

BMO Laddered Preferred Share (ZPR)

Summary Guide

Duration (Years)¹: 3.11

| Reset Year ² | 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 |
|-------------------------|------------|----------------|-----------------------------------|----------------|----------------|-------------------|----------------------------|------------------------------------|------------------|------------------|------------------|------------------|
| 2022 | 17 | 9.35% | 306.78 | 4.53% | -3.04% | 3 | 4.67% | 6.56% | 16.63% | 6.22% | 5.64% | 5.91% |
| 2023 | 35 | 24.29% | 271.98 | 4.87% | -7.65% | 2 | 5.30% | 6.56% | 13.55% | 7.97% | 7.54% | 7.85% |
| 2024 | 50 | 26.20% | 277.60 | 4.38% | -11.68% | 10 | 4.96% | 6.93% | 10.99% | 6.88% | 6.37% | 6.43% |
| 2025 | 36 | 21.99% | 272.40 | 3.58% | -15.80% | 3 | 4.22% | 7.21% | 10.32% | 7.27% | 6.76% | 7.03% |
| 2026 | 18 | 13.04% | 209.70 | 3.37% | -25.90% | 3 | 4.54% | 7.41% | 12.94% | 7.02% | 6.82% | 6.83% |
| 2027 | 10 | 5.13% | 301.87 | 4.07% | -13.82% | 1 | 4.73% | 7.40% | 10.06% | 7.44% | 7.37% | 7.37% |
| Portfolio | 166 | 100.00% | 270.21 | 4.19% | -12.76% | 22 | 4.79% | 6.95% | 12.20% | 7.21% | 6.78% | 6.96% |

| 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 | 6.20% | 95.72 | 3.66% | -27.43% | 0 | 5.01% | 5.99% | 24.62% | 5.97% | 5.97% | 5.97% |
| Consumer, Non-cyclical | 4 | 0.96% | 471.59 | 6.23% | 0.76% | 2 | 6.18% | 7.97% | 5.64% | 6.46% | 5.64% | 6.13% |
| Diversified | 2 | 0.73% | 278.98 | 3.78% | -21.11% | 0 | 4.76% | 7.77% | 13.63% | 11.41% | 10.79% | 11.41% |
| Energy | 35 | 22.30% | 269.99 | 4.11% | -18.59% | 1 | 5.02% | 7.45% | 16.47% | 8.50% | 8.12% | 8.39% |
| Financial | 84 | 55.30% | 279.12 | 4.18% | -9.76% | 11 | 4.61% | 6.81% | 9.71% | 6.77% | 6.35% | 6.49% |
| Utilities | 31 | 14.51% | 297.42 | 4.48% | -9.47% | 8 | 4.92% | 7.02% | 10.18% | 7.31% | 6.60% | 6.80% |
| Portfolio | 166 | 100.00% | 270.21 | 4.19% | -12.76% | 22 | 4.79% | 6.95% | 12.20% | 7.21% | 6.78% | 6.96% |

| 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 | 7 | 3.17% | 209.37 | 3.05% | -22.17% | 0 | 3.83% | 7.08% | 12.42% | 7.06% | 6.84% | 7.06% |
| P2 | 100 | 70.83% | 256.16 | 4.08% | -12.79% | 14 | 4.68% | 6.78% | 11.66% | 7.11% | 6.64% | 6.81% |
| P3 | 59 | 26.00% | 315.90 | 4.61% | -11.54% | 8 | 5.20% | 7.40% | 13.65% | 7.53% | 7.17% | 7.36% |
| Portfolio | 166 | 100.00% | 270.21 | 4.19% | -12.76% | 22 | 4.79% | 6.95% | 12.20% | 7.21% | 6.78% | 6.96% |

| 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 | 38 | 32.55% | 274.93 | 4.22% | -6.59% | 7 | 4.49% | 6.50% | 8.06% | 6.54% | 5.96% | 6.16% |
| Commercial Services | 4 | 0.96% | 471.59 | 6.23% | 0.76% | 2 | 6.18% | 7.97% | 5.64% | 6.46% | 5.64% | 6.13% |
| Electric | 28 | 13.58% | 296.80 | 4.46% | -9.39% | 8 | 4.89% | 7.01% | 10.17% | 7.33% | 6.58% | 6.79% |
| Gas | 3 | 0.93% | 306.53 | 4.74% | -10.56% | 0 | 5.25% | 7.20% | 10.27% | 6.93% | 6.93% | 6.93% |
| Holding Companies-Divers | 2 | 0.73% | 278.98 | 3.78% | -21.11% | 0 | 4.76% | 7.77% | 13.63% | 11.41% | 10.79% | 11.41% |
| Insurance | 23 | 11.43% | 246.87 | 3.76% | -15.51% | 0 | 4.39% | 6.92% | 12.20% | 6.70% | 6.64% | 6.70% |
| Investment Companies | 1 | 0.19% | 396.00 | 5.85% | 1.04% | 1 | 5.79% | 7.20% | 4.71% | 6.98% | 4.71% | 4.71% |
| Oil&Gas | 4 | 2.45% | 274.33 | 3.63% | -18.66% | 0 | 4.37% | 7.47% | 10.44% | 6.87% | 6.87% | 6.87% |
| Pipelines | 31 | 19.86% | 269.45 | 4.17% | -18.58% | 1 | 5.10% | 7.45% | 17.22% | 8.70% | 8.28% | 8.58% |
| Private Equity | 12 | 6.27% | 297.89 | 4.18% | -10.36% | 2 | 4.64% | 7.05% | 9.66% | 6.78% | 6.36% | 6.36% |
| Real Estate | 9 | 4.52% | 351.29 | 4.73% | -18.38% | 1 | 5.82% | 8.47% | 15.85% | 8.49% | 8.49% | 8.51% |
| REITS | 1 | 0.35% | 393.00 | 6.00% | 0.00% | 0 | 6.00% | 7.25% | 6.29% | 7.19% | 6.29% | 7.19% |
| Telecommunications | 10 | 6.20% | 95.72 | 3.66% | -27.43% | 0 | 5.01% | 5.99% | 24.62% | 5.97% | 5.97% | 5.97% |
| Portfolio | 166 | 100.00% | 270.21 | 4.19% | -12.76% | 22 | 4.79% | 6.95% | 12.20% | 7.21% | 6.78% | 6.96% |

Data as of June 10, 2022.

* 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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