

FTSE Russell Canada introduces benchmark for the Canada mortgage-backed securities market

Toronto – FTSE Russell, a global leader in benchmarks, data and analytics, today announced the introduction of the FTSE Canada NHA MBS 975 Index. This innovative new index is the first transparent measure of the performance of the Canada mortgage-backed securities (NHA MBS) market, an important investment opportunity set for Canadian investors.

As outlined in a recent [FTSE Russell Product Insight](#), the Canadian National Housing Act mortgage-backed securities (NHA MBS) market currently represents a sizeable and growing portion of the Canada investment landscape at almost C\$500 billion in amount outstanding. Fully insured by the Canada Mortgage Housing Corporation (CMHC) and assigned a AAA rating, these securities provide investors with a steady stream of monthly interest and principal payments and offer a yield advantage over other government securities.

FTSE Russell has applied its decades of experience in measuring the Canada fixed income markets and its leading position in Canada fixed income indexes to design this new index and support the continued evolution of the Canada mortgage market. Canadian investors now have access to the asset diversification, risk mitigation and yield opportunities of the Canada mortgage bond market through a transparent, rules-based index.

FTSE Russell anticipates that the new index will be used by a wide range of institutional and retail investors and asset managers as a performance benchmark or as a means of gaining market exposure through investment strategies or products based on the index. BMO Asset Management Inc. has recently licensed the index to serve as the basis for a new retail ETF (ZMBS) listed on the Toronto Stock Exchange (TSX).

Marina Mets – Head of Americas, Fixed Income Index Product Management, FTSE Russell:

“We are pleased to lead the development of a dedicated benchmark for the NHA MBS 975 asset class which is a critical step in adding transparency to this market as it continues to grow in prominence. As part of the mortgage market evolution of this market in Canada, the new index provides insight to analyse these instruments, enabling investors to diversify asset allocations and access the breadth of fixed income market opportunities.”

Mark Raes, Head of Product ETFs and Mutual Funds, BMO Global Asset Management Canada:

“We’re very excited to utilize this new index for the first MBS ETF in Canada. Licensing the index from FTSE Russell ensures that we can bring the benefits of transparency, efficiency and liquidity to bear as we help our ETF clients gain access to a new asset class.”

Paul Bowes – Head of Canada, FTSE Russell:

“We’re very excited to introduce an innovative new market index to support our Canada clients and to offer the new index to BMO Global Asset Canada so they can make an ETF based on the index



Press Release



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available to investors. As part of a leading global multi-asset index provider, we are focused on tapping into our global capabilities and drawing on our longstanding heritage and deep resources in Canada to provide high quality market data solutions for Canadian investors.”

For further information:

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Notes to editors:

About FTSE Russell:

FTSE Russell is a leading global index provider creating and managing a wide range of indexes, data and analytic solutions to meet client needs across asset classes, style and strategies. Covering 98% of the investable market, FTSE Russell indexes offer a true picture of global markets, combined with the specialist knowledge gained from developing local benchmarks around the world.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$15 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create investment funds, ETFs, structured products and index-based derivatives. FTSE Russell indexes also provide clients with tools for asset allocation, investment strategy analysis and risk management.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on index innovation and customer partnership applying the highest industry standards and embracing the IOSCO Principles. FTSE Russell is wholly owned by London Stock Exchange Group.

For more information, visit www.ftserussell.com

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