

Canadian Depository for Securities:

Linking institutional investors with Canada's capital markets.

CIBC MELLON



MAY 2011

"CDS settles almost 40 million cross-border transactions with the U.S. annually and has custodial relationships with the Depository Trust Company (DTC), Euroclear France, Japan Securities Depository Center, Inc. (JASDEC) and Skandinaviska Enskilda Banken AB (SEB)." (cnds.ca)

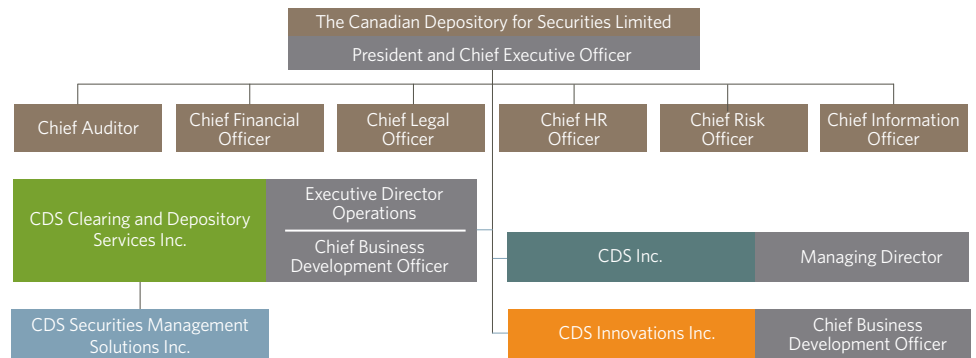
Institutional investors from around the world count on CIBC Mellon to settle trades quickly, identify and correct issues promptly and reconcile accounts precisely. The accurate execution of time-sensitive investment strategies is central to the management of any institutional investment portfolio. This trade settlement process hinges on the provider having a well-established connection with its central depository for securities. Canada's central depository, Canadian Depository for Securities Ltd. (CDS Ltd.) supports the smooth operation of the Canadian capital market, maintains a clear view to market changes, and provides market participants with the information they need. CIBC Mellon's relationship with CDS goes beyond trade settlements, however: we collaborate with CDS to develop industry standards and introduce operational efficiencies in the capital markets that support our clients' investment management needs.

The CDS structure

CDS Ltd. is a holding company that supports the wide variety of functions required to manage the flow of information within domestic exchanges and between global counterparts. It is owned by the major Canadian chartered banks, the Investment Industry Regulatory Organization of Canada (IIROC) and the TSX Inc. This structure allows CDS to stay current with the changing needs of its users, while at the same time ensuring that policies and practices are compliant with government and industry standards. In addition, CDS hosts a number of advisory committees to allow users and industry stakeholders to collaborate on upcoming regulatory changes and their impact to market processes and procedures. (cdsltd-cdsltee.ca)

CDS Ltd. encompasses four "self-contained and protected" companies: CDS Inc., CDS Securities Management Solutions Inc., CDS Innovations Inc., and CDS Clearing and Depository Inc. Each entity which operates independently, but with the same vision: "to be recognized in the Canadian capital markets as a world-class leader in the design, development and operation of capital market infrastructure and information services." This separation allows each corporation to focus on a critically important component of the trade settlement and safekeeping process, while at the same time supporting the overall Canadian capital marketplace. (cdsltd-cdsltee.ca)

CDS Limited Operating Structure



- CDS Inc.** - CDS Inc. describes itself as “reliable and responsive” and as an organization striving to “work in partnership with Canadian securities regulators to enable the efficient and accurate filing and dissemination of securities information.”

Several important components of Canada’s capital markets exist as a result of CDS Inc. and its partnership approach with administrators and regulators. The System for Electronic Document Analysis and Retrieval (SEDAR®), the System for Electronic Disclosure by Insiders (SEDI®), and the National Registration Database (NRD®) collectively provide powerful transparency, consistency and stability in Canada’s financial system. (cdsinc.ca)

- CDS Securities Management Solutions Inc. (CDS Solutions)** - CDS Solutions is primarily focused on “promoting the use of uncertificated issues and electronic payment as an efficient and secure alternative to paper certificates and cheques.” (cdssolutions.ca.)

In an increasingly electronic world, uncertificated share distribution and electronic payment processing is becoming the standard. CDS Solutions delivers a number of important services to support electronic standards in the market. Acting as “the national numbering agent (NNA) for the issuance of ISIN numbers in Canada,” CDS Solutions has simplified the process by which issuers, agents and underwriters apply for and purchase ISINs or CUSIPs. Additionally, through its “holders of record report” CDS Solutions is able to provide a comprehensive list of all CDS participants currently holding particular securities during a defined date range. (cdssolutions.ca)

- CDS Innovations Inc. (CDS Innovations)** - CDS Innovations says its focus is on “meeting demands for securities market intelligence.”

CDS Innovations works to deliver securities market intelligence, with a core focus on information dissemination. CDS Innovations supports market participants with real-time SWIFT messages, information and bulletins on 54 types of Canadian corporate actions, and “CDSX®-eligible equity and debt securities.” CDS Innovations also produces enhanced bulletins and data feeds, shareholder meeting information, tax reporting services and security master data. (cdsinnovations.ca)

- CDS Clearing and Depository Services Inc. (CDS Clearing)** - CDS Clearing works with securities market participants, to provide reliable, cost-effective depository, clearing, regulatory and information services. CDS Clearing has a goal of delivering “innovative, value-added solutions that help build competitive advantage in Canada and globally.”

Information is shared via InterLink, a “CDS service through which participants submit trade messages to CDS during the trading day. InterLink is a real-time, machine-to-machine interface between participants’ back-office computer systems and CDSX®.” (cds.ca)

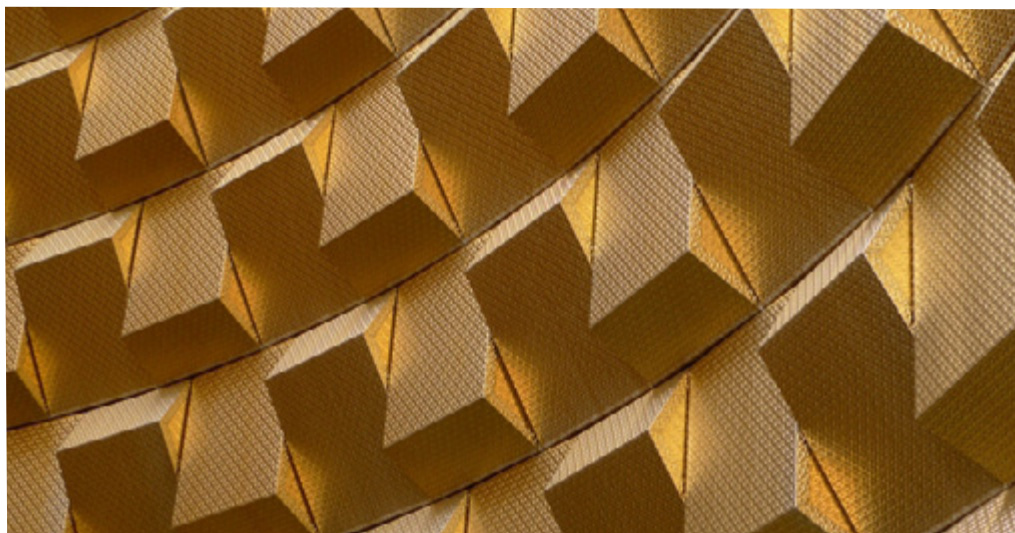
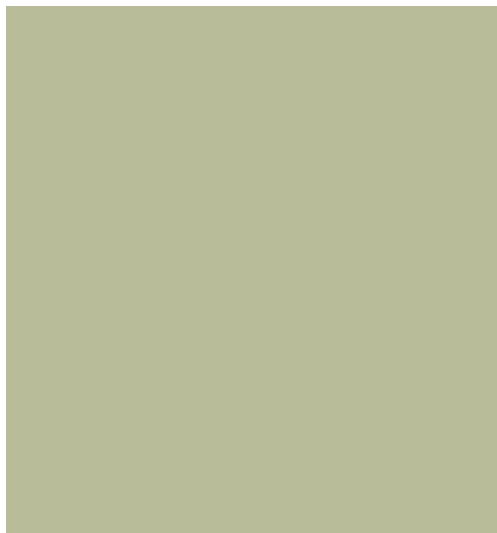
CIBC Mellon and CDS

CIBC Mellon has a deep and long-standing relationship with CDS. Last year, CIBC Mellon settled almost 3.5 million trades for clients around the world through CDS, and prides itself on being able to resolve nearly all issues within 24 hours. As part of CIBC Mellon's commitment to superior information delivery, it distills the complex settlement and account details coming out of the CDS to provide our clients with the information they need to maintain a clear view into their account activities.

As an example, at the trade-matching level, CIBC Mellon leverages InterLink to connect directly with CDS Clearing. CIBC Mellon receives SWIFT ISO 15022 messages and trade status updates in real-time, which are in turn immediately updated on clients' Workbench accounts. This real-time, straight-through processing ensures that critical, time-sensitive updates are available when clients need them. Should issues with a trade arise, this same connectivity provides an immediate view to the current status and allows for a speedy resolution, typically within the same day. Similarly, corporate actions, entitlements and a variety of other account updates and messages are all processed at CIBC Mellon, confirmed through CDS, and posted for viewing by clients - all in real-time on Workbench.

Providing this data in a timely fashion is critically important to supporting the governance, risk management and transparent reporting that institutional investors are now being asked to provide to their stakeholders. Through its CDS connections, CIBC Mellon provides rapid and streamlined account reconciliation, accurate and up-to-date financial statement preparation, and a range of comprehensive audit support tools. CIBC Mellon incorporates this information into fully-customizable formats that allow easy access and inclusion into board reports.

CIBC Mellon is also a member of several CDS committees set up to assess and implement changes to trade matching and reporting procedures. Specifically, CIBC Mellon is the only Canadian-focused investment servicing provider currently active on the Strategic Development Review Committee (SDRC). "The SDRC determines or reviews, prioritizes and oversees CDS-related systems development and other changes proposed by participants and CDS." Advocating on behalf of its clients, CIBC Mellon is actively engaged in reviewing proposed changes, working to minimize impacts and disruptions, and constantly keeping clients informed of updates. (cbs.ca)



For further information, please contact:

David Linds
Senior Vice President, Business Development and Relationship Management
416-643-6358
david_linds@cibcmellon.com

About CIBC Mellon

CIBC Mellon currently services approximately 33% of Canadian assets. Our client base is comprised of approximately 1,100 relationships representing 1,000 domestic clients and 100 foreign financial institutions; total assets under administration were more than CA\$1.1 trillion, as at March 31, 2011.

Our clients include Canadian pension funds, investment funds, corporations, government, insurance companies, foreign insurance trusts, foundations and foreign financial institutions whose clients invest in Canada. We work in partnership with our clients to increase operational efficiencies, manage risk, and increase performance.

Built on the strengths and traditions of our two parent companies: Canadian Imperial Bank of Commerce (CIBC) and The Bank of New York Mellon Corporation (BNY Mellon), CIBC Mellon strives to design and deliver reliable asset servicing solutions to institutional investors operating in Canada. We first began offering asset services to institutional investors in 1996, when CIBC joined forces with Mellon Financial Corporation (Mellon) to form a 50/50 joint venture—CIBC Mellon Global Securities Services Company. On July 1, 2007, Mellon—our U.S. parent company—merged with The Bank of New York Company Inc. to form the 11th-largest financial services company in the world. As a result of this merger, BNY Mellon is now the global leader in asset servicing with more than US\$25 trillion in assets under custody and administration.

For further information about CIBC Mellon, please visit cibcmellon.com.



➤ A BNY MELLON AND CIBC JOINT VENTURE COMPANYSM

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