

## A new way to use cash-settled, European-style options to execute volatility-based strategies.

### DESCRIPTION

Nations® VolDex® (VOLI) measures the expectation for market volatility over the next 30 calendar days as expressed by options on SPY, the most liquid options in the world. VolDex exclusively uses at-the-money SPY options since they provide the clearest indication of market expectations. The Index is calculated using published real-time bid/ask quotes of SPY options. It represents annualized implied volatility and is quoted in percentage points.

### HOW DOES VOLDEX WORK?

VolDex measures the implied volatility of a hypothetical 30-day at-the-money (ATM) SPY put option by interpolating the prices of synthetic put options that are precisely ATM. The options used in the calculation of the Index are the published first in-the-money (ITM) and the first out-of-the-money (OTM) put options in

the front month (i.e., nearest monthly expiration) and second month expirations (i.e., second nearest monthly expiration). Front month options must have at least one week to expiration. On the open of trading on the first business day of a regular option expiration week (i.e., for standard monthly expirations), the options used for the Index will “roll” to the next regular expiration month and the following expiration month.

### OPTIONS ON VOLDEX

ISE® and ISE Gemini™ are the first options exchanges to enter into a licensing agreement with Nations® to list options on the VolDex later this year. In addition to its agreement to license options, Nations will evaluate opportunities to license the index as the basis for other exchange-traded products, futures, and ETFs, and will continue to work with ISE ETF Ventures to explore opportunities for greater collaboration in this area.

### HISTORICAL INDEX LEVELS (as of 1/31/2015)



Contract Specifications	
Symbol	VOLI
Multiplier	\$100
Strike Interval	\$1.00 minimum
Minimum Trading Increment	\$0.05 for series trading below \$3 and \$0.10 for series trading at or above \$3
Expiration Date	The Wednesday that is thirty days prior to the third Friday of the calendar month immediately following the expiring month
Expiration Month	Up to six expiration months. Short Term Option Series, Quarterly Option Series and LEAPS may also be available.
Exercise Style	European
Last Trading Day	Trading will ordinarily cease at 4:15 p.m. (New York Time) on the Tuesday preceding an expiration Wednesday.
Settlement Type Settlement Value Settlement Of Exercise	The exercise and settlement value will be calculated at 9:30 a.m. (New York time) using the mid-point of the NBBO for the SPY options used in the calculation of the Index at that time. The exercise-settlement amount will be equal to the difference between the settlement value and the exercise price of the option, multiplied by \$100. Exercise will result in the delivery of cash on the business day following expiration. Cash Next business day following expiration
Position & Exercise Limits	No position and exercise limits
Margin	Margin requirements for the purchase and sale of options on the Index are identical to those applied for broad-based index options
Trading Hours	9:30 a.m. - 4:15 p.m. Eastern Time (New York time).



**NATIONS®**

**QUESTIONS?**

ONLINE: [WWW.ISE.COM/VOLDEX](http://WWW.ISE.COM/VOLDEX)

EMAIL: [BIZDEV@ISE.COM](mailto:BIZDEV@ISE.COM)

#### ABOUT ISE HOLDINGS

The International Securities Exchange Holdings, Inc. (ISE Holdings) operates two U.S. options exchanges, ISE and ISE Gemini, and delivers a superior trading experience to its member firms through its patented market structure, industry-leading technology, unique functionality for trading complex orders, and award-winning customer service. In addition to the options business, ISE ETF Ventures provides its partners with a broad range of capabilities in index development, index licensing, and financing of exchange-traded products. ISE Market Data also offers a full suite of advanced real-time and historical data solutions. ISE Holdings' wholly-owned subsidiary Longitude licenses its proprietary technology for event-driven applications in a diverse range of industries.

As a member of Eurex Group, ISE and ISE Gemini are combined with Eurex Exchange to form one of the largest transatlantic derivatives market-places, with daily trading volumes exceeding 9 million contracts across a growing range of asset classes. Eurex Group is owned by Deutsche Börse AG (Xetra: DB1) and comprised of Eurex Exchange, ISE, ISE Gemini, the European Energy Exchange, Eurex Clearing, Eurex Bonds and Eurex Repo.

For the latest information and updates connect with ISE Holdings on Twitter (@ISEexchange) and LinkedIn ([www.Linkedin.com/company/ise](http://www.Linkedin.com/company/ise)), or visit our website at [www.ise.com](http://www.ise.com).

Options involve risk and are not suitable for all investors. Prior to buying or selling an option, a person must receive a copy of Characteristics and Risks of Standard- ized Options ("ODD"). Copies of the ODD are available from your broker, by calling 1-888-OPTIONS, or from The Options Clearing Corporation, One North Wacker Drive, Suite 500, Chicago, Illinois 60606.

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