11-276

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers
Margin Managers

FROM: CME Clearing

SUBJECT: Performance Improvements to IRS Margining Software Available August 10, 2011

DATE: August 8, 2011

Please be advised that CME is making changes to the IRS margins in the New Release environment on Wednesday, August 10th, 2011. The list of changes includes:

- Confidence interval to sample for margin will be set at 99.7th percentile. We expect this change will enable us to continue to provide comprehensive 5-day coverage when we scale our offering to portfolios with multiple currencies and related interest rate products.
- OIS Discounting in margin computations.

The above changes are to parameters in the margin parameter file. For the avoidance of doubt, margin parameter files will be available for the New Release environment on Thursday, August 11th.

Firms using CME margin software will be required to download a newer version (build 541) that incorporates performance changes. The new version will be available to authorized users at CME's software distribution website at www.cme-ch.com/pcspan.