

Mirae Asset US Treasury 3-5 Year Index

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1. Index Overview

1.1. Index Description

The Mirae Asset US Treasury 3-5 Year Index measures the performance of USD denominated fixed coupon bonds issued by Department of the Treasury of the United States. Bonds eligible for inclusion in the index must have a minimum Net Amount Outstanding of USD 300 million; and maturity equal to or greater than 3 years and less than 5 years. The composition of the index undergoes a monthly review with the Rebalancing Date scheduled on the last Business Day of each month.

1.2. Index Calculation

The Index will be calculated by the Index Administrator on every **Index Business Day** starting with the **Index Commencement Date** and will be published onto the vendor platforms and to the clients simultaneously. Subject to provisions set out under Market Disruption Events or **Force Majeure Events**, **Index Levels** may not be calculated on an **Index Business Day** and such a day will be termed as a **Disrupted Day**. The initial Index Level along with the other Index details are as below -

Table 1

Index	Index Type	Currency	Base Date	Base Level	Commencement Date	Administration Start Date
Mirae Asset US Treasury 3-5 Year Index	Total Return	USD	2013-12-31	1000	2024-06-28	2024-06-28

2. Index Selection Rules

2.1. Eligibility Filter

The following factors are considered for each security when reviewing for inclusion in the initial universe :

- Treasury Bonds must be issued by the Department of the Treasury of the United States and must be issued in the domestic markets.
- TIPS are not included as part of the eligible securities.
- Only fixed Coupon type is eligible for inclusion.
- The maturity of the bond should be equal to or greater than 3 years and less than 5 years as of the first calendar day of the month following **Rebalancing Date**.
- The **Net Amount Outstanding** face value of a bond must be greater than or equal to USD 300 million as of **Selection Day**.
- Bonds must be denominated in USD.

2.2. Index Weighting

The index is market value weighted

3. Index Rebalance

3.1 Rebalance

- The rebalancing of the index occurs monthly on the last **Business Day** of the month. This is referred as **Rebalancing Date**. The **Selection Day** for the securities is 4 **Scheduled Trading Days** prior to the **Rebalancing Date**.
- Each month, any accumulated cash within the Index is reinvested on pro-rata basis with respect to the market value of index constituents. Essentially, during the rebalancing process, cash in the Index is distributed among the constituents and the initial index portfolio on the **Rebalancing Date** begins with a zero accrued cash balance.

4. Index Calculation

4.1 Index Calculation Methodology

The Mirae Asset US 3-5 Year Index will be calculated as per the standard Fixed Income Calculation Methodology of the Index Administrator which can be referenced in the Index Documents section of the Index Administrator's webpage.

Mirae Asset US 3-5 Year Index is market weighted index, where weight is determined as:

$$Weight_{t,i} = ((Price_{t,i} + Acc_{t,i}) * N_{t,i}) / \sum_{i=1}^n ((Price_{t,i} + Acc_{t,i}) * N_{t,i})$$

Where:

- $Price_{t,i}$ - Clean Bid Price of the security i at the close of day t
- $Acc_{t,i}$ - Accrued Interest of the security i at the close of day t
- $N_{t,i}$ - Amount Outstanding after deducting holdings in the Federal Reserve SOMA account of the security i at the close of day t

5. Risk Disclaimer

Index Administrator does not provide any investment advice pertaining to the index. The **Index Administrator** will thereby be exempt from any fiduciary obligation to any person(s) or entity(s) investing into this index by virtue of a product based on this index as an underlying.

6. Market Disruption Events and Force Majeure

The index is a rules-based index and does not have scope for any discretionary adjustment to the day-to-day functioning of the index except under extraordinary circumstances where the **Index Administrator** is unable to calculate the index for a reason external to the **Index Methodology**, some of which may include:

- Disruption of data provider
- **Force Majeure Events**, like calamities
- Any significant changes to the market condition forcing the re-evaluation of the Index Rationale
- Any government regulation change
- Discontinuation in data points like FX rates

In such scenarios the **Index Administrator** reserves the right to invoke a Market Disruption Event. This determination is immediately escalated to the Index Oversight Committee, which will decide the future course of the index. Any decision related to the index will be posted on the **Index Administrator's** website before action is taken. For an expected Disruption event, the **Index Administrator**, after consulting with the Index Oversight Committee, will post a consultation to this effect up to 30 days in advance, or a period rationally feasible in light of the timelines of the disruption.

7. Definitions Used

- **“Accrued Interest”** is calculated based on a T + 1 calendar day settlement basis. On the rebalance date, settlement is assumed to occur on the first calendar day of the following month.
- **“Amount Outstanding”** is the principal amount outstanding of the bond
- **“Base Date”** is defined as the date which has been set for the initial value of the Index as defined in Table 1 of the Methodology document.
- **“Base Level”** is defined as the initial level of the Index selected for the Index Base Date. This is defined in Table 1 above.
- **“Business Day”** is defined as a trading day for all current and future Securities of the Index.
- **“Commencement Date”** is defined as the date when the Index goes live. Before this date the **Index Levels** generated are backtested levels.
- **“Disrupted Day”** is defined as a day(s) identified by the **Index Administrator** for the Index or one of its components having a Market Disruption Event as defined in the section above.
- **“Exchanges”** is defined as the list of Exchanges where the current or future composition of the Index constituents are trading.
- **“Force Majeure Events”** is defined in the Section on Market Disruption Event, as an event which is beyond human control and can have an impact on the trading characteristics of one or more Index Constituents or one or more Exchanges on one or more **Index Business Days**.
- **“Index”** when used in conjunction with any other word is defined as the Mirae Asset US Treasury 3-5 Years Index as defined in this Methodology document.
- **“Index Administrator”** is defined as Mirae Asset Global Index Private Limited.
- **“Index Business Day”** is defined as any weekday other than Saturday and Sunday; and non-trading days of US Bond Market.
- **“Index Level”** is defined as the levels of the Index calculated basis the Index Calculation defined in the **Index Manual** above for any **Index Business Day**.
- **“Index Manual”** or **“Index Methodology”** is defined as this document.
- **“Index Owner”** is defined as Mirae Asset Global Index Private Limited.
- **“Market Value”** of a bond is defined as the product of its amount outstanding and dirty price.
- **“Net Amount Outstanding”** is Amount Outstanding after deducting holdings in the Federal Reserve SOMA account
- **“Rebalancing Date”** is defined as last Business Day of the month.
- **“Scheduled Trading Days”** is the day when the exchange for the security is open for trading.
- **“Selection Day”** is defined as a day when the Universe is selected for creation of latest portfolio. All the selection rules are applied on the Universe as of this date.

Disclaimer

All information provided herewith is for reference purposes only. Mirae Asset Global Index Private Limited ensures the accuracy and reliability of the information presented herein to the best of its abilities. However, Mirae Asset Global Index Private Limited, its Holding/Group companies their directors, officers, employees or affiliates' makes no guarantee or representation thereof for the correctness and reliability of the information contained in this document and denounces all liability that may arise to any person for any damage arising as a result of referring to the information provided in the aforesaid document. The information is to be used only as a guidance and should not be considered as a professional or investment advice. The historical performance of the strategy is a hypothetical performance based on several assumptions like availability to trade, no liquidity issues with stocks. The hypothetical historical performance should not be considered as a tradable portfolio and does not guarantee any future performance of the strategy.

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