

3077 HK HKD Counter | Distributing Unit Class

9077 HK USD Counter | Distributing Unit Class

9078 HK USD Counter | Accumulating Unit Class

Premia US Treasury Floating Rate ETF

SOLUTION FOR MARKET VOLATILITY



Credit

Are you exposed to bank or corporate CP downgrade/default risks for a few bps?



Duration

Are you exposed to duration risks in rising rate environment?



Liquidity

Are you subject to lock up period/ sufficiently compensated?



Tax

Are you paying US withholding tax that reduce your effective yield?



Fee

Are there hidden fees disguised as free in constant NAV structure?



Hassle

Are you calling the bank everyday to get the best rates for cash parking?



WHY US FRN?

- US Treasury FRNs are backed by **the full faith and credit of the US government**
- US Treasury FRN has **grown to \$ 463 billion**, generating robust investor demand with **needed flexibility in managing the duration of its liabilities**
- US Treasury FRN has a **large, liquid treasury market** trades 24 hours a day
- US Treasury FRNs follow the Fed Funds Effective Rate closely – **~0.2% YTM** vs minimal to zero for cash in custodian or brokerage accounts

Looking for a USD cash tool with **no withholding tax, minimal credit/ duration risks, low fee, trades daily in Asia time zone?**

Source: Bloomberg (as of 30 Sep 2020)

Methodology of Bloomberg Barclays US Treasury Floating Rate Bond Index (Rules for Inclusion)

Asset Type

US Treasury Floating Rate bonds with 2-year term and reset their coupon rate weekly based on the most recent 90-day T-bill auction

Coupon

Only floating rate coupons are eligible

Outstanding

USD250mn or greater; US Treasuries held in the Federal SOMA account are deducted from the total amount outstanding

Maturity

No minimum maturity - US Treasury Floating Rate bonds remain index eligible until they mature

WHY PREMIA US TREASURY FLOATING RATE ETF?

- **Low credit risk:** investing in a basket of floating rate notes issued by the U.S. government
- **Minimal interest rate risk:** coupon rate of underlying securities is reset every week based on 3-month US Treasury Bill Rate
- **Cost efficient:** ongoing expenses of only 0.05% p.a.

ABOUT ETF

All data as of 30 Sep 2020

HOLDINGS

| | |
|-------------------------------|--------|
| US TREASURY FRN TF 0 04/30/21 | 14.00% |
| US TREASURY FRN TF 0 01/31/21 | 13.99% |
| US TREASURY FRN TF 0 10/31/20 | 13.74% |
| US TREASURY FRN TF 0 10/31/21 | 13.68% |
| US TREASURY FRN TF 0 07/31/21 | 13.53% |
| US TREASURY FRN TF 0 04/30/22 | 13.22% |
| US TREASURY FRN TF 0 01/31/22 | 12.98% |
| US TREASURY FRN TF 0 07/31/22 | 4.80% |

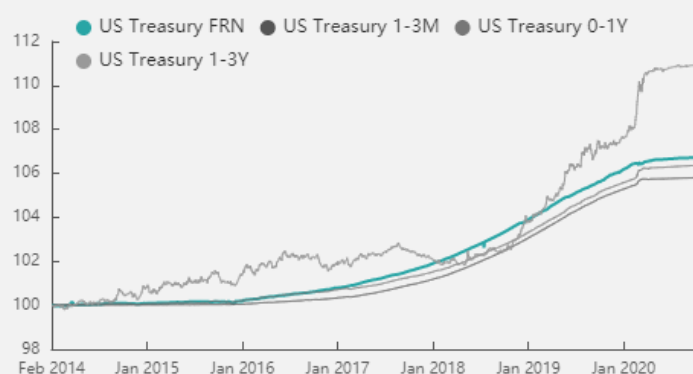
FUND CHARACTERISTICS

| | |
|-------------------------------|---------|
| Average Quality | AAA |
| Effective Duration | 0.0110 |
| Average Yield to Maturity (%) | 0.1191 |
| Convexity | -0.0016 |

KEY FACTS

| | |
|----------------|---|
| Manager | Premia Partners Company Limited |
| Trustee | HSBC Institutional Trust Services (Asia) Limited |
| Fund Size | USD 57 million |
| Benchmark | Bloomberg Barclays US Treasury Floating Rate Bond Index |
| Management Fee | 0.05% per annum |
| Base Currency | USD |
| Listing Date | 18 July 2019 |

INDEX PERFORMANCE



| Index | US Treasury FRN ¹ | US Treasury 1-3M ² | US Treasury 0-1Y ³ | US Treasury 1-3Y ⁴ |
|---------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|
| YTD | 0.6% | 0.5% | 0.8% | 3.1% |
| 1 Year Ann | 1.1% | 1.0% | 1.2% | 3.6% |
| 3 Year Ann | 1.7% | 1.6% | 1.7% | 2.7% |
| 5 Year Ann | 1.3% | 1.1% | 1.2% | 1.8% |
| 5Y Volatility | 0.2% | 0.1% | 0.1% | 1.0% |
| YTW | 0.17% | 0.09% | 0.11% | 0.14% |

¹Bloomberg Barclays US Treasury Floating Rate Index; ²Barclays Capital U.S. 1-3 Month Treasury Bill Index; ³Bloomberg US Treasury Short Bond Index; ⁴Bloomberg US Treasury 1-3 Year Index; performance in USD. Source: Bloomberg (03/02/2014 to 30/09/2020, indexed 03/02/2014 value at 100)

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