



#40532

DATE: JANUARY 20, 2017

**SUBJECT: UVXY1 OPTIONS - EXPIRATION PRICING CONSIDERATION
REPOST**

UVXY1 (Adjusted ProShares Ultra VIX Short-Term Futures ETF options) will be subject to special pricing consideration in expiration processing on January 20, 2017. The pricing consideration is due to the undetermined cash in lieu amount included in the option deliverable of UVXY1 as indicated below. These options will continue to be subject to normal exercise based on customary exercise thresholds in OCC's Ex-by-Ex processing.

MEMBERS SHOULD ADVISE THEIR CUSTOMERS TO TAKE THE FOLLOWING CONSIDERATIONS INTO ACCOUNT IN DECIDING TO EXERCISE, OR NOT TO EXERCISE, THESE OPTIONS.

UVXY1

UVXY1 options are adjusted ProShares Ultra VIX Short-Term Futures ETF options, adjusted January 12, 2017, (see OCC Information Memo #40433). The deliverable of UVXY1 options is:

NEW DELIVERABLE

PER CONTRACT: Cash in lieu of 0.80 fractional UVXY share

As of January 20, 2017, the UVXY Exchange Agent has not determined the price to be used to determine the cash in lieu amount.

For purposes of calculating a UVXY1 price for use in expiration processing, OCC will use the following formula:

$$\text{UVXY1} = 0.008 (\text{UVXY})$$

For example, if UVXY closes at 30.19, the UVXY1 price would be:

$$\text{UVXY1} = 0.008 (30.19) = .24$$

This formula includes an estimate for the value of the cash in lieu amount and not the actual cash in lieu amount applicable in the reverse split.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.