are established by the options market on which each series is traded before the time trading commences in each such series. Those exercise price setting formulas provide that on the exercise price setting date the exercise price for the series will be fixed at the money, in the money by a certain amount, or out of the money by a certain amount.

The first paragraph following the paragraph titled "Style of Option" on page 7 of the Booklet is replaced with the following paragraph:

Each American-style option other than a delayed start option may be exercised at any time prior to its expiration. An American-style delayed start option may be exercised at any time after its exercise price is set and before its expiration date.

The following paragraphs are inserted immediately preceding the paragraph captioned "Unit of Trading; Contract Size" on page 8 of the Booklet:

BINARY OPTION — A binary option is a cash-settled option having only two possible payoff outcomes; either a fixed amount or nothing at all. Some binary options are referred to as "fixed return options." As of the date of this Supplement, the only binary options approved for trading (other than credit default options, as defined below) are binary stock options, which are binary options on individual equity securities, including fund shares; and binary index options, which are binary options on broad-based securities indexes (including volatility indexes). The binary options currently traded are all subject to automatic exercise. The holder of a binary option other than a credit default option has the right to receive (and the writer of a binary option has the obligation to pay) the exercise settlement amount for the option if the value of the underlying interest as of the time specified by the applicable listing options market (*i.e.*, the exercise settlement value) meets the criteria for automatic exercise of the option, as specified in the rules of the listing options market. If those criteria are not met, the option will expire worthless. Credit default options are a specific kind of binary option discussed at the end of Chapter V. Except for credit default options, binary options are European-style options.

RANGE OPTION — A range option is a European-style, cash-settled option that has a payout if the value of the underlying interest falls within a specific range of values (the range length) at expiration. As the underlying interest value increases throughout the range length, the amount of the payout (*i.e.*, the cash settlement amount) of the range option increases linearly to a maximum