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NOMURA

Nomura Index Modification – USD Libor Interest Rate Swaps – Stakeholder Consultation

27 January 2022

Nomura International plc ("NIP") as administrator of the Nomura Indices hereby announces a period of consultation commencing on **28 January 2022** and ending on **25 February 2022** for the proposed Index Modification as detailed in this document. Please see below a list of Nomura Indices directly affected by this Index Modification (Directly Affected Indices) and further a list of Indices that reference the Directly Affected Indices (Indirectly Affected Indices).

The Index Administrator intends to modify the Directly Affected Indices by replacing the index components that reference USD Libor linked Interest Rate Swaps with SOFR linked Overnight Index Swaps respectively.

The Financial Conduct Authority (the "**FCA**") announced on 5th March 2021, the future cessation or loss of representativeness of all 35 LIBOR benchmark settings currently published by IBA (the "**FCA Announcement**"). The FCA Announcement follows the notification by ICE Benchmark Administration (the "**IBA**") to the FCA that it intends to cease providing all LIBOR settings for all currencies, subject to any rights of the FCA to compel IBA to continue publication. With respect to USD LIBOR tenors that affect the index components, the FCA announced that it will either cease or will be non-representative after June 30, 2023. Supervised institutions are encouraged to take actions for the transition of USD LIBOR.

The Index Administrator intends for the Directly Affected Indices to stop taking new positions in index components that reference USD Libor-linked Interest Rate Swaps from some future date, to be determined after this consultation, and instead to start taking positions in index components that reference SOFR linked Overnight Index Swaps.

As a result of the Index Modification there will be no impact on historical Index levels. The Index Administrator has also performed historical backtesting of the modification which suggests that future performance of the affected Indices is not expected to be materially affected. More details on the associated risks can be found in the Index Summary of the affected Indices.

Stakeholders are able to provide feedback on the proposed Index Modification throughout the consultation period. Feedback can either be sent to your Sales representative at Nomura or directly to the Index Administrator at indexstructuring@nomura.com.

The Index Administrator will collect feedback on the Index Modification throughout the consultation period and may alter the Index Modification where it deems necessary. The Index Administrator will then notify stakeholders of the outcome of the stakeholder consultation and communicate a timeline for the implementation of the Index Modification.

For further details please contact indexstructuring@nomura.com

Directly Affected Indices

Bloomberg Ticker	Index name
NMRSCA0U Index	Nomura Interest Rate Swaps Absolute Carry Index - 10% target vol in USD
NMRSCAIU Index	Nomura Interest Rate Swaps Absolute Carry Index - 1x in USD
NMRSCA3U Index	Nomura Interest Rate Swaps Absolute Carry Index - 3% target vol in USD
NMRSCAVU Index	Nomura Interest Rate Swaps Absolute Carry Index - 5x in USD
NMRSCA9U Index	Nomura Interest Rate Swaps Absolute Carry Index - 9% target vol in USD
NMRSCM3U Index	Nomura Interest Rate Swaps Cross Sectional Momentum Index - 3% target vol in USD
NMRSMJ0Y Index	Nomura Interest Rate Swaps JPY Momentum+ Index - 10% target vol in JPY
NMRSMJ3Y Index	Nomura Interest Rate Swaps JPY Momentum+ Index - 3% target vol in JPY
NMRSMJVY Index	Nomura Interest Rate Swaps JPY Momentum+ Index - Duration 5 in JPY
NMRSMB0U Index	Nomura Interest Rate Swaps Momentum B Index - 10% target vol in USD
NMRSMB3U Index	Nomura Interest Rate Swaps Momentum B Index - 3% target vol in USD
NMRSMB9U Index	Nomura Interest Rate Swaps Momentum B Index - 9% target vol in USD
NMRSMBIU Index	Nomura Interest Rate Swaps Momentum B Index - Duration 1 in USD
NMRSMBVU Index	Nomura Interest Rate Swaps Momentum B Index - Duration 5 in USD
NMRSMO0U Index	Nomura Interest Rate Swaps Momentum Index - 10% target vol in USD
NMRSMO3U Index	Nomura Interest Rate Swaps Momentum Index - 3% target vol in USD
NMRSMOIU Index	Nomura Interest Rate Swaps Momentum Index - Duration 1 in USD
NMRSMOVU Index	Nomura Interest Rate Swaps Momentum Index - Duration 5 in USD
NMRSMO3Y Index	Nomura Interest Rate Swaps Momentum Index with 3% target volatility in JPY
NMRSMP3U Index	Nomura Interest Rate Swaps Momentum+ Index - 3% target vol in USD
NMRSMP9U Index	Nomura Interest Rate Swaps Momentum+ Index - 9% target vol in USD
NMRSMPVU Index	Nomura Interest Rate Swaps Momentum+ Index - Duration 5 in USD
NMRSCO3U Index	Nomura Interest Rate Swaps Outright Carry Index - 3% target vol in USD
NMRSCOIU Index	Nomura Interest Rate Swaps Outright Carry Index - Duration 1 in USD
NMRSCOVU Index	Nomura Interest Rate Swaps Outright Carry Index - Duration 5 in USD
NMRSVW3U Index	Nomura Interest Rate Swaps Value Daily G3 Index - 3% target vol in USD
NMRSVW9U Index	Nomura Interest Rate Swaps Value Daily G3 Index - 9% target vol in USD
NMRSVD0U Index	Nomura Interest Rate Swaps Value Daily Index - 10% target vol in USD
NMRSVDIU Index	Nomura Interest Rate Swaps Value Daily Index - 1x in USD
NMRSVD3Y Index	Nomura Interest Rate Swaps Value Daily Index - 3% target vol in JPY
NMRSVD3U Index	Nomura Interest Rate Swaps Value Daily Index - 3% target vol in USD
NMRSVDVU Index	Nomura Interest Rate Swaps Value Daily Index - 5x in USD
NMRSVD9U Index	Nomura Interest Rate Swaps Value Daily Index - 9% target vol in USD
NMRSVA0U Index	Nomura Interest Rate Swaps Value Index - 10% target vol in USD
NMRSVA3U Index	Nomura Interest Rate Swaps Value Index - 3% target vol in USD
NMRSVA9E Index	Nomura Interest Rate Swaps Value Index - 9% target vol in EUR
NMRSVA9U Index	Nomura Interest Rate Swaps Value Index - 9% target vol in USD
NMRSVAIU Index	Nomura Interest Rate Swaps Value Index - Duration 1 in USD
NMRSVAVU Index	Nomura Interest Rate Swaps Value Index - Duration 5 in USD
NMRMT11V Index	Nomura Interest Rate Swaps G11 Trend Index - Duration 5 in USD
NMRMT1EV Index	Nomura Interest Rate Swaps G11 Equal Weight Trend Index - Duration 5 in USD
NMRMT7V Index	Nomura Interest Rate Swaps G7 Trend Index - Duration 5 in USD
NMRMV11V Index	Nomura Interest Rate Swaps G11 Value Index - Duration 5 in USD
NMRMC11V Index	Nomura Interest Rate Swaps G11 Absolute Carry Index - Duration 5 in USD
NMRMCL1V Index	Nomura Interest Rate Swaps G11 Absolute Carry Long Only Index - Duration 5 in US
NMRMM11V Index	Nomura Interest Rate Swaps G11 Cross Sectional Momentum Index-Duration 5 in USD
NMRSMP8Y Index	Nomura Interest Rate Swaps Momentum+ Index - 8% target vol in JPY
NMRSMV3E Index	Nomura Interest Rate Swaps Momentum & Value Index - 3% target vol EUR

NMRSMV3U Index	Nomura Interest Rate Swaps Momentum & Value Index - 3% target vol USD
NMRSMV9E Index	Nomura Interest Rate Swaps Momentum & Value Index - 9% target vol EUR
NMRSMV9U Index	Nomura Interest Rate Swaps Momentum & Value Index - 9% target vol USD
NMRMT110 Index	Nomura Interest Rate Swaps G11 Trend Index - 10% Target Vol in USD
NMRMV113 Index	Nomura Interest Rate Swaps G11 Value Index - 3% Target Vol in USD
NMRMV110 Index	Nomura Interest Rate Swaps G11 Value Index - 10% Target Vol in USD
NMRMC113 Index	Nomura Interest Rate Swaps G11 Absolute Carry Index - 3% Target Vol in USD
NMRMC110 Index	Nomura Interest Rate Swaps G11 Absolute Carry Index - 10% Target Vol in USD
NMRMM113 Index	Nomura Interest Rate Swaps G11 Cross Sectional Momentum Index - 3% Target Vol USD
NMRSMU0U Index	Nomura Interest Rate Swaps USD Momentum+ Index - 10% target vol in USD
NMRSMU3U Index	Nomura Interest Rate Swaps USD Momentum+ Index - 3% target vol in USD
NMRSMUVU Index	Nomura Interest Rate Swaps USD Momentum+ Index - Duration 5 in USD
NMRMTUV Index	Nomura Interest Rate Swaps USD Trend Index - Duration 5 in USD
NMRMTU1V Index	Nomura Interest Rate Swaps 1Y USD Trend Index - Duration 5 in USD
NMRMTU2V Index	Nomura Interest Rate Swaps 2Y USD Trend Index - Duration 5 in USD
NMRMTU5V Index	Nomura Interest Rate Swaps 5Y USD Trend Index - Duration 5 in USD
NMRMTUXV Index	Nomura Interest Rate Swaps 10Y USD Trend Index - Duration 5 in USD
NMRMTUXX Index	Nomura Interest Rate Swaps 10Y USD Trend Index - Duration 10 in USD
NMRMTUYX Index	Nomura Interest Rate Swaps 20Y USD Trend Index - Duration 10 in USD
NMX2XMCA Index	Nomura Bespoke Risk Premia Strategy Series 1 Index
NMFRUIB Index	Nomura US Investment Grade Beta Gross of Charges ER Index
NMFRUIBN Index	Nomura US Investment Grade Beta Net of Charges ER Index
NMFRUIBT Index	Nomura US Investment Grade Beta Gross of Charges TR Index
NMFRUIBM Index	Nomura US Investment Grade Beta Net of Charges TR Index
NMFRUGB Index	Nomura US Government Related Beta Gross of Charges ER Index
NMFRUGBN Index	Nomura US Government Related Beta Net of Charges ER Index
NMFRUGBT Index	Nomura US Government Related Beta Gross of Charges TR Index
NMFRUGBM Index	Nomura US Government Related Beta Net of Charges TR Index
NMFRUAB Index	Nomura US Aggregate Beta Gross of Charges ER Index
NMFRUABN Index	Nomura US Aggregate Beta Net of Charges ER Index
NMFRUABT Index	Nomura US Aggregate Beta Gross of Charges TR Index
NMFRUABM Index	Nomura US Aggregate Beta Net of Charges TR Index
NMFRUHB Index	Nomura US High Yield Beta Gross of Charges ER Index
NMFRUHBN Index	Nomura US High Yield Beta Net of Charges ER Index
NMFRUHBT Index	Nomura US High Yield Beta Gross of Charges TR Index
NMFRUHBM Index	Nomura US High Yield Beta Net of Charges TR Index

Indirectly Affected Indices

Bloomberg Ticker	**Index name**
NMX2XBXB Index	Nomura Bespoke Transaction Multi Asset Risk Premia Basket B in USD
NMX2XBXC Index	Nomura Bespoke Transaction Multi Asset Risk Premia Basket C in USD
NMX2XBXA Index	Nomura Bespoke Transaction Multi Asset Risk Premia Basket A in JPY
NMX2XBXF Index	Nomura Bespoke Transaction Multi Asset Risk Premia Basket F in JPY
NMXCMO8U Index	Nomura Cross Asset Momentum Index - 8% target vol in USD
NMXCMO1U Index	Nomura Cross Asset Momentum Index in USD
NMXCMODU Index	Nomura Cross Asset Momentum Daily Index
NMSOMODU Index	Nomura Cross Asset Momentum Daily Index in USD
NMXCFI1U Index	Nomura Fixed Income Risk Premia Index in USD
NMXCCA1U Index	Nomura Multi Asset Carry Index in USD
NMX2CWCU Index	Nomura Multi Asset Carry without Credit Index in USD

NMSOCWCU Index	Nomura Multi Asset Carry without Credit Index in USD
NMXCTB1U Index	Nomura Multi Asset Trend B Index in USD
NMXCVA1U Index	Nomura Multi Asset Value Index in USD
NMSOVA1U Index	Nomura Multi Asset Value Index in USD
NMXCIR1U Index	Nomura Interest Rates Risk Premia Index in USD
NMFRGHTE Index	Nomura Global High Yield with Trend Net of Charges ER Index in EUR
NMXCMD5U Index	Nomura Cross Asset Momentum Daily Index - 5% target vol in USD
NMXCMD0U Index	Nomura Cross Asset Momentum Daily Index - 10% target vol in USD

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• Call or put vertical spread purchasing (same expiration month for both options): The basic risk of effecting a long spread transaction is limited to the premium paid when the position is established.

• Call or put vertical spread writing (same expiration month for both options): The basic risk of effecting a short spread transaction is limited to the difference between the strike prices less the amount received in premiums.

• Call or put calendar spread purchasing (different expiration months & short must expire prior to the long): The basic risk of effecting a long calendar spread transaction is limited to the premium paid when the position is established.

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