

non-current information. This may occur as a result of delays or interruptions in the market for the reference security or the component securities of the underlying index or the reference index (which are the same in the case of realized variability indexes).

14. As in the case of writers of other index options, writers of variability options, strategy-based index options or relative performance options cannot provide in advance for their potential settlement obligations by acquiring the underlying interest. Offsetting the risk of writing a variability option, strategy-based index option or relative performance option may be even more difficult than offsetting the risk of writing other index options. Even where some offsetting of risk is possible, there are timing risks and other risks analogous to those discussed in paragraphs 3 and 4 on pages 74 and 75 of the booklet whenever an investor attempts to employ strategies involving transactions in variability options, strategy-based index options or relative performance options and transactions in stocks or in options, futures contracts or other investments related to stocks.

15. *The following paragraph is inserted on page 78 of the Booklet immediately following the paragraph that was added as paragraph 16 under the section captioned "Special Risks of Index Options" by the December 2009 Supplement:*

17. In the event that one of the index components of a relative performance index is eliminated as a result of a cash-out merger or other event, the reporting authority may cease to publish the value of the relative performance index and the market on which options on that relative performance index are traded may determine to accelerate the expiration date of the options (and, in the case of European-style options, their exercisability). In that case, the exercise settlement value of the options would become fixed based upon the last published value for the underlying relative performance index. As a result, all such options that are not in the money will become worthless and all that are in the money will have no time value. Holders of an in-the-money option whose expiration date is accelerated must be prepared to exercise that option prior to the accelerated exercise cut-off time in order to prevent the option from expiring unexercised. Writers of a European-style option whose expiration date is subject to being accelerated bear the risk that, in the event of such an acceleration, they may be assigned an exercise notice and be required to perform their obligations as writers prior to the original expiration date. As with any other option for which the expiration date is accelerated, no adjustment would be made to compensate for the accelerated expiration date of a relative performance option.