

RESPONSIBLE INVESTING POLICY

CIBC Asset Management Inc., a subsidiary of the Canadian Imperial Bank of Commerce (CIBC) and one of the largest asset managers in Canada, has over 50 years of active management experience. We provide a range of high-quality investment management services and solutions to meet the needs of individual and institutional investors worldwide.

Overview

CIBC Asset Management (CIBC AM) became a signatory of the United Nations-supported Principles for Responsible Investment (PRI) in November 2017, to reinforce our commitment to responsible investing for our clients. These principles guide our approach to managing investment products and our selection of sub-advisors.

Background and philosophy

At CIBC AM, we recognize that it's our responsibility to act in the best interest of our clients when we manage their capital. We believe environmental, social, and governance (ESG) factors create risks and opportunities for investors, and it's in the best interest of our clients to consider these factors when making investment decisions.

To assess the long-term viability and success of a company's business model, it's important to evaluate its impact on the communities and economies where it operates. It's our belief that ESG factors play a crucial role in the long-term health and stability of a company. We integrate these ESG considerations into our research when assessing the value and performance of an investment over the medium and longer term.

Integrating ESG and non-ESG factors enhances the financial performance of our investment mandates and improves outcomes for our investors. In the course of our analysis, this influences asset allocation, securities selection, portfolio construction, shareholder engagement and voting.

Objective and scope

This policy formalizes our commitment to incorporate responsible investing (RI) factors in our investment decisions and sub-advisor selection.

The scope of this policy extends throughout CIBC AM. The policy is intrinsic to our day-to-day decision-making and represents an important part of the investment process for our fundamental strategies. Because we believe that ESG issues can affect the performance of investment portfolios, we expect the end result will be better risk assessment, investment decisions and ultimately better outcomes for our clients.

When selecting sub-advisors for our investment funds and investment strategies, the sub-advisor's RI commitment and policies are reviewed and included for consideration alongside other non-ESG factors.

Passively managed investment mandates, such as index mutual funds, and quantitative strategies, such as multi-factor solutions, are excluded from our RI process, unless otherwise stated.

Our principles

When CIBC AM became a signatory of the PRI, we reaffirmed our commitment to include ESG factors in our investment process. We also recognize that applying the PRI principles can better align investment management with the broader objectives of society. As a signatory of the PRI, we've committed to the following six principles:

Principle 1

Incorporate ESG issues into investment analysis and decision-making processes.

- Integrate consideration of ESG factors into our quantitative and fundamental analysis as well as our investment decisions.
- Incorporate ESG considerations into our evaluation of manager best practices and the manager selection process.

Principle 2

We will be active owners and incorporate ESG issues in our ownership policies and practices.

- Engage with companies and be proactive on ESG issues.
- Adhere to rigorous proxy-voting policy and monitor compliance with voting policy.
- Support proposals that contribute to more effective boards and improved governance.

Principle 3

Seek appropriate disclosure on ESG issues by the entities in which we invest.

- We believe that true ESG integration is achieved through the timely identification of ESG risks via collaboration between all members of the investment management team
- We'll support initiatives that promote ESG disclosure by companies.
- We'll request that ESG issues be integrated in annual financial reports.

Principle 4

Promote acceptance and implementation of the principles within the investment industry.

Principle 5

Work together to enhance our effectiveness in implementing the principles.

- Identify and support appropriate coalitions whose beliefs are aligned with the principles.
- Participate in networks and forums to share tools and resources that promote and advance the implementation of PRI principles.

Principle 6

Report on our activities and progress towards implementing the principles.

- Disclose how ESG issues are integrated within investment practices.
- Disclose active ownership activities (i.e. voting, engagement, and/or policy dialogue).
- Communicate with stakeholders about ESG issues and the principles.

Implementation and approach

Portfolio management and research ESG integration

Analysis of a company's ESG policies and experience are important inputs when assessing its long-term viability. At CIBC AM, fundamental credit and equity analysts provide in-depth analysis of companies. Their primary goal is to value investments and drive alpha ideas for both fixed income and equity portfolios. We believe an analysis of ESG factors is fundamental to the accurate valuation of a company as well as an assessment of the risks and the range/magnitude of potential outcomes associated with company valuations. By combining both financial and ESG risk analysis, we produce a deeper understanding of the companies in which we invest.

We've implemented a rigorous procedure to integrate ESG factors in our fundamental analysis and investment process. In addition to our normal-course analysis, we will incorporate "internal" ESG ratings that rank companies from "best-in-class" to "below average". All equity and fixed income analysts work together to determine an internal ESG rating. The ESG ratings are sector specific, because the materiality of the E, S, and G factors differ between sectors, based on our proprietary model. Where shared company coverage exists between fixed income and equities analysts, one ESG rating per issuer is assigned to maintain consistency.*

There is also a separate internally-generated Social Responsible Investing (SRI) Approved List¹ which reviews allowable holdings twice a year. This list excludes issuers that don't meet the SRI criteria established by our clients.

*The appendix illustrates the ESG integration framework at CIBC AM.

¹ Investment-grade fixed income and equity have separate lists.

Finally, our global sovereign ESG framework is consistent with our disciplined top-down investment process implemented across all our macro investment strategies. This process rigorously integrates quantitative inputs with qualitative fundamental research. Macro ESG investing is no different. We integrate:

1. Quantitative scoring of ESG risk factors
2. Qualitative assessment of economic risk factors, sovereign idiosyncrasies and ESG dynamics

We have developed a proprietary quantitative process to grade countries across ESG dimensions. In addition, a qualitative overlay is provided by our analysts based on their regional macroeconomic, fiscal, and monetary policy knowledge.

Portfolio manager due diligence and research process

Our Investment Management Research (IMR) team is responsible for researching potential portfolio managers to manage existing or upcoming investment mandates. IMR uses a comprehensive process to evaluate manager best practices in the following categories when determining whether a manager would be suitable for an investment mandate:

- Organization of the firm
- Investment staff
- Decision making
- Idea generation
- Security selection
- Sell discipline
- Research
- Portfolio construction

This process is followed for all manager selection, including internal managers. IMR assesses the extent to which investment managers incorporate ESG analysis in their research and portfolio construction disciplines. Factors such as the ESG integration approach, the degree of integration and

active engagement, and the level of resources dedicated to ESG analysis are assessed. An overall ESG rank is ultimately assigned to each investment manager.

We'll encourage our sub-advisors to integrate ESG factors into their investment processes and procedures. We'll encourage their adherence to the PRI when these conditions are not currently being met.

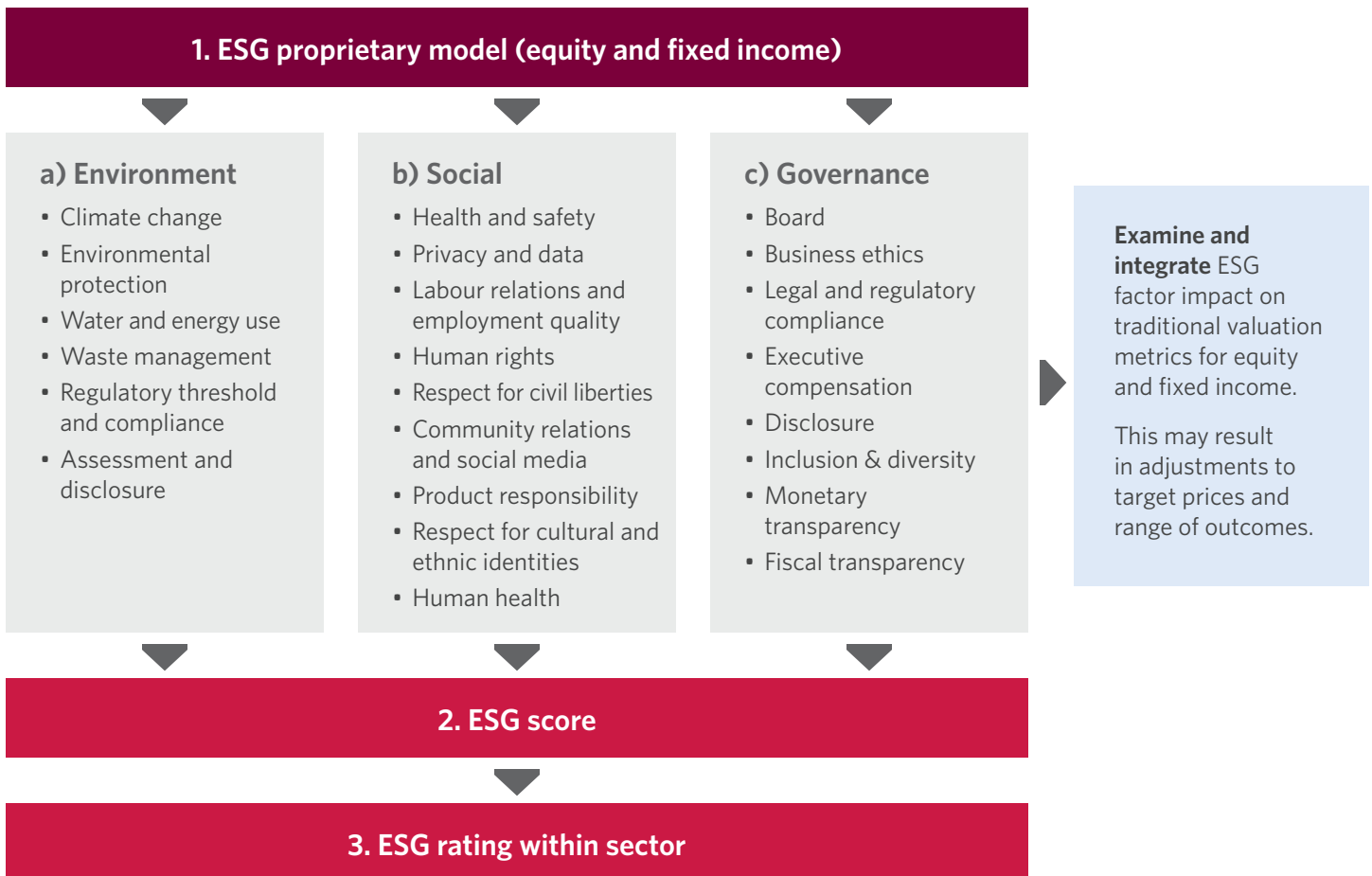
Governance

The policy is overseen by the CIBC AM Responsible Investing Committee, which meets annually, at a minimum. It is mandated to review the effectiveness of the process, identify potential areas for improvement and receive updates on changes that could impact our processes and approach to responsible investing. The policy is evaluated annually.

Policy Owner

This policy is owned by the Secretary, Responsible Investing Committee.

Appendix





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