

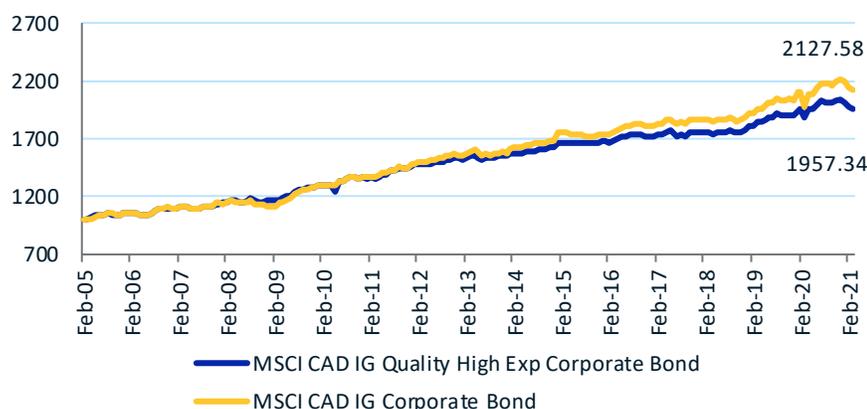
# MSCI CAD IG Quality High Exposure Corporate Bond Index

## The MSCI Fixed Income Quality Indexes:

- are categorized as a part of the MSCI Fixed Income Factor Indexes, which are designed to reflect the systematic elements of particular investment styles or strategies.
- are designed to represent the performance of companies that exhibit relatively higher quality characteristics within the MSCI Corporate Bond Index.

## Cumulative index performance

CAD RETURNS FEB 2006 – MAR 2021



## Annual performance (%)

Year	MSCI CAD IG Quality High Exp Corp Bond	MSCI CAD IG Corporate Bond
2020	7.26	8.71
2019	6.67	8.12
2018	1.47	1.15
2017	2.10	3.32
2016	2.63	3.73
2015	3.17	2.71
2014	4.98	7.23
2013	1.34	0.93
2012	4.26	5.94
2011	7.57	7.90
2010	7.11	7.47
2009	9.31	14.43
2008	2.27	-3.21
2007	3.62	4.33

## Index performance

CAD RETURNS (%) MARCH 31, 2021

Index	1 Month	3 Months	1 Year	Year to Date	ANNUALIZED RETURN			
					3 Years	5 Years	10 Years	Since Feb 28, 2006
MSCI CAD IG Quality High Exposure Corporate Bond	-0.87	-3.94	3.71	-3.94	3.70	3.01	3.71	4.26
MSCI CAD IG Corporate Bond	-0.97	-3.81	7.43	-3.81	4.50	3.89	4.53	4.81

## Index risk and return characteristics

MARCH 31, 2021

Index	Tracking Error (%)	Turnover* (%)	ANNUALIZED STD. DEVIATION (%)			
			3 Years	5 Years	10 Years	Since Feb 28, 2006
MSCI CAD IG Quality High Exposure Corporate Bond	2.14	14.92	4.43	3.81	3.12	3.68
MSCI CAD IG Corporate Bond	-	21.13	5.88	4.88	4.03	3.91

\*Last 12 months

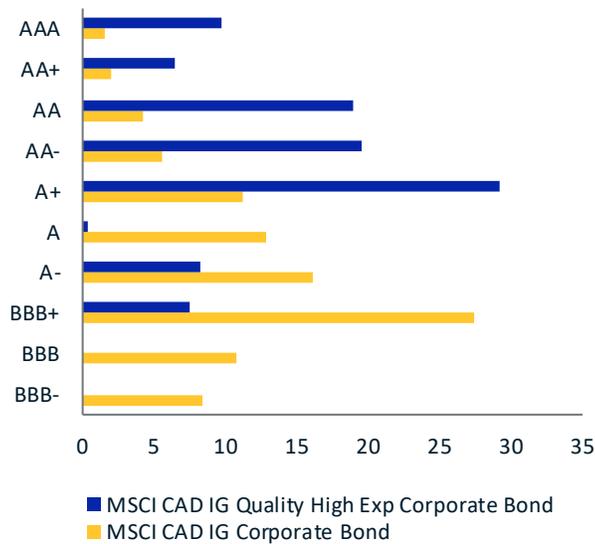
The MSCI CAD IG Quality High Exposure Corporate Bond Index was launched on Jun 30, 2021. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance – whether actual or back-tested – is no indication or guarantee of future performance.

## Index Profile

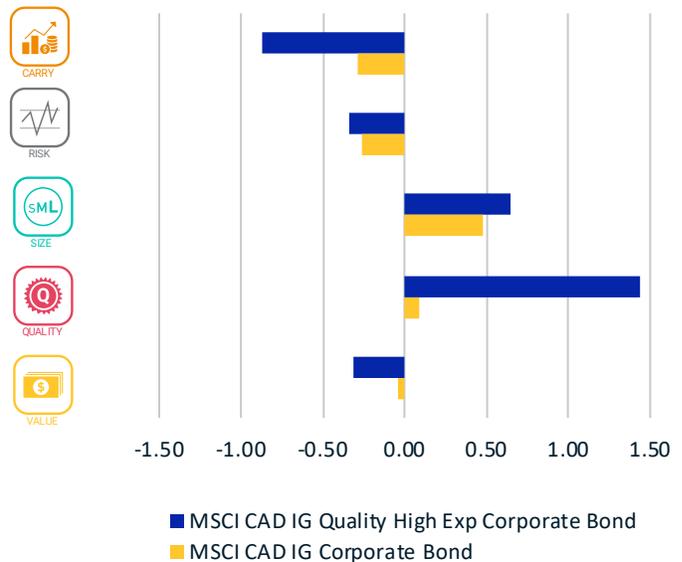
Maturity	# of securities	# of issuers	Market Weight (%)	Coupon*	Price*	Yield to Worst	Effective Duration	Effective Convexity	OAS** (bps)	Weighted Credit Rating
0-3 Years	31	13	37.45	2.38	102.89	0.60	1.56	0.03	37.37	AA-
3-5 Years	23	17	14.80	3.07	106.34	1.30	3.53	0.13	63.08	A+
5-7 Years	19	14	15.58	2.87	105.60	1.84	5.59	0.36	72.32	AA-
7-10 Years	12	8	5.03	3.30	108.06	2.18	7.16	0.61	81.14	AA-
10+ Years	65	21	27.14	4.52	119.08	3.13	14.87	3.15	120.95	AA-
<b>Aggregate</b>	<b>150</b>	<b>45</b>	<b>100.00</b>	<b>3.19</b>	<b>108.48</b>	<b>1.66</b>	<b>6.37</b>	<b>0.97</b>	<b>99.65</b>	<b>AA-</b>

\* Par Weighted  
\*\* Effective Duration Weighted

## Credit Rating Break Down



## Factor Exposures



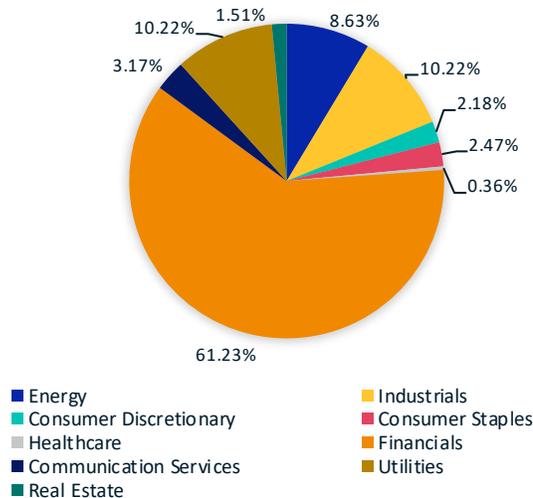
## Top 5 Securities

Security Name	Currency	Index Weight (%)	Parent Index Weight (%)	Sector	Security Credit Rating
BMO 3.19 2028	CAD	3.06	0.68	Financials	AA
BMO 2.89 2023	CAD	2.98	0.67	Financials	AA
TD 1.994 2022	CAD	2.79	0.77	Financials	AA-
MSKRT 3.86 2048	CAD	2.54	0.39	Utilities	AAA
BMO 2.27 2022	CAD	2.32	0.52	Financials	AA

## Top 5 Issuers

Issuer Name	Index Weight (%)	Parent Index Weight (%)	Sector
BANK OF MONTREAL	13.23	5.12	Financials
BANK OF NOVA SCOTIA	8.25	6.34	Financials
ENBRIDGE GAS INC	8.23	2.16	Energy
CANADIAN IMPERIAL BANK OF COMMERCE	7.49	4.35	Financials
ROYAL BANK OF CANADA	7.45	6.26	Financials

## Sector Weights



## Index Methodology

The MSCI Fixed Income Quality Indexes are constructed by using the constituents of an underlying MSCI parent index with the aim of providing an opportunity set with sufficient liquidity and capacity. The Quality descriptor for each constituent is computed using bond level descriptor, lower credit rating between S&P and Moody's. After calculating the Quality descriptor as numerical ratings, a z-score is derived by standardizing the quality descriptor within the parent universe. Further a sector relative z-score for each constituent is computed. The sector relative score is then winsorized at +/- 3.

This index is constructed to give a high exposure by selecting subset of constituents within parent index and constructing with a fixed number of securities approach.

The MSCI Fixed Income Quality Indexes are rebalanced on a quarterly basis, usually as of the close of the last business day of a month, coinciding with monthly Index Reviews of the MSCI Parent Index.

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