



**THE FOUNDATION
FOR SECURE
MARKETS®**

#55020

Date: August 12, 2024

Subject: Adjusted Defiance R2000 Enhanced Options Income ETF – Cash In
Lieu Settlement
Adjusted Option Symbol: IWMY1

Adjusted Defiance R2000 Enhanced Options Income ETF options were adjusted on August 1, 2024 (See OCC Information Memo #54962). The new deliverable became 1) 33 Defiance R2000 Enhanced Options Income ETF (IWMY) Shares and 2) Cash in lieu of approximately 0.3333 fractional IWMY Shares. Only settlement of the cash portion of IWMY1 options exercise/assignment activity was subject to delayed settlement.

OCC has been informed that a price of \$39.9527 per whole IWMY share will be used to determine the cash in lieu amount at a rate of 0.3333. Accordingly, the cash in lieu amount is:

$$0.3333 \times \$39.9527 = \$13.32 \text{ per IWMY1 Contract}$$

Now that the exact cash in lieu amount has been determined, OCC will require Put exercisers and Call assignees, during the period of August 1, 2024 through August 12, 2024, to deliver the appropriate cash amount.

The cash in lieu of fractional share portion of the option deliverable remains fixed and does not vary with price changes of any security.

Terms of the IWMY1 options are as follows:

New Deliverable

Per Contract: 1) 33 Defiance R2000 Enhanced Options Income ETF (IWMY)
Shares
2) \$13.32 Cash

Strike Prices: Unchanged

CUSIP: IWMY: 88636J139

Multiplier: 100 (i.e., a premium of 1.50 yields \$150)

Settlement

The IWMY component of IWMY1 exercise/assignment activity from August 1, 2024 through August 9, 2024, has settled through National Security Clearing Corporation (NSCC). The \$13.32 cash amount will be settled by OCC.

Pricing

The underlying price for IWMY1 will be determined as follows:

$$\text{IWMY1} = 0.33 (\text{IWMY}) + 0.1332$$

For example, if IWMY closes at 38.83, the IWMY1 price would be calculated as follows:

$$\text{IWMY1} = 0.33 (38.83) + 0.1332 = 12.95$$

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, please email the Investor Education team at options@theocc.com. Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.