

The price of standard option contracts can be a barrier to entry for the everyday retail trader. **Nanos by Cboe (Nanos)** is a one-multiplier, cash settled option that makes trading possible at a lower price with less exposure\*\*. At a fraction of the size of a standard contract, this lower-stakes option opens the world of options trading to a wider audience than ever before.

Nanos by Cboe is listed on the Mini-S&P 500 Index and has the smallest multiplier of any index contract listed on a U.S. exchange, initially with an expiration date generally no more than one week out. Nanos simplifies the process of trading options with limited strike prices and can provide opportunity to test short-term goals and strategies.

## Benefits of Nanos Index Options



### Reduced Contract Size

At a fraction the size of a standard Index option contract, this gives the retail investor a manageable way to enter the market to express an opinion at a lower price.



### Cash Settled

No delivery of physical shares as settled to cash



### Lower-Stakes Option

Try out advanced or complex trading strategies but at a smaller price.



### 60/40 Tax Treatment

Keep more of your trading profits. Capital gains may qualify for 60% long-term/40% short-term tax rate\*\*\*

## Comparison of SPX Index Options

Description	SPX Index Options	Mini-SPX Index Options	Nanos S&P 500 Index Options
Ticker Symbol	SPX	XSP	NANOS
Contract Multiplier	\$100	\$100	\$1
Execution Price	\$30	\$3	\$3
Approximate Notional Size <small>(with Index values of SPX at 4400, XSP at 440, and NANOS at 440)</small>	\$440,000 <small>(4400 x \$100)</small>	\$44,000 <small>(440 x \$100)</small>	\$440 <small>(440 x \$1)</small>
Premium Dollar Price (Cost Per Contract) <small>Example: 2-day at-the-money (ATM) option</small>	\$3000	\$300	\$3
Settlement Type	Cash	Cash	Cash
Tax Treatment	60% long term, 40% short-term capital gains***	60% long term, 40% short-term capital gains***	60% long term, 40% short-term capital gains***

## Summary Product Specifications

### Contract Name & Ticker

Nanos S&P 500 Index Options\*  
 Ticker: NANOS

### Description

Nanos are based on 1/10th the value of the S&P 500 Index. The S&P 500 Index is a capitalization-weighted index of 500 stocks from a broad range of industries. The component stocks are weighted according to the total market value of their outstanding “free float” shares. The impact of a component’s price change is proportional to the issue’s total market value, which is the share price times the number of shares outstanding. These are summed for all 500 stocks and divided by a predetermined base value. The base value for the S&P 500 Index is adjusted to reflect changes in capitalization resulting from mergers, acquisitions, stock rights, substitutions, etc.

### Contract Multiplier

\$1

### Premium Quotation

Stated in decimals. One point equals \$1. The minimum tick for Nanos S&P 500 Index options is 0.01 (\$0.01) for all series.

### Trading Hours

9:30 a.m. to 4:15 p.m. Eastern Time. On the last trading day, trading hours for expiring Nanos S&P 500 Index options are 15 minutes shorter from 9:30 a.m. – 4:00 p.m. Eastern Time.

### Final Settlement Value

Exercise will result in delivery of cash on the business day following expiration. The exercise settlement value (NANOS) is 1/10th the value of the official closing price of the S&P 500 Index as reported by Standard & Poor’s on the last trading day of the expiring series. The exercise settlement amount is equal to the difference between the exercise settlement value and the exercise price of the option.

### Final Settlement Date

Nanos options expire on a Monday, Wednesday, or a Friday. If the Exchange is not open on a Wednesday or Friday, the normally expiring Wednesday or Friday Nanos option will expire on the immediately preceding business day. If the Exchange is not open on a Monday, the normally expiring Monday Nanos option will expire on the first business day immediately following that Monday.

For contract specifications and more details, visit [Cboe.com/Nanos](https://Cboe.com/Nanos)

\* Nanos trade on Cboe as a \$1 multiplier option (versus a \$100 multiplier for standard options) on the Mini- S&P 500 Index, which is 1/10th the value of the S&P 500 Index. \*\* While capital risk for a contract holder is limited to the price of the premium and is thus reduced relative to the same number of standard contracts, the capital risk associated with writing Nanos by Cboe contracts remains open-ended. In addition to the premium price, a contract holder may also need to pay applicable fees and commissions. \*\*\* Under section 1256 of the Tax Code, profit and loss on transactions in certain exchange-traded options, including Mini-SPX and Mini-Russell Index Options, are entitled to be taxed at a rate equal to 60% long-term and 40% short-term capital gain or loss, provided that the investor involved and the strategy employed satisfy the criteria of the Tax Code. Investors should consult with their tax advisors to determine how the profit and loss on any particular option strategy will be taxed. Tax laws and regulations change from time to time and may be subject to varying interpretations. Options involve risk and are not suitable for all investors. Prior to buying or selling an option, a person must receive a copy of Characteristics and Risks of Standardized Options. Copies are available from your broker or from The Options Clearing Corporation, One North Wacker Drive, Suite 500, Chicago, Illinois 60606. The information in this document is provided solely for general education and information purposes. Past performance is not indicative of future results. No statement within this document should be construed as a recommendation to buy or sell a security or futures contract or to provide investment advice. Supporting documentation for any claims, comparisons, statistics, or other technical data, will be supplied upon request. Cboe® is a registered trademark and Weeklys is service mark of Cboe Exchange, Inc. S&P® and S&P 500® are registered trademarks of Standard & Poor’s Financial Services, LLC and are licensed for use by Cboe and Cboe Exchange, Inc.