

## Memorandum

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### **AUDIT INFORMATION BULLETIN**

TO: Chief Financial Officers 08-03  
Chief Compliance Officers

FROM: Audit Department, Clearing House Division

DATE: September 18, 2008

SUBJECT: Reserve Primary Fund - Update

This is an update to AIB #08-02, which was issued September 17, 2008.

The Reserve Primary Fund is a money market mutual fund which is an investment option for clearing members of CME, CBOT, NYMEX and COMEX under CME Clearing's IEF2 Collateral Management Program<sup>1</sup>. The Reserve Primary Fund recently announced that it had sustained losses and its net asset value dropped below \$1.00 per share.

If a clearing member submitted a redemption request to the fund prior to 3:00p.m. (EST) on September 16, 2008, it may value its investment in the Reserve Primary Fund at \$1.00 per share for regulatory capital and CFTC customer segregation purposes.

If a clearing member did not submit a redemption request to the fund prior to 3:00p.m. (EST) on September 16, 2008, it should value its investment at \$0.95 per share for regulatory capital and CFTC customer segregation purposes.

In addition, a 2% haircut on the market value of the investment should continue to be taken when calculating regulatory capital.

This financial treatment is subject to change. CME Group's Audit Department will notify its clearing members if this treatment changes.

If you have any questions, please call the Audit Department at (312) 930-3230.

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<sup>1</sup> Investments in money market mutual funds under the CME IEF2 Program are not guaranteed by CME or any other entity.