

Consultation Results Regarding Corporate Action Treatment for Derivatives-Based Cboe Indices

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Applicable Cboe Data Vantage Platform: Cboe Global Indices

OVERVIEW

July 22, 2025: Cboe Global Indices, LLC (“CGI”) conducted a [consultation](#) with members of the financial community regarding the handling of corporate actions for Exchange Traded Fund (ETF) and ETF Option components in the below derivatives-based indices.

The consultation closed on July 1, 2025, and two responses supportive of the proposed change and timing were received. The Index Committee has determined the proposed changes will be adopted and become effective immediately. The updated methodology documents and Corporate Action Methodology are available on [Cboe Index Governance](#).

IMPACTED INDICES

Index Components	Index Name	Index Ticker	Methodology Document
Underlying index and ETF options	Cboe MSCI Emerging Markets IMI BuyWrite Index	BXEMG	Cboe MSCI Emerging Markets IMI BuyWrite Index
	Cboe S&P Financials Select Sector Half BuyWrite Index	BXLFH	Cboe Select Sector Half Buy Write Indices
	Cboe S&P Technology Select Sector Half BuyWrite Index	BXLKH	
	Cboe S&P Health Care Select Sector Half BuyWrite Index	BXLVH	

Index Components	Index Name	Index Ticker	Methodology Document
	Cboe 20+ Year Treasury Bond One-Week BuyWrite Index	BXTW	BXTW Methodology.pdf
ETF and ETF options	Cboe HYG BuyWrite Index	BXHB	BXHB Methodology
	Cboe LQD BuyWrite Index	BXLB	BXLB Methodology
	Cboe MLPX ATM BuyWrite Index	BXPX	Cboe ETF BuyWrite Indices
	Cboe QDIV ATM BuyWrite Index	BXQD	
	Cboe TLT 2% OTM BuyWrite Index	BXTB	BXTB Methodology
	Cboe S&P 500 Enhanced 1% OTM BuyWrite Index	BXVBW	Cboe ETF BuyWrite Indices
	Cboe FTSE Russell IWM 2% OTM BuyWrite Index	BXWBW	
ETF options	Cboe GBTC ATM BuyWrite Index	BXGBTCA	Cboe GBTC BuyWrite Indices
	Cboe GBTC 20% OTM BuyWrite Index	BXGBTCT	
	Cboe Gold 10% (-5% to -15%) Buffer Protect Index	GLDBUF	Cboe Gold 10% (-5% to -15%) Buffer Protect Index
	Cboe Gold 10% Buffer Protect Index Balanced Series	GLDPRO	Cboe Buffer Protect Indices
	Cboe Gold 10% Buffer Protect Index January Series	GLDPRO01	
	Cboe Gold 10% Buffer Protect Index February Series	GLDPRO02	
	Cboe Gold 10% Buffer Protect Index March Series	GLDPRO03	
	Cboe Gold 10% Buffer Protect Index April Series	GLDPRO04	
	Cboe Gold 10% Buffer Protect Index May Series	GLDPRO05	
	Cboe Gold 10% Buffer Protect Index June Series	GLDPRO06	
	Cboe Gold 10% Buffer Protect Index July Series	GLDPRO07	
	Cboe Gold 10% Buffer Protect Index August Series	GLDPRO08	
	Cboe Gold 10% Buffer Protect Index September Series	GLDPRO09	
	Cboe Gold 10% Buffer Protect Index October Series	GLDPRO10	
	Cboe Gold 10% Buffer Protect Index November Series	GLDPRO11	

Index Components	Index Name	Index Ticker	Methodology Document
	Cboe Gold 10% Buffer Protect Index December Series	GLDPRO12	
	Cboe Gold Target Income Index	GLDTI	GLDTI Methodology

SUMMARY OF THE CHANGES

Please find a summary of the changes below.

Modification to the Corporate Action Treatment

Summary: Previously, not all methodology documents associated with the Impacted Indices describe the treatment related to corporate actions impacting Exchange Traded Fund (ETF) and ETF Option components in derivatives-based indices. CGI has now defined the treatment of stock splits, special cash dividends, and spin-offs and other compulsory non-cash distributions that impact ETF and ETF Option components in a separate Corporate Action Methodology document.

- **Previous Methodology:** Previously, corporate action treatments were only included in the below Impacted Indices and their respective methodology documents.

Index Name	Index Ticker	Methodology Document	Previous Methodology
Cboe GBTC ATM BuyWrite Index	BXGBTCA		<p>Stock Split: The unit and price will be adjusted as per the split ratio resulting in no change in index market capitalization. The option contract will increase/decrease in strike price based on the split ratio.</p>
Cboe GBTC 20% OTM BuyWrite Index	BXGBTCT	Cboe GBTC Buy Write Indices	<p>Special Cash Dividend: Special cash dividends will result in an adjustment to the strike of the option held in the Index by the amount of the dividend unless otherwise noted by the OCC. Only special cash dividends greater than USD12.50 per contract will be recognized.</p> <p>Spin-Off and Other Compulsory Non-Cash Distribution: On the ex-date, option contracts held in the Index will automatically</p>

Index Name	Index Ticker	Methodology Document	Previous Methodology
			be converted to the new Root symbol and their deliverable in line with the terms of the event announced by the OCC. The new option contracts will remain in the Index until the next roll and will be priced daily based on the current market.

Index Name	Index Ticker	Methodology Document	Previous Methodology
Cboe HYG BuyWrite Index	BXHB	BXHB Methodology	Stock Split: Modified index shares and price will be adjusted as per the split ratio resulting in no change in index market capitalization. The option contract will increase/decrease in strike price based on the split ratio.
Cboe LQD BuyWrite Index	BXLB	BXLB Methodology	
Cboe TLT 2% OTM BuyWrite Index	BXTB	BXTB Methodology	Special Cash Dividend: Cash dividend payments declared as special are not considered for reinvestment in the covered Index portfolio. Special cash dividends will result in an adjustment to the strike of the option held in the index by the amount of the dividend. Only special cash dividends greater than \$12.50 USD per contract will be recognized.

- **New Methodology:** CGI has aligned the corporate action treatment for all Impacted Indices as per the details provided in Appendix I. The treatment is now defined in a Corporate Action Methodology document and referenced in individual methodologies (under “Supporting Documentation”).

ADDITIONAL INFORMATION

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

Contact Information

Please contact the Cboe Operations Support Center for technical questions. Market data questions can be directed to the Cboe Index Data Group.

Cboe Operations Support Center (Index Data Feed questions): 312.786.7642 | indexsupport@cboe.com

Cboe Index Data Group: 312.786.7764 | indexdata@cboe.com

APPENDIX I: CORPORATE ACTION TREATMENTS FOR DERIVATIVE-BASED INDICES

Corporate Action Treatment for ETF Components in the Index

The table below describes the impact of the relevant corporate action in relation to the ETF component within the Index.

Type of Corporate Action	Treatment
Stock Split	The unit and price of the underlying ETF will be adjusted as per the split ratio resulting in no change in index market capitalization.
Special Cash Dividend	Cash dividend payments declared as special are reinvested in the Index in the same manner as ordinary dividends by way of an adjustment to the unit. For special cash dividends, the price of the underlying ETF will be reduced by the amount of the dividend.
Spin-Off and Other Compulsory Non-Cash Distribution	<p>A spin-off occurs when a portion of an ETF's holdings is separated to create a new ETF. During such events, shareholders of the original ETF automatically receive a distribution of shares in the new ETF. The original ETF is referred to as the 'Parent' while the new ETF is known as the 'Child'.</p> <p>On the ex-date, the following will occur:</p> <ul style="list-style-type: none">• If the Parent is an existing component of the Index, the Child will be added to the Index at the open on the ex-date.• The value of the ETF component in the Index calculations will be equal to the sum of the Parent and the Child ETFs using the last confirmed market values. <p>2 Business Days after the ex-date, the following will occur:</p> <ul style="list-style-type: none">• The Child will be sold at the open, and will therefore be removed from the Index. The price against which the Child ETF is sold, is equal to the opening price of the ETF on the primary exchange.• Once sold, the value of the ETF component in the Index calculations will be represented by the value of the Parent.• The cash proceeds from selling the Child ETF will be reinvested in the Index by way of an adjustment to the unit.

Interpretation of additional corporate actions impacting the Indices and determination of appropriate implementation for Index purposes will be made in accordance with the Cboe Index Policies and Practices Methodology.

Corporate Action Treatment for ETF Option Components in the Index

The *Adjustments for Stock Option Contracts* made by the Options Clearing Corporation (OCC) in terms of its By-Laws¹ will be taken into account in the managing of the Index and result in adjustments that will accordingly be made to the Index by CGI. The table below illustrates the impact of the relevant corporate action within the Index.

Type of Corporate Action	Treatment
Stock Split	The unit and price will be adjusted as per the split ratio resulting in no change in index market capitalization. The option contract will increase/decrease in strike price based on the split ratio.
Special Cash Dividend	Special cash dividends will result in an adjustment to the strike of the option held in the Index by the amount of the dividend unless otherwise noted by the OCC. Only special cash dividends greater than the then current threshold defined in the “Adjustments for Stock Option Contracts” section in the OCC By-Laws will be recognized.
Spin-Off and Other Compulsory Non-Cash Distribution	On the ex-date, option contracts held in the Index will automatically be converted to the new Root symbol and their deliverable in line with the terms of the event announced by the OCC. The new option contracts will remain in the Index until the next roll and will be priced daily based on the current market.

Interpretation of additional corporate actions impacting the Indices and determination of appropriate implementation for Index purposes will be made in accordance with the Cboe Index Policies and Practices Methodology.

¹ https://www.theocc.com/getmedia/3309eceb-56cf-48fc-b3b3-498669a24572/occ_bylaws.pdf

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