



**THE FOUNDATION
FOR SECURE
MARKETS**

#45042

DATE: MAY 16, 2019

SUBJECT: JNK1 OPTIONS - EXPIRATION PRICING CONSIDERATION

JNK1 (adjusted SPDR Bloomberg Barclays High Yield Bond ETF options) will be subject to special pricing consideration in expiration processing on May 17, 2019. The pricing consideration is due to the undetermined cash in lieu of fractional shares amount, if any, included in the option deliverable of JNK1 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.

JNK1

JNK1 options are adjusted SPDR Bloomberg Barclays High Yield Bond ETF options, adjusted May 6, 2019, (see OCC Information Memo #44979). The deliverable of JNK1 options is:

NEW DELIVERABLE

PER CONTRACT: 1) 33 SPDR Bloomberg Barclays High Yield Bond ETF (JNK) Shares
 2) Cash in lieu of approximately 0.3333 fractional JNK ETF, if any

As of May 16, 2019, the JNK Exchange Agent has not determined the price to be used to determine the cash in lieu amount, if any.

For purposes of calculating a JNK1 price for use in expiration processing, OCC will use the following formula:

$$\text{JNK1} = 0.333333 (\text{JNK})$$

For example, if JNK closes at 107.14, the JNK1 price would be:

$$\text{JNK1} = 0.333333 (107.14) = 35.71$$

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