

Using Options Strategies to Help Achieve More Targeted Portfolio Outcomes

September 2024

Executive Summary

- The innovation and proliferation of financial derivatives have made options-based strategies more accessible to asset owners, allowing them to target precisely the risks they want to take in order to better achieve portfolio objectives.
- Defined Outcome strategies are derivative-based investments that alter a long-only investment payoff, providing fixed-term, guaranteed downside protection with a variable upside cap.
- Covered call strategies can provide comparable or superior returns to an investment in equities alone, but with less volatility, lower drawdowns, and significant income enhancement.
- Asymmetric convexity strategies with long horizon call options provide upside equity market participation and downside protection at a range of risk and exposure levels across a variety of equity indices.

Introduction

As the COVID-19 pandemic took hold in March 2020, the stock market experienced some of its toughest days, days when most investors were pained to look at their portfolios. After sinking more than -10% in the second half of February, the S&P 500 Index fell another -7% in the early days of March. This was followed by a -9.5% drop on Thursday, March 12th, the worst one-day decline since the 1987 Black Monday crash. The Trump administration's declaration of a national emergency on Friday, March 13th, along with the implementation of shutdown orders by many states over the following weekend, led the market to end Monday, March 16th down another -12%.

Amid this extreme market volatility many investors wondered how they could experience the stock market's upside without the drawdowns.

Is there a way to have our cake and eat it too?

In a sense, there is. Options allow investors to target precisely the risks they want to take in order to better achieve portfolio objectives. Call options give investors the right to buy at an up-front price, while put options give the right to sell. An investor who owns a stock and an out of the money put option can protect their downside. Unfortunately, this strategy can get expensive as investors are typically more sensitive to market declines than gains. Conversely, owning a stock and selling an out of the money call option, a covered call strategy, can generate income at the expense of giving up some of the upside. This can be a beneficial strategy during sideways markets.

Financial derivatives were relatively niche prior to the publication of the Black-Scholes Option Pricing model in 1973. And while tools to evaluate potential mispricing existed before its development, the sophistication of the Black-Scholes model, along with the launch of the first publicly listed standardized equity options contracts on the Chicago Board Options Exchange (CBOE) in 1973, drove significant investor interest in financial derivatives.

With improved models, options volumes expanded and spreads narrowed during the 1970s and 1980s. In 1993, CBOE introduced FLEX options, giving market participants the ability to tailor contract terms without being hemmed in to a standardized contract or an even more customized over-the-counter solution.

Options volumes continued to expand into the 2000s with the growth of electronic trading. According to CBOE, an average of 14.6mn option contracts changed hands every day by 2023¹. Recent growth has been driven by zero days to expiration (0DTE) contracts. These shorter-dated contracts enable investors to manage exposure on a day-by-day basis and represented roughly 43% of the CBOE average daily options volume in 2023, up from 5% in 2016².

¹https://www.prnewswire.com/news-releases/cboe-global-markets-reports-trading-volume-for-december-and-full-year-2023-302026711.html ²https://www.cboe.com/insights/posts/the-evolution-of-same-day-options-trading/

As demand for options strategies continues to grow, issuers are increasingly packaging them in forms that make it easier for retail investors to participate. The S&P BuyWrite Index, developed in the early 2000s to track a covered call strategy on the S&P 500, was an early innovation that helped catalyze demand by providing a benchmark for the strategy.

Some of the earliest ETFs to incorporate options were covered call strategies. These pioneers, now more than 10 years old, attract interest by offering exposure to underlying indexes, but with a much higher yield. And while the cost is giving up some of the upside, the high payouts from these strategies attract investor interest. ETFs selling calls to generate income grew from \$33 billion in 2022 to \$61 billion in 2023³, an increase of 85%. Actively-managed covered call ETFs that pair active high dividend exposure with covered calls were a large source of this increase with investors favoring the higher yielding funds.

Section 1: Defined Outcome Strategies

Defined outcome strategies are derivative-based alternatives to traditional long-only investments.

A "Cap-Buffer" structure, also colloquially known as a "Buffered" strategy, has become very popular with investors in recent years. This strategy provides exposure to an index combined with downside protection. Exhibit 1 provides a graphical payoff comparison of a Buffered strategy with a traditional long-only investment.

In order to provide this unique set of payoffs, the "Buffered" strategy makes an investment in four options: 1) buy a deep in-themoney call option, 2) buy an at-the-money put option, 3) write an out-of-the-money put option, and 4) write an out-of-the-money call option. The typical length of these options is one year.

The deep-in-the-money call simulates long-only exposure in the underlying asset.

The buffer is added by constructing a put spread, i.e. buying the at-the-money put and selling the out-of-the-money put. If the price of the underlying index declines modestly, then the at-the-money put option will gain in value. However, if the price at maturity falls outside the buffer, then these gains will be offset by the out-of-the-money put option. This is what provides the strategy's downside protection , or the flat part of the line graph on the left side of Exhibit 1. The size of the buffer depends on the strike price of the out-of-the-money option.

Since the best things in life (or in our case, put spreads) aren't free, the buffer is funded by the sale of the out-of-the-money call, also called the cap. The cap limits the upside if the underlying gains strongly.

In recent years, significant assets have moved into ETFs as issuers packaged ever more sophisticated options-based strategies with unique value propositions for investors. For example, Buffered ETFs combine downside risk protection with a deep in the money option (to mimic equity exposure) and a cap. This structure lets investors participate on the upside, up to a cap, while limiting exposure to market downturns thus providing a defined outcome. Since the launch of the first Buffered ETF strategy in 2018, the category has grown to over \$37 billion as of the end of 2023⁴.

The innovation and proliferation of financial derivatives have made options-based strategies more accessible to asset owners. In what follows, we discuss three different equity options-based strategies and how they can help to improve portfolio outcomes.

The cap is represented as the flat part of the line graph in the top right side of Exhibit 1.

Exhibit 1



Source: PGIM Quant as of 31-Dec-2023.

In this sense, there's no free lunch for investors seeking downside protection. The buffer provides protection, but at the cost of the cap. However, the cost of the cap isn't fixed, it adjusts depending on market conditions, particularly implied volatility and interest rates. Higher (lower) implied volatility or interest rates tend to result in higher (lower) caps, meaning more (less) potential upside for investors in these strategies. So perhaps more like a happy hour than a free lunch.

³Morningstar Inc. accessed 30-Jul-2024. ⁴Morningstar Inc. accessed 30-Jul-2024.

Exhibit 2

Layer	Position	Strike Price	Note			
1	Buy Call Option	1%	This simulates the long-only position. It matures in exactly 1 year, and provides a close to 1:1 price movement with the S&P 500			
	Buy Put Option 100%		This 'at-the-money' put provides the top part of the 12% buffer			
2	Sell Put Option	88%	This provides the bottom part of the 12% buffer. The sale of this put option provides partial funding for the purchase of the 'at-the-money' put			
3	Sell Call Option	TBD*	The proceeds from this sale of a call pays for any remaining cost of the 'at-the-money' put. The level of the cap is only known once all the other options in the portfolio have been priced			

Source: PGIM Quant as of 31-Dec-2023.

Exhibit 2 provides an example of a "Buffered" structure available in the market. It represents one of the more vanilla defined outcome strategies. While innovation in this space has accelerated in recent years, these more conventional strategies have tended to attract more assets under management than the more exotic variants. Even with a complex strategy, however, some investors are unsure what size buffer they should pick. Exhibit 2 depicts a 12% buffer, though why not a 20% buffer?

A historical simulation can help provide some insight into the choice of buffer. Exhibit 3 compares performance statistics (from

January 1997 to February 2024) of a variety "Buffered" strategies on the S&P 500 versus traditional passive investments. Since the "Buffered" strategies are relatively new, we estimated the past performance of the underlying options by using the historical volatility surface. A variety of different vanilla buffers are tested. The "5% to 30% Buffer" strategy is similar to the "30% Buffer," but the investor participates in the first 5% of losses. The "10% Floor" is another alternative. It completely limits the downside beyond a 10% decline in the underlying.

Exhibit 3

Summary Outcomes for Select Defined Outcome Strategies: 1997 - 2023

Defined Outcome Strategy	Annualized Return	Standard Deviation	Return/Risk	Maximum Drawdown
30% Buffer	3.77%	6.52%	0.58	21.59%
20% Buffer	5.23%	9.51%	0.55	31.78%
18% Buffer	5.65%	10.27%	0.55	34.32%
16% Buffer	6.03%	11.09%	0.54	37.11%
14% Buffer	6.40%	12.10%	0.53	39.81%
12% Buffer	6.75%	13.08%	0.52	42.47%
10% Buffer	7.11%	14.13%	0.50	45.24%
5% to 30% Buffer	5.61%	9.45%	0.59	28.02%
10% Floor	5.56%	9.03%	0.62	32.23%

Traditional Passive Investments	Annualized Return	Standard Deviation	Return/Risk	Maximum Drawdown
S&P 500	9.01%	19.47%	0.46	54.89%
U.S. Aggregate	4.22%	4.10%	1.03	18.41%
U.S. Investment Grade Bonds	5.02%	5.50%	0.91	22.04%
U.S. Treasury Bonds	3.86%	4.75%	0.81	18.88%
60/40	7.53%	11.67%	0.65	34.74%

Source: PGIM Quant as of 31-Dec-2023.

Exhibit 4



Historical Risk and Return for Selected Defined Outcome Strategies

This effect is more obvious in Exhibit 4, which plots the expected risk and return of each of these strategies. With returns and risk lining up almost linearly between the S&P 500 and US Treasuries, defined outcome strategies provide investors a vehicle to fine tune to a desired risk and return profile in terms of equity market exposure with higher risk- adjusted returns than in a traditional equity investment alone. This could be particularly attractive in rising interest rate environments when fixed income investments can fail to provide diversification to equities, as happened in 2022.

It can also be useful to consider the impact of adding one of these strategies to a diversified portfolio invested in global stocks, bonds, and real assets as presented in Exhibit 5. Exhibits 6 and 7 illustrate the impact of adding either a 15% or a 25% allocation of a buffered strategy while trimming a corresponding amount from the allocation to US equities in a historical simulation from January 2001 to February 2024.

Exhibit 5

Balanced Multi-Asset Portfolio Allocations Incorporating Defined Outcome Strategies

	Initial Balanced Portfolio	Portfolio With Defined Outcome Allocation #1	Portfolio With Defined Outcome Allocation #2
Equities	55%	55%	55%
U.S. Large Cap	35%	20%	10%
Defined Outcome Allocation	0%	15%	25%
U.S. Small Cap	3%	3%	3%
International ex-U.S.	12%	12%	12%
Emerging Markets	5%	5%	5%
Fixed Income	35%	35%	35%
U.S. Aggregate	30%	30%	30%
U.S. Investment Grade	3%	3%	3%
U.S. High Yield	2%	2%	2%
Real Assets	10%	10%	10%
TIPS	3%	3%	3%
U.S. REITs	4%	4%	4%
Commodities	3%	3%	3%

Source: PGIM Quant as of 31-Dec-2023.

Since the "Buffered" strategies tend to be less risky, adding them to a diversified portfolio tends to de-risk it. Exhibit 6 shows that adding the "Buffered" strategies tends to reduce the maximum drawdown compared to the original portfolio. Similar results can be shown for a variety of risk measures, such as standard deviation and conditional value-at-risk. The protection afforded by these strategies is only guaranteed over annual periods, so it is still possible to experience significant intra-annual drawdowns.

But as a general rule, the larger the buffer, the greater the reduction in maximum drawdown. Similarly, the floor strategy reduces the participation in equity drawdowns, resulting in more favorable characteristics for the portfolio.

While the reduction in risk also means a reduction in portfolio returns, the portfolios that include "Buffered" strategies tend to see improvements in risk-reward trade-offs.

Source: PGIM Quant as of 31-Dec-2023.





Source: PGIM Quant as of 31-Dec-2023.

Exhibit 7 shows that the return-risk ratio tends to increase when adding the allocation to "Buffered" strategies. The "Buffered" strategies tend to reduce the risk of the portfolio by more than their impact on returns.



Source: PGIM Quant as of 31-Dec-2023.

Section 2: Covered Call Strategies for Income Enhancement

A "covered call," also popularly known as "Buy-Write," is an investment strategy where an investor sells a call on a stock they own. Investors in covered call strategies have an obligation to deliver the underlying equity exposure at the call strike price if the equity price rises above that level. As a result, in strongly appreciating equity markets, the covered call strategy is likely to underperform as any upside participation is capped at the strike a call is sold at.

Why would investors voluntarily give up the upside in their stocks?

The benefit is most pronounced in flat or down markets. During these periods, investors in covered call strategies will benefit as call premiums will provide a positive source of income that will enhance weak equity returns or help offset declining equity returns. In general, covered call strategies will also reduce volatility relative to the original 100% equity exposure.

Exhibit 8



Source: PGIM Quant as of 31-Dec-2023.

In designing a covered call strategy, there are many variables for an investor to consider:

- "Moneyness": Strategies that sell calls above the current market level, or "out of the money," will collect smaller premiums than those sold "at the money", but are able to participate in any market upside up to the call strike.
- Share of portfolio: Covered call strategies that write options on just a portion of the portfolio will have lower premiums than those writing on 100% of the portfolio, but they will have the ability to also participate in additional market appreciation in the uncovered portion of the portfolio.
- Frequency: More frequent call writing will result in higher premium income, but with potentially less upside participation.

In 2002, CBOE released the S&P 500 BuyWrite Index (BXM), a benchmark designed to track a hypothetical covered call strategy on the S&P 500. The strategy writes a one-month call option on the third Friday of the month at the money on 100% of the portfolio. Since its release, a number of publicly traded funds have used the index as a benchmark, including the Invesco S&P 500 BuyWrite ETF launched in 2007 and the Global X S&P 500 Covered Call ETF launched in 2013. In a widely cited paper, Feldman and Roy (2005) note the comparable return performance of the BXM index to the S&P 500 with higher relative risk adjusted return for the period of 1988 to 2004, making a case that "the BXM strategy is prudent investment option worthy of investor attention"⁵. In recent years, particularly in the ETF space, covered call strategies have been highlighted for their ability to generate consistent income through the sale of call options. The popularity of these strategies has driven the Morningstar 'Derivative Income" category to grow from \$7 billion at the end of 2019 to over \$75 billion at the end of 2023⁶.

To evaluate the efficacy of various Covered Call strategies we considered a range of implementations using historical data from 1997 to 2023. An overview of the strategies we considered is presented in Exhibit 9.

Exhibit 9

Overview of Covered Call Strategies

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Monthly ATM	Sells a one month at the money call option on the S&P 500 on 100% of an S&P 500 portfolio on the last day of the month.		
Monthly 2% OTM	Sells a one month 2% out of the money call option on the S&P 500 on 100% of an S&P 500 portfolio on the last day of the month.		
Monthly 4% OTM	Sells a one month 4% out of the money call option on the S&P 500 on 100% of an S&P 500 portfolio on the last day of the month.		
Monthly 1% Monthly Premium	Sells a one month call option on the S&P 500 at what ever strike will provide a premium equal to 1% of the portfolio's value on 100% of an S&P 500 portfolio on the last day of the month.		
Monthly 2% Monthly Premium	Sells a one month call option on the S&P 500 at what ever strike will provide a premium equal to 2% of the portfolio's value on 100% of an S&P 500 portfolio on the last day of the month.		
Monthly 3rd Friday Execution ATM	Sells a one month at the money call option on the S&P 500 on 100% of an S&P 500 portfolio on the third Friday of each month.		
Weekly ATM	Sells a one week at the money call option on the S&P 500 on 100% of an S&P 500 portfolio on the last day of each week.		
Monthly ATM 25% coverage	Sells a one month at the money call option on the S&P 500 on 25% of an S&P 500 portfolio on the last day of the month.		
Monthly ATM 50% coverage	Sells a one month at the money call option on the S&P 500 on 50% of an S&P 500 portfolio on the last day of the month.		

Source: PGIM Quant as of 31-Dec-2023.

⁵Feldman, Barry & Roy, Dhruv. (2005). Passive options-based investment strategies: The case of the CBOE S&P 500 BuyWrite Index. The Journal of Investing. 14. 66-83. 10.3905/joi.2005.517177.

⁶Morningstar, Inc. accessed 30-Jul-2024.

Option pricing inputs were sourced from Option Metrics. Our research environment was calibrated to match the performance of the BXM Index with the 'Monthly 3rd Friday Execution ATM' strategy.

Our evaluation of various covered call strategies on the S&P 500 based on simulated performance from 1997-2023 (Exhibit 10) finds that a number of covered call strategies improved on the return of the S&P 500 with all covered call strategies evaluated delivering lower volatility than the S&P 500.

Notable among the strategy variants evaluated is the underperformance of the BXM Index and a simulated strategy to replicate the BXM. Our results are consistent with the findings of Feldman and Roy: the BXM Index delivered comparable returns to the S&P 500 for the overlapping periods covered in their study and in ours. However, the BXM has materially underperformed the S&P 500 since 2013, as have a number of other covered call strategies described in this piece.

The amount of potentially distributable income generated from call premiums generated by each evaluated covered call strategy is also presented in Exhibit 10. For the Monthly ATM strategy, premiums averaged a significant 24% during the evaluation period. Strategy variants that allow for some upside participation, such as the 2% and 4% OTM call selling strategies, or the partial portfolio coverage strategies, will understandably have lower premium income, although in many cases that is compensated by a higher total return. Writing options at a weekly horizon boosts annual premium income to an eye-popping 49%, but it is unlikely that an issuer would look to distribute such a disproportionate share of the total portfolio value in a given year.

Exhibit 10

Summary Outcomes for Select Covered Call Strategies: 1997 - 2023

Covered Call Strategy	Annualized Return	Standard Deviation	Return/Risk	Maximum Drawdown	Average Annual Premium Yield
Monthly ATM	8.70%	13.52%	0.64	34.05%	24%
Monthly 2% OTM	9.58%	15.34%	0.62	37.69%	13%
Monthly 4% OTM	9.86%	16.82%	0.59	42.93%	7%
Monthly 1% Monthly Premium	9.69%	16.34%	0.59	46.04%	12%
Monthly 2% Monthly Premium	8.75%	14.40%	0.61	39.55%	24%
Monthly 3rd Friday Execution ATM	6.45%	13.11%	0.49	36.34%	24%
Weekly ATM	8.01%	12.50%	0.64	33.65%	49%
Monthly ATM 25% Coverage	9.01%	17.81%	0.51	49.13%	6%
Monthly ATM 50% Coverage	8.95%	16.16%	0.55	42.33%	12%
BXM	6.38%	14.33%	0.45	40.14%	N/A

Traditional Passive Investments	Annualized Return	Standard Deviation	Return/Risk	Maximum Drawdown
S&P 500	9.01%	19.47%	0.46	54.89%
U.S. Aggregate	4.22%	4.10%	1.03	18.41%
U.S. Investment Grade Bonds	5.02%	5.50%	0.91	22.04%
U.S. Treasury Bonds	3.86%	4.75%	0.81	18.88%
60/40	7.53%	11.67%	0.65	34.74%

Source: PGIM Quant as of 31-Dec-2023.

Exhibit 11

10.0% Monthly 4% OTM Monthly 2% OTM • 9.5% Monthly 1% Monthly Premium **Annualized Total Returns** Monthly ATM 50% Coverage S&P 500 9.0% Monthly 2% Monthly Premium Monthly ATM 25% Coverage Monthly ATM • 8.5% 8.0% Weekly ATM 7.5% 60/40 Portfolio 7.0% 6.5% Monthly 3rd Friday Execution ATM 6.0% 10% 11% 12% 13% 14% 15% 17% 18% 19% 20% 16% Annualized Volatility

Historical Risk and Return for Selected Covered Call Strategies

Source: PGIM Quant as of 31-Dec-2023.

Investor benefits of covered call strategies

Covered call strategies can provide comparable or superior returns to an investment in equities alone, but with less volatility and lower drawdowns. Covered call strategies can also provide a steady source of income for investors willing to trade some or all potential capital appreciation for variable or targeted option premiums that can be distributed in part or in full.

To evaluate the potential benefits of including covered call strategies in a multi-asset portfolio, we constructed portfolios from the same Balanced portfolio benchmark in Exhibit 5 using constrained mean-variance optimizations. As a baseline, we constructed an efficient frontier using only the assets in the benchmark. We then constructed three additional frontiers allowing up to a 15% allocation to three different covered call strategies; Monthly ATM, Monthly 4% OTM and Monthly 1% Monthly Premium.

For the portfolio construction exercise, PGIM Quant's Q1 2024 Capital Market Assumptions (CMAs) were used for expected returns for all asset classes excluding the select covered call strategies. Expected returns for the covered call strategies evaluated were calibrated as a multiple of the return of the S&P 500 in the historical simulation from January 1997 to December 2023, with that multiple then applied to PGIM Quant's Q1 2024 10-year CMAs for the S&P 500. Optimized portfolios were constructed with constraints of +/- 10% for US Large Cap Equities and US Aggregate bonds and +/- 3% for all other assets.

As presented in Exhibit 12, introducing each of the select covered call strategies results in efficient frontiers that move up and to the left, indicating higher returns at lower levels of risk than for the portfolios only including benchmark assets



Exhibit 12

Source: PGIM Quant as of 31-Dec-2023.

Section 3: Asymmetric Convexity Strategies with Long Horizon Call Options

Another means by which investors can employ options to deliver more targeted portfolio outcomes is through the use of long dated call options in a multi-asset portfolio. PGIM Quant's Market Participation Strategy (MPS) has a live track record in such a defensive equity strategy dating back to 1992. MPS has a straightforward objective: capture 60% of the upside of the S&P 500 in appreciating markets and only 30% of the downside of the S&P 500 in declining markets. Since inception through the end of 2023, MPS has captured 61% of the upside in quarters the S&P 500 has advanced and only captured 36% of the downside in quarters the S&P 500 has declined. With that profile, MPS has captured 85% of the annualized return of the S&P 500 with only 58% of the volatility.

Exhibit 13



The ability of MPS to provide this favorable convex return profile is primarily a function of the long-dated call options, typically four to six years maturity, that the strategy holds for equity exposure. With a notional investment of 20% of the portfolio in call options, the portfolio has a baseline delta of 0.6. As the S&P 500 appreciates,

the portfolio delta rises at an increasing rate, allowing for enhanced upside participation. In periods of drawdown, the portfolio delta declines towards zero with a maximum liability to the investor being the premium paid for the option. Exhibit 14 depicts the convex return profile of MPS as measured by rolling three-year returns.

The balance of the MPS portfolio not invested in options is invested in low duration US Treasuries that provide regular income, liquidity, as well as a buffer in periods of equity market drawdowns.

Exhibit 14





Asymmetric Returns: 60% of Upside with 35% of Downside

Source: PGIM Quant as of 31-Dec-2023.

Impact in a Multi-Asset Portfolio

As in our review of other options strategies, we also evaluate the impact of allocating to a convex market participation strategy in a balanced multi-asset portfolio. Here we consider the impact of reallocating 15% and 25% of the US large cap equity exposure in the portfolio to the MPS strategy. Expected returns for the MPS strategy are calibrated as a multiple of the return of the S&P 500 in the historical live track record of MPS since 1992 through then end of 2023, with that multiple then applied to PGIM Quant's Q2 2024 10-Year Capital Market Assumptions for the S&P 500.

As presented in Exhibit 15, relative to the benchmark portfolio with no allocation to MPS, reallocating 15% of the US large cap portfolio allocation to MPS reduces the expected annualized return of the balanced portfolio by just 0.15%, but the volatility of the portfolio declines by a full 1.14%. From the beginning of the live track record in 1992 through 2023, the 15% allocation to MPS also reduces the drawdown to 29.8% from 36.2%.

Increasing the reallocation from large cap US equities to MPS to 25% results in an annualized return decline from the benchmark of just 0.26%, with a decline in volatility of 1.84%. The historical drawdown is reduced further with the 25% MPS allocation to 25.3%, a reduction of more than 10% from the benchmark portfolio.

Exhibit 15

Balanced Portfolio Outcomes with Selected MPS Allocations

Benchmark					
	0% MPS	15% MPS	25% MPS		
Expected Arithmetic Mean	6.91%	6.66%	6.49%		
Expected Geometric Mean	6.41%	6.26%	6.15%		
Expected Standard Deviation	10.05%	8.91%	8.21%		
Expected Return/Risk	0.69	0.75	0.79		
Max Historical Drawdown	36.20%	29.79%	25.25%		

Source: PGIM Quant as of 31-Dec-2023.

Conclusion

Options-based strategies have long offered institutional and high net worth investors the ability to construct portfolios with more targeted outcomes than possible with traditional long-only equity exposure. The proliferation of options-based retail offerings in recent years, primarily in ETFs, has made these strategies accessible to a much broader investor base. Whether the goal is consistent high income, downside protection, or better risk adjusted returns, flexible options-based strategies can be tailored to create customized solutions at any desired strike or expiration. By helping investors fine-tune their portfolios, options-based strategies can better align their portfolio with their goals.



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