

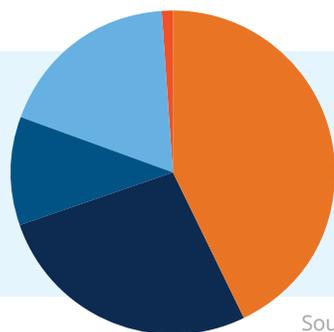
# Solactive Canadian Select Corporate Bond Index

This Index is tracked by QCB - Mackenzie Canadian All Corporate Bond Index ETF

## Index overview

- Rules-based, market value weighted index engineered to measure the performance of the Canadian investment grade corporate bond market.
- A 3-step process is used to identify the index constituents:
  - First, the issuer weight for all issuers in the Corporate Universe will be calculated as well as the weighted yield and the weighted duration per issuer.
  - Second, bonds that make up 80% of the Corporate Universe weights are taken into account. As a buffer to limit turnover, only those issuers whose weight changes by more than 3% will be eligible to move – compared to the last month selection.
  - Third, the absolute deviation per bond to the respective weighted yield and weighted duration per issue in each maturity category is calculated. For each bond, points are allocated from absolute deviation on duration and absolute deviation on yield. For each issue in each maturity category, the bonds are ranked according to their points and only the bonds with the highest rank will be chosen as index components.

## Index characteristics



### Composition by maturity

- 42.9% 1-5 years
- 27.0% 5-10 years
- 10.8% 10-15 years
- 18.4% 15+ years
- 0.9% Cash & Equivalents

Source: QCB ETF data used as proxy; Mackenzie as of July 31, 2020

**Credit quality: BBB**  
**Effective duration: 6.66 years**  
**Yield to maturity: 1.74%**  
**Average coupon: 3.85%**  
**Distribution yield: 2.42%**

## Rules for inclusion

<b>Country eligibility</b>	• Investment grade corporate bonds issued in Canada.
<b>Amount outstanding</b>	• At least \$100 million CAD.
<b>Eligible currencies</b>	• Bonds must be issued in Canada and denominated in CAD.
<b>Coupon</b>	• Fixed-rate nominal coupon.
<b>Maturity</b>	• At least 12 months until final maturity.
<b>Rating</b>	• Rating of at least BBB- or its equivalent from S&P or Moody's.



### Security types

#### Included

- Eligible bonds must have a price available from a recognized bond price provider as determined by the index committee

#### Excluded

- Floating-rate bonds
- Convertibles
- Mortgage-backed securities
- Asset-backed securities
- Inflation-linked securities

Source: Solactive

## Rebalancing rules

### Index changes

The following corporate actions will result in changes or adjustments to an index as indicated below intra-month:

- Early Redemption or Full Call
- Flat Trading
- Defaulted Bonds
- Mandatory Exchanges Offers

### Reinvestment of cash flows

- Intra-month cash flows from interest and principal payments contribute to monthly index returns and is invested directly on the effective date into the index.

### New issues

- Qualifying securities issued, but not necessarily settled on or before the month-end rebalancing date, qualify for inclusion in the following month's index if the required security reference information and pricing are readily available.

Source: Solactive

## Pricing and related issues

### Source & frequency

- The index is calculated and distributed once every Business Day.

### Timing

- 5 p.m. ET or at early market close when applicable.
- If the last business day is a holiday, prices from the previous business day are used.

### Bid or offer side

- Bonds in the index are priced on the offer side.

### Settlement assumptions

- Accrued Interest is calculated with settlement convention t+2.

### Calendar

- The index follows the Canada holiday calendar according to SIFMA.

Source: Solactive

Commissions, management fees and expenses all may be associated with ETF investments. Please read the prospectus before investing. ETFs are not guaranteed, their values change frequently and past performance may not be repeated. The content of this presentation (including facts, views, opinions, recommendations, descriptions of or references to, products or securities) is not to be used or construed as investment advice, as an offer to sell or the solicitation of an offer to buy, or an endorsement, recommendation or sponsorship of any entity or security cited. Although we endeavour to ensure its accuracy and completeness, we assume no responsibility for any reliance upon it.

The Mackenzie Canadian All Corporate Bond Index ETF is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index, Index trade mark and/or the Index Price at any time or in any other respect. The Solactive Canadian Select Corporate Bond Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Issuer, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of Mackenzie Canadian All Corporate Bond Index ETF. Neither publication of the Index by Solactive AG nor the licensing of the Index or Index trade mark for the purpose of use in connection with Mackenzie Canadian All Corporate Bond Index ETF constitutes a recommendation by Solactive AG to invest capital in said Mackenzie Canadian All Corporate Bond Index ETF nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in Mackenzie Canadian All Corporate Bond Index ETF.