

Exhibit 3

Report in Support of Extending the SPY Pilot Program

The SPDR S&P ETF Trust (“SPY”) remains the most recognizable and actively traded Exchange Traded Fund (“ETF”). During the period of January 2015 through May 2015 (“Pilot Period 2”) the Net Asset Value of SPY slipped to \$182B compared to \$200B last identified in the original pilot period from January 2014 through December 2014 (“Pilot Period 1”). Even with the drop in value, SPY remains the largest ETF by size and continues to dominate trading with more than 103M shares exchanged daily.¹ The International Securities Exchange, LLC and ISE Gemini, LLC have eliminated position and exercise limits for physically-settled options on SPY pursuant to a pilot set to end on July 12, 2015 (the “SPY Pilot Program”). The Exchanges are submitting this Pilot Report to provide the Commission with data and written analysis related to the elimination of SPY position limits.

A. Option Trading Volume, Position Limits, and Open Interest for SPY

1. Trading Volume

Much like the underlying, SPY continues to be the most actively traded multi-listed option product in the industry. It again accounted for more than 14% (14.55%) of the option market volume during Pilot Period 2, up slightly from 14.3% in Pilot Period 1. The volume breakdown is available in Table A below. Similar results were found when analyzing the average and median volumes in SPY.

Industry Option Volume Totals in SPY – Table A

Measurement	Pilot Period 1	Pilot Period 2 ²	Pct. Difference
Total	600,545,085	236,346,637	N/A
ADV	2,403,299	2,316,371	-3.62%
Median	2,300,534	2,167,300	-5.79%
Max	3,941,836	2,840,847	-27.93%
Min	1,992,865	1,997,983	0.26%

¹ See <http://etfdb.com/compare/market-cap/>

² Only five months of data is reviewed in Pilot Period 2. A review of the first five months in Pilot Period 1 resulted in a similar number of shares traded with a total of 238,148,349.

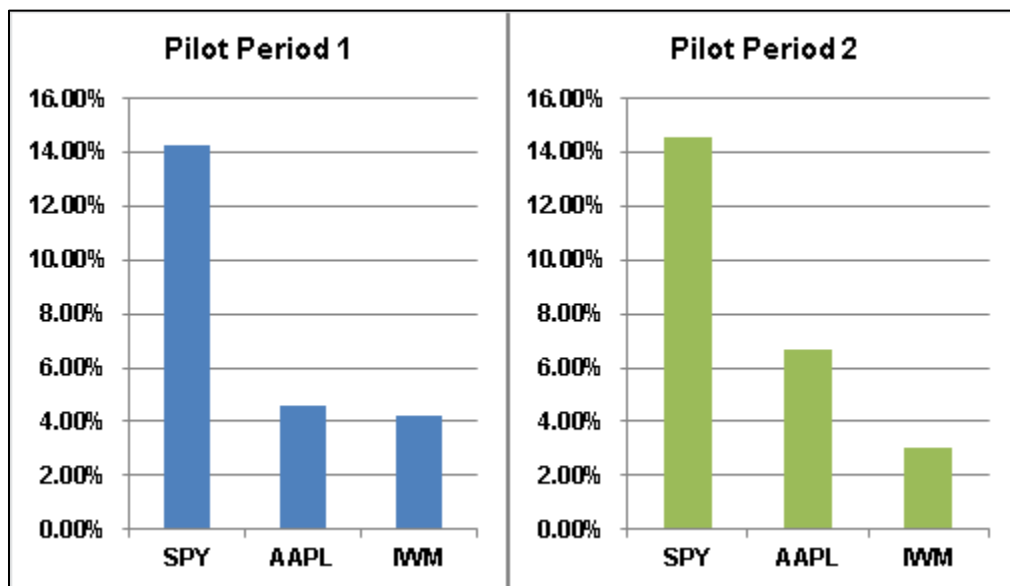
The exchanges also assessed SPY volumes specifically on expiration over the periods of review when volumes are higher as shown in Table B. Between the two Pilot Periods the ADV numbers were nearly identical with only a 1.8% increase in Period 2.²

Industry Option Volume Totals in SPY at Expiration – Table B

Measurement	Pilot Period 1	Pilot Period 2	Pct. Difference
ADV	3,253,304	3,311,384	1.79%
Median	2,865,918	3,648,855	27.32%
Max	5,290,920	3,797,478	-28.23%
Min	2,302,806	2,012,261	-12.62%

Having no position limits didn't diminish nor increase SPY's popularity. Its volume continues to outpace the next most active multi-listed option products AAPL and IWM by more than double as identified in Chart A.

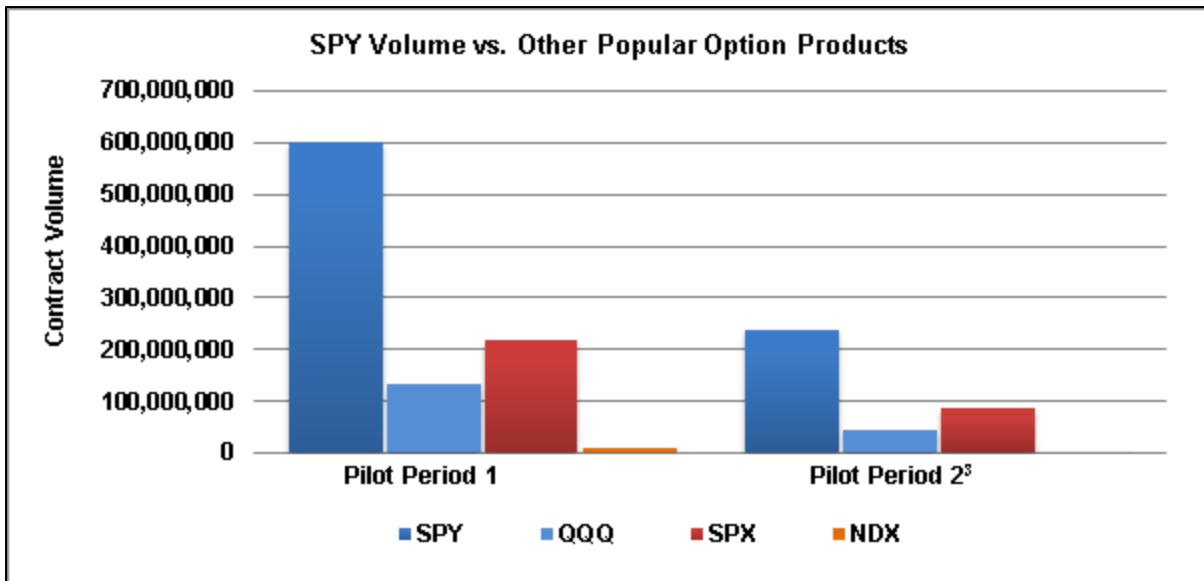
SPY Option Volumes As Compared to the Next Most Active Multi-listed Products – Chart A



² The relatively large difference between the Min and Max totals for Pilot Period 1 and Pilot Period 2 may be due to the shorter length of Pilot Period 2, which only covers a span of five months, and does not include certain traditionally high and low volume months.

In Chart B the exchanges reviewed SPY versus other popular option products with and without position limits. Again it is clear that SPY trades far more than either the PowerShares QQQ Trust, Series 1 (“QQQ”) which currently has a position limit of 900,000 contracts or two popular indexes that do not have position limits, the S&P 500 Index (“SPX”), and Nasdaq 100 Index (“NDX”). Eliminating position limits hasn’t changed trading in SPY and continues to not factor into any volume changes in the other popular products, including products that haven’t had limits for some time now.

SPY Versus Other Popular Option Products with High or No Position Limits – Chart B



³ SPY option volume during Pilot Period 2 reflects five months of data.

2. Open Interest

Open interest in SPY options between Pilot Period 1 and Pilot Period 2 was nearly identical, with less than a 2% difference.³ The consistency shown between the periods emphasizes position limits have had no effect on the trading of SPY.

Open Interest⁴ in SPY Options on Expiration – Table C

Measurement	Pilot Period 1	Pilot Period 2	Pct. Difference
ADV	20,826,145	20,427,837	-1.91%
Median	20,240,451	20,679,975	2.17%
Max	26,716,338	20,821,663	-22.06%
Min	17,388,435	19,857,407	14.20%

3. Underlying Price Volatility

Volatility in the underlying stock price of SPY was higher between in Pilot Period 2 but the difference is relatively small and likely points to more short-term market events rather than the elimination of position limits.

Price Volatility of SPY Underlying Stock⁵ – Table C

Pilot Period 1	Pilot Period 2	Pct. Difference
0.7002	0.8078	15.36%

B. Trading Behavior and Exchange Issues

There were no noticeable changes to member trading with relation to size or strategy following the extension of the SPY Pilot Program. Also no problems were observed nor reported during the Pilot Period 2.

³ Similar to the difference in Min and Max SPY volume totals, the difference in Min and Max open interest is potentially due to the smaller sample size of Pilot Period 2, which does not include a full year of data.

⁴ Open Interest was measured on expiration Friday for each month (unless a holiday fell on that day in which case the prior day's data was used) and then averaged over each respective year for the Pre-Pilot and Pilot Periods.

⁵ Volatility was measured by taking closing price changes in SPY between monthly expiration periods (approximately four weeks) then averaged for the year. Formula used: Standard Deviation X (Price Change for a Frequency).

C. Conclusion

As identified in the data provided for Pilot Period 2, there continues to be no undesirable consequences associated with the SPY Pilot Program. Option volume and open interest in SPY remains consistent over the two Pilot Periods. In addition, there was no significant increase in volatility in the SPY underlying stock price. The Exchanges thus believe that a continuation of the SPY Pilot Program is warranted at this time and a one year extension be applied.