

DEX Maturity Canadian Corporate Bond Indices™

- **DEX Maturity Canadian Corporate Bond Indices™ - Index Structure & Security Selection Criteria**

- Each DEX Maturity Canadian Corporate Bond Index is designed to represent the performance of a held-to-maturity portfolio consisting of, primarily, Canadian dollar-denominated investment grade corporate bonds with effective maturities in the applicable Maturity Year. The effective maturity of an eligible corporate bond is determined by its actual maturity or the anticipated maturity of the security as determined in accordance with a rules-based methodology developed by PC-Bond.
- DEX Maturity Canadian Corporate Bond Indices includes the following:
 - DEX 2013 Maturity Canadian Corporate Bond Index
 - DEX 2014 Maturity Canadian Corporate Bond Index
 - DEX 2015 Maturity Canadian Corporate Bond Index
 - DEX 2016 Maturity Canadian Corporate Bond Index
 - DEX 2017 Maturity Canadian Corporate Bond Index
 - DEX 2018 Maturity Canadian Corporate Bond Index
 - DEX 2019 Maturity Canadian Corporate Bond Index
 - DEX 2020 Maturity Canadian Corporate Bond Index
- Qualifying securities are selected from the constituents of the DEX Universe Bond Index, with the following criteria:
 - are issued by corporations incorporated under Canadian federal, provincial or territorial laws;
 - Minimum issue size / amount outstanding of \$250 MM
 - Credit rating (index credit rating) of BBB or higher
 - For the initial inclusion, and additions into the respective index, have an Annual Trade Volume turnover of 20% or higher
 - have an effective maturity in the Maturity Year

The following types of securities are excluded from each DEX Maturity Canadian Corporate Bond Index:

- securities with floating rates of interest;
 - zero-coupon bonds and zero-coupon step-up bonds;
 - Amortizing or convertible;
 - Securities that are callable prior to their effective maturity date, excluding 'Canada callable' yield threshold provisions;
 - Bank and Insurance Tier 1 capital bonds; and
 - inflation and other index-linked bonds.
- Each Index, at both initial construction, and subsequent rebalance, should not have a single issuer with a Market Value of greater than 10% of the respective index. Also the Market Value weight of all the BBB issues should not exceed 25%
 - To ensure the weighting restrictions above it may be necessary to select Provincial issues (that meet all of the above listed criteria) for the respective bucket until they may be removed at a later rebalancing date.
 - Each Index is rebalanced on a semi-annual on the last business day of May and November each year
 - The November rebalancing of any DEX Maturity Canadian Corporate Bond Index in the year prior to its Maturity Year will be the last rebalancing of that index.
 - As Index Securities mature and principal is returned, proceeds are assumed to be re-invested in Government of Canada treasury bills or cash and cash equivalents until the termination of the DEX Maturity Canadian Corporate Bond Index. It is expected that the DEX Maturity Canadian Corporate Bond Index will consist largely, if not completely, of a portfolio of cash and cash equivalents when it terminates

Please visit www.canadianbondindices.com to review the Methodology document for the DEX Universe Bond Index™



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- ***Semi-Annual Conditional Rebalancing:***
- Each DEX Maturity Canadian Corporate Bond Index is rebalanced based on the Relative Weights of the Index Securities on a semi-annual basis at the end of May and November, other than in the Maturity Year. Additions to or removals from the universe of eligible securities are reflected in each semi-annual rebalancing.
- Each semi-annual rebalancing of the DEX Maturity Canadian Corporate Bond Index will be a conditional rebalancing effected by PC-Bond, where bonds in the universe of eligible securities are assigned and added to the respective DEX Maturity Canadian Corporate Bond Index whereby the yield-to-effective maturity and credit quality characteristics of each DEX Maturity Canadian Corporate Bond Index following the additions does not change by an amount greater than an amount established by PC-Bond from time to time. As a result, all securities that are eligible for inclusion in the respective DEX Maturity Canadian Corporate Bond Index are not necessarily added at the semi-annual rebalancing due to the conditional rebalancing, which also takes into account their yield-to-maturity and credit ratings.
 - The intent of the conditional rebalancing is to not add issues to the respective index that would materially lower the current yield-to-effective maturity (as of the rebalancing date), and /or, lower the credit quality of the index. Also additional considerations are made to avoid over-concentration in any one industry while maintaining liquidity based upon historical traded volumes.
- Index Securities downgraded to below BBB(-) will be removed from each DEX Maturity Canadian Corporate Bond Index at the next semi-annual rebalancing following the downgrade. The Relative Weight of the Index Securities that are removed will increase the Relative Weight of the remaining eligible securities on a proportional basis, subject to the issuer and credit quality concentration limits.
- Inception Date for each Index is as of May 31, 2011

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Summary of DEX Maturity Canadian Corporate Bond Indices:

As of May 31, 2011	Yield %	Modified Duration	# of Issues	Market Value (Billions)
DEX 2013 Maturity Canadian Corporate Bond Index	2.25	1.98	34	\$19.46
DEX 2014 Maturity Canadian Corporate Bond Index	2.85	2.92	35	\$20.39
DEX 2015 Maturity Canadian Corporate Bond Index	3.11	3.76	42	\$28.03
DEX 2016 Maturity Canadian Corporate Bond Index	3.38	4.38	23	\$16.86
DEX 2017 Maturity Canadian Corporate Bond Index	3.58	5.24	20	\$13.78
DEX 2018 Maturity Canadian Corporate Bond Index	3.82	5.76	25	\$ 9.24
DEX 2019 Maturity Canadian Corporate Bond Index	4.08	6.62	26	\$10.93
DEX 2020 Maturity Canadian Corporate Bond Index	4.14	7.26	26	\$10.82