1. **What is the CTA/Hedge Fund Program ("CTAHFP")?**

CME Group's CTAHFP allows Commodity Trading Advisors ("CTAs") to register their qualified affiliate hedge funds and/or hedge fund managed accounts to participate in the program. The CTAHFP offers discounted fees for all standard size CME foreign exchange ("FX") futures and options contracts traded on the CME Globex platform, as well as Block volume in FX options.

2. **How does a CTA qualify for the program?**

To qualify for the program CTAs must:

- Be a registered CTA or qualify for an exemption pursuant to CFTC Regulations 4.14(a)(4), 4.14(a)(5), 4.14(a)(8)(i)(D) or 4.14(a)(10), or 3.10(c)(3)(i),
- Complete a CTAHFP application form and provide all required supporting documentation for each hedge fund to be registered in the Program including:
  - A listing of all funds and the CME clearing member account(s) for each fund,
  - Confirmation of open and funded clearing account(s) for each fund,
  - A copy of the document pursuant to which the Fund grants the CTA discretionary trading authority or control over its clearing account(s).

3. **When does this program expire?**

The program has been extended through January 31, 2021; at that time CME will evaluate and determine whether to continue the program.

4. **What trading fees are charged by the Exchange for trading by a CTAHFP participant?**

Please refer to the most updated CME Fee Schedule at: [http://www.cmegroup.com/company/clearing-fees](http://www.cmegroup.com/company/clearing-fees).

Registered participants in the CTAHFP are eligible to receive progressive fixed fee volume discounts from the base non-member rate of $1.60 per contract. The applicable discount will be determined based on the participant’s electronic ADV in sides for the preceding measuring period (measuring period will be from 15th of a quarterly month to the 15th of the next quarterly month – the “Quarterly Calculation period”). The fixed fee discount will apply for eligible volume in the following quarter according to this table:

<table>
<thead>
<tr>
<th>ADV for prior measuring period:</th>
<th>Fee discount earned:</th>
<th>All-in Fee for following quarter:</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 24</td>
<td>$0.00</td>
<td>$1.60</td>
</tr>
<tr>
<td>25 – 250</td>
<td>($0.40)</td>
<td>$1.20</td>
</tr>
<tr>
<td>251 – 1000</td>
<td>($0.60)</td>
<td>$1.00</td>
</tr>
<tr>
<td>1001 – 2000</td>
<td>($0.70)</td>
<td>$0.90</td>
</tr>
<tr>
<td>2001 – 5000</td>
<td>($0.80)</td>
<td>$0.80</td>
</tr>
<tr>
<td>5001+</td>
<td>($0.90)</td>
<td>$0.70</td>
</tr>
<tr>
<td>FX Link</td>
<td>($0.20)</td>
<td>$0.60</td>
</tr>
</tbody>
</table>

New program participants will be charged the lower rate of $1.20 or the discounted rate set forth above based on their prior calendar quarter’s ADV until completion of the next Quarterly Calculation Period. Quarterly Calculation Periods are on a rolling basis. Fixed fee discounts are not regressive and will be applied to all participant trades executed in the products in the following Quarterly Calculation Period.
The discount will apply for CME Globex transactions of standard size FX products and Block volume in FX options only. Open outcry transactions and CME Globex transactions in all other products by these entities will be charged at non-member rates.

5. **Will hedge fund participants in the CTAHFP receive the reduced rates for any products other than FX futures and options on futures?**

No. The CTAHFP is for electronic FX trades and Block volume in FX options only. Non-member rates will apply in other products.

6. **Will hedge fund participants in the CTAHFP receive the discounted rates for all their FX trades traded electronically?**

Hedge fund participants are eligible for the reduced rates on all trades for accounts registered with and approved by CME.

7. **When will the discount fee become effective?**

Eligible hedge fund accounts will be entitled to preferential CTAHFP rates when the application and all proper documentation is received and accepted by CME, and the application for participation has been approved by CME Group’s Department of Financial and Regulatory Surveillance (“FRS”). Preferential trading fees will not be applied earlier than CME’s approval date.

Each hedge fund seeking to participate in the program must be reviewed and approved by FRS. Once approved, the CTAHFP participant CTA is responsible for working with their hedge funds’ clearing member firms to ensure that their hedge funds’ accounts are properly registered in the program under the CTA participant’s name in CME’s Exchange Fee System (“EFS”). Participants will also be responsible for making any changes/additions to their accounts with each of their clearing member firms.

8. **Are there any geographic restrictions on participation?**

Yes, CME Group may be unable to accept participants located in certain countries. Please contact CME Group’s Membership Concierge Team for further information regarding any location restrictions.

9. **Can a CTA of an existing member apply for the CTAHFP?**

Yes. CTAs for existing members/member firms are eligible to participate in the CTAHFP, however, please note that existing CME hedge fund members are not eligible for participation in the CTAHFP.

10. **Once an applicant is approved, what is the operational process for registering all appropriate accounts to receive the fee incentive?**

When an application is approved, CME will register the firm’s name under the CTAHFP in EFS.

Applicants are then notified by CME Group’s Membership Concierge Team, via email, of their acceptance into the program, of the effective date, and of their starting All-In Fee. Applicants must then work directly with their clearing firm(s) to register qualified hedge fund accounts in the EFS system. Applicants will be responsible for managing, with their clearing firm(s), any qualified hedge fund account addition or deletion from the program while the program is in effect.
Furthermore, applicants will be notified by CME of any changes in their All-In Fee prior to the start of a new quarter and should communicate with their clearing firm(s) accordingly.

For more information, please contact CME Group’s Membership Concierge Team:

Phone: 001 312 435 3555 Email: conciergeteam@cmegroup.com

The application form is also available on our website here.

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