

Description

The S&P/TSX North American Preferred Stock Index is designed to measure the preferred share markets in Canada and the U.S. Preferred stocks pay dividends at a specified rate and receive preference over common stocks in terms of dividend payments and liquidation of assets.

Methodology Construction

- **Universe.** The S&P/TSX North American Preferred Stock Index consists of a 50% weighting in the S&P/TSX Preferred Share Index (CAD) and a 50% weighting in the S&P U.S. Preferred Stock Index at each quarterly index rebalancing.
- **Types of Issuance.**
 - › Eligible preferred shares within the S&P/TSX Preferred Share Index (CAD) include floating and fixed-rate preferreds, cumulative and non-cumulative preferreds, preferred shares with a callable or conversion feature, and trust preferreds. Split preferreds, which are packaged securities linked to baskets of shares, are not included.
 - › Eligible preferred stocks within the S&P U.S. Preferred Stock Index include floating, variable and fixed-rate preferreds, cumulative and non-cumulative preferreds, preferred stocks with a callable or conversion feature, and trust preferreds. Trust preferreds that are issued by a company to meet its capital requirements and that carry a brand name or moniker are also included.
- **Eligibility Market Cap.** Preferred shares are eligible for the S&P/TSX Preferred Share Index (CAD) if they have a total market cap of more than CAD 100 million as of the rebalancing reference date (based on the volume-weighted average price (VWAP) over the last three trading days of the month-end prior to the quarterly review) are eligible. For the S&P U.S. Preferred Stock Index, preferred stocks with a market cap greater than USD 100 million are eligible.
- **Currency Hedging.** Within the S&P/TSX North American Preferred Stock Index, to eliminate U.S. dollar currency exposure from the S&P U.S. Preferred Stock Index, the U.S. dollar is hedged back to Canadian dollars using beginning-of-the-period balances and rolling one-month forward contracts.
- **Maturity or Conversion Schedule.** Preferred stocks that do not have a mandatory conversion or scheduled maturity within the next 12 months are eligible.
- **Maximum Weight Per Issuer.** The S&P/TSX Preferred Share Index (CAD) and the S&P U.S. Preferred Stock Index do not limit the number of preferred stocks issued by a single company, but there is a maximum weight of 10% per issuer for each index. All eligible securities for an issuer are included in each of these indices, with the aggregate weight capped on a pro rata basis to a maximum of 10% of each index's market cap.

Quick Facts

WEIGHTING METHOD	Capped
REBALANCING FREQUENCY	Quarterly in January, April, July, and October
CALCULATION FREQUENCY	Real time
CALCULATION CURRENCIES	CAD
LAUNCH DATE	August 16, 2010
FIRST VALUE DATE	September 19, 2003

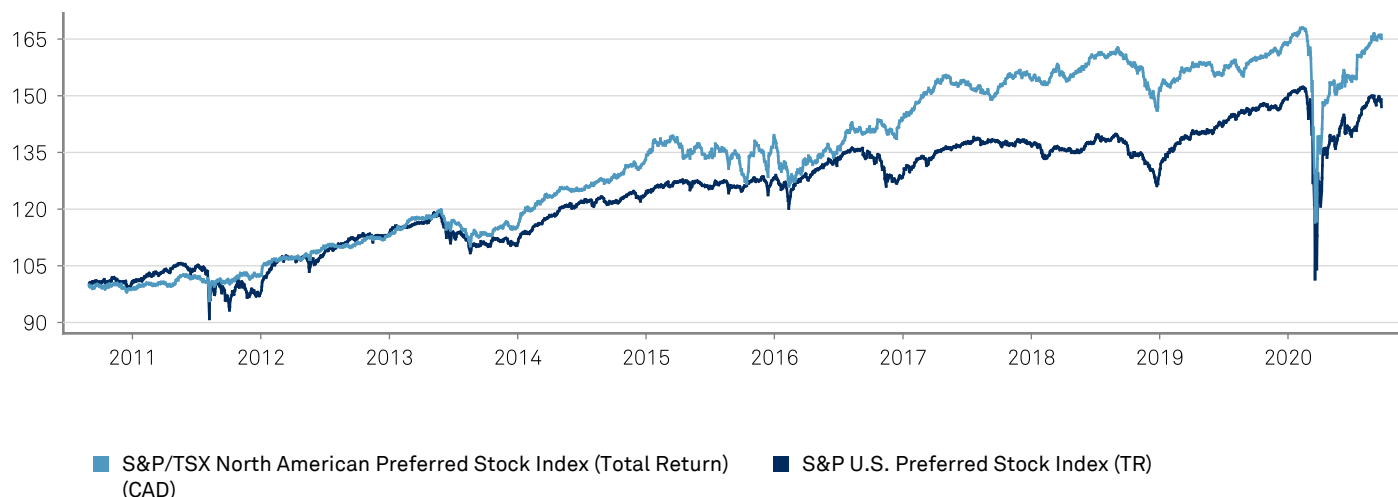
For more information, including the complete methodology document, please visit:

<https://www.spglobal.com/spdji/en//indices/fixed-income/sp-tsx-north-american-preferred-stock-index>

All information for an index prior to its Launch Date is back-tested, based on the methodology that was in effect on the Launch Date. Back-tested performance, which is hypothetical and not actual performance, is subject to inherent limitations because it reflects application of an Index methodology and selection of index constituents in hindsight. No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, back-tested returns.

Historical Performance

* Data has been re-based at 100



Performance

INDEX LEVEL	RETURNS			ANNUALIZED RETURNS			
	1 MO	3 MOS	YTD	1 YR	3 YRS	5 YRS	10 YRS
Total Return							
1,885.09	1.88%	7.65%	0.83%	4.88%	2.85%	4.22%	5.12%
Price Return							
676.42	1.39%	6.03%	-3.21%	-1.2%	-2.91%	-1.64%	-0.84%
BENCHMARK* Total Return							
2,459.94	1.93%	5.82%	1.38%	4.61%	4.53%	5.4%	6.15%
BENCHMARK* Price Return							
768.25	1.36%	4.22%	-2.63%	-1.54%	-1.77%	-1.01%	-0.55%
BENCHMARK* 30% Tax NTR							
1,735.33	1.76%	5.34%	0.16%	2.73%	2.6%	3.43%	4.09%

* The index benchmark is the S&P U.S. Preferred Stock Index

Calendar Year Performance

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Return	7.64%	-1.8%	7.73%	2.89%	4.77%	15.43%	1.81%	10.65%	3.54%	8%
Price Return	1.59%	-7.14%	1.97%	-2.98%	-1.19%	8.99%	-3.91%	4.31%	-2.61%	1.13%
BENCHMARK* Total Return	17.64%	-4.25%	9.11%	1.94%	5.47%	14.07%	-0.17%	18.64%	-1.16%	14.99%
BENCHMARK* Price Return	10.67%	-10.18%	2.51%	-4.25%	-1.08%	6.86%	-6.75%	10.81%	-7.93%	6.37%

* The index benchmark is the S&P U.S. Preferred Stock Index

Risk

	ANNUALIZED RISK			ANNUALIZED RISK-ADJUSTED RETURNS		
	3 YRS	5 YRS	10 YRS	3 YRS	5 YRS	10 YRS
Total Return	11.39%	10.07%	7.71%	0.25	0.42	0.66
Price Return	11.39%	10.05%	7.73%	-0.26	-0.16	-0.11
BENCHMARK* Total Return	11.4%	9.24%	7.72%	0.4	0.58	0.8
BENCHMARK* Price Return	11.53%	9.36%	7.87%	-0.15	-0.11	-0.07

Risk is defined as standard deviation calculated based on total returns using monthly values.

* The index benchmark is the S&P U.S. Preferred Stock Index

Fundamentals

P/E (TRAILING)	P/E (PROJECTED)	P/B	INDICATED DIV YIELD	P/SALES	P/CASH FLOW
0.11	0.11	0.01	4.94%	0.02	0.06

As of August 31, 2020. Fundamentals are updated on approximately the fifth business day of each month.

Index Characteristics

NUMBER OF CONSTITUENTS	533
CONSTITUENT MARKET [CAD MILLION]	
MEAN TOTAL MARKET CAP	476.96
LARGEST TOTAL MARKET CAP	5,990
SMALLEST TOTAL MARKET CAP	93.95
MEDIAN TOTAL MARKET CAP	287.95
WEIGHT LARGEST CONSTITUENT [%]	1.5
WEIGHT TOP 10 CONSTITUENTS [%]	8.4

ESG Carbon Characteristics

CARBON TO VALUE INVESTED (METRIC TONS CO ₂ e/\$1M INVESTED)*	1,382.64
CARBON TO REVENUE (METRIC TONS CO ₂ e/\$1M REVENUES)*	35.96
WEIGHTED AVERAGE CARBON INTENSITY (METRIC TONS CO ₂ e/\$1M REVENUES)*	317.09
FOSSIL FUEL RESERVE EMISSIONS (METRIC TONS CO ₂ /\$1M INVESTED)	125.07

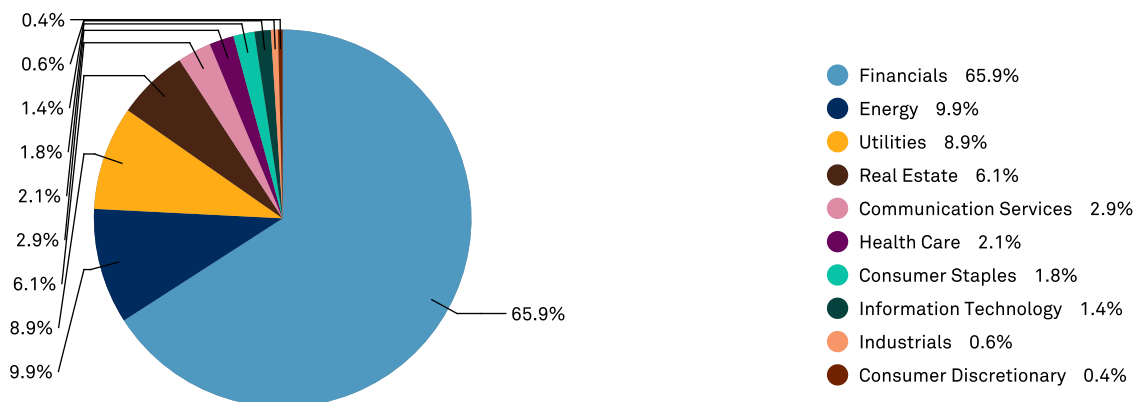
*Operational and first-tier supply chain greenhouse gas emissions.
For more information, please visit: www.spdji.com/esg-carbon-metrics.

Top 10 Constituents By Index Weight

CONSTITUENT	SYMBOL	SECTOR*
Broadcom Inc 8.00 % Cum Conv Pfd Registered Shs 2019-30.09.22 Series A	AVGOP	Information Technology
Toronto-Dominion Bank 4.85% Non-Cumulative NVCC Preferred Series 14	TD.PF.H	Financials
TC Energy First Preferred Series 15	TRP.PR.K	Energy
GMAC CAP TR I GTD TR PFD-2	ALLY PR A	Financials
Citigroup Cap XIII 7.875% TruPS	C PR N	Financials
Royal Bank of Canada 5.50% Non-Cumulative 5-Year Rate Reset First Preferred Series BM	RY.PR.R	Financials
CIBC 4.40% Non-Cumulative Rate Reset Class A Preferred Series 45	CM.PR.R	Financials
Royal Bank of Canada 5.50% Non-Cumulative 5-Year Rate Reset Preferred Series BK	RY.PR.Q	Financials
Enbridge Inc. Cumulative Preferred Series 17	ENB.PF.I	Energy
Toronto-Dominion Bank 5.50% Non-Cumulative 5-Year Rate Reset Preferred Series 12	TD.PF.G	Financials

*Based on GICS® sectors

Sector* Breakdown



*Based on GICS® sectors

The weightings for each sector of the index are rounded to the nearest tenth of a percent; therefore, the aggregate weights for the index may not equal 100%.

Country Breakdown

COUNTRY	NUMBER OF CONSTITUENTS	TOTAL MARKET CAP [CAD MILLION]	INDEX WEIGHT [%]
Canada	238	56,426.18	52.2
United States	281	192,978.36	46.6
United Kingdom	3	2,558.63	0.6
China	5	1,045.94	0.3
Greece	3	427.04	0.1
Netherlands	1	323.65	0.1
Spain	1	252.87	0.1
Bermuda	1	206.34	0

Based on index constituents' country of domicile.

Tickers

	TICKER	REUTERS
Total Return	STNCT	N/A
Price Return	STNC	.GSPSTNC

Related Products

This list includes investable products traded on certain exchanges currently linked to this selection of indices. While we have tried to include all such products, we do not guarantee the completeness or accuracy of such lists. Please refer to the disclaimers at the end of this document or [here](#) for more information about S&P Dow Jones Indices' relationship to such third party product offerings.

PRODUCT NAME	PRODUCT TYPE	EXCHANGE	TICKER
iShares S&P/TSX NA Prefr Stk ETF CADH	ETF	TORONTO STOCK EXCHANGE	XPF

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Beijing

86.10.6569.2770

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Tokyo

81 3 4550 8564

Sydney

61 2 9255 9802

DISCLAIMER

Source: S&P Dow Jones Indices LLC.

The launch date of the S&P/TSX North American Preferred Stock Index (Price Return) (CAD) was August 16, 2010. The launch date of the S&P U.S. Preferred Stock Index was September 15, 2006.

All information presented prior to the index launch date is back-tested. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. Past performance is not an indication or guarantee of future results. Please see the Performance Disclosure at <http://www.spindices.com/regulatory-affairs-disclaimers/> for more information regarding the inherent limitations associated with back-tested performance.

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