NYSE Current 10 Year U.S. Treasury Index (AXTEN)

The NYSE Current 10 Year U.S. Treasury Index (AXTEN) is a one-security fixed income index that consists of the most recently issued 10-year U.S. Treasury note. The index divisor was determined to yield a benchmark value of 1000.00 at the close of trading on February 27, 2009. In order to be eligible for inclusion in the index, a bond must meet the following requirements:

- Must be issued by the U.S. Treasury Department
- Must have a maturity of 10 years at issuance
- Must be U.S.-dollar denominated
- Must be non-callable
- Must have a fixed, non-zero coupon

The index is calculated and published to the consolidated tape every 15 seconds from approximately 8:30 AM thru 4:30 PM EST on days on which the U.S. markets are open for trading. Midpoint prices representing the average of the bond bid and ask are applied in the intraday calculation of the index.

At the end of each trading day, a closing price is derived for each US Treasury bond. This price represents the fair value bid of the bond as of 4 PM EST. On days when the U.S. equity markets close early, the bond price is derived at the closing time of the New York Stock Exchange, or 1 PM EST. On days when the U.S. bond market has a suggested early close as determined by the SIFMA, the bond price is derived at the suggested close of 2 PM EST. The index is not calculated or published on days on which the U.S. bond market is closed for trading as per SIFMA's recommendations. An official index close is calculated and published each trading day that utilizes this fair value bond price.

The calculation of the current index level including the official closing price is derived as follows:

$$Index Value = \frac{(P_{Bond} \times S_{Bond}) + AI_{Bond} + \left[CR_{Bond} \times (1 + \frac{RR_{Coupon}}{360})^{T}\right]}{Index Divisor}$$

where:

P _{Bond}	= Price of the bond ["Clean price"; quoted without accrued interest]
S _{Bond}	= Shares of the bond in the index
AI _{Bond}	= Total accrued interest on the index bond since last coupon payment
CR _{Bond}	= Coupon payments received for the index bond since the last rebalancing
RR _{Coupon}	= Rate of reinvestment for coupon payments, equal to the 1-month USD LIBOR
-	rate as of the last day of the prior month
Т	= Number of days between receipt of the coupon payment and the current day of
	the index calculation

Accrued interest and coupon payments that are earned and received during the month are accounted for within the index as separate cash components of the bond. Accrued interest is calculated for the index bond using the standard U.S. Treasury actual/actual day count method. In addition, the accrued interest for the bond reflects the accepted convention of calculating accrued interest up to and including the settlement date (T+1 business days for U.S. Treasuries, where T is the current day of index calculation):

Accrued Interest =
$$\left(\frac{CPN}{P_{Freq}}\right) \times \left[\frac{\left(ST_{Date} - PD_{\Pr ev}\right)}{\left(PD_{Next} - PD_{\Pr ev}\right)}\right] \times \left(FVAL_{Bond}\right)$$

where:

CPN	= Coupon of the bond
P _{Freq}	= Frequency of coupon payments on the bond per year
ST _{Date}	= Settlement date of the calculation [T+1 business days; T = Current day of index calculation]
PD _{Prev}	= Previous payment date of the bond coupon
PD _{Next}	= Next payment date of the bond coupon
FVAL _{Bond}	= Face value of the bond

If any coupon payments are paid by the bond during the month, they are reinvested into the index at a rate equal to the 1-month USD LIBOR rate as of the last day of the prior month. The rate is divided by 360 to reflect the Actual/360 day count convention for LIBOR rates. This derived reinvestment rate is then compounded daily from the day of coupon payment receipt to the current index calculation day:

$$\left[CR_{Bond} \times (1 + \frac{RR_{Coupon}}{360})^T\right]$$

where:

CR
Bond= Coupon payments received for the index bond since the last rebalancing
= Rate of reinvestment for coupon payments, equal to the 1-month USD LIBOR
rate as of the last day of the prior month

T = Number of days between receipt of the coupon payments and the current day of the index calculation

The index rebalances effective after the close of the last business day of each month. The postrebalance composition, including the bond to be part of the index for the next month, is determined and publicly announced after the close of the third to last business day of each month. At that time, all securities in the relevant universe are screened for the requirements listed above and the most recently auctioned issue is chosen, provided that it will settle by the last day of the month.

If there is a more recently auctioned Treasury bond that meets all of the requirements for inclusion, then that issue replaces the current Treasury bond in the index. Accordingly, after the close of the last trading day of the month, the "sum" of the value held in the current index constituent bond plus any accrued interest and coupon payments received (including reinvestment proceeds) are rolled into the new bond issue. Rolling means replacing the existing bond in the index with a number of shares (this assumes that both bonds have the same face value) of the most recently auctioned Treasury bond that is equal to the "sum" as detailed above divided by the dirty price of the new bond as of the close of the last business day of each month.

All index constituent changes use standard settlement conventions. As a result, the issue being deleted is removed at a "dirty price" equal to its quoted "clean price" plus accrued interest up to the T+1 settlement date, where T is equal to the current index calculation day. Similarly, a new bond issue is added to the index at a "dirty price" equal to its quoted "clean price" plus accrued interest up to the T+1 settlement date. In the post-rebalance index composition, the new bond's "clean price" is utilized with the determined new bond shares in the calculation of the bond market value and the relevant bond accrued interest is added into the index as cash.

Index Governance

The NYSE Arca® Index Committee (the "Index Committee") is responsible for the day-to-day management of the Index. The Index Committee reviews all rule book modifications and Index constituent changes to ensure that they are made objectively and without bias. NYSE Arca® believes that information regarding rule book modifications and Index constituent changes is material and can have an impact on the market. Consequently, all Index Committee discussions and decisions are confidential. The NYSE Arca® Index Committee will be comprised of a selected group of NYSE Group, Inc. employees.