

OIC The Options Industry Council

www.OptionsEducation.org • 1-888-OPTIONS

ONE NORTH WACKER DRIVE, SUITE 500, CHICAGO, IL 60606
888.678.4667 • WWW.OPTIONSEDCATION.ORG

Q Describe your organization, its offerings and its mission.

The Options Industry Council (OIC) was created in 1992 as an industry cooperative to increase the understanding and responsible use of exchange-listed options among retail investors, their financial advisors and institutional investors. OIC offerings include live seminars, a comprehensive website with trading tools and online classes, newsletters and brochures and a free Help Desk staffed by options professionals. Today, its sponsors include the U.S. Options Exchanges and OCC (The Options Clearing Corporation).

Q How is OIC educating the advisor community about options?

While financial advisors have always been a target audience for OIC, in 2009 OIC expanded its efforts to serve the educational needs of advisors with the addition of a Director of Financial Advisor Education and the launch of a dedicated advisor web portal, OIC Advisor. Behind a secure login at www.OptionsEducation.org/advisor are trading tools, best practices, client strategies, legislative updates, market research and an options refresher course - all designed for advisors to help clients achieve their investment goals through the use of options. OIC also presents options education at financial advisor conferences as well as in branch offices. In addition, OIC partnered with Rutgers University to create an accredited CE options program.

Q Why might advisors use options?

An options strategy can be built on a client's existing portfolio and can provide the portfolio customization that many wealthy clients seek. Furthermore, options strategies can help optimize a client's portfolio by potentially generating income and/or reducing market risk. Finally, an advisor who includes options strategies in proposals to his clients differentiates

his service as offering greater value through expanded asset allocation possibilities. A recent study conducted by Bellomy Research found that advisors who use options have larger books of business than those who do not.

Q What are some options strategies that would be useful for advisors?

Depending on a client's investing goals, options can add value to portfolios in several different ways. Income can be generated for clients on an existing portfolio by writing covered calls—selling an option on stock they currently own. Additionally, locking in a client's profits on stock he owns for a specific period of time can be done by purchasing put options. By simultaneously selling covered calls and purchasing puts, a "collar" is formed around the stock to protect its price when an advisor is looking to shield a large position from the market's ups and downs. Lastly, portfolio diversification can be achieved by purchasing either short or long-term calls on specific stocks, giving the right to buy the stock at a later date at a specific price. This is less expensive than buying the stock outright and may leave the portfolio better positioned to respond to market changes.

AT A GLANCE

Firm name: The Options Industry Council (OIC)
Employees: Eric Cott, Director of Financial Advisor Education
Location: Chicago, IL
Years in business: 19