

Cboe Signs Licensing Agreement with Validus, Creating Framework for Index Innovation

Jun 22, 2022



- Agreement furthers Cboe's growing global index business and track record in index innovation
- Enables Cboe to exclusively develop and offer new indices and solutions based on select Validus' proprietary methodologies

CHICAGO, June 22, 2022 /PRNewswire/ -- Cboe Global Markets, Inc. (Cboe: CBOE), a leading provider of global market infrastructure and tradable products, today announced it has signed a licensing agreement with Validus Macro Strategies, a provider of rule-based options-based solutions for institutional investors, that creates the framework for Cboe and Validus to collaborate on the development of new indices and solutions.

Under this agreement, Cboe will have exclusive rights to develop and offer a range of derivatives-based indices and associated investable financial products using Validus' proprietary methodologies. Cboe expects to initially launch a new series of Cboe Validus Dynamic Indices designed to show the performance of active BuyWrite and PutWrite strategies on major U.S equity indices in the coming months. In addition, Cboe may work with Validus to develop other active indices for unique index-based products in the future.

The new relationship furthers Cboe's growing global index business and builds on Cboe's proven track record in creating and disseminating some of the industry's most innovative index offerings, including the Cboe Volatility Index® (VIX® Index), and its suites of Strategy Performance Benchmark indices and Target Outcome indices.

"At Cboe, we seek to innovate to define markets that benefit all participants. Often, this begins with indexing, which has long been a Cboe core competency," said Catherine Clay, Executive Vice President, Data and Access Solutions at Cboe Global Markets. "Cboe has been a pioneer of strategy performance benchmark indices, which continue to gain traction with investors seeking to use options to hedge risk, reduce volatility and enhance yields. Validus offers a unique, rule-based methodology for constructing options strategies that we believe could further enhance investment outcomes, and we're excited to leverage their expertise to help develop additional index solutions to meet customer demand."

"Validus is excited to partner with Cboe Global Markets, a global leader in indices and index products. Combining our risk-centric philosophy and derivatives expertise with Cboe's focus on product innovation and world class trading infrastructure creates the ideal platform for the development of exciting investment products and risk solutions," said Kevin Lester, Chief Executive Officer at Validus Risk Management.

Validus' proprietary methodologies differ from traditional options-based strategies in that they are active and rule-based at the same time. Characteristics such as options expiries, strikes or roll dates are dynamically selected. The new Cboe Validus Dynamic Indices, unlike many benchmark indices, are specifically designed to be used as investable strategies by a wide range of investors. The indices also account for trading impact and consider other operational aspects such as margin rules and the impact of interest rates.

"We are very excited and thankful for the opportunity to work with Cboe to bring innovative solutions based on our hands-on market experience to investors," said Kambiz Kazemi, Chief Investment Officer at Validus Macro Strategies. "Markets have been undergoing major structural shifts in the last two decades and the effect of these changes are now becoming increasingly apparent to investors. Options-based strategies and indices are increasingly a crucial part of building portfolios and managing their risk. Through this partnership with Cboe, we look forward to bringing practical state-of-the-art solutions to investors and helping them navigate the road ahead."

The planned launch of the Cboe Validus Dynamic Indices will complement Cboe's existing suite of Strategy Performance Benchmark indices, which aim to provide investors with an effective way to employ options strategies to improve risk-adjusted returns within their investment portfolio.

A BuyWrite, also called a covered call, generally is considered to be an investment strategy in which an investor buys a stock or a basket of stocks, and also sells call options that correspond to the stock or basket of stocks. A PutWrite generally involves the selling of put options to earn premiums.

As a leader in the creation and dissemination of more than 450 volatility and derivatives-based indices, Cboe is at the forefront of creating an investment ecosystem that encompasses product design, calculation, administration, listing, trading, and benchmark licensing. To learn more, visit <https://www.cboe.com/indices/>.

About Cboe Global Markets, Inc.

Cboe Global Markets (Cboe: CBOE), a leading provider of market infrastructure and tradable products, delivers cutting-edge trading, clearing and investment solutions to market participants around the world. The company is committed to operating a trusted, inclusive global marketplace, providing leading products, technology and data solutions that enable participants to define a sustainable financial future. Cboe provides trading solutions and products in multiple asset classes, including equities, derivatives and FX, across North America, Europe and Asia Pacific. To learn more, visit www.cboe.com.

About Validus Macro Strategies

Validus Macro Strategies (a subsidiary of Validus Risk Management with offices in London, Toronto and New York) specializes on the design and implementation of derivatives-based investment strategies and hedging solutions. Our rule-based strategies stem from the combination of hands-on expertise of our principals – who have successfully navigated a wide range of market regimes – and industry-leading proprietary technology that enables us to translate their expertise into investment strategies and solutions. We seek to enable market participants to access institutional quality investment solutions with attractive risk/reward and be a reference and active participant in derivatives education and content.

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Cautionary Statements Regarding Forward-Looking Information

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. You can identify these statements by forward-looking words such as "may," "might," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," and the negative of these terms and other comparable terminology. All statements that reflect our expectations, assumptions or projections about the future other than statements of historical fact are forward-looking statements. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Some factors that could cause actual results to differ include: the loss of our right to exclusively list and trade certain index options and futures products; economic, political and market conditions; compliance with legal and regulatory obligations; price competition and consolidation in our industry; decreases in trading or clearing volumes, market data fees or a shift in the mix of products traded on our exchanges; legislative or regulatory changes or changes in tax regimes; our ability to protect our systems and communication networks from security risks, cybersecurity risks, insider threats and unauthorized disclosure of confidential information; our ability to attract and retain skilled management and other personnel; increasing competition by foreign and domestic entities; our dependence on and exposure to risk from third parties; fluctuations to currency exchange rates; factors that impact the quality and integrity of our indices; the impact of the novel coronavirus ("COVID-19") pandemic; our ability to operate our business without violating the intellectual property rights of others and the costs associated with protecting our intellectual property rights; our ability to minimize the risks, including our credit and default risks, associated with operating a European clearinghouse; our ability to accommodate trading and clearing volume and transaction traffic, including significant increases, without failure or degradation of performance of our systems; misconduct by those who use our markets or our products or for whom we clear transactions; challenges to our use of open source software code; our ability to meet our compliance obligations, including managing potential conflicts between our regulatory responsibilities and our for-profit status; our ability to maintain BIDS Trading as an independently managed and operated trading venue, separate from and not integrated with our registered national securities exchanges; damage to our reputation; the ability of our compliance and risk management methods to effectively monitor and manage our risks; our ability to manage our growth and strategic acquisitions or alliances effectively; restrictions imposed by our debt obligations and our ability to make payments on or refinance our debt obligations; our ability to maintain an investment grade credit rating; impairment of our goodwill, long-lived assets, investments or intangible assets; the accuracy of our estimates and expectations; litigation risks and other liabilities; and operating a digital asset business. More detailed information about factors that may affect our actual results to differ may be found in our filings with the SEC, including in our Annual Report on Form 10-K for the year ended December 31, 2021 and other filings made from time to time with the SEC.

We do not undertake, and we expressly disclaim, any duty to update any forward-looking statement whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

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