

Collateral Acceptance Criteria for Stocks and Exchange Traded Funds

Stock acceptance criteria

CME Clearing analyzes various criteria to determine stock eligibility. Acceptable stocks include a subset of the S&P 500. CME Clearing reviews stock prices and daily volume statistics of S&P 500 stocks at least on a monthly basis. Stocks must have a minimum \$10 price per share or are excluded from the program. Stocks of clearing members, their respective parent company, or any affiliated companies are not accepted. The amount of eligible shares per ticker is based on the tiering in the table below and the list of acceptable stocks is available via [CME DataMine](#).

Exchange traded fund acceptance criteria

CME Clearing analyzes various criteria to determine exchange traded fund (ETF) eligibility and selects acceptable ETFs based on distinct criteria at least on a monthly basis. Examples of the criteria considered include, but are not limited to, asset class, geographic focus, average daily volume, type of fund, and bid-ask spread. The amount of eligible shares per ticker is based on the tiering in the table below and the list of acceptable ETFs is available via [CME DataMine](#).

Performance bond value

Stocks and ETFs pledged to CME Clearing as performance bond are priced at least on a daily basis. The performance bond value of stocks and ETFs is calculated by the market value of eligible shares on deposit haircut at 30%.

If a clearing member has shares pledged to CME Clearing greater than the maximum allowable shares for a given stock or ETF, the excess shares will receive zero performance bond value. Shares held at zero performance bond value are not included a clearing member's computation of excess collateral, and the clearing member may request the release of such shares regardless of the remaining excess collateral on deposit.

ELIGIBLE SHARE TIERS

CME Clearing utilizes a tiered methodology based on average daily volume to determine the number of eligible shares per clearing member (and affiliates) for both stocks and ETFs. Please see the eligible shares by tier below.

TIERING	AVERAGE DAILY VOLUME (OVER LAST 30 DAYS)	ELIGIBLE SHARES PER CLEARING MEMBER FIRM
Tier 1	More than 10,000,000	1,000,000
Tier 2	5,000,000 - 10,000,000	500,000
Tier 3	2,500,000 - 5,000,000	250,000
Tier 4	1,000,000 - 2,500,000	100,000
Tier 5	500,000 - 1,000,000	50,000
Not eligible	Less than 500,000	None

For additional information, please visit cmegroup.com/collateral or contact creditrisk@cmegroup.com

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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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All matters pertaining to rules and specifications herein are made subject to and are superseded by official CME, CBOT and NYMEX rules. Current rules should be consulted in all cases concerning contract specifications.

Swaps trading is not suitable for all investors, involves the risk of loss and should only be undertaken by investors who are ECPs within the meaning of section 1(a)12 of the Commodity Exchange Act. Swaps 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 swaps 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.