

14. *The paragraphs that were added on page 78 of the Booklet as paragraphs 12 through 14 under the section captioned "Special Risks of Index Options" by the December 2009 Supplement are replaced by the following:*

12. Strategies involving the purchase and sale of options on a variability index, strategy-based index or relative performance index are inherently complex and require a thorough understanding of the concepts that are measured by these indexes. Investors must understand the method used to calculate the index in order to understand how conditions in the market for the component securities used to calculate its value may affect the value of the index. Investors may fail to realize their investment objective even if they have correctly predicted certain events if they do not understand how those events may or may not affect the level of the index. The component securities of an implied volatility index are put and call options (not stocks, which are the component securities of stock indexes). A realized variability index, on the other hand, measures the actual volatility of an index and is calculated directly from the values of the reference index. There is no assurance that predicted volatility as measured by a particular implied volatility index will correspond to the actual volatility of the reference index or to measures of predicted volatility calculated using other methods. A strategy-based index may be calculated from the prices of multiple component securities of different types, such as in the case of a buy-write index measuring the return of a strategy that involves transactions in stocks and options. The return from a particular strategy as measured by a strategy-based index may differ from the actual returns that an investor following that strategy achieves, because of assumptions regarding transactions and the failure to take into account significant factors such as taxes and transaction costs. Different relative performance indexes may measure relative performance in different ways. Investors should contact the listing options market for information on the method of calculation of a particular variability index, strategy-based index or relative performance index.

13. Persons who exercise variability options, strategy-based index options or relative performance options or are assigned exercises based on an erroneous index level will ordinarily be required to make settlement based on the exercise settlement value as initially reported by the designated reporting authority for the index, even if a corrected value is subsequently announced. In extraordinary circumstances (e.g., where an exercise settlement value as initially reported is obviously wrong, and a corrected value is promptly announced), OCC has discretion to direct that exercise settlements be based on a corrected exercise settlement value. Ordinarily, however, the exercise settlement value as initially reported by the designated reporting authority for the underlying variability index will be conclusive for exercise settlement purposes. As described in paragraph 8. on page 77 with respect to other indexes, reported levels of a variability index, strategy-based index or relative performance index may be based on