GLOSSARY – OPTION DEFINITIONS

- **Put Option ("Puts")** – An option contract giving the owner the right, but not the obligation, to gain short exposure to an underlying security at a specified price within a specified time. Selling an index put results in net premiums received.

  The risk of monetary loss is quantifiable as: (strike price of the option written) * (number of option contracts) * (contract multiplier), and is reduced further by initial net premium received.

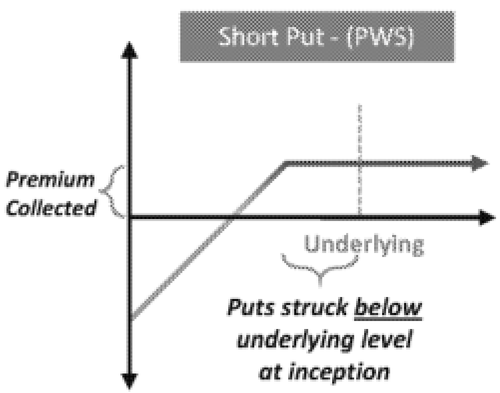
- **Iron Condor ("Condors") –** An iron condor is made up of two spreads – a put spread and a call spread with the same expiration and four different strikes. Selling an iron condor is essentially selling both sides of the underlying instrument's potential price path by simultaneously shorting the same number of calls and puts, then covering each position with the purchase of further out of the money call(s) and put(s) respectively.

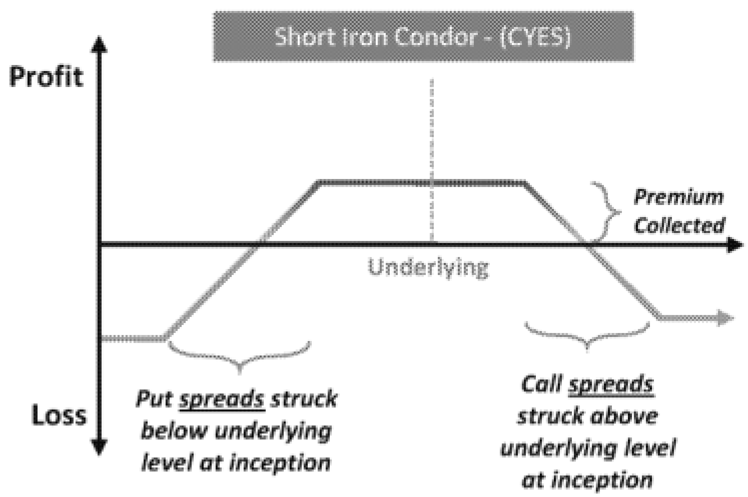
  The risk of monetary loss in a short condor is defined by the max loss of the widest option spread but is reduced by initial net premium received.

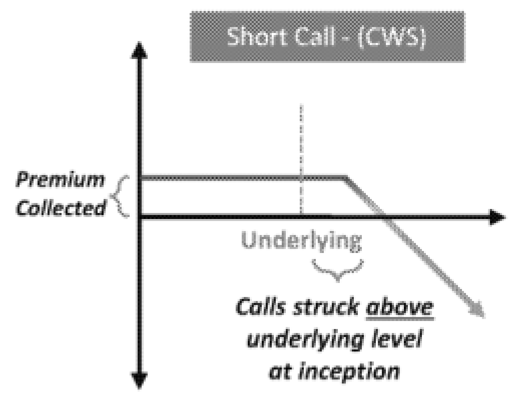
- **Call Option ("Calls") –** An option contract giving the owner the right, but not the obligation, to gain long exposure to an underlying at a specified strike price within a specified expiration time. Selling a call results in net premiums received.

  The risk of monetary loss in a short call is unquantifiable, but is reduced by initial net premium received.

Payoffs at Expiration:







For a more in-depth descriptions of these and other strategies, please visit:
http://www.optionseducation.org/content/dam/oic/documents/literature/files/options-strategies-quick-guide.pdf