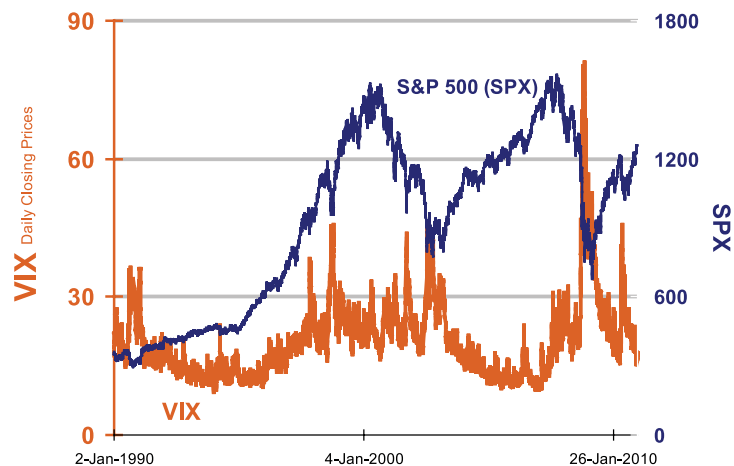


# CBOE VOLATILITY INDEX® (VIX®)

Premier Barometer of Investor Sentiment and Market Volatility • Options • Futures

## VIX and S&P 500 Indexes

(January 1990 - December 2010)\*



## Sampling of Key VIX Peak Daily Closing Prices in Select Years

23-Aug-90	36.47
30-Oct-97	38.20
8-Oct-98	45.74
20-Sep-01	43.74
5-Aug-02	45.08
16-Aug-06	30.83
12-Nov-07	31.09
20-Nov-08	80.86

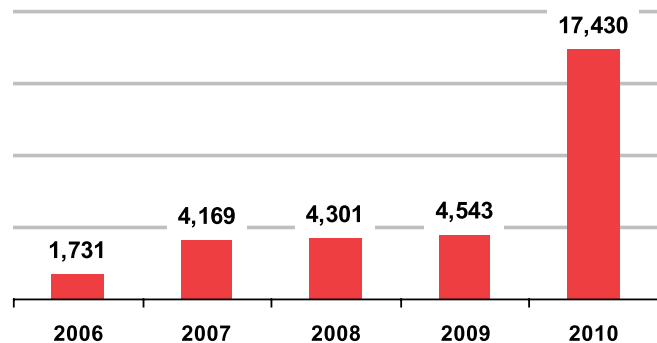
\*Sources: CBOE and Bloomberg

## High and Low Daily Closing Prices for Annual Time Periods

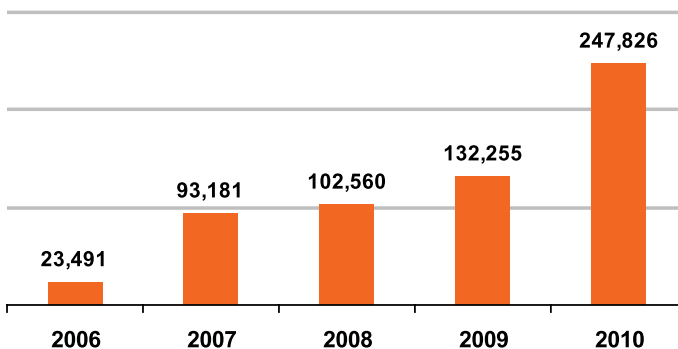
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
VIX HIGH	15.74	21.99	38.20	45.74	32.98	33.49	43.74	45.08	34.69	21.58	17.74	23.81	31.09	80.86	56.65	45.79
VIX LOW	10.36	12.00	17.09	16.23	17.42	16.53	18.76	17.40	15.58	11.23	10.23	9.90	9.89	16.30	19.47	15.45

\*Sources: CBOE, Bloomberg and S&P

## VIX Futures Average Daily Volume (\$1,000 Multiplier)



## VIX Options Average Daily Volume (\$100 Multiplier)



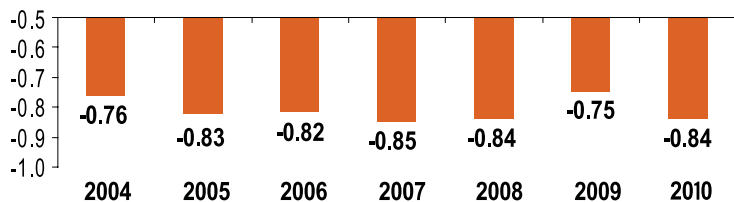
\*Source: CBOE

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 (the "ODD"). Copies of the ODD are available from your broker, by calling 1-888-OPTIONS, or from The Options Clearing Corporation, One North Wacker Drive, Suite 500, Chicago, Illinois 60606. Futures and options on CBOE's volatility indexes have several unique features that distinguish them from most equity and index options, and investors are strongly encouraged to closely read and understand the ODD and the VIX options FAQ at <http://www.cboe.com/micro/vix/vixoptionfaq.aspx> and other informational material before investing. Supporting documentation for claims, comparisons, recommendations, statistics or other technical data is available by calling 1-888-OPTIONS, sending an e-mail to [institutional@cboe.com](mailto:institutional@cboe.com), or by visiting [www.cboe.com](http://www.cboe.com). The information in this document is provided solely for general education and information purposes. CBOE's financial products based on the CBOE DJIA Volatility Index are not sponsored, endorsed, marketed or promoted by Dow Jones and Dow Jones makes no representations regarding the advisability of investing in such products.



## Negative Correlations

for Daily Returns of VIX vs. S&P 500

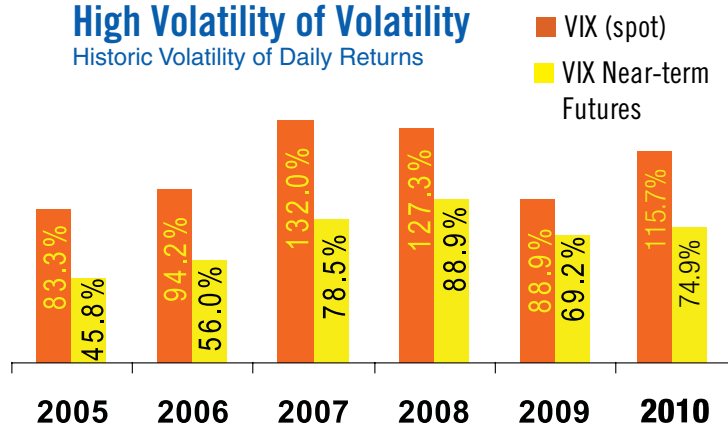


Sources: CBOE and Bloomberg

KEY SPECIFICATIONS	VIX Futures	VIX Options
Exchange	CFE	CBOE
Ticker	VX	VIX
Multiplier	\$1000 (and \$100 for Mini-Vix Futures)	\$100
Last Day of Trading	Generally on Tuesday, the day before expiration date.	
Expiration Date	Generally on Wednesday 30 days prior to the 3rd Friday of calendar month immediately following the expiring month.	
Avg. Daily Volume in 2010	17,430	247,826
Open Interest (December 2010)	142,609	3,820,251

## High Volatility of Volatility

Historic Volatility of Daily Returns



Source: CBOE

## SAMPLE VIX STRATEGIES

Investors who are - Bullish on VIX, and Bearish on stocks\* - might consider -

- Long VIX Call Options
- Long VIX Call Spreads
- Short VIX Put Credit Spreads
- Long VIX Futures

Investors who are - Bearish on VIX, and Bullish on stocks\* - might consider -

- Long VIX Put Options
- Long VIX Put Spreads
- Short VIX Call Credit Spreads
- Short VIX Futures

\* Caution - sometimes VIX and stock prices move in the same direction. Please visit [www.cboe.com/VIX](http://www.cboe.com/VIX) for more information about prices and strategies.

The CBOE Nasdaq-100 Volatility Index ("Index") is not derived, maintained, published, calculated or disseminated by The Nasdaq Stock Market, Inc. or its affiliates (collectively, the "Corporations"). Neither the Index nor any Derivative Product based on the Index has been passed on by the Corporations as to its legality or suitability. Such Derivative Products are not issued, endorsed, sold, sponsored, marketed or promoted by the Corporations. The Corporations make no warranties and bear no liability with respect to the Index. The methodologies of the CBOE volatility indexes are owned by CBOE and may be covered by one or more patents or pending patent applications. This document contains comparisons, assertions, and conclusions regarding the performance of indexes based on backtesting, i.e., calculations of how the indexes might have performed in the past if they had existed. Backtested performance information is purely hypothetical and is provided in this document solely for informational purposes. Backtested performance does not represent actual performance, and should not be interpreted as an indication of actual performance. Past performance does not guarantee future results. No statement within this document should be construed as a recommendation to buy or sell a security or a futures contract or to provide investment advice. CBOE®, Chicago Board Options Exchange®, CBOE Volatility Index®, VIX® and OEX® are registered trademarks and SPX, RVX, VXD, VXN, VXO, VXV, VPD, VPN, OVX, GVZ and EVZ are servicemarks of CBOE. CFE® is a registered trademark and CBOE Futures Exchange is a servicemark of CBOE Futures Exchange, LLC (CFE). All other trademarks and servicemarks are the property of their respective owners.

Copyright © 2011 Chicago Board Options Exchange, Incorporated. All Rights Reserved.

For more information, please talk to your broker and visit – [www.cboe.com/VIX](http://www.cboe.com/VIX)