



Collateral Acceptance Criteria for Exchange Traded Funds and Stocks

Exchange Traded Fund Acceptance Criteria

CME Clearing analyzes various criteria to determine Exchange Traded Fund (ETF) eligibility. CME Clearing will select a list of eligible ETFs based on a number of criteria, at least on a monthly basis. Some examples of criteria considered include: asset class, geographic focus, average daily volume, type of fund and bid-ask spread. Please note, this is not a complete list of criteria used to determine eligibility. The list of eligible ETFs will be made available to clearing members at cmegroup.com/collateral and will be updated monthly or more frequently, at CME's discretion.

Stock Acceptance Criteria

CME Clearing also analyzes various criteria to determine stock eligibility. The eligible stocks for the Stock Program include a subset of the S&P 500. On a monthly basis, CME Clearing will review the daily volume statistics for the S&P 500 stocks over the prior month. All stocks for parent or affiliate companies of any clearing member will be automatically excluded from participation in the program. Any stock whose last closing price was less than \$10 per share on the last business day of a month also will be excluded from the program for the entire month and then re-evaluated at the end of that month. The list of eligible stocks will be made available to clearing members at cmegroup.com/collateral and will be updated monthly or more frequently, at CME's discretion.

Performance Bond Value

Clearing members' stock and ETF pledges will be valued at no more than 70% of market value. Stocks and ETFs pledged to CME Clearing will be priced at least on a daily basis. The performance bond value of stocks and ETFs pledged to CME Clearing will be computed as the lesser of:

- (1) The number of shares on deposit multiplied by the closing price per share multiplied by 70%,
- or
- (2) The maximum number of shares eligible for that stock or ETF multiplied by the closing price per share multiplied by 70%.

If a clearing member has shares pledged to CME Clearing in excess of the maximum number allowable 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 in our computations of a clearing member's excess collateral, and the clearing member may request the release of such shares regardless of its remaining collateral excess position.

Eligible Share Tiers

CME Clearing utilizes a tiered methodology based on average daily volume to determine the number of eligible shares per clearing member firm for both ETFs and stocks. 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 more information, visit cmegroup.com/collateral or contact CME Clearing's Financial Unit at +1 312 207 2594 or chfin@cmegroup.com.

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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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.