CONTRACT EXPIRATION

Trading in an expiring Bundle Future terminates at 2 pm on the Monday before the 3rd (IMM) Wednesday of the contract delivery month:

- To establish intent, the market participant has to only hold a position through termination of trading.
- At the close of business on the same day, CME Clearing assigns a long (short) position of one delivery standard bundle of ED futures per expiring Bundle futures contract to holders of all long (short) positions remaining open after termination of trade.

All but one of the ED futures contracts assigned will be tradeable, with the exception being the nearby ED future (as that contract will have terminated trading earlier in the day, and will expire upon its mark-to-market at close of business).

EXAMPLE: Dec Five-Year Bundle futures expire on the Monday before the 3rd Wednesday of the month.

When the trading session commences on Tuesday, someone who has taken delivery on a long position of one expired Bundle future will now have long positions in 19 ED contracts – one each of the ED futures in the deliverable-grade 5-year bundle, excluding the December ED future that expired the previous day.

FINAL SETTLEMENT PRICE DETERMINATION

The Final Settlement Price will equal the average of settlement prices of the delivery standard bundle’s constituent ED contracts, on the Last Day of Trading in the expiring Bundle Futures contract, rounded to fourth decimal place (0.0001), with tie values (unrounded values ending in 0.00005) rounded down.

EXAMPLE: Dec 14 3-Year Bundle Future.

Trading terminates on Monday, December 15, 2014, at 2 pm CT.

1. **Eurodollar Futures settle at 2 pm CT:**
   - Front ED Futures (Dec 2014) Contract Settlement Price = Final settlement price determined around 5:45 am CT upon publication of the 3-month LIBOR value for the day.
   - Remaining Futures = Daily settlement prices set by the Exchange at 2pm CT

2. **Calculation of the Bundle Futures Settlement:**
   - Arithmetic average of settlement prices for ED futures contracts in the corresponding deliverable ED bundle, rounded to four decimal places.
   - In the case of a tie (ending in 5), rounds down, as demonstrated by Exhibits A and B.

<table>
<thead>
<tr>
<th>Eurodollar Future</th>
<th>Settlement Price</th>
<th>Assigned Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-2014</td>
<td>99.7694</td>
<td>99.7688</td>
</tr>
<tr>
<td>Jun-2015</td>
<td>99.710</td>
<td>99.710</td>
</tr>
<tr>
<td>Sep-2015</td>
<td>99.610</td>
<td>99.610</td>
</tr>
<tr>
<td>Dec-2015</td>
<td>99.430</td>
<td>99.430</td>
</tr>
<tr>
<td>Jun-2016</td>
<td>98.965</td>
<td>98.965</td>
</tr>
<tr>
<td>Sep-2016</td>
<td>98.705</td>
<td>98.705</td>
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<tr>
<td>Dec-2016</td>
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<tr>
<td>Mar-2017</td>
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<tr>
<td>Jun-2017</td>
<td>97.885</td>
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<tr>
<td>Sep-2017</td>
<td>97.670</td>
<td>97.670</td>
</tr>
</tbody>
</table>

   Exhibit A: Constituent ED futures in Dec '14 3-Year Bundle.

   Exhibit B: Calculating the Bundle future’s settlement price.

3. **Determine Assignment Prices for Delivered Eurodollar Futures**
   - All but one of the ED futures positions delivered is assigned by CME Clearing at their respective daily settlement prices.
   - The exception is the nearby contract, which is assigned a price to ensure that the delivered ED contracts match the Bundle future’s final settlement price.
ASSIGNMENT PRICE FOR FRONT LEG

= (Bundle Future Settlement Price x 12) - Sum (assigned price on other 11 legs)
= 99.7688 (assignment price for front leg)

MARKS-TO-MARKET ON DELIVERED ED FUTURES POSITIONS

- The delivery price assignment mechanism guarantees that immediate marks-to-market will be zero on all but one of the ED futures positions delivered. The exception, as before, is the nearby ED contract. Because its delivery assignment price absorbs any rounding error that enters into determination of the Bundle futures final settlement price, an immediate mark-to-market may apply to it.
- As a general principle, the arithmetic of ED delivery assignment price determination limits the maximum magnitude of such immediate marks-to-market: No more than $1.00 per contract in the case 2-Year Bundle futures, $1.50 per contract for 3-Year Bundle futures, and $2.50 per contract for 5-Year Bundle futures.

PRICES OF ED FUTURES ASSIGNED IN DELIVERY

For each expiring Bundle futures contract, all but one of the ED futures positions delivered is assigned by CME Clearing at their respective daily settlement prices.

The exception is the nearby contract, for which the delivery assignment price is set by CME Clearing to ensure that the average price of all delivered ED contracts matches the Bundle futures final settlement price.

For more information, visit cmegroup.com/bundlefutures or contact interestrates@cmegroup.com.