S|X|F S&P/TSX 60 Index Standard Futures

The Montréal Exchange (MX), a wholly-owned subsidiary of TMX Group Limited and Canada's derivatives exchange, plays a leadership role in three areas of finance: financial derivatives markets, clearing services and IT business solutions.

S&P/TSX 60 Index Standard Futures (SXF)

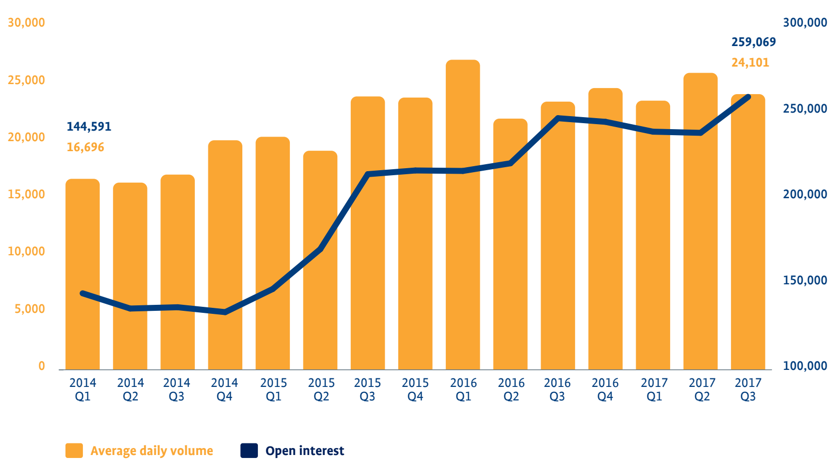
The SXF is the benchmark derivative product, listed at the Montréal Exchange, for investors trading and hedging the Canadian equity market. This future enables participants to acquire exposure (either long or short) to the entire S&P TSX 60 Index in a single, cost effective transaction.

Index futures are instruments that institutional investors use to hedge exposure, overlay cash and facilitate allocation shifts. The market value of the SXF futures contract is equivalent to the current value of the S&P TSX 60 Index multiplied by Can$200.

UNDERLYING	The S&P/TSX 60 Index
MULTIPLIER	C$200 times the S&P/TSX 60 Index Standard Futures contract value.
EXPIRY CYCLE	March, June, September and December

Average Daily Volume (ADV) is approximately 24,101 for Q3 2017, which represents an average daily turnover of approximately $4.3 billion.

SXF Average Daily Volume and Open Interest
January 2014 - September 2017



Trading SXF Futures contracts

The SXF market is open for the regular session between 9:30 a.m. and 4:15 p.m. (Eastern time) and for the early session between 6:00 a.m. and 9:15 a.m. (Eastern time).

SXF futures contracts are used to hedge a portfolio or synthetically create or increase market exposure of a portfolio. Trading index futures can effectively manage risk, capture value-added opportunities (portable alpha), or manage asset allocation by offsetting undesired/augment desired exposures. Clients can also "equitize" cash by trading index futures in order to fully invest in the equity markets at a minimal cost.

Synthetic index replication using futures contracts has proven to be a very cost-effective and cash-efficient vehicle for obtaining equity market exposure. Clients implementing synthetic indexing have benefited from competitive roll costs resulting in superior returns relative to passive indexing in the cash market. Historically, the roll on SXF futures contracts has traded at a discount to fair value (see table below).

Summary statistics for SXF spread trades during recent roll periods

	Sept. 2017	June 2017	March 2017	Dec. 2016	Sept. 2016	June 2016
Roll Cost (VWAP)	-4.21	-4.911	-4.504	-4.362	-4.875	-4.797
Discount to fair value (annualized bps)	**37**	**14**	**7**	**70**	**16**	**11**
Total volume (contracts)	256,139	263,476	263,129	256,869	236,721	228,337
Average trade size	10.47	10.49	11.67	10.47	13.28	11.4

Benefits of exchange-traded Index Futures

- Broad equity diversification in a single transaction
- Actively quoted markets with transparent prices and liquidity
- No short-selling restrictions
- Lower brokerage fees than typically found when trading the underlying securities
- Mitigation of counterparty risk through daily cash settlement of P/L
- Centralized clearing by the Canadian Derivatives Clearing Corporation

Reasons to trade SXF

- Gain exposure
- Transparency
- Cash equitization
- Liquidity
- Flexibility
- Insurance protection
- Efficient Beta
- Leveraged returns
- Low transaction costs

FOR MORE INFORMATION
Ron Hochman
Head, Institutional Equity Derivatives sales, Montréal Exchange
rhochman@m-x.ca or **+1 514 871-7882**

ACCESS SXF ROLL MONITOR

m-x.ca/sxfcalc