

# CME CORE: Clearing Online Risk Engine

## Interactive Margin Calculator for Cleared OTC Financials and Futures

CME Group is the leader in OTC clearing, providing you with secure, flexible real-time solutions spanning Interest Rate Swaps (IRS), Credit Default Swaps (CDS) and FX. To assist our customers with the clearing process, we developed CME CORE and continue to expand the capabilities of this tool.

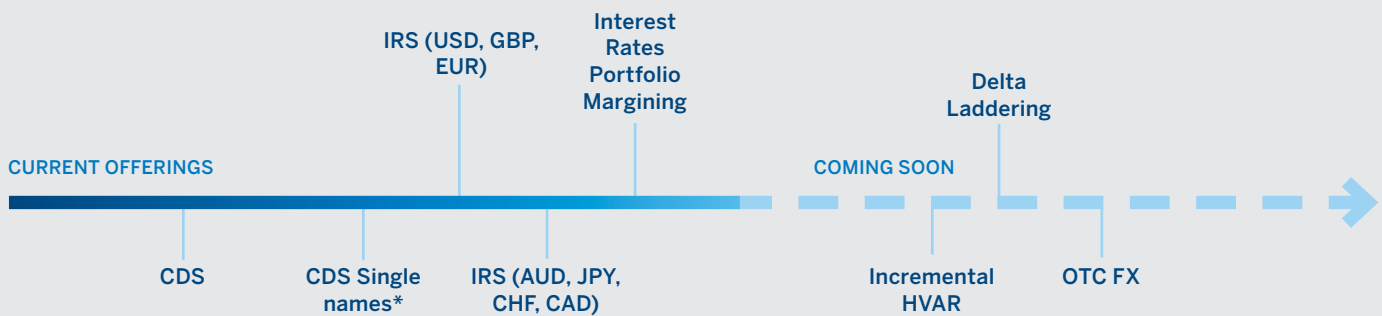
### Benefits

CME CORE is an interactive margin calculator that allows users the opportunity to:

- View actual initial margins and exact positions via portfolio upload or manual trade entry
- Calculate portfolio margining savings of Cleared OTC IRS and Interest Rate Futures

As of May 7, 2012, CME Group offers unparalleled capital efficiencies via portfolio margining of our Eurodollar and Treasury futures and Cleared OTC IRS products for house accounts. We plan to offer the same capital efficiencies for customer accounts during the second half of the year, pending regulatory approval. This creates substantial cost savings for all market participants, reinforcing CME Group's position as an innovator and leader in the marketplace.

### CME CORE Product Timeline



\* Pending regulatory approval.

## Features of CME CORE

CHOOSE FROM MULTIPLE UPLOAD OPTIONS OR USE AUTO COMPLETE TO MANUALLY IMPORT YOUR PORTFOLIO.

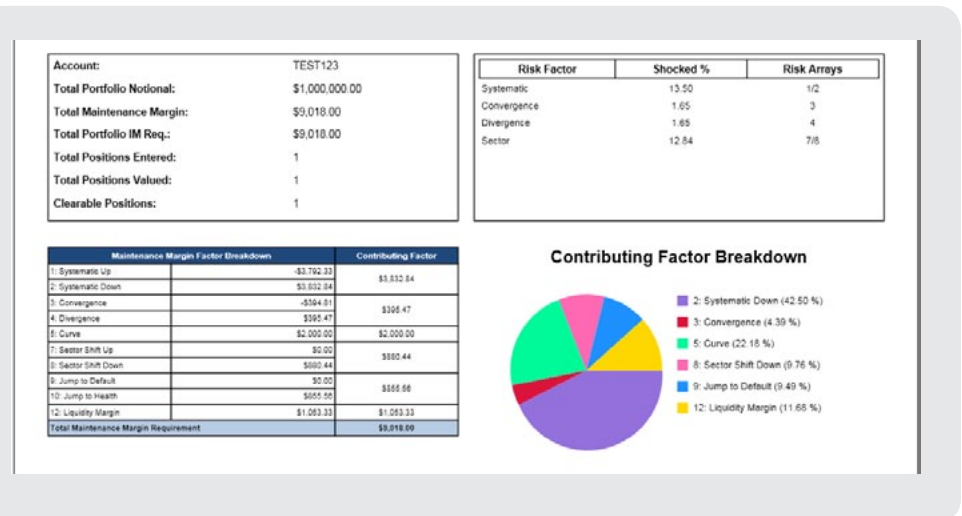
Import	Export	Filter: All
PC Credit		
DTCC		
Trade Registry		
Simple		

Ticker	Reference Entity Name	RED ID	Seniority	Restructuring	Maturity
CG13	CDX NA IG 13	2165RYRX2	SR	XR	2014-12
CG13	CDX.NA.IG.13		SR	XR	2014-12
F	FORD MOTOR COMPANY		SR	XR	2015-12

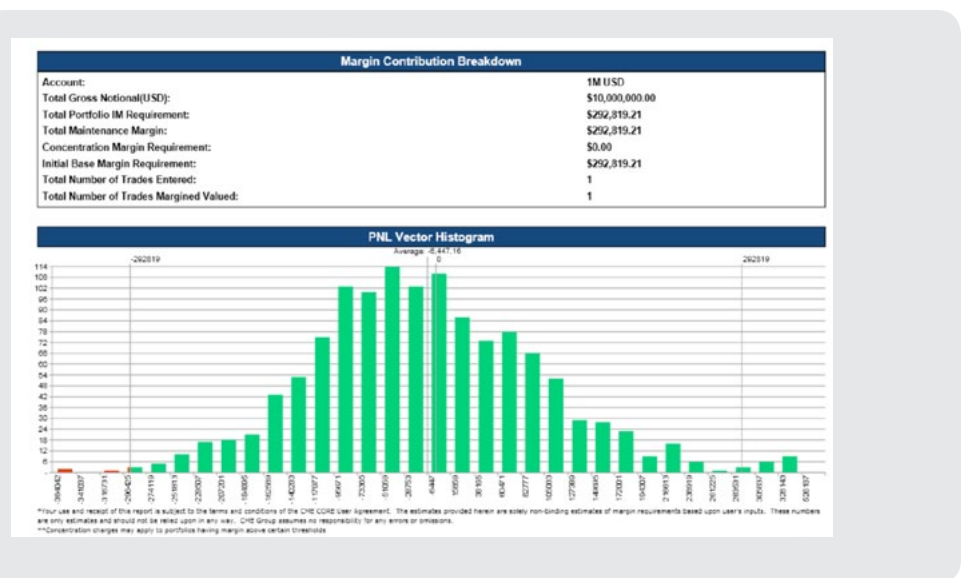
Ticker	Reference Entity Name	RED ID	Seniority	Restructuring	Maturity	Bu
CY						
CY17V4	CDX.NA.HY.17-V4			CDXHY17V4.SR.XR.USD		
CY13V5	CDX.NA.HY.13-V5			CDXHY13V5.SR.XR.USD		
CYH	COMMUNITY HEALTH SYSTEMS, INC.			CYH.SR.XR.USD		
CY16V4	CDX.NA.HY.16-V4			CDXHY16V4.SR.XR.USD		
CY12VK	CDX.NA.HY.12-V11			CDXHY12V11.SR.XR.USD		
CY14V4	CDX.NA.HY.14-V4			CDXHY14V4.SR.XR.USD		
CY15V4	CDX.NA.HY.15-V4			CDXHY15V4.SR.XR.USD		
CY11VT	CDX.NA.HY.11-V20			CDXHY11V20.SR.XR.USD		
M	MACY'S, INC.			M.SR.XR.USD		

DISPLAYS THE BREAKDOWN OF CDS MARGIN FACTORS THAT MAKE UP THE WHOLE INITIAL MARGIN (VIEW PIE CHART).

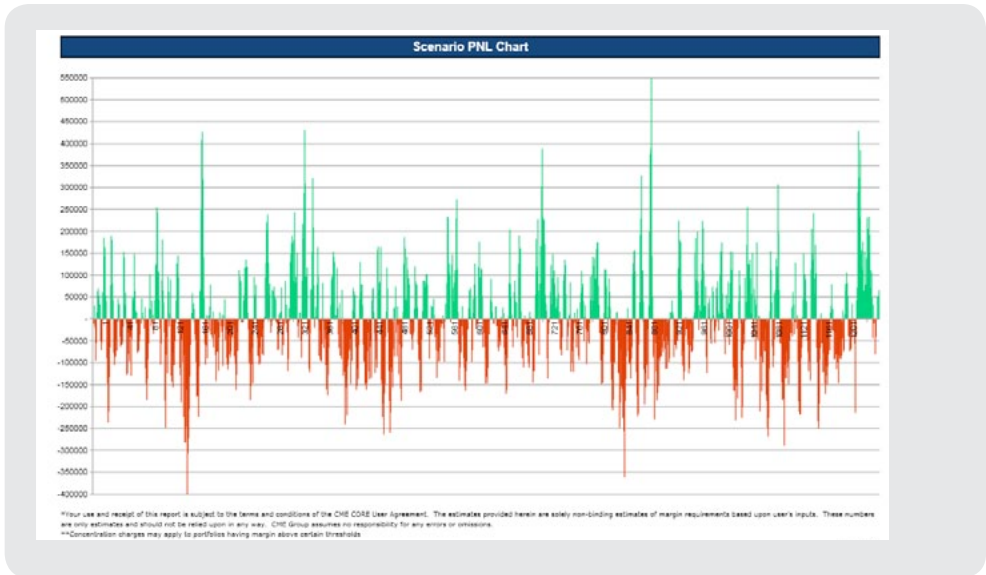
DISPLAYS THE FACTORS AND THE EXACT AMOUNT THAT EACH CONTRIBUTES TO THE TOTAL MARGIN (VIEW TABLE AT BOTTOM LEFT).



HVAR SCENARIO P&L VECTORS SHOWING GAIN/LOSS DISTRIBUTION BY HISTOGRAM.



**HVAR SCENARIO P&L VECTORS OVER PAST 5 YEARS.**



**ALLOWS USERS TO SEPARATE OUT POSITIONS FOR ACCURATE MARGINS AND ORGANIZATION.**

Account	Firm	IM Requirement	Portfolio Margin Firms	Net Positions Breakdown	Portfolio Scen
1M USD	Test	\$292,006.46			
3M CAD	Test	\$387,665.85			
3M EUR	Test	\$322,042.15			
3M USD	Test	\$299,343.27			
6M EUR	Test	\$319,960.30			
6M GBP	Test	\$384,969.20			
6M USD	Test	\$291,665.22			

CME Group	
Margin Contribution Breakdown	
Account:	1M USD
Total Gross Notional(USD):	\$10,000,000.00
Total Portfolio IM Requirement:	\$292,006.46
Total Maintenance Margin:	\$292,006.46
Concentration Margin Requirement:	\$0.00
Initial Base Margin Requirement:	\$292,006.46
Total Number of Trades Entered:	1
Total Number of Trades Margined Valued:	1

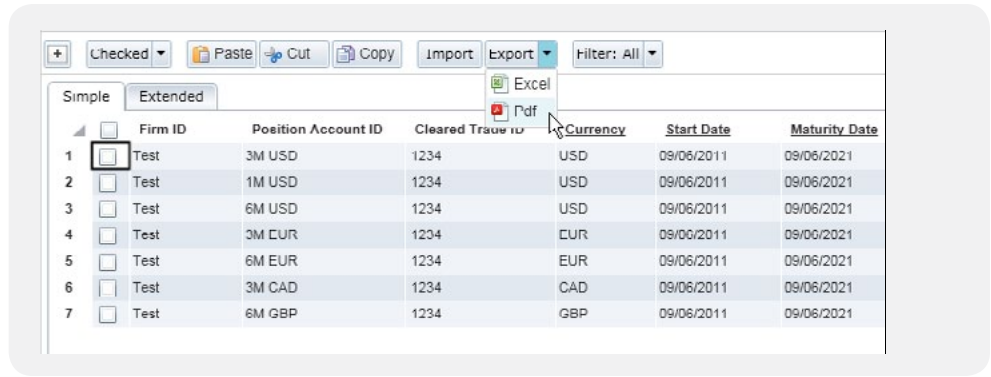
**CALCULATES MARGIN SAVINGS AND PROVIDES CAPITAL EFFICIENCIES VIA PORTFOLIO MARGINING OF CLEARED OTC IRS AND INTEREST RATES FUTURES.**

COMPARISON BREAKDOWN	
OTC IRS IM Requirement	\$5,200,000
IR Futures and Options IM Requirement	\$1,230,000
<b>Total Margin</b>	<b>\$6,430,000</b>
Portfolio Margin IM Requirement**:	\$4,200,000
Portfolio Margin Savings	\$2,310,000

\*\* Includes All OTC IRS and selected IR Futures; options excluded

## Features of CME CORE (cont.)

**EASILY EXPORT MARGIN RESULTS INTO MICROSOFT EXCEL OR ADOBE PDF FORMATS.**



**MARGIN RESULTS ARE SAVED IN THE MARGIN HISTORY QUEUE WITH THE ABILITY TO IMPORT MORE PORTFOLIOS WHILE OTHERS ARE CALCULATING, LOAD PAST PORTFOLIOS THAT HAVE BEEN MARGINED, AND VIEW SINGLE OR MULTIPLE REPORTS FROM THE QUEUE.**



## Getting Started with CME CORE

A user-defined SMART Click ID is required to access CME CORE. If you need a SMART Click ID, please follow these steps:

1. Go to the CME CORE login screen. (<https://cmecore.cmegroup.com/CORECDS/>)
2. Click on the "Need to Register" link and provide the required information.
3. Receive your SMART Click ID.

4. Email [cmecore@cmegroup.com](mailto:cmecore@cmegroup.com) to request entitlements to CME CORE. You need only provide:
  - Your user ID
  - The asset class for which you want interactive margin calculations

Note: CME Group is converting all application logins to a single sign-on format. If you use other CME Group applications, you will use the same SMART Click ID.

**For additional information on CME CORE, visit [cmegroup.com/core](http://cmegroup.com/core).**

**To learn more about our cleared OTC offerings, visit [cmegroup.com/otc](http://cmegroup.com/otc).**

Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade. All references to options refer to options on futures.

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