DEX Convertible Bond Index ™

- **Index Structure**
  - An equal weighted Convertible Bond Index comprised of Corporate Issuers
  - Industry Group (eg. Communication) weight is not to exceed 35% of the Index
  - Index constituents are rebalanced monthly on the last business day of the month
  - No single Issue is to exceed 5% in Par Value (Notional Amount Outstanding)
  - For the purpose of the Index each Issue has been assigned $50,000,000 Notional Amount Outstanding unless the Individual Issuer limit exceeds 5%
  - Bonds with < 30 days to maturity will roll out of the index on rebalance date
  - In the case that any of the constituent bonds are called, the index constituents will be rebalanced at the date the issue is called
  - Inception Date is May 31, 2011

- **Security Selection Criteria**
  - bonds will be selected for where they meet the following conditions:
    - Minimum Outstanding Issue Size of $50,000,000 (this is after any and all conversions)
    - Minimum monthly traded volume of $500,000 or more (this is taking into account all Exchange trading as well as recorded OTC trading as reported by the central clearings system CDS)
    - Listed on a Senior Canadian Exchange and Issued in CDN $
    - Bonds must be priced at rebalancing at no less than $80 and no more than $120
    - Bonds that have previously exited the index at rebalancing due to having pricing below $80 or above $120 may not re-enter the index on a future rebalancing date unless their pricing is above $90 and below $110.
    - Bonds that have previously exited the index at rebalancing due to not meeting the Minimum monthly trade volume, may not re-enter the index on a future rebalancing date unless they meet the Minimum monthly trade volume for thee consecutive months.
    - Bonds must not be deemed to be in default.

- **Index Summary**
  - As of May 31, 2011 the Convertible Bond Index contained 77 issues with an Market Weighted Average Term of 4.35 Years and a Modified Duration of 3.65 years. The market value (given the equal weighting) was $4.05 Billion with a Yield to Maturity of 4.71%