

BMO Laddered Preferred Share (ZPR) Summary Guide

Duration (Years)¹: 2.38

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
2024	25	12.41%	269.61	4.12%	-11.54%	5	4.76%	7.30%	50.74%	6.36%	6.13%	6.13%
2025	36	20.13%	276.39	3.60%	-14.13%	0	4.22%	7.52%	23.11%	7.29%	7.27%	7.29%
2026	18	20.35%	200.00	3.30%	-30.70%	0	4.86%	8.35%	19.51%	8.00%	8.00%	8.00%
2027	21	19.89%	283.49	5.78%	-16.22%	2	7.07%	7.98%	14.53%	9.41%	9.12%	9.12%
2028	32	20.38%	269.65	6.27%	-11.62%	2	7.17%	7.23%	9.92%	7.32%	7.32%	7.33%
2029	19	6.84%	264.23	5.95%	-14.51%	2	7.02%	7.38%	10.31%	7.58%	7.52%	7.56%
Portfolio	151	100.00%	259.21	4.74%	-17.11%	11	5.77%	7.68%	20.54%	7.76%	7.67%	7.68%

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	8.93%	91.50	3.79%	-32.06%	0	5.61%	6.84%	18.07%	7.06%	7.06%	7.06%
Consumer, Non-cyclical	2	0.44%	476.07	6.04%	1.29%	1	5.97%	8.27%	1.88%	8.25%	1.88%	1.88%
Diversified	2	0.75%	280.11	3.92%	-21.21%	0	4.96%	8.22%	28.54%	8.16%	8.16%	8.16%
Energy	35	23.38%	262.90	4.76%	-22.55%	0	6.11%	8.14%	32.08%	8.11%	8.09%	8.11%
Financial	75	51.92%	274.43	4.79%	-12.14%	10	5.55%	7.52%	15.44%	7.17%	7.06%	7.07%
Utilities	27	14.59%	294.24	5.14%	-17.25%	0	6.16%	8.00%	21.86%	9.72%	9.71%	9.72%
Portfolio	151	100.00%	259.21	4.74%	-17.11%	11	5.77%	7.68%	20.54%	7.76%	7.67%	7.68%

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	5	3.97%	187.93	2.66%	-26.47%	0	3.55%	7.61%	23.11%	7.15%	7.15%	7.15%
P2	96	73.07%	251.27	4.71%	-15.22%	9	5.57%	7.35%	20.35%	7.53%	7.44%	7.45%
P3	33	14.14%	307.49	5.16%	-13.82%	2	5.98%	7.82%	17.58%	7.76%	7.54%	7.56%
Portfolio	134	91.18%	234.55	4.28%	-14.13%	11	5.06%	6.78%	18.28%	6.88%	6.79%	6.80%

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	29	25.98%	272.20	4.94%	-1.79%	9	5.01%	6.46%	8.78%	6.10%	5.86%	5.88%
Commercial Services	2	0.44%	476.07	6.04%	1.29%	1	5.97%	8.27%	1.88%	8.25%	1.88%	1.88%
Diversified Finan Serv	1	0.02%	519.00	7.94%	-30.40%	0	11.40%	12.65%	22.13%	12.29%	12.29%	12.29%
Electric	23	11.96%	296.62	5.24%	-18.11%	0	6.32%	8.12%	21.58%	7.94%	7.94%	7.94%
Gas	4	2.63%	283.39	4.72%	-13.35%	0	5.48%	7.45%	23.13%	17.80%	17.80%	17.80%
Holding Companies-Divers	2	0.75%	280.11	3.92%	-21.21%	0	4.96%	8.22%	28.54%	8.16%	8.16%	8.16%
Insurance	21	14.06%	240.49	4.18%	-18.15%	0	4.99%	7.44%	16.81%	7.18%	7.18%	7.18%
Investment Companies	1	0.29%	396.00	7.48%	0.48%	1	7.44%	7.54%	7.37%	7.52%	7.37%	7.37%
Oil&Gas	4	2.89%	253.82	3.37%	-17.26%	0	3.98%	7.45%	17.59%	7.15%	7.15%	7.15%
Pipelines	31	20.49%	264.18	4.96%	-23.30%	0	6.41%	8.24%	34.13%	8.24%	8.23%	8.24%
Private Equity	12	7.52%	296.71	4.92%	-18.86%	0	6.03%	8.16%	22.51%	7.89%	7.89%	7.89%
Real Estate	9	3.74%	353.08	5.28%	-47.64%	0	10.02%	13.72%	42.85%	12.95%	12.95%	12.95%
REITS	2	0.31%	385.30	6.94%	-25.96%	0	9.38%	10.09%	16.44%	9.98%	9.98%	9.98%
Telecommunications	10	8.93%	91.50	3.79%	-32.06%	0	5.61%	6.84%	18.07%	7.06%	7.06%	7.06%
Portfolio	151	100.00%	259.21	4.74%	-17.11%	11	5.77%	7.68%	20.54%	7.76%	7.67%	7.68%

Data as of June 30, 2024.

* 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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