



To: CBOE Members and Member Firms
From: Business Development Division
Date: March 13, 2008
Re: Options on streetTRACKS Gold Shares

As an industry leader on policy matters, and in keeping with CBOE's tradition of pioneering innovative products, several years ago CBOE developed the concept of trading options on exchange traded funds (ETFs) that hold commodities, including gold bullion. CBOE followed up on its concept by submitting a rule filing to the SEC on January 25, 2005. For the next three years, CBOE worked vigorously with the SEC and sought to have the SEC allow this product to trade.

On March 7, 2008, at the SEC's request, CBOE amended its proposal and limited it to options on the streetTRACKS Gold Shares (ticker: GLD). CBOE's pioneering efforts working with the SEC proved instrumental in bringing this product that has a high customer demand closer to market. On March 11, 2008, the SEC noticed CBOE's proposal for comment (Release No. 34-57465). CBOE anticipates that the SEC will approve its proposal by the end of April 2008.

- Please submit comments in support of CBOE's ruling (SR-CBOE-2005-11). Comments may be submitted online at: <http://www.sec.gov/rules/sro/cboe.shtml>

CBOE expects that the GLD option approval order will serve as precedent for subsequent filings that CBOE intends to submit to permit the trading of options on other ETFs that hold commodities.

Facts about the streetTRACKS Gold Shares

- GLD is listed on the New York Stock Exchange, and started trading on November 18, 2004. GLD also trades on CBOE Stock Exchange, the American Stock Exchange, the Philadelphia Stock Exchange, and the Singapore Stock Exchange.
- GLD is the most heavily traded ETF that holds gold, and has an average daily trading volume (3 month) of 10,186,700 shares.

Options on the streetTRACKS Gold Shares

- GLD options will provide investors with the same valuable risk management tools that are currently available for other publicly traded ETFs that hold securities or commodity derivative products.
- Chicago Trading Company (CTC), located at Post 4 Station 10, has been appointed as the DPM for this product that will trade on the Hybrid 2.0 Platform.
- Terry Andrews, Managing Director and GLD option DPM for CTC said, "CTC intends to provide the same high level of Customer Service that member firms are accustomed to receiving in other CBOE option products for which we act as DPM, such as IWM, SPY and DIA. We also are prepared to provide quality markets in terms of liquidity and pricing such that the CBOE will become the marketplace of choice in GLD options."