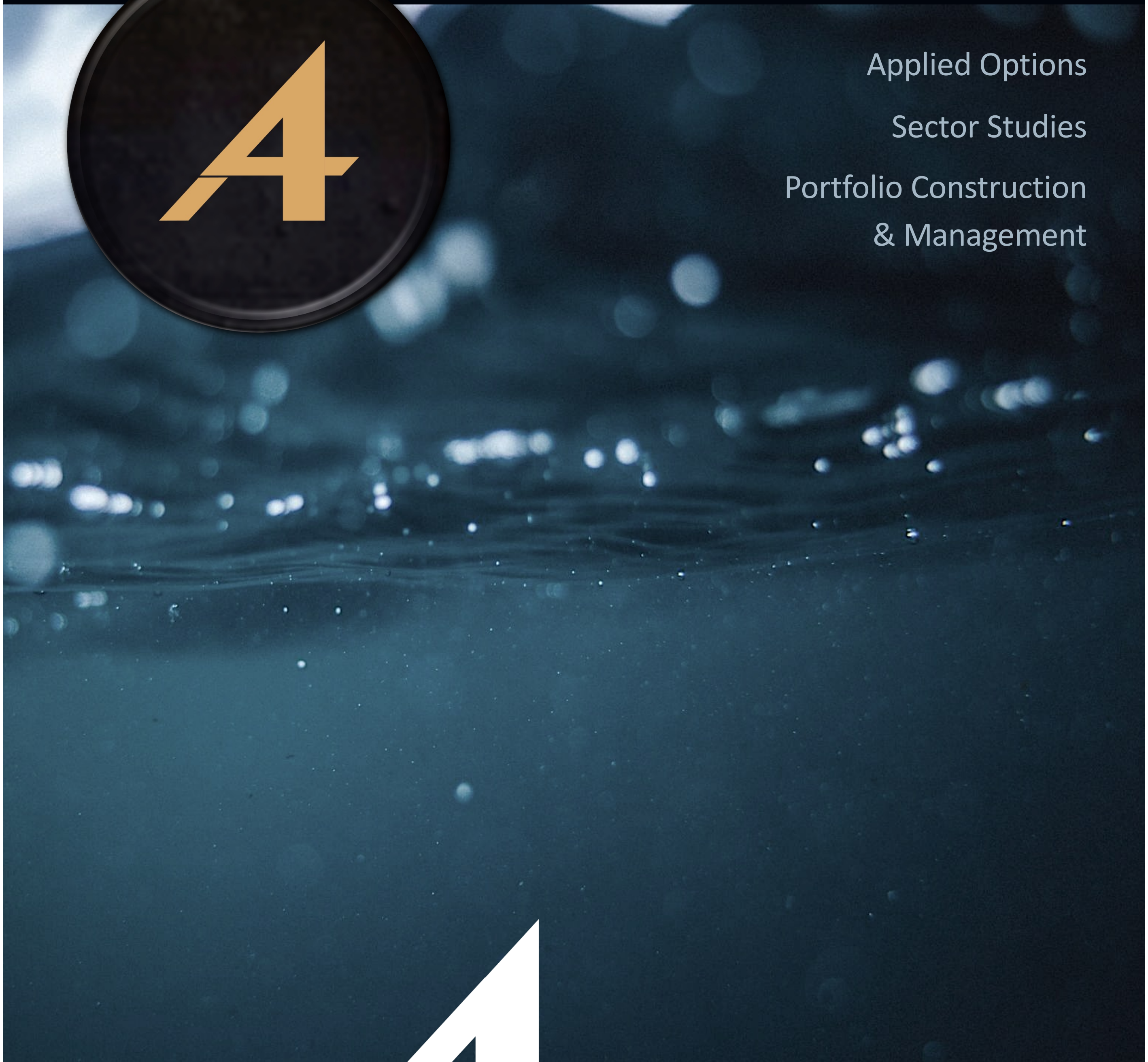
Applied Options

Sector Studies

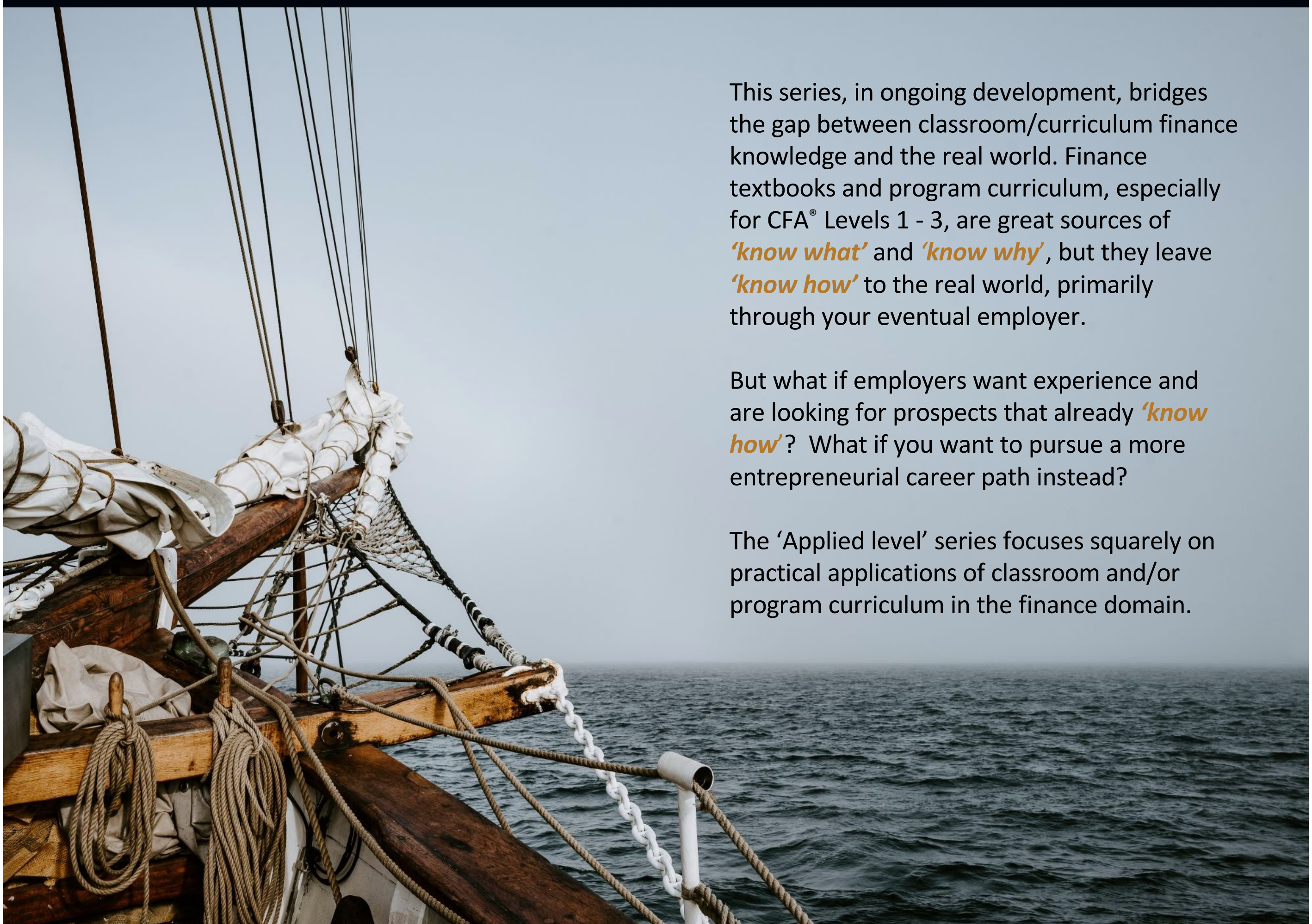
Portfolio Construction
& Management



APPLIED
level

Mark Meldrum, Ph.D

about the APPLIED level:



This series, in ongoing development, bridges the gap between classroom/curriculum finance knowledge and the real world. Finance textbooks and program curriculum, especially for CFA® Levels 1 - 3, are great sources of ***'know what'*** and ***'know why'***, but they leave ***'know how'*** to the real world, primarily through your eventual employer.

But what if employers want experience and are looking for prospects that already ***'know how'***? What if you want to pursue a more entrepreneurial career path instead?

The 'Applied level' series focuses squarely on practical applications of classroom and/or program curriculum in the finance domain.

Self-paced learning
Progress at your own pace with your own sequence of topics

Accessibility
Online streaming for 24/7 fixed or mobile access

Collaboration
Each video has its own comment section, ask a question or start a conversation with other subscribers

Problem Solving
Online live Q&A sessions

CFA Institute allows its members the ability to self-determine and self-report **professional learning (PL)** credits earned from external sources. CFA Institute members are encouraged to self-document such credits in their online PL tracker. All content within the 'Applied level' series qualifies for professional learning/continuing education credits.

Pricing for the Applied level Bundle
$440 USD

Modules

01 Applied Options

- Basic Strategies
- Income Strategies
- Directional Strategies
- Volatility Strategies
- Risk Management Strategies
- Options on Futures

02 Sector Studies

03 Portfolio Construction & Management

1 Applied Options

Key Concepts

- Implied volatility vs historical volatility
- Volatility skew, level, crush, and term structure
- Positive/negative convexity
- Theta decay
- Gamma risk
- Dollar-Delta-Beta and Delta Neutrality
- Rolling options up/down/forward
- Futures & Options on Futures

Selected Outcomes

- Create an income factory
- Minimize or avoid a loss
- Sell higher/buy lower than market price
- Replicate a stock to avoid forex exposure
- Avoid foreign dividend withholding taxes
- Convert all dividends into capital gains
- Trade volatility as an asset class
- Create the same payoff as the underlying with far less capital
- Align option strategies with market conditions

Estimated Module length: 30+ hours

Available as a standalone module

$220 USD

Topics covered:

1. Basic Strategies
2. Income Strategies
3. Directional Strategies
4. Volatility Strategies
5. Risk Management Strategies
6. Options on Futures

Modules

01 Applied Options

02 Sector Studies

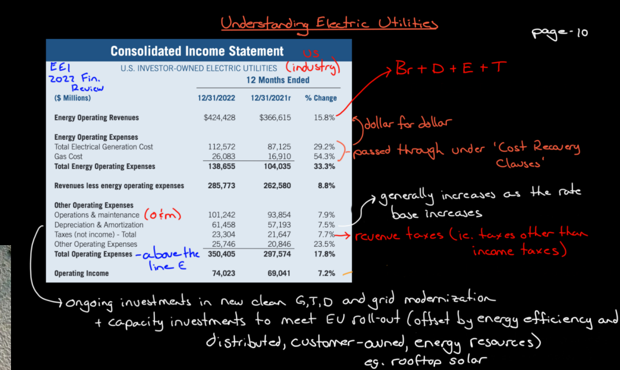
- Consumer Discretionary
- Consumer Staples
- Financials
- Materials
- Real Estate
- Healthcare
- Energy
- Information Technologies
- Communication Services
- Utilities
- Industrials

03 Portfolio Construction & Management

2 Sector Studies

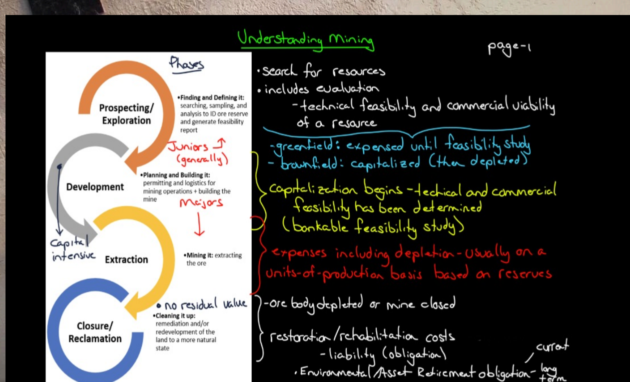
Overview

Sector Studies provides an in-depth analysis of each sector of the economy and its market performance across the economic and credit cycle. Every sector has two or three economic drivers of performance and identifying these introduces the possibility of enhancing performance with sector rotation.



($ Millions)	12 Months Ended 12/31/2022	12/31/2021r	% Change
Energy Operating Revenues	$424,428	$366,615	15.8%
Energy Operating Expenses			
Total Electrical Generation Cost	112,572	87,125	29.2%
Gas Cost	26,083	16,910	54.3%
Total Energy Operating Expenses	**138,655**	**104,035**	**33.3%**
Revenues less energy operating expenses	**285,773**	**262,580**	**8.8%**
Other Operating Expenses			
Operations & maintenance	101,242	93,854	7.9%
Depreciation & Amortization	61,458	57,193	7.5%
Taxes (not income) - Total	23,304	21,647	7.7%
Other Operating Expenses	25,746	20,846	23.5%
Total Operating Expenses	**350,405**	**297,574**	**17.8%**
Operating Income	**74,023**	**69,041**	**7.2%**

Sectors are composed of industries and industries are composed of sub-industries. Every company is embedded within a sub-industry, within an industry, within a sector. A well-informed, bottom-up analysis, therefore cannot occur without a deep understanding of the sector, industry, and sub-industry economics. Sector Studies provides an ongoing 'Understanding Industries' series such as: 'Understanding Mining', 'Understanding Utilities', 'Understanding Banking'.



Every 'Understanding Industries' segment uses a real publicly-traded company as a case study, you will also learn how to read the SEC 10K/10Q filings and how to use company presentations to understand the interaction of the economics of the industry with the business model of the company. For example, 'Understanding Mining' uses Freeport-McMoRan (FCX). After completing these segments, you should be in a position to understand any mining company's statements and business model/strategy.

With 163 sub-industries, new content will be added for years to come.

For the aspiring CFA analyst, each industry + case study segment will bring you up to speed very quickly to prepare for job interviews or job performance.

Estimated Module length: 35+ hours

Available as a standalone module:

$220 USD

Modules

01 Applied Options

02 Sector Studies

03 Portfolio Construction & Management

- Buy & Hold
- Theta Allocation
- Carry Trades
- Market Neutral
- Forex
- Allocation Strategies

3

Portfolio Construction & Management

(Extended Applied Asset Management Seminar)

Begins August 2023:

This extended series is intended to introduce you to a variety of trades/positions across a number of asset classes using a number of different securities (equities, forex, options, futures). The series begins with setting up your system for market monitoring and scanning (screens for rates, treasuries, key forex rates, commodities, equities, etc.) along with a statement of your investment philosophy and the rules by which you will manage your positions/portfolio.

The series will introduce both retail and institutional portfolio strategies and trades from (Buy & Hold) with active management to highly leveraged carry trades to alpha-only portfolio (equity market neutral).

Each week, a new trade setup will be introduced that you can replicate in your paper portfolio. It is important to experience how to trade a security/basket of securities, how moves in the underlying affect your portfolio value, volatility, and potential margin requirements. A key exercise will involve taking some trades with a high degree of loss, then using risk management techniques to nullify the loss.

The best method to develop passion for finance and markets is to just **jump right in**. However, that can be dangerous with real money. This module allows you to paper trade your way to experience - the cheapest tuition of life. Make mistakes here, learn how to salvage a loss here, execute simple to complex trades here.

Examples of trades that will be explored:

- Buy & Hold with active management
- Theta Allocation (income factory)
- Forex - spot and futures
- Curve Trades
- Equity Market Neutral (equities or options)
- Momentum
- Allocation strategies (algorithmic)
- Portfolio Risk Management
    - Synthetic cash/cash equitization
    - Hedging
    - Loss minimization/nullification

There are a number of sources through which you can manage a paper portfolio. I will be demonstrating system setup, trade execution, and portfolio risk management using Interactive Brokers - specifically Trader Workstation. You are free to use whatever system you have access to, you need not use IB.

Estimated Module length: 30-40 hours

Available as a standalone module: $220 USD

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ChatGPT 3.5

Dr. Mark Meldrum, the visionary founder of markmeldrum.com, is a distinguished figure in the world of education and finance. With a Ph.D. awarded by Case Western Reserve University, he has spent over a decade imparting knowledge and expertise to students and professionals alike. His journey began with nine years of teaching at the university level, where he honed his pedagogical skills and passion for educating.
Dr. Meldrum possesses a remarkable 20+ years of experience in the financial markets, making him a true luminary in the field. His specialization in top-down macro analysis sets him apart as an authority in the world of finance. Beyond traditional teaching, he has also leveraged the power of digital media to share his insights, serving as the producer of a popular weekly Market Outlook series on YouTube.

In addition to his expertise in finance, Dr. Meldrum is recognized for his commitment to excellence in financial education. He dedicated a decade to teaching the Chartered Financial Analyst (CFA®) Levels 1 to 3, equipping countless individuals with the knowledge and skills needed to succeed in this challenging profession.

As the Founder and Lead Instructor at markmeldrum.com, Dr. Meldrum embarked on a remarkable journey, taking his educational platform from its inception to become the #2 globally-ranked resource in just five years, measured by subscriber count. His dedication to providing high-quality educational content and his unique teaching style resonated with learners around the world.

Mark Meldrum, Ph.D.

FAQs

01

Is the 'Applied level' series for me?

The series will be a useful course for both the:

Professional Asset Manager/Analyst: If you are planning on a career in either financial analysis or asset management, then yes. The series will give you the equivalence of several years of know-how typically gained through experience.

Retail Investor: If you manage your own portfolio but lack 'street' experience, then yes. The series will help you make better choices related to asset allocation and risk management.

02

Prerequisite tools; Do I need an IB account or software (Excel)?

Since the focus is on application, to get the most out of the series, you should be active in markets. You do not necessarily need an Interactive Brokers account - any online brokerage will do. However, I will be showing trade setups and portfolio management techniques/output using the Interactive Brokers interface. Features and functionality may differ between brokers, as may access to asset classes all on one platform (IB has forex, futures, options, stocks, bonds - for every global exchange). Microsoft Excel will also be used.

03

Prerequisite knowledge (What do I need to know?)

The series does make the assumption that you are familiar with fundamental concepts in finance. These concepts are typically found in most introductory textbooks in the field. If you have no previous background in finance, the complete Level 1 CFA program from 2018 is made available to you free at markmeldrum.com - just click on Free Access.

Preferably you are using the Applied Series in conjunction with your CFA journey at any Level. The series was developed to be an applied version of the CFA concepts at all three levels. It is not a replacement for the CFA program, it is an augmentation.

FAQs

04

Paper or real portfolio?

I strongly recommend paper portfolio trading until you are comfortable with the different asset classes and strategies. The extended portfolio construction/management seminar must use a paper portfolio since some of the trades will be done to intentionally create an unrealized loss.

05

Is the focus on tactical trading or long-term investing?

Both actually. In fact, a better classification would be between active versus passive investing. The 'Applied level' series is quite active, which can be over short-periods of time (tactical - primarily risk management and income strategies) or over longer horizons (long-term buy and hold). It is intended to generate alpha, not just get exposure to beta.

06

Will the 'Applied level' series offer a 'Practical Skills' module comparable to those offered by CFAI?

At the core, 'Applied level' is the practical skills module for the CFA program. The series was developed to be an applied version of the CFA concepts at all three levels. However, there are two very specific application modules - one for asset management and one for financial analysis.

Asset Management: Beginning in August 2023, an extended Portfolio Construction/Management seminar will be introduced. This was introduced and presented on page 4 of this pdf.

Financial Analysis: Beginning in August 2024, an extended Financial Modelling seminar will be introduced using a real-world publicly-traded US company that will go beyond just the standard 3-statement model.