# Definitions

**Barclays U. S. Aggregate Bond Index**: a composition of approximately 6,000 publicly traded bonds including U. S. government, mortgage-backed, corporate and Yankee bonds with an average maturity of 10 years. The index is weighted by the market value of its bonds and represents asset classes that are subject to risk, including loss of principal.

**CBOE S&P 500® BuyWrite Index (BXM):** a rules-based index call overwriting benchmark, priced daily, that sells a single at-the-money (ATM) call option each month.

**Call overwriting**: An options strategy where an investor holds a long position in a portfolio of stocks that replicates or closely approximates a broad market index and sells (writes) call options on that index in an attempt to generate cashflow from the portfolio. Cashflow is based on options market participants' anticipated future volatility of the index.

**Citigroup One-Month Treasury Bill Index**: measures monthly return equivalents of yield averages that are not marked to market. The Index consists of the last one-month issue. Returns for this index are calculated on a monthly basis only.

**Index Call option**: an option contract in which the holder (buyer) has the right (but not the obligation) to buy a specified quantity of an asset at a specified price (or strike price) within a fixed period of time. For the writer (seller) of a call option, it represents an obligation to sell the underlying asset at the strike price if the option is exercised. The call option writer is paid a cash premium for taking on the risk associated with the option obligation.

**Index Put Option**: an option contract in which the holder (buyer) has the right (but not the obligation) to sell a specified quantity of an asset at a specified price (or strike price) within a fixed period of time. For the writer (seller) of a put option, it represents an obligation to buy the underlying asset at the strike price if the option is exercised. The put option writer is paid a cash premium for taking on the risk associated with the option obligation.

**S&P 500® Index**: a widely recognized measure of performance for the U. S. stock market. The S&P 500® Index figures represent the prices of a capitalization-weighted index of 500 common stocks and assume reinvestment of all dividends paid on the stocks in the index.

**Standard deviation** is a statistical measure of risk reflecting the extent to which rates of return for an asset or portfolio may vary from period to period and gauges the dispersion of returns around the average return. The larger the standard deviation, the greater the range of possible returns and, therefore, the more risky the asset or portfolio.

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