

Building on the success of the Russell 2000 Index Options, the lineup of FTSE Russell cash-settled index options is expanding to create risk management and yield enhancement opportunities across new markets.

New Trading Opportunities, Tailored Solutions

- ❖ Efficiently gain exposure to U.S. and global equity markets
- ❖ More effective volatility and risk management tools in global equity markets
- ❖ New opportunities for yield enhancement

Cboe Exclusive Listings of FTSE Russell Cash-Settled Index Options

- Russell 2000® Index (RUT)
- Russell 2000® Weeklys (RUTW)
- Russell 1000® Index (RUI)
- Russell 1000® Growth Index (RLG)
- Russell 1000® Value Index (RLV)
- FTSE® 100 Mini Index (UKXM)

Cash-Settled Index Options	Options Chain	Index Level (Approx.)	AM or PM Settlement	Notional Value (Approx.)	Exercise	Settlement Type
Russell 2000 Index	RUT	1,500	AM	\$150,000	European	Cash
Russell 2000 Weeklys	RUTW	1,500	PM	\$150,000	European	Cash
Russell 1000 Index	RUI	1,500	AM	\$150,000	European	Cash
Russell 1000 Growth Index	RLG	1,400	AM	\$140,000	European	Cash
Russell 1000 Value Index	RLV	1,200	AM	\$120,000	European	Cash
FTSE 100 Mini Index (1/10th of the UKX Index)	UKXM	900	AM	\$90,000	European	Cash
Options on Related ETFs						
iShares Russell 2000 ETF	IWM	150	PM	\$15,000	American	Physical Delivery of ETF
iShares Russell 1000 ETF	IWB	150	PM	\$15,000	American	Physical Delivery of ETF
iShares Russell 1000 Growth ETF	IWF	140	PM	\$14,000	American	Physical Delivery of ETF
iShares Russell 1000 Value ETF	IWD	120	PM	\$12,000	American	Physical Delivery of ETF

Key Features of Cash-Settled FTSE Russell Index Options Include:

- ❖ **Large Notional Size** — Approximately 10 times the notional value of their Exchange Traded Fund (ETF) counterparts
- ❖ **No Early Exercise** — European-style exercise
- ❖ **Cash-settlement** with no delivery of stocks or ETFs
- ❖ **Price and Quote Transparency** with competitive auction markets for leading option contracts
- ❖ **Daily Mark-to-Market** for SEC-regulated securities
- ❖ **Clearance of Transactions** is guaranteed by the Options Clearing Corporation
- ❖ **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 the 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 that 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., 1/10 th, 1/100 th, 1/1,000 th, 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 RUT 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*

Cboe Russell 2000 Strategy Benchmark Indexes

- **BXR** – Cboe Russell 2000 BuyWrite Index www.Cboe.com/BXR
- **BXRC** – Cboe Russell 2000 Conditional BuyWrite Index www.Cboe.com/BXRC
- **BXRD** – Cboe Russell 2000 30-Delta BuyWrite Index www.Cboe.com/BXRD
- **CLLR** – Cboe Russell 2000 Zero-Cost Put Spread Collar Index www.Cboe.com/CLLR
- **PUTR** – Cboe Russell 2000 PutWrite Index www.Cboe.com/PUTR
- **WPTR** – Cboe Russell 2000 One-Week PutWrite Index www.Cboe.com/WPTR

Cboe Russell Volatility Index

- **RVX** – Cboe Russell Volatility Index www.Cboe.com/RVX

FTSE Russell Index Fact Sheets

Visit <http://www.ftse.com/analytics/factsheets/Home/Search>

*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.

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