced by general economic, industry, and market trends. When the economy is strong, the outlook for many companies will be positive, and share prices will generally rise, as will the value of the investment funds that own these shares. On the other hand, share prices usually decline with a general economic or industry downturn. There is the chance that a fund may select stocks that

underperform the markets or that underperform other investment products with similar investment objectives and investment strategies.

Because there are generally fewer investors and a smaller number of shares traded each day on some foreign exchanges, it may be difficult for an investment fund to buy and sell securities on those exchanges. In addition, prices of foreign securities may fluctuate more than prices of securities traded in first world nations.

11.10 Fixed income risk

One risk of investing in fixed income securities, such as bonds, is the risk that the issuer of the security will be unable to pay the interest or principal when due. This is generally referred to as “credit risk”. The degree of credit risk will depend not only on the financial condition of the issuer, but also on the terms of the bonds in question.

An investment fund may reduce credit risk by investing in senior bonds, those that have a claim prior to junior obligations and equity on the issuer’s assets in the event of bankruptcy. Credit risk may also be minimized by investing in bonds that have specific assets pledged to the lender during the term of the debt. Prices of fixed income securities generally increase when interest rates decline, and decrease when interest rates rise. This risk is known as “interest rate risk”. Prices of longer-term fixed income securities generally fluctuate more in response to interest rate changes than do shorter-term securities.

Investment funds that invest in convertible securities also carry interest rate risk. These securities provide a fixed income stream, so their value varies inversely with interest rates, just like bond prices. However, because they can be converted into common shares, convertible securities are generally less affected by interest rate fluctuations than are bonds.

11.11 Foreign market risk

Investments in foreign markets may be adversely affected by governmental actions, such as the imposition of capital controls, nationalization of companies or industries, expropriation of assets, or the imposition of punitive taxes.

The governments of certain countries may prohibit or impose substantial restrictions on foreign investment in their capital markets or in certain industries. Any of these actions could severely affect security prices, impair an investment fund’s ability to purchase or sell foreign securities or transfer an investment fund’s assets or income, or otherwise adversely affect an investment fund’s operations.

Other foreign market risks include foreign exchange controls, difficulties in pricing securities, defaults on foreign government securities, difficulties in enforcing favourable legal judgments in foreign courts, different accounting standards, and political and social instability. Legal remedies available to investors in certain foreign countries may be less extensive than those available to investors in first world nations or other foreign countries.

11.12 General market risk

General market risk is the risk that markets will go down in value, including the possibility that markets will go down sharply and unpredictably. Several factors can influence market trends, such as economic developments, changes in interest rates, political changes, and catastrophic events. All investments are subject to general market risk.

11.13 Large investor risk

Units of investment funds may be purchased and redeemed by large investors, such as financial institutions, including our affiliates that issue principal protected funds-linked deposit notes, or other investment funds. These investors may purchase or redeem large numbers of units of an investment fund at one time. This may cause the investment fund in which these investors have invested to purchase or sell large portions of its portfolio securities, which may adversely affect the net asset value of the fund and may increase realized capital gains or losses of the investment fund.

11.14 Liquidity risk

Liquidity is the ability to sell an asset for cash easily and at a fair price. Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of the fund to sell such securities quickly or at a fair price. Difficulty in selling securities could result in a loss or lower return for an investment fund.

11.15 Securities lending, repurchase, and reverse repurchase agreements risk

Some investment funds may enter into securities lending transactions, repurchase transactions, and reverse repurchase transactions to earn additional income. There are risks associated with securities lending, repurchase, and reverse repurchase transactions. Over time, the value of the securities loaned under a securities lending transaction or sold under a repurchase transaction might exceed the value of the cash or other collateral held by the investment fund. If the third party defaults on its obligation to repay or resell the securities to the investment fund, the cash or other collateral may be insufficient to enable the investment fund to purchase replacement securities, and the investment fund may suffer a loss for the difference. Likewise, over time, the value of the securities purchased by an investment fund under a reverse repurchase transaction may decline below the amount of cash paid by the investment fund to the third party. If the third party defaults on its obligation to repurchase the securities, the investment fund may need to sell the securities for a lower price and suffer a loss for the difference.

11.16 Smaller companies risk

The share prices of smaller companies can be more volatile than those of larger, more established companies. Smaller companies may be developing new products that have not yet been tested in the marketplace, or their products may quickly become obsolete. They may have limited resources, including limited access to cash or an unproven management team. Their shares may trade less frequently and in smaller volume than shares of larger companies. Smaller companies may have fewer shares outstanding, so a sale or purchase of shares will have a greater impact on the share price. The value of investment funds that invest in smaller companies may rise and fall substantially.

11.17 Sovereign debt risk

Some investment funds may invest in sovereign debt securities. These securities are issued or guaranteed by foreign government entities. Investments in sovereign debt are subject to the risk that a government entity may delay or refuse to pay interest or repay principal on its sovereign debt. Some of the reasons for this may include cash flow problems, insufficient foreign currency reserves, political considerations, the size of its debt position relative to its economy, or its failure to put in place economic reforms required by the International Monetary Fund or other agencies. If a government entity defaults, it may ask for more time in which to pay, or for further loans. There is no legal process for collecting sovereign debts that a government does not pay, or bankruptcy proceeding by which all or part of sovereign debt that a government entity has not repaid may be collected.

11.18 Withholding Tax exposure

If the Company invests directly in underlying funds that are located in a jurisdiction other than the Cayman Islands, payments by those funds to the Company could be subject to withholding tax payments imposed by the jurisdiction in which the funds are located. The Company will most likely gain its notional exposure to underlying funds through investment in derivative instruments that are linked to the returns of underlying funds as more particularly described in section 4. The counterparty to such derivative instruments will most likely be a non-resident of the Cayman Islands. The Manager believes, based on advice of counsel, that payments by a non-resident counterparty to the Company should not be subject to withholding tax. If, contrary to the advice of counsel, or if there is change in law, withholding tax is applicable to payments made by the non-resident counterparty to the Company (and therefore payable by the Company), the Net Asset Value of the Class you hold, and accordingly the return from investing in the Company, will be reduced. Whether or not such withholding tax is applicable may not be known until after the taxation year in which the tax payment arises and, as such, may result in additional taxes and interest on such taxes payable by the Company in respect of a previous year.

11.19 Risks related to investments in other investment funds and through managers

Note that the following risks will be applicable whether the investment is direct or through an underlying fund.

(i) Lack of liquidity of Investment Funds

Investments in underlying investment funds may be illiquid and subject to risk. The governing instruments of most underlying investment funds in which the Company may invest may have provisions similar to those of the Company restricting both the transferability of a participant's interest and the participant's ability to withdraw its investment in certain circumstances. In addition, there is generally no liquid secondary market for interests issued by the underlying investment funds in which the Company may invest. The Company's ability to satisfy shareholders' redemption requests will be largely dependent upon its ability to liquidate, by redemption, transfer or otherwise, the capital committed to underlying investment funds.

(ii) Risks of compulsory cash redemption, redemptions in kind and suspensions of net asset valuation determination by underlying investment funds

The investments of the Company in certain underlying investment funds may become subject to compulsory cash redemptions or redemptions in kind. In such event, the Company may be required to accept cash or securities from an underlying investment fund in redemption of its interest therein at a time when it would not otherwise be advantageous to do so. In addition, the underlying investment funds in which the Company invests may be subject to temporary suspensions in the determination of the "net asset values" of such investment funds. In such event, the Company may be unable to redeem or otherwise dispose of its interests in such underlying investment fund when it would otherwise be advantageous to do so. The premature redemption or delay in disposal of Company investments may adversely affect both the value of the investment being disposed of, and the value and liquidity of the shares. In addition, regardless of the period of time over which redemptions occur, potential delays in reinvesting proceeds of a compulsory redemption or disposing of securities received by an underlying investment fund pursuant to a redemption in kind, and the lack of liquidity resulting from a net asset value suspension relating to an underlying investment fund could require the Directors to: suspend accepting subscriptions and redemptions of shares; declare a cash dividend; or

rely upon overdraft facilities for payment of redemption proceeds; and make it more difficult for the Company to generate profits or recover losses.

(iii) Concentration of the Fund's investments

Many investment funds in which the Company may invest may include a high concentration of investments in a particular financial instrument or market sector.

(iv) Lack of publicly available information regarding investment funds

Shareholders should recognise that the Investment Advisor's ability to monitor the underlying investment funds will be affected by the amount, timeliness and quality of information available with respect to these funds and their investment operations, and that the Investment Advisor will have no means of independently verifying much of the information supplied by the underlying investment funds or their agents.

(v) Valuation of underlying investment funds

The Net Asset Value per Share is unaudited (except at fiscal year-end) and based primarily upon the value of the Company's holdings of underlying investment funds. In valuing those holdings, the Company will need to rely primarily on unaudited financial information provided or reported by underlying investment funds, their agents and/or market-makers. If financial information used by any investment fund to determine the net asset value of its own securities is incomplete, inaccurate, or if such net asset value does not adequately reflect the value of the investment fund's holdings, the Net Asset Value per Share may be adversely affected (especially if subscriptions or redemptions are effected on the basis of over or under estimated net asset values). The Company generally will not receive detailed information on the securities and other financial instruments composing the portfolio of the underlying investment funds in which the Company invests. Adjustments to the Net Asset Value of the Company will generally be made to the then current Net Asset Value, not by adjusting the Net Asset Values previously reported, in addition, the Directors may determine to establish reserves which will reduce the Net Asset Value per Share until such reserves are reversed. Since 1987, there have been a number of widely reported instances of investment funds making substantial revisions to their previously reported net asset values. Although the Investment Advisor intends to select investment funds which use reputable administrators and accountants, the Company will have no control over the choice of custodians, brokers or counterparties made by such underlying investment funds nor on the valuation methods and accounting rules which they may use. Shareholders should recognise that the Company's ability to correctly assess the value of its underlying investment funds will be dependent upon the information available with respect to these underlying investment funds and their investment operations.

(vi) Disposition Investment Funds in special circumstances

If the Company receives securities or assets other than cash in connection with a redemption in kind of its interests in any underlying investment fund, or if the value of its interests in an underlying investment fund may not be ascertained in a manner which is consistent with the valuation methods or redemption features of the Company, the Board may determine to transfer ownership of such interests to a trustee in trust for the benefit of all persons who were registered as shareholders as of the transfer date, and instruct the trustee to liquidate such interests in cash and make a pro rata distribution of the net liquidation proceeds to such persons.

(vii) Performance-based compensation of Investment Funds

The managers of the underlying investment funds in which the Company may, directly or indirectly, invest could be compensated through incentive arrangements whereby the manager may benefit from appreciation, including unrealised appreciation, in the value of the assets under its discretionary investment authority, but may not be similarly penalized for realised losses or decreases in the value of such assets. Such fee arrangements may create an incentive for the managers to make investments that are unduly risky or speculative. Moreover, any performance-based compensation for such managers will be paid indirectly by the Company's shareholders and will reduce the return that ultimately would be payable to such investors. In most cases the Investment Advisor will seek to invest in underlying investment fund where the manager of the underlying investment fund is required to recoup some or all prior losses before any incentive fee is payable in respect of current gains, no assurance can be given, however, that such efforts will be successful.

(viii) Duplication of operating expenses

In investing in shares of the Company which in turn invests in securities issued by underlying investment funds, a shareholder will incur the costs of two forms of investment advisory services, the fees and expenses paid to the Company and its agents, and the fees and expenses paid by the underlying investment funds to their service providers and managers (including performance fees, as the case may be), which may constitute in the aggregate a higher percentage of average net asset value than would be found in many investment entities. Certain underlying investment funds may calculate the performance fees payable to their managers more frequently than yearly, while others may not calculate such fees on a "high watermark" basis but rather period-to-period with no carry-forward of prior-period losses. All fees and operating expenses to which underlying investment funds are subject must be more than offset by increases in the value of their underlying investment funds or the value of the Company's investment in such underlying investment funds will decline.

(ix) Effect of timing of subscriptions and redemptions

Subject to the conditions outlined in this Prospectus, for certain Classes, the Company may accept subscriptions and redemptions on a weekly basis. Underlying investment funds in which the Company invests, however, may not permit additional capital contributions or the admission of new participants on the same basis. As a result, the Company may be delayed in investing the net proceeds of any new subscriptions in underlying investment funds. This delay may in turn affect the performance of the Company.

(x) Inadvertent concentration

Although the Investment Advisor will seek to monitor the underlying investment funds in which the Company's assets may have been invested, it is possible that a number of underlying investment funds might take substantial positions in the same security, financial instrument or market sector at the same time. This inadvertent concentration would interfere with the Company's goal of diversification.

(xi) Lack of operating history

Certain underlying investment funds in which the Company may invest may be newly organised and would therefore have no, or only a limited, operating history (although the Investment Advisor will generally select underlying investment funds and managers which have had some operating or trading history) In addition, the managers of the underlying investment funds to whom the Investment Advisor may allocate the Company's assets will have varying levels of experience and may operate in teams which are small relative to the assets under their management. The managers may also employ proprietary trading methods, policies and strategies which differ from those of other managers and which may deviate from the Investment Advisor's expectations relating thereto based on its research and evaluations. Of course, past performance achieved by such managers and underlying investment funds is not necessarily indicative of future results. Therefore, the results of any underlying investment fund may differ from those of other investment entities or accounts operated by the managers and from results anticipated by the Investment Advisor's models or projections. In such cases, if that manager's services became unavailable, the Company might sustain losses.

(xii) Risks of special techniques used by underlying investment funds and their managers

Many managers of the underlying investment funds in which the Company may utilise use special investment techniques and strategies that may subject the Company to significant risks. Most of these techniques entail significantly higher risks than those to which traditional, benchmark-driven strategies may be subject. Certain, but not all, of these techniques and strategies, and the risks that they entail are summarised below.

(a) Risks of leverage

Underlying investment funds may borrow funds for the purpose of purchasing securities or other financial instruments. A particular underlying investment fund may not be subject to any limitations on the amount of its borrowings, and the amount of borrowings that the underlying investment fund may have outstanding at any time may be large in comparison to its capital. Borrowing incurred to invest in securities and instruments may provide a underlying investment fund with the opportunity for greater capital appreciation and profits but, at the same time, will increase the underlying investment funds, and indirectly the Company's, exposure to capital risk and higher current expenses, including the risk that such underlying investment fund will sustain losses in excess of the amount invested in particular securities or instruments. Moreover, if the underlying investment fund's debt, when due, exceeds its assets, the Company could sustain a total loss of its investment in that underlying investment fund.

(b) Other clients of managers

Managers generally have exclusive responsibility for making trading decisions on behalf of the underlying investment funds in which the Company may invest. The managers may also manage other accounts which, together with accounts already being managed, could increase the level of competition for the same trades the managers might otherwise make on behalf of the Company, including the priorities of order entry this could make it difficult or impossible to take or liquidate a position in a particular security or financial instrument at a price indicated by a manager's strategy.

ATTACHMENT 1 LATEST AUDITED ACCOUNTS OF THE COMPANY

Please find attached the latest audited accounts of the Company which, together with this listing document, form the Prospectus.