

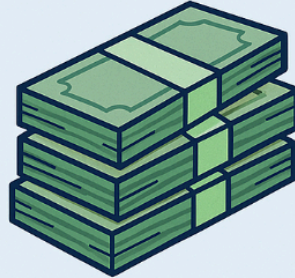
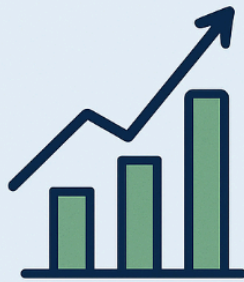
Advanced Strategy Guide: Cash-Secured Puts for Income & Ownership

ADVANCED STRATEGY GUIDE

CASH-SECURED PUTS

FOR INCOME & OWNERSHIP

FIRST LEVER OF THE FREEDOM INCOME ENGINE



Strategy Summary: Sell a put option on a stock you'd like to own, while holding enough cash to buy 100 shares if assigned. You'll collect upfront premium as income. If the stock stays above your strike, you keep the cash. If it falls below, you buy the stock at a discount—then use covered calls to keep the income flowing.

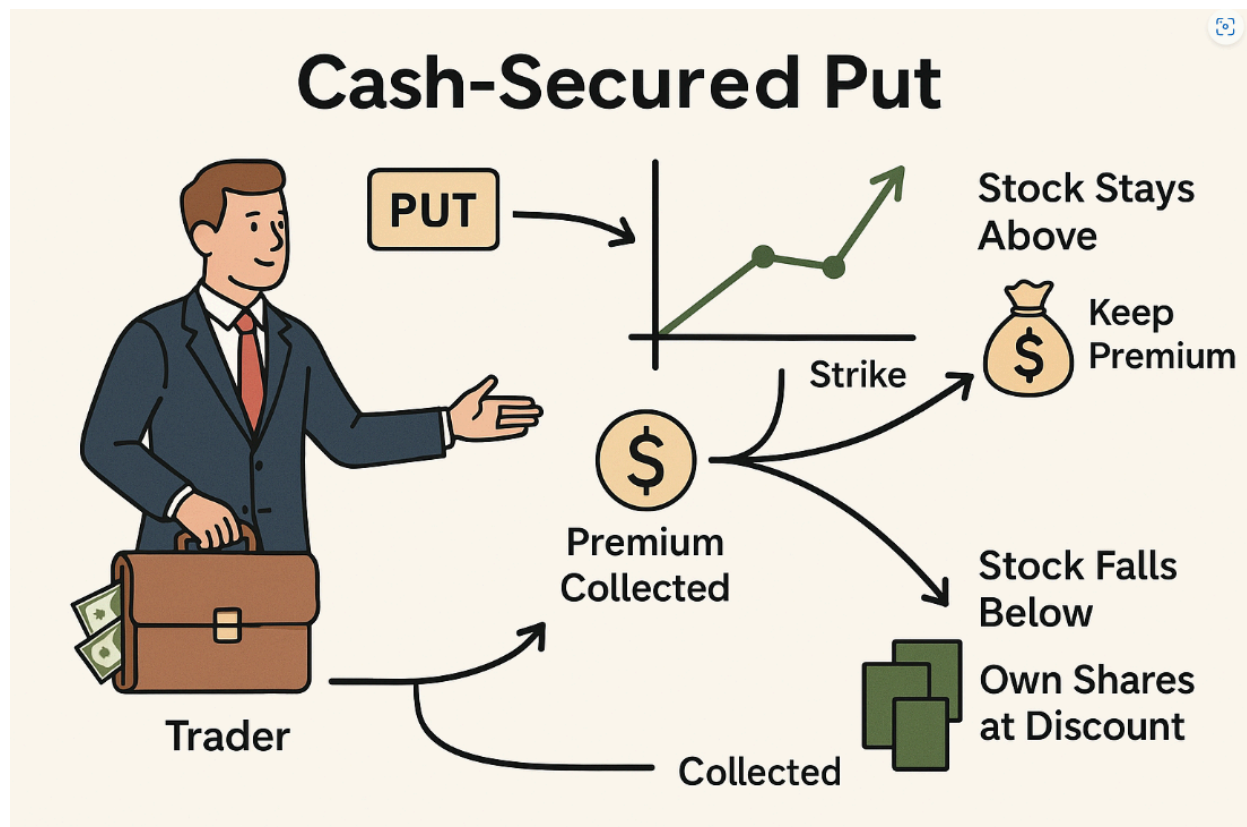
This is the first income lever of the Freedom Income Engine, ideal for traders looking to create steady weekly income while building long-term equity positions.

✓ What is a Cash-Secured Put?

A **cash-secured put** is an options strategy where you sell a put option on a stock you want to own, while holding enough cash in your account to buy 100 shares per contract **if assigned**.

This generates upfront income while giving you the chance to buy **quality stocks at a discount**.

This strategy is the **first income lever** of the **Freedom Income Engine**, ideal for **Traders** looking to create **steady weekly income** while building long-term equity positions.

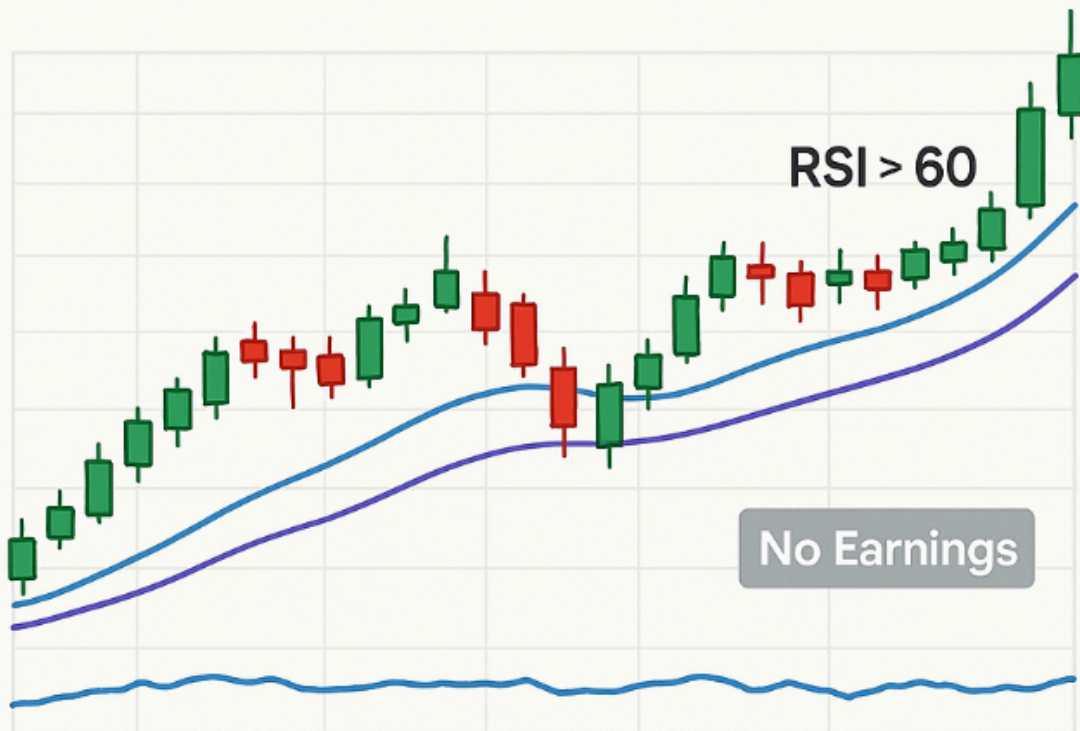


⚙️ **How It Works** ✓ Step 1: Target High-Quality Stocks with Predictable Behavior

- Large-cap or mid-cap names with strong fundamentals and high institutional support
- Use **trend confirmation**: price above 20 & 50 EMA, RSI > 60
- Avoid earnings within 10 days
- Ideal tickers: AAPL, MSFT, JNJ, V, QCOM, MCD, SCHD, DIA



Coca-Cola



Target High-Quality Stocks

✓ Step 2: Sell a Put Option with Smart Trade Filters

- **Strike Price:** Below technical support zone (e.g., swing low, moving average)
- **Delta Target:** 15–30 delta for high win rate (POP 70–85%)
- **DTE (Days to Expiration):**

- **Short-term (7–14 DTE):** For income rotation
- **Medium-term (30–45 DTE):** For compounding and safer assignment

Note:

This is different for each
type of trader

Velocity Trader

Momentum Trader

Freedom Trader

- **IV/IV Rank Filter:**

- $IV > 25\%$
- $IV \text{ Rank} > 30\%$ = premiums are elevated = best time to sell

- ✓ **Step 3: Collect the Premium**

- Premium = Immediate income (cash in hand)
- Higher premium = more protection = better cost basis
- Annualized ROI target = 60–100%+ if you rotate every 30–45 days

- ✓ **Step 4: Two Outcomes – Both Profitable**

- 1. Stock Remains Above Strike**

- Put expires worthless
- You keep 100% of the premium
- ROI typically 1–3% in 2–4 weeks
- **Repeat** with same or new ticker

2. Stock Falls Below Strike

- You are assigned 100 shares
 - Your effective purchase price = Strike – Premium
 - Begin **covered call rotation** to generate income on the shares
-

Advanced Tactics for Skilled Traders

Understanding POP (Probability of Profit)

POP stands for **Probability of Profit**.

It estimates how likely your trade is to be profitable at expiration.

- A higher POP (typically 70–85%) means a greater chance that the option will expire worthless — exactly what you want when selling a put.
- For example, if you sell a put with an 80% POP, there's an 80% probability the stock will stay above your strike price, and you'll keep the full premium.

Why POP Matters:

- ✓ Helps you gauge risk vs. reward
- ✓ Aligns with our high win-rate strategy
- ✓ Combines well with delta to filter quality setups

Rolling Before Assignment

- If price approaches strike and delta exceeds 30, **roll out and down** to a later expiration to keep the trade alive

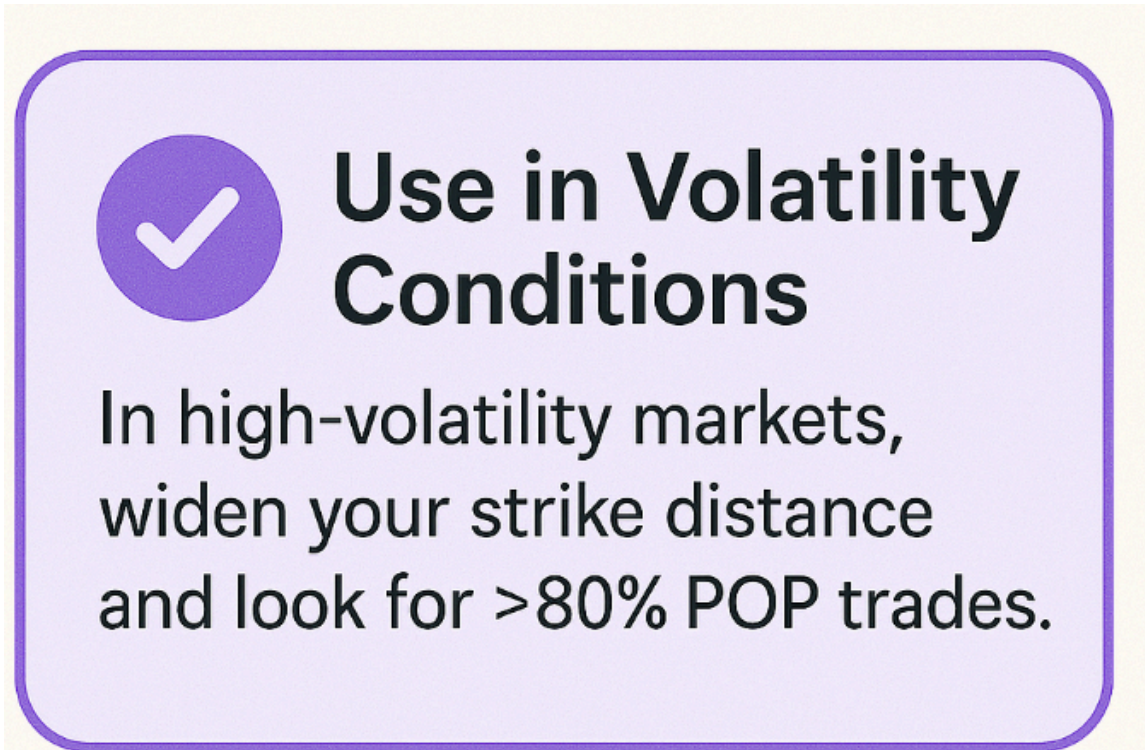
- Maintain high POP and manage capital

Stacking Premiums

- Use multiple puts on **uncorrelated stocks or ETFs**
- Example: 2 contracts on MSFT, 2 on UNH, 1 on SPY
- Keep total exposure under **50% of total cash**

Use in Volatile Conditions

- In high-volatility markets, widen your strike distance and look for **>80% POP trades**



 **Use in Volatility Conditions**

In high-volatility markets, widen your strike distance and look for **>80% POP trades.**

- Focus on **stable dividend-paying stocks** for safer ownership

Example: Stacked Cash-Secured Put Rotation

Below are three real-world examples that demonstrate how to apply the cash-secured put strategy across different outcomes: profit-taking, assignment, and reentry.

Trade #1 – COR (Cencora, Inc.) – Current Open Trade



- **Entry Price: \$274.73**
- **Strike: \$260**
- **DTE: 9 Days**
- **Premium Collected: \$1.95**
- **Capital Required: \$26,000**
- **Outcome:** Trade still open; RSI approaching 60 with price pulling back near 20 EMA. Waiting for either 50% premium target or possible roll.

Calls														Puts																
BD	Thu	Apr 17	Last	Net chg	Volume	OI	IV	Delta	Theta	Gamma	Vega	Rho	Bid	Ask	Strike ↑	Bid	Ask	Last	Net chg	Volume	OI	IV	Delta	Theta	Gamma	Vega	Rho			
			\$82.10	-\$0.45	10	90.74%	0.9978	-0.0151	0.0002	0.0030	0.0455		\$80.20	\$81.60	\$185	\$0.00	\$2.15	\$0.00	-\$0.00	0	74.80%	-0.0003	-0.0020	0.0000	0.0005	-0.0000				
			-\$0.00	-\$0.00	0	90.74%	0.9961	-0.0253	0.0003	0.0000	0.0465		\$81.30	\$84.80	\$180	\$0.00	\$1.35	-\$0.00	-\$0.00	0	74.80%	-0.0007	-0.0043	0.0001	0.0010	-0.0000				
			\$82.30	-\$0.05	10	90.74%	0.9934	-0.0403	0.0005	0.0080	0.0476		\$79.45	\$81.60	\$185	\$0.00	\$0.85	-\$0.00	-\$0.00	0	74.80%	-0.0015	-0.0085	0.0001	0.0020	-0.0001				
			-\$0.10	-\$0.10	0	90.74%	0.9893	-0.0617	0.0007	0.0122	0.0488		\$77.30	\$78.70	\$200	\$0.00	\$0.75	-\$0.00	-\$0.00	0	74.80%	-0.0029	-0.0138	0.0003	0.0038	-0.0002				
			\$80.80	-\$0.20	10	90.74%	0.9748	-0.1278	0.0015	0.0254	0.0500		\$81.50	\$84.80	\$210	\$0.00	\$2.15	\$0.73	\$0.00	1	74.80%	-0.0095	-0.0456	0.0008	0.0110	-0.0007				
			\$58.39	-\$0.30	10	90.74%	0.9485	-0.2259	0.0027	0.0456	0.0505		\$53.50	\$55.90	\$230	\$0.00	\$2.80	\$0.30	\$0.00	7	74.80%	-0.0258	-0.1067	0.0018	0.0257	-0.0018				
			\$48.40	-\$0.35	2	79.50%	0.9314	-0.2518	0.0019	0.0571	0.0518		\$43.70	\$47.10	\$230	\$0.00	\$0.75	\$0.35	-\$0.57	27	63.30%	-0.0332	-0.1122	0.0027	0.0318	-0.0023				
			\$48.95	-\$0.20	8	68.28%	0.9058	-0.2751	0.0057	0.0728	0.0524		\$34.00	\$37.60	\$240	\$0.10	\$1.30	\$0.78	-\$0.10	997	1,028	58.06%	-0.0633	-0.1727	0.0050	0.0538	-0.0045			
			\$24.76	-\$0.80	1	66	58.63%	0.8578	-0.3158	0.0089	0.0970	0.0515		\$24.50	\$27.70	\$250	\$0.00	\$3.30	\$0.85	-\$0.27	7	482	58.31%	-0.1410	-0.3123	0.0089	0.0665	-0.0100		
			\$18.93	-\$0.75	1	242	52.74%	0.7802	-0.3920	0.0137	0.1341	0.0470		\$16.10	\$18.30	\$260	\$1.95	\$4.70	\$3.02	-\$0.63	4	572	52.25%	-0.2380	-0.3872	0.0157	0.1330	-0.0169		
			\$11.50	-\$0.50	7	630	44.81%	0.6110	-0.4115	0.0198	0.1654	0.0389		\$9.20	\$11.90	\$270	\$3.30	\$4.90	\$5.50	-\$1.00	60	536	42.71%	-0.3850	-0.3910	0.0207	0.1048	-0.0274		
															\$274.73															
			\$5.53	-\$2.12	60	375	39.45%	0.3914	-0.3629	0.0226	0.1607	0.0254		\$7.05	\$8.30	\$280	\$7.30	\$11.40	\$9.85	-\$0.05	2,007	2,018	38.58%	-0.8116	-0.3541	0.0230	0.1653	-0.0438		
			\$1.35	-\$0.85	75	390	36.07%	0.1770	-0.2243	0.0187	0.1120	0.0116		\$5.65	\$7.35	\$290	\$15.10	\$18.90	\$23.00	-\$0.10	27	32.23%	-0.8517	-0.1787	0.0166	0.0988	-0.0017			
			\$0.35	-\$0.28	43	261	44.83%	0.1122	-0.2048	0.0089	0.0823	0.0073		\$0.05	\$1.70	\$300	\$13.90	\$17.10	\$11.00	\$0.00	2	30.66%	-0.9043	-0.0576	0.0059	0.0338	-0.0716			
			\$0.19	-\$0.22	2	92.60%	0.9777	-0.1831	0.0064	0.0627	0.0051		\$0.05	\$2.15	\$310	\$34.00	\$38.90	-\$0.45	-\$0.20	0	39.76%	-0.9715	-0.0621	0.0038	0.0281	-0.0746				
			\$0.14	\$0.00	2	7	97.82%	0.9011	-0.1453	0.0042	0.0482	0.0033		\$0.00	\$1.35	\$320	\$13.70	\$16.90	\$42.00	-\$0.35	0	48.25%	-0.9759	-0.0850	0.0027	0.0245	-0.0773			
			\$0.05	\$0.00	1	60.38%	0.9297	-0.0975	0.0026	0.0291	0.0019		\$0.00	\$2.15	\$330	\$13.70	\$17.10	-\$0.40	-\$0.40	0	56.24%	-0.9789	-0.0863	0.0021	0.0219	-0.0800				
			-\$0.00	-\$0.00	0	60.38%	0.9139	-0.0512	0.0014	0.0153	0.0009		\$0.00	\$2.15	\$340	\$13.70	\$17.10	-\$0.20	-\$0.20	0	56.24%	-0.9911	-0.0325	0.0010	0.0104	-0.0832				
			\$0.15	\$0.00	1	60.38%	0.9061	-0.0249	0.0007	0.0074	0.0004		\$0.00	\$0.30	\$350	\$13.70	\$17.10	-\$0.45	-\$0.45	0	56.24%	-0.9965	-0.0141	0.0004	0.0045	-0.0861				
			-\$0.00	-\$0.00	0	60.38%	0.9025	-0.0113	0.0003	0.0034	0.0002		\$0.00	\$0.65	\$360	\$13.70	\$17.10	-\$0.45	-\$0.45	0	56.24%	-0.9987	-0.0057	0.0002	0.0018	-0.0887				

Trade #2 – NVDA (NVIDIA) – *Perfect Rebound Setup*



- **Initial Entry:** \$110 September 30, on a bounce from 20 EMA and support
- **Strike:** \$100
- **Premium Collected:** \$2.00
- **Capital Required:** \$10,000
- **Outcome:** Closed early at 50% profit mid-week, then re-entered on Wednesday with a new put
- **Second Trade Premium:** \$2.10 (fully collected)
- **Net Outcome:** Over 3% income generated in 1 week using back-to-back CSP entries

Trade #3 – KO (Coca-Cola) – *Assignment Scenario*



- **Entry Price:** \$68.42
- **Strike:** \$65 (below strike)
- **Premium Collected:** \$1.00
- **Capital Required:** \$7,000
- **Outcome:** Assigned 100 shares; now using covered call strategy to reduce cost basis and generate ongoing income.

 **More Examples: Stacked Cash-Secured Put Rotation**

Ticker	Price	Strike	DTE	Premium	Capital Required	POP	Outcome
AAPL	\$175	\$160	30	\$2.20	\$16,000	78%	Expired worthless – kept \$220
JNJ	\$155	\$145	45	\$1.90	\$14,500	80%	Assigned – began covered call rotation

QCOM	\$140	\$130	20	\$1.60	\$13,000	73%	Rolled forward to manage risk
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 **Weekly CSP Workflow**

Day	Action
Monday	Scan for IV Rank > 30, RSI > 60 setups and Enter Cash Secured Put at 30 or lower delta
Tuesday	Roll or adjust if needed
Wednesday	Roll or adjust if needed
Thursday	Roll or adjust if needed
Friday	Roll or adjust if needed

 **Benefits of Advanced Cash Secured Put Strategy**

- ✓ Generates **predictable weekly/monthly income**
- ✓ Lowers risk through **premium cushion + stock discount**

- ✓ Builds long-term wealth by **owning strong stocks at a discount**
- ✓ Pairs perfectly with **covered calls** to create a **2-leg income machine**

🌟 **Vision: What This Strategy Can Unlock for Your Life**

This isn't just about collecting a few hundred dollars a week—this is about unlocking real freedom.

Every cash-secured put you place is a step toward replacing your paycheck.

Imagine waking up on Monday knowing you've already secured income for the week.

Picture yourself spending more time with your family, pursuing passion projects, or traveling without worrying about PTO.

With consistency and focus, this strategy can shift your life from dependence to independence. This is your path to time freedom, peace of mind, and true ownership of your financial future.