



## Investor Bulletin

### Unwind Proposal for Apex Trust Notes

Since the Montreal Accord was struck in 2007, almost all of the focus regarding Canadian ABCP has been on those "Third Party" conduits that were ultimately restructured into MAV1, MAV2, and MAV3. Around the same time, numerous other ABCP conduits suffered similar fates but were restructured outside of the Montreal Accord process. One of these – at roughly \$2 billion in size – is Apex Trust.

Apex, a Bank of Montreal sponsored ABCP conduit, was restructured in a manner similar to the MAV1 and MAV2 pooled notes (A1, A2, B, and C) and has similar underlying assets. Unlike the MAV2 pooled notes, there has been very little trading in the restructured Apex notes and no active secondary market has developed.

Recently Deutsche Bank, one of the asset providers to Apex, has put forth a proposal to terminate one of the underlying assets which has been experiencing some distress. The proposal will reduce the risk in the notes, but will also incur a cost to noteholders. The decision whether to support or reject this proposal is not a simple one. Prior to making a decision, investors should fully understand what is being proposed and how it might impact their holdings.

**Kilgour Advisory Group** has been advising clients holding restructured ABCP – including Apex Notes – since 2007. We are very familiar with the structure, components, and risks of these notes. If you hold Apex notes, feel free to contact us and we can brief you objectively on the situation so that you might make an informed decision regarding your holdings.

Regards,

**Colin Kilgour**  
[ck@kilgourgroup.com](mailto:ck@kilgourgroup.com)  
(416) 315-4884

**Dan Williams**  
[dw@kilgourgroup.com](mailto:dw@kilgourgroup.com)  
(416) 786-7078

**Kilgour Advisory Group, Inc.**  
(647) 977-5803  
[www.kilgourgroup.com](http://www.kilgourgroup.com)

