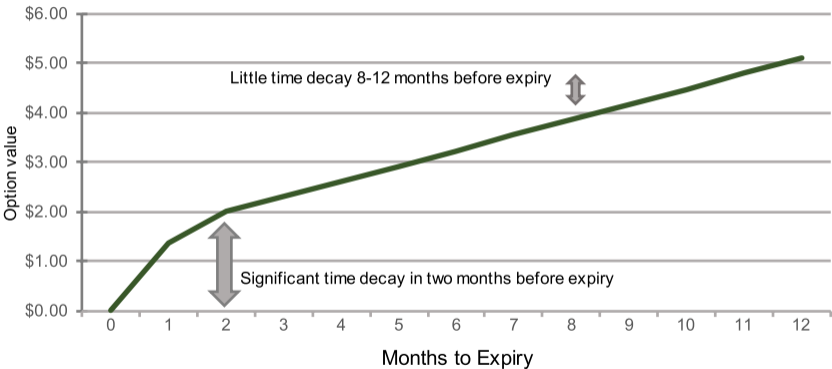


# Option Time Decay

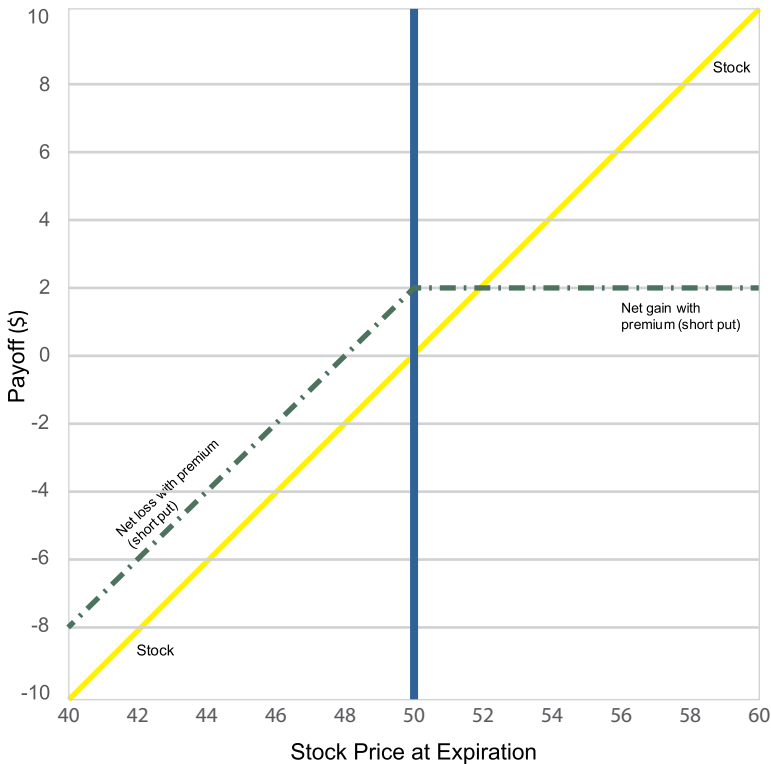


# Short Put Payoff Diagram

Current Stock Price = \$50

Strike Price = \$50

Put Price = \$2

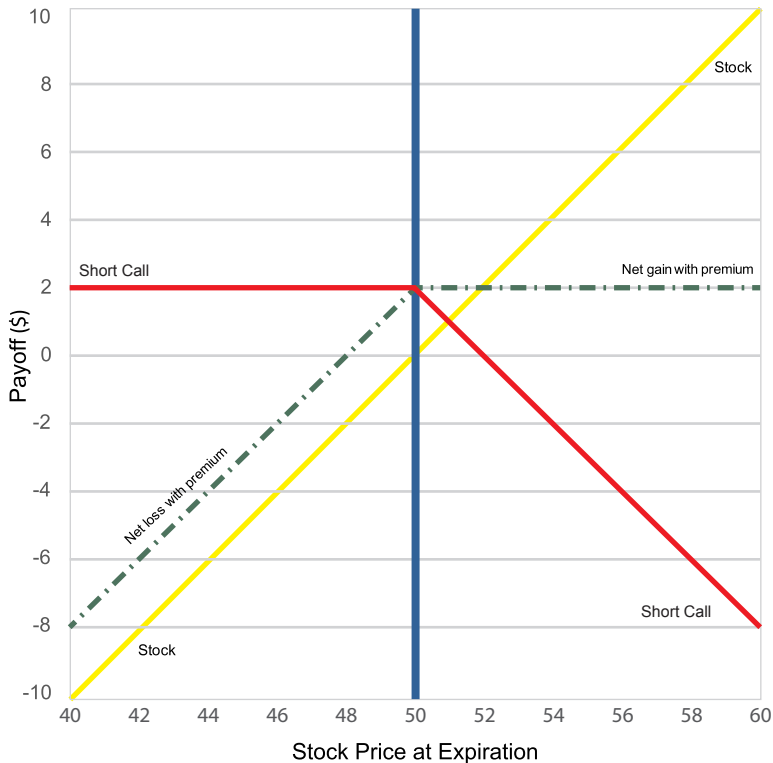


# Covered Call Payoff Diagram

Current Stock Price = \$50

Strike Price = \$50

Call Price = \$2



# Expected Return Stream

PRICE APPRECIATION, DIVIDEND, AND OPTION PREMIUM

**Long Only**

**Dividend**

**Price Appreciation**



**Covered Call**

**Dividend + Option  
Premium**

**Price Appreciation**

# Short Put and Call

Current Asset Price = \$50

Strike Price = \$50

Put and Call Price = \$2

