

FREQUENTLY ASKED QUESTIONS:

NASDAQ OMX U.S. TREASURY FIXED INCOME OFFERING

Q: What was announced?

A: NASDAQ OMX and PC-Bond have entered into a partnership to provide a family of U.S. Treasury indexes — the [RBC Insight Total Return U.S. Treasury \(TRUST\) Indexes](#). PC-Bond offers the broadest and most widely used measure of performance of marketable Canadian government and corporate bonds, including the DEX Universe Bond Index. This partnership leverages our mutual strengths to provide an accurate, timely and investable benchmark for the U.S. Treasury space thereby benefiting investors in this market segment.

Twenty-two indexes, 11 stripped and 11 unstripped, will begin disseminating on November 8, 2011 via NASDAQ OMX's flexible, premier [Global Index Watch \(GIW\)](#) service. This family adds to the NASDAQ OMX Global Index Group's global benchmark portfolio, providing investors with comprehensive insight into thousands of indexes across sectors and asset classes.

Q: What is the NASDAQ OMX U.S. Treasury Fixed Income Index Family?

A: This index series is designed to be a transparent and broad measure of the U.S. Treasury Note and Bond market while providing a unique view into the active U.S. debt issuance market via a **daily rebalance methodology**.

The U.S. Treasury Fixed Income index family consists of the **RBC Insight TRUST Overall U.S. Treasury Index (NQUSTAG)** plus ten sub-indexes separated by term. In addition, NASDAQ OMX and PC-Bond offer stripped versions of the 11 indexes to exclude the stripping of securities. Returns are calculated and rebalanced daily by PC-Bond and are weighted by market capitalization with pricing provided by RBC Capital Markets New York, a recognized Primary Dealer of U.S. Treasury issues.

By utilizing an objective and rules-based methodology, the U.S. Treasury Fixed Income offering exemplifies the NASDAQ OMX Global Index Group's commitment to index transparency.

Q: Who is PC-Bond?

A: As a division of TMX Group, PC-Bond has been in the business of providing the benchmark performance standards for Canadian fixed income investments since 1947. The DEX Universe Bond Index is the broadest and most widely used measure of performance of marketable government and corporate bonds outstanding in the Canadian market.

Canadian bond issues are priced by a multi-dealer pricing model for which eleven (11) leading Canadian Dealers participate. Daily and intraday bond prices, as well as the Canadian Fixed Income and U.S. Treasury Indexes provide access to a complete data set of daily market valuation and performance measurement. Bid, ask and mid-market levels for prices and yields are updated **every business day**.

In addition, PC-Bond has been the market leader in fixed income portfolio management software in Canada since 1985. Their institutional client based software offers five powerful programs to turn raw market data into investment information to assist clients in their investment decisions.

These programs access the largest fixed income database in Canada with data extending back over 60 years covering elements such as Price, Yield, Total Return, Weights, Ratings, Terms and conditions, Amortizing flows and Pool Factors, as well as many more market analytics and statistics.

Ranked by Independent survey as the #1 provider of Fixed Income Indices and Analytics in Canada, PC-Bond continues to evolve with the ever changing marketplace and client requirements.

Q: How is data for the U.S. Treasury Indexes calculated?

A: Utilizing its proven methodology, PC-Bond prices the securities within the index by using inputs from RBC Capital Markets New York, a recognized Primary Dealer of U.S. Treasury Issues. The index is constructed using bid side market prices as of 3:00 p.m., Eastern Time (ET).

The index is calculated and rebalanced daily. Coupon income, realized and unrealized, is reinvested daily across all bonds in the index in proportion to their market values.

Q: How are the indexes weighted and what methodology is used?

A: The RBC Insight TRUST Indexes adjust on a daily basis for:

- All new issuances (the day of any Note or Bond Auction is the day of entry for that issue into the indexes)
- Rollouts for maturities less than one year (bonds roll out when their Term to Maturity drops below one calendar year)
- Removal of Called issues on the day the call is announced (as the issue in question has now become an issue with a four month maturity – the difference from announcement date of Call and actual redemption of the called issue)
- Adjustment of amount outstanding due to Permanent Open Market Operations by the Federal Reserve (competing indexes adjust for buybacks on the subsequent month-end)

Holdings reflect the true daily market flows by adjusting for all daily activities such as auctions, buybacks and even calls. This allows the indexes to correctly measure the returns of all indexes by correctly reflecting their current Market Value (Adjusted Amount Outstanding * Price + Accrued) and therefore the appropriately weighted return each issue contributes to each Index or sub Index.

Q: What are the benefits of this product offering?

A: The U.S. Treasury Fixed Income family of indexes from NASDAQ OMX and PC-Bond distinguish themselves on multiple fronts, including:

- **Data Quality:** Partnering with a premier fixed income provider, PC-Bond, and utilizing an objective and rules-based methodology, ensures index transparency.
- **Flexibility & Ease of Access:** NASDAQ OMX is the market leader in digital data delivery and this product will continue that tradition of excellence. The GIW product (of which this index family is a part) will be delivered on multiple platforms and also via the ftp mechanism.
- **Affordability:** The entire package – including history going back to December 31, 1998 – is aggressively priced keeping clients' needs in mind.
- **Methodology:** The U.S. Treasury Fixed Income family uses the daily valuation and rebalancing methodology, providing:

- greater accuracy
- timely data
- smoother performance
- greater insight into actual supply

In many ways – including content, methodology, pricing and ease of access – this new product offering distinguishes itself from the rest of the marketplace due to its combined emphasis on value and excellence.

Q: How will the index values be disseminated?

A: Effective **Tuesday, November 8, 2011**, NASDAQ OMX will enhance the existing Global Index Watch Fixed Income offering to support a new entitlement for the U.S. Treasury fixed income family of indexes.

[NASDAQ OMX Global Index Watch \(GIW\)](#) provides clients with a complete solution for receiving valuable index information and accessing NASDAQ OMX global index offerings via an easy-to-use web interface.

Subscribing customers can access the new family of U.S. Treasury indexes via a secure website interface and secure web service via GIW.

Q: Will historical data be available?

Historical data for all indexes dating back to December 31, 1998 will be available to subscribing customers via the secure website interface and web service. Historical component data will be available through the same entitlement in the future.

Q: When will test data be available?

Approved customers can access all historical data and daily files immediately.

Q: If I am already a GIDS subscriber, is this fixed income index data included?

A: No. The U.S. Treasury fixed income index data is a **separate entitlement only available via GIW**.

Q: Which indexes are provided?

A:

Index Name	Symbol
Unstripped	
RBC Insight Trust 1 to 3 US Treasury	NQUST13
RBC Insight Trust 1 to 5 US Treasury	NQUST1T5
RBC Insight Trust 1 to 10 US Treasury	NQUST110
RBC Insight Trust 3 to 5 US Treasury	NQUST35
RBC Insight Trust 5 to 7 US Treasury	NQUST57
RBC Insight Trust 5+ US Treasury	NQUST5
RBC Insight Trust 10+ US Treasury	NQUST10
RBC Insight Trust 15+ US Treasury	NQUST15
RBC Insight Trust 20+ US Treasury	NQUST20

RBC Insight Trust Overall US Treasury	NQUSTAG
RBC Insight Trust 5 to 10 US Treasury	NQUST510

Stripped

RBC Insight Trust Stripped 1 to 3 US Treasury	NQUST13S
RBC Insight Trust Stripped 1 to 5 US Treasury	NQUST1T5S
RBC Insight Trust Stripped 1 to 10 US Treasury	NQUST110S
RBC Insight Trust Stripped 3 to 5 US Treasury	NQUST35S
RBC Insight Trust Stripped 5 to 7 US Treasury	NQUST57S
RBC Insight Trust Stripped 5+ US Treasury	NQUST5S
RBC Insight Trust Stripped 10+ US Treasury	NQUST10S
RBC Insight Trust Stripped 15+ US Treasury	NQUST15S
RBC Insight Trust Stripped 20+ US Treasury	NQUST20S
RBC Insight Trust Overall Stripped US Treasury	NQUSTAGS
RBC Insight Trust Stripped 5 to 10 US Treasury	NQUST510S

Q: If I am a current PC-Bond customer, what changes do I need to make?

A: In order to access the U.S. Treasury offering, customers must complete the necessary NASDAQ OMX forms and obtain approval. For more information or assistance, please contact NASDAQ OMX Global Data Sales at datasales@nasdaqomx.com or the appropriate index division:

<p>Mani Padmanaban Index Sales US + 1 212 231 5326 mani.padmanaban@nasdaqomx.com</p>	<p>Rob Hughes Index Licensing + 1 212 401 8987 robert.hughes@nasdaqomx.com</p>
<p>Martin Kirby Index Sales Europe + 44 207 065 8027 martin.kirby@nasdaqomx.com</p>	<p>Dave Gedeon Research + 1 301 978 8288 dave.gedeon@nasdaqomx.com</p>

Q: How can I order the RBC TRUST Insight Treasury Indexes data?

A: For new NASDAQ OMX customers that wish to subscribe to the fixed income index offering, the following forms must be completed:

- [NASDAQ OMX Global Data Agreement](#)
- [System Application](#)
- [New Data Feed Request Form](#) (print copy) or via the [Online Data Feed Request webpage](#)

For existing NASDAQ OMX customers, the following form must be completed:

- [New Data Feed Request Form](#) (print copy) or via the [Online Data Feed Request webpage](#)

For access to the fixed income index offering via a vendor controlled terminal the following form must be completed:

- [Global Index Watch Approval Request Form](#)

Q: Is this data available through my index data vendor?

A: NASDAQ OMX continues to work with various index data providers. Please contact your sales representative for additional information.

Q: Where can I find more information?

A: For questions about NASDAQ OMX index products, visit the [NASDAQ OMX Trader® website](#), or contact [NASDAQ OMX Global Data Products](#) at +1 301 978 5307 or +45 33 93 33 66.

For other questions related to the offering, please contact the appropriate index division:

<p>Mani Padmanaban Index Sales U.S. + 1 212 231 5326 mani.padmanaban@nasdaqomx.com</p>	<p>Rob Hughes Index Licensing + 1 212 401 8987 robert.hughes@nasdaqomx.com</p>
<p>Martin Kirby Index Sales Europe + 44 207 065 8027 martin.kirby@nasdaqomx.com</p>	<p>Dave Gedeon Research + 1 301 978 8288 dave.gedeon@nasdaqomx.com</p>

For information about PC-Bond, please visit www.canadianbondindices.com.