

# S&P 500<sup>®</sup> (SPX<sup>SM</sup>) INDEX OPTIONS

The S&P 500 is widely regarded as the best single gauge of the large-cap U.S. equities market. Responding to client demand, CBOE Holdings provides investors with a suite of S&P 500 options products.

| 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                                  |
|--------------------------------------|--|--|--|--|--|
| <b>Options Chain/ Trading Symbol</b> | SPXPM/SPXPM  | SPX/SPX  | SPX/SPXQ   | SPX/SPXW   | SPY/SPY  |
| <b>Notional Size (approx.)</b>       | \$130,000  |  |  |  | \$13,000   |
| <b>Exercise-Style</b>                | European-style exercise (no early exercise)                |  |  |  | American-Style   |
| <b>Settlement Type</b>               | Cash Settlement  |  |  |  | Physical ETF   |
| <b>AM or PM Settlement</b>           | PM-settled   | AM-settled   | PM-settled   |  |  |
| <b>CBOE Market Model</b>             | Electronic - traded on C2                                  | Open outcry with limited electronic access                 |  | Hybrid   |  |
| <b>Microwebsite</b>                  | <a href="http://www.cboe.com/SPXpm">www.cboe.com/SPXpm</a> | <a href="http://www.cboe.com/SPX">www.cboe.com/SPX</a>     | <a href="http://www.cboe.com/SPXQ">www.cboe.com/SPXQ</a> | <a href="http://www.cboe.com/SPXW">www.cboe.com/SPXW</a> | <a href="http://www.cboe.com/SPY">www.cboe.com/SPY</a> |

## Key Features of S&P 500 Index Options

### LARGE CONTRACT SIZE

- Large notional size with \$100 multiplier; ten times larger than SPDRS S&P 500 ETF (SPY) or iShares S&P 500 ETF (IVV) options. This permits significant commission cost reductions based upon the number of contracts needed to attain the same notional exposure.

### CASH SETTLEMENT, EUROPEAN-STYLE EXERCISE

- With European-style exercise, there is no risk of early assignment such as for dividends and cash settlement means there is no portfolio disruption from exercise
- S&P 500 index 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.

### TAX TREATMENT

- Under section 1256 of the Tax Code, profit and loss on transactions in CBOE’s SPX and SPXpm options 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.\*

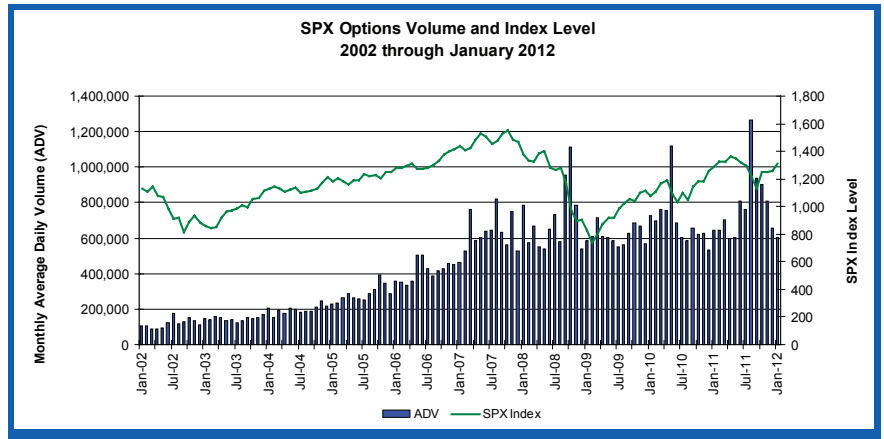
### PRODUCT CHOICES

- SPX Options (ticker SPX)
  - AM-settled on 3rd Fridays. Traded primarily in open outcry on CBOE.
- SPX Quarterly Options (ticker SPXQ, can be found in SPX options chains)
  - PM-settled on the last trading day of a quarter. Traded primarily in open outcry on CBOE.
- SPX Weekly Options (ticker SPXW, can be found in SPX options chains)
  - PM-settled at the ends of weeks. Traded on CBOE hybrid trading system.
- SPXpm Options (ticker SPXPM)
  - PM-settled on 3rd Fridays. Traded electronically on C2 Options Exchange.

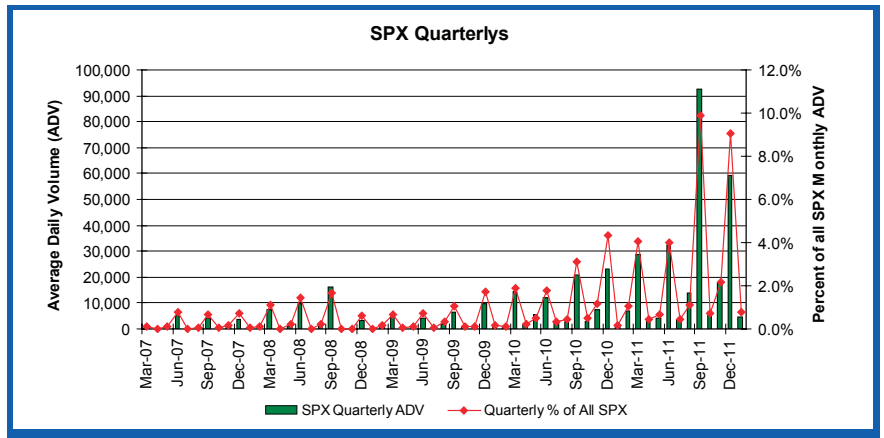
\*Investors should consult with their tax advisors to determine how the profit and loss on any particular option strategy will be taxed. Tax laws and regulations change from time to time and may be subject to varying interpretations.

# S&P 500® (SPX) Index Options

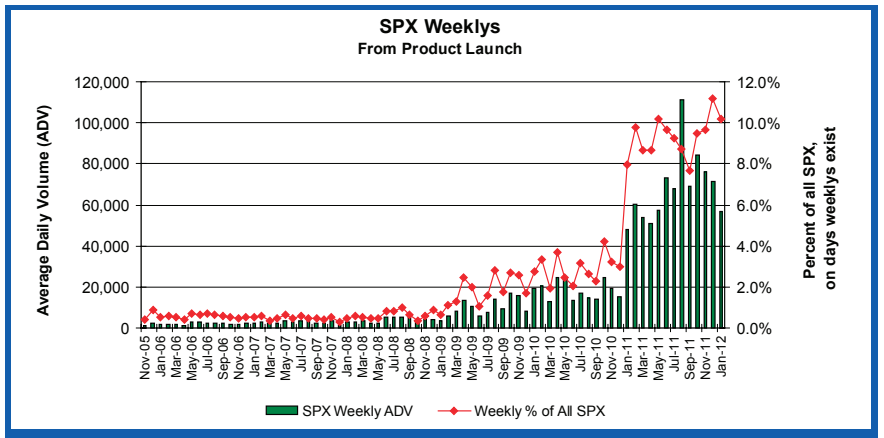
**SPX OPTIONS** (ticker SPX) AM-settled on 3rd Fridays. Traded primarily in open outcry on CBOE.



**SPX QUARTERLY OPTIONS** (ticker SPXQ, can be found in SPX options chains) PM-settled on the last trading day of a quarter. Traded primarily in open outcry on CBOE.



**SPX WEEKLY OPTIONS** (ticker SPXW, can be found in SPX options chains) PM-settled on the ends of weeks. Traded on CBOE hybrid trading system.



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. Copies 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. The information in this document is provided solely for general education and information purposes. Past performance is not indicative of future results. No statement within this document should be construed as a recommendation to buy or sell a security or to provide investment advice. Supporting documentation for any claims, comparisons, statistics, or other technical data, will be supplied upon request. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services, LLC and are licensed for use by CBOE and C2. CBOE®, Chicago Board Options Exchange®, Hybrid® and LEAPS® are registered trademarks and SPX, SPXpm and Weeklys are service marks of CBOE. C2 and C2 Options Exchange are service marks of C2.

Copyright © 2012 Chicago Board Options Exchange, Incorporated. All Rights Reserved.