

## Debt instruments

Debt Instruments	Margin required <sup>1</sup>
Canadian Treasury Bills	5%
Federal bonds (direct or guaranteed)	10%
Provincial, state, and municipal bonds (direct or guaranteed)	15%
Bonds, commercial/corporate	20%
Convertible bonds/debentures	25%

If the fixed income instruments and its term to maturity are...	Margin Requirement			
	Less than 1 year	1 to 7 years	More than 7 years	
Federal Government / Government Backed Bonds (Canada and US)	2% x days/365	4%	6%	
Provincial Government / Provincial Backed Bonds	4% x days/365	5%	7.5%	
Municipal Government Bonds	6% x days/365	10%	10%	
Strip Coupons / Strip Bonds				
Federal Government	10%	18%	18%	
Provincial Government	15%	15%	22.5%	
Municipal Government	15%	15%	22.5%	
Corporate Non-Convertible Bonds	6%	10%	15%	
Corporate Convertible Debentures to Marginable Stock	Lesser of <ul style="list-style-type: none"> <li>• 20% of par + 100% of any amount over par</li> <li>• Margin requirement of the underlying security + excess market value of bond over market value of underlying</li> </ul>			
Corporate Non-Convertible Bonds				
Debentures trading between 50 and 100				20% of market value
Debentures trading between 0 and 50				100% of market value
Convertible Debentures to Non-Marginable Stock	100% of market value			
Canadian Bank Paper / Term Deposit	4%	10%	15%	
GICs	25% x days/365	25%	25%	

### Debt securities must be:

- Readily marketable and sufficiently liquid
- Must be trading greater than 50% to par
- Must be of good quality i.e. investment grade - BBB rated by an acceptable rating agency
- Must not be in default

## Stocks

For instalment receipts, please contact a BMO InvestorLine representative.

Stocks and warrants	Margin required <sup>1</sup>
Value of \$5.00 or more and eligible for reduced margin	30%
Value of \$2.00 or more	50%
Leverage and inverse ETFs	Not eligible for margin

If the Long Positions are...	Margin requirement
Common Stocks and are included on the <a href="#">List of Securities Eligible for Reduced Margin or Options Eligible</a>	30%
Common Stocks and are not included on the <a href="#">List of Securities Eligible for Reduced Margin or not Options Eligible</a>	50%
Preferred Stocks and are included on the <a href="#">List of Securities Eligible for Reduced Margin or Options Eligible</a>	35%
Preferred Stocks and are not included on the <a href="#">List of Securities Eligible for Reduced Margin or not Options Eligible</a>	60%
Rights / Warrants	50%
±2x and higher Leveraged Exchange Traded Funds (ETFs) / Exchange Traded Notes (ETNs)	100%
Less than \$2.00	100%

### Short selling margin requirements

Listed Stocks	Margin required <sup>1</sup>
Value of \$5.00 or more and eligible for reduced margin <sup>3</sup>	130% of market
Value of \$2.00 or more	150%
Value of under \$2.00	Not available to short

If the Short Positions are stocks that are...	Margin requirement
Eligible for reduced margin or options eligible	130% of market
Not eligible for reduced margin or not options eligible	150%
Less than \$2.00	Not permitted to be short sold
Exceeding CDN\$200,000 in market value	175%

If the Short Positions are...	Margin requirement
Fixed Income Instruments	100% of the market value of the short position + applicable margin rate as if it is a long position

## Mutual Funds

Stocks and warrants	Margin required <sup>1</sup>
Value of \$2.00 or more	50%
Value under \$2.00	Not eligible for margin

\* BMO InvestorLine maintains the right to change margin requirements at anytime without notice.

<sup>1</sup> The amount of funds the client must provide.