

# Russell Index Products and Listed Options

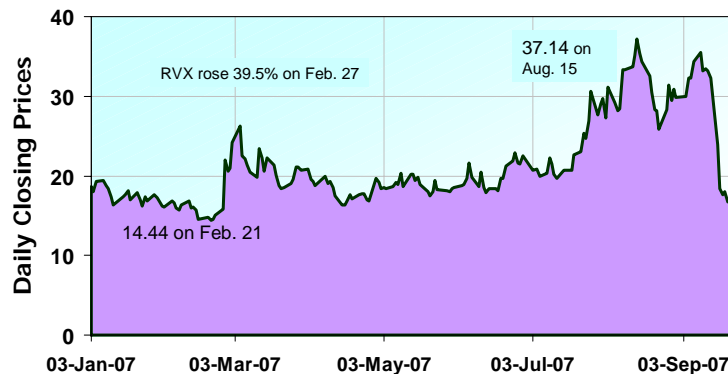
*Tools for Income and Risk Management*

September 27, 2007 at the CBOE.

Panel Discussion on  
Portfolio Management and the Volatility of Volatility Indexes.

1

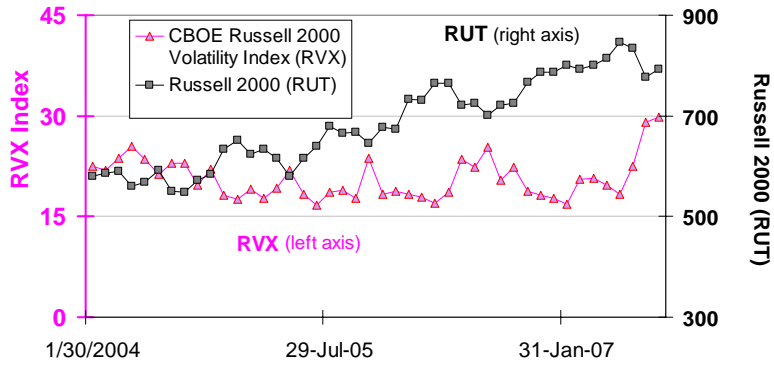
## CBOE Russell 2000 Volatility Index (RVX) in 2007



(Jan. 3, 2007 - Sept. 24, 2007). Sources: CBOE and Bloomberg.

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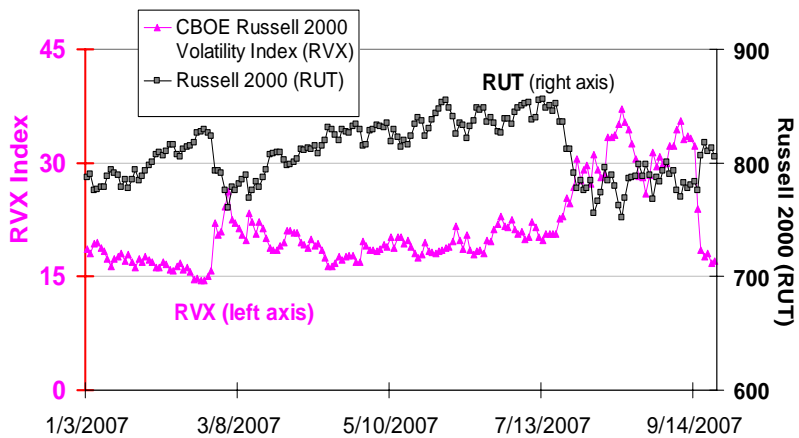
## RVX and RUT Indexes Since 2004



Monthly Closing Prices. (Jan. 2004 - Aug. 2007).  
Sources: CBOE and Bloomberg.

3

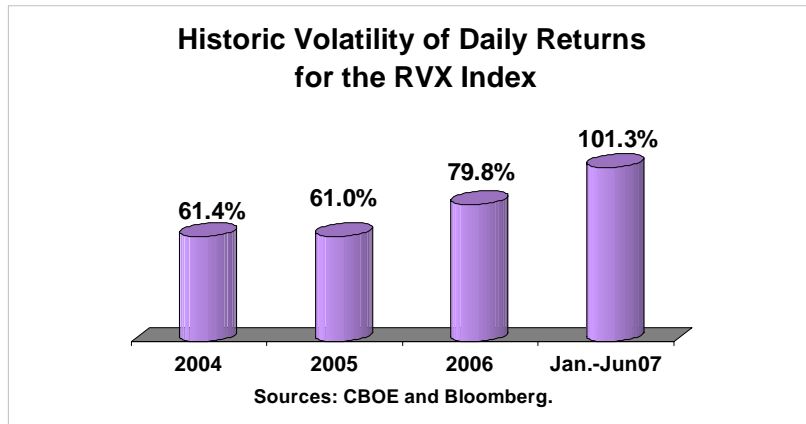
## RVX and RUT Indexes in 2007



Daily Closing Prices. (Jan. 3, 2007 - Sept. 24, 2007). Sources: CBOE and Bloomberg.

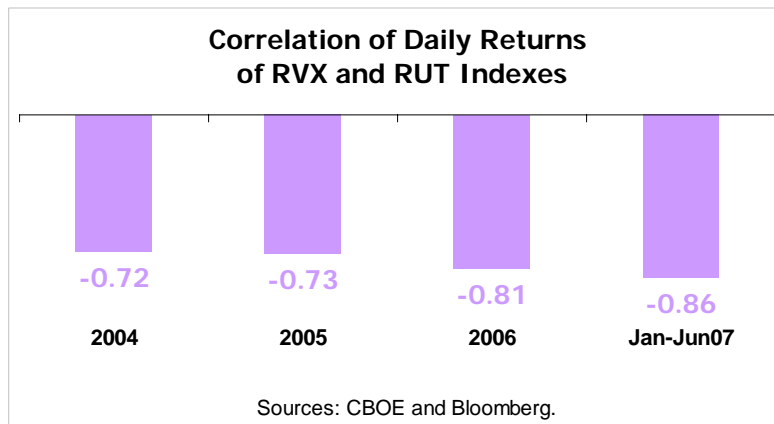
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## High Volatility of Volatility



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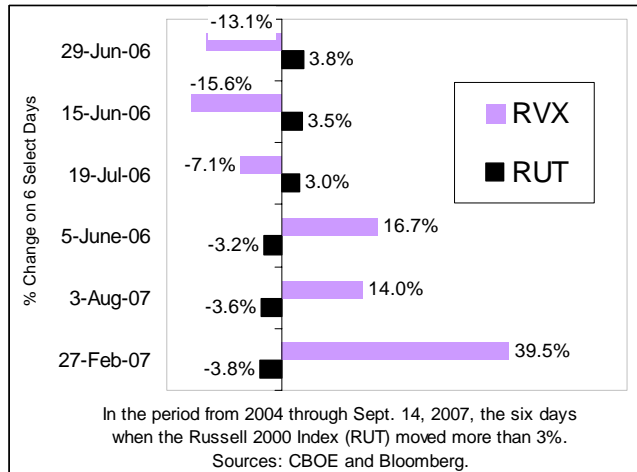
## Negative Correlations



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## Negative Correlation

### *Bigger Daily Moves in the Opposite Direction*



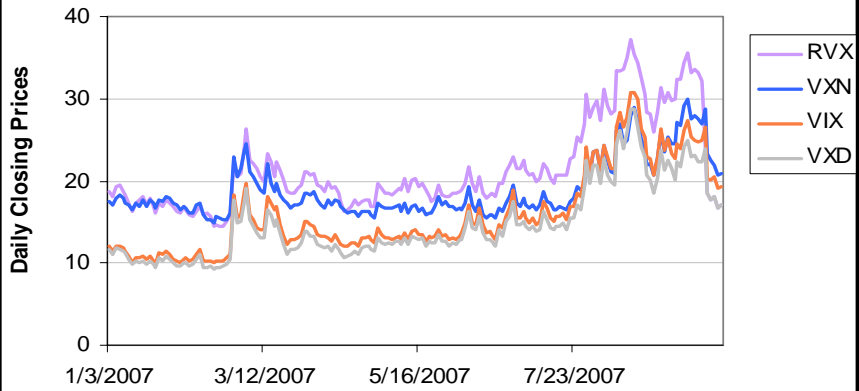
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## Select CBOE Options – Volume and Open Interest

	<u>Avg. Daily Volume</u> (Aug. 2006)	<u>Avg. Daily Volume</u> (Aug. 2007)	<u>% Change</u>	<u>Open Interest</u> (Aug. 2007)
Russell 2000 (RUT) Options	6,318	50,314	696%	1,924,121
iShares Russell 2000 Index Fund (IWM) Options	212,477	464,849	119%	9,950,238
RVX Futures (new)	--	444		2004

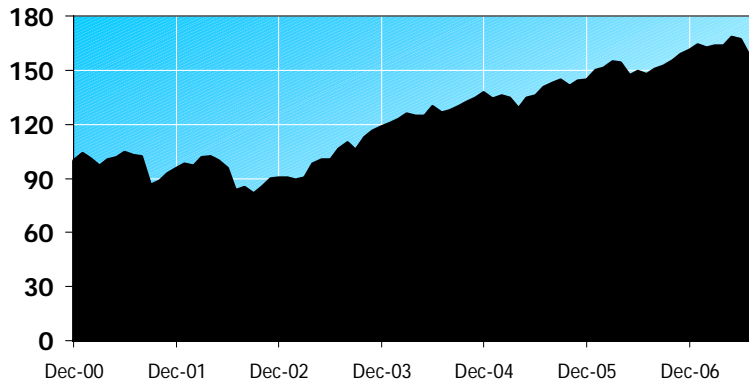
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### CBOE's Volatility Indexes in 2007



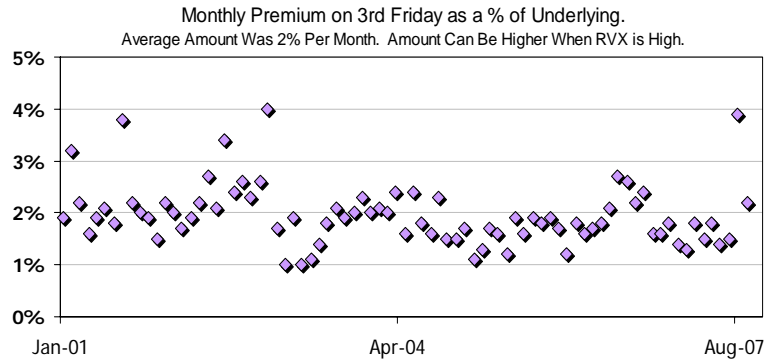
Sources: CBOE and Bloomberg.  
(Jan. 3, 2007 - Sept. 24, 2007)

### CBOE Russell 2000 BuyWrite Index (BXR)



(Dec. 2000 - Aug. 2007). Sources: CBOE and Bloomberg.

## Options Income for BXR Strategy



(Jan. 2001 - Sept. 2007). Source: CBOE. Please note that on a buywrite strategy an investor can generate options income if the investor is willing to forego some upside potential in the stock position.

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**Options involve risk and are not suitable for all investors.** Prior to buying or selling an option, a person must receive a copy of **Characteristics and Risks of Standardized Options**, <http://www.cboe.com/Resources/Intro.asp> which is available from your broker, by calling 1-888-OPTIONS, or from The Options Clearing Corporation, One North Wacker Drive, Suite 500, Chicago, IL 60606.

The prices for the futures and options on volatility indexes have some **unique features**; please visit [www.cboe.com/volatility](http://www.cboe.com/volatility) for more details.

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