



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#47426**

**DATE: AUGUST 10, 2020**

**SUBJECT: SMITH & WESSON BRANDS, INC. - DISTRIBUTION**  
**OPTION SYMBOL: SWBI**  
**NEW SYMBOL: SWBI1**  
**FUTURES SYMBOL: SWBI1D**  
**NEW SYMBOL: SWBI2D**  
**DATE: 8/25/20**

**CONTRACT ADJUSTMENT – OPTIONS**

**EFFECTIVE DATE:** August 25, 2020

**OPTION SYMBOL:** SWBI changes to SWBI1

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 27 yields \$2,700)

**NEW DELIVERABLE PER CONTRACT**

- 1) 100 Smith & Wesson Brands, Inc. (SWBI) Common Shares
- 2) 25 (New) American Outdoor Brands, Inc. (AOUT) Common Shares

**SETTLEMENT ALLOCATION:** SWBI: TBD  
AOUT: TBD

**CUSIPS:** SWBI: 831754106  
AOUT: 02875D109

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

**PRICING**

The underlying price for SWBI1 will be determined as follows:

$$\text{SWBI1} = \text{SWBI} + 0.25 (\text{AOUT})$$

## **CONTRACT ADJUSTMENT - FUTURES**

EFFECTIVE DATE:	August 25, 2020
FUTURES SYMBOL:	SWBI1D changes to SWBI2D
SETTLEMENT PRICES:	No Change
NUMBER OF CONTRACTS:	No Change
MULTIPLIER:	100 (e.g., a premium of 1.50 yields \$150)
NEW DELIVERABLE PER CONTRACT	1) 100 Smith & Wesson Brands, Inc. (SWBI) Common Shares 2) 25 (New) American Outdoor Brands, Inc. (AOUT) Common Shares
SETTLEMENT ALLOCATION:	SWBI: TBD AOUT: TBD
CUSIPS:	SWBI: 831754106 AOUT: 02875D109

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## **PRICING**

The underlying price for the SWBI2D Futures contract deliverable, expressed in terms of current market value, would be calculated as follows:

$$\text{SWBI2D} = \text{SWBI} + 0.25 (\text{AOUT})$$

Please note that the valuation would apply only to the SWBI2D deliverable in terms of current market value of the deliverable securities. The resulting price would not be equivalent to the daily settlement price of a futures contract month, whose determination would include cost of money carrying charges, adjustment for dividends, and other factors.

## **BACKGROUND**

Smith & Wesson Brands, Inc. (SWBI) has announced a distribution of (New) American Outdoor Brands, Inc. (AOUT) Common Shares. The distribution ratio is 0.25 of an AOUT share for each SWBI share held. The record date is August 10, 2020; the payable date is August 24, 2020. The NASDAQ has set August 25, 2020, as the ex-distribution date for this distribution.

American Outdoor Brands, Inc. Common Shares began trading on a when issued basis on August 10, 2020 on the NASDAQ under the trading symbol "AOUTV" and are anticipated to begin trading regular way on August 25, 2020, under the trading symbol "AOUT".

## **DISCLAIMER**

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

**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](mailto: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](mailto:memberservices@theocc.com).