



AMERICAN FINANCIAL EXCHANGE

AMERIBOR[®] Methodology

This AMERIBOR[®] Methodology document provides an overview of AMERIBOR[®] and the AMERIBOR[®] calculation methodology.

AMERIBOR[®] is the acronym for American Interbank Offered Rate.

AMERIBOR[®] is a completely transparent benchmark interest rate based on overnight unsecured loans transacted on the American Financial Exchange, LLC (“AFX”).

AFX is a self-regulated electronic exchange that was founded and launched in 2015 by AFX in partnership with Cboe Global Markets, Inc. (“Cboe”). Cboe hosts the AFX electronic trading platform on its technology infrastructure and performs market surveillance and compliance services.

AMERIBOR[®] is calculated as the transaction volume weighted average interest rate of the daily transactions in the AMERIBOR[®] overnight unsecured loan market on the AFX. AMERIBOR[®] is an interest rate expressed on an Actual/360 Day Count and Following Business Day convention that is rounded to the fifth decimal place. AMERIBOR[®] is calculated after the close of trading on the AFX and is published nightly by Cboe under ticker symbol AMBOR. AMERIBOR[®] is compliant with IOSCO benchmark standards. The AMERIBOR[®] overnight unsecured loan transaction data underlying the AMERIBOR[®] interest rate benchmark is published in real-time on www.ameribor.net and is available through subscription.

In the event of market disruption including but not limited to insufficient or absence of data inputs, market stress or disruption, failure of critical infrastructure or Acts of God that prevent an orderly and smoothly functioning market, the prior day’s closing AMERIBOR[®] rate will be published as the closing AMERIBOR[®] interest rate.

The Committee for Benchmark Oversight is defined in the AFX Rulebook (Section 2.4.2) and is responsible for providing independent oversight of the AMERIBOR[®] interest rate benchmark and calculation methodology. AFX also solicits feedback from stakeholders. Proposed changes to the AMERIBOR[®] Methodology are reviewed by the Committee on Benchmark Oversight. Proposed changes that have been approved by the Committee on Benchmark Oversight are tested in advance of dissemination and best efforts are made to provide advance notice of such approved changes at least 30-days prior to implementation. In the event the Committee for Benchmark Oversight should decide to cease calculation and dissemination of the AMERIBOR[®] interest rate benchmark due to market, data input or other factors, the Committee on Benchmark Oversight will make best efforts to publish such intent to AMERIBOR[®] interest rate benchmark stakeholders at least ninety (90) days in advance of the planned cessation of publication and dissemination in order to provide stakeholders with adequate time to settle or unwind positions that reference the AMERIBOR[®] interest rate benchmark.

AMERIBOR® Transaction Volume Weighted Average Calculation Example

<p>Assume there were the following four (4) AMERIBOR® Overnight Unsecured Loan Transactions</p> <p>1 transaction for \$10MM notional at 2.55%</p> <p>1 transaction for \$20MM notional at 2.50%</p> <p>1 transaction for \$40MM notional at 2.60%</p> <p>1 transaction for \$75MM notional at 2.50%</p>	
<p>Step 1: Calculate the Transaction Volume Weighted Rates</p>	<p>$(10 \times 2.55) = 25.50$ $(20 \times 2.50) = 50.00$ $(40 \times 2.60) = 104.00$ $(75 \times 2.50) = 187.50$</p>
<p>Step 2: Sum the Transaction Volume Weighted Rates</p>	<p>$25.50 + 50.00 + 104.00 + 187.50 = 367.00$</p>
<p>Step 3: Sum the Notional Amounts of All Transactions</p>	<p>$10 + 20 + 40 + 75 = 145$</p>
<p>Step 4: Calculate the Transaction Volume Weighted Average Rate</p>	<p>$367.00 \div 145 = 2.531034483$</p>
<p>Step 5: Round to the 5th Decimal Place</p>	<p>2.53103</p>
<p>Step 6: Final Closing Daily AMERIBOR® Rate</p>	<p>2.53103%</p>