

The Income Advisor

the strategic ADVANTAGE PROCESS®

An Investment bulletin prepared by Robin Kingsmill,
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January 2018

Bank of Montreal Canadian Bank
Principal At Risk Notes,

There's a mo
We talked about this in

**Contingent
Cash Flow 7.4%**

'Bank
notes!'

We have a new one
In the Oil & Gas
Sector

Forgive us if we review a bit. This form of security is interesting. The Industry calls them 'Bank Notes'. They are highly time sensitive with the features of a bond including a maturity date but with features of a stock as well.

Notable in *this* example from June 2017:

- Semi-annual AutoCall
- Linked to S&P/TSX Bank Index
- 7.4% per Annum contingent Coupon paid semi-annually
- 20% Contingent Protection at Maturity

This is one of several such hybrid notes. Time sensitive and timely. A downside protection with cash flow potential, contingent upon the underlying index: Bank, Utilities, TSX and more.

Such hybrid notes are demonstrating the value of their design: a contingent protected value, with downside protection to boot.

 Let's connect

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It looked interesting in June this year. Today, we have demonstrable reasons to consider 'Bank Notes' for your portfolio. While these have been previously issued, and no longer available, they do tell a good story.

Take a look at how these various 'Bank Notes' have performed, as of October 27, 2017:

FUND CODE	INDEX	D/S PROTECTION	COUPON	START YEAR	MATURITY	PAYMENT DATES
JHN9281	BANK	30%	6.30%	2016	28-Dec-23	June/Dec
JHN9311	UTILITIES	20%	8.40%	2017	25-Jan-23	July/Jan
JHN9445	TSX 60	20%	6.10%	2017	19-Oct-23	Oct/April
JHN9461	TSX 60	30%	5.00%	2017	03-Nov-23	Nov/May
JHN9471	UTILITIES	20%	8.00%	2017	03-Nov-23	Nov/April
JHN9492	UTILITIES	30%	6.00%	2017	27-Nov-23	Nov/April
JHN9493	UTILITIES	20%	8.50%	2017	27-Nov-23	Nov/April
JHN6033	UTILITIES	20%	7.50%	2017	14-Jun-23	Dec/June
JHN6066	BANKS	20%	7.40%	2017	12-Jul-24	Jan/July
JHN6163	BANKS	25%	6.30%	2017	07-Sep-24	Mar/Sept
JHN6281	ENERGY	35%	7.00%	2017	07-Nov-24	May/Nov
JHN9462	UTILITIES	30%	6.20%	2017	26-Oct-23	April/Nov
JHN6311	UTILITIES	20%	7.50%	2017	18-Nov-24	May/Nov
		Average:	6.94%		as of OCT 27, 2017	

Bank Notes': Contingent Payments

BMO Structured Products

Clearly this concept is worth considering. Should you choose to add one, *or perhaps a few* 'Bank Notes' to your portfolio?

Let's talk about it. We are a phone call away. 905-897-5212 Or 1-800-387-9314

We are The Kingsmill Saar Wealth Management Group.
We are here to help.

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