

## Buy-Side: Regulated Asset Manager

**Profile Description:** Asset managers that trade and make trading decisions on behalf of their clients who typically include government entities, corporations, individuals, and institutional investors. Fund structures typically include money market funds, mutual funds, pension funds, and USITCs.

**Trading Activity:** Trading products can include Equities, Fixed Income, Futures, Swaps and FX.

### Key Considerations Related to Central Clearing



#### Pricing & Balance Sheet Capacity

Return for cleared Treasury repo in comparison to other alternative investments (Reverse Repo Program, T-Bills, etc.) and the ability to transact freely with repo counterparties without balance sheet limit concerns.



#### Limited Ability to Post Clearing Agency Margin & Pay Fees

Limited ability to post margin and pay fees for certain funds (e.g., money market funds, pensions) due to regulatory restrictions.



#### Haircuts

Certain funds may be required to collect haircut from repo counterparties based on regulatory requirements and/or investment guidelines.



#### Product/Functionality Support

Certain funds may need joint trading accounts, tri-party repo and/or term repo.

**Recommended  
Access Model**



**Sponsored**

*Recommended based on feedback from similar firms evaluating their USTC requirements*

### Key Access Model Considerations

- If Regulated Asset Manager acts as an indirect participant (i.e., client) in clearing, **Sponsored Access** provides:
  - Balance sheet capacity due to netting capabilities
  - “Done-away” execution capabilities
  - Future capabilities for client level cross-margining if Regulated Asset Manager posts margin to clearing agency (as opposed to the Sponsoring member)
  - Legal relationship with the clearing agency
- **ACM Access (Alternative)** – May be of interest if Regulated Asset Manager acts as an indirect participant (i.e., client) in clearing for “done-away” activity due to “light-touch” clearing agency onboarding process for Regulated Asset Managers, and/or for those Regulated Asset Managers not from **FICC-approved jurisdictions**.

**Learn More**

