

BMO Laddered Preferred Share (ZPR)

Summary Guide

Duration (Years)¹: 3.11

Reset Year ¹²	Issues	Weight	Average Reset Spread ²	Average Coupon	Avg Premium	> 0% ³	Current Yield ⁴	Implied Current Yield ⁵	YTC ⁶	YTM ⁷	YTW ⁸	YTE ⁹
2023	6	2.96%	326.77	5.48%	-18.64%	1	7.16%	9.27%	239.50%	9.32%	9.32%	9.50%
2024	48	27.69%	283.06	4.44%	-21.87%	0	5.76%	8.69%	53.54%	10.57%	10.31%	10.57%
2025	37	22.35%	271.96	3.59%	-32.58%	0	5.30%	9.76%	31.54%	9.14%	9.14%	9.14%
2026	18	13.40%	204.18	3.38%	-43.33%	0	6.16%	10.84%	28.06%	11.59%	11.46%	11.59%
2027	21	11.38%	285.45	5.76%	-28.30%	0	8.46%	10.00%	17.62%	9.81%	9.64%	9.81%
2028	28	22.23%	264.11	5.97%	-22.10%	0	7.72%	8.36%	12.65%	8.39%	8.39%	8.39%
Portfolio	158	100.00%	267.36	4.63%	-27.82%	1	6.49%	9.31%	37.53%	9.78%	9.67%	9.79%

Level 1 ¹¹	Issues	%	Average Reset Spread ²	Average Coupon	Avg Premium	> 0% ³	Current Yield ⁴	Implied Current Yield ⁵	YTC ⁶	YTM ⁷	YTW ⁸	YTE ⁹
Communications	10	6.95%	96.83	3.99%	-37.57%	0	6.30%	7.76%	23.22%	7.64%	7.64%	7.64%
Consumer, Non-cyclical	3	1.04%	474.90	6.32%	-0.59%	1	6.35%	8.61%	9.12%	8.57%	8.36%	9.09%
Diversified	2	0.86%	279.65	3.90%	-36.91%	0	6.16%	10.50%	56.18%	10.08%	10.08%	10.08%
Energy	31	20.92%	270.02	4.57%	-33.41%	0	6.78%	9.90%	40.08%	12.51%	12.21%	12.51%
Financial	82	54.76%	276.03	4.61%	-25.39%	0	6.36%	9.28%	37.45%	9.27%	9.19%	9.27%
Utilities	30	15.46%	294.93	5.00%	-25.85%	0	6.71%	9.29%	41.67%	8.91%	8.91%	8.91%
Portfolio	158	100.00%	267.36	4.63%	-27.82%	1	6.49%	9.31%	37.53%	9.78%	9.67%	9.79%

Credit Rating ¹⁰	Issues	Weight	Average Reset Spread ²	Average Coupon	Avg Premium	> 0% ³	Current Yield ⁴	Implied Current Yield ⁵	YTC ⁶	YTM ⁷	YTW ⁸	YTE ⁹
P1	3	1.36%	176.02	2.65%	-38.59%	0	4.16%	9.46%	53.81%	8.69%	8.69%	8.69%
P2	94	71.14%	252.44	4.57%	-26.98%	0	6.24%	8.85%	30.73%	9.20%	9.11%	9.20%
P3	61	27.50%	310.45	4.89%	-29.47%	1	7.28%	10.49%	54.32%	11.34%	11.17%	11.36%
Portfolio	158	100.00%	267.36	4.63%	-27.82%	1	6.49%	9.31%	37.53%	9.78%	9.67%	9.79%

Level 2 ¹¹	Issue	%	Average Reset Spread ²	Average Coupon	Avg Premium	> 0% ³	Current Yield ⁴	Implied Current Yield ⁵	YTC ⁶	YTM ⁷	YTW ⁸	YTE ⁹
Banks	35	32.54%	273.76	4.60%	-18.69%	0	5.61%	8.15%	28.77%	7.97%	7.92%	7.97%
Commercial Services	3	1.04%	474.90	6.32%	-0.59%	1	6.35%	8.61%	9.12%	8.57%	8.36%	9.09%
Diversified Finan Serv	1	0.02%	519.00	7.94%	-43.20%	0	13.97%	15.85%	27.72%	15.41%	15.41%	15.41%
Electric	25	12.23%	291.58	5.05%	-27.87%	0	6.92%	9.48%	48.19%	9.10%	9.10%	9.10%
Gas	5	3.24%	307.57	4.78%	-18.24%	0	5.91%	8.54%	17.06%	8.19%	8.19%	8.19%
Holding Companies-Divers	2	0.86%	279.65	3.90%	-36.91%	0	6.16%	10.50%	56.18%	10.08%	10.08%	10.08%
Insurance	22	12.12%	244.14	4.26%	-29.18%	0	5.86%	8.96%	25.59%	10.09%	9.88%	10.09%
Investment Companies	1	0.28%	396.00	5.85%	-17.00%	0	7.05%	9.37%	58.04%	9.31%	9.31%	9.31%
Oil&Gas	4	2.57%	282.69	3.71%	-32.13%	0	5.38%	9.93%	28.08%	9.29%	9.29%	9.29%
Pipelines	27	18.36%	268.25	4.69%	-33.59%	0	6.98%	9.89%	41.76%	12.96%	12.62%	12.96%
Private Equity	12	6.21%	295.94	4.78%	-34.71%	0	7.25%	10.51%	34.48%	9.95%	9.95%	9.95%
Real Estate	9	3.13%	355.57	5.24%	-61.13%	0	13.56%	19.38%	180.83%	17.96%	17.96%	17.96%
REITS	2	0.48%	381.34	7.03%	-33.81%	0	10.62%	11.52%	17.92%	11.14%	11.14%	11.14%
Telecommunications	10	6.95%	96.83	3.99%	-37.57%	0	6.30%	7.76%	23.22%	7.64%	7.64%	7.64%
Portfolio	158	100.00%	267.36	4.63%	-27.82%	1	6.49%	9.31%	37.53%	9.78%	9.67%	9.79%

Data as of October 31st, 2023.

* Note all yields are shown before fees. Also note that these yields will change from month to month based on market conditions.

- 1 Duration is a measure of sensitivity to changes in interest rates. For example, a 5 year duration means the value will decrease by 5% if interest rates rise 1% and increase in value by 5% if interest rates fall 1%. Generally, the higher the duration the more volatile the price will be when interest rates change.
- 2 Average Reset Spread is the average spread at reset date to 5 year Bank of Canada bonds.
- 3 >0% is the percentage of issues trading above par.
- 4 Current Yield is current dividends of the underlying divided by price.
- 5 Implied Current Yield is the theoretical current yield assuming the preferred share was to reset to today's 5 year Government of Canada yield.
- 6 Yield to Call (YTC) assumes each issue is called at its next reset date.
- 7 Yield to Maturity (YTM) assumes each issue is called at its last possible reset date.
- 8 Yield to Worst (YTW) Assumes the lower of YTC and YTM for each line. This measure will tend to be overly conservative.
- 9 Yield to Estimate (YTE) Assumes each issue that is trading at more than par value will get called at its next reset date.
- 10 Credit Rating is meant to give an indication of the risk that a borrower will not fulfill its full obligations in a timely manner. Credit ratings are taken from a blend of S&P, Moody's and DBRS. Preferred share credit rating scale indicates P1 to be highest quality, P2 to be adequate quality and P3 to be somewhat speculative. Please note credit ratings can change.
- 11 Levels refer to the Global Industry Classification Standards where level one describes a sector and level two describes sub-sectors.
- 12 Each year, at reset, a portion of the portfolio changes its rates to reflect current interest rate levels.



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