

AUTOCALLABLE COUPON BUFFER NOTES

What are they?

- Autocallable coupon buffer notes are a structured investment product that has the potential to provide periodic fixed coupons (typically on a semi-annual basis) linked to the performance of a reference asset while also providing contingent principal protection at maturity.
- These notes have a call feature where the note can be automatically called if the reference asset return is above the predetermined call threshold level on a valuation date (typically observed on an annual or semi-annual basis)
- If a note does not get called prior to maturity, the investors original principal is fully protected as long as the reference asset return is above the predetermined downside buffer at maturity.

Key features

- Investors have the potential to receive their initial investment and predetermined fixed coupon(s) prior to the maturity date of the note.
- Investors have contingent principal protection at maturity.

How they work

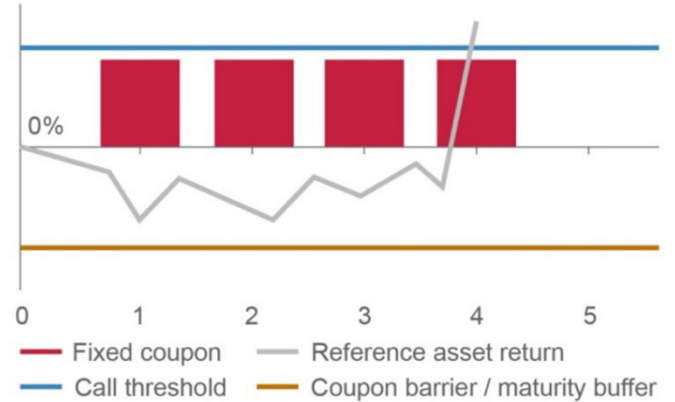
- The return of autocallable coupon buffer notes are based on the performance of an equity, commodity, currency or basket thereof (the reference asset).
- The fixed coupon is paid to investors as long as the reference asset return is above the coupon threshold on a valuation date (typically observed on annual or semi-annual basis)
- The call feature of the notes is based on a predetermined call threshold. If the reference asset return is above the call threshold on a valuation date during the term of the note (or the maturity date), the note will automatically be called by CIBC and the investors will receive their initial investment, in addition to the coupon payment.
- The contingent principal protection of the notes is based on a predetermined downside buffer percentage. If, at maturity, the reference asset return is negative but is still at or above the downside buffer, investors will receive an amount equal to their initial investment. If, at maturity, the reference asset return is negative and the downside buffer was breached (reference asset declined by more than the buffer percentage), the investors bear the loss by the amount the reference asset return is less than the downside buffer percentage, multiplied by a participation factor. In these situations, investors will sustain a loss of a portion of their initial investment.

Payout overview

Case 1: Reference asset return is greater than or equal to the coupon barrier and the call threshold on a valuation date prior to maturity.

Note will be called.

Investors will receive their initial investment in addition to a predetermined fixed coupon.



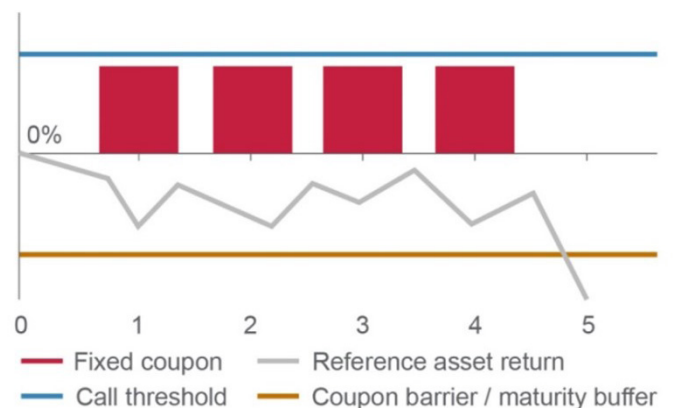
Case 2: Note was not called prior to maturity. Reference asset return is greater than the coupon barrier at maturity and downside buffer is not breached.

Investors will receive their initial investment in addition to a predetermined fixed coupon.



Case 3: Note was not called prior to maturity. Reference asset return is less than coupon barrier at maturity and downside buffer is breached.

Investors will receive initial investment reduced by incremental losses below the buffer and therefore sustain a loss of a portion of their initial investment.



Hypothetical maturity amount calculations

The hypothetical calculations below are provided for illustration purposes only and assume an initial investment of \$100. The hypothetical term of the notes is 2 years with semi-annual valuation dates. The hypothetical call threshold is 5% of the initial reference asset value, and the hypothetical downside buffer is 60% of the initial reference asset value, with a participation factor of 1.67, and coupon barrier of 60%. The hypothetical contingent semi-annual coupon payment is 2.5% (5.0% annual).

Example #1: Reference asset return is greater than the call threshold on valuation date 3

Reference asset return – valuation date 1: -10.00% (coupon payment of \$2.5)

Reference asset return – valuation date 2: - 50.00% (no coupon payment)

Reference asset return – valuation date 3: 6.00% (coupon payment of \$2.5) – note called

Reference asset return – valuation date 4: n/a

Total coupon payments = \$2.5 + \$0 + \$2.5 = \$5.0

Variable amount = \$0.00

Maturity amount = initial investment + variable amount = \$100 + \$0 = \$100

Total cumulative return = $(\$105.0 - \$100) / \$100 = 5.0\%$

The investor received a coupon payment of \$2.5 after the first valuation date, and no coupon payments on the second valuation date. After the third valuation date, the note is called and the investor received a coupon payment of \$2.5 in addition to the initial investment of \$100.

Example #2: Reference asset return is negative at maturity but downside buffer is not breached

Reference asset return – valuation date 1: -10.00% (coupon payment of \$2.5)

Reference asset return – valuation date 2: - 50.00% (no coupon payment)

Reference asset return – valuation date 3: - 5.00% (coupon payment of \$2.5)

Reference asset return – valuation date 4: - 20.00% (coupon payment of \$2.5)

Total coupon payments = \$2.5 + \$0 + \$2.5 + \$2.5 = \$7.5

Variable amount = \$0.00

Maturity amount = initial investment + variable amount = \$100 + \$0 = \$100

Total cumulative return = $(\$107.5 - \$100) / \$100 = 7.5\%$

The investor received three of four coupon payments in addition to the initial investment of \$100 at maturity.

Example #3: Reference asset return is negative at maturity and downside buffer is breached

Reference asset return – valuation date 1: -10.00% (coupon payment of \$2.5)

Reference asset return – valuation date 2: - 50.00% (no coupon payment)

Reference asset return – valuation date 3: - 5.00% (coupon payment of \$2.5)

Reference asset return – valuation date 4: - 50.00% (no coupon payment)

Total coupon payments = \$2.5 + \$0 + \$2.5 + \$0 = \$5.0

Variable amount = $(\text{reference asset return} + 40.00\%) \times 1.67 = (-50.00\% + 40.00\%) \times 1.67 = -16.70\%$

Maturity amount = initial investment + variable amount = \$100 - \$16.70 = \$83.30

Total cumulative return = $(\$88.30 - \$100) / \$100 = -11.70\%$

The investor will receive a coupon payment of \$2.5 after the first and third valuation dates, and no coupon payments thereafter. The note is not called prior to maturity. The investor received \$83.30 at maturity, which is equal to the initial investment reduced by the product of (i) the reference asset return plus 40%; and (ii) 167%. Therefore the investor will sustain a loss of a portion of their initial investment.

Start investing today

Sign on to [Investor's Edge](#), click on the Trading tab, and then the Structured Notes tab to learn more about current offerings.

If you don't have a CIBC Investor's Edge account, [click here to open an account](#).

The services, securities and investments discussed in this document may not be available to, nor suitable for, all investors. These materials do not (nor do they purport to) disclose all the risks and other significant issues relating to any of the securities, products or financial instruments described herein or any transaction related thereto. Nothing contained herein constitutes financial, business, legal, tax, investment, regulatory or accounting advice. Prior to making any investment in a product or financial instrument described herein, you should make your own appraisal of the risks from a financial, business, legal, tax, investment, regulatory and accounting perspective, without relying on the information contained herein, by consulting, if you deem it necessary, your own advisors in these matters or any other professional advisors. This Product Snapshot does not constitute an offer to sell or the solicitation of an offer to purchase the investment products described herein. The complete terms of any actual offer will be set out in offering documentation which will be delivered to investors.

Any examples contained herein are included for illustrative purposes only and are not intended to predict actual results, which may differ substantially from those reflected herein. Any historical investment results or trends described herein are not indicative of future investment results or trends. There can be no assurance that any market will perform as well as, or in a manner similar to, past performance.