



# **MATCHNow Technology Migration Client Conference Call**

January 12, 2022



## Welcome & Overview

**Bryan Blake**, *Vice President, Head of Canadian Equities*



## BIDS Connectivity

**Adel Sarhan**, *Vice President, BIDS Trading Product Management*



## Final Migration Tasks

**Dave Nolan**, *Manager, Canadian Equities Trade Desk*



## Questions & Answers

**Vince Poil**, *Director, Canadian Equities Product Management*  
**Steven Flaming**, *Director, Canadian Equities Sales*  
**Phillip Cockrell**, *Director, Network Operations*  
**Cole Chmielewski**, *Vice President, Operations*  
**Troy Yeazel**, *Senior Vice President, Operations*

# Cautionary Statements Regarding Forward-Looking Information



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. You can identify these statements by forward-looking words such as “may,” “might,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” and the negative of these terms and other comparable terminology. All statements that reflect our expectations, assumptions or projections about the future other than statements of historical fact are forward-looking statements. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Some factors that could cause actual results to differ include: the impact of the novel coronavirus (“COVID-19”) pandemic, including changes to trading behavior broadly in the market; the loss of our right to exclusively list and trade certain index options and futures products; economic, political and market conditions; compliance with legal and regulatory obligations; price competition and consolidation in our industry; decreases in trading and clearing volumes, market data fees or a shift in the mix of products traded on our exchanges; legislative or regulatory changes; our ability to protect our systems and communication networks from security risks, cybersecurity risks, insider threats and unauthorized disclosure of confidential information; increasing competition by foreign and domestic entities; our dependence on and exposure to risk from third parties; fluctuations to currency exchange rates; our index providers’ ability to maintain the quality and integrity of their indexes and to perform under our agreements; our ability to operate our business without violating the intellectual property rights of others and the costs associated with protecting our intellectual property rights; our ability to attract and retain skilled management and other personnel; our ability to minimize the risks, including our credit and default risks, associated with operating a European clearinghouse; our ability to accommodate trading and clearing volume and transaction traffic, including significant increases, without failure or degradation of performance of our systems; misconduct by those who use our markets or our products or for whom we clear transactions; challenges to our use of open source software code; our ability to meet our compliance obligations, including managing potential conflicts between our regulatory responsibilities and our for-profit status; our ability to

maintain BIDS Trading as an independently managed and operated trading venue, separate from and not integrated with our registered national securities exchanges; damage to our reputation; the ability of our compliance and risk management methods to effectively monitor and manage our risks; our ability to manage our growth and strategic acquisitions or alliances effectively; restrictions imposed by our debt obligations and our ability to make payments on or refinance our debt obligations; our ability to maintain an investment grade credit rating; impairment of our goodwill, long-lived assets, investments or intangible assets; and the accuracy of our estimates and expectations. More detailed information about factors that may cause our actual results to differ may be found in our filings with the SEC, including in our Annual Report on Form 10-K for the year ended December 31, 2020, and other filings made from time to time with the SEC.

We do not undertake, and we expressly disclaim, any duty to update any forward-looking statement whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. All planned dates and timelines are subject to change without notice.

## Last industry call before MATCHNow's technology migration on February 1<sup>st</sup>



### Moving full speed ahead toward migration

- Finish line is clearly in sight, with all necessary regulatory approvals in place, including for our Cboe LIS offering
- Over 95 percent of client flow has been certified and will be ready for the migration
- We have strong engagement, widespread industry readiness and for most of you, it's fine-tuning your final details at this point

### Now is the time to complete any remaining migration tasks



- Important to review and calibrate your settings and continue to test
- Daily testing with all test symbols, Monday through Friday, ongoing until February 1<sup>st</sup>
- Two weekend tests remaining (Saturday, January 15<sup>th</sup> and Saturday, January 29<sup>th</sup>)



### Cboe BIDS Canada launch February 1<sup>st</sup>

- Cboe LIS offering to be rebranded as "Cboe BIDS Canada"
- Signals an exciting next chapter in MATCHNow's evolution



## Cboe BIDS Canada Launch

- Cboe LIS, which will be called Cboe BIDS Canada once launched, will extend MATCHNow's Conditionals platform to the BIDS global buy-side distribution network
- Cboe BIDS Canada will create greater block-sized liquidity in the marketplace, increase matching opportunities and grow the block trading market in Canada
- More than 165 buy-side firms have expressed interest in Cboe BIDS Canada

## Two Steps to Participating as Sponsoring Broker



### 1) Your firm will need to work with the MATCHNow and BIDS teams to sign our Sponsored Access Addendum

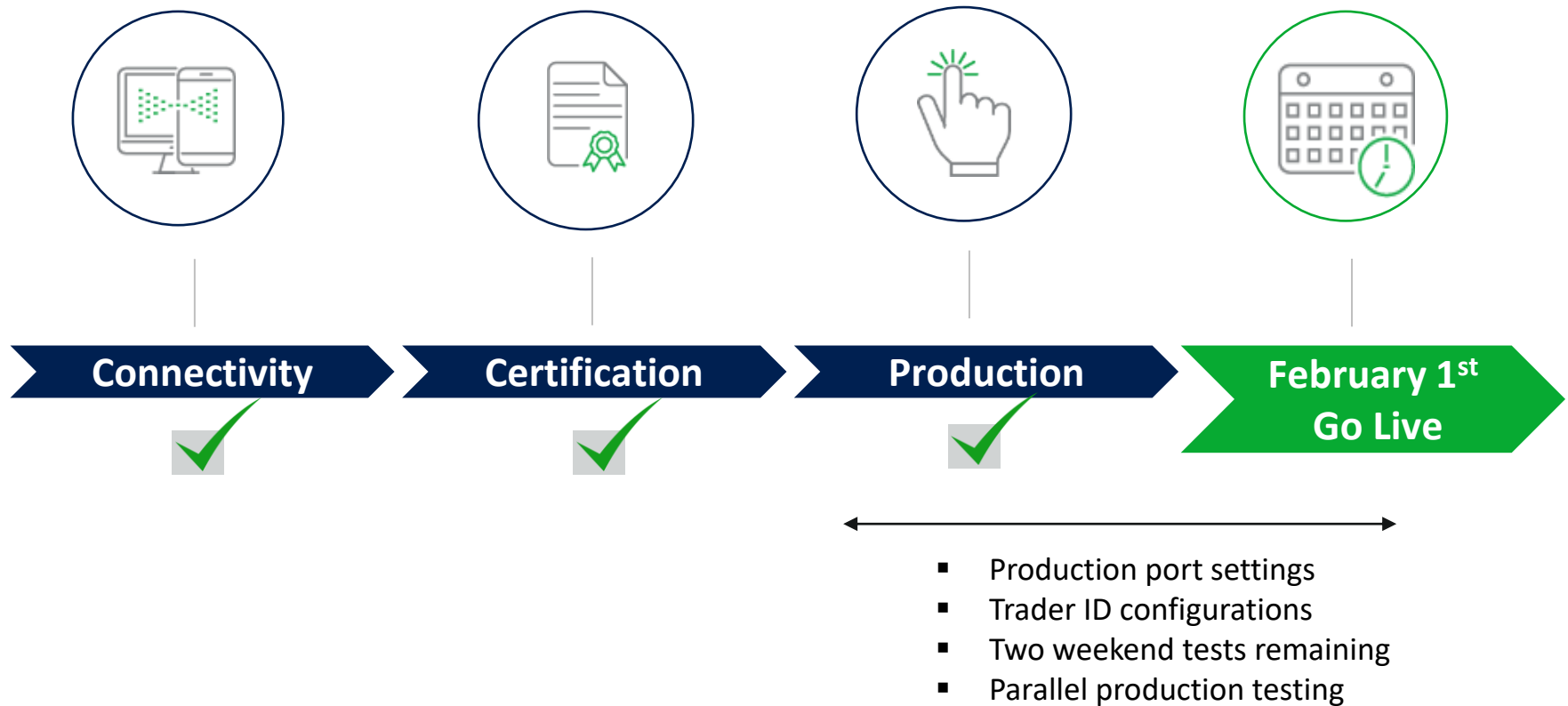
- This is a standardized agreement; it was part of our filing with the regulator and not meant to be revised specific to each firm's legal review

### 2) The BIDS risk/administration tool will need to be available and configured for a firm's compliance and/or risk departments

- The tool is ready and access will be granted as soon as a signed Addendum is in place
- We advise users to begin onboarding as soon as possible so that you have ample time to become familiar with this tool

***Please contact Steven Flaming ([sflaming@cboe.com](mailto:sflaming@cboe.com)) for a product demo or assistance with preparing for the launch.***

**Now is the time to complete any outstanding tasks needed to be ready for February 1<sup>st</sup>**



## Review and calibrate production port settings

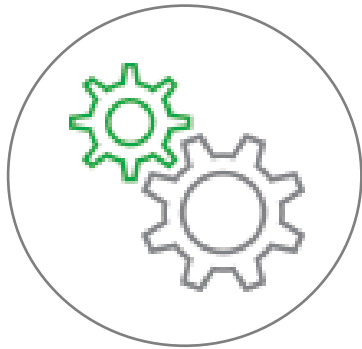


- Certified Subscribers and Access Vendors may request production logical order entry and drop copy ports
- Visit the “Logical Port Request Tool” within your Cboe Customer Web Portal account
- Two port attributes that may be of interest to MATCHNow Subscribers who desire default Conditional Order or Immediate-or-Cancel order behavior:

Attribute	Default	Description
<b>Make Conditional Eligible</b>	No	Allow firms to default LP orders to be eligible to interact with Conditional orders.  When set to ‘Yes’ ConditionalFlag (8002) field on non-OLPP Day orders will be set to ‘2’ (eligible to interact with Conditionals).
<b>Default ExecInst for IOC</b>	N	If this port attribute is set, IOC orders without an ExecInst (18) will be assigned: <ul style="list-style-type: none"><li>• M = Midpoint</li><li>• b = Min price improvement</li><li>• N = No ExecInst, trade at any price</li></ul>

Further details can be found in the MATCHNow Technical Integration FAQ, Connectivity Manual, and other specs available on [matchnow.cboe.com](https://matchnow.cboe.com)

## Upcoming changes to Trader ID configurations



- Upon migration, default settings at the “Trader ID” level will no longer be supported
  - All default settings will be handled at the FIX port level
  - Port Attributes from current MATCHNow FIX sessions will not be automatically configured on the new FIX sessions on Cboe technology
  - Port owners will be required to configure needed attributes at a port level
- In addition, beginning Monday, January 24<sup>th</sup>, all Trader IDs must be managed using the new Trader ID tool in the Cboe Customer Web Portal
  - This tool allows for adding, editing, and terminating Trader IDs and adding new trader contacts to a Subscriber firm
  - If Trader IDs are not kept current using this tool, orders may be rejected for missing or invalid Trader IDs
  - To receive access to the new Trader ID tool, contact your firm’s account administrator
  - For questions about the usage of this tool, contact the MATCHNow Trade Desk



## Two weekend tests remaining before February 1<sup>st</sup>: Saturday, January 15<sup>th</sup> and Saturday, January 29<sup>th</sup>



- If your firm has not yet done so, please participate in at least one of the upcoming weekend tests to ensure your preparedness
- Firms must complete certification and request logical production ports before they can participate in weekend trading within the production environment
- Trading of test symbols in production environment remain available during standard trading hours, Monday through Friday, 8:00 a.m. to 4:00 p.m. ET
- Cboe has obtained a waiver from Equinix for the initial cross connect install fee and the Equinix Monthly Recurring Charges (MRC) through January 31<sup>st</sup> for cross connects run to the MATCHNow TR2 latency equalized infrastructure
- MATCHNow Subscribers and Access Vendors should contact their Equinix representatives directly to ensure they are issued the paperwork necessary to obtain waivers
- Cross connect requests submitted via the Equinix Portal will not receive the waiver

# Q&A

# Cboe Global Markets

[Cboe.com](https://www.cboe.com)