

Regulatory Circular RG95-80

Date: October 2, 1995

To: Members and Member Firms

From: Department of Financial Compliance

Re: Haircuts Offsets for Various Technology Indexes

The Securities and Exchange Commission ("SEC") is establishing a technology product group under the theoretical pricing haircut methodology¹. Offsetting index positions within the technology product group will receive a 75% offset of gains versus losses at the same valuation point. The product group will consist of the following indexes:

- CBOE Technology 30 (TXX)
- PSE High Technology (PSE)
- AMEX Computer Technology (XCI)
- PHLX Semi-Conductor (SOX)
- AMEX Morgan Stanley High Technology (MSH)

Questions regarding the technology product group should be directed to Rich Lewandowski at (312) 786-7183 or Diane Malley at (312) 786-7924.

¹ Theoretical pricing haircuts are applied pursuant to an SEC staff no-action letter dated March 15, 1994 from Brandon Becker, Director, SEC Division of Market Regulation to Mary Bender, CBOE, and Timothy Hinkes, OCC.