

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 21-172

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: **DCM** **SEF** **DCO** **SDR**

Please note - only ONE choice allowed.

Filing Date: 05/18/21 **Filing Description:** Initial listing of the Adjusted Interest Rate FTSE®100 Total Return Declared Dividend Index Futures Contract

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers:

New Product

Please note only ONE product per Submission.

- | | | |
|-------------------------------------|---------------------------------------|------------|
| <input checked="" type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Product Terms and Conditions (product related Rules and Rule Amendments)

- | | | |
|--------------------------|---|----------------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> | Delisting (No Open Interest) | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.24(c) |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> | “Non-Material Agricultural Rule Change” | § 40.4(b)(5) |
| <input type="checkbox"/> | Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected: Adjusted Interest Rate FTSE®100 Total Return Declared Dividend Index Futures

Rule Numbers: CME Rulebook Chapter 375

May 18, 2021

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
 Office of the Secretariat
 Commodity Futures Trading Commission
 3 Lafayette Center
 1155 21st Street NW
 Washington, DC 20581

Re: CFTC Regulation 40.2(a) Certification: Initial Listing of the Adjusted Interest Rate FTSE[®]100 Total Return Declared Dividend Index Futures Contract. CME Submission No. 21-172

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby certifies to the Commodity Futures Trading Commission (“CFTC” or “commission”) the initial listing of the Adjusted Interest Rate FTSE[®]100 Total Return Declared Dividend Index Futures contract (the “AIR FTSE 100 TRF” or the “Contract”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective on Sunday, June 6, 2021 for trade date Monday, June 7, 2021.

Section 1 - Contract Specifications

Commodity Code	Contract Title	Commodity Code	BTIC Code
	Adjusted Interest Rate FTSE [®] 100 Total Return Declared Dividend Index Futures (AIR FTSE 100 TRF)	AFR	AFT
Underlying Index	FTSE [®] 100 Total Return Declared Dividend Index (UKXDUK)		
Reference Rate	Sterling Overnight Index Average (SONIA)		
Trading Unit	£10 x Adjusted Interest Rate FTSE 100 Futures Price		
Trading and Clearing Venue	AFR: CME Globex & CME ClearPort AFT: CME Globex & CME ClearPort		
Trading and Clearing Hours	Outright: CME Globex: Sunday - Friday 5:00 p.m. - 4:00 p.m. Central Time (CT) with a 60-minute break each day beginning at 4:00 p.m. CT CME Globex Pre-Open: 4:45 p.m. – 5:00 p.m. CT CME ClearPort: Sunday 5:00 p.m. - Friday 5:45 p.m. CT with no reporting Monday - Thursday 5:45 p.m. – 6:00 p.m. CT BTIC: CME Globex: Sunday - Friday 5:00 p.m. CT - 4:30 p.m. prevailing London Time (10:30 a.m. CST/11:30 a.m. CDT) BTIC: CME Globex Pre-Open: 4:45 p.m. CT – 5:00 p.m. CT		

	CME ClearPort: Sunday 5:00 p.m. CT - Monday 4:30 p.m. prevailing London Time (10:30 a.m. CST/11:30 a.m. CDT); Monday - Friday 6:00 p.m. CT - 4:30 p.m. prevailing London Time (10:30 a.m. CST/11:30 a.m. CDT)
Listing Schedule	Quarterly contracts listed for the nine (9) nearest quarters on the March Quarterly cycle (March, June, September, and December) and five (5) additional December contract months Initial Listing: Sep 2021, Dec 2021, Mar 2022, Jun 2022, Sep 2022, Dec 2022, Mar 2023, Jun 2023, Sep 2023 Dec 2023, Dec 2024, Dec 2025, Dec 2026, Dec 2027
Termination of Trading	AFR: Trading terminates at 10:30 a.m. prevailing London time on the 3rd Friday of the contract month AFT: Trading terminates at 4:30 p.m. prevailing London time on the business day prior to 3rd Friday of the contract month
Price Basis and Minimum Price Increment	AFR: Prices are quoted and traded in Index points. Minimum price increment: 0.01 Index points AFT: Prices are quoted and traded in Basis points. Minimum price increment: 0.50 Basis points
Settlement Method	Financially Settled
Settlement Procedures	Final Settlement Price shall be determined based using the Pricing Formula, with the Exchange Delivery Settlement Price (FTSE [®] EDSP). For the avoidance of doubt, the Final Settlement Price shall be UKXDUK EDSP – Accrued Financing on Day of Final Settlement Price Determination
Price Limits	7% up and down limits during London overnight trading session; no limits during London RTH.
Block Eligible / Minimum Block Threshold	AFR: Yes / 50 contracts AFT: Yes / 50 contracts Reporting Window: RTH – 5 minutes, ETH/ATH – 15 minutes
Position Limits / Reportability Thresholds	Position Reportability: 25 contracts All-Month Position Limit: 20,000 FTSE [®] 100 Futures contract equivalents, subject to aggregation. 1 AIR FTSE [®] 100 TRF = 1 FTSE [®] 100 futures equivalent
CME Globex Matching Algorithm	F: First In, First Out (FIFO)

Section 2 – Underlying Indexes

A: FTSE[®] 100 index

The formula used for calculating the indexes is straightforward. However, determining the capitalisation of each constituent company and calculating the capitalisation adjustments to the index are more complex. At the starting date for calculating an index an arbitrary value (e.g. 1000) is chosen as the initial value. On that date a divisor is calculated as the sum of the market capitalisations of the index constituents divided by the initial index value. The divisor is subsequently adjusted for any capital changes in the index constituents. In order to prevent discontinuities in the index in the event of a corporate action or change in constituents it is necessary to make an adjustment to the prices used to calculate the index to ensure that the change in index between two consecutive dates reflects only market movements rather than including change due to the impact of corporate actions or constituent changes. This ensures that the index values remain comparable over time and that changes in the index level properly reflect the change in value of a portfolio of index constituents with weights the same as in the index. The adjustment used by FTSE[®] Russell is based on the Paasche formula (also known as the current-weighted formula) which adjusts the divisor for the index for the day before a corporate action and calculates the change from that adjusted index to the index for the following day in which the corporate action occurs. The implication of this adjustment for a portfolio manager wishing to track the index is that the manager needs to either invest or realize cash at the opening of the market on the day of the corporate action depending on whether the constituent is realizing or raising capital. In practice the portfolio manager will sell/invest at the previous close.”¹

¹ FTSE Russell Price Guides, Price Indexes

https://research.ftserussell.com/products/downloads/FTSE_UK_Index_Series_Guide_to_Calc.pdf?_ga=2.225100826.1229477799.1617294538-1727319705.1617294538

$$I_t^{\text{Paas}} = \frac{\sum_{i=1}^n P_{i,t} Q_{i,t}}{\sum_{i=1}^n P_{i,0} Q_{i,t}}$$

Where:

I_t^{Paas} = Paasche Index

$P_{i,t}$ = price at start of day t for constituent i after adjustments for corporate action or event.

$P_{i,0}$ = price of constituent i on the starting day of calculating the index.

$Q_{i,t}$ = number of shares included in the index for constituent i at the start of day t.

Chained Paasche index

$$I_t^{\text{Paas}} = I_{t-1}^{\text{Paas}} \frac{\sum_{i=1}^n P_{i,t} Q_{i,t}}{\sum_{i=1}^n P_{i,t-1} Q_{i,t}}$$

- Denominator uses today's quantities (post-repayment, ex-price) and yesterday's price (pre-repayment, cum-price)
- To prevent discontinuities, need to adjust **yesterday's** closing price with a price adjustment factor to make it comparable to today's
- Price Adjustment Factor (PAF_{i,t}) = ex-price/cum-price = $(P_{t-1}-1)/P_{t-1}$

For a full description including Paasche formula please refer to the web hyperlink in footnote 3.

B: FTSE® 100 Total Return Declared Dividend Index²

The total return index requires calculation of the dividend and an adjustment. According the FTSE® Russell, the ex-dividend (xd) adjustment represents the value of dividends declared by constituent companies on the xd date expressed in index points (see formula below). Xd adjustments are based on declared dividends. The algorithm used by FTSE® Russell for this adjustment assumes that on the Ex-Dividend date, the index is adjusted at the start of the day to allow for the amount of dividends due on that date and that the full amount of the dividend is reinvested at the adjusted price level. Consequently, when the total return index is calculated at the end of that day's trading, it assumes that both the price index and the dividend are adjusted by the change in the price level from the previous day's close to the current day's close. The value of one index point can be expressed as market value of constituents/Index. Also, since Index = market value of constituents/divisor, one index point is equal to the divisor. The value of dividends can therefore be converted to index points by the formula:

² Adapted from <http://us.spindices.com/documents/methodologies/methodology-index-math.pdf>, page 21

$$\sum_{i=1}^N \frac{g_i \times s_i \times f_i \times wme_{i-1}}{d} / 100$$

Where:

- N = number of securities in the Index
- g_i = dividend per share of the i^{th} component security
- s_i = the weighting of i^{th} the component security
(equal to the number of ordinary shares issued by the company)
- d = divisor
- f_i = free float factor for the i^{th} component security
- wme_{i-1} = WM exchange rate as of 4pm London time of the index at $i-1$
(applies only to dividends paid in a different currency to the index).

The Total Returns Indexes (“TRI”) measure the total return on the underlying indexes, combining both capital performance and reinvested income. The TRIs are calculated using declared dividends. Although in reality there is a timing delay between the xd date and the receipt of dividends (the “Payment Date”), it is considered preferable to assume all income is reinvested on the xd date rather than incur the complications of allowing a time lag before reinvestment of the declared dividends. The formula for calculation of the current day’s TRI based on the previous day’s TRI and the xd adjustment is shown below:

For the FTSE® 100 Total Return Declared Dividend Index Futures contract for a given delivery month, the Final Settlement Price shall be equal to the Exchange Delivery Settlement Price (“EDSP”) of the FTSE® 100 Total Return Declared Dividend Index minus the Accrued Financing of the contract. Such EDSP shall be determined on the third Friday of such delivery month (the “Expiration Date”) and shall be based on opening prices of the component stocks of the Index, and where the Accrued Financing will be calculated up to and inclusive of the Daily Financing for the Expiration Date of the contract.³

$$R_t = \left\{ R_y \times I_y / (I_y - XD) \right\} \times I_t / I_y$$

$$= R_y \times I_t / (I_y - XD)$$

Where:

- R_y = Total Returns Index (TRI) value yesterday
- R_t = TRI value today
- I_y = Underlying capital index yesterday
- I_t = Underlying capital index today
- XD = xd adjustment to underlying capital index

³ FTSE Russell, Guide to Calculations, https://research.ftserussell.com/products/downloads/FTSE_UK_Index_Series_Guide_to_Calc.pdf?_ga=2.190873898.1229477799.1617294538-1727319705.1617294538

C. Sterling Overnight Index Average (“SONIA”)

In 2015 the Bank of England (“BOE”) convened the Working Group on Sterling Risk-Free Reference Rates (“Working Group”) “to identify and implement a near-risk free reference rate ... as an alternative to sterling LIBOR.”⁴ In April 2017, the Working Group endorsed SONIA as the interest rate benchmark that, in its consensus view, would represent best practice for use as the underlying reference in new sterling interest rate derivatives and other sterling-denominated financial contracts.⁵

SONIA has been administered by the BOE since April 2016, prior to which its administrator was the Wholesale Market Brokers’ Association (“WMBA”). WMBA continued to serve as calculation agent and publication agent for SONIA from April 2016 through April 20, 2018, at which time the BOE assumed responsibility for calculation and publication in addition to administration.

SONIA is a measure of the rate per annum at which interest is paid on sterling short-term wholesale funds in circumstances where credit, liquidity and other risks are minimal.⁶ For any weekday that is not a UK bank holiday (“UK banking day”),⁷ SONIA is computed as the transaction-volume-weighted interquartile average of interest rates paid on eligible sterling-denominated deposit transactions. That is, for any UK banking day, the BOE:

- (i) ranks that day’s eligible transactions by their corresponding interest rates, from lowest to highest, then
- (ii) removes 25 percent of trading volume corresponding to the lowest interest rate levels and 25 percent of trading volume corresponding to the highest interest rate levels, then
- (iii) computes a transaction-weighted arithmetic average interest rate level on the basis of the remaining interest-rate/trade-size data pairs (which represent the central 50 percent of probability mass for that day’s transaction-volume-weighted distribution of interest rates).

On any given UK banking day, the criteria for any sterling-denominated deposit transaction to be eligible for inclusion in this calculation are that it must be:

- reported to the BOE Sterling Money Market daily data collection, in accordance with the ‘Reporting Instructions for Form SMMD’ in effect on such UK banking day,⁸
- unsecured,
- executed between 12:00am and 6:00pm London time on such UK banking day,
- for same-day settlement,
- for term to maturity of one UK banking day, and
- for principal amount equal to £25 million or more.

⁴ See Working Group on Sterling Risk-Free Reference Rates, *Design Criteria for a Sterling Secured Overnight Money Market Benchmark*, December 16, 2015, available at: <https://www.bankofengland.co.uk/-/media/boe/files/markets/benchmarks/design-criteria-for-a-sterling-secured-overnight-money-market-benchmark.pdf?la=en&hash=5A5455F471C04C5713B67214EE58534A3C2E995C>

⁵ See Bank of England, *SONIA recommended as the sterling near risk-free interest rate benchmark*, April 28, 2017, available at: <https://www.bankofengland.co.uk/-/media/boe/files/news/2017/april/sonia-recommended-as-the-sterling-near-risk-free-interest-rate-benchmark.pdf?la=en&hash=4AF00716EA43928FEBA30FA3523CDA9437ABE0B0>

⁶ See Bank of England, *SONIA – Key features and policies*, May 2018, available at: <https://www.bankofengland.co.uk/-/media/boe/files/markets/benchmarks/sonia-key-features-and-policies.pdf?la=en&hash=A11D3AE9E5A070702AE4F777A70C258E871E49B7>

⁷ For information on UK bank holidays, see: <https://www.gov.uk/bank-holidays>

⁸ See Bank of England, *Sterling Money Market Data Collection – Reporting Instructions for Form SMMD, Version 4.1*, June 2018, available at: https://www.bankofengland.co.uk/-/media/boe/files/statistics/data-collection/smm/instructions_smm.pdf

The BOE publishes the resultant SONIA value at 9:00am London time on the next following UK banking day.⁹

D: Adjusted Interest Rate FTSE® 100 Total Return Declared Dividend Index Futures

For simple index futures, e.g. FTSE® 100 index futures, the price of the future reflects two components: (i) the current index level, and (ii) the applicable market interest rate, or financing rate, for the period through the expiration of the index futures. When a participant trades the contract, they are committed to the fixed financing rate at the onset of the trade. Any subsequent changes to the interest rate environment, however, would also impact the performance of the trade. For example, an ensuing higher interest rate would cause the simple index futures to reprice higher. This repricing will impact contracts of longer duration much more significantly.

The Contract will deliver total equity return exposure enhanced with a built-in floating rate to accommodate financing costs, the relationship to the longer-term financing rate is mitigated by the introduction of an explicit financing component.

The closing index value of the cash index, calculated based on the closing value of the constituents in the primary market, are also based on trades executed on CME Globex.

In addition to an established maturity date, the Contract valuation has three components: an equity index component, a benchmark financing component that accrues daily; and a financing spread adjustment component.

$$AIR\ TRF = (Equity\ Index - Accrued\ Financing) + Financing\ Spread\ Adjustment$$

1. **The Equity Index component** - an agreement between two counterparties to pass equity performance from one counterparty to the other. The equity index price of the AIR TRF is always the official index daily close (e.g. FTSE® 100 Total Return Declared Dividend Index, UKXDUK), as the trade is transacted via Basis Trade at Index Close ("BTIC"). The only exception is trading the futures contract via an EFRP, where the future price level is specified directly.
2. **Accrued Financing component** - the sum of the daily accrued financing (*AF*). The financing amount is accrued daily based upon the benchmark reference rate (e.g., SONIA) and the sum is incorporated into the daily settlement of the product. Since this *AF* term is determined by the daily addition of the overnight financing cost of the equity exposure, the total accumulation from the day the position is entered, to the day the position is offset, represents the total realized overnight financing cost based upon the benchmark reference rate. The mathematics of the futures price dictates that the long position conveys this total realized financing cost to the short position holder. Similar to the mechanism available for the Bloomberg Commodity Index Futures contract listed for trading on The Board of Trade of the City of Chicago, Inc. ("CBOT"), the Contract features a daily cash pass-through from long to short position holders. The implementation in the AIR TRF is an improvement on such mechanism, with an adjustment to the price of the futures. Therefore, there is no need for additional back office book entry for the transfer as it is accomplished via the Exchange's traditional variation margin process.
3. **Financing Spread Adjustment** - when trading the Contract, counterparties will agree to a spread +/- to the reference rate (TRF Spread) for the remaining maturity of the product. This Financing Spread Adjustment will also scale with remaining time to maturity in absolute term but will be likely much less variable than the longer-term financing rate since most of the financing rate changes come in via the daily overnight benchmark reference rate component.

⁹ Each daily publication includes, in addition to the SONIA value for the preceding UK banking day, other descriptive statistics for the trade-volume-weighted distribution of interest rates on eligible transactions for the preceding UK banking day. The SONIA value for any UK banking day is made freely available via the BOE Interactive Statistical Database (<http://www.bankofengland.co.uk/boeapps/database/>) no later than 10:00am London time on the UK banking day following the first day on which such SONIA value was initially published. See Bank of England, *SONIA – Key features and policies*, May 2018, *op cit*.

Adjusted Interest Rate Total Return Futures Valuation

In conjunction with using the UKXDUK, the calculation will adjust for accrued interest using the SONIA.

Market participants can trade the TRF Spread price (s_t) directly. The Contract shall be traded via a form of BTIC transaction. Namely, the participants consummate a trade as a basis to the closing index value. The (absolute) price of the transaction will be determined by the Exchange following the conclusion of spot market trading on the day using the closing index value of the index.

There is, however, a deviation from previous BTIC trading arrangement in that, instead of the basis price in BTIC being quoted and traded in index points, the AIR TRF basis will be quoted in basis point per annum of interest rate add-on or discount. The Exchange, when converting the BTIC transaction into the trade of the underlying futures trade, will take into consideration the remaining maturity of the contract month.

Once the TRF Spread is consummated, it will be converted into an AIR TRF price by the Exchange. The resulting cleared price of the future is computational and occurs on a trade by trade basis.

The price of AIR TRF is defined as:

$$\begin{aligned} \text{Future Pricet} &= (\text{Equity Index} - \text{Accrued Financing}) + \text{Financing Spread Adjustment} \\ &= (\text{UKXDUK}_t - AF_t) + FSA_t \\ &= (\text{UKXDUK}_t - AF_t) + \text{UKXDUK}_t \times \tau_t \times s_t \end{aligned}$$

Where:

- t : valuation time;
- UKXDUK_t : FTSE[®] 100 Total Return Declared Dividend index close price. It is the Gross Total Return index on FTSE[®] 100 also known by the index ticker "UKXDUK";
- AF_t : Accrued daily overnight financing at time t defined by $AF_t = AF_{t-1} + DF_t$;
- DF_t : Daily financing at time t as defined by $DF_t = \text{UKXDUK}_{t-1} \times \text{SONIA}_{t-1} \times \tau_t^{FD}$;
- SONIA: The Sterling Overnight Index Average as determined by the Bank of England
- FSA_t : Financing spread adjustment as defined by $FSA_t = \text{UKXDUK}_t \times \tau_t \times s_t$;
- s_t : TRF spread price;
- T : Expiration date of the future;
- τ_t^{FD} : annualized financing days as defined by $\tau_t^{FD} = [(t+2 \text{ settlement days}) - [(t-1) + 2 \text{ settlement days}]] / 365$.
- τ_t : time to expiry defined by $\tau_t = [(T + 2 \text{ settlement days}) - (t + 2 \text{ settlement days})] / 365$.

The overnight financing rate is determined as the SONIA applicable to each day. Accrued financing (AF_t) is equal to the sum of the daily overnight financing (DF_t) since the future's inception (t_0) until the valuation time (t):

$$AF_t = \sum_{t=t_0}^t \text{UKXDUK}_{i-1} \times \text{SONIA}_{i-1} \times \tau_t^{FD}$$

The CREST business days calendar is used as the 'settlement days' calendar to calculate the time to expiry (τ_t) and the annualized financing days (τ_t^{FD}).

Given that the accrued financing value is a function of each contract's inception (listing) date, two contracts listed at different dates will have different accrued financing values.

The Exchange will publish the Accrued financing (AF) value every business day to market participants for all the listed contract months.

Final Settlement of the Adjusted Interest Rate Total Return Future:

The final settlement of the AIR TRF is the SPTR SOQ price minus the sum of accrued daily overnight financing until expiry.

The term FS_{A_T} at final expiration is null because at expiration of the future τ_T is zero

Future Price _{$t=T$} final settlement = $SPTRT\ SOQ - AF$

$$\text{Futures Price}_{t=T}^{\text{Final settlement}} = UKXDUK_T^{UKEDSP} - AF_T$$

Where:

- $UKXDUK_T^{UKEDSP}$: FTSE® 100 Total Return Declared Dividend Index on Expiration Date (T)
- AF_T : Accrued Financing(AF) at Expiration Date (T) defined by:

$$AF_T = AF_{T-1} + DF_T, \text{ where}$$

DF_T is the Daily Financing calculated on Expiration Date (T)

Such FTSE® Exchange Delivery Settlement Price (FTSE® 100 EDSP) shall be determined on the third Friday of such delivery month and shall be based on the Exchange Delivery Settlement Price prices of the component stocks of the Index.

Section 3 – Non Narrow-Based Indexes

The Commodity Exchange Act (“CEA” or the “Act” requires that security futures products, defined to comprise single stock futures and futures on narrow-based security indexes, shall be subject to the joint jurisdiction of the CFTC and the Securities Exchange Commission (“SEC”). Futures products for which the underlying references are broad-based security indexes remain under the sole jurisdiction of the CFTC.

Section 1a(25) of the Act defines a narrow-based index to be an index

- (i) which has nine (9) or fewer component securities; or
- (ii) in which any component security comprises more than 30 percent of the index’s weighting; or
- (iii) in which the 5 highest weighted component securities in the aggregate represent more than 60 percent of the index’s weighting; or
- (iv) in which the lowest weighted component securities comprising, in the aggregate, 25 percent of the index’s weighting have an aggregate dollar value of average daily trading volume of less than USD 50,000,000 (or in the case of an index with 15 or more component securities, less than USD 30,000,000).

The FTSE® 100 Index and therefore the Contract as it is a derivation of the FTSE® 100 index considered herein, fails to meet any criterion for consideration as a narrow-based index. The Exchange has determined, therefore, that the Adjusted Interest Rate FTSE® 100 Total Return Declared Dividend Index Futures contract shall be listed for trading and clearing under the sole jurisdiction of the CFTC.

In respect of criterion (i), as of March 31, 2021 the number of Index components for the FTSE® 100 index was 101 securities, which exceeds the 9-security minimum threshold.

In respect of criteria (ii), (iii), and (iv), Exhibit 1 displays summary statistics of daily data for the 6-month interval October 1, 2020 through March 31, 2021. Results are based on the FTSE® 100 Index, which has identical components for the FTSE® 100 Total Return Declared Dividend Index.

Exhibit 2

CEA Section 1a(25) Narrow-Based Index Tests for the FTSE[®] 100 Index

Quantiles of empirical distributions of daily measures of index characteristics, October 1, 2020 to March 30, 2021.

	<i>Criterion (ii)</i>	<i>Criterion (iii)</i>	<i>Criterion (iv)</i>
	<i>Index weight of largest index component (pct)</i>	<i>Aggregate index weight of largest 5 index components (pct)</i>	<i>Trading volume of smallest index components aggregating to 25 pct of index weight (GBP blns/day)</i>
<i>Maximum</i>	7.4%	25.9%	£ 294.6
<i>75 Pctl</i>	7.0%	24.3%	£ 130.9
<i>Median</i>	6.3%	23.9%	£ 115.9
<i>25 Pctl</i>	5.8%	23.5%	£ 102.5
<i>Minimum</i>	5.5%	23.0%	£ 36.3

Data Source: Bloomberg LLC

For criterion (ii), the share of Index weight occupied by the largest component stock, test results appear in the left-hand panel of Exhibit 1. For each index, the entire empirical distribution of daily outcomes resides far below the 30 percent threshold that would signify a narrow-based index. At no point does any index's largest component stock account for more than 8 percent of index weight.

Similar results obtain for criterion (iii), shown in the middle panel of Exhibit 1. In each case, the aggregate weight of the index's largest five component stocks is below 60 percent threshold and therefore is not a narrow based index. In no instance do the largest five members of the index account for more than 26 percent of index weight.

Summary statistics for distributions of trading volume, shown in Exhibit 1's right-hand panel, demonstrate that the Index is not narrow-based in the sense of criterion (iv). The test procedure is to determine if the sum of the smallest 25% of the index is less than \$30 million. If so, it would be defined as a narrow-based index. If the representative aggregate daily trading volume of such identified index components were less than USD 30 million (£21 million at an exchange rate of 1.4 GBPU\$), then the Index would be considered narrow-based. The aggregate market cap of the lowest 25% stocks of FTSE[®] 100 observed during this time period substantially exceed that threshold. Therefore, the index is not considered a narrow-based index based on this test.

During the 6-month sample analyzed here, daily values of trading volume in the Index's bottom-quartile constituent stocks reside in the neighborhood £116 billion per day. The minimum observed daily trading volume is £36.3, significantly removed from the minimum level of £21 million. This is a one-day event that occurred on Friday, December 24, 2020 just before the long holiday weekend.

In addition to the above we also sampled the prior trading days from March 1, 2021 to April 15, 2021 for the total number of shares traded on the FTSE[®] Index. Exhibit 2 contains those figures and shows a robust level of volumes each trading day during this period.

Exhibit 3

Daily Stock Volumes Statistics of FTSE® 100 Index and Daily Values

<i>Percentiles</i>	<i>Daily Volume of Shares Traded</i>
<i>Maximum</i>	1,725,092,671
<i>75 Pctl</i>	826,587,931
<i>Median</i>	721,135,882
<i>25 Pctl</i>	633,692,489
<i>Minimum</i>	554,370,004

Data Source: Bloomberg LLC

Date	Stocks Traded FTSE® 100
3/1/2021	696,466,361
3/2/2021	674,484,691
3/3/2021	920,272,681
3/4/2021	900,084,459
3/5/2021	1,006,404,412
3/8/2021	923,264,950
3/9/2021	915,048,278
3/10/2021	707,383,515
3/11/2021	685,614,366
3/12/2021	634,765,431
3/15/2021	689,854,316
3/16/2021	821,225,375
3/17/2021	818,535,529
3/18/2021	799,218,541
3/19/2021	1,725,092,671
3/22/2021	756,489,384
3/23/2021	789,979,926
3/24/2021	849,275,901
3/25/2021	768,090,597
3/26/2021	734,888,249
3/29/2021	630,473,662
3/30/2021	655,010,938
3/31/2021	842,675,598
4/1/2021	588,779,328
4/6/2021	781,860,722
4/7/2021	704,636,336
4/8/2021	624,523,054
4/9/2021	623,773,410
4/12/2021	606,250,179
4/13/2021	555,547,459
4/14/2021	554,370,004
4/15/2021	609,765,009

Section 4 - Compliance with Core Principles

The Exchange reviewed the designated contract market core principles (“DCM Core Principles”) as set forth in the Act and identified that the following DCM Core Principles may be impacted as follows:

Core Principle 2 – Compliance with Rules

Trading in the Contract shall be subject to CME Rulebook Chapter 4, which includes prohibitions against fraudulent, noncompetitive, unfair, and abusive practices. Additionally, trading in this Contract shall be subject to the Exchange’s trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. Trading activity in this Contract shall be subject to monitoring and surveillance by CME Group’s Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

Core Principle 3 – Contracts Not Readily Subject to Manipulation

The underlying reference index is sufficiently broad in definition and scope, and adequately large in terms of market capitalization and level of trading activity of Index constituents, to satisfy the requirement that such futures contract is not readily susceptible to attempted cornering, manipulation, crowding, or exertion of undue influence upon final settlements of expiring Contract.

As of April 13, 2021, the FTSE[®] 100 Index and the FTSE[®] 100 Total Return Declared Dividend Index each comprised of the same 101 component stocks with approximate aggregate market capitalization of 2.0 trillion GBP.¹⁰

In conjunction with using the FTSE[®] 100 Total Return Declared Dividend Index, the calculation will adjust for accrued interest using the SONIA. Whether the Contract is susceptible to manipulation rests partially on the integrity of the SONIA. The SONIA benchmark is supported by a substantial and reliably active transaction pool. Moreover, the statistical measure employed to produce the benchmark value on any given day – the transaction-volume-weighted interquartile mean deposit rate -- is reasonably robust. SONIA is overseen by the Bank of England and has “...sufficient integrity to deflect attempted cornering, manipulation, crowding, or exertion of undue influence upon final settlement of expiring contracts.”

Core Principle 4 – Prevention of Market Disruption

Trading in the Contract shall be subject to CME Rulebook Chapters 4 and 7, which include prohibitions on manipulation, price distortion, and disruption to the expiration and assignment process. As with any new product listed for trading on a CME Group designated contract market, trading activity in the Contract shall be subject to monitoring and surveillance by CME Group’s Market Regulation Department.

Core Principle 5 – Position Limits or Accountability

The Contract shall be subject to 20,000 futures equivalent net position (long or short) across all contract months on a one-to-one ratio with the E-mini[®] FTSE[®] 100 Index Futures contract. There shall be a Position Reporting Level of 25 contracts. Both requirements are comparable to standards that apply to US equity index futures products currently listed for trading by the Exchange.

To place the prescribed Position Limits in context, consider market conditions on May 29, 2021. With the closing value of the FTSE[®] 100 Total Return Declared Dividend Index at 6,686, the notional value of a hypothetical 20,000 (6,686 X 10) contract limit position in FTSE[®] 100 TRF would have been approximately £1.3 billion without accounting for the accrued financing component (equal to (6,686 Index points) x (£10 per Index point per contract) x (20,000 contracts)). This represents approximately 0.07% of the Index’s closing market capitalization of £2 trillion.

¹⁰ FTSE Russell Equity Indexes

Core Principle 7 – Availability of General Information

The Exchange shall disseminate a Special Executive Report (“SER”) that sets forth information in regard to specifications, terms, and conditions of Contract. In addition to such SER, daily trading volume, open interest, and price information for such futures contracts shall be published on the Exchange’s website.

Core Principle 8 – Daily Publication of Trading Information

The Exchange shall publish contract trading volumes, open interest levels, and price information daily on its website and through quote vendors.

Core Principle 9 – Execution of Transactions

The Contract will be listed for trading on the CME Globex electronic trading platform and for submission of block trades for clearing via CME ClearPort using BTIC pricing as previously described. The Contract will also be available for EFRP transactions via CME ClearPort using outright pricing as previously described. CME Globex provides for competitive and open execution of transactions and affords the benefits of reliability and global connectivity. The applicable CME Globex non-reviewable trading ranges shall be as set forth in the appendices.

Core Principle 10 – Trade Information

All requisite trade information shall be included in the audit trail and will suffice for the Market Regulation Department to monitor for market abuse.

Core Principle 11 – Financial Integrity of Transactions

The Contract shall be cleared by the Chicago Mercantile Exchange Inc. derivatives clearing organization.

Core Principle 12 – Protection of Markets and Market Participants

CME Rulebook Chapters 4 and 5 set forth multiple strictures that preclude intermediaries from disadvantaging their customers. These Rules apply to trading in all of the Exchange’s competitive trading venues and will apply to transactions in the Contract.

Core Principle 13 – Disciplinary Procedures

CME Rulebook Chapter 4 provides for the Exchange to discipline, suspend, or expel members or market participants who violate the rules of the Exchange. Trading in the Adjusted Interest Rate FTSE® 100 Total Return Declared Dividend Index Futures product certified herein shall be subject to these provisions. The Exchange’s Market Regulation Department has the authority to exercise its powers of enforcement, in the event that rule violations in this product are identified.

Core Principle 14 – Dispute Resolution

Disputes in respect of the Contract shall be subject to the arbitration provisions set forth in CME Rulebook Chapter 6, which allow all nonmembers to submit to arbitration claims for financial loss resulting from transactions on the Exchange. Pursuant to these provisions, any member named as a respondent in any such claim submitted by a nonmember is required to participate in arbitration proceedings. Additionally, the Exchange requires members to resolve via arbitration all disputes concerning transactions on the Exchange.

The Exchange certifies that listing the Contract complies with the Act including all regulations thereunder. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange’s website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A CME Rulebook Chapter 375
Appendix B Position Limit, Position Accountability, and Reportable Level Table,
CME Rulebook Chapter 5 (attached under separate cover)
Appendix C CME Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table
Appendix D Special Price Fluctuation Limits and Daily Price Limits Table,
CME Rulebook Chapter 5
Appendix E Exchange Fees

Appendix A

CME Rulebook Chapter 375

Adjusted Interest Rate FTSE® 100 Total Return Declared Dividend Index Futures

37500. SCOPE OF CHAPTER

This chapter is limited in application to Adjusted Interest Rate FTSE® 100 Total Return Declared Dividend Index Futures (“AIR FTSE 100 TRF” “futures”).

The AIR FTSE® 100 TRF valuation has three components; an equity index component, a daily Benchmark financing component and a financing spread adjustment component.

$$\text{AIR FTSE}^{\text{®}} 100 \text{ TRF} = (\text{Equity Index} - \text{Accrued Financing}) + \text{Financing Spread Adjustment}$$

In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange as applicable.

Unless otherwise specified, times referenced herein shall refer to and indicate Chicago time.

37500.A. [Reserved]

37500.B. Primary Listing Exchange

For the purposes of this chapter a Primary Listing Exchange shall be as defined as the London Stock Exchange.

37501. CONTRACT SPECIFICATIONS

The contract structure is subject to the following definitions:

1. Definitions

- a. **Equity Index:** shall mean the FTSE® 100 Total Return Declared Dividend Index (“UKXDUK” or “Index”);
- b. **Index Close:** The official index closing value of the Equity Index for a particular trading day based on the closing price of the constituent stocks in the index as disseminated by the Index Administrator;
- c. **Index Administrator:** shall mean the Russell FTSE® who is responsible for the calculation and dissemination of the Equity Index;
- d. **Benchmark Funding Reference Rate:** shall mean the Sterling Overnight Index Average (SONIA) published by the Bank of England on the current business day of the value on the previous business day, expressed on per annum basis; Sterling
- e. **Cash Market Settlement Day** shall mean the settlement day of an equity trade corresponding to a trading day, as scheduled by the CREST;
- f. **Daily Financing Period:** shall mean the length of time in years between the Cash Market Settlement Day of the previous business day and the Cash Market Settlement Day of the current day, using the ACT/365 day count convention;
- g. **Time to Maturity:** shall mean the length of time in years between the Cash Market Settlement Day of the previous business day and the Cash Market Settlement Day of the current day, using the ACT/365 day count convention;
- h. **Daily Financing Amount** shall mean the following value:
$$\text{Previous Business day's Index Close} \times \text{Daily Financing Period} \times \text{Benchmark Funding Reference Rate}$$
- i. **Accrued Financing:** shall mean cumulative value of the Daily Financing Amount since the listing of a contract. On the first day of trading, CME Clearing shall determine and publish the initial value of the Accrued Financing for the contract. Thereafter, on each business day, the Accrued Financing of the contract shall be determined by adding the current day's Daily Financing Amount to the Accrued Financing of the contract as of the previous business day;

- j. **TRF Spread Price (or Total Return Futures Spread Price, or Financing Spread Price)** shall mean an interest rate spread, expressed on per annum basis, above or below the Benchmark Funding Reference Rate;
 - k. **Absolute Price** shall mean the price of the futures contract by converting the TRF Spread Price using the Pricing Formula with the appropriate Index Value, Time to Maturity, and TRF Spread Price as inputs;
 - l. **Financing Spread Adjustment** shall mean the value determined by following formula:

$$\text{Index Close (of Current Business Day)} \times \text{TRF Spread Price} \times \text{Time to Maturity}$$
2. For purpose of this chapter, **Pricing Formula** shall mean the following formula:

$$\text{Equity Index} - \text{Accrued Financing} + \text{Financing Spread Adjustment}$$
 3. For trades pursuant to 37506. BTIC Transactions, the Exchange shall apply the Pricing Formula to trades consummated using TRF Spread Prices to determine the Absolute Price, subject to rounding to the nearest Price Increment. For trades pursuant to Exchanges For Related Positions, trade counterparties shall submit to CME Clearing the Absolute Price agreed upon by the counterparties.

37502. TRADING SPECIFICATIONS

37502.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Exchange, provided that there shall be no trading in futures contracts when trading is halted in the Primary Futures Contract Month.

37502.B. Trading Unit

The unit of trading shall be 10.00 GBP times the FTSE[®] 100 Total Return Declared Dividend Index.

37502.C. Price Increments

The price for the AIR FTSE[®] 100 TRF will be in index points. The minimum price fluctuation shall be 0.01 index points.

The quoting notation for the AIR FTSE 100 TRF Spread will be expressed in basis points and shall be transacted via BTIC (Rule 37506). The minimum price fluctuation is 0.5 basis points.

37502.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

37502.E. [Reserved]

37502.F. [Reserved]

37502.G. Termination of Trading

Trading in expiring futures shall terminate at 10:30 a.m. London time on the Business Day scheduled for determination of the Final Settlement Price (Rule 37503.A.) for such futures.

37502.H. [Reserved]

37502.I. Price Limits and Trading Halts

The primary futures contract expiration month, as referenced in this rule, shall be determined by the Exchange. The Exchange shall also determine when the primary futures contract month is limit bid or limit offered.

Reference Price for Exchange Price Limits and Exchange Trading Halts:

Daily price limits in futures will be established on the basis of a Reference Price ("P") which shall be determined by the Exchange as follows:

Tier 1

Such Reference Price shall be the volume-weighted average price of transactions in futures executed on Globex during the 30 seconds immediately preceding commencement of the closing auction for SETS securities on the London Stock Exchange Main Market ("LSE closing auction")-

Tier 2

If no such transaction occurs, such Reference Price shall be the average bid/ask spread in futures during the 30 seconds immediately preceding commencement of the LSE closing auction closing auction-

Tier 3

If such Reference Price cannot be determined pursuant to Tiers 1 and 2 above, then the Exchange, in its sole discretion, shall set such Reference Price by alternative means which may include, but are not limited to, derivation by reference to the basis relationship between such futures contract's price and the Index, or application of Tier 1 and Tier 2 calculations to successive time intervals of increasing length, in integer multiples of thirty (30) seconds, until suitable price data are obtained. The resultant Reference Price value shall be rounded down to the nearest integer multiple of one (1) Index point. Such Reference Price, so rounded, shall be used for determination of the corresponding Price Limits.

In the event of an early close of the London Stock Exchange ("LSE"), such Reference Price shall be made on the basis of the thirty (30) seconds immediately preceding the LSE closing auction.

For newly listed futures, the Exchange shall set, in its sole discretion, a Reference Price value for the purpose of determining Price Limits for the first day of trading in such futures.

Exchange Price Limit Levels: The Price Limits shall be calculated daily based upon the Reference Price, P, and the value of the Index based upon LSE closing auction prices of Index component stocks ("I"). The Offset used to derive the daily Price Limits shall be calculated as follows:

7% Offset = 7% of I, or (0.07 x I) rounded down to the nearest 0.01 point increments.

The daily Price Limits for futures shall be calculated as follows:

7% Price Limit = P plus 7% Offset, and P minus 7% Offset

Exchange Price Limits from 5:00 p.m. Chicago Time to 8:00 a.m. London Time:

There shall be no trading of futures at any price outside the range defined by the 7% Price Limits, where such 7% Price Limits are calculated on the basis of (i) the Reference Price determined by the Exchange immediately prior to the most recent LSE closing auction and (ii) the Offset derived by the Exchange from the Index value based on the most recent LSE closing auction.

Exchange Price Limits from 8:00 a.m. London Time to 4:35 p.m. London Time:

Price Limits shall not apply during LSE Main Market hours.

Exchange Price Limits from 4:35 p.m. London Time to 4:00 p.m. Chicago Time:

There shall be no trading of futures at any price outside the range defined by the 7% Price Limits, where such 7% Price Limits are calculated on the basis of (i) the Reference Price determined by the Exchange immediately prior to the most recent LSE closing auction and (ii) the Offset derived by the Exchange from the Index value based on the LSE closing auction first preceding the most recent LSE closing auction.

37503. SETTLEMENT PROCEDURES

Delivery shall be by cash settlement.

37503.A. Final Settlement Price

For a futures contract for a given delivery month, the Final Settlement Price shall be determined based using the Pricing Formula, with the Exchange Delivery Settlement Price (FTSE[®] 100 EDSP) in place of the Index Close? For the avoidance of doubt, the Final Settlement Price shall be

FTSE[®]100 EDSP – Accrued Financing on Day of Final Settlement Price Determination

Note that Time to Maturity on the day of Final Settlement Price Determination shall be zero, and the Financing Spread Adjustment shall be zero.

Such FTSE[®] Exchange Delivery Settlement Price (FTSE[®] 100 EDSP) shall be determined on the third Friday of such delivery month and shall be based on the Exchange Delivery Settlement Price prices of the component stocks of the Index.

If the Index is not scheduled to be published on the third Friday of the contract delivery month, then such Final Settlement Price shall be scheduled for determination on the first preceding Business Day on which the Index is scheduled to be published.

37503.B. Final Settlement

Clearing members holding open positions in an expiring futures contract at its termination of trading (Rule 37502.G.) shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on such expiring contract's Final Settlement Price (Rule 37503.A.).

37504.

[RESERVED]

37505.

[RESERVED]

37506.

BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B.

37506.A. BTIC Block Trade Requirements

BTIC block trades must be executed in accordance with the requirements of Rule 526. For a BTIC block trade executed on a given Trading Day on or before the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day. For a BTIC block trade executed on a given Trading Day after the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.

37506.B. Price Assignment Procedure

The price of a BTIC transaction shall be determined by the Exchange after the close of the Primary Listing Exchange, according to the Definitions in 37501.

If the Index Administrator publishes an Index Close but then subsequently amends and re-publishes the Index Close prior to the end of the next trading period, then the amended Index Close shall be used to recalculate the daily settlement price. In addition, the amended Index Close shall be used to calculate the difference applicable to impacted trades in relation to their originally calculated Traded Futures Price and determine the corresponding adjustment based on the amended Index Close. These adjustments shall be determined on the next trading day.

37506.C. BTIC Order Minimum Price Increment

The minimum price increment shall be 0.50 basis points, per contract, for any basis adjustment that is applied to an Index closing price to establish a BTIC transaction price.

37506.D. Termination of Trading BTIC

Trading in an expiring futures contract shall terminate at the scheduled close of the Primary Listing Exchange on the Exchange business day first preceding the day of Final Settlement Price determination for such futures contract pursuant to CME Rule 524.B. Until such time as the Exchange shall enable outright trading in futures contracts made under these Rules, trading shall be permitted only where such futures contracts are traded through Basis Trade at Index Close transactions and Rule 37506. of this Chapter, provided that in any instance where such futures contracts are traded as the futures component of an EFRP transaction, pursuant to Rule 538. (Exchange for Related Positions), the price of such futures contracts may be made either in Index Point terms outright, pursuant to Rule 37502. of this Chapter, or in BTIC terms, pursuant to Rule 524.B. and Rule 37506. of this Chapter.

37506.E. Disruption Event Handling

In the event of a market disruption in the cash market, such that there is no valid official closing Index available for that trade date, all BTIC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion, and may include, without limitation, an unscheduled early close of the primary listing exchange.

(End Chapter 375)

DISCLAIMER

Adjusted Interest Rate FTSE® 100 Total Return Declared Dividend Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE® International Limited (“FTSE”) or the London Stock Exchange Group companies (“LSEG”) (together the “Licensor Parties”) and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of the FTSE® 100 Total Return Declared Dividend Index Futures (the “Index”) (upon which Adjusted Interest Rate FTSE® 100 Total Return Declared Dividend Index Futures are based), (ii) the figure at which the Index is said to stand at any particular time on any particular

day or otherwise, or (iii) the suitability of the Index for the purpose to which it is being put in connection with the Adjusted Interest Rate FTSE[®] 100 Total Return Declared Dividend Index futures Index. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to the Index to CME or to its clients. The Index is calculated by FTSE[®] or its agent. None of the Licensor Parties shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein. All rights in the Index vest in FTSE[®]. "FTSE[®]" is a trade mark of LSEG and is used by FTSE[®] under license.

Appendix B
CME Rulebook
Chapter 5
(“Trading Qualifications and Practices”)

Position Limit, Position Accountability, and Reportable Level Table

(attached under separate cover)

Appendix C
CME Rulebook
Chapter 5
(“Trading Qualifications and Practices”)

Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table

Instrument	Globex Symbol	Outrights			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Minimum Ticks	NRR: Globex Format	NRR: Minimum Ticks
<u>Adjusted Interest Rate FTSE-100 Total Return Declared Dividend Index Futures</u>	<u>AFR</u>	<u>30 index points</u>	<u>3000</u>	<u>3000</u>	<u>N/A</u>	<u>N/A</u>
<u>BTIC on Adjusted Interest Rate FTSE-100 Total Return Declared Dividend Index Futures</u>	<u>AFT</u>	<u>7.5 index points</u>	<u>750</u>	<u>15</u>	<u>250</u>	<u>5</u>

Appendix D
CME Rulebook
Chapter 5
(“Trading Qualifications and Practices”)

Rule 589. Special Price Fluctuation Limits and Daily Price Limits Table

Product	Rulebook	Commodity Code	PRIMARY/ASSOCIATED		Daily Price Limit
<u>Adjusted Interest Rate FTSE-100 Total Return Declared Dividend Index Futures</u>	<u>357</u>	<u>AFR</u>	<u>Primary</u>	<u>Primary</u>	<u>Daily Price Limit Table</u>
<u>BTIC on Adjusted Interest Rate FTSE-100 Total Return Declared Dividend Index Futures</u>	<u>357</u>	<u>AFT</u>	<u>Associated</u>	<u>AFR</u>	<u>Daily Price Limit Table</u>

Appendix E Exchange Fees

Membership Type	Venue/Transaction Type	Both AFR and AFT executed with fewer than 24 months to expiration	Both AFR and AFT executed between 24 and 59 months to expiration	Both AFR and AFT executed with 60+ months to expiration
Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	Delivery	\$0.09		
	CME Globex	\$1.84	\$3.68	\$7.36
	EFP EFR Block BTIC	\$1.84	\$3.68	\$7.36
Rule 106.D Lessees Rule 106.F Employees	Delivery	\$0.21		
	CME Globex	\$1.96	\$3.92	\$7.84
	EFP EFR Block BTIC	\$1.96	\$3.92	\$7.84
Rule 106.R Electronic Corporate Members (For other than CME Globex - Non-Member rates apply)	CME Globex	\$2.14	\$4.28	\$8.56
	CME Globex - BTIC	\$2.14	\$4.28	\$8.56
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	Delivery	\$0.39		
	CME Globex	\$2.14	\$4.28	\$8.56
	EFP EFR Block BTIC	\$2.14	\$4.28	\$8.56
International Incentive Program (IIP) and International Volume Incentive Program (IVIP) Participants (For other than CME Globex - Non-Member rates apply)	CME Globex	\$2.15	\$4.30	\$8.60
	CME Globex-BTIC	\$2.15	\$4.30	\$8.60
Central Bank Incentive Program (CBIP), Emerging Markets Bank Incentive Program (EMBIP), Latin American Fund Manager Incentive Program (FMIP), Participants (For other than CME Globex - Non-Member rates apply)	CME Globex – Outrights	\$2.15	\$4.30	\$8.60
	CME Globex – Spreads	\$2.15	\$4.30	\$8.60
	CME Globex-BTIC	\$2.15	\$4.30	\$8.60
CBOE Members (For S&P products only; for all other products - Non-Member rates apply)	Delivery	\$0.35		
	CME Globex – Outright	\$2.10	\$4.20	\$8.40
	CME Globex – Spread	\$2.10	\$4.20	\$8.40
	EFP EFR Block BTIC	\$2.10	\$4.20	\$8.40
Non-Members	Delivery	\$0.40		

	CME Globex – Outright	\$2.15	\$4.30	\$8.60
	CME Globex - Spread	\$2.15	\$4.30	\$8.60
	EFPIEFR Block BTIC	\$2.15	\$4.30	\$8.60

Processing Fees	Fee
106.D Lessee/106.H Brokerage	\$0.13
106.F Employee Brokerage	\$0.13
Floor / "New" Brokerage	\$0.04
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee	\$0.40