



OPTIONS WITH INTENTION

PROTECTIVE PUTS, COVERED
CALLS AND THE WHEEL

SELF INVESTED



THE TRUTH ABOUT OPTIONS

Most people think options are: risky, complicated, used by traders.

But many long-term investors use them for: income, protection, disciplined buying.

OPTIONS AREN'T ABOUT PREDICTING THE MARKET. THEY'RE ABOUT DESIGNING BETTER OUTCOMES.



WHAT AN OPTION ACTUALLY IS

AN OPTION IS JUST A CONTRACT GIVING SOMEONE THE RIGHT (NOT OBLIGATION) TO BUY OR SELL A STOCK AT A CERTAIN PRICE BEFORE A CERTAIN DATE.

Two types:

Call → right to buy

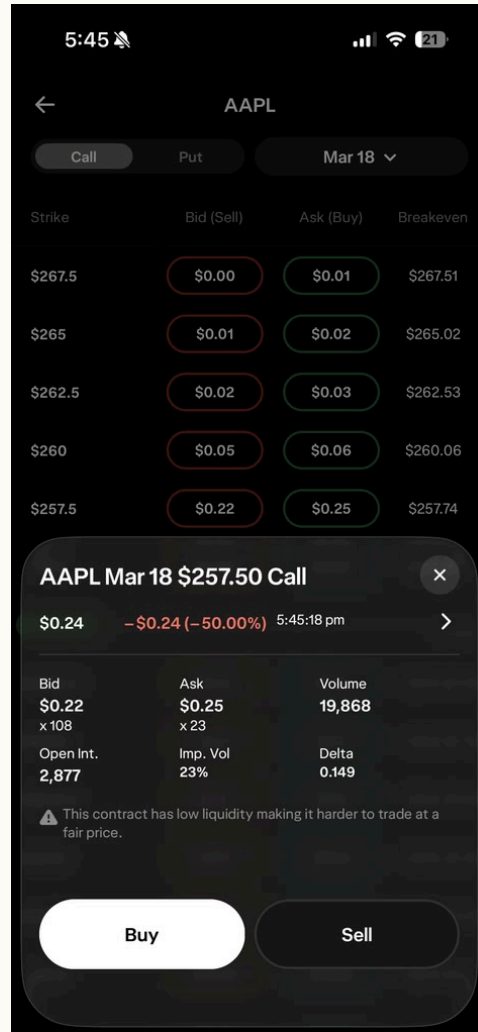
Put → right to sell



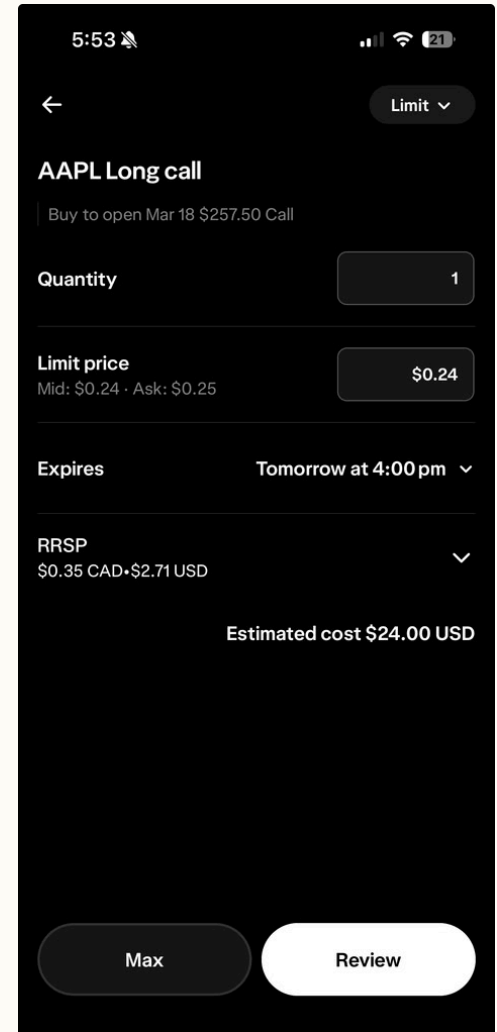
LET'S LOOK AT AN EXAMPLE



You can BUY a share of Apple Inc outright for US\$254.05



You can buy a CALL OPTION to buy Apple Inc. for \$257.50 on March 18 for between \$0.22 and \$0.25.



Each contract represents 100 shares. This order will cost \$24.00. You purchase the right to participate in the gain for 100 shares above \$257.50.

A FEW SCENARIOS:

I have \$250 and I want exposure to Apple. I have two very different choices:

Option 1 – Own the asset

Buy 1 share of Apple for
~\$250

Simple, tangible, long-term
ownership

Option 2 – Buy leverage

Use that same \$250 to buy
call options

Control exposure to 1,000
shares of Apple

APPLE INC. RISES TO \$280 ON MARCH 18

▶ You bought the stock

▶ What happens:

Your share is now worth **\$280**

You made **\$30 profit**

Return: **~12%**

▶ You bought call options

▶ $\$280 - \$257.50 = \$22.50$

So your contracts control:

$\$22.50 \times 1,000 \text{ shares} =$
\$22,500

You paid: **\$250**

Value now: **~\$22,500**

Profit: **~\$22,250**

Return: **~8,900%**

A FEW SCENARIOS:

I have \$250 and I want exposure to Apple. I have two very different choices:

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Buy 1 share of Apple for
~\$250

Simple, tangible, long-term
ownership

Option 2 – Buy leverage

Use that same \$250 to buy
call options

Control exposure to 1,000
shares of Apple

APPLE INC. FALLS TO \$240 ON MARCH 18

▶ You bought the stock

▶ Your share is worth \$240

You lost \$10

Return: ~-4%

You're down... but you still
own the asset.

You can wait.

▶ You bought call options

▶ Your strike: \$257.50 Stock
price: \$240

What happens: The option is
now out of the money. No
intrinsic value:

$\$240 < \$257.50 \rightarrow$ worthless

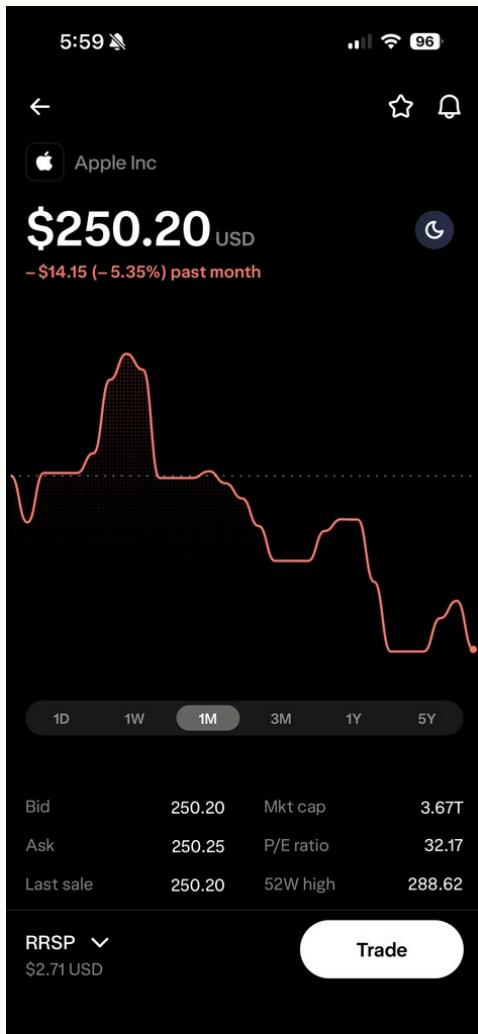
Your outcome:

You paid: \$250 Value now: \$0

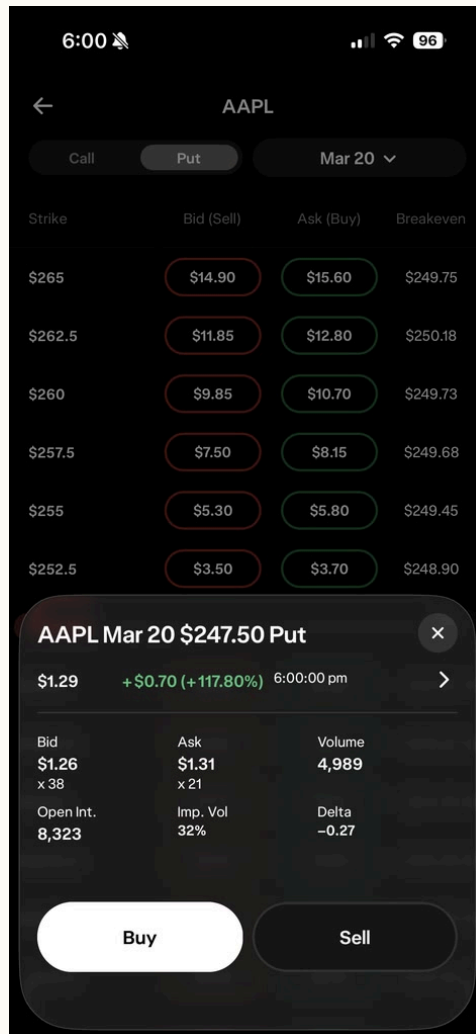
Loss: -\$250

Return: -100%

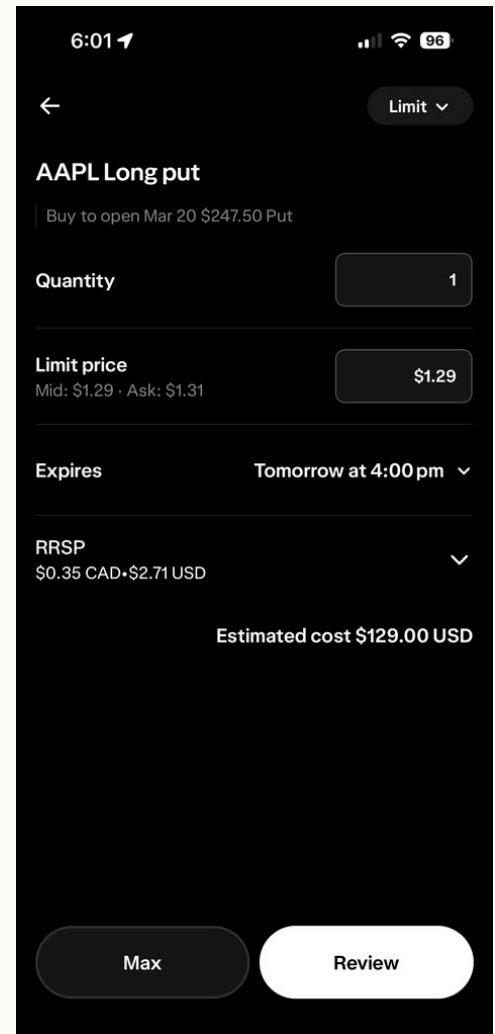
LET'S SAY I THINK APPLE IS GOING TO DROP!!



Apple is currently trading around 250, and I think it's going to go down.



You can buy a PUT OPTION to sell Apple Inc. at \$247.50 on March 20 for between \$1.26 and \$1.31.



Each contract represents 100 shares. This order will cost \$129.00. You purchase the right to sell Apple for \$247.50 per share.

A FEW SCENARIOS:

I believe Apple will fall.

Option 1 - Sell your 1 share
of Apple at ~\$250
→ Lock in your cash
→ Avoid the downside
Simple. Certain. Done.

Buy protection (Put Option)
buy a put option
→ Gives you the right to sell
Apple at a fixed price
→ Profits if the stock falls

APPLE INC. FALLS TO \$230 ON MARCH 20

▶ You sold the stock

▶ What happens:

You sold at \$250

Stock is now \$230

You avoided a \$20 loss

▶ You bought a put option

▶ Strike: \$247.50

Stock price: \$230

Step 1 – Intrinsic Value

$\$247.50 - \$230 = \$17.50$ per
share

$\times 100 \text{ shares} = \$1,750$

Step 2 – Profit

You paid: \$129 Value now:
~\$1,750 Profit: ~\$1,621

Return: ~1,250%

A FEW SCENARIOS:

I believe Apple will fall.

Option 1 - Sell your 1 share
of Apple at ~\$250
→ Lock in your cash
→ Avoid the downside
Simple. Certain. Done.

Buy protection (Put Option)
buy a put option
→ Gives you the right to sell
Apple at a fixed price
→ Profits if the stock falls

APPLE INC. RISES TO \$260 ON MARCH 20

▶ You sold the stock

▶ You sold at \$250.20

Stock is now \$260

You missed a \$9.80 gain

▶ You bought a put options

▶ Strike: \$247.50 Stock price:
\$260

Step 1 – Intrinsic Value

$\$247.50 - \$260 = \$0$

Option is out of the money

Step 2 – Outcome

You paid: \$129 Value now: \$0
(expires worthless)

Loss: $-\$129$

Return: **-100%**

NOW THE FUN PART

EVERYTHING WE JUST SAW...

- the upside
 - the protection
 - the leverage
- ...has to be paid for.

Every option has two sides. For every buyer... there is a seller Also called the writer

So who is on the other side?

Not gamblers.

Typically:

- long-term investors
- institutions
- income-focused portfolios

COVERED CALL

Getting Paid to Sell



LET'S SAY YOU OWN 100 SHARES OF VOO



Vanguard S&P 500 ETF

NYSEARCA: VOO

608.38 USD

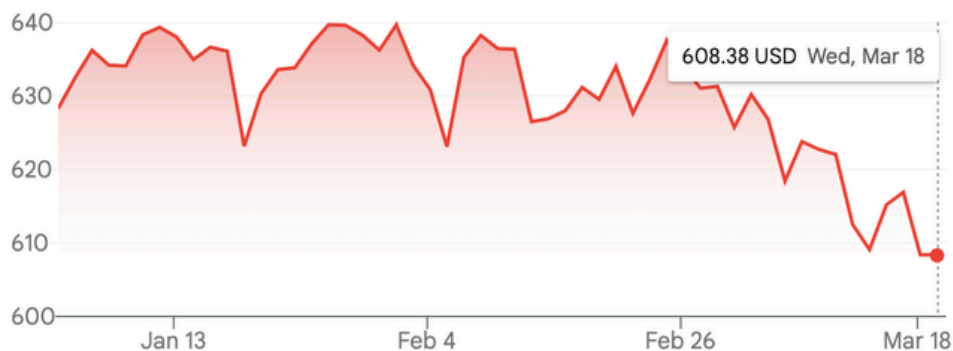
+ Follow

-19.92 (-3.17%) ↓ year to date

Closed: Mar 18, 6:29 p.m. EDT • [Disclaimer](#)

After hours 606.90 -1.48 (0.24%)

1D | 5D | 1M | 6M | YTD | 1Y | 5Y | Max



Open	614.75	Mkt cap	-	Dividend	-
High	615.89	P/E ratio	-	Qtrly Div Amt	-
Low	608.14	52-wk high	641.80	52-wk low	442.80

I DECIDE TO SELL CALLS ON MY POSITION FOR INCOME

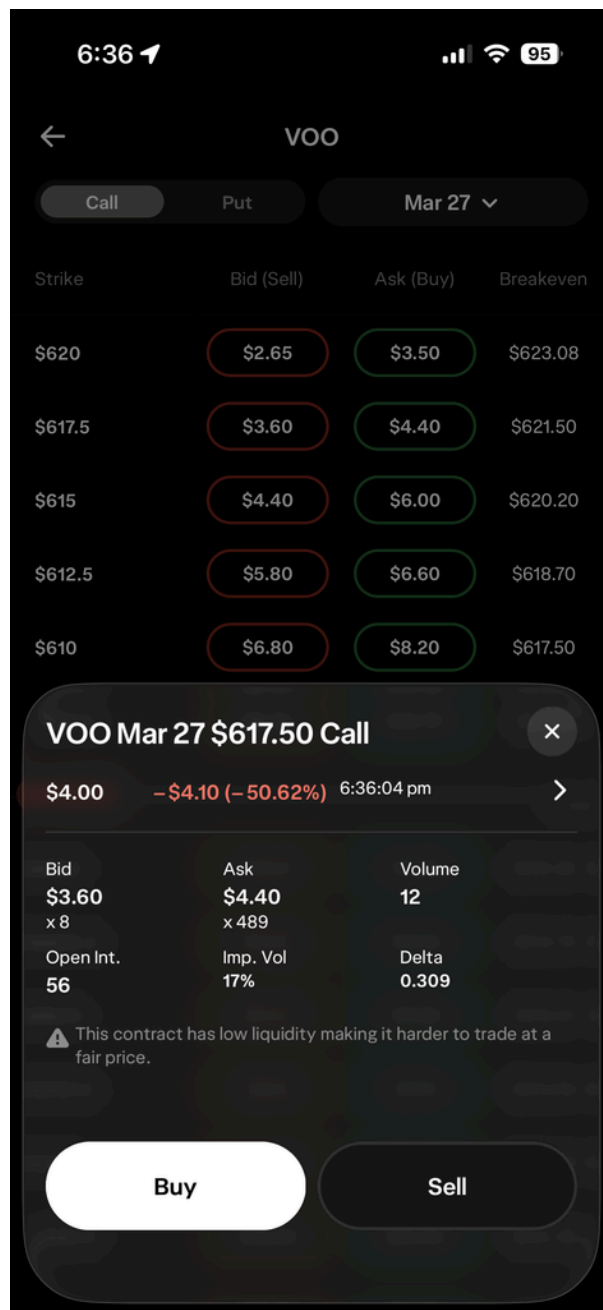
6:35

← VOO

Call Put Mar 27 ▾

Strike	Bid (Sell)	Ask (Buy)	Breakeven
\$620	\$2.65	\$3.50	\$623.08
\$617.5	\$3.60	\$4.40	\$621.50
\$615	\$4.40	\$6.00	\$620.20
\$612.5	\$5.80	\$6.60	\$618.70
\$610	\$6.80	\$8.20	\$617.50
\$607.5	\$8.50	\$10.70	\$617.10
\$606.76			ITM
\$605	\$10.10	\$11.80	\$615.95
\$602.5	\$10.90	\$13.50	\$614.70
\$600	\$12.40	\$15.80	\$614.10
\$597.5	\$15.10	\$17.10	\$613.60
\$595	\$16.30	\$19.50	\$612.90
\$592.5	\$18.60	\$21.00	\$612.30

I DECIDE TO SELL CALLS ON MY POSITION FOR INCOME



LET'S SAY YOU OWN 100 SHARES OF SOFI



SoFi Technologies Inc

NASDAQ: SOFI

17.18 USD

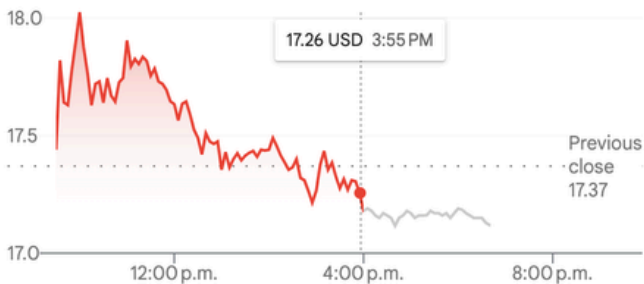
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-0.19 (1.09%) ↓ today

Closed: Mar 18, 6:41 p.m. EDT • [Disclaimer](#)

After hours 17.12 -0.061 (0.35%)

1D 5D 1M 6M YTD 1Y 5Y Max



Open	17.43	Mkt cap	21.91B	Dividend	-
High	18.03	P/E ratio	44.55	Qtrly Div Amt	-
Low	17.16	52-wk high	32.73	52-wk low	8.62



Business Wire

SoFi Responds to Inaccurate Short Seller Report

SoFi Technologies, Inc....

24 hours ago

Quarterly financials

2025 Q4

1.02B

+40.21% Y/Y Revenue

I DECIDE TO SELL CALLS ON MY POSITION FOR INCOME

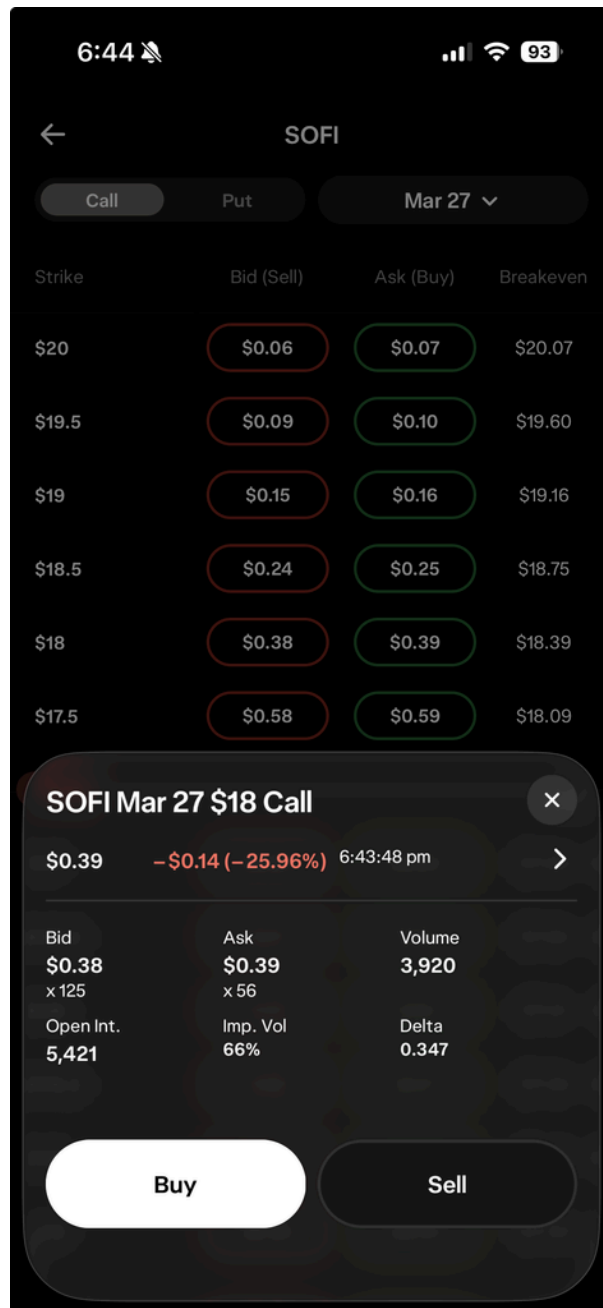
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← SOFI

Call Put Mar 27 ▾

Strike	Bid (Sell)	Ask (Buy)	Breakeven
\$20	\$0.06	\$0.07	\$20.07
\$19.5	\$0.09	\$0.10	\$19.60
\$19	\$0.15	\$0.16	\$19.16
\$18.5	\$0.24	\$0.25	\$18.75
\$18	\$0.38	\$0.39	\$18.39
\$17.5	\$0.58	\$0.59	\$18.09
\$17.12			ITM
\$17	\$0.83	\$0.84	\$17.84
\$16.5	\$1.14	\$1.16	\$17.65
\$16	\$1.49	\$1.53	\$17.51
\$15.5	\$1.85	\$2.27	\$17.56
\$15	\$2.28	\$2.70	\$17.49
\$14	\$2.95	\$3.70	\$17.33

I DECIDE TO SELL CALLS ON MY POSITION FOR INCOME



What Are You Actually Earning?

VOO Covered Call

Position size: \$60,000

Weekly income: \$250

Weekly yield:

$\$250 \div \$60,000 = 0.42\%$ per week

$0.42\% \times 52 = \sim 21.7\%$

SOFI Covered Call

Position size: \$1,700 (100 shares)

Weekly income: \$38

Weekly yield:

$\$38 \div \$1,700 = 2.24\%$ per week

$2.24\% \times 52 = \sim 116\%$

What Are You Actually Earning?

VOO

- diversified across 500 companies
- lower volatility
- lower probability of extreme loss

→ **lower premium**

SOFI

- single company
- highly volatile
- uncertain future

→ **higher premium**

THE RISKS

6:55 92%

Holdings

RRSP Stocks ETFs Options

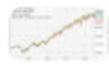
GRAB \$4.50 Call	\$66.00 USD
1 contract	-\$119.00 (-64.32%)
NVDA \$210 Call	\$5,675.00 USD
2 contracts	-\$838.00 (-12.87%)
QQQJ	\$1,287.01 USD
2,8029 shares	-\$54.92 (-4.26%)
SOFI	\$22,281.61 USD
1,300 shares	-\$8,015.40 (-26.46%)
SOFI \$18.50 Call	-\$78.00 USD
-12 contracts	+\$342.00 (+81.43%)
SOFI \$18 Call	-\$55.50 USD
-1 contracts	+\$0.50 (+0.89%)
SOFI \$19 Put	-\$219.00 USD
-1 contracts	-\$32.00 (-17.11%)
SOFI \$25 Call	\$1,221.00 USD
6 contracts	-\$1,310.00 (-51.76%)
VCE	\$30,498.33 CAD
440.0913 shares	+\$7,268.36 (+31.29%)

A woman in a light blue button-down shirt is looking at a computer monitor. The monitor displays a red line graph that trends upwards. On the desk in front of her are several gold bars, some in their original packaging, and various papers and documents. The background is a blurred office setting with windows and lights.

CASH SECURED PUTS

Getting Paid to Sell

LET'S SAY YOU HAVE US\$60K CASH



Vanguard S&P 500 ETF

NYSEARCA: VOO

608.38 USD

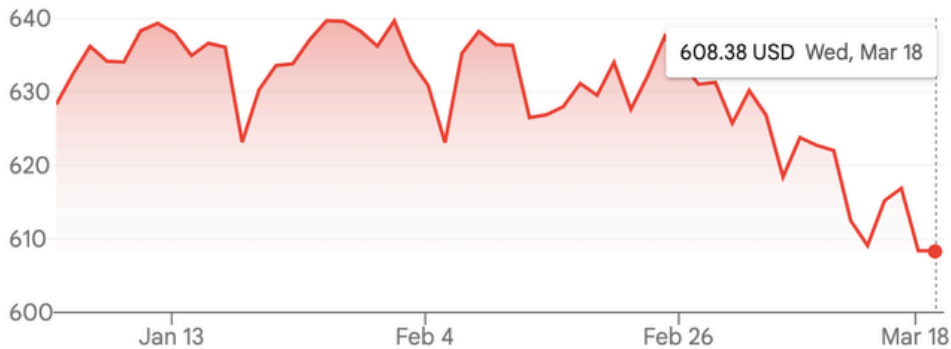
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I DECIDE TO SELL PUTS WITH MY CASH FOR INCOME

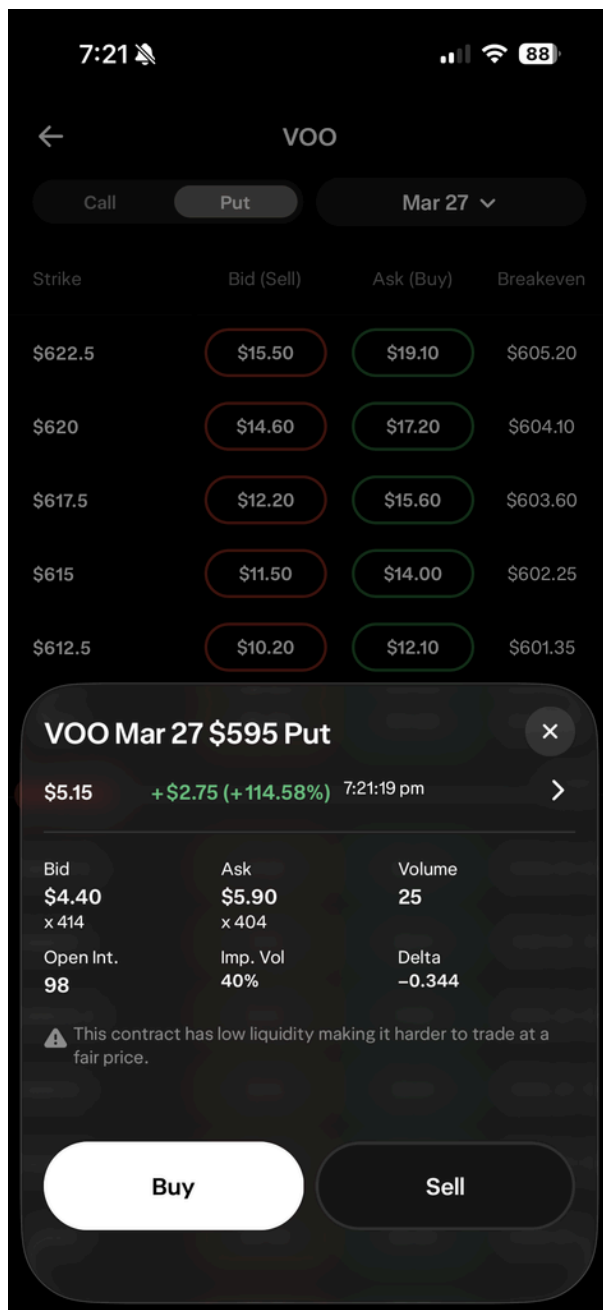
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← SOFI

Call Put Mar 27 ▾

Strike	Bid (Sell)	Ask (Buy)	Breakeven
\$20	\$0.06	\$0.07	\$20.07
\$19.5	\$0.09	\$0.10	\$19.60
\$19	\$0.15	\$0.16	\$19.16
\$18.5	\$0.24	\$0.25	\$18.75
\$18	\$0.38	\$0.39	\$18.39
\$17.5	\$0.58	\$0.59	\$18.09
\$17.12			
ITM			
\$17	\$0.83	\$0.84	\$17.84
\$16.5	\$1.14	\$1.16	\$17.65
\$16	\$1.49	\$1.53	\$17.51
\$15.5	\$1.85	\$2.27	\$17.56
\$15	\$2.28	\$2.70	\$17.49
\$14	\$2.95	\$3.70	\$17.33

I DECIDE TO SELL PUTS WITH MY CASH FOR INCOME



What Are You Actually Earning?

Position size (cash secured):

~\$59,500 (buying at $\$595 \times 100$ shares)

Premium received:

$\$5.15 \times 100 = \515

Weekly yield:

$\$515 \div \$59,500 = 0.87\%$ per week

Annualized (simple):

$0.87\% \times 52 = \sim 45.2\%$

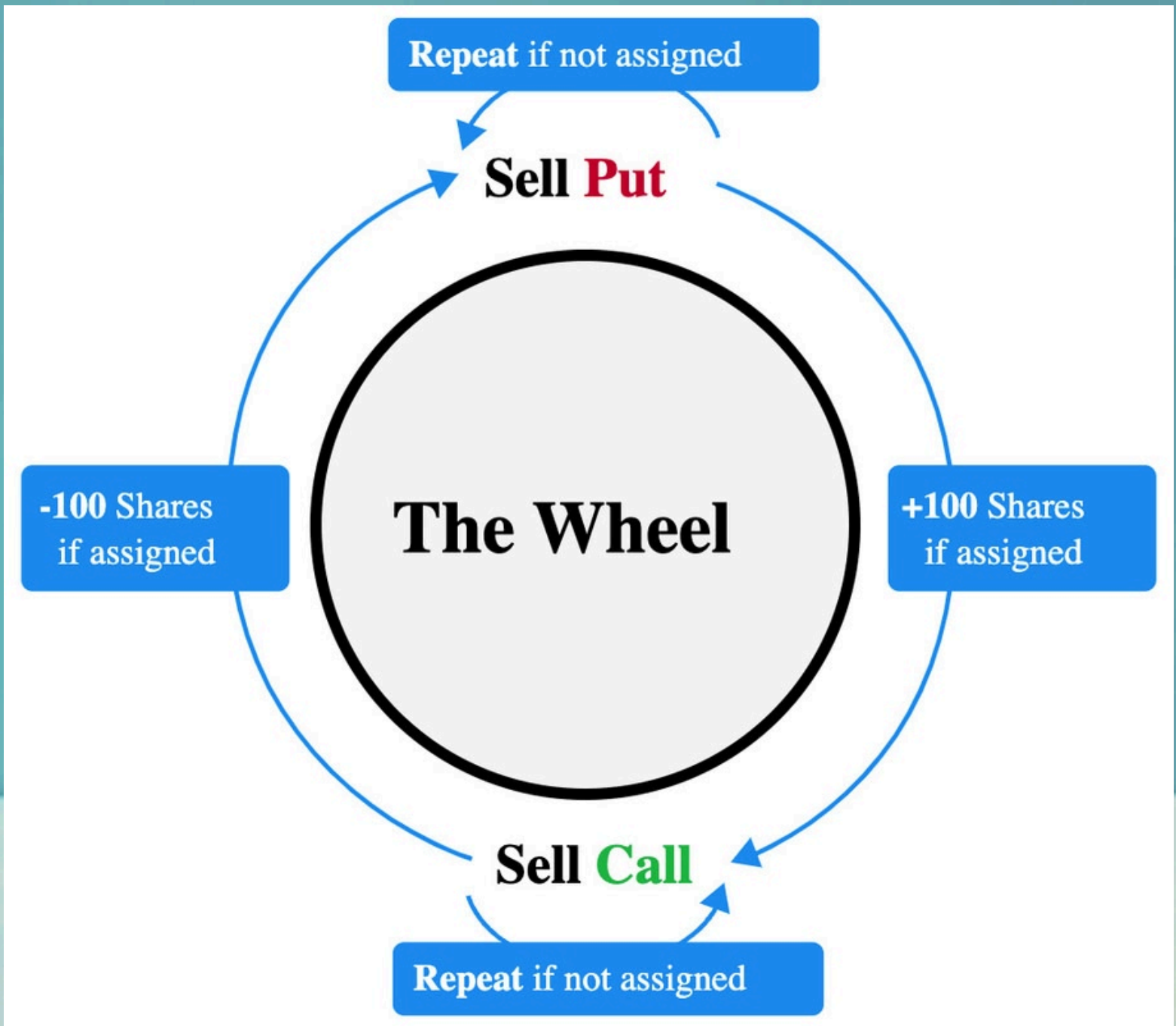
A man in a light blue shirt is looking at a computer screen. A red line graph is overlaid on the scene, showing an upward trend. In the background, there are gold bars and documents. The overall scene is dimly lit, suggesting an office or financial setting.

THE WHEEL STRATEGY

Putting It Together

What Is The Wheel?

A systematic way to get paid to buy stocks...
and get paid to sell them.



Step 1 – Get Paid to Buy

Sell a \$16.50 put

Premium received: $\$0.56 \times 100 = \56

Cash required: \$1,650

Strike	Bid (Sell)	Ask (Buy)	Breakeven
\$19.5	\$2.80	\$2.93	\$16.64
\$19	\$2.33	\$2.37	\$16.65
\$18.5	\$1.83	\$2.01	\$16.58
\$18	\$1.45	\$1.50	\$16.53
\$17.5	\$1.09	\$1.12	\$16.40
\$17	\$0.79	\$0.81	\$16.20
\$16.72			ITM
\$16.5	\$0.56	\$0.57	\$15.94
\$16	\$0.38	\$0.39	\$15.62
\$15.5	\$0.25	\$0.26	\$15.25
\$15	\$0.17	\$0.18	\$14.83
\$14.5	\$0.11	\$0.12	\$14.39
\$14	\$0.07	\$0.08	\$13.93

Currently trading at \$16.72



Sell the 16.50 PUT

I'm not buying SOFI at \$16.72... I'm getting paid to wait for \$16.50.



SOFI STAYS ABOVE
\$16.50

YOU KEEP THE \$56

NO SHARES ASSIGNED

YOU GOT PAID... AND
DID NOTHING.

SOFI DROPS TO
\$16.50; YOU GET
"ASSIGNED"

YOU BUY 100 SHARES
AT \$16.50

BUT... YOU ALREADY
COLLECTED \$56

$\$56 \div 100 = \0.56 PER SHARE
 $\$16.50 - \$0.56 = \$15.94$ COST BASIS

Step 2 – Now You Own the Shares

Now you switch roles:

Sell a \$17.50 covered call

Premium received: \$35

11:05 LTE 48

← SOFI

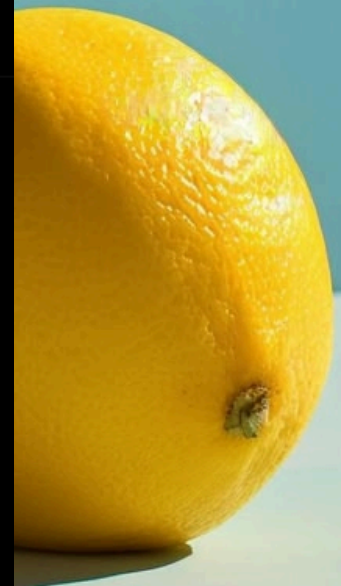
Call Put Mar 27

Strike	Bid (Sell)	Ask (Buy)	Breakeven
\$19.5	\$0.06	\$0.07	\$19.57
\$19	\$0.08	\$0.09	\$19.09
\$18.5	\$0.13	\$0.14	\$18.64
\$18	\$0.21	\$0.22	\$18.22
\$17.5	\$0.35	\$0.36	\$17.86
\$17	\$0.55	\$0.56	\$17.56
\$16.80			ITM
\$16.5	\$0.80	\$0.83	\$17.32
\$16	\$1.12	\$1.19	\$17.16
\$15.5	\$1.48	\$1.55	\$17.02
\$15	\$1.79	\$2.01	\$16.90
\$14.5	\$2.17	\$2.44	\$16.81
\$14	\$2.59	\$3.30	\$16.95

Currently trading at \$16.80



Sell the 17.50 CALL



**SOFI STAYS BELOW
\$17.50**

YOU KEEP THE \$35

STILL OWN THE SHARES

**REPEAT: SELL
ANOTHER CALL**

**SOFI RISES ABOVE
\$17.50 → SHARES
CALLED AWAY**

YOU SELL AT \$17.50

BOUGHT EFFECTIVELY

AT: \$15.59

SOLD AT: \$17.50

CAPITAL GAIN:

$\$17.50 - \$15.59 = \$1.91$ PER SHARE = **\$191**

Total Profit Breakdown

Method 1: Adjusted cost basis method

- Buy at \$16.50
- subtract \$0.56
- subtract \$0.35
- effective cost = **\$15.59**
- sell at \$17.50
- profit = **\$1.91/share = \$191**

Method 2: Add components separately

- capital gain on stock: $\$17.50 - \$16.50 = \mathbf{\$1.00/share = \$100}$
- put premium: **\$56**
- call premium: **\$35**

Total = \$191

What We're Actually Doing Here

- 1 We are not **speculating** on **random stocks**. We are:
- 2 buying companies and ETFs we **believe in**
- 3 choosing prices we're **happy to own them at**
- 4 **and getting paid to transact around them**



WHAT I WANT YOU TO REMEMBER

Only do this on assets you actually want to own

Higher income = higher risk (always)

ETFs vs single stocks is a risk decision, not an income decision

The goal is not to win every trade, but to:

Build a system...