

# New Preferred Stock IPOs, August 2021

Aug. 30, 2021 11:24 PM ET | ABR, AMG, BAM...

## Summary

- As August 2021 comes to a close, we look back at the new preferred stocks and ETDs introduced during the month, offering annual yields ranging from 3.95% to 9%.
- Here is a comparison against highest quality preferred stocks in our coverage universe, as ranked by our internal "CDx3 Compliance Score" metric.
- CDx3 preferreds ranked 10 out of 10 are meanwhile selling for an average premium to par of 8% and offer an average current yield of 5.14%.
- Past preferred stock IPOs now trading below par: a look at recent par crosses.



JuSun/iStock via Getty Images

# New Preferred Stocks, July 2021

SEVENTEEN NEW ISSUES

Symbol	Div Rate	Last Price	Yield			S&P	Exchange	Status
			CY	YTC	EAR			
SIVCV	5.375%	\$24.90		5.40%		BBB-	OTOTC	
COFNV	4.250%	\$24.80		4.28%		BB	OTOTC	QDI
PEBBP	5.700%	\$25.35		5.62%		NR	OTOTC	
WFC-D	4.250%	\$25.05		4.24%		BB+	NYSE	QDI
FRC-M	4.000%	\$24.94		4.01%		NR	NYSE	
SHO-I	5.700%	\$25.59		5.57%		NR	NYSE	
SF-D	4.500%	\$25.46		4.42%		BB-	NYSE	QDI
AUVIP	10.500%	\$24.67		10.64%		NR	NCM	QDI
PSEC-A	5.350%	\$24.82		5.39%		BB	NYSE	
<b>METCL</b>	<b>9.000%</b>	<b>\$25.82</b>		<b>8.71%</b>		<b>NR</b>	<b>NGS</b>	
RNR-G	4.200%	\$25.60		4.10%		BBB	NYSE	QDI
<b>AAIN</b>	<b>6.000%</b>	<b>\$24.85</b>		<b>6.04%</b>		<b>NR</b>	<b>NYSE</b>	
CTO-A	6.375%	\$25.61		6.22%		NR	NYSE	
NYMTL	6.875%	\$24.83		6.92%		NR	NGS	
CDZIP	8.875%	\$24.95		8.89%		NR	NGM	QDI
SPNT-B	8.000%	\$29.64		6.75%		BB+	NYSE	
<b>SNCR</b>	<b>8.375%</b>	<b>\$25.38</b>		<b>8.25%</b>		<b>NR</b>	<b>NGS</b>	

Source: CDx3 Notification Service database, PreferredStockInvesting.com

Green text indicates Exchange Traded Debt securities

NF, NR mean Not Found, Not Rated

Data date: July 29, 2021

## About the new issues

Brookfield Asset Management (NYSE: [BAM](#)) completed its privatization of Brookfield Property Partners (formerly NASDAQ: [BPY](#)), which had allowed BPY holders to either receive cash or to exchange their common units for a new series M preferred unit of BPY, which is now trading under symbol [BPYPM](#) on Nasdaq. These new M units have a \$25 liquidation preference, are callable on July 26, 2026, and offer a fixed dividend rate of 6.25%.

JPMorgan Chase (NYSE: [JPM](#)) priced a monster \$2 billion offering of new series MM non-cumulative preferred stock – on the heels of its \$1.85 billion offering [we reported in May](#). While the May offering was priced at a fixed dividend rate of 4.625%, this latest offering marks an even lower cost of capital for JPMorgan, at just 4.2%. To think, it was only back in 2019 that JPM priced a preferred offering with a 6% dividend rate! The new series will trade temporarily on the OTC under symbol JPMML before moving the permanent symbol JPM-M on the New York Stock Exchange.

Commercial real estate lender Arbor Realty Trust (NYSE: [ABR](#)) priced an offering of \$125 million of new series E cumulative preferred stock, offering a fixed dividend rate of 6.25%. This comes on the heels of the company's successful [series D offering in May](#) (6.375%). While the prior offering was used towards redemptions of previously-issued preferreds, the new series E offering proceeds will be used for new investments and general corporate purposes. The new shares are unrated, and will trade temporarily on the OTC under symbol ABREP before moving to permanent symbol ABR-E on the New York Stock Exchange.

Following a series of successful preferred offerings by peer hotel REITs in recent months, Summit Hotel Properties (NYSE: [INN](#)) decided to get in on the action, pricing an offering of new series F preferred stock at a fixed dividend rate of 5.875%, and using the proceeds to redeem its previously-issued series D preferred (6.45%). The new shares are unrated, and will trade temporarily on the OTC under symbol SMTHV before moving to permanent symbol INN-F on the New York Stock Exchange.

Non-traded fund Priority Income Fund, managed by Prospect Capital Management -- which also manages Prospect Capital Corporation (NASDAQ: [PSEC](#)) -- priced yet another offering of new series J preferred shares, offering a fixed dividend rate of 6%. A regular issuer of new preferreds, we count ten outstanding series now, of publicly traded preferred shares issued by Priority Income Fund, with four of those series issued in 2021. The new shares were given a rating of BBB- by Egan-Jones, will temporarily trade on the OTC under symbol [OTCPK:PRIJP](#) before moving to the New York Stock Exchange under symbol PRIF-J.

B. Riley Financial (NASDAQ:[RILY](#)) priced an offering of \$316.25 million of new exchange traded notes due 2028, offering a coupon of 5.25%, and used the proceeds to redeem its previously-issued exchange traded notes due 2023 (7.375%). The new notes have received a BBB+ rating from Egan Jones Ratings Company, and trade on the Nasdaq under symbol [RILYZ](#).

Telephone and Data Systems (NYSE:[TDS](#)), a company that provides wireless, cable, broadband, video and voice services, priced a \$600 million offering of new series VV cumulative preferred stock, at a fixed dividend rate of 6%. This follows the company's successful February offering (NYSE: TDS-U) which had priced at 6.625%. The company indicated that a portion of the proceeds will be used to redeem senior notes due 2025, and pay down its revolving credit facility. Rated by all three of Moody's, S&P, and Fitch, the preferred shares were rated below investment grade, at Ba3, B, and BB- respectively. The new shares will trade temporarily on the OTC under symbol TDSLX, before eventually trading on the NYSE under permanent symbol TDS-V.

Affiliated Managers Group (NYSE: [AMG](#)) priced an offering of \$200 million worth of new exchange traded junior subordinated notes due 2061, offering a fixed coupon of 4.2%. The notes have been rated by both Moody's and S&P, at Baa- and BBB- respectively, both with stable outlook. The notes trade on the New York Stock Exchange under symbol MGRD.

Oxford Lane Capital Corp. (NASDAQ:[OXLC](#)) priced an offering of \$60 million of new 2029 Term Preferred Shares, offering a fixed dividend rate of 6%. The company indicated that proceeds will be used to make new portfolio investments. The new shares received a rating of BBB- from Egan-Jones Ratings Company, and will trade temporarily on the OTC under symbol OXLNV before moving to permanent symbol [OXLCO](#) on the Nasdaq.

Public Storage (NYSE:[PSA](#)) priced an offering of \$125 million of new series Q cumulative preferred shares, offering a fixed dividend rate of 3.95%. The company indicated that proceeds will be used to redeem its previously-issued series E shares (4.9%) which become callable in October. The new shares will trade temporarily on the OTC under symbol PASQV before moving to permanent symbol PSA-Q on the New York Stock Exchange. With twelve series of publicly traded investment-grade preferreds, PSA has been a prolific issuer over the years; the next callable series after the E shares are the F shares, which came public in May of 2017 and are callable in June of next year.

Triton International (NYSE:[TRTN](#)), owner of a fleet of leased freight containers, priced an offering of \$175 million worth of new series E preferred shares, offering a fixed dividend rate of 5.75%. The company indicated that proceeds may be used to repurchase common stock, buy new freight containers, and retire debt. The new shares have been rated BB by S&P and BB- by Fitch, both with stable outlook. The new shares will trade temporarily on the OTC under symbol TTRNV before moving to permanent symbol TRTN-E on the New York Stock Exchange.

Gladstone Investment Corporation (NASDAQ: [GAIN](#)) priced an offering of \$117 million worth of new exchange traded notes due 2028, offering a coupon of 4.875%. The company indicated it will use the proceeds to redeem its previously-issued 6.375% series E term preferred stock which becomes callable this month (NASDAQ: GAINL). The new notes have been rated BBB by Egan-Jones Ratings Company, and will trade on the Nasdaq under symbol GAINZ.

ConnectOne Bancorp (NASDAQ:[CNOB](#)) priced an offering of \$100 million worth of new non-cumulative preferred shares, offering a dividend rate of 5.25% until 2026, after which the rate resets to the 5-year treasury rate plus 4.42%. The company indicated that the offering proceeds could be used for a range of purposes, from acquisitions to common stock repurchases. The new shares were rated BB+ by Kroll Bond Rating Agency, and will trade temporarily on the OTC under symbol CNBOL before moving to permanent symbol [CNOBP](#) on the Nasdaq.

Textainer Group (NYSE:[TGH](#)) priced an offering of \$150 million worth of new series B cumulative preferred shares, offering a fixed dividend rate of 6.25%. The new shares are unrated and will trade temporarily on the OTC under symbol TGHPV before moving to permanent symbol TGH-B on the New York Stock Exchange.

PennyMac Mortgage Investment Trust (NYSE:[PMT](#)), a mortgage REIT externally managed by a subsidiary of PennyMac Financial Services (NYSE: [PFSI](#)), priced an offering of \$250 million worth of new series C cumulative preferred stock, offering a fixed dividend rate of 6.75%. The shares received a rating of BBB- from Egan-Jones Ratings Company, and will trade temporarily on the OTC under symbol PMTCV before moving to permanent symbol PMT-C on the New York Stock Exchange.

Mechanical Technology (NASDAQ:[MKTY](#)), parent company of cryptocurrency miner EcoChain, priced an offering of \$18 million worth of new series A cumulative preferred stock, offering a fixed dividend rate of 9%. The company indicated that proceeds will be used to acquire and develop data centers, including cryptocurrency mining processors. The new shares are unrated and trade on the Nasdaq under symbol [MKTYP](#).

Sources: Preferred stock table: CDx3 Notification Service database.

SEC filings: [BPYPM](#), [JPM-M](#), [ABR-E](#), [INN-F](#), [PRIF-J](#), [RILYZ](#), [TDS-V](#), [MGRD](#), [OXLCO](#), [PSA-Q](#), [TRTN-E](#), [GAINZ](#), [CNOBP](#), [TGH-B](#), [MKTYP](#), [PMT-C](#)

## **Buying new shares for wholesale**

Preferred stock IPOs often involve a temporary period during which OTC trading symbols are assigned until these securities move to their retail exchange, at which time they will receive their permanent symbols.

But there is no need to wait. Individual investors, armed with a web browser and an online trading account, can often purchase newly introduced preferred stock shares at wholesale prices just like the big guys (see "[Preferred Stock Buyers Change Tactics For Double-Digit Returns](#)" for an explanation of how the OTC can be used to purchase shares for discounted prices).

Those who have been following this strategy of using the wholesale OTC exchange to buy newly introduced shares for less than \$25 are more able to avoid a capital loss if prices drop (if they choose to sell).

Your broker will automatically update the trading symbols of any shares you purchase on the OTC, once they move to their permanent symbols. A special note regarding preferred stock trading symbols: Annoyingly, unlike common stock trading symbols, the format used by exchanges, brokers and other online quoting services for preferred stock symbols is not standardized.

For example, a given Series A preferred stock might have a symbol ending in "-A" at TD Ameritrade, Google Finance and several others but this same security may end in "PR.A" at E\*Trade and ".PA" at Seeking Alpha. For a cross-reference table of how preferred stock symbols are denoted by sixteen popular brokers and other online quoting services, see "[Preferred Stock Trading Symbol Cross-Reference Table](#)."

## Past preferred stock IPOs below par

While most of our subscribers focus on preferred stocks that score 10 out of 10 for their CDx3 Compliance Score, others keep room in their portfolios for more speculative situations, and are willing to take a look at preferreds with a lower score. Often, the return on offer for lower-ranked preferreds can be dramatically higher (and in turn, much higher risk).

Here are some of the recent dips/crosses below par that our CDx3 Notification Service subscribers received notifications about during the month of August (while the primary thrust of our subscription service is alerting about new IPOs and ranking them with a CDx3 Compliance Score, we *also* monitor past IPOs and offer email alert options when high-ranking past IPOs make crosses below par value):

Trigger Date	Symbol	CDx3 Score	Type	Volume	Low	Close	Par	Div Rate	Ex-Date
08/27/2021	<a href="#">RC-C</a>	<a href="#">8</a>	cross	2584	\$24.98	\$24.99	\$25	6.250%	06/29/2021
08/26/2021	<a href="#">ACR-D</a>	<a href="#">9</a>	dip	25026	\$24.97	\$25.17	\$25	7.875%	06/30/2021
08/26/2021	<a href="#">OXSOQ</a>	<a href="#">9</a>	dip	13871	\$24.98	\$25.3319	\$25	5.500%	07/14/2021
08/26/2021	<a href="#">PRIF-H</a>	<a href="#">9</a>	cross	4452	\$24.6	\$24.98	\$25	6.000%	09/14/2021
08/26/2021	<a href="#">SCE-J</a>	<a href="#">8</a>	dip	19608	\$24.9835	\$25.04	\$25	5.375%	09/13/2021
08/26/2021	<a href="#">TPTA</a>	<a href="#">9</a>	dip	1281	\$24.98	\$25.0088	\$25	6.000%	12/14/2021
08/26/2021	<a href="#">USB-H</a>	<a href="#">8</a>	cross	38391	\$24.93	\$24.93	\$25	Variable	06/29/2021
08/25/2021	<a href="#">DCP-C</a>	<a href="#">9</a>	cross	8646	\$24.9116	\$24.975	\$25	7.950%	09/30/2021
08/25/2021	<a href="#">SNCRL</a>	<a href="#">8</a>	dip	33043	\$24.9	\$25.01	\$25	8.375%	07/14/2021
08/24/2021	<a href="#">TPTA</a>	<a href="#">9</a>	dip	56332	\$24.98	\$25.0397	\$25	6.000%	12/14/2021
08/23/2021	<a href="#">APRON</a>	<a href="#">6</a>	cross	542	\$98.04	\$98.04	\$100	4.200%	09/15/2021

08/23/2021	<a href="#">CNPWP</a>	<a href="#">6</a>	dip	591	\$48.40	\$50.62	\$50	4.080%	07/08/2021
08/23/2021	<a href="#">TPTA</a>	<a href="#">9</a>	dip	16425	\$24.98	\$25.04	\$25	6.000%	12/14/2021
08/20/2021	<a href="#">CNPWP</a>	<a href="#">6</a>	cross	191	\$48.40	\$48.40	\$50	4.080%	07/08/2021
08/20/2021	<a href="#">FGFPP</a>	<a href="#">9</a>	cross	6320	\$24.94	\$24.94	\$25	8.000%	08/31/2021
08/19/2021	<a href="#">CNPWM</a>	<a href="#">6</a>	cross	125	\$49.24	\$49.24	\$50	4.180%	07/08/2021
08/19/2021	<a href="#">ET-D</a>	<a href="#">9</a>	dip	23513	\$24.96	\$25.22	\$25	7.625%	07/30/2021
08/19/2021	<a href="#">ET-E</a>	<a href="#">9</a>	dip	64155	\$24.84	\$25.00	\$25	7.600%	07/30/2021
08/19/2021	<a href="#">FBIOP</a>	<a href="#">8</a>	cross	30196	\$24.8001	\$24.8001	\$25	9.375%	08/12/2021
08/19/2021	<a href="#">SCE-G</a>	<a href="#">9</a>	cross	25386	\$24.92	\$24.95	\$25	5.100%	09/13/2021
08/19/2021	<a href="#">SCHW-D</a>	<a href="#">9</a>	dip	45344	\$24.92	\$25.36	\$25	5.950%	08/16/2021
08/18/2021	<a href="#">DLNG-A</a>	<a href="#">8</a>	cross	12632	\$24.66	\$24.66	\$25	9.000%	08/04/2021
08/18/2021	<a href="#">EP-C</a>	<a href="#">6</a>	cross	40017	\$49.81	\$49.8646	\$50	4.750%	09/14/2021
08/18/2021	<a href="#">OXLCO</a>	<a href="#">9</a>	cross	11529	\$24.75	\$24.7996	\$25	6.000%	03/16/2021
08/18/2021	<a href="#">SCE-G</a>	<a href="#">9</a>	dip	30990	\$24.85	\$25.015	\$25	5.100%	09/13/2021
08/17/2021	<a href="#">AAIC-C</a>	<a href="#">9</a>	cross	5882	\$24.87	\$24.92	\$25	8.250%	06/14/2021
08/17/2021	<a href="#">FBIOP</a>	<a href="#">8</a>	dip	25713	\$24.8	\$25.34	\$25	9.375%	08/12/2021
08/17/2021	<a href="#">GLOG-A</a>	<a href="#">8</a>	cross	2886	\$24.95	\$24.9662	\$25	8.750%	06/29/2021
08/16/2021	<a href="#">AAIC-C</a>	<a href="#">9</a>	dip	3231	\$24.95	\$25.10	\$25	8.250%	06/14/2021
08/16/2021	<a href="#">BEPH</a>	<a href="#">9</a>	cross	12694	\$24.975	\$24.99	\$25	4.625%	10/14/2021
08/16/2021	<a href="#">GLOG-A</a>	<a href="#">8</a>	dip	10692	\$24.9	\$25.00	\$25	8.750%	06/29/2021
08/13/2021	<a href="#">AAIC-C</a>	<a href="#">9</a>	dip	5572	\$24.97	\$25.0156	\$25	8.250%	06/14/2021
08/13/2021	<a href="#">HTIA</a>	<a href="#">9</a>	dip	57518	\$24.9338	\$25.01	\$25	7.375%	07/01/2021
08/12/2021	<a href="#">BEPH</a>	<a href="#">9</a>	dip	35994	\$24.89	\$25.06	\$25	4.625%	10/14/2021
08/12/2021	<a href="#">CDR-C</a>	<a href="#">9</a>	cross	14638	\$24.75	\$24.86	\$25	6.500%	08/09/2021
08/12/2021	<a href="#">COF-L</a>	<a href="#">8</a>	dip	128539	\$24.95	\$25.57	\$25	4.375%	08/13/2021
08/12/2021	<a href="#">DHCNL</a>	<a href="#">9</a>	cross	19323	\$24.83	\$24.95	\$25	6.250%	08/12/2021
08/12/2021	<a href="#">EP-C</a>	<a href="#">6</a>	dip	31210	\$48.5	\$50.339	\$50	4.750%	06/14/2021
08/12/2021	<a href="#">SAF</a>	<a href="#">8</a>	dip	13943	\$24.9822	\$25.1721	\$25	6.250%	08/12/2021
08/12/2021	<a href="#">TSCAP</a>	<a href="#">8</a>	dip	10939	\$24.5	\$26.11	\$25	6.750%	09/14/2021
08/11/2021	<a href="#">BEPH</a>	<a href="#">9</a>	dip	62228	\$24.86	\$25.02	\$25	4.625%	10/14/2021
08/11/2021	<a href="#">CDR-C</a>	<a href="#">9</a>	dip	2976	\$24.98	\$25.08	\$25	6.500%	08/09/2021
08/11/2021	<a href="#">SHQ-I</a>	<a href="#">9</a>	dip	31051	\$24.92	\$25.01	\$25	5.700%	09/29/2021

Source: CDx3 Notification Service Weekly Newsletters, 8/13/2021, 8/20/2021, & 8/27/2021

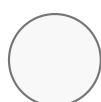
**Until Next Time...**

Here at CDx3, our typical articles will provide month-end preferred stock (and ETD) IPO summaries, plus a look at selected past preferred stock IPOs that are now trading below par -- often the reward on offer for "imperfect" preferred stocks is very high relative to the fully CDx3-compliant professionally rated securities.

Whether you are the kind of investor who sticks with preferred stocks with a **CDx3 Compliance Score** rated 10 out of 10, or whether your portfolio has room for 9-score-and-lower securities, stay tuned for future articles recapping new IPOs and interesting preferred stock activity that we notice here at the **CDx3 Notification Service**. Thanks for reading!

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This article was written by



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**Disclosure:** I/we have a beneficial long position in the shares of BAM either through stock ownership, options, or other derivatives. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

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