

## Russell 2000<sup>®</sup> Index Options

The Russell 2000 Index (ticker RUT) measures the performance of small-cap segment of the U.S. equity universe. It is a subset of the Russell 3000<sup>®</sup> Index and includes approximately 2000 securities based on a combination of their market cap and current index membership. RUT options are valuable tools for increasing yields and managing risk.

### Comparison of Russell 2000 Index Options Products

Description	Russell 2000 Index - Traditional	Russell 2000 Index Options - Weeklys and End of Months	iShares <sup>®</sup> Russell 2000 Index Fund (IWM) Options
Options Chain	RUT	RUT	IWM
Root Ticker Symbol	RUT	RUTW	IWM
AM or PM Settlement	AM-Settled	PM-Settled	PM-Settled
Notional Size (Approximate Value with Russell 2000 at 1400)	\$140,000		American
Exercise	European		American
Settlement Type	Cash		Physical Shares of ETF

### Large Contract Size

- RUT options have a large notional size with \$100 multiplier; approximately ten times larger than iShares Russell 2000 Index Fund (IWM) options. This may permit 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.
- 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.

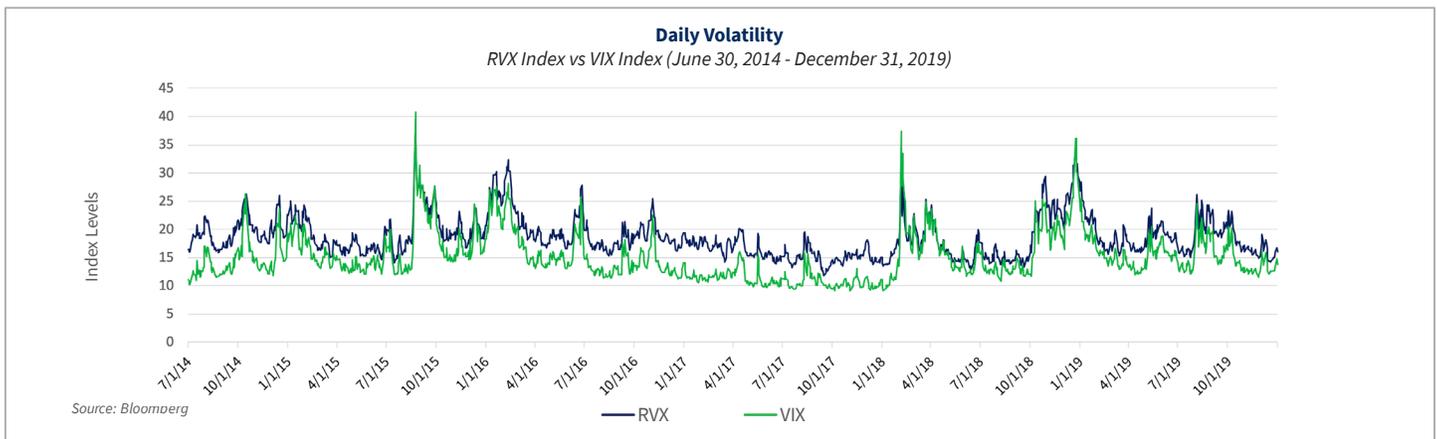
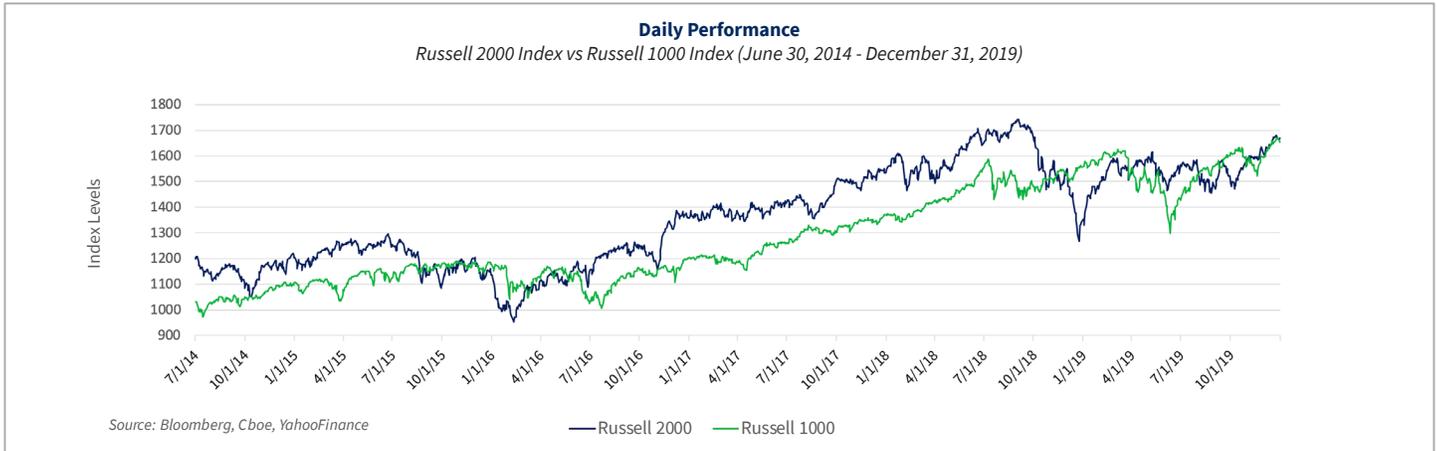
### Tax Treatment

- Under section 1256 of the Tax Code, profit and loss on transactions in certain exchange-traded options, including RUT options, 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 satisfy the criteria of the Tax Code.\*

### Index Product Choices

- RUT Options Traditional: AM-settled on 3rd Fridays.
- RUTW Options: PM-settled on End-of-Week and Months.
- Russell 2000 Index Options-Flex: Offer flexibility in strikes, maturity, American/European style, and AM/PM settlement.

\*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.



## Cboe Russell 2000 Strategy Benchmark Indexes

- BXR - Cboe Russell 2000 BuyWrite Index [www.cboe.com/BXR](http://www.cboe.com/BXR)
- BXRC - Cboe Russell 2000 Conditional BuyWrite Index [www.cboe.com/BXRC](http://www.cboe.com/BXRC)
- BXRD - Cboe Russell 2000 30-Delta BuyWrite Index [www.cboe.com/BXRD](http://www.cboe.com/BXRD)
- PUTR - Cboe Russell 2000 PutWrite Index [www.cboe.com/PUTR](http://www.cboe.com/PUTR)
- WPTR - Cboe Russell 2000 One-Week PutWrite Index [www.cboe.com/WPTR](http://www.cboe.com/WPTR)
- CLLR - Cboe Russell 2000 Zero-Cost Put Spread Collar Index [www.cboe.com/CLLR](http://www.cboe.com/CLLR)

## Cboe Russell Volatility Index

RVX - Cboe Russell Volatility Index [www.cboe.com/RVX](http://www.cboe.com/RVX)

Please visit [Cboe.com/RUT](http://Cboe.com/RUT) for more details.

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