

Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Product Name: S&P/TSX Index futures contracts - seller

Product Manufacturer: Bourse de Montréal Inc.

Website: https://www.m-x.ca/accueil_en.php

Call +00 1 514-871-2424 for more information

Competent authority responsible for the supervision of the Product Manufacturer in relation to this document: not applicable (the Product Manufacturer is not regulated in the EEA)

Date of publication: 12 February 2018

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

This product is an exchange-traded futures contract, governed by the laws of Canada. This product is listed and traded on the Bourse de Montréal's trading platform via its central limit order book (CLOB). Once a transaction is executed, it is novated to the Canadian Derivatives Clearing Corporation ("**CDCC**"), which acts as the issuer, clearinghouse and guarantor of all exchange-traded derivatives products traded on the Bourse de Montréal Inc.

Objectives

The objective of the product is either to hedge your exposure to a portfolio of stocks or to seek a return on the product depending on your view of future stock prices. The product achieves this by enabling you to fix the price of a stock index composed of a basket of stocks to be sold by you (subject to cash-settlement as described below) at a specified date in the future.

For each futures contract that you hold, on the Expiry Date, you will be entitled to sell the designated S&P/TSX stock index as specified in the futures contract (the "**underlying**") at the Futures Price, scaled by a factor as specified in the futures contract to account for the index multiplier notation of the futures contract (the "**Index Multiplier**"). On the Expiry Date, the contract is cash settled which means that you do not actually sell the underlying, but that instead, in the event the Final Settlement Price is less than the Futures Price, you will receive the difference between the two, scaled by the Index Multiplier. By contrast, if the Final Settlement Price is greater than the Futures Price you will be obliged to pay the difference, scaled accordingly, or if the Final Settlement Price equals the Futures Price there will be no payment due from either party. Expressed as a formula, the payment amount is equal to: $(\text{Futures Price} - \text{Final Settlement Price}) \times \text{Index Multiplier}$.

In the event of certain extraordinary circumstances, such as those resulting in the market ceasing to function correctly, the Product Manufacturer may terminate the product or make adjustments to the terms of the product.

"Expiry Date": The third Friday of the contract month as specified in the futures contract (or if such day is not a business day, the preceding business day).

"Final Settlement Price": the official opening level of the underlying as published by Standard and Poor's at 9:00am (Montreal time) on the Expiry Date.

"Futures Price": the price of the futures contract at the time you open a position in the product.

Clearing and margin requirements

The product will be cleared by CDCC. Please note that no retail investor has access to CDCC.

You may be required to deposit security with your broker (or any other intermediary) through whom you purchase this product. Your broker (or any other intermediary) may be a clearing member of CDCC, or may hold the product directly or indirectly through a clearing member of CDCC. The clearing member will be required to deposit security (an initial margin deposit) with CDCC and such margin may vary up or down on a daily basis to reflect the fluctuation of the market value of the product (variation margin). Various types of collateral can be deposited to meet the margin requirements including cash, government securities or similar highly liquid financial instruments.

The clearing member or your broker (or any other intermediary) may require you to deposit margin of a similar amount and nature.

Intended Retail Investor

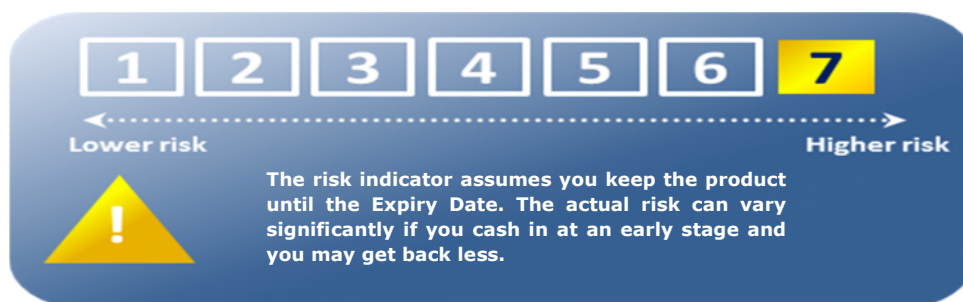
The product is intended to be offered to investors who:

- i) have an investment horizon of up to the Expiry Date of the product;
- ii) are able to bear a loss in excess of the amount invested;
- iii) have extensive knowledge of, and experience with, financial products and the financial markets generally;
- iv) are seeking a leveraged return profile; and
- v) if located in the EEA, are in a country for which English is an official language.

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What are the risks and what could I get in return?

Risk Indicator

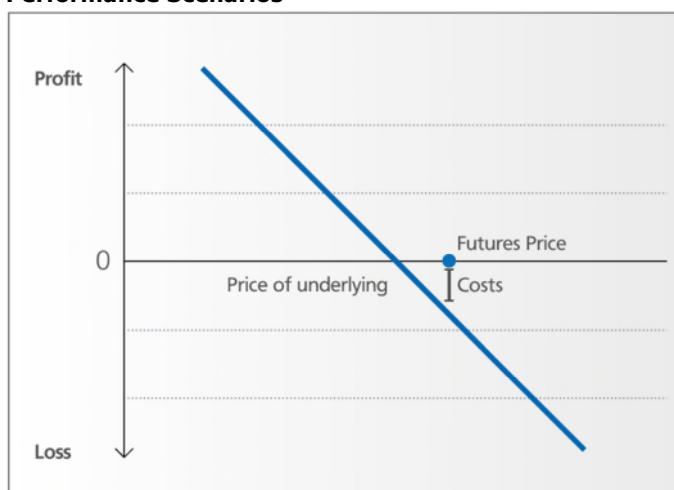


The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the market or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level.

Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

In some circumstances you may be required to make payments to pay for losses. **The total loss you may incur may significantly exceed the amount invested.** You are required to make an initial margin deposit and may be required to top-up the margin on a daily basis. This product does not include any protection from future market performance so you could lose some or all of your investment. If CDCC, your broker (or any other intermediary) is unable to pay you what is owed, you could lose your entire investment.

Performance Scenarios



This graph illustrates how your investment could perform. You can compare them with the pay-off graphs of other derivatives.

The graph presented gives a range of possible outcomes and is not an exact indication of what you might get back. What you get will vary depending on how the underlying will develop. For each value of the underlying, the graph shows what the profit or loss of the product would be. The horizontal axis shows the various possible prices of the underlying value on the Expiry Date and the vertical axis shows the profit or loss.

Buying this product holds that you think the underlying price will decrease.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if The Montréal Exchange (MX) is unable to pay out?

All transactions that are submitted to CDCC are registered in the name of the clearing members. Upon acceptance of the transaction, novation occurs and the initial transaction is replaced by two different transactions between CDCC and each clearing member involved in the transaction. Each clearing member looks to CDCC for the performance of the obligations under a transaction and not to another clearing member. Each client of a clearing member looks solely to the clearing member for performance of the obligations and not to CDCC.

You are therefore exposed to a default of the clearing member with whom you deal: if such clearing member fails or is otherwise unable to pay its obligations under the product, you may not receive any amount owed to you under the product and any payment that you do receive may be delayed. The product is not covered by an investor compensation or guarantee scheme.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the performance of the product. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself. They include potential early exit penalties. The figures assume a nominal value of CAD\$ 15,000¹. The figures are estimates and may change in the future.

¹ In accordance with EU legislation, it is assumed for calculation purposes that the nominal value of the futures contract is the initial invested amount. The nominal value for each futures contract has been assumed to be CAD\$ 190,000 (based on the multiplier of CAD\$ 200 and a level of the underlying equal to 950 points). A lower assumed nominal value would result in higher cost values.

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Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment CAD\$ 15,000 Scenarios	If you cash in at the end of the recommended holding period²
Total costs	CAD\$ 0.18
Impact on return (RIY) per year	0.44%

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the performance of the product at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	0.22%	The impact of the costs you pay when entering your investment.
	Exit costs	0.22%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	N/A	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	0.00%	The impact of the costs that we take each year for managing your investments.

How long should I hold it and can I take money out early?

Recommended holding period: any period up to the Expiry Date

There is no minimum holding period and you may disinvest at any time during trading hours of the platform by entering into the offsetting futures contract (being the futures contract offered by the Product Manufacturer which has identical terms save for being the version designated 'buyer' rather than 'seller'). For this reason there is no single recommended holding period, and instead it includes the range of periods up to the Expiry Date of the product.

How can I complain?

Any complaints about the product or the conduct of the Product Manufacturer or the person advising on, or selling, the product may be submitted by visiting the website www.m-x.ca/accueil_contact_en.php, by writing to Legal Affairs, Bourse de Montréal Inc., Tour de la Bourse, P.O. Box 61, 800 Victoria Square, Montréal, Quebec, H4Z 1A9 or by emailing legal@tmx.com.

Other relevant information

Further information relating to the terms of the product may be found at:

https://www.m-x.ca/produits_indices_sxf_en.php

https://www.m-x.ca/produits_indices_sxm_en.php

https://www.m-x.ca/produits_indices_scf_en.php

https://www.m-x.ca/produits_indices_sectoriels_termes_en.php

² For the purposes of the cost calculations, a recommended holding period of 1 day has been assumed, which results in the highest costs across the range of time periods included in the recommended holding period.