

MARCH 2011 SUPPLEMENT

The February 1994 version of the booklet entitled *Characteristics and Risks of Standardized Options* (the "Booklet") is amended as provided below to accommodate (i) options on any index intended to measure the implied volatility of a single reference security; and (ii) options on relative performance indexes.

1. *The first full paragraph on page 2 of the Booklet, as amended by the May 2007, December 2009 and May 2010 Supplements, is replaced by the following:*

Each options market selects the underlying interests on which options are traded on that market. Options are currently available covering four types of underlying interests: equity securities (which term includes "fund shares" described in Chapter III), indexes (including stock, variability, strategy-based, dividend and relative performance indexes), debt securities and credit events, and foreign currencies. Options on other types of underlying interests may become available in the future.

2. *The first three paragraphs on page 23 of the Booklet, under the caption "About Indexes," as amended by the December 2009 Supplement, are replaced by the following:*

As referred to in this booklet, an index is a measure of the prices or other attributes of a group of securities* or other interests. Although indexes have been developed to cover a variety of interests, such as stocks and other equity securities, debt securities and foreign currencies, and even to measure the cost of living, the following discussion relates only to (i) indexes on equity securities (which are called stock indexes in this booklet), (ii) indexes intended to measure the implied volatility, or the realized variance or volatility, of specified stock indexes or specified securities (which are collectively called variability indexes in this booklet), (iii) strategy-based indexes, such as indexes measuring the return of a particular strategy involving the component securities of a stock index and options on that index, (iv) indexes intended to measure the stock price changes of the component securities of underlying indexes that result solely from the distribution of ordinary cash dividends, as calculated on their respective ex-dividend dates (which are called dividend indexes in this booklet), (v) relative performance indexes, which are a special type of strategy-based indexes that measure the relative

* Some indexes reflect values of companies, rather than securities, by taking into account both the prices of component securities and the number of those securities outstanding.