

## Nomura Index Modification – CAD CDOR Interest Rate Swaps – Stakeholder Consultation

**30 October 2023**

Nomura International plc (“NIP”) as administrator of the Nomura Indices hereby announces a period of consultation commencing on **30 October 2023** and ending on **27 November 2023** for the proposed Index Modification as detailed in this document. Please see below a list of Nomura Indices affected by this Index Modification.

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

With RBSL’s announcement on May 16, 2022 that it will cease the publication of CDOR after June 28, 2024, CARR will begin to implement the two stage transition plan published in its December 2021 White Paper:

Stage 1: By the end of June 2023 all market participants are expected to transition new derivative (bilateral, cleared and exchanged-traded) and securities contracts or transactions from CDOR to overnight CORRA in-arrears. No new CDOR exposure will be booked after that date with limited exceptions. Those exceptions include derivative that hedge or reduce CDOR exposures of derivatives or securities transacted before June 30, 2023 or in loan agreements transacted until June 28, 2024.

Stage 2: Market participants would be allowed to continue to transact, in new CDOR based loans, with robust CDOR fallbacks, until the cessation of the CDOR after June 28, 2024. Market participants can continue to hedge CDOR based loans with CDOR based derivatives until this end date. Market participants can choose to transition their loan facilities to reference CORRA in-arrears, Term CORRA or any other alternative rate that is available at any point during this transition period.

No CDOR rates will be available or published after June 28, 2024 and any exposure to CDOR after this date will need to revert to any agreed CDOR fallbacks.

The Index Administrator intends for the Directly Affected Indices to stop taking new positions in index components that reference CAD CDOR-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 CORRA 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](mailto: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](mailto:indexstructuring@nomura.com)

## Affected Indices

Bloomberg Ticker	Index name
NMRMTCXV Index	Nomura Interest Rate Swaps 10Y CAD Trend Index - Duration 5 in USD
NMRMTC2V Index	Nomura Interest Rate Swaps 2Y CAD Trend Index - Duration 5 in USD
NMRMTC5V Index	Nomura Interest Rate Swaps 5Y CAD Trend Index - Duration 5 in USD
NMRMTCV Index	Nomura Interest Rate Swaps CAD Trend Index - Duration 5 in USD
NMRMC110 Index	Nomura Interest Rate Swaps G11 Absolute Carry Index - 10% Target Vol in USD
NMRMC113 Index	Nomura Interest Rate Swaps G11 Absolute Carry Index - 3% Target Vol 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
NMRMCVT Index	Nomura Interest Rate Swaps G11 Carry Value Trend Index in USD
NMRMM113 Index	Nomura Interest Rate Swaps G11 Cross Sectional Momentum Index - 3% Target Vol USD
NMRMM119 Index	Nomura Interest Rate Swaps G11 Cross Sectional Momentum Index - 9% Target Vol USD
NMRMM11V Index	Nomura Interest Rate Swaps G11 Cross Sectional Momentum Index - Duration 5 in USD
NMRMT1EV Index	Nomura Interest Rate Swaps G11 Equal Weight Trend Index - Duration 5 in USD
NMRMT110 Index	Nomura Interest Rate Swaps G11 Trend Index - 10% Target Vol in USD
NMRMT113 Index	Nomura Interest Rate Swaps G11 Trend Index - 3% Target Vol in USD
NMRMT11V Index	Nomura Interest Rate Swaps G11 Trend Index - Duration 5 in USD
NMRMV110 Index	Nomura Interest Rate Swaps G11 Value Index - 10% Target Vol in USD
NMRMV113 Index	Nomura Interest Rate Swaps G11 Value Index - 3% Target Vol in USD
NMRMV11V Index	Nomura Interest Rate Swaps G11 Value Index - Duration 5 in USD
NMRMVT1 Index	Nomura Interest Rate Swaps G11 Value Trend Index in USD
NMRMT7V Index	Nomura Interest Rate Swaps G7 Trend Index - Duration 5 in USD

## Disclaimer

This material has been prepared by the Index Sponsor, NIP ("Nipic"), which is authorised by the Prudential Regulation Authority (PRA), regulated by the Financial Conduct Authority (FCA) and the PRA in the UK, and is a member of the London Stock Exchange.

Nipic has been registered as a Benchmark Administrator by the FCA pursuant to UK BMR and has accordingly been listed on the FCA Register of Benchmark Administrators.

This material is made available to you by Nipic and/or its affiliates (collectively, "Nomura Group"), as the case may be. This is not investment research as defined by the US rules and regulations, FCA nor is it research under the applicable rules in Hong Kong. It does not constitute a personal recommendation, as defined by the FCA, or take into account the particular investment objectives, financial situations, or needs of individual investors. It is intended only for investors who are "eligible market counterparties" or "professional clients" as defined by the FCA, and may not, therefore, be redistributed to other classes of investors. This material does not fall within the definition of an analyst report as defined by the Japan Securities Dealers' Association. It is intended for professional and institutional investors only.

This material is: (i) for your private information only, and we are not soliciting any action based upon it; (ii) not to be construed as an offer to sell or a solicitation of an offer to buy any security in any jurisdiction where such offer or solicitation would be illegal; and (iii) is based upon information that we consider reliable, and it should not be relied upon as such. While all reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, no representation, warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by the Nomura Group and/or its directors, officers and employees as to the accuracy, completeness, merchantability or fitness for a particular purpose of the information contained herein or any other information provided by any other person in connection with the information described herein or their distribution or for the results obtained from the use of this information.

Nomura Group and/or its directors, officers and employees do not accept any liability whatsoever for any loss or damage (including, without limitation, direct, indirect or consequential loss or loss of profits or loss of opportunity) suffered by you or any third party in connection with the use of this material or its content. It is not intended for investors who are unfamiliar with the relevant markets or who are unwilling or unable to bear the risks associated with the investment. You should refrain from entering into any transaction unless you fully understand all the risks involved and you have independently determined that the investment is suitable for you. We are not your designated investment adviser.

In reaching a determination as to the appropriateness of any proposed transaction linked to the Index, clients should undertake a thorough independent review of the legal, regulatory, credit, tax, accounting and economic consequences of such action. The Nomura Group may from time to time perform investment banking or other services (including acting as advisor, manager or lender) for, or solicit investment banking or other business from, companies mentioned herein. Further, the Nomura Group, and/or its officers, directors and employees, including persons, without limitation, involved in the preparation or issuance of this material may, from time to time, have long or short positions in, and buy or sell, the securities, or in options, futures or other derivatives based thereon, of companies mentioned herein, or related securities or in options, futures or other derivative instruments based thereon. In addition, the Nomura Group may act as a market maker and principal, willing to buy and sell certain of the securities or in options, futures or other derivatives of companies mentioned herein. Further, the Nomura Group may buy and sell certain securities or in options, futures or other derivatives of companies mentioned herein, as agent for its clients.

Nomura manages conflicts identified through the following: their Chinese wall, confidentiality and independence policies, maintenance of a Stop List and a Watch List, personal account dealing rules, policies and procedures for managing conflicts of interest arising from the allocation and pricing of securities and impartial investment research and disclosure to clients via client documentation. Disclosure information is available at <http://www.nomura.com/research/>. No part of this material may be (i) copied, photocopied, or duplicated in any form, by any means, or (ii) redistributed without our prior express consent. If this publication has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this publication, which may arise as a result of electronic transmission. If verification is required, please request a hard-copy version.

Nomura International (Hong Kong) Limited ("NIHK"), is regulated by the Securities and Futures Commission under Hong Kong laws which differ from Australian laws. Neither Nipic nor NIHK hold an Australian financial services license as both are exempt from the requirements to hold this license in respect of the financial services either provides.

If distributed into the US, the following section will also apply to US clients:

Nomura Securities International, Inc. ("NSI") is regulated by the Securities and Futures Commission and a member of SIPC. NSI does not provide legal, accounting or tax advice. In compliance with Internal Revenue Service Circular 230, we hereby notify you that any discussion of tax matters set forth herein was written in connection with the promotion or marketing of the matters described herein and was not intended or written to be used, and cannot be used by any person, for the purposes of avoiding tax-related penalties under federal, state or local tax law. Each person should seek legal, accounting and tax advice based on its particular circumstances from independent advisors.