

SPX QUARTERLY OPTIONS

End-of-quarter Expiration • PM-settled • Large Notional Size

www.cboe.com/SPXQ

SPX Quarterly options, first launched by CBOE in July 2006, have become especially popular with money managers who rebalance or settle portfolios on the last day of each quarter, and who use options as part of their portfolio management strategy.

KEY FEATURES OF SPX QUARTERLY OPTIONS INCLUDE:

1. END-OF-QUARTER EXPIRATION

- SPX Quarterly options expire on the last trading day of each quarter to coincide with end-of-quarter accounting practices. (By comparison, traditional options generally expire on the Saturday following the third Friday of the month.)

2. LARGE CONTRACT SIZE WITH A \$100 MULTIPLIER

- If the S&P 500 Index is at 1300, SPX Quarterly options have a notional size of about \$130,000 (ten times larger than SPY options).

3. PM SETTLEMENT

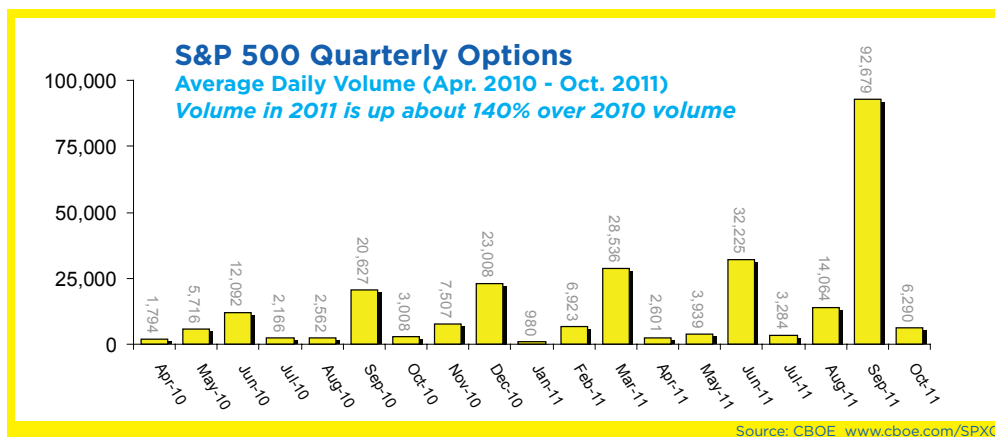
- Aligns with single-stock options, ETF options and with many SPX “lookalike” options traded OTC
- Preferred by many active investors managing multiple options products and by investment managers with end-of-day reporting needs
- No overnight market exposure at settlement

4. CASH SETTLEMENT, EUROPEAN-STYLE EXERCISE

- Like SPX and most other index options, and unlike SPY and other ETF options
- No risk of early assignment such as for dividends and no portfolio disruption on exercise
- S&P 500 options may be written on a “covered” basis against an equivalent offsetting position in the SPDRS S&P 500 ETF (SPY) or the iShares S&P 500 ETF (IVV) in a margin account, according to CBOE Circulars. See www.cboe.com/SPXQ

5. TAX TREATMENT

- Under section 1256 of the Tax Code, profit and loss on transactions in certain exchange-traded options, including SPX and SPXpm, are entitled to be taxed at a rate equal to 60% long-term and 40% short-term capital gain or loss, provided that the investor involved and the strategy employed satisfy the criteria of the Tax Code.*



Comparison of key options based on the S&P 500 Index

Description	C2 S&P 500 Index Options - SPXpm	CBOE S&P 500 Index Options - Traditional (including LEAPs)	CBOE S&P 500 Index Options - Quarterly	CBOE S&P 500 Index Options - Weekly	CBOE SPDR ETF Options
Options Chain/Trading Symbol	SPXPM/SPXPM	SPX/SPX	SPX/SPXQ	SPX/SPXW	SPY/SPY
Notional Size (approx.)	\$130,000				\$13,000
Exercise-Style	European-style exercise (no early exercise)				American-Style
Settlement Type	Cash Settlement				Physical ETF
AM or PM Settlement	PM-settled	AM-settled	PM-settled		
CBOE Market Model	Electronic - traded on C2	Open outcry with limited electronic access		Hybrid	
Microwebsite	www.cboe.com/SPXpm	www.cboe.com/SPX	www.cboe.com/SPXQ	www.cboe.com/SPXW	www.cboe.com/SPY

SPXSM WEEKLYSSM OPTIONS

PM-settled • On CBOE Hybrid • Large Notional Size

www.cboe.com/SPXW

Weeklys options, first introduced by CBOE in 2005, are one-week options that expire at the end of a week, unless an options expiration already exists.

KEY FEATURES OF SPX WEEKLY OPTIONS INCLUDE:

1. HYBRID TRADING SYSTEM FOR TRADING FLEXIBILITY

- SPX Weeklys are available on CBOE's Hybrid[®] Trading System, which incorporates electronic and open-outcry trading in order to enable investors to choose their trading method

2. PM SETTLEMENT

- Aligns with single-stock options, ETF options and with many SPX "lookalike" options traded OTC
- Preferred by many active investors managing multiple options products and by investment managers with end-of-day reporting needs
- No overnight market exposure at settlement

3. LARGE CONTRACT SIZE WITH A \$100 MULTIPLIER

- If the S&P 500[®] Index is at 1300, SPX Weeklys options have a notional size of about \$130,000 (ten times larger than SPY options)

4. CASH SETTLEMENT, EUROPEAN-STYLE EXERCISE

- Like SPX and most other index options, and unlike SPY and other ETF options
- No risk of early assignment such as for dividends and no portfolio disruption on exercise
- S&P 500 options may be written on a "covered" basis against an equivalent offsetting position in the SPDRS S&P 500 ETF (SPY) or the iShares S&P 500 ETF (IVV) in a margin account, according to CBOE Circulars. See www.cboe.com/SPXW

5. TAX TREATMENT

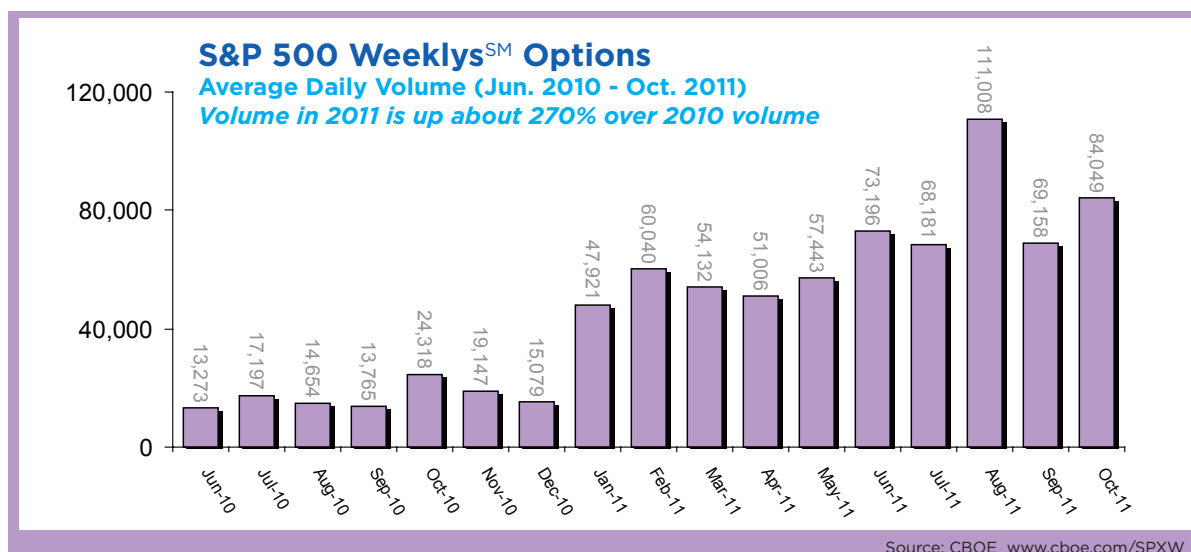
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6. SEVEN TRADING DAYS

- Trading in SPX Weeklys options begins on Thursdays and generally ends on the Friday of the following week

7. GROWTH IN SPX WEEKLYS VOLUME

- SPX Weeklys options approximate average daily volume grew from 18,200 in 2010 to 67,600 in 2011 (through October), a rise of 270%



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