

2018 Order Execution Report

April 2019

Order Execution Report

When clients buy or sell shares through BMO Investments Investment Plans, the instruction is placed with a broker to fulfil. We are required to publish details of the brokers that we have used the most in the previous year. The tables below show the brokers with which we have placed the most orders from BMO Investment Trust Savings Plan holders.

1 January to 31 December 2018

Class of Instrument ¹	Equities – Shares & Depository Receipts Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)		
	Notification if <1 average trade per business day in the previous year ²	N	
Top five execution venues ranked in terms of trading volumes (descending order) ³	Proportion of volume traded as a percentage of total in that class ⁴	Proportion of orders executed as percentage of total in that class ⁵	Percentage of directed orders ⁶
J.P. Morgan Securities plc LEI ₇ – K6Q0W1PS1L1O4IQL9C32	74.9%	65.0%	0%
Stifel Nicolaus Europe Limited LEI – 213800BVEFNZ8UYPKL03	19.4%	24.3%	0%
Winterflood Securities Ltd LEI – 8BRUP6V1DX3PIG2R0745	4.0%	9.4%	0%
Cenkos Securities plc LEI – 213800ALVRC52VN3I821	1.7%	1.3%	0%

Class of Instrument	Equities – Shares & Depository Receipts Tick size liquidity band 1 and 2 (from 0 to 70 trades per day)		
	Notification if <1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of directed orders
Cenkos Securities plc LEI ₇ – 213800ALVRC52VN3I821	58.3%	59.8%	0%
Winterflood Securities Ltd LEI – 8BRUP6V1DX3PIG2R0745	24.9%	22.2%	0%
Numis Securities Limited LEI – 213800P3F4RT97WDSX47	16.8%	17.9%	0%

Class of Instrument	Other instruments		
Notification if <1 average trade per business day in the previous year	N		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class ⁴	Proportion of orders executed as percentage of total in that class ⁵	Percentage of directed orders ⁶
BMO Fund Management Limited LEI – 2138000776KQOMMVHJW15	100%	100%	0%

Explanatory Notes

- 1) We are required to report on the brokers used for each different type of financial instrument that can be bought and sold through BMO Investment Trust Investment Plans. Investment Trust shares are classified as 'Equities - Shares & Depository Receipts'.

These are further split into 'Tick size liquidity bands' which indicate how many trades are completed in the shares of each Investment Trust by market participants on a daily basis. Bands 1 & 2 relates to shares which are traded the least frequently (between 0 and 79 trades per day).

BMO Investment Trust Savings Plan holders may also purchase units in the BMO FTSE All-Share Tracker Fund, operated by BMO Fund Management Limited. These units are classified as 'Other instruments' and are bought/sold directly from BMO Fund Management Limited.

- 2) This indicates whether, on average, less than one trade a day was passed to a broker by BMO Asset Management Limited in each type of financial instrument.
- 3) 'Execution venues' refers to the brokers that orders from BMO Investment Trust Savings Plan holders were passed to.
- 4) 'Proportion of volume traded' denotes the proportion of the total value of orders that were passed to the broker.
- 5) 'Proportion of orders executed' denotes the proportion of the total number of orders that were passed to the broker.
- 6) 'Directed orders' are those where the BMO Investment Trust Savings Plan holder instructs us to use a particular broker. This is not an option through the Investment Plans and therefore no orders are classified as 'Directed orders'.
- 7) Legal Entity Identifier' or 'LEI' is a unique global identifier for legal entities participating in financial transactions. We are required to publish the LEI alongside the name of each broker listed above.

Commentary

BMO Asset Management Limited is required to publish the following commentary on the quality of execution obtained from the brokers listed above during the previous year.

(a) An explanation of the relative importance given to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution

When clients buy or sell Investment Trust shares through BMO Investment Trust Investment Plans, our administrator passes the instruction to a broker to fulfil. We have confirmed that these brokers maintain order execution arrangements allowing them to take all sufficient steps to obtain the best possible results for their clients, known as “best execution”. The brokers may take a variety of factors into account when executing orders, including the price of the shares and the cost of the transaction. In general, each Investment Trust’s appointed corporate broker is best placed to provide best execution. However we also have agreements in place with other brokers to allow us to obtain the best possible results for clients.

(b) A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders

BMO Asset Management Limited does not place trades made through Investment Trust Investment Plans with any affiliated company.

(c) A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received

BMO Asset Management Limited does not have any such arrangements with any execution venue.

(d) An explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred

BMO Asset Management Limited will enter new relationships with brokers where we feel this will add to the delivery of best execution. There were no changes to the list of brokers used for Investment Trust Investment Plans orders in 2018.

(e) An explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements

All clients are treated the same with regards to execution.

(f) An explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client

Other criteria have not been given precedence over immediate price and cost in delivering the best possible result in terms of the total consideration to clients.

(g) An explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575

Reports published by execution venues under Delegated Regulation (EU) 2017/575 have not provided any additional data that can be quantitatively analysed.

(h) Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider

This is not applicable.