



#40187

DATE: NOVEMBER 30, 2016

SUBJECT: ISHARES MBS ETF – CASH DISTRIBUTION (CAPITAL GAINS)
OPTION SYMBOL: MBB
DATE: 12/1/16

iShares MBS ETF (MBB) has announced a long term capital gains distribution of \$0.237991 per MBB Share. The record date is December 5, 2016; payable date is on December 7, 2016. The NYSE Arca Exchange has set December 1, 2016 as the ex-distribution date for this distribution.

NOTE: MBB Options will be adjusted to reflect the total \$0.237991 capital gains distribution on December 1, 2016 by including a cash component with the MBB deliverable in the amount of the distribution (x 100), as described below. Effective, December 2, 2016, the MBB deliverable will no longer include the cash component, and MBB strikes will be reduced by 0.237991, rounded to the nearest penny.

CONTRACT ADJUSTMENT

EFFECTIVE DATE: December 1, 2016

NEW MULTIPLIER: 100 (e.g., for premium extensions a premium of 1.00 equals \$100).

CONTRACT MULTIPLIER: 1

STRIKE PRICES: **12-1-16** - Strike prices will remain unchanged (MBB deliverable will include cash component for distribution amount as described below for one day only)
12-2-16 - Strike prices will be reduced by 0.237991, rounded to the nearest penny (for example, a strike of 107.00 will be reduced to 106.76; a strike of 130.00 will be reduced to 129.76)

OPTION SYMBOL: MBB remains MBB

DELIVERABLE PER CONTRACT*: **12-1-16**
1) 100 iShares MBS ETF (MBB) Shares
2) \$23.80 Cash
12-2-16
100 iShares MBS ETF (MBB) Shares

CUSIP: 464288588

* NOTE: On December 2, 2016, operationally this adjustment calling for the delivery of the \$23.80 per share distribution is being addressed by reducing all strike prices by 0.237991, rounded to the nearest

penny. The MBB symbol will not change, allowing for convenient listing of new strikes under the same option symbol.

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 a panel of The OCC Securities Committee pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The adjustment panel is comprised of representatives from OCC and each exchange which trades the affected option. 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. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.