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June 21, 2022

# MIAX Exchange Group

## Managing Volatility Amid Heightened Inflation

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# Managing Volatility Amid Heightened Inflation

June 21, 2022

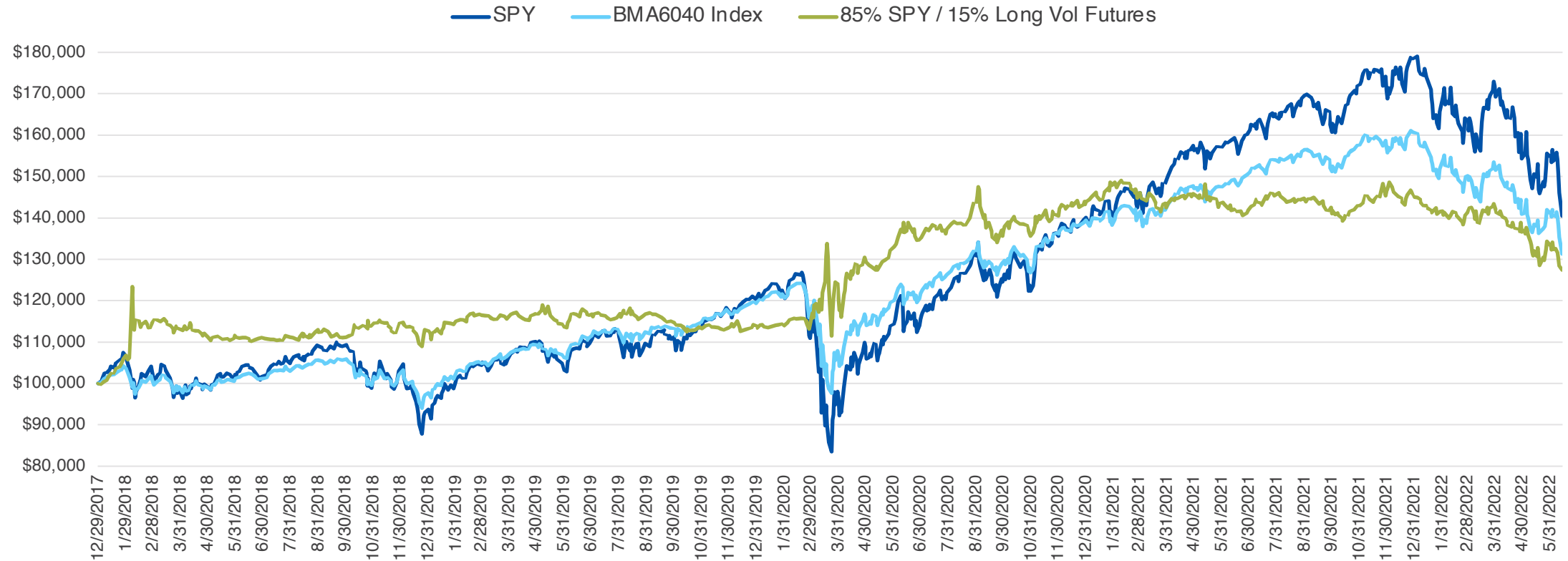


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# About MIAX

- MIAX's parent holding company, Miami International Holdings, Inc. (MIH), owns Miami International Securities Exchange, LLC (MIAX®), MIAX Pearl, LLC (MIAX Pearl®) and MIAX Emerald, LLC (MIAX Emerald®), Minneapolis Grain Exchange, LLC (MGEX™), and Bermuda Stock Exchange (BSX™). MIAX, MIAX Pearl and MIAX Emerald are national securities exchanges registered with the Securities and Exchange Commission (SEC). Learn more about MIAX at [www.miaxoptions.com](http://www.miaxoptions.com).
- MGEX is a registered exchange with the Commodity Futures Trading Commission (CFTC) and is a Notice Registered Securities Futures Product Exchange with the SEC. MGEX serves as the exclusive market for Hard Red Spring Wheat, SPIKES, BRIXX™ CRE and TAX Futures. MGEX is a Designated Contract Market (DCM) and Derivatives Clearing Organization (DCO) under the CFTC providing DCM, DCO and cash market services in an array of asset classes.
- BSX is a fully electronic, vertically integrated international securities market regulated by the Bermuda Monetary Authority (BMA) specializing in the listing and trading of capital market instruments such as equities, debt issues, funds, hedge funds, derivative warrants and insurance linked securities. BSX is globally recognized, including by the SEC.

# Risk / Return Trade-off



Source: Bloomberg

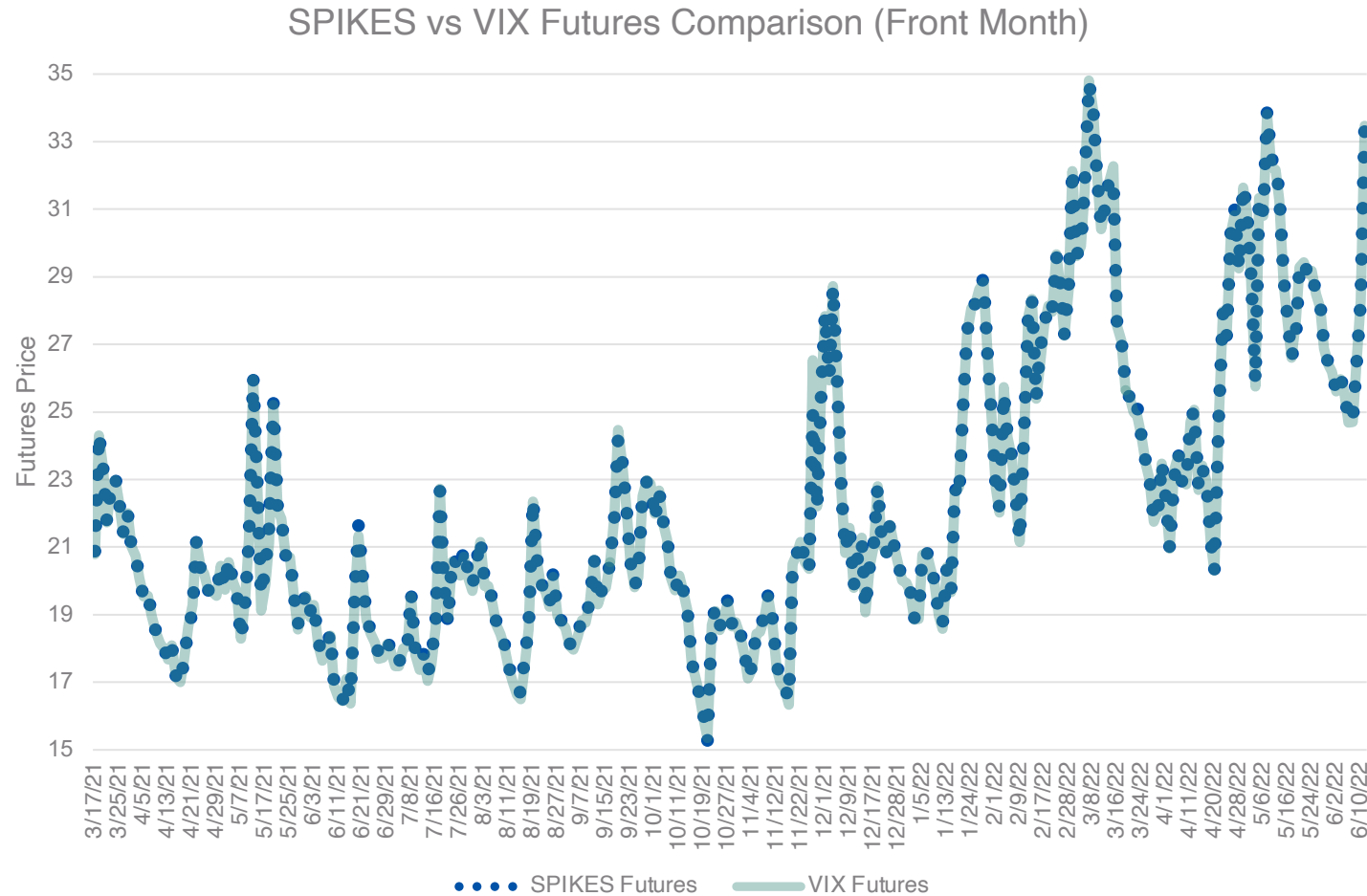
Year	SPY Return	BMA6040 Return	85% SPY / 15% Long Vol Futures Return	Max Drawdown (SPY)	Max Drawdown (BMA6040)	Max Drawdown (85% SPY / 15% Long Vol Futures)	Portfolio Volatility (SPY)	Portfolio Volatility (BMA6040)	Portfolio Volatility (85% SPY / 15% Long Vol Futures)
<b>2018</b>	-6.35%	-2.31%	12.70%	-20.18%	-11.22%	-11.64%	17.13%	9.94%	19.42%
<b>2019</b>	28.79%	22.36%	0.63%	-0.58%	-0.23%	-5.58%	12.55%	6.98%	6.64%
<b>2020</b>	16.16%	16.60%	26.86%	0.00%	0.00%	-9.08%	33.51%	19.83%	19.90%
<b>2021</b>	27.04%	15.13%	0.84%	-0.53%	-0.36%	-6.54%	13.11%	8.11%	7.62%
<b>2022</b>	-21.05%	-18.19%	-12.17%	-21.05%	-18.19%	-12.17%	24.92%	15.90%	11.42%
<b>2018-2022</b>	40.52%	31.27%	27.42%	-21.05%	-18.19%	-14.49%	21.36%	12.76%	14.50%

<sup>3</sup> \*Past performance is not necessarily indicative of future results.



# SPIKES Futures (Ticker = SPK)

Are 99.4% correlated to VIX futures....



Source: Bloomberg

With lower exchange fees....

Exchange & Clearing Fee Comparison	
SPK Exchange Fee <sup>1</sup>	\$0.00
SPK Clearing Fee	\$0.20
<b>SPK Total</b>	<b>\$0.20</b>
VIX Exchange Fee <sup>2</sup>	\$1.47
VIX Clearing Fee	\$0.02
<b>VIX Total</b>	<b>\$1.49</b>

<sup>1</sup>\$0.25 SPIKES futures exchange fee waived through 7/31/22

<sup>2</sup>Customer rate as of 6/1/22

4 \*Past performance is not necessarily indicative of future results.

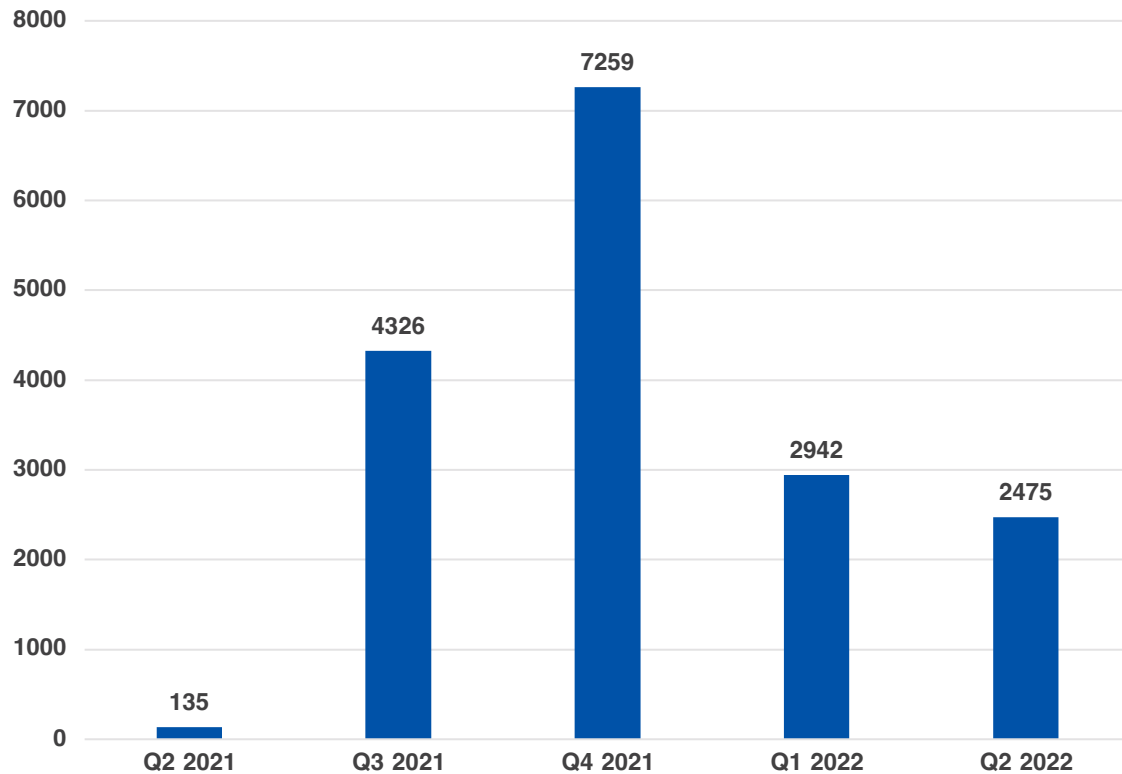


# SPIKES Futures (Ticker = SPK)

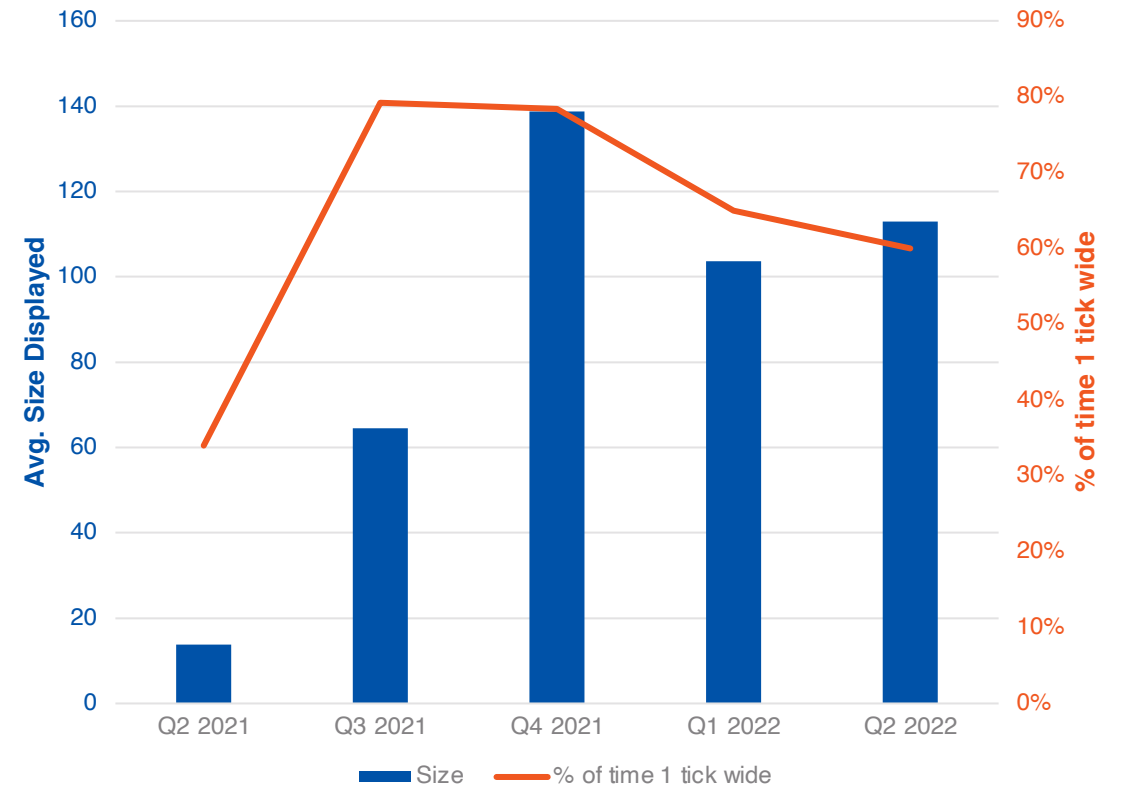
Strong volume...

and tight bid / ask spreads.

### SPIKES Futures Average Daily Volume



### SPIKES Futures Market Quality (front two months)



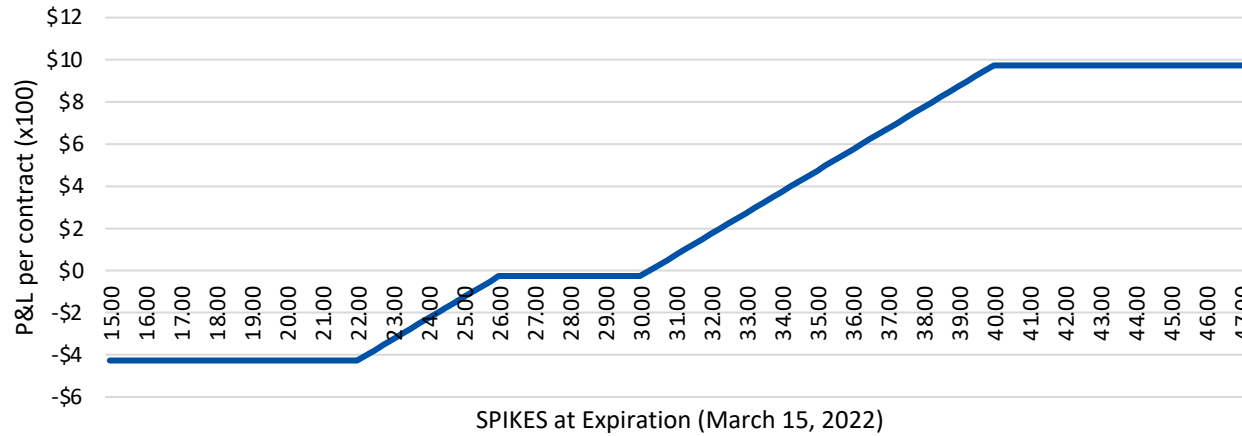
Front two contracts, 9:30am ET – 4:00pm ET

Source: Bloomberg

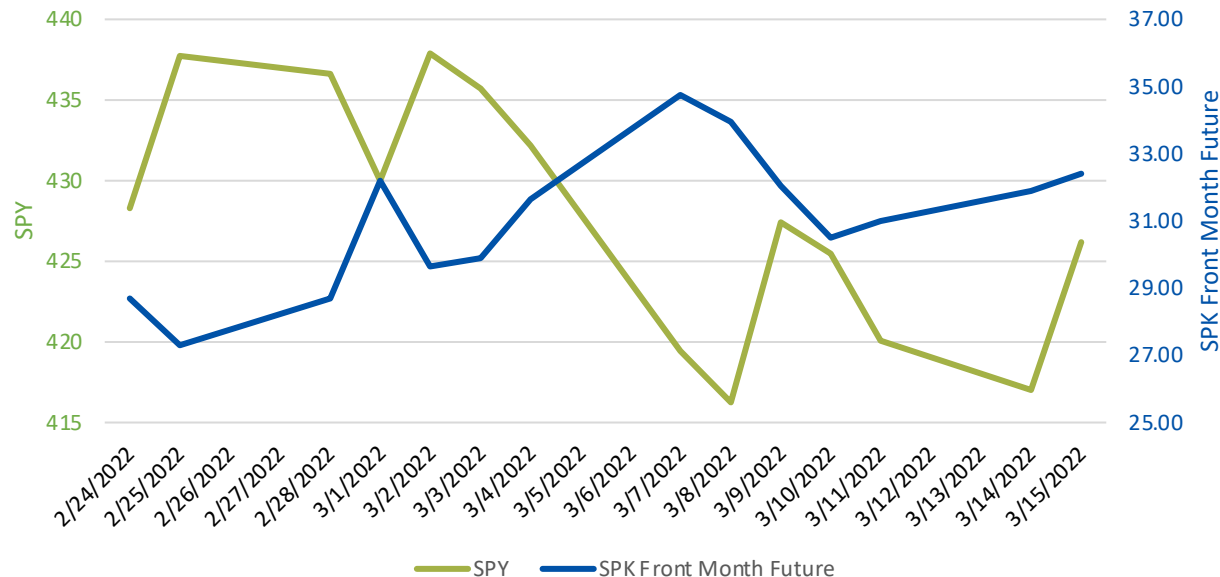
5 \*Past performance is not necessarily indicative of future results.

# SPIKES Options (Ticker = SPIKE)

Long March 30/40 call spread vs Short 22/26 put spread (trade date Feb 24, 2022)



Exchange Fee Comparison			
Order	Option Premium	SPIKES <sup>1</sup>	VIX
Simple	\$0.00 - \$0.10	\$0	\$0.10
	\$0.11 - \$0.99	\$0	\$0.25
	\$1.00 - \$1.99	\$0	\$0.40
	\$2.00+	\$0	\$0.45
Complex	\$0.00 - \$0.10	\$0	\$0.05
	\$0.11 - \$0.99	\$0	\$0.17
	\$1.00 - \$1.99	\$0	\$0.30
	\$2.00+	\$0	\$0.45



SPIKES Option	Trade Price	SPIKES Market	VIX Market
Long 30 C	\$3.28	\$3.10 - \$3.40	\$3.20 - \$3.40
Short 40 C	\$1.52	\$1.45 - \$1.65	\$1.50 - \$1.60
Long 22 P	\$0.38	\$0.25 - \$0.45	\$0.30 - \$0.40
Short 26 P	\$1.87	\$1.80 - \$2.00	\$1.85 - \$1.95
Package	\$0.27 debit	-\$0.30 - \$0.60	-\$0.05 / \$0.45

Source: Bloomberg

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PRODUCTS**

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- Provides customers with the opportunity to hedge or gain exposure to four key CRE sectors: Office (BRIXO), Retail (BRIXR), Hospitality (BRIXH), Residential (BRIXR)

### BRIXX Commercial Real Estate Derivatives

## TAX™ Futures

- Provides customers with the opportunity to hedge exposure to potential changes in the U.S. Capital Gains Tax Rate (CGT) and the U.S. Corporate Tax Rate (CTAX)

### Capital Gains Tax Futures™

### Corporate Tax Rate Futures™

## Crypto Derivatives

- Miami International Holdings, Inc. and Lukka Inc. entered into a strategic alliance to develop and launch cash-settled Bitcoin and Ether futures and options, as well as Bitcoin volatility and Ether volatility futures and options, subject to regulatory approval



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