

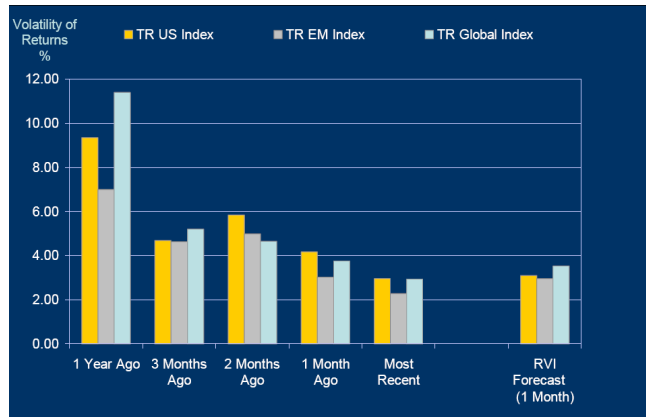
THE THOMSON REUTERS REALIZED VOLATILITY INDEX

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A new index from Thomson Reuters Indices, first presented during the webcast: *The Long & Short of it – New Measures of Volatility*, on September 23, 2009

The index is truly the first of its kind – it measures and forecasts realized volatility at a variety of time horizons – from one day to several months

FORECASTING VOLATILITY



The RVI is calculated w/Thomson Reuters Equity Index data

- Accurate 1 month-ahead forecasts are available for weekly, biweekly, monthly and longer intervals
- Accurate realized volatility forecasts longer than a month in length can be made starting at the 3 month volatility interval
- Can also decompose into sectors using Thomson Reuters Business Classification (TRBC) sectors and Thomson Reuters new Sector Indices

INDEX PERFORMANCE



AVAILABLE FOR LICENSE

Contact the [Thomson Reuters Index Strategy](#) team for access to the index and data history.

- View Andrew Clark's recent [Webcast](#) and [Whitepaper](#) on the index

A NEW MEASURE NOT PREVIOUSLY AVAILABLE IN THE MARKET

The Thomson Reuters Realized Volatility Index provides a new way to forecast volatility

- Is used to forecast volatility across a variety of time horizons – e.g. short, intermediate and long-term realized volatility can be forecasted a few days to a month or more in advance
- The skew needed to price out-of-the-money options can now be computed on a realized vs. implied basis
- Is considered a useful if not more useful measure of volatility versus the VIX because RVI forecasts *future* volatility vs. the VIX which measures *coincident* volatility
- Provides invaluable insight – as change in volatility is often viewed as indicative of where stock prices will be. The RVI is a forward indicator of the direction of stock return over the forecast horizon

AWARDED "MOST INNOVATIVE INDEX"

- One of four major indexing awards given out annually at the **2009 Superbowl of Indexing**, the world's largest indexing event
- Esteemed voting committee from the nation's top economics departments including Princeton, Yale, and Vanderbilt

FOR ENQUIRIES
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