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CME Group and GCSA Capital Collaborate to Deliver the Prefunded Treasury Facility Collateral Program for Meeting Performance Bond Requirements

CHICAGO and NEW YORK, April 4, 2018 /PRNewswire/ -- CME Group, the world's leading and most diverse derivatives marketplace, and GCSA Capital, a leading provider of collateral and risk transfer solutions for central counterparties and OTC cleared and uncleared derivatives counterparties, today announced they have collaborated to develop the Prefunded Treasury Facility ("PTF") as a permitted form of collateral at the clearing house division of CME (CME Clearing) for performance bond (initial margin) requirements for clearing members' proprietary (House) positions in futures and options contracts. The PTF is a letter of credit issued by a bankruptcy-remote trust that is fully collateralized and secured by U.S. Treasury securities that are deposited into a custody account controlled by CME Clearing. The PTF is designed to be an efficient, lower cost, and more stable form of term funding for clearing members.

"We are excited to announce acceptance of the PTF program. We've worked closely with GCSA Capital over the past two years to ensure that the design of the PTF program is aligned with CME's risk management standards for acceptable collateral and provides efficiencies to our clearing members," said Sunil Cutinho, President, CME Clearing. "We are pleased to continue expanding our acceptable collateral programs to offer solutions like these which bring capital efficiencies to our customers."

"The PTF is a useful form of collateral that can be a big benefit to the clearing member community. We are committed to providing innovative collateral solutions such as the PTF to the marketplace and we are excited to announce GCSA Capital's collaboration with CME Clearing. We look forward to working with clearing members to bring the product to market," said Chris Cononico, President of GCSA Capital.

"As a clearing member, we appreciate this initiative by CME Clearing and GCSA Capital to develop flexible funding solutions for market participants," said Michael Parodi, Director, Credit Suisse.

For more information, please visit <http://www.cmegroup.com/ptf>.

About CME Group

As the world's leading and most diverse derivatives marketplace, CME Group (www.cmegroup.com) is where the world comes to manage risk. CME Group exchanges offer the widest range of global benchmark products across all major asset classes, including futures and options based on [interest rates](#), [equity indexes](#), [foreign exchange](#), [energy](#), [agricultural products](#) and [metals](#). Around the world, CME Group brings buyers and sellers together through its [CME Globex®](#) electronic trading platform. CME Group also operates one of the world's leading central counterparty clearing providers through [CME Clearing](#), which offers clearing and settlement services across asset classes for exchange-traded and over-the-counter derivatives. CME Group products and services ensure that businesses around the world can effectively manage risk and achieve growth.

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About GCSA Capital

GCSA Capital (www.gcsacapital.com) is a specialized underwriter and program sponsor of collateral, liquidity, and risk-transfer products for financial institutions and Financial Market Infrastructure. GCSA Capital works with market participants to provide safer, more cost-effective, and more balance sheet efficient solutions while meeting the requirements of regulators and central banks.

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