

FTSE Canada Laddered Bond Indexes – Clarification of Intra-Review Constituent Change

09 April 2020

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

The clarification will apply to the following Indexes:

- FTSE Canada Investment Grade 1-10 Year Laddered Corporate Bond Index
- FTSE Canada Investment Grade 1-5 Year Laddered Corporate Bond Index v3.0
- FTSE Canada 1-5 Year All Government Laddered Bond Index v2.0

Section 7: Changes to Constituents (clarification in bold)

7.0 Changes to Constituents

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.

7.2 Selection Date

7.2.1 The date for selecting replacement bonds in Rule 7.1 will be the later of:

- 5 business days prior to the removal date of a bond that has been called or downgraded;
- the date when the call or downgrade is announced.

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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