

Indications of Interest (IOI) Disclosure

From time to time, clients may receive indications of interest (“IOIs”) from BMO Capital Markets Corp. (“BMOCMC”), a U.S. registered broker dealer and FINRA member. BMOCMC may communicate IOIs in a variety of ways, including through proprietary order management systems and third-party vendor systems. IOIs are expressions of interest to buy or sell a security that contain one or more of the following elements: security name, side of the market, size, capacity and/or price. BMOCMC may disseminate IOIs to inform other market participants that it seeks to interact with, or represents a client’s trading interest in, other order flow in the security.

These IOIs may be “natural” or “non-natural”. As the distinction between natural and non-natural IOIs is not consistent across the financial services industry and third-party vendor systems, BMOCMC would like to provide a clear description of how we distinguish between natural and non-natural IOIs. As we use the term, “natural” indications represent IOIs originating as a result of one of the following four scenarios:

1. Client order in hand;
2. Interest for the BMOCMC’s own account on a principal basis, as a result of client facilitation, related hedging activity or expected customer demand;
3. In touch with client interest where there is a reasonable expectation of interest from a customer that does not constitute a committed client order in hand; or
4. Any combination of the interests noted above.

Non-natural IOIs represent purely BMOCMC’s interests to provide liquidity as principal without reference to a facilitation of a customer order, trading position wanted or a hedging strategy

If requested, BMOCMC will adhere to a client’s request to not send natural IOIs on behalf of such client’s orders.