



#39575

DATE: AUGUST 25, 2016

SUBJECT: THE FINANCIAL SELECT SECTOR SPDR FUND - DISTRIBUTION
OPTION SYMBOLS: XLF/1XLF/2XLF
NEW SYMBOLS: XLF1/1XLF1/2XLF1
FUTURES SYMBOLS: XLF1C/XLF1D
NEW SYMBOLS: XLF2C/XLF2D
DATE: 9/19/16

CONTRACT ADJUSTMENT - OPTIONS

EFFECTIVE DATE: September 19, 2016

OPTION SYMBOLS: XLF changes to XLF1
1XLF changes to 1XLF1
2XLF changes to 2XLF1

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 24 yields \$2,400)

NEW DELIVERABLE PER CONTRACT

- 1) 100 The Financial Select Sector SPDR Fund (XLF) Shares
- 2) An amount of The Real Estate Select Sector SPDR Fund (XLRE) Shares equal to the distribution ratio x 100
- 3) Cash in lieu of fractional XLRE shares, if any

SETTLEMENT ALLOCATION: XLF: TBD
XLRE: TBD

CUSIPS: XLF: 81369Y605
XLRE: 81369Y860

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.

DELAYED SETTLEMENT

The XLF component of the XLF1/1XLF1/2XLF1 deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the XLRE and cash components of the XLF1/1XLF1/2XLF1 deliverables until the final distribution ratio and cash in lieu amount, if any, are determined. Upon determination of the distribution ratio and cash in lieu amount, if any, OCC will require Put exercisers and Call assignees to deliver the appropriate XLRE and cash amounts.

CONTRACT ADJUSTMENT - FUTURES

EFFECTIVE DATE: September 19, 2016

FUTURES SYMBOLS: XLF1C changes to XLF2C
XLF1D changes to XLF2D

Note: Weekly The Financial Select Sector SPDR Fund (XLF) futures active at the time of the contract adjustment will be adjusted in a similar manner to that of XLF1C/XLF1D futures.

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 The Financial Select Sector SPDR Fund (XLF) Shares
- 2) An amount of The Real Estate Select Sector SPDR Fund (XLRE) Shares equal to the distribution ratio x 100
- 3) Cash in lieu of fractional XLRE shares, if any

SETTLEMENT ALLOCATION: XLF: TBD
XLRE: TBD

CUSIPS: XLF: 81369Y605
XLRE: 81369Y860

THE SETTLEMENT ALLOCATION 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.

DELAYED SETTLEMENT

The XLF component of the XLF2C/XLF2D/adjusted weekly futures deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the XLRE and cash components of the XLF2C/XLF2D/adjusted weekly futures deliverables until the final distribution ratio and cash in lieu amount, if any, are determined. Upon determination of the distribution ratio and cash in lieu amount, if any, OCC will require delivery of the appropriate stock and cash amounts.

BACKGROUND

S&P Dow Jones Indices and MSCI Inc. have announced modifications to its current Financial Select Sector Index dividing the current financial sector into two sectors: financial services and real estate. State Street Global Advisors has announced that The Financial Select Sector SPDR Fund (XLF) will make certain adjustments to its portfolio in order to efficiently continue to track the Financial Sector. Effective concurrent

with changes to the Financial Sector Index, XLF will seek to obtain its real estate exposure in shares of The Real Estate Select Sector SPDR Fund (XLRE) and, as a result, will distribute XLRE shares to XLF shareholders.

The distribution ratio is to be determined. The record date is September 21, 2016; the payable date is September 22, 2016. The New York Stock Exchange (NYSE) has set September 19, 2016, as the ex-distribution date for this distribution.

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.