Cboe | Global Indices

Consultation Regarding the RUTW Options in the Cboe Russell 2000 Daily Covered Call Indices

Reference ID: C2025051600

OVERVIEW

May 16, 2025: Cboe Global Indices, LLC ("CGI") is conducting a consultation with members of the financial community regarding a potential modification to the options used in the Cboe Russell 2000 Daily Covered Call Indices, referred to in this document as "the Indices".

IMPACTED INDICES

Index Name	Index Ticker	Methodology Document
Cboe Russell 2000 Daily Covered Call Index	RTYDCC	Cboe_Daily_BuyWrite_Indices_Methodology.pdf
Cboe Russell 2000 Daily Covered Call Index – Call Only	RTYDCCO	

SUMMARY OF THE PROPOSED CHANGE

The Indices systematically sell PM-settled exchange listed Russell 2000 weekly options (RUTW) and require that each call option in the hypothetical portfolio be held to maturity. On each (daily) roll date, a new call option expiring the following exchange listed PM-settled options expiration date is sold. During the backtest period and as of the launch date of the Indices, no p.m. settled RUTW options were available with expiry on the third Friday of the month. Therefore, per the methodology, the non-roll date calculations were applied on those days. As of October 2024, the standard third Friday PM-settled expirations in RUTW options were listed on the Cboe Options Exchanges. CGI proposes to include those options in the calculations of the Indices going forward, allowing for the roll-date calculations to be applied on the standard third Friday options expirations.

Current Methodology	Proposed Methodology
3.2 Non-Roll Date Calculations The non-roll date calculations will be used if: a) The options in the Indices do not expire on the current business date[2] [2] *During the backtest period and as of the launch of the Indices, there are no p.m. settled RUT options available that expire on the third Friday of the month. If these options become available in the future, their inclusion will be assessed in accordance with Cboe's Index Policies & Practices and a market consultation may be issued.*	**3.2 Non-Roll Date Calculations** The non-roll date calculations will be used if: a) The options in the Indices do not expire on the current business date[2] [2] *During the backtest period and as of the launch date of the Indices, there were no p.m. settled RUTW options available that expired on the third Friday of the month. Subsequently these options became available, and as of <effective date>, p.m. settled RUTW options with third Friday expiry are used in the calculation of the Indices.*

TIMING OF CONSULTATION AND POTENTIAL CHANGES

The consultation period will end at the close of business on **Friday, June 13, 2025**.

Following the close of the consultation period, all feedback will be reviewed and considered. The Index Committee will decide whether to implement any of the proposed changes and announce the consultation results. An additional consultation may be initiated if CGI has additional questions.

Consultation results are currently expected to be available by the week of **June 23, 2025**, with any changes becoming effective with the roll on **Friday, July 18, 2025.**

CONSULTATION QUESTIONS

In responding to this consultation, please address the following questions. Additionally, please include other information you feel would be helpful for assessing the subject matter of this consultation.

1. Do you agree with the proposal to include the standard third Friday PM-settled RUTW options expiries in the calculations of the Indices?
2. Do you agree with the proposed timeline to implement the changes?
3. Any additional comments or suggestions?

To participate in this consultation, please send responses to: IndexConsultation@cboe.com

Please include "Index Consultation: RUTW Options in the Cboe Russell 2000 Daily Covered Call Indices" in the subject line of any response.

We appreciate your participation in this consultation and will publish a summary of feedback in the results announcement. No feedback will be attributed to a particular respondent in the summary published.

Consultation documents can be accessed here.

ADDITIONAL INFORMATION

Please contact the Cboe Operations Support Center with technical questions, or the Cboe Index Data Group with market data questions.

We appreciate your business. Our trading community inspires and drives our purpose of building trusted markets.

Cboe Operations Support Center
312.786.7642 | osc@cboe.com

Cboe Index Data Group
312.786.7317 | indexdata@cboe.com

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