



CME CTA/Hedge Fund Pilot Program Questions & Answers

What is the CTA/Hedge Fund Pilot Program and when does it go into effect?

CME's CTA/Hedge Fund Pilot Program allows participating hedge funds and commodity trading advisors (CTAs) to receive discounted fees for their CME electronic foreign exchange (CME eFX) trades on CME's® Globex® electronic trading platform.

These CTAs and hedge funds can trade CME eFX for a cost of sixty cents (\$0.60) per side, representing a 62.5 percent discount over current fee rates and a very cost competitive rate with over-the-counter markets.

What does this program expire?

Program was extended through December 2007; at that time CME will evaluate and determine whether to continue the program.

How does a CTA or hedge fund qualify for the program?

To qualify for the program, CTAs and hedge funds must:

- Have more than \$2 billion in assets under management (including both pooled investment vehicles and managed accounts);
- Complete a CTA/Hedge Fund Pilot Program application and be approved by CME; and,
- Have a relationship with a CME clearing member.

What trading fees are charged by the Exchange for trading by a CTA/Hedge Fund Pilot Program participant?

Trades done by CTA/Hedge Fund Pilot Program participants will be charged a total fee of sixty cents (\$0.60) per traded side.

From an operational perspective, what will be the specific fees charged by the Exchange for trading by a CTA/Hedge Fund Pilot Program participant?

In order to charge a total fee of sixty cents (\$0.60), CME will waive the Globex fees for FX Trades done by CTA/Hedge Fund Pilot Program participants in its Exchange Fee System:

| CME eFX Products | Rates |
|------------------|--------------------|
| CME Globex Fee | <i>Fees Waived</i> |
| CME Clearing Fee | 60 ¢ |
| Total | 60 ¢ |

Will participants in the CTA/Hedge Fund Pilot Program participant receive the sixty cents (\$0.60) per side rate for any other products other than FX futures and options on futures?

No. The CTA/Hedge Fund Pilot Program is for e-FX trades only. Standard fees will apply in other products.

Will participants in the CTA/Hedge fund pilot program receive the discounted fee for all of their FX trades traded electronically?

Participants will receive the reduced fee on all trades for accounts registered with CME and approved by CME. Hedge funds will only receive the reduced fees for accounts solely owned by the hedge fund. CTAs will only receive discounts on accounts of pooled investment vehicles and managed accounts solely managed by the CTA (i.e., individual managed accounts for whom the CTA has power of attorney for the sole purpose of trading.)

Are there any geographic restrictions on participation?

No. This is a global program and all qualified participants are eligible.

Can a CTA of an existing member apply for the CTA/Hedge Fund Pilot Program?

Yes. CTAs for existing members/ member firms are eligible to participate in the CTA/Hedge Fund Pilot Program.

How do CTAs and hedge funds apply for the CTA/Hedge Fund Pilot Program?

To receive an application or for any additional information you may contact the following:

Main Contact and Application Approver: Scott Brusso, Director, Currency Products, at 312-930-3133, email CTA_HF_Pilot_Program@cme.com

You can also obtain the application from our website:

www.cme.com/trading/mem/res/formslib3468.html in "other forms" section.

You can return hard copy applications to:

By Mail to:

FX Department
Attn. Scott Brusso, Director, Currency Products
Chicago Mercantile Exchange Inc.
20. South Wacker Dr.
Chicago IL, 60606

By Fax:

FX Department
Attn. Scott Brusso, Director, Currency Products
Fax # 312-454-7786

If you are located outside of the U.S., you can also receive information about this program from our international offices. CME staff at these offices can provide you with additional information and assist you through the application process:

In Europe: Danielle Dycus, Director, European Marketing, on +44 20 7623 2550 or email CTA_HF_Pilot_Program@cme.com

In Asia: Tokyo: Yoshio Kuno, Director, on +81 3 5403 4828 or email CTA_HF_Pilot_Program@cme.com

Sydney: Nick Bolton, Director on +61 2 9231 7475 or email CTA_HF_Pilot_Program@cme.com

When will the discount fee become effective?

Eligible CTA/Hedge Fund accounts will be entitled to preferential CTA/Hedge Fund Program Rates when the proper documentation is received and accepted by CME.

Preferential trading fees will not be applied earlier than CME's approval date.

The CTA/Hedge Fund participant is responsible for providing accurate clearing firm and account information to CME in order to receive the preferential rates, including changes made to existing or additional accounts added after initial approval.

The participant must also advise all clearing member firms carrying their CTA/Hedge Fund account(s) that they have applied for the CME CTA/Hedge Fund Pilot Program and will be receiving preferential rates when the application is approved.