

## **AI sells a covered call**

**AI owns over 100 shares of Apple**

**12.45PM 3/14/2021**

**AAPL price: \$125.95 per share**

**Call price: \$130 per share**

**1 contract = 100 shares, value \$12,595**

**Expiration: 5/21/2021**

**66 days = .1808 years**

**Premium received: \$5.80/share = \$580**

**Premium annualized:  $\$580 / .1808 = \$3,208$**

**Annualized yield:  $\$3,208 / \$125,950 = 25.5\%$**

**Upside: \$580 received at inception**

**Downside: Selling \$100 shares of AAPL at \$130 per share (3.2% higher than now) by 5/21/2021**

**Other considerations:**

**Must hold on to at least 100 shares of AAPL**

**Will have option open during earnings season.**