



February 8, 2024

Christopher J. Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Cboe Futures Exchange, LLC Rule Certification
Submission Number CFE-2024-003

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Regulation 40.6(a) promulgated by the Commodity Futures Trading Commission (“CFTC” or “Commission”) under the Act, Cboe Futures Exchange, LLC (“CFE” or “Exchange”) hereby submits a CFE rule amendment (“Amendment”) to no longer allow for trade at settlement (“TAS”) transactions in Cboe[®] iBoxx[®] iShares[®] Bond Index futures (“CB Index futures”).¹ Exhibit 1 to this submission sets forth the rule changes included in the Amendment. The Amendment will become effective on or after February 23, 2024, on an implementation date to be announced by the Exchange through the issuance of an Exchange notice.

As is further described in CFE Rule 404A (Trade at Settlement Transactions), a TAS transaction is a transaction in a contract at a price equal to the daily settlement price, or a specified differential above or below the daily settlement price, for the contract on a business day. The actual TAS transaction price is determined subsequent to the transaction based upon the daily settlement price of the contract. TAS transactions occur through the submission and execution of TAS orders which only interact with other TAS orders in a contract and do not interact with non-TAS orders in that contract. TAS transactions may also occur as block trades and exchange of contract for related position transactions. The rules governing each CFE product specify whether or not TAS transactions are permitted in that product, and, if permitted, specify certain parameters relating to TAS transactions in that product.

CFE currently lists two CB Index futures for trading: Cboe[®] iBoxx[®] iShares[®] \$ High Yield Corporate Bond Index Futures (“IBHY futures”) and Cboe[®] iBoxx[®] iShares[®] \$ Investment Grade Corporate Bond Index (“IBIG futures”). CFE Rule 1502 (Contract Specifications) includes contract specifications for CB Index futures. CFE Rule 1502(q) (Trade at Settlement Transactions) currently provides that TAS transactions are permitted in CB Index futures and specifies certain parameters relating to TAS transactions in CB Index futures.

¹ See Exhibit 2 for disclaimers and trademarks with respect to CB Index futures relating to and of S&P Dow Jones Indices LLC and BlackRock Fund Advisors.

CFE is amending Rule 1502(q) to delete the current provisions of Rule 1502(q) and to provide instead in Rule 1502(q) that TAS transactions are not permitted in CB Index futures. Additionally, CFE is deleting existing references to TAS transactions in CB Index futures that are currently included in Rule 1502(b) (Schedule and Prohibited Order Types), Rule 1502(i) (Price Limits and Halts), and Policy and Procedure XIX (Submission Time Frames) of the Policies and Procedures Section of the CFE Rulebook.

CFE has permitted TAS transaction in CB Index futures since the launch of trading in CB Index futures in 2018, and there have not been any TAS transactions in CB Index futures during that time frame. Given that there has not been market demand for this order type in CB Index futures, CFE is removing this order type in CB Index futures at this time. CFE may amend its rules in the future to again provide for this order type in CB Index futures based on the prevailing circumstances at that time, including with respect to the level of market demand for the ability to enter into TAS transactions in CB Index futures at that time.

CFE will continue to offer the TAS order type in Cboe Volatility Index (“VX”) futures and in Mini Cboe Volatility Index (“VXM”) futures, and the Amendment does not impact the continued ability for market participants to enter into TAS transactions in those products.

CFE’s trading system treats each TAS single leg expiration and TAS spread like a unique contract from a system perspective and assigns each a unique contract identifier. Between the end of the business day prior to the implementation of the Amendment and the business day on which the Amendment is implemented, CFE will remove all TAS single leg expirations and TAS spreads in CB Index futures that are then available for trading in CFE’s trading system. Since all TAS orders are required to be day orders, immediate or cancel orders, or fill or kill orders, there will be no pending TAS orders in CB Index futures at that time.

CFE believes that the Amendment is consistent with the Designated Contract Market (“DCM”) Core Principles under Section 5 of the Act. In particular, CFE believes that the Amendment is consistent with: (i) DCM Core Principle 7 (Availability of General Information) in that the Amendment makes market participants aware that TAS transactions are not permitted in CB Index futures by specifying this information in CFE’s rules and (ii) DCM Core Principle 9 (Execution of Transactions) in that the Amendment contributes to the provision by CFE of a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process of trading on CFE’s centralized market. As related to Core Principle 9, CFE believes that the Amendment (i) allows for a more efficient use of CFE system and operational resources since CFE will no longer be devoting those resources to an order type in CB Index futures that is not being utilized and (ii) streamlines the data and messaging that CFE disseminates and that TAS market participants receive and process relating to TAS contracts since that data and messaging will no longer include information relating to TAS contracts in CB Index futures.

CFE believes that the impact of the Amendment will be beneficial to the public and market participants. CFE is not aware of any substantive opposing views to the Amendment. CFE hereby certifies that the Amendment complies with the Act and the regulations thereunder. CFE further certifies that CFE has posted a notice of pending certification with the Commission and a copy of this submission on CFE’s website (http://www.cboe.com/us/futures/regulation/rule_filings/cfe/) concurrent with the filing of this submission with the Commission.

Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 and Shane Wilkerson at (484) 798-9350. Please reference our submission number CFE-2024-003 in

any related correspondence.

Cboe Futures Exchange, LLC

/s/ Laura Fuson

By: Laura Fuson
Managing Director

EXHIBIT 1

The Amendment, marked to show additions in underlined text and deletions in ~~stricken~~ text, consists of the following:

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Cboe Futures Exchange, LLC Rules

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1502. Contract Specifications

(a) No change.

(b) *Schedule and Prohibited Order Types.* The Exchange may list for trading up to four near-term serial months and four months on the March quarterly cycle for each CB Index futures product. The final settlement date for a CB Index future is the first business day of the calendar month denoted by the ticker symbol for the Contract. If the final settlement date is a CFE holiday, the final settlement date shall be the business day immediately following the holiday.

The trading days for CB Index futures are any Business Day the Exchange is open for trading.

The trading hours for CB Index futures are set forth in the charts below. The trading hours for CB Index futures contracts during extended trading hours and regular trading hours shall constitute a single trading session for a Business Day. All times set forth in the charts below are in Chicago time.

Trading Week with No Exchange Holiday. Unless otherwise specified below in relation to Exchange holidays, the following schedule applies.

Type of Trading Hours	Monday - Friday
Extended	5:00 p.m. (previous day) to 8:30 a.m.
Regular	8:30 a.m. to 3:00 p.m.
Extended	3:00 p.m. to 4:00 p.m.

Domestic Holidays Always Observed on Mondays. The below schedule applies when the following domestic holidays are observed: Martin Luther King, Jr. Day, Presidents' Day, Memorial Day and Labor Day.

Type of Trading Hours	Monday	Tuesday
Extended	5:00 p.m. (Sunday) to 10:30 a.m.*	5:00 p.m. (Monday) to 8:30 a.m. and 3:00 p.m. to 4:00 p.m.
Regular	None	8:30 a.m. to 3:00 p.m.

Thanksgiving. The below schedule applies when the Thanksgiving Day holiday is observed.

Type of Trading Hours	Thanksgiving	Friday
Extended	5:00 p.m. (Wednesday) to 10:30 a.m.*	5:00 p.m. (Thursday) to 8:30 a.m.
Regular	None	8:30 a.m. to 12:00 p.m.

Floating Holidays and Good Friday. The below schedules apply when the following holidays are observed: New Year's Day, Good Friday, Juneteenth National Independence Day (June 19), Independence Day (July 4) and Christmas Day. If the holiday falls on a Saturday, the holiday will be observed on the previous day (Friday), except for New Year's Day. If the holiday falls on a Sunday, the holiday will be observed on the next day (Monday). The holidays specified in the below charts refer to the day on which the Exchange observes the applicable holiday. Regular trading hours will typically end at 12:00 p.m. on July 3 (the day before Independence Day) and December 24 (Christmas Eve). Holiday closures and shortened holiday trading hours will be announced by circular.

If New Year's Day or Christmas is on a Monday - Thursday:

Holiday	Type of Trading Hours	Holiday Observed (Monday - Thursday)
New Year's Day and Christmas	Extended	5:00 p.m. (on holiday) to 8:30 a.m. (day after holiday) and 3:00 p.m. to 4:00 p.m. (day after holiday)
New Year's Day and Christmas	Regular	8:30 a.m. to 3:00 p.m. (day after holiday)

If New Year's Day or Christmas is on a Friday:

Holiday	Type of Trading Hours	Holiday Observed (Friday)
If New Year's Day	Extended	None

or Christmas on Friday		
If New Year's Day or Christmas on Friday	Regular	None

Good Friday:

One of the following two schedules will apply when Good Friday is observed. The Exchange shall designate for each year which of these alternative schedules will be utilized in connection with the observation of Good Friday during that year.

Good Friday Schedule Alternative 1:

Holiday	Type of Trading Hours	Friday
Good Friday	Extended	None
Good Friday	Regular	None

Good Friday Schedule Alternative 2:

Holiday	Type of Trading Hours	Friday	Monday
Good Friday	Extended	5:00 p.m. (Thursday) to 8:30 a.m.*	5:00 p.m. (Sunday) to 8:30 a.m. and 3:00 p.m. to 4:00 p.m.
Good Friday	Regular	None	8:30 a.m. to 3:00 p.m.

Juneteenth:

Type of Trading Hours	Holiday Observed	Business Day After Holiday Observed
Extended	5:00 p.m. (day before holiday) to 10:30 a.m.* (on holiday)	5:00 p.m. (on holiday or on Sunday if holiday observed on Friday) to 8:30 a.m. and 3:00 p.m. to 4:00 p.m.

Regular	None	8:30 a.m. to 3:00 p.m.
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Independence Day:

Type of Trading Hours	Holiday Observed	Business Day After Holiday Observed
Extended	5:00 p.m. (day before holiday) to 10:30 a.m.* (on holiday)	5:00 p.m. (on holiday or on Sunday if holiday observed on Friday) to 8:30 a.m. and 3:00 p.m. to 4:00 p.m.
Regular	None	8:30 a.m. to 3:00 p.m.

General Holiday Provisions:

* A holiday trading session includes extended trading hours on the calendar day of the holiday and any extended trading hours for the holiday on the previous calendar day. Holiday trading sessions are not separate Business Days and are part of the next Business Day. Trading in CB Index futures is suspended between sessions of extended trading hours on the calendar day of a holiday. Since these suspension periods are a regular feature for certain holiday trading sessions in CB Index futures, they shall not be considered the declaration of a trading halt by the Exchange. Trades in CB Index futures made during a holiday trading session will be submitted for clearing for the next Business Day.

Friday Holiday Provisions:

The Exchange may have a Friday holiday trading session if Juneteenth or Independence Day fall on a Friday or under the Good Friday Schedule Alternative 2. In those cases:

~~As is the case with other holiday trading sessions, the Friday holiday trading session from 5:00 p.m. on Thursday to either 8:30 a.m. or 10:30 a.m. on Friday also applies to Trade at Settlement (“TAS”) transactions in CB Index futures and TAS transactions in CB Index futures are permitted during that time frame.~~

The Friday holiday trading session is part of the next Business Day on Monday. The Friday holiday trading session is not a separate Business Day. Trades in CB Index futures made during the Friday holiday trading session are submitted for clearing for Monday. Since the time frames between the sessions of trading hours during this Business Day are a regular feature of this schedule, they are not considered the declaration of a trading halt by the Exchange.

As is the case with other holiday trading sessions, the applicable daily settlement price is the daily settlement price for the Business Day. Accordingly, in this case, the applicable daily settlement price is determined on Monday pursuant to Rule 1502(p).

As is also the case with other holiday trading sessions, Day Orders and Quotes entered during the Friday holiday trading session persist and remain executable during the trading hours on the remainder of the Business Day, unless they are executed or canceled. Accordingly, Day Orders and Quotes entered during the Friday holiday trading session persist and remain executable during the trading hours on the remainder of the same Business Day on the Sunday and Monday following the Friday holiday trading session, unless they are executed or canceled.

Market Orders:

Market Orders for CB Index futures will not be accepted by the Exchange during regular or extended trading hours for CB Index futures. Any Market Orders for CB Index futures received by the Exchange will be automatically rejected or canceled back to the sender.

(c) - (h) No change.

(i) *Price Limits and Halts.*

(i) *Price Limits During Extended Trading Hours.* Pursuant to Rule 413, CB Index futures are subject to the following price limits during extended trading hours:

(A) Each CB Index futures Contract shall have a price limit that is 10% above the daily settlement price for that CB Index futures Contract for the prior Business Day (an "Upper Price Limit") and a price limit that is 10% below the daily settlement price for that CB Index futures Contract for the prior Business Day (a "Lower Price Limit"). An Upper Price Limit and a Lower Price Limit may also be referred to as a "Price Limit."

(B) The CFE System will not consummate the execution of any trade in a CB Index futures Contract that is at a price that is more than the Upper Price Limit for that CB Index futures Contract or that is less than the Lower Price Limit for that CB Index futures Contract.

(C) The CFE System will reject or cancel back to the sender any Limit Order to buy with a limit price that is above the Upper Price Limit and any Limit Order to sell with a limit price that is below the Lower Price Limit. Upon the triggering of a Stop Limit Order, the CFE System will cancel the Stop Limit Order back to the sender if it is a Stop Limit Order to buy that is triggered to a limit price which is above the Upper Price Limit or is a Stop Limit Order to sell that is triggered to a limit price which is below the Lower Price Limit.

(D) The Upper Price Limit and Lower Price Limit will be applicable with respect to the execution of single leg CB Index futures Orders. The Upper Price Limit and Lower Price Limit will apply to CB Index futures Spread Orders in that each leg of a CB Index futures Spread Order will be subject to the applicable Upper Price Limit and Lower Price Limit for that individual leg and may not be executed at a price that is more than the Upper Price Limit for that single leg CB Index futures Contract or less than the Lower Price Limit for that single leg CB Index futures Contract. ~~The Upper Price Limit and Lower Price Limit shall not apply to TAS Orders because TAS~~

~~transactions may only occur within a permissible price range.~~

(E) The price limit provisions of this Rule 1502(i)(i) shall be applicable during the opening process for a CB Index futures Contract during extended trading hours.

(F) In calculating a Price Limit, the calculation will be rounded to the nearest minimum increment in the CB Index futures Contract, with the midpoint between two consecutive increments rounded up.

(G) The daily settlement price that will be utilized to calculate the Price Limits for a newly listed CB Index futures Contract will be the daily settlement price of the CB Index futures Contract with the nearest expiration date in calendar days to the expiration date of the newly listed CB Index futures Contract. If there is a CB Index futures Contract with an earlier expiration date and a CB Index futures Contract with a later expiration date that each meet this criterion, the daily settlement price of the CB Index futures Contract with the earlier expiration date will be utilized.

(H) Notwithstanding any provisions of this Rule 1502(i)(i), the Trade Desk may, in its absolute and sole discretion, take any action it determines necessary to protect market integrity. For avoidance of doubt, this authority includes, but is not limited to, modifying or eliminating the Price Limit parameters in this Rule 1502(i)(i) at any time. The senior person in charge of the Trade Desk may exercise the authority of the Trade Desk under this Rule 1502(i)(i)(H). The Trade Desk will promptly issue an alert with respect to actions taken pursuant to this Rule 1502(i)(i)(H).

(ii) *Circuit Breaker Halts.* Trading in CB Index futures shall be halted pursuant to Rule 417A if there is a Level 1, 2 or 3 Market Decline.

(iii) *Halts in Other Markets.* CFE shall halt trading in a CB futures product during any regulatory halt by the primary listing market in the exchange-traded fund with holdings that are used in determining the constituents of the CB Index underlying that CB Index futures product. The Exchange shall commence a trading halt in a CB Index futures product pursuant to this Rule 1502(i)(iii) as soon as practicable following the initiation of the regulatory halt by the primary listing market in the applicable exchange-traded fund, and there may be time between the initiation of the regulatory halt and the commencement of the trading halt in the CB Index futures product.

(j) - (p) No change.

(q) *Trade at Settlement Transactions.* Trade at Settlement (“TAS”) transactions pursuant to Rule 404A are not permitted in CB Index futures ~~and may be transacted on the CFE System, as spread transactions, as Block Trades (including as spread transactions) and as Exchange of Contract for Related Position transactions.~~ The trading hours for all types of TAS transactions in CB Index futures are (i) during extended trading hours, except during the extended trading hours period from 3:00 p.m. Chicago time to 4:00 p.m. Chicago time on a normal Business Day; and (ii) during regular trading hours until the Daily Settlement Time for CB Index futures. Accordingly, on a normal Business Day, the trading hours for all types of TAS transactions in CB Index futures end at 3:00 p.m. Chicago time. TAS transactions in an expiring CB Index

~~futures contract are not permitted during the Business Day of its final settlement date.~~

~~The permissible price range for all types of TAS transactions in CB Index futures is from 0.10 index points below the daily settlement price to 0.10 index points above the daily settlement price. The permissible minimum increment for a TAS single leg transaction, a TAS spread transaction, a TAS Block Trade (including as a spread transaction) and a TAS Exchange of Contract for Related Position transaction in CB Index futures is 0.005 index points.~~

(r) No change.

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**Cboe Futures Exchange, LLC
Policies and Procedures Section of Rulebook**

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Policy and Procedure XIX. Submission Time Frames (Rules 402(c))

All times referenced in this Policy and Procedure are Chicago time.

A. Cboe Volatility Index (“VX”), Mini Cboe Volatility Index (“VXM”), Cboe® iBoxx® iShares® Bond Index (“CB Index”) and AMERIBOR Futures Submission Time Frames

The time frames during which Trading Privilege Holders may submit Orders (including Cancel Orders and Cancel Replace/Modify Orders) to the CFE System for VX, VXM, CB Index and AMERIBOR futures are set forth in the chart below.

Time Frame	Period Type	What May be Submitted to CFE System
4:00 p.m.* to 5:00 p.m. (Sunday)	Queuing Period	Orders (except Market Orders, Immediate or Cancel Orders and Fill or Kill Orders)**
5:00 p.m. (previous day) to 8:30 a.m. (Monday – Friday)	Extended Trading Hours	Orders (except Market Orders) Orders (except Market Orders) until 8:00 a.m. in expiring VX or VXM future on its final settlement date
8:30 a.m. to 3:00 p.m. (Monday – Friday)	Regular Trading Hours	Orders (except Market Orders in CB Index and AMERIBOR futures)
3:00 p.m. to 4:00 p.m.	Extended Trading Hours	Orders (except Market Orders)

(Monday – Friday)		
4:00 p.m. to 4:45 p.m. (Monday – Thursday)	Suspended	Nothing (except Cancel Orders after CFE System restart)
4:45 p.m.* to 5:00 p.m. (Monday – Thursday)	Queuing Period	Orders (except Market Orders, Immediate or Cancel Orders and Fill or Kill Orders)**
4:00 p.m. (Friday) to 4:00 p.m. (Sunday)	Suspended	Nothing (except Cancel Orders after CFE System restart)
5:00 p.m. (previous day) to 3:00 p.m. (Monday – Friday) (Solely for Trade at Settlement (“TAS”) transactions in VX, <u>and</u> VX M <u>and</u> CB Index futures)	Extended and Regular Trading Hours for all types of TAS transactions in VX, <u>and</u> VX M <u>and</u> CB Index futures	TAS Orders are accepted until 3:00 p.m. No TAS Orders are accepted from 3:00 p.m. to 4:45 p.m. (Monday – Thursday) No TAS Orders are accepted from 3:00 p.m. to 4:00 p.m. (Friday) TAS Orders are accepted from 4:00 p.m.*** to 5:00 p.m. during Queuing Period (Sunday) and from 4:45 p.m.*** to 5:00 p.m. during Queuing Period (Monday – Thursday)**
Whenever VX, VX M , CB Index or AMERIBOR futures are in a queuing period	Queuing Period	Orders (except Market Orders, Immediate or Cancel Orders and Fill or Kill Orders)**
Whenever trading in VX, VX M , CB Index or AMERIBOR futures is halted	Halted	Nothing (except Cancel Orders)
Whenever trading in VX, VX M , CB Index or AMERIBOR futures is suspended	Suspended	Nothing (except Cancel Orders after CFE System restart)

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*A queuing period for VX, VXM, CB Index and AMERIBOR non-TAS single leg Contract expirations and non-TAS spreads at the beginning of a Business Day or that otherwise follows immediately after the CFE System is in a suspended state for that product commences at the referenced start time for the queuing period plus a randomized time period from three to six seconds.

**Orders permitted to be submitted to the CFE System during these times are not executable until extended or regular trading hours next commence or open trading resumes following a trading halt or suspension.

***A queuing period for any VX, and VXM ~~and CB Index~~ TAS single leg Contract expirations and TAS spreads at the beginning of a Business Day or that otherwise follows immediately after the CFE System is in a suspended state for that product commences at the referenced start time for the queuing period plus a randomized time period from zero to three seconds.

B. Submission Time Frames for All Exchange Contracts Other Than VX, VXM and AMERIBOR Futures

The queuing period for any TAS single leg Contract expirations and TAS spreads in Exchange Contracts other than VX, and VXM ~~and CB Index~~ futures commences for each Business Day at 5:00 p.m. on the previous calendar day plus a randomized time period from zero to three seconds. The queuing period for any non-TAS single leg Contract expirations and non-TAS spreads in Exchange Contracts other than VX, VXM, CB Index and AMERIBOR futures commences for each Business Day at 5:00 p.m. on the previous calendar day plus a randomized time period from three to six seconds.

A queuing period for any TAS single leg Contract expirations and TAS spreads in Exchange Contracts other than VX, and VXM ~~and CB Index~~ futures that follows immediately after the CFE System is in a suspended state for that product other than at the beginning of a Business Day commences at the referenced start time for the queuing period plus a randomized time period from zero to three seconds. A queuing period for any non-TAS single leg Contract expirations and non-TAS spreads in Exchange Contracts other than VX, VXM, CB Index and AMERIBOR futures that follows immediately after the CFE System is in a suspended state for that product other than at the beginning of a Business Day commences at the referenced start time for the queuing period plus a randomized time period from three to six seconds.

The CFE System accepts Orders (including Cancel Orders and Cancel Replace/Modify Orders) for Exchange Contracts other than VX, VXM, CB Index and AMERIBOR futures during the queuing period (except for Market Orders, Immediate or Cancel Orders and Fill or Kill Orders). Orders permitted to be submitted to the CFE System during the queuing period are not executable until trading hours next commence.

The trading hours for Exchange Contracts other than VX, VXM, CB Index and AMERIBOR futures are set forth in the rules governing the applicable Contract. The CFE System accepts Orders (including Cancel Orders and Cancel Replace/Modify Orders) for Exchange Contracts other than VX, VXM, CB Index and AMERIBOR futures during the respective trading hours for these Contracts (except to the extent set forth in the rules governing the applicable Contract).

C. - F.

No changes.

EXHIBIT 2

The iBoxx iShares \$ High Yield Corporate Bond Index and the iBoxx iShares \$ Investment Grade Corporate Bond Index (“iBoxx iShares \$ Corporate Bond Indices”) are products of S&P Dow Jones Indices LLC or its affiliates or licensors (“S&P DJI”) and have been licensed for use by Cboe Exchange, Inc. iBoxx[®], S&P[®], “S&P 500[®]” and “Dividend Aristocrats[®]” are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones[®] is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”) and has been licensed for use by S&P Dow Jones Indices; and these trademarks have been licensed for use by S&P DJI and sublicensed for certain purposes by Cboe Exchange, Inc. Cboe[®] iBoxx[®] iShares[®] \$ High Yield Corporate Bond Index futures and options on futures and Cboe[®] iBoxx[®] iShares[®] \$ Investment Grade Corporate Bond Index futures and options on futures are not sponsored, endorsed, sold or promoted by S&P DJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the iBoxx iShares \$ Corporate Bond Indices.

The iBoxx[®] iShares[®] \$ High Yield Corporate Bond Index and the iBoxx[®] iShares[®] \$ Investment Grade Corporate Bond Index (the “Indexes”), futures contracts on the Indexes and options on futures contracts on the Indexes (“Contracts”) are not sponsored by, or sold by BlackRock, Inc. or any of its affiliates (collectively, “BlackRock”). BlackRock makes no representation or warranty, express or implied to any person regarding the advisability of investing in securities, generally, or in the Contracts in particular. Nor does BlackRock make any representation or warranty as to the ability of the Index to track the performance of the fixed income securities market, generally, or the performance of HYG, LQD or any subset of fixed income securities.

BlackRock has not calculated, composed or determined the constituents or weightings of the fixed income securities that comprise the Indexes (“Underlying Data”). BlackRock is not responsible for and has not participated in the determination of the prices and amounts of the Contracts, or the timing of the issuance or sale of such Contracts or in the determination or calculation of the equation by which the Contracts are to be converted into cash (if applicable). BlackRock has no obligation or liability in connection with the administration or trading of the Contracts. BlackRock does not guarantee the accuracy or the completeness of the Underlying Data and any data included therein and BlackRock shall have no liability for any errors, omissions or interruptions related thereto.

BlackRock makes no warranty, express or implied, as to results to be obtained by S&P DJI, the parties to the Contracts or any other person with respect to the use of the Underlying Data or any data included therein. BlackRock makes no express or implied warranties and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Underlying Data or any data included therein. Without limiting any of the foregoing, in no event shall BlackRock have any liability for any special, punitive, direct, indirect or consequential damages (including lost profits) resulting from the use of the Underlying Data or any data included therein, even if notified of the possibility of such damages.

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