Date: November 3, 2017

To: Cboe Volatility Index Derivatives Market Participants

From: Research and Product Development Department

Re: Dissemination of the Cboe Volatility Index Spot Value

Updates Cboe Information Circular IC16-018 and CFE Information Circular IC16-013

On November 10, 2017, Cboe Exchange, Inc. (Cboe®), in its capacity as the reporting authority for the Cboe Volatility Index® (VIX® Index), will begin employing a filtering process on VIX Index spot values during Cboe's regular trading hours (Cboe RTH) session. The filtering process is currently employed during Cboe's extended trading hours (Cboe ETH) session. Values for the VIX Index are published approximately every 15 seconds during Cboe RTH from 8:30 a.m. to 3:15 p.m. Chicago time and during Cboe ETH for VIX, S&P 500® Index (SPX), and Mini-SPX Index (XSP) options from 2:15 a.m. to 8:15 a.m. Chicago time.

The filtering process will utilize the following parameters:

1. The first VIX Index spot value calculated during the Cboe RTH session or the Cboe ETH session shall be the "baseline" VIX Index spot value.
2. Any value calculated after and within two (2) minutes of such baseline that is higher than the baseline value or lower than the baseline value by .24 or less volatility index points shall become the new baseline.
3. If values calculated after and within two (2) minutes of a baseline are lower than the baseline by 0.25 or more volatility index points, then the baseline VIX Index spot value will be republished as the VIX Index spot value.
4. If the published VIX Index spot values remain the same for a period of two (2) minutes because the calculated values are 0.25 or more volatility points lower than the baseline, the first value calculated after the two minute period shall become the new baseline VIX Index spot value.
5. Filtering is currently applied during the Cboe ETH session and is being extended to the Cboe RTH session.
6. Filtering will not apply to the first VIX Index spot value calculated at the start of the Cboe RTH session or the first VIX Index spot value calculated at the start of the Cboe ETH session; rather, as previously noted, the first VIX Index spot value of the Cboe RTH session (or the Cboe ETH session) is the initial baseline VIX Index spot value. This means that all other VIX Index spot values calculated during Cboe RTH and Cboe ETH will be determined using the filtering process.

Additional Information:
Questions regarding this circular may be directed to the Cboe Help Desk at helpdesk@cboe.com or 866-728-2263.