

## At the heart of risk management is security

In today's market environment, managing and minimizing counterparty credit risk is a business imperative for hedge funds — and success depends on fundamental qualities like transparency, liquidity, access, trust and confidence.

We lead the industry in providing centralized clearing and a comprehensive set of risk management services — giving you the security and confidence you need to operate, invest and grow. Holding approximately \$80 billion of collateral on deposit, CME Group serves as the counterparty to every transaction we clear in exchange-traded markets, as well as over-the-counter (OTC) products cleared through CME ClearPort. We protect everyone's interest and ensure the integrity of the market.

# CME CLEARING

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## Why use CME Clearing?

You can trade derivatives how you want to trade them, and come to CME Clearing for our central counterparty guarantee.

- **Your counterparty credit risk is substantially mitigated** as CME Clearing becomes the buyer to every seller and the seller to every buyer. We guarantee the financial obligation of both parties, whether you trade on- or off-exchange. This includes clearing through CME ClearPort, a set of flexible clearing services open to OTC market participants that substantially mitigates counterparty risk and provides neutral valuations across asset classes.
- **Accumulation of debts/losses is limited** and transparency is achieved as CME Clearing marks to market twice daily.
- **Approximately \$8 billion in financial safeguards** stand ready to mitigate systemic risk.\* In more than a century of operation, no CME Clearing customer has ever lost money due to a counterparty default.
- **Customer segregation offers protections** for our regulated futures products and many OTC products under which your funds are not subject to creditor claims against your own clearing firm should it become financially unstable or insolvent.
- **Multilateral netting helps you gain capital efficiencies** and decrease your credit exposure.
- **Your choice of execution is preserved** and made safer. You have the flexibility to manage your risk on-exchange or with cleared-only services for OTC products, all with the performance guarantee of CME Clearing.

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

\* Financial safeguards and collateral levels cited are as of December 31, 2010.



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