

The significance of real estate futures stems from the sheer size of real estate as an asset class. The value of domestic residential real estate was estimated at \$22.5 trillion at the conclusion of 2007, comparable to the \$19.9 trillion in stock and \$29.7 trillion in fixed income securities. Thus, residential real estate represents perhaps one-third of the total value of these highly significant asset classes. Unlike the stock and bond market, however, there is no liquid market or facile means of hedging the attendant real estate risk.

Case, Shiller & Weiss introduced the concept of real estate futures in 1992 ...

"[f]utures and options markets should be established that are cash settled based on indexes of real estate prices ... [with] ... separate markets for ... major geographic regions ... at present no real

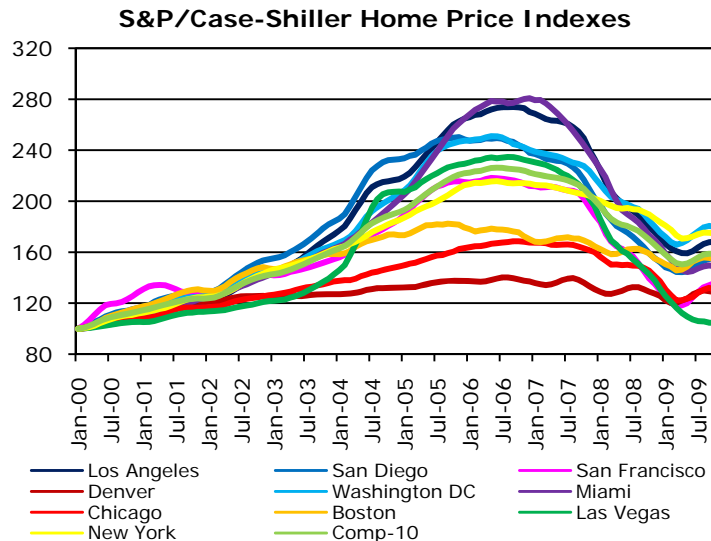
estate futures contract exists in the world; nor are there any good substitutes."

The introduction of futures and options based on the S&P/Case-Shiller Home Price Indices at CME (CME

Housing futures & options) represents the fulfillment of that vision, forging the creation of a novel derivatives asset class.

CME Housing futures & options are designed to provide a facile way for institutional and individual investors to gain exposure to real estate risk and effectively diversify their portfolios. Commercial and private asset holders

are afforded an efficient hedging mechanism. In the process, this novel market may have the effect of reducing transaction costs for trading real estate.



	Futures	Options on Futures
Contract Size	Each contract shall be valued at \$250 times the S&P/Case-Shiller® Home Price Index, e.g., if an index value is reported at 220.00, which equates to a contract value of \$55,000 (= \$250 x 220.00)	One futures contract
Minimum Price Fluctuation	0.20 index points (\$50.00)	0.10 index points (\$25.00)
Trading Hours	Offered exclusively on CME Globex® on Sundays-Thursdays 5:00 p.m.-2:00 p.m. the next day	Traded via open outcry in CME Eurodollar options pit Monday-Friday, 7:20 am-2:00 pm (central time)
Contract Months	February Quarterly Cycle of February, May, August and November	
Final Settlement Date	Trading in expiring contract ceases at 12:00 noon (central time) on last Tuesday of contract month	
Cash Settlement	Cash settlement based on reported value of S&P/Case-Shiller Home Price Indices of home prices for the cities of Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco, Washington DC and an index that represents a composite of the 10 cities	Exercised into the associated futures contract
Strike Prices	NA	At one (1) point intervals above and below prevailing market price

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