

S&P 500® Index Options (SPX)

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

Comparison of S&P 500 Options Products:

Description	Underlying Options Chain	Options Root Ticker Symbol	Settlement AM or PM	Settlement Date*	Settlement Type	Exercise-Style	GTH Available**
-------------	--------------------------	----------------------------	---------------------	------------------	-----------------	----------------	-----------------

SPX Options Traditional (AM-Settled on 3rd Friday of Every Month)

SPX	SPX	SPX	AM-settled	3rd Friday	Cash	European	Yes
-----	-----	-----	------------	------------	------	----------	-----

SPX Options Non-Traditional (PM-Settled on Various Expiration Dates)

SPX Friday End-of-Weeks (EOW)	SPX	SPXW	PM-settled	Fridays	Cash	European	Yes
SPX Wednesday Weeklys	SPX	SPXW	PM-settled	Wednesdays	Cash	European	Yes
SPX Monday Weeklys	SPX	SPXW	PM-settled	Mondays	Cash	European	Yes
SPX End-of-Month (EOM)	SPX	SPXW	PM-settled	Last Trading day of Month	Cash	European	Yes
SPX PM-Settled 3rd Fridays	SPX	SPXW	PM-settled	3rd Fridays	Cash	European	Yes

SPX Options - Mini (1/10th the Notional Size)

Mini-SPX Index Options (Weekly Available)	XSP	XSP	PM-settled	Fridays	Cash	European	No
---	-----	-----	------------	---------	------	----------	----

SPY Options - SPDR ETF

SPDR ETF Options (3rd Fridays, Weeklys and Quarterly)	SPY	SPY	PM-settled	Fridays or End of Quarters	Physical ETF	American	No
---	-----	-----	------------	----------------------------	--------------	----------	----

* In the case of a holiday on the settlement date, the settlement date is moved back one business day (e.g. from Friday to Thursday), with the exception of Monday Weeklys, where the settlement date will move forward one business day (i.e. Monday to Tuesday). In addition, no SPX EOW, Wednesday Weeklys, or Monday Weeklys will be listed that would have an expiration date that coincides with the expiration date of a traditional SPX option or SPX EOM option.

** Global Trading Hours (GTH) – The trading hours for options on the SPX, SPXW (SPX Weeklys and SPX End-of-Month), and SPXPM begin at 2:00 a.m. Central time and end at 8:15 a.m Central time. Please visit the Global Trading Hours webpage for more details - www.cboe.com/gth.

Key Features of S&P 500 Cash Index Options Include

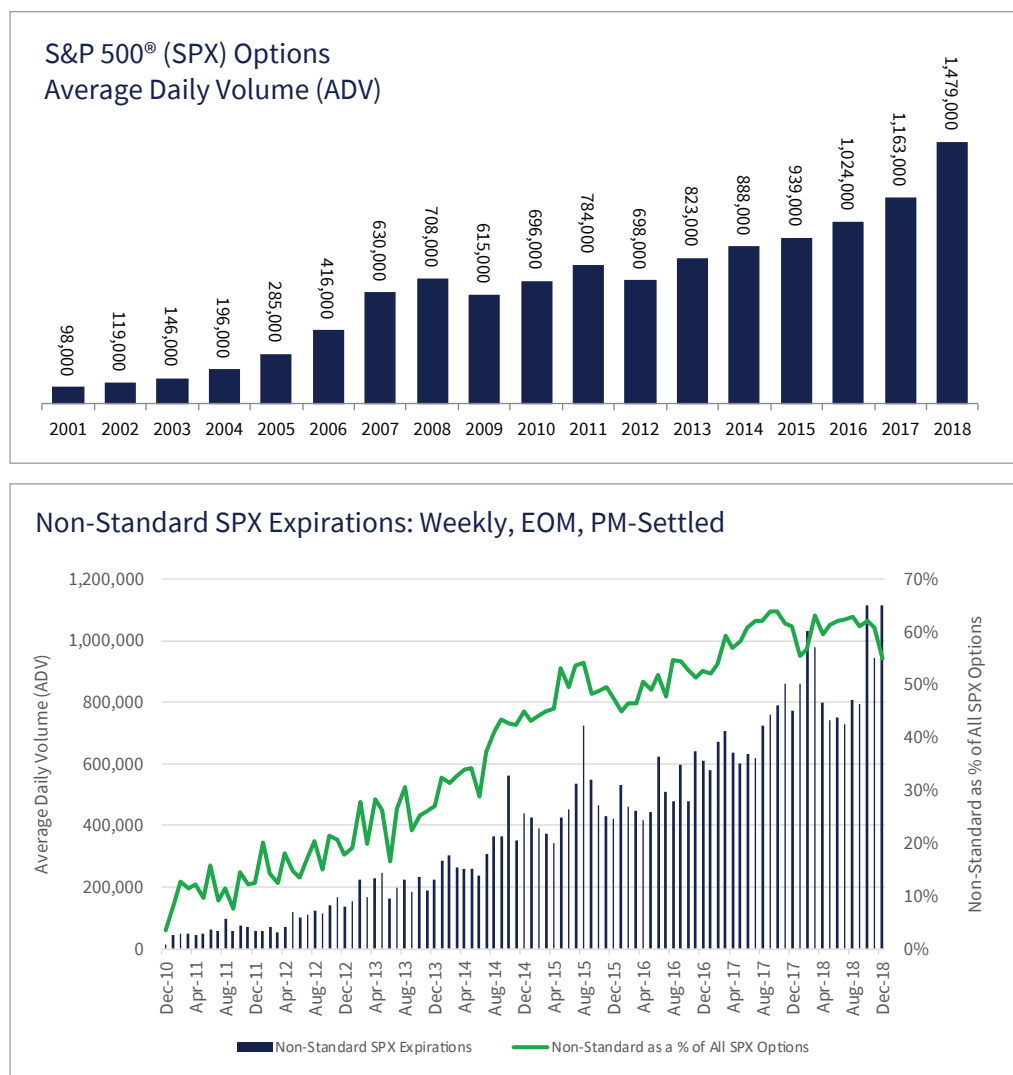
- ❖ **Large Contract Size** – SPX options have a large notional size with \$100 multiplier; 10 times larger than SPDR® S&P 500 ETF (SPY) or iShares® S&P 500 ETF (IVV) options. This may permit significant commissions cost savings based upon the number of contracts needed to attain the same notional exposure.
- ❖ **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 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 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 Cboe's SPX, SPXW and XSP, 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 satisfies the criteria of the Tax Code.*

*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 or from The Options Clearing Corporation, One North Wacker Drive, Suite 500, Chicago, Illinois 60606. Futures trading is not suitable for all investors and involves risk of loss. The risk of loss in futures can be substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. For additional information regarding futures trading risks, see the Risk Disclosure Statement set forth in CFTC Regulation §1.55(b). 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 futures contract or to provide investment advice. Supporting documentation for any claims, comparisons, statistics, or other technical data, will be supplied upon request. Cboe®, Volatility Index®, CFE®, and VIX® are registered trademarks and Cboe Futures Exchange and Weeklys are service marks of Cboe Exchange, Inc. S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services, LLC and are licensed for use by Cboe and Cboe Futures Exchange, LLC (CFE). © 2019 Cboe Exchange, Inc. All Rights Reserved.