

FTSE Canada Convertible Bond Index - Ground Rule Update

29 November 2018

FTSE Russell would like to inform clients of the following update to the FTSE Canada Convertible Bond Index which is effective immediately:

Section 7: Changes to Constituent Bonds

New Rule:

7.2 Intra-Review Deletions

- 7.2.1 Call events on any constituent bond will result in the issue being removed from the index **on the call date** at the call price. Any removal will result in re-weighting of the remaining constituents. In the event of the **call date** being in close proximity to an index review, FTSE may use its discretion to remove it from the index at the index review date following advance notice.
- 7.2.2 Partial calls or other reduction in shares outstanding, will result in a proportionate reduction in the amount considered by the index **on the effective change date** at the end of day market price recorded for that day. When a bond is delisted from its primary exchange, its removal from the FTSE Canada Convertible Bond Index will be concurrent with the delisting. The removal will be effected at the last traded price and the index divisor will adjust accordingly.

Old Rule:

1.1 Intra-Review Deletions

- 1.1.1 Call events on any constituent bond will result in the issue being removed from the index 2 business days prior to the call date at the end of day market price recorded for that day. Any removal will result in re-weighting of the remaining constituents. In the event of the 2 business days prior to the call date being in close proximity to an index review, FTSE may use its discretion to remove it from the index at the index review date following advance notice.
- 1.1.2 Partial calls or other reduction in shares outstanding, will result in a proportionate reduction in the amount considered by the index 2 business days prior to the effective change date at the end of day market price recorded for that day. Where a bond is delisted from its primary exchange, its removal from the FTSE Canada Convertible Bond Index will be concurrent with the delisting. The removal will be effected at the last traded price and the index divisor adjusted accordingly.

An updated copy of the FTSE Canada Convertible Bond Index Ground Rules (v2.5) is now available on the FTSE Russell website: www.ftserussell.com

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