



# CBOE FLEX<sup>®</sup> OPTIONS - Quick Reference Sheet

## What Are FLEX Options?

FLexible EXchange<sup>®</sup> Options (FLEX Options) are customized equity and equity index options available at The Chicago Board Options Exchange.

## What Are The Features of FLEX?

FLEX Options provide you with:

- The ability to customize key contract terms, like exercise prices, exercise styles and expiration dates
- Virtual elimination of counterparty risk - Guaranteed by The Options Clearing Corporation, a "AAA" rated clearinghouse
- Price discovery of competitive, SEC-regulated auction markets
- A secondary market for an opportunity to offset or alter positions before expiration
- Independent daily valuation of prices and prompt availability of daily price and open interest reports
- The opportunity to trade in size with expanded or eliminated position limits
- Operational efficiency of exchange-listed options

## What Are Some of the Ways Investors Use FLEX?

Investors use Index and Equity FLEX to:

- Obtain broad market exposure at tailored exercise prices and expiration dates with Index FLEX calls
- Hedge concentrated stock positions (which may involve restricted stock) with European-style equity FLEX options
- Structure zero-premium collars with expirations up to 5 years using index or equity FLEX
- Facilitate corporate stock repurchases by selling equity FLEX puts and/or buying equity FLEX calls with no position limits
- Protect market positions with American-style S&P 500<sup>®</sup> Index FLEX puts

Options involve risk and are not suitable for all investors. Prior to buying or selling FLEX options, a person must receive a copy of *Characteristics and Risks of Standardized Options* and *FLEX Options* supplement, which are available from the Chicago Board Options Exchange ("CBOE"), 400 S. LaSalle, Chicago, IL 60605 or by calling 1-800-OPTIONS. This memorandum is designed to provide a brief summary, and all matters pertaining to rules and specifications herein are made subject to and are superseded by the official, current rules of the CBOE.

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## CBOE FLEX<sup>®</sup> Options Product Specifications

	Index FLEX					Equity FLEX
Contract	S&P 100 <sup>®</sup>	S&P 500 <sup>®</sup>	Dow Jones Industrial Average <sup>SM</sup>	Russell 2000 <sup>®</sup>	Nasdaq 100 <sup>®</sup>	More than 1,300 equities are eligible for Equity FLEX trading.
Symbol	OEX <sup>®</sup>	SPX <sup>™</sup>	DJX	RUT	NDX <sup>SM</sup>	Visit <a href="http://www.cboe.com">www.cboe.com</a> or call 1-800-OPTIONS for a current list of symbols.
Expiration Date	Up to 5 years from the trade date; however, <u>not</u> the 3rd Friday of the month or two business days preceding or following that date.					
Option Type	Put or Call					Put or Call
Exercise Style	American, European or Capped					American or European
Exercise Price	Index Value, Percent of Index Value, or other methods					Strike price increments of 1/8 for puts or calls
Premium	Percentage of the level of the underlying index or specific dollar amount per contract or contingent on specified factors in other related markets					Percentage of the level of the underlying stock or specific dollar amount per contract in increments of 1/16
Minimum Size	New series: \$10M underlying value; Existing series: \$1M underlying value					Opening Transactions: New series: 250 contracts or \$1M underlying value Existing series: 100 contracts Closing Transactions: 25 contracts or position balance
Trading Hours	9 a.m. to 3 p.m. Chicago Time					9 a.m. to 3 p.m. Chicago Time
Position Limits	OEX	SPX	DJX	RUT	NDX	No position limits
	No position limits			200,000 contracts on the same side of the market		
Exercise Settlement Value and	All Index Flex options are cash-settled (U.S.\$)  For American-style contracts, exercises tendered prior to the expiration date are settled against the closing value of the index on the day of the exercise.					Exercises result in delivery of stock.
Symbols	Open (OET) Close (OEX)	Open (SET) Close (SPX)	Open (DJS) Close (DJX)	Open (RLS) Close (RUT)	Open (NDS) Close (NDX)	

1-800-OPTIONS

[www.cboe.com](http://www.cboe.com)