The FTSE 100 is a market-capitalization weighted index of UK-listed blue chip companies. The index is part of the FTSE UK Series and is designed to measure the performance of the 100 largest companies traded on the London Stock Exchange that pass screening for size and liquidity. FTSE 100 constituents are all traded on the London Stock Exchange’s SETS trading system.

**DESCRIPTION OF FTSE 100 MINI INDEX OPTIONS**

<table>
<thead>
<tr>
<th>Description</th>
<th>FTSE 100 Mini Index Options - Traditional</th>
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<tr>
<td>Options Chain</td>
<td>UKXM</td>
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<tr>
<td>Root Ticker Symbol</td>
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<tr>
<td>AM or PM Settlement</td>
<td>AM-settled</td>
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</table>
| Notional Size Underlying Index will be based on (1/10th) of the FTSE 100 Index (UKX) | UKX Index priced at 6,000  
600 x $100 multiplier = $60,000 | |
| Exercise                                              | European                                  |
| Settlement Type                                       | Cash                                      |

**LARGE CONTRACT SIZE**

- UKXM mini index options have a large notional size with $100 multiplier. This may permit commissions cost savings based upon the number of contracts needed to attain exposure to the UKX Index.

**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 unwanted delivery or assignment of shares.

**MARGIN**

- CBOE Regulatory Circular RG15-183 notes that CBOE rules allow a short position in a cash-settled-index option established and carried in a margin account to receive covered margin treatment, if that short option position is offset in the same account by an equivalent position in an index-tracking ETF that is based on the same index underlies the short option(s).

  In order to receive covered margin treatment, the market value of the offsetting ETF position must be equivalent or exceed the current aggregate index value of the option being covered. One should note that not all ETFs are managed so as to maintain a share price that is a constant fraction (e.g. 1/10th, 1/100th, 1/1000th, etc.) of the index being tracked.

**TAX TREATMENT**

- Under section 1256 of the Tax Code, profit and loss on transactions in certain exchange-traded options, including UKXM 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.*

**LAST TRADING DAY**

- Trading in expiring UKXM options will ordinarily cease on the business day (usually a Thursday) preceding the day on which the exercise-settlement value is calculated.

**SETTLEMENT OF OPTION EXERCISE**

- The exercise settlement value UKS is one-tenth (1/10th) of the FTSE 100 Index –UKX Index- and is calculated by FTSE International with reference to the outcome of the Exchange Delivery Settlement Price (‘EDSP’) intra-day auction at the London Stock Exchange carried out on the Last Trading Day. The exercise-settlement amount is equal to the difference between the exercise-settlement value and the exercise price of the option, multiplied by $100. UKXM Options are AM-settled on 3rd Fridays.
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.

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 at www.theocc.com.

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FTSE 100 monthly change (+/- 1% or greater) approximately 80% of the time over the last 3 years. During this time period the largest monthly moves: Down = -7.18% Up = +6.13%

FTSE 100 average 30 day Historical Vol = 18.00. The FTSE 100 Index declined -9.78% and 30 day Historical Vol. rose +59.94% (8/17 - 9/29/2015).