

## Nikkei to Launch Nikkei 225 Covered Call ATM Index

Nikkei Inc. will launch the Nikkei 225 Covered Call ATM Index on May 16, 2022, a new member of the Strategy Index Series on the Nikkei Stock Average (Nikkei 225). The new index is designed to indicate the performance of "Covered Call strategy" on the Nikkei 225. The new index will be calculated on end-of-day basis and its base value is 10,000 points on December 28, 2001.

The Covered Call is defined as an investment strategy to buy an underlying asset and sell the call option on the underlying asset concurrently. If the underlying asset price rises more than expected, the profit will be limited. On the other hand, the loss would be decreased due to the option premium if the underlying asset price falls. The new index indicates the performance in case of selling the call option with a strike price same as the Nikkei 225 level. The existing Nikkei 225 Covered Call Index measures the performance in case of selling the call option with the strike price of 5% higher than the Nikkei 225 level and buying the index or its components.

The new index will be published around 4:00pm JST every business day through the website "Nikkei Indexes" (<https://indexes.nikkei.co.jp/en/>), Nikkei index official website. For more detail regarding the Nikkei 225 Covered Call ATM Index, please refer to the Index Guidebook on the website.

Nikkei has been calculating and publishing the Strategy Index Series on the Nikkei 225 since June 2011 to meet requirements of varied investment strategies. The current lineup has five indexes, namely, Nikkei 225 Covered Call Index, Nikkei 225 Risk Control Index, Nikkei 225 Leveraged Index, Nikkei 225 Inverse Index and Nikkei 225 Double Inverse Index. The series will have six indexes after the start of the Nikkei 225 Covered Call ATM Index.