

**3077 HK** HKD Counter | Listed Distribution Units  
**9077 HK** USD Counter | Listed Distribution Units  
**9078 HK** USD Counter | Listed Accumulation Units  
**Unlisted Accumulation Units - HKD Hedged**

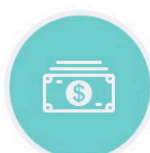
## Premia US Treasury Floating Rate ETF

### Solution for Market Volatility



#### Credit

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



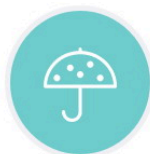
#### Duration

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?

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



### WHY US TREASURY FRN?

- **Ultra short duration given weekly coupon resets** – coupons are based on highest accepted discount rate of the most recent 3 months T-bill auction, plus a fixed spread. The accrued interest from the resets is paid out quarterly.
- **US Treasury FRNs** are backed by the full faith and credit of the US government
- US Treasury FRN has **grown to ~\$548\* billion** as of February 2024, 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
- **Meaningful yield with no lock up no withholding tax ~5.38% YTM** vs minimal to zero for cash in custodian or brokerage accounts
- Available also in **unlisted HKD hedged unit class**

Source: Bloomberg (as of 29 February 2024)

\*US Treasury Monthly Statement of the Public Debt as of 29 February 2024

### Methodology of Bloomberg 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 0.15% p.a. \*

\* Currently at 0.10% p.a. with temporary subsidy by the Manager and suspension of Manager’s fee

About The ETF

All data as of 29 February 2024

HOLDINGS

US TREASURY FRN TF 0 10/31/25	14.44%
US TREASURY FRN TF 0 07/31/25	14.07%
US TREASURY FRN TF 0 07/31/24	13.16%
US TREASURY FRN TF 0 10/31/24	13.14%
US TREASURY FRN TF 0 04/30/25	13.12%
US TREASURY FRN TF 0 04/30/24	13.11%
US TREASURY FRN TF 0 01/31/25	12.96%
US TREASURY FRN TF 0 01/31/26	5.02%

KEY FACTS

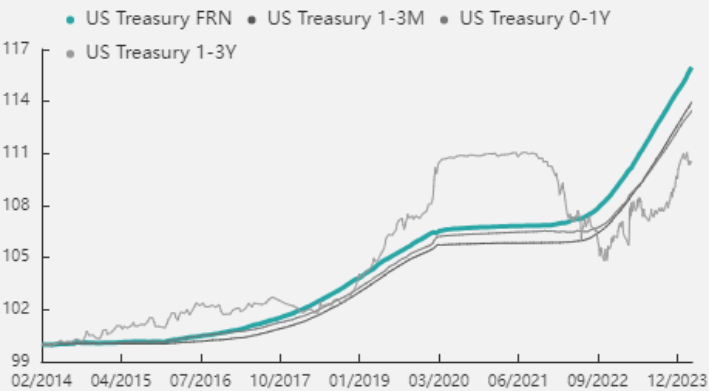
Manager	Premia Partners Company Limited
Trustee	HSBC Institutional Trust Services (Asia) Limited
Fund Size	USD 4 million
Benchmark	Bloomberg US Treasury Floating Rate Bond Index
Management Fee	Ongoing expenses of only 0.15% p.a.*
Base Currency	USD
Listing Date	18 July 2019

\* currently at 0.10% p.a. given the suspension of Manager’s fee

FUND CHARACTERISTICS

Average Quality	Aaa
Effective Duration	0.0030
Average Yield To Maturity (%)	5.3758
Convexity	0.0034

INDEX PERFORMANCE



Index	US Treasury FRN <sup>1</sup>	US Treasury 1-3M <sup>2</sup>	US Treasury 0-1Y <sup>3</sup>	US Treasury 1-3Y <sup>4</sup>
YTD	1.0%	0.9%	0.7%	-0.1%
1-Year	5.5%	5.3%	4.8%	4.3%
3-Year Ann	2.8%	2.5%	2.2%	-0.1%
5-Year Ann	2.2%	2.0%	1.8%	1.2%
10-Year Ann	1.5%	1.3%	1.3%	1.0%
5Y Volatility	0.2%	0.2%	0.2%	1.8%
YTM	5.49%	5.40%	5.34%	4.67%

<sup>1</sup>Bloomberg US Treasury Floating Rate Bond Index; <sup>2</sup>Barclays Capital U.S. 1-3 Month Treasury Bill Index; <sup>3</sup>Bloomberg US Treasury Short Bond Index; <sup>4</sup>Bloomberg US Treasury 1-3 Year Index; performance in USD. Source: Bloomberg ( 03/02/2014 to 29/02/2024, indexed 03/02/2014 value at 100 )

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