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Subject: Trust Preferreds - Buy
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Brad

A few years ago, trust preferreds lost their equity status given their cumulative QDI treatment, which also meant they did not count toward Tier 1 capital. Last year it was ruled that the preferreds also do not count at TLAC capital. Given that, there is little reason for the banks to continue to hold these and we have seen them being called throughout this year.

We should buy: JPM 0 34 @ 94.80

As a comparable, WFC 0 01/30/27 was trading at 90 in March and was just called at par. We see these as a way to pick up 5-6 points in a short time frame.

We should buy \$1-2MM for Leon.

Paul

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