



NEWS RELEASE

The Canadian Derivatives Clearing Corporation Announces Launch of Secured General Collateral Notes Program

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TORONTO, June 10, 2024 /CNW/ - The Canadian Derivatives Clearing Corporation (CDCC), Canada's national central clearing counterparty (CCP) for exchange-traded derivative products and repurchase agreements, today announced the launch of the new Secured General Collateral (SGC) Notes program.

SGC Notes are short-term discounted money market instruments developed by CDCC in collaboration with Canadian market participants and designed to meet the demand for the transition from Bankers' Acceptances (BAs) as a result of the Canadian Dollar Offered Rate (CDOR) cessation.

"We are proud to bring this innovative, customized investment vehicle to market, designed to provide Canada's market participants with an effective funding solution and support the industry transition from CDOR and Bankers' Acceptances," said George Kormas, President of CDCC. "CDCC is grateful for the input of our valued stakeholders across Canada's money markets, including both sell and buy side participants, in the launch of SGC Notes and we look forward to serving their needs as our markets continue to evolve into the future."

SGC Notes provide an investment policy-friendly opportunity for Canadian money market institutional investors to roll their BA exposure into SGC Notes. SGC Notes are linked to the same highly-rated Canadian bank credit exposure as BAs, but are secured with a basket of high quality debt securities (SGC Securities) which are sold to a

trust through repurchase agreements cleared through CDCC.

SGC Notes represent an attractive investment option relative to available alternatives.

SGC Notes are designed to provide strong investor protection through active risk management by CDCC of the basket of SGC Securities securing the SGC Notes and to leverage TMX Group's infrastructure, including the recently announced **Canadian Collateral Management Service (CCMS)**, which allows for automated collateral movements.

For more information on the new SGC Notes, please visit <https://www.cdcc.ca/en/sgc-notes> to review the offering memorandum.

SGC Notes will be issued by a special purpose vehicle formed as an Ontario trust ("Trust"), of which ComputerShare Trust Company of Canada is trustee and CDCC is promoter, administrative agent, custodian and paying agent.

The SGC Notes will be subscribed for by CIRO investment dealers and Canadian chartered banks that are eligible to clear repurchase transactions relating to SGC Securities through CDCC (the "SGC Clearing Members"). The SGC Clearing Members will purchase the SGC Notes, as principals, at a discount to face value and may offer the SGC Notes for sale to investors subject to prior sale, if, as and when issued by the Trust and accepted by the SGC Clearing Members on a private placement basis to investors which are "accredited investors" and "permitted clients" (other than individuals) as defined in securities legislation in reliance on exemptions from the prospectus requirements of applicable provincial securities laws. The resale of the SGC Notes will be restricted by applicable provincial securities laws.

The SGC Notes are obligations of the Trust and not obligations of or interests in CDCC, Computershare Trust Company of Canada, any member of the TMX Group, or any SGC Clearing Member. The SGC Notes will represent limited recourse obligations of the Trust. Only the SGC Securities (and other collateral listed in the offering memorandum describing the SGC Notes) will secure payment of the SGC Notes.

The SGC Notes have not been registered under the United States Securities Act of 1933, or the "U.S. Securities Act" or under the securities laws of any state of the United States, and may not be offered or sold within the United States or to U.S. persons within the meaning of Regulation S under the U.S. Securities Act, or "Regulation S" unless the securities are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available.

About TMX Group (TSX-X)

TMX Group operates global markets, and builds digital communities and analytic solutions that facilitate the

funding, growth and success of businesses, traders and investors. TMX Group's key operations include **Toronto Stock Exchange**, **TSX Venture Exchange**, **TSX Alpha Exchange**, **The Canadian Depository for Securities**, **Montréal Exchange**, **Canadian Derivatives Clearing Corporation**, **TMX Trayport** and **TMX VettaFi**, which provide listing markets, trading markets, clearing facilities, depository services, technology solutions, data products and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across North America (Montréal, Calgary, Vancouver and New York), as well as in key international markets including London, Singapore and Vienna. For more information about TMX Group, visit www.tmx.com. Follow TMX Group on X: [@TMXGroup](https://twitter.com/TMXGroup).

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