



Conservative Income Generation

Course Syllabus

Instructor and Coach: Kerry W. Given, Ph.D.

- The case for conservative options trading with 30 years of data
 - ✓ Several academic studies confirm superior returns, lower risk, smaller drawdowns and faster recoveries as compared with classic buy and hold strategies.
- The covered call strategy:
 - ✓ Stock selection, stocks with dividends, option strike and expiration selection, the role of implied volatility, early exercise risk, rolling out, strategies during pullbacks and corrections, tax implications, entering contingent stop loss orders, and portfolio overwriting.
- Selling cash secured equity puts:
 - ✓ Stock selection, option strike and expiration selection, the role of implied volatility, early exercise risk, rolling out, strategies during pullbacks and corrections, tax implications, and entering contingent stop loss orders.
- Combining covered calls and selling cash secured puts into a selling premium income generation strategy
- Ultra-conservative covered call strategies
- Building a blue chip, dividend-paying portfolio and augmenting the income with selected covered calls
- Portfolio Overwriting

- Reasonable expectations: Reviewing real world trading results in different markets
- Compare and contrast selling calls with selling puts; is one superior?
- Handling stock pull backs and market corrections
- LEAPS call options as a stock surrogate in the covered call
- Monthly vs. weekly options
 - ✓ What do the Greeks tell us?
 - ✓ The gamma risk of weekly options
 - ✓ When to use weekly options
 - ✓ Advantages of monthly options
- Income generation strategies with ETFs
 - ✓ Advantages of ETFs
 - ✓ Industry sector ETFs
 - ✓ ETFs with weekly options
 - ✓ Use of ETFs in small accounts
- The collar spread
 - ✓ Use in managing earnings announcements
 - ✓ Role of collars for conservative investors
 - ✓ Selection of stocks and option strikes
 - ✓ Using LEAPS calls in the collar
- The role of account size
 - ✓ Stock and option selection
 - ✓ Effects of trading commissions
 - ✓ Trade-offs for smaller accounts
 - ✓ Advantages and disadvantages of larger accounts
- Guidelines for minimum option premiums when entering or rolling positions
- Estimating the probability of early exercise
- Nuances of rolling options
- Capital allocation and Portfolio Risk Management

- ✓ Equal capital risk allocation
 - ✓ Equal loss exposure capital allocation
 - ✓ Pros and cons
- Risk management
 - ✓ Individual positions
 - ✓ Overall portfolio risk management