

# User Guide: Options Strategy Builders

## Contents

|   |   |
|---|---|
| Introduction .....                                  | 3 |
| Building a strategy .....                           | 3 |
| Selecting the underlying security.....              | 3 |
| How to set the Strategy duration .....              | 4 |
| Adjusting the strategy levels.....                  | 5 |
| Changing the underlying security or expiration..... | 5 |
| Viewing the strategy's details .....                | 6 |
| Testing the strategy .....                          | 7 |

## Introduction

The Options Strategy Builders from OIC and Cboe Vest Technologies quickly create common options strategies and demonstrate the potential outcomes in an easy-to-understand visual manner. Regardless of the strategy, the builders all work the same way. The key is to learn how to use one of them, and then apply the new knowledge to any of the listed strategies.

## Building a strategy

Investing and trading can be challenging, but with the strategy builders, one can develop and experiment with option strategies in just a few steps:

1. Decide on a stock or ETF to build a strategy around
2. Pick an expiration date
3. Adjust your strategy levels
4. View the results
5. Test your strategy

Read below to get the details of each of these steps.

## Selecting the underlying security

Let's look at a collar strategy to demonstrate the steps for the strategy builders. To do this, start by locating the drop-down menu labeled "Select Strategy" on the Options Strategy Builders main page, then select Collar.

Next, pick the underlying stock or ETF you want to use to construct the strategy. Just type the symbol into the box labeled "Type to search." For example, you could type "SPY," the symbol for the SPDR S&P 500 ETF, and press enter.

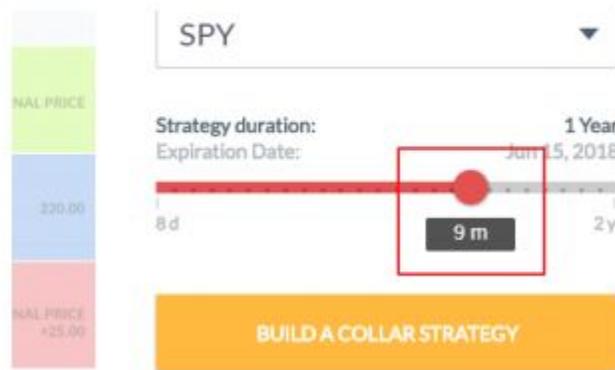


You can also search by the name of the stock or ETF instead. If you start typing the name, a list will begin to populate in the drop-down menu.



## How to set the Strategy duration

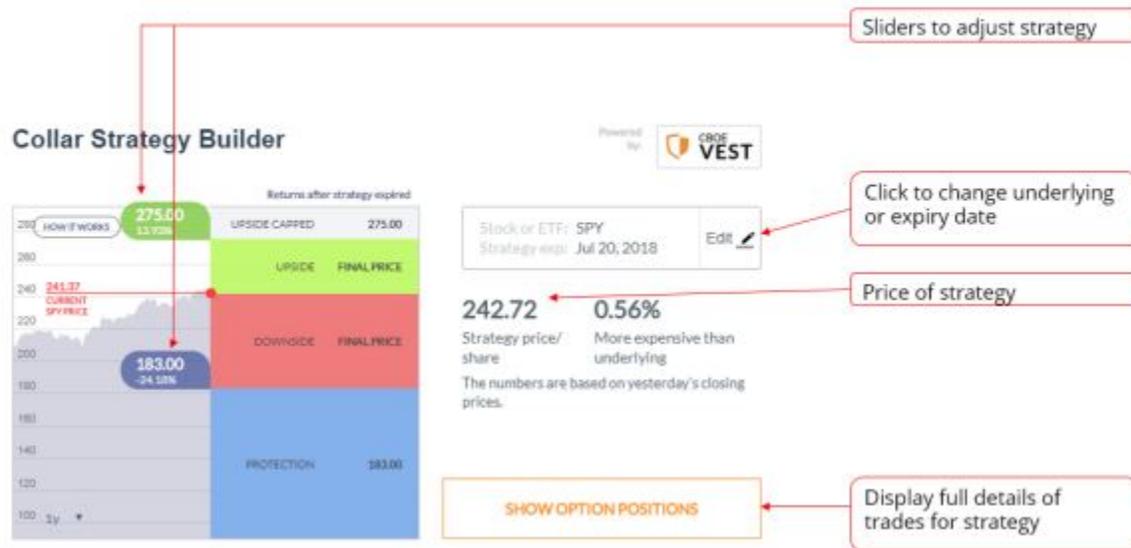
The next step is to select the duration of the strategy. To set this, drag the slider left or right or click on the bar. As you move the slider, you will notice a tooltip that shows the duration. The potential durations correspond to the different option expirations for the security you chose.



After you decide on a date, click the “Build A Collar Strategy” button below the slider. Remember that we are using the collar as an example. If you had chosen another strategy, the name of that strategy would appear on the button.

## Adjusting the strategy levels

Now the strategy has been built, but note that the initial display you will see uses default levels. The chart indicates the possible outcome of your strategy based on these defaults, and it has controls so that you can make edits.

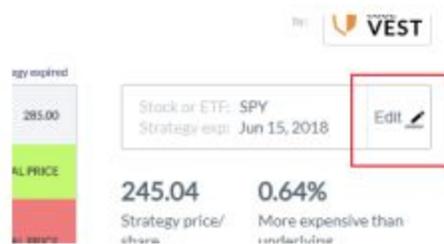


To change the levels of your strategy, just drag the sliders up or down. When you do this, the strategy will automatically have its price reset.



## Changing the underlying security or expiration

To change either the underlying stock or ETF or to pick a different expiration date, click the Edit button, which will take you back a step. After making your changes, rerun the strategy builder.



## Viewing the strategy's details

To see the details of the options that make up your strategy, click the “Show Option Positions” button.



The table that appears displays the positions, and it updates automatically in response to any changes you make on the chart.

120  
 100  
 80 1y ▼  
**PROTECTION** 180.00  
**HIDE OPTION POSITIONS**

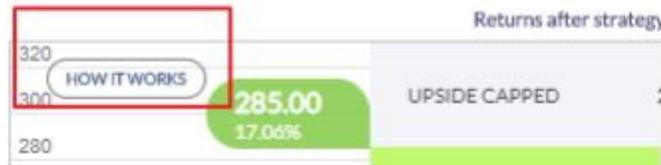
| Security                         | Expiration | Strike Price  | Option Premium (Price per unit) | Quantity | Estimated Total Cost |
|----------------------------------|------------|---------------|---------------------------------|----------|----------------------|
| <b>Short SPY call</b>            | 2018-06-15 | <b>285.00</b> | <b>0.40</b>                     | -1       | <b>-40.00</b>        |
| <b>Long SPY put</b>              | 2018-06-15 | <b>180.00</b> | <b>1.97</b>                     | 1        | <b>197.00</b>        |
| <b>Long SPY @ 243.47</b>         |            |               |                                 | 100      | <b>24,347.00</b>     |
| <b>Total Price of Securities</b> |            |               |                                 |          | <b>24,504.00</b>     |

Prices are not live trading prices, but indications based on closing price from the last business day. Percentage numbers are relative to the share price as of close of last business day. Graph shows historical results. Past performance is no guarantee of future expected returns.

## Testing the strategy

At any point when you are working with your strategy, you can click the “How It Works” button that you will find near the top of the chart.

### Collar Strategy Builder



When you do, you will see a new view where you can test how the strategy may perform, depending on the situation.

In this view, you can model the future potential price change of the underlying security (the left bar in the diagram) using the slider, which is highlighted in a square on the screen image. As you move the slider up or down, you can see how the constructed strategy (right bar in the diagram) would perform for each future price.

