

# PRINCIPAL PROTECTED NOTES



# Principal Protected Notes (PPNs)

PPNs are innovative investment solutions that effectively combine the characteristics of bonds (protection with income potential), and equities (growth potential).

These deposit obligations allow investors to benefit from the protection and income potential of bonds, plus the growth potential of the market, and may include features tailored to specific market views and risk tolerances.

Returns are based on the performance of one or more underlying reference assets. This provides exposure to both traditional assets and assets that may not be readily available to investors. Principal Protected Notes offer potential returns that may be higher than interest rates offered on traditional deposits, GICs, cash balances and fixed income solutions.

## Principal Protected Notes may provide:



### Enhanced income and growth potential

- PPNs can generate minimum guaranteed returns, enhanced income or long-term growth potential, compared to traditional Deposits / Fixed Income



### Capital preservation

- 100% principal protection when held to maturity



### Diversification

- PPNs can be linked to a variety of asset classes to further diversify portfolios and complement long-term plans



### Liquidity

- PPNs may be sold at the current bid price prior to maturity in a daily secondary market<sup>1</sup>

These financial instruments provide clients with 100% principal protection at maturity, plus the upside potential of the underlying reference asset. Clients may benefit from:

- Increased return potential from traditional Deposits / Fixed Income - with potential minimum guaranteed returns and / or long-term growth potential
- Full principal protection if held to maturity
- Performance linked to a variety of asset classes, including equities and equity indices
- The potential to liquidate at the current bid price through a daily secondary market<sup>1</sup>

## Principal Protected Notes – potential benefits and potential risks:



The safety of traditional fixed income products and GICs



Potential growth of equity markets, without risking any loss of principal when held to maturity



Potential to receive interest payments linked to the performance of an underlying asset



Different from traditional fixed income, as they may not earn any return and not eligible for CDIC coverage



Selling a PPN prior to maturity may result in a loss of principal

# Growth / Income and Growth Principal Protected Notes

Growth / Income and Growth Principal Protected Notes are deposit notes that provide investors with full protection of principal if held to maturity with an increased return potential based on the performance of the underlying asset.

Principal Protected Notes constitute direct, unsubordinated and unsecured obligations ranking pari passu among themselves with all other direct, unsubordinated and unsecured indebtedness outstanding.

## Investor benefits and features:

- 100% principal protection at maturity
- Enhanced return potential – with potential minimum guaranteed returns, enhanced income and / or long-term growth potential, compared to traditional Deposits / Fixed Income
- Exposure to underlying reference assets which may not be otherwise directly accessible
- No direct currency exposure if the underlying reference asset is denominated in a foreign currency
- The potential to liquidate through a daily secondary market<sup>1</sup>

## Hypothetical examples – growth focused<sup>2</sup>



### Basket of 10 global blue chip equities

- 100% participation, subject to a cap of 60%, linked to the price return of the stock basket



### Basket of 5 Canadian banks

- 100% participation rate in the positive price return of the stock basket



### Basket of Canadian equity sub-indices

- 120% participation rate in the positive performance of the index basket

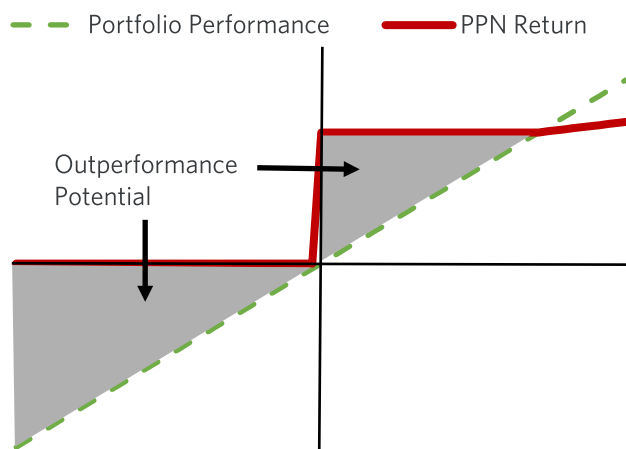
# Boosted Return Principal Protected Notes

Boosted Return Principal Protected Notes provide investors with the opportunity to potentially outperform the reference asset while retaining principal protection at maturity.

## Investor benefits and features:

- Increased return potential in a flat or moderately bullish environment (see calculation of the PPN Return below)
- 100% principal protection at maturity
- No direct currency exposure if the underlying reference asset is denominated in a foreign currency
- May be sold prior to maturity at the current bid price through a daily secondary market<sup>1</sup>

## Hypothetical example<sup>2</sup>



## Calculation of the PPN Return

- If the reference asset performance is less than or equal to the Boosted Return and greater than or equal to 0.00%, the PPN Return will be equal to the Boosted Return
- If the reference asset performance is greater than the Boosted Return, the PPN Return will be equal to the Boosted Return plus a specified percentage of the performance above the Boosted Return
- If the reference asset performance is less than 0.00%, the PPN Return will be equal to zero; however, investors will still receive their principal investment at maturity



# Start investing today

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



<sup>1</sup> The bid price at which an Investor will be able to sell the PPNs in the secondary market prior to maturity may be at a discount, which could be substantial, from the amount that would be payable if the notes were maturing on such day. While issuers of PPNs intend to provide a secondary market, they reserve the right not to do so, in their sole discretion, at any time without prior notice to Investors.

<sup>2</sup> 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. Investors considering a purchase of PPNs should read the applicable Information Statement carefully before investing in PPNs.