



December 19, 2018

Dear Cboe Customers,

We are deeply committed to improving our offerings to you by increasing transparency around our fees and services, which is why on Monday we filed with the SEC a Cboe BZX Equities Exchange rule change designed to more accurately reflect the purpose and value of logical port connectivity.

The rule change amends the Cboe BZX Equities fee schedule by characterizing an order entry “logical port fee” as a “capacity fee.” Historically, as you know, logical connectivity fees have been charged on a “per port” basis, with market participants connecting either directly to Cboe BZX Equities Exchange or indirectly through service bureaus or other broker-dealers that operate at a lower mutualized cost by providing access to multiple firms.

Each logical port that supports order entry handles message traffic of up to 5,000 messages per second and is currently charged at a rate of \$550 per month. We believe that by more accurately characterizing port fees as “capacity fees,” and specifying the actual levels of message traffic supported by these products, we will increase transparency and clarity around our charges and reduce confusion about the value of the services we provide to market participants who choose to access these services.

Charging for capacity ensures that we’re reflecting the nature of customers’ business needs -- firms that demand the most resources are charged appropriately, while firms that demand relatively less capacity can connect and trade on Cboe BZX Equities Exchange at a low cost.

We believe this small modification in terminology will provide greater transparency around this service as we strive to enhance your trading experience. Thank you for your continued support.

A handwritten signature in black ink, appearing to read "Andy Lowenthal".

Andy Lowenthal
Executive Vice President
Co-Head, Markets Division

A handwritten signature in black ink, appearing to read "Bryan Harkins".

Bryan Harkins
Executive Vice President
Co-Head, Markets Division