

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

CIES Eligible*

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 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 ~\$567** billion** as of May 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 ~5.32% YTM** vs minimal to zero for cash in custodian or brokerage accounts
- Available also in **unlisted HKD hedged unit class**

*The ETF is an eligible collective investment scheme for the New Capital Investment Entrant Scheme (New CIES) in Hong Kong. Details can be found in the [official website by the Securities and Futures Commission \(SFC\)](#).

**US Treasury Monthly Statement of the Public Debt as of 31 May 2024 Source: Bloomberg (as of 31 May 2024)

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

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 31 May 2024

HOLDINGS

US TREASURY FRN TF 0 01/31/26	14.59%
US TREASURY FRN TF 0 10/31/25	14.39%
US TREASURY FRN TF 0 07/31/25	13.48%
US TREASURY FRN TF 0 07/31/24	13.11%
US TREASURY FRN TF 0 10/31/24	13.08%
US TREASURY FRN TF 0 04/30/25	13.08%
US TREASURY FRN TF 0 01/31/25	12.90%
US TREASURY FRN TF 0 04/30/26	4.35%

KEY FACTS

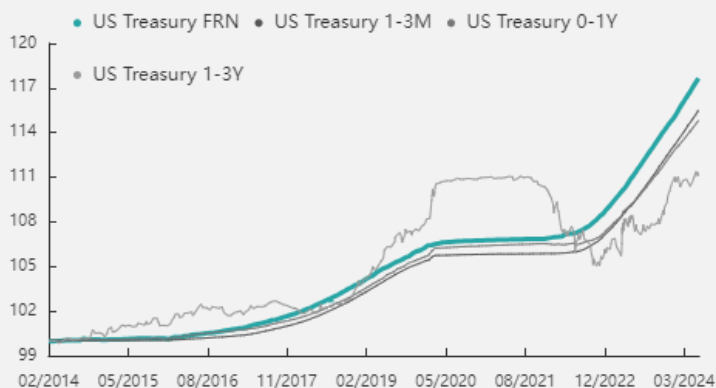
Manager	Premia Partners Company Limited
Trustee	HSBC Institutional Trust Services (Asia) Limited
Fund Size	USD 5 million
Benchmark	Bloomberg US Treasury Floating Rate Bond Index
Management Fee	Ongoing expenses of only 0.15% p.a.*
Base Currency	USD
Listing Date	18 July 2019

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

FUND CHARACTERISTICS

Average Quality	Aaa
Effective Duration	0.0188
Average Yield To Maturity (%)	5.3240
Convexity	0.0034

INDEX PERFORMANCE



Index	US Treasury FRN ¹	US Treasury 1-3M ²	US Treasury 0-1Y ³	US Treasury 1-3Y ⁴
YTD	2.4%	2.3%	2.0%	0.6%
1-Year	5.7%	5.5%	4.9%	3.4%
3-Year Ann	3.3%	3.0%	2.6%	0.1%
5-Year Ann	2.3%	2.1%	2.0%	1.0%
10-Year Ann	1.6%	1.5%	1.4%	1.1%
5Y Volatility	0.2%	0.2%	0.2%	1.8%
YTM	5.44%	5.17%	5.20%	4.90%

¹Bloomberg US Treasury Floating Rate Bond 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 31/05/2024, indexed 03/02/2014 value at 100)

IMPORTANT NOTICE The ETF tracks the performance of its underlying index which does not incorporate Environment, Social and Governance factors in its key investment focus. The current disclosures are made in accordance with SFC guidelines following the Manager's climate-related risk assessments. Applicability and extent of disclosures shall be assessed on periodical basis.

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