

August 22, 2005

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Registrar of securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut

c/o:

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Re: Comments on proposed NI 81-107

I am submitting comments on proposed NI 81-107 on behalf of the Independent Review Committee for the CIBC affiliated funds.

We are pleased with the manner in which you addressed the comments we raised in our meeting with Staff of the OSC on April 19, 2005. However, we still have two outstanding main concerns.

Liability of IRC members

We believe that NI 81-107 should include a clear statement that the only duties of the members of the IRC are the duties listed in NI 81-107. Based on your response to the "Liability" issue in section 2.8 of Appendix A to proposed NI 81-107 and the Davies Ward Phillips & Vineberg LLP opinion, we believe that this is consistent with your intent. However, we raise this issue because we believe that some sections of the proposed Commentary to NI 81-107 suggest that the IRC will have more broad responsibilities, beyond the specific listed duties. These sections are:

- section 3.5, #2 – If the Chair of an IRC is to keep informed of the operations of and significant events relating to the fund, a court may conclude that the IRC, and more specifically the Chair, has a duty to identify conflicts to be brought to it for approval or a recommendation.
- section 3.7, #1 – The Commentary to section 3.7 acknowledges that the IRC has a "more limited mandate" than a board of directors, but there is no certainty in the proposed NI or Commentary about the scope of the more limited mandate.
- section 3.9, #3 – A clear statement about the duties of the IRC would remove any doubt about whether the IRC has a duty to report to the regulators or a duty to question the manager if very few matters have been referred to it for review or it has "reasonable grounds to suspect" that a breach of securities legislation has occurred.
- section 4.2, #1 and section 4.6, #1 – A clear statement would also remove any doubt about whether the IRC has a duty to consider further assessments and requirements, beyond the "minimum" assessments and requirements referred to in these sections of the Commentary.

Definition of Conflicts of Interest

We believe that for the "recommendation" category of conflicts, a materiality standard should be applied. The IRC's role would be to assess the policies and procedures the manager has in place to identify and deal with all conflicts and to give recommendations on the material conflicts.

As you have acknowledged, numerous conflicts could arise. In 2005, we have met 12 times, and another 3 meetings are scheduled to occur prior to the end of the year. Most of these meetings have dealt or will deal only with the conflicts described in section 5.2(1)(b) and (c) of NI 81-107. Although standing instructions will be useful in reducing number of meetings, we still anticipate a very high number of meetings to deal with the numerous conflicts. We believe that the manager's resource commitment to prepare for meetings dealing with immaterial conflicts and the cost of holding these meetings will not be in the best interests of unitholders.

You could address this issue by inserting "material" into the definition, or using a "material change" type of test.

We appreciate the opportunity to provide additional comments, and would of course be happy to discuss them further.

Yours truly,

A handwritten signature in dark ink, appearing to read "John W. Crow". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke extending to the right.

John W. Crow

As Chair of the CIBC Independent Review Committee, and on behalf of all members of the committee