

DATE: May 22, 2020
TO: Clearing Member Firms
FROM: CME Clearing
NOTICE #: 20-202
SUBJECT: IEF2 Program Guidelines

CME Clearing currently accepts certain U.S. government money market mutual funds as Performance Bond collateral through the IEF2 Program. Under current market conditions, the yield paid by each fund (which is determined by its underlying investments in U.S. Treasury securities and other obligations) may not generate a positive return. As a result, CME Clearing will require all participating funds to have a daily effective yield greater than 5 basis points.

Should a fund's daily effective yield be equal to or less than 5 basis points, CME Clearing will place the fund on hold until such yield rises above 5 basis points for at least 31 consecutive calendar days. While the fund is on hold, CME Clearing will require clearing members currently invested in the fund to redeem their shares by the end of the following business day.

For more information, please contact CME Clearing at 312-207-2594.