

TRADE LEVEL 1

Foundational strategies — the building blocks of the House Edge Blueprint

| NO. | NAME OF STRATEGY | STRATEGY STRUCTURE |
|-----|-------------------------------|---|
| 1 | Long Stock | The purchase of one or more shares in a publicly traded company or ETF |
| 2 | Long Call | The purchase of one or more calls in a publicly traded company or ETF |
| 3 | Long Put | The purchase of one or more puts in a publicly traded company or ETF |
| 4 | Covered Call | The simultaneous purchase of a stock or ETF and the sale of a call on the same underlying, usually ATM or above, one or more expiration periods out |
| 5 | Leveraged Covered Call | The simultaneous purchase of an ITM call option, usually 4 or more months out in expiration, and the sale of a front month call option on the same underlying at a strike equal to or above the strike of the long call |
| 6 | Leveraged Covered Put | The simultaneous purchase of an ITM put option, usually 4 or more months out in expiration, and the sale of a front month put option on the same underlying at a strike equal to or below the strike of the long put |
| 7 | Call Credit Spread | The simultaneous sale of a short call (usually a strike or more above the current price) and the purchase of a long call one or more strikes above the short call |
| 8 | Put Credit Spread | The simultaneous sale of a short put (usually a strike or more below the current price) and the purchase of a long put one or more strikes below the short put |
| 9 | Call Debit Spread | The simultaneous purchase of a long call and the sale of a long call one or more strikes above the long call on the same underlying in the same expiration period |
| 10 | Put Debit Spread | The simultaneous purchase of a long put and the sale of a long put one or more strikes below the long put on the same underlying in the same expiration period |
| 11 | Iron Condors | The simultaneous sale of a put credit spread and a call credit spread on the same underlying in the same expiration period. Typically the short call and the short put are separated one or more strikes from the current price of the underlying |
| 12 | Short Put — Naked | The sale of a put on a stock or ETF usually at or below the current price of the underlying |

TRADE LEVEL 2

Intermediate strategies — expanding the toolkit with added complexity

| NO. | NAME OF STRATEGY | STRATEGY STRUCTURE |
|-----|--|--|
| 13 | Super Bull | The simultaneous purchase of a call credit spread and the sale of a short put or put credit spread. The trade is usually executed for a small credit |
| 14 | Iron Butterfly (Iron Fly) | The simultaneous sale of a put credit spread and a call credit spread on the same underlying in the same expiration period. The short call and the short put are executed at the same price which is usually the current price of the underlying |
| 15 | Call Calendar Spread | The simultaneous purchase of a front month call and the sale of the same strike call, on the same underlying, one or more expirations out in time |
| 16 | Put Calendar Spread | The simultaneous purchase of a front month put and the sale of the same strike put, on the same underlying, one or more expirations out in time |
| 17 | Call Diagonal Spread | The simultaneous purchase of a front month call and the sale of a call at a different strike, on the same underlying, one or more expirations out in time |
| 18 | Put Diagonal Spread | The simultaneous purchase of a front month put and the sale of a put at a different strike, on the same underlying, one or more expirations out in time |
| 19 | Butterfly Call Spread | The simultaneous purchase of a call debit spread and the sale of a call credit spread on the same underlying in the same expiration period. The short calls on both spreads are at the same strike |
| 20 | Butterfly Put Spread | The simultaneous purchase of a put debit spread and the sale of a put credit spread on the same underlying in the same expiration period. The short puts on both spreads are at the same strike |
| 21 | Broken Wing Call Butterfly Spread | A combination of a long call debit spread and a short call credit spread. The two short calls are the same strike and the spread width is wider on the call credit spread than the call debit spread |
| 22 | Broken Wing Put Butterfly Spread | A combination of a long put debit spread and a short put credit spread. The two short puts are the same strike and the spread width is wider on the put credit spread than the put debit spread |



TRADE LEVEL 3

Advanced strategies — higher complexity, undefined risk, experienced traders

| NO. | NAME OF STRATEGY | STRATEGY STRUCTURE |
|-----|----------------------------|---|
| 23 | Jade Lizard | The sale of a call credit spread and a short naked put where the total credit received is equal to or greater than the width of the strikes of the call credit spread, thus eliminating any risk to the upside |
| 24 | Call Ratio Spread | The simultaneous purchase of a call and the sale of two or more calls farther out of the money in the same expiration cycle. The trade is typically executed for an overall credit |
| 25 | Put Ratio Spread | The simultaneous purchase of a put and the sale of two or more puts farther out of the money in the same expiration cycle. The trade is typically executed for an overall credit |
| 26 | Double Ratio | The execution of a call ratio spread and a put ratio spread on the same underlying in the same expiration cycle |
| 27 | Short Call — Naked | The sale of a call on a stock or ETF usually at or above the current price of the underlying |
| 28 | Super Bear | The simultaneous purchase of a put debit spread and the sale of a short call or call spread. The trade is typically executed for a small credit |
| 29 | Short Strangle | The simultaneous sale of an OTM call and OTM put in the same expiration |
| 30 | Short Straddle | The simultaneous sale of a call and put at the same strike in the same expiration period. Typically the options sold are ATM or very near the current price of the underlying |
| 31 | Reverse Jade Lizard | The sale of a put credit spread and a short naked call where the total credit received is equal to or greater than the width of the strikes of the put credit spread, thus eliminating any risk to the downside |
| 32 | Short Stock | The sale of one or more shares of stock in a publicly traded company or ETF |