

## FTSE Russell introduces FTSE Canada Sustainable Investment Fixed Income (SIFI) Indexes

- Today's launch focuses on the rising trend of incorporating sustainable investment themes into the Canadian fixed income index construction
- New index series consists of the first-of-its-kind, FTSE Canada Universe Ex-Fossil Fuels Bond Index Series and FTSE Canada Green Impact Bond Index Series

FTSE Russell, a leading global index, data, and analytics provider announced the introduction of a new series of sustainable fixed income indexes. These are designed to enable greater choice for Canadian investors seeking to calibrate their exposure to fossil fuels as the low carbon transition accelerates and invest in areas related to green and broader sustainability topics that are underserved by current indexes within the Canadian fixed income market.

The newly launched FTSE Canada Green Impact Bond Index Series and FTSE Canada Universe Ex-Fossil Fuels Bond Index Series use a transparent, rules-based approach to identify and screen issuers, bringing greater consistency across fixed income and providing investors with a choice of tools to calibrate exposure in their portfolios. The indices also take a robust, distinctive approach to identify issuer's business sustainability efforts and exposure to fossil fuels. One of the datasets used is the Refinitiv Business Classification (TRBC), a flagship sector classification that covers more than 250,000 securities and is the most detailed and comprehensive data classification currently available.

The **FTSE Canada Green Impact Bond Index Series** has been designed to represent the performance of investment-grade, high-yield and Maple (CAD-denominated) green debt issued by Canadian governments, government agencies, and corporations. The Index Series helps investors align their portfolios towards improved environmental outcomes.

The **FTSE Canada Universe Ex-Fossil Fuels Bond Index Series** is the first-of-its-kind in the Canadian fixed income market and is designed to track the performance of constituents of the FTSE Canada Universe Bond Index after the exclusion of companies whose revenue and/or reserve exposure to fossil fuels exceeds a set threshold, as investors increasingly look to calibrate their exposure to fossil fuels in their portfolios.

**Marina Mets, Head of Americas, Fixed Income and Multi-Asset Index Product Management at FTSE Russell comments:**

*"Our new FTSE Canada SIFI indexes address growing client demand for sustainability-focused solutions in the Canadian fixed income market. With rising investor needs for greater choice when it comes to managing fossil fuel exposure in portfolio, we have developed a thorough and rigorous methodology to enable climate-conscious investors to align their investment strategy, financial interests, and values. We believe green and sustainable investing in the Canadian fixed income market will grow in the coming years as investors look for opportunities in Canada's transition to a low carbon economy."*

The University of Toronto's endowment fund, managed by its affiliate, [University of Toronto Asset Management Corporation](#), has recently seeded a new fixed income strategy, offered by [RPIA](#). The strategy is benchmarked against the FTSE Canada All Corporate Ex Fossil Fuels Enhanced Bond Index, and which accordingly excludes fossil fuel issuers from its investment universe.

**Chuck O'Reilly, President and Chief Investment Officer at University of Toronto Asset Management Corporation comments:**

*"The FTSE Canada All Corporate Ex Fossil Fuels Enhanced Bond Index enables us to further implement our responsible investment strategy for the University of Toronto's endowment fund. Through its transparent, rules-based approach to screening fossil fuel and carbon exposure out of investor portfolios, it provides a positive solution for us to be able to activate our long-term responsible investment objectives in the Canadian fixed income market."*

**David Matheson, Principal & Co-Chief Investment Officer, RPIA comments:**

*"We are thrilled to work alongside FTSE Russell in creating this index framework. Our hallmark is to work in partnership with investors and industry stakeholders to develop leading-edge solutions and help investors achieve their investment objectives. We are proud of this collaboration, which has produced the first-of-its-kind screening approach, filling a need in the market."*

FTSE Russell is committed to developing a comprehensive range of green, social, and sustainability impact bond indices by combining FTSE Russell's index construction expertise with data expertise from across the broader LSEG Group to meet the needs of our clients.

**ENDS**

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Notes to editors:

The FTSE Canada Green Impact Bond Index Series consists of the following:

- FTSE Canada Green Impact Bond Index: A multi-sector benchmark of investment-grade and high-yield CAD green bonds and a superset of the other green impact bond indices.
- FTSE Canada Green Impact Universe Bond Index: A benchmark of CAD-denominated investment-grade green bonds that belong to the FTSE Canada Universe Bond Index.
- FTSE Canada Green Impact Maple Bond Index: A benchmark of CAD-denominated investment-grade green bonds that belong to the FTSE Canada Maple Bond Index.

The FTSE Canada Universe Ex-Fossil Fuels Bond Index Series consists of the following:

- FTSE Canada Universe Ex-Fossil Fuels Sector Bond Index.
- FTSE Canada Universe Ex-Fossil Fuels Enhanced Bond Index.

- All FTSE Canada Universe Bond Index sub-indices are also available in the Ex-Fossil Fuels version, including the FTSE Canada All Corporate Ex-Fossil Fuels Bond Index.

## About FTSE Russell:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$17.9 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 ETFs, structured products and index-based derivatives.

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 applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

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