

FTSE Canada Indexes - Ground Rule Update

19 June 2020

FTSE Russell would like to inform clients of the following Ground Rule update which is effective immediately.

The update will apply to the following Indexes:

- FTSE Canada Investment Grade 1-5 Year Laddered Corporate Bond Index
- FTSE Canada Investment Grade 1-10 Year Laddered Corporate Bond Index
- FTSE Canada 1-5 Year All Government Laddered Bond Index

7.0 Changes to Constituents (addition in bold)

7.1 Intra Review Changes

- 7.1.1 In the case that a constituent bond is fully or partially called, it will be removed from the index on the call date, and replaced with a bond selected on the Selection Date (as defined in Rule 7.2) using the logic described in Rule 6.3.2.
- 7.1.2 A bond that is downgraded below BBB will be replaced on the fifteenth day of the following month with a bond selected on the Selection Date (as defined in Rule 7.2) using the addition logic described in Rule 6.3.2.
- 7.1.3 If no replacement bond(s) can be found, the weight of the removed bond(s) will be equally distributed amongst the constituents in the same rung of the ladder.
- 7.1.4 If the removal date of a constituent bond, i.e. its call date or downgrade replacement date, falls within the one month period preceding the next scheduled rebalance, the proceeds of the removed bonds will be re-invested in the on-the-run 91-day Government of Canada Treasury bill on the removal date.**

Updated copies of the methodologies for the relevant Indexes are available using the following link:

[Methodology Website](#)

Or on the FTSE Russell website: www.ftserussell.com

For further information please contact FTSE Russell Client Services at info@ftserussell.com or call:

Australia	+1800 653 680
Hong Kong	+852 2164 3333
Japan	+81 3 4563 6346
London	+44 (0) 20 7866 1810
New York	+1866 551 0617

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