

## The clear choice for managing counterparty credit risk

As a hedge fund, your ability to manage and minimize counterparty credit risk is a significant factor for success in today's market environment. CME ClearPort offers a flexible, centralized clearing solution that substantially mitigates counterparty risk. Launched in 2002 to provide centralized clearing services for the energy marketplace, today CME ClearPort clears transactions for more than 1,000 energy products and across multiple asset classes around the world. By submitting transactions through CME ClearPort, you can conduct transactions off-exchange, negotiate your own trades and still take advantage of security, efficiency and confidence.

# CME CLEARPORT

## Why use CME ClearPort for clearing over-the-counter (OTC) trades?

### Mitigate Your Risk

CME ClearPort uses a central counterparty clearing model, where counterparty credit risk is shared among clearing members. This allows the central clearing house to guarantee the performance of every transaction — and the security of every clearing member's customer.

### Access Independent, Third-Party Valuations

CME ClearPort's neutral, third-party valuations and our mark-to-market process enable you to track positions and assess risk.

### Enhance Your Efficiency

CME ClearPort replaces the significant time and expense of documentation with the real-time trade confirmations and straight-through processing you receive once a contract is cleared.

### Know Your Costs

Direct, bilateral transactions may not require an initial margin, but they do have implicit, hidden risk-management costs. With CME ClearPort, the cost of margin is offset by reduced expenses from credit assessments and having to manage the flow of funds among counterparties.

### Trust More Than a Century of Experience

For more than 100 years, no CME Clearing member has failed to meet a performance bond call or its delivery obligations. And no customer has lost funds as a result of the failure of a clearing member firm.

### A Track Record of Excellence

CME ClearPort is growing as more OTC market participants take advantage of the opportunity to mitigate the counterparty risk they face.

Today, CME ClearPort:

- Clears nearly 500,000 contracts daily
- Brings together more than 16,500 registered users around the world
  - Commercial, banking, hedge funds, trading entities, IDBs, FCMs and clearing firms
- Features more than 1,000 contracts available for clearing, with more to come

For more information  
on CME ClearPort, visit  
[www.cmegroup.com/clearport](http://www.cmegroup.com/clearport).

## CLEARED OTC AGRICULTURAL MARKETS

### Expanded risk-management tools for the grain and oilseed markets

Centrally cleared OTC grain and oilseed swap products complement our benchmark agricultural futures and options contracts to offer around-the-clock access to the markets as well as ways to better manage price and basis risk through tailored hedges and central clearing through CME ClearPort. Take advantage of the ability to trade off-exchange through your preferred execution venue, negotiate your own prices and come to CME Clearport to access significant risk-management and financial benefits:

- Substantial mitigation of counterparty risk, through CME Clearing's risk management procedures, including daily mark-to-market for option seller
- More efficient capital allocation, with multilateral netting and cross-margining (cleared OTC options contracts will have limited cross-margining initially, pending a 4d order from CFTC)
- Protection of segregated customer funds and approximately \$8 billion in financial safeguards
- Neutral, independent valuations for accurate settlement prices
- Operational efficiencies from straight-through processing, real-time trade confirmations and a standard messaging protocol
- Instant access to a diverse mix of clearing services across asset classes

For more information, visit  
[www.cmegroup.com/agswaps](http://www.cmegroup.com/agswaps).

## COMPREHENSIVE CLEARING SERVICES

CME ClearPort offers an array of clearing services — from reporting large block trades and EFPs cleared as standard futures or options on futures to “pure” OTC transactions centrally cleared as OTC instruments. We also offer clearing that converts or substitutes an OTC instrument into a futures or options contract. The clearing mechanism depends on the nature of the product you trade and allows us to tailor our services to the needs of each marketplace.

- Block Trades and EFPs through CME ClearPort
- OTC Traded and Subbed to Cleared Futures and Options
- OTC Traded and Cleared as OTC Contracts

## HOW TO REGISTER FOR CLEARING THROUGH CME CLEARPORT ►

Getting started to clear through CME ClearPort is easy. When an account has been established with a clearing member, you simply complete the online registration form. Once approved, you'll immediately be able to clear OTC trades.

**1.**

Establish an account with a NYMEX clearing member.

**2.**

Visit [cmegroup.com/clearport](http://cmegroup.com/clearport) and complete the online Exchange User License Agreement (EULA), whether you are a broker or a trader.

**3.**

Once you have received your username and password, contact the clearing or risk staff person at your clearing member firm and request that your clearing account be added to RAV (Risk Account Value) Manager. You should inform your clearing firm as to which OTC brokers (if any) should be allowed to enter trades for clearing on your behalf. You will then be given permission for any markets you wish to clear.

## PRODUCTS FROM MULTIPLE ASSET CLASSES CAN BE CLEARED OR REPORTED THROUGH CME CLEARPORT

### Available Now

- Agricultural Commodities
- Credit
- Energy
- Environmental Commodities
- Equities
- FX
- Interest Rates
- Metals

For more information on CME ClearPort, visit [www.cmegroup.com/clearport](http://www.cmegroup.com/clearport).

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