

TAIFEX and TIP Support the Launch of the First Index Option Strategy ETN Tracking Taiwan Strategy Indices

On December 5, 2022, Taiwan Futures Exchange (TAIFEX) and Taiwan Index Plus (TIP) welcomed Yuanta Securities' issuance of the first covered call ETN tracking one of the indices in the Taiwan Strategy Index series - the TIP TAIFEX TAIEX Covered Call OTM 5% Total Return Index (Covered Call Index). A total of 257,000 shares were traded on the first day of launch, marking it the market's third most heavily-traded ETN in daily trading volume.

Taiwan Strategy Indices are jointly developed by TAIFEX and TIP with an aim to provide investors with enhanced index tracking accuracy and greater diversity in trading strategy execution, leveraging the liquidity and flexibility of Taiwan's futures and options trading. In addition to Covered Call Index, two other indices currently in the series include the TIP TAIFEX TAIEX Futures Index and the TIP TAIFEX Smart Multi-factor 30 Market Neutral Index.

The underlying index of the new ETN, the Covered Call Index, replicates returns from a covered call strategy of investing in the market benchmark TAIEX. By holding a long position in the TAIEX while simultaneously selling TAIEX call options, the strategy index blends equity index and options contracts to enhance investment returns. The new index option strategy ETN represents a milestone in the development of Taiwan's financial market, and is set to introduce new liquidity to its futures and securities trading activities, while widening the product range and trading strategies available to investors.

Going forward, utilizing its existing suite of futures and options, TAIFEX will continue to collaborate with issuers to introduce new products to institutional and individual investors looking to enhance their returns or implement diverse hedging strategies in innovative ways.

About Taiwan Futures Exchange

Taiwan Futures Exchange (TAIFEX), established in 1997, provides a wide range of futures and options products in equity indices, equities, FX and commodities. TAIFEX has continuously enhanced its technology and services in trading, clearing and settlement to ensure a fair and orderly marketplace. With a vision to be a world-class exchange befitting the fast-evolving marketplace, TAIFEX is poised to extend its global reach and stands as a primary derivatives exchange in Asia. For further details, please visit the TAIFEX website at www.taifex.com.tw.