

FTSE Canada Universe Discount Bond Index - Ground Rule Update

30 July 2020

FTSE Russell would like to inform clients of the following Ground Rule update. The methodology has been updated to enhance the screening process at the quarterly review cycle, this update is effective immediately.

New Rules

4.1.3 On a quarterly basis, securities of the FTSE Canada Universe Bond Index are screened.

As of the Selection Date,

- For securities that are not currently index constituents, they need to have a coupon equal to or less than 1.2 times the yield to maturity (YTM) of the security to be eligible for inclusion in the FTSE Canada Universe Discount Bond Index.
- For securities that are currently index constituents, they need to have a coupon equal to or less than 1.4 times the yield to maturity (YTM) of the security to be eligible for remaining in the FTSE Canada Universe Discount Bond Index.
- On the quarterly selection date, the multiple may be reviewed and potentially updated as market conditions change to allow for a representative number of securities to be considered for eligibility. Any changes to the multiple will be announced in accordance with procedures.

Old Rules

4.1.3. On a quarterly basis, securities of the FTSE Canada Universe Bond Index are screened and as of the Selection Date those securities with a coupon equal to or less than 1.2 times the yield to maturity (YTM) of the security are eligible for inclusion in the FTSE Canada Universe Discount Bond Index. On the quarterly selection date, the multiple may be reviewed and potentially updated as market conditions change to allow for a representative number of securities to be considered for eligibility. Any changes to the multiple will be announced in accordance with procedures.

An updated copy of the FTSE Canada Universe Discount Bond Index Ground Rules (v2.7) is now using the following link: [FTSE_Canada_Universe_Discount_Bond_Index.pdf](#)

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

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