



FTSE TMX Canada Universe Bond Index Ground Rule Update

Inclusion of NVCC Bonds

16 June 2017

FTSE Russell would like to inform clients that following market consultation, newly issued non-viability contingent capital (NVCC) bonds will become eligible for the FTSE TMX Canada Universe Bond Index, effective from 1 July 2017. This decision was made after careful consideration to ensure that the FTSE TMX Canada Universe Bond Index continues to accurately measure and represent the domestic Canadian investment grade fixed income market.

The Ground Rules for the FTSE TMX Canada Universe and Maple Bond Indexes have been updated to reflect the following.

- For clarification, reference to junior subordinated bonds is added in Rule 3.1.4 - Inclusions.
- Non-Viability Contingent Capital bonds (NVCC), issued and settling on or after 1 July 2017, will be eligible for inclusion provided they satisfy all other index conditions.
- NVCC bonds issued and settled prior to 1 July 2017 (including re-openings) are not currently eligible for index inclusion. However, the future eligibility of NVCC bonds issued and settled prior to 1 July 2017 is the subject of an ongoing market consultation. The Ground Rules will be updated to reflect feedback from this consultation.

An updated copy of the FTSE TMX Canada Universe and Maple Bond Index Series Ground Rules (v1.5) is now available on the FTSE Russell website:

<http://www.ftse.com/products/FTSETMX/Home/Methodologies>

If you have any questions, please do not hesitate to contact us at pcbond@ftse.com / 416.572.7979.

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