GUIDELINE

CIBC U.S. Tactical Sector Allocation Index

Version 2.0 dated October 2nd, 2018

Contents

Introduction

This document is to be used as a guideline with regard to the composition, calculation, and management of the CIBC U.S. Tactical Sector Allocation Index. Any changes made to the guideline are initiated by the Committee specified in section 1.5. The CIBC U.S. Tactical Sector Allocation Index is calculated and published by the Index Calculator.

1 Index Specifications

The CIBC U.S. Tactical Sector Allocation Index (the "Index") is comprised of a portfolio of exchange-traded funds selected using a proprietary rules-based methodology developed by CIBC World Markets and designed to allocate portfolio exposure among equity sectors and short and mid-term fixed income investments. Equity exposure may range from 0% to 100% and fixed income exposure may range from 0% to 100%. The equity component (if any) is further allocated to each of the Financial, Energy, Utilities, Technology, Materials, Consumer Staples, Consumer Discretionary, Industrials, Communications, Real Estate, and Health Care sectors based on six-month moving average price data. The fixed income component (if any) is equal to 100% minus the equity allocation and is further allocated among short-term and mid-term fixed income investments. The allocations are determined and the portfolio is reconstituted and rebalanced on a monthly basis.

The Index is calculated and distributed by the Index Calculator.

The Index is calculated and published in USD.

1.1 Short Name and ISIN

The total return version of the Index is distributed under ISIN DE000SLA2GH1the WKM is SLA2GHThe Index is published in Reuters under the code .CIBCUTAT and in Bloomberg under the ticker CIBCUTAT Index.

The price return version of the Index is distributed under ISIN DE000SLA2GQ2; the WKM is SLA2GQ. The Index is published in Reuters under the code .CIBCUTAP and in Bloomberg under the ticker CIBCUTAP Index.

1.2 Initial Value

The Index is calculated since Sep 22, 2016, where the index is based on with a value of 100. Backtested data is available since Jan 7, 2005.

1.3 Distribution

The Index is published via the price marketing services of Boerse Stuttgart AG and is distributed to all affiliated vendors. Each vendor decides on an individual basis as to whether the vendor will distribute/display the Index via the vendor's information systems.

1.4 Prices and Calculation Frequency

The value of the index is calculated on each Business Day based on the prices on the respective Exchanges on which the Index Components are listed. The most recent prices of all Index Components are used.

The Index is calculated once every Business Day at 4:55pm, EST. In the event that data cannot be provided to Reuters or to the pricing services of Boerse Stuttgart AG the Index cannot be distributed.

Any incorrect calculation is adjusted on a retrospective basis.

1.5 Decision-Making Bodies

A Committee, composed of members of CIBC is responsible for decisions regarding the composition of the Index as well as any amendments to the rules (in this document referred to as the "Committee" or the "Index Committee").

1.6 Publication

All specific and information relevant for calculating the Index are made available on the webpage of the Index Calculator (http://www.solactive.com)

1.7 Licensing

Licenses, if any, to use the Index as the underlying value/index for index funds, ETFs, or derivative instruments are issued to stock exchanges, banks, financial services providers, and investment houses by CIBC World Markets Inc.

2 Composition of the Index

2.1 Index Universe

The "Index Universe" is consisted of the 13 ETFs listed below (each, an "Index Component")

1. XLF - Financial Select Sector SPDR Fund
2. XLE - Energy Select Sector SPDR Fund
3. XLU - Utilities Select Sector SPDR Fund
4. XLK - Technology Select Sector SPDR Fund
5. XLB - Materials Select Sector SPDR Fund
6. XLP - Consumer Staple Select Sector SPDR Fund
7. XLY - Consumer Discretionary Select Sector SPDR Fund
8. XLI - Industrial Select Sector SPDR Fund
9. XLV - Health Care Select Sector SPDR Fund
10. XLC – Communication Services Select Sector SPDR Fund
11. XLRE – Real Estate Select Sector SPDR Fund
12. IEF - iShares 7-10 Year Treasury Bond ETF
13. SHY – iShares 1-3 Year Treasury Bond ETF

2.2 Ordinary Adjustment

On Monthly Observation Dates the Equity ETF allocation is determined as follows
- If an Equity ETF is at or above its 6 Month Moving Average its allocation = 100% / (number of Equity ETFs at or above 6 Month Moving Averages), subject to a maximum sector allocation of 20%
- If an Equity ETF is below its 6 Month Moving Average its allocation = 0%

The Fixed Income ETF allocation is equal to 100% minus the sum of Equity ETF allocations, and is further divided between IEF and SHY based on the following rules
- If IEF is at or above its 6 Month Moving Average the Fixed Income ETF allocation is 100% allocated to IEF
- If IEF is below its 6 Month Moving Average the Fixed Income ETF allocation is evenly split between IEF and SHY (50% IEF, 50% SHY)

The changes take effect on Monthly Rebalancing Dates.

2.3 Extraordinary Adjustment

If an index member included in the index is removed from the Index between two Ordinary Adjustment Dates due to an Extraordinary Event, if necessary, the Index Calculator shall designate a successor. This is announced by the Index Calculator after the close of business on the day on which the new composition of the Index was determined by the Index Calculator. The Index is adjusted in such a case with 2 days notice if possible.

3 Calculation of the Index

3.1 Index formula

The Index Value on a Business Day at the relevant time is calculated in accordance with the following formula:

$$Index_t = \frac{\sum_{i=1}^{n} x_{i,t} * p_{i,t} * f_{i,t}}{D_t}$$

with:

$x_{i,t}$ = Number of Index Shares of the Index Component i on Trading Day t

$p_{i,t}$ = Price of Index Component i on Trading Day t

$f_{i,t}$ = Foreign exchange rate to convert the Price of Index Component i on Trading Day t into the Index Currency

D_t = Divisor on Trading Day t

The initial Divisor on the Start Date is calculated according to the following formula:

$$D_t = \frac{\sum_{i=1}^{n} (p_{i,t} * f_{i,t} * x_{i,t})}{100}$$

After the close of trading on each Adjustment Day t the new Divisor is calculated as follows:

$$D_t = \frac{\sum_{i=1}^{n} (p_{i,t} * f_{i,t} * x_{i,t})}{Index_t}$$

This Divisor is valid starting the immediately following Business Day.

3.2 Accuracy

The value of the Index will be rounded to 2 decimal places.

Trading Prices and foreign exchange rates will be rounded to six decimal places.

Divisors will be rounded to six decimal places.

3.3 Adjustments

Indices need to be adjusted for systematic changes in prices once these become effective. This requires the new Number of Index Shares of the affected Index Component and the Divisor to be calculated on an ex-ante basis.

Following the Committee's decision the Index is adjusted for distributions, capital increases and stock splits.

This procedure ensures that the first ex quote can be properly reflected in the calculation of the Index. This ex-ante procedure assumes the general acceptance of the Index calculation formula as well as open access to the parameter values used. The calculation parameters are provided by the Index Calculator.

3.4 Dividends and other distributions

Dividend payments and other distributions are included in the Index. They cause an adjustment of the Divisor. The new Divisor is calculated as follows:

$$D_{t+1} = D_t * \frac{\sum_{i=1}^{n}(p_{i,t} * f_{i,t} * x_{i,t}) - (x_{i,t} * y_{i,t} * g_{i,t})}{\sum_{i=1}^{n}(p_{i,t} * f_{i,t} * x_{i,t})}$$

with

$p_{i,t}$ = Price of Index Component i on Trading Day t

$f_{i,t}$ = Foreign exchange rate to convert the Price of Index Component i on Trading Day t into the Index Currency

$x_{i,t}$ = Number of Index Shares of the Index Component i on Trading Day t

$y_{i,t}$ = Distribution of Index Component i with ex date t+1 multiplied by the Dividend Correction Factor

$g_{i,t}$ = Foreign exchange rate to convert the amount of the distribution of Index Component i on Trading Day t into the Index Currency

D_t = Divisor on Trading Day t

D_{t+1} = Divisor on Trading Day t+1

3.5 Corporate actions

3.5.1 Principles

Following the announcement by an issuer of Index Components of the terms and conditions of a corporate action the Index Calculator determines whether such corporate action has a dilutive, concentrative or similar effect on the price of the respective Index Component.
If this should be the case the Index Calculator shall make the necessary adjustments that are deemed appropriate in order to take into account the dilutive, concentrative or similar effect and shall determine the date on which this adjustment shall come into effect.
Amongst other things the Index Calculator can take into account the adjustment made by an Affiliated Exchange as a result of the corporate action with regard to option and futures contracts on the respective share traded on this Affiliated Exchange.

3.5.2 Capital increases

In the case of capital increases with ex date t+1 the Index is adjusted as follows:

$$x_{i,t+1} = x_i * \frac{1+B}{1} \qquad \text{with:}$$

$x_{i,t+1}$ = Number of Index Shares of Index Component i on Trading Day t+1
$x_{i,t}$ = Number of Index Shares of Index Component i on Trading Day t
B   = Shares received for every share held

$$p_{i,t+1} = \frac{p_{i,t} + s * B}{1+B} \qquad \text{with:}$$

$p_{i,t}$ = Price of Index Component i on Trading Day t
$p_{i,t+1}$ = Hypothetical Price of Index Component i on Trading Day t+1
s   = Subscription Price in the Index Component currency

$$D_{t+1} = D_t * \frac{\sum_{i=1}^{n}(p_{i,t} * f_{i,t} * x_{i,t}) + \sum_{i=1}^{n}\left[(x_{i,t+1} * p_{i,t+1} * f_{i,t}) - (x_{i,t} * p_{i,t} * f_{i,t})\right]}{\sum_{i=1}^{n}(p_{i,t} * f_{i,t} * x_{i,t})}$$

with

$p_{i,t}$ = Price of Index Component i on Trading Day t

$f_{i,t}$ = Foreign exchange rate to convert the Price of Index Component i on Trading Day t into the Index Currency

$x_{i,t}$ = Number of Index Shares of the Index Component i on Trading Day t

$p_{i,t+1}$ = Hypothetical price of Index Component i on Trading Day t+1

$x_{i,t+1}$ = Number of Index Shares of the Index Component i on Trading Day t+1

D_t = Divisor on Trading Day t

D_{t+1} = Divisor on Trading Day t+1

3.5.3 Share splits

In the case of share splits with ex date on Trading Day t+1 it is assumed that the prices change in ratio of the terms of the split. The new Number of Index Shares is calculated as follows:

$$x_{i,t+1} = x_{i,t} * B$$

$x_{i,t}$ = Number of Index Shares of the affected Index Component on Trading Day t
$x_{i,t+1}$ = Number of Index Shares of the affected Index Component on Trading Day t+1
B   = Shares after the share split for every share held before the split

3.5.4 Stock distributions

In the case of stock distributions with ex date on Trading Day t+1 it is assumed that the prices change according to the terms of the distribution. The new Number of Index Shares is calculated as follows:

$$x_{i,t+1} = x_{i,t} * (1 + B)$$

$x_{i,t}$ = Number of Index Shares of the affected Index Component on Trading Day t
$x_{i,t+1}$ = Number of Index Shares of the affected Index Component on Trading Day t+1
B = Shares received for every share held

3.6 Calculation of the Index in the event of a Market Disruption Event

The Index is not calculated in the event of a Market Disruption Event or Force Majeure Event. If the Market Disruption Event or Force Majeure Event continues over a period of eight Trading Days, then the Committee will determine the necessary action (including but not limited to taking into account the market conditions prevailing at this point in time, the last quoted Trading Price for each of the Index Components as well as any other conditions that it deems relevant for calculating the Index value) such that the affected securities resulting from the Market Disruption Event are no longer causing such disruption to occur.

4 Definitions

"Trading Day" means a day on which the New York Stock Exchange is open

"Exchange" means the New York Stock Exchange Arca or any other appropriate successor

"Index Sponsor" means CIBC World Markets Inc.

The **"Index Calculator"** is Solactive AG or any other appropriately appointed successor in this function

The **"Index Currency"** is USD

"Monthly Rebalancing Date" is the 5th Trading Day of each month.

"Monthly Observation Date" is the 3rd Trading Day of each month

A **"Monthly Observation"** is the closing price of an Index Component on its Monthly Observation Date

"6 Month Moving Average" means the average of the last 7 Monthly Observations including the current Monthly Observation

A **"Market Disruption Event"** is defined as a Trading Day where the Underlying is not published