

Giga Certainty

Prime Path

Member Handbook

Risk Disclosure (Please Read Carefully)

Prime Path presents snapshots of stock + options structures built under specific market conditions, based on information available at the time.

Its purpose is to help you understand a **risk–reward exchange framework**, not to tell you “where the market will go next.”

In real markets, prices, volatility, liquidity, and non-price events may all deviate from historical experience or common assumptions.

Therefore:

- Any structure may evolve in ways that differ from your expectations
- Any trade may result in a profit or a loss
- Whether to execute, how to execute, and when to execute are decisions that **only you** can make — and for which **only you** are responsible

If you cannot accept uncertainty, or cannot take responsibility for your own trading outcomes, Prime Path is not suitable for you.

Disclaimer

Giga Certainty is **not** a financial advisor.

All content provided is for **investment education and informational purposes only** and does not constitute investment advice or financial recommendations of any kind.

Financial markets are uncertain. Past performance does not guarantee future results. Any trade may result in gains or losses.

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Preface: Read This First (Very Important)

Welcome to Prime Path.

Before you start reading this handbook, there are a few things that are extremely important. They determine:

- Whether Prime Path is truly suitable for you
- Whether you will be able to use it correctly

1. What We Provide

Prime Path offers a **structured stock / ETF investment approach**:

- Based on stocks or ETFs you already like
- Using an integrated “stock + options” structure ^{1 2}
- Locking in the worst-case outcome in advance
- While retaining reasonable upside potential

Each Prime Path is simply:

A **snapshot of execution details** for a structured investment at a specific moment in time.

It tells you:

If you were to establish this structure at that moment, using the listed execution details, what the **best outcome**, **worst outcome**, and **breakeven level** would be at option expiration.

¹ For options and related concepts, please refer to the “Appendix: Essential Basic Knowledge (Glossary)” as needed while reading the main text.

² We have also prepared two videos to help users get familiar with the broker platform and interface (using Interactive Brokers as an example). Please visit:

Best Practice 1 Configure Mosaic

<https://gigacertainty.yoursuccessreport.com/prime-path-member-resources#section-5c87c4f46b7b>

Best Practice 2 Configure Option Trader

<https://gigacertainty.yoursuccessreport.com/prime-path-member-resources#section-cfd44102cd75>

That's all you need to understand.

2. What We Do NOT Provide

Prime Path is:

- Not a buy/sell recommendation
- Not a copy-trading signal
- Not a return guarantee
- Not portfolio management
- Not guidance on “whether now is the right time”

Whether to execute, when to execute, whether to exit early, and how to handle expiration are decisions you must make — and be responsible for — yourself.

3. Who Prime Path May Be Suitable For

Prime Path may be suitable for you if most of the following apply:

- You already have stocks or ETFs you want to hold long term
 - You are concerned about large drawdowns
 - You don't want outcomes to depend entirely on “betting the direction”
 - You care more about:
 - Whether the worst-case is controllable
 - Whether the approach is repeatable over time
 - Whether investing can be more mentally manageable
-

4. Who It May NOT Be Suitable For

If you care more about:

- Chasing short-term windfall gains
- Being unwilling to “give up some upside” in exchange for “locking in maximum loss”
- Needing someone else to make decisions for you
- Viewing missing a big rally as the ultimate failure

Then this tool is likely not for you.

Prime Path makes a conscious choice:

To give up low-probability “lottery wins”
in exchange for sustainable, long-term wealth growth.

5. You Only Need to Learn Three Things

You do **not** need to become an options expert.

You only need to learn how to:

1. Read the key numbers in a Prime Path listing
2. Perform a basic self-check before execution
3. Understand the real risks and psychological challenges during holding

If you can do these three things, you can use Prime Path safely.

Remember this one sentence:

Prime Path is not about predicting the future.

It is about drawing a **clear, risk-controlled path** through an uncertain future.

Next, we’ll walk you through it step by step — in the simplest way possible.

Part 1: Understanding Prime Path — Just These Core Concepts

1-1. Basic Stock-Level Understanding

Before learning Prime Path, you only need to accept a few very ordinary stock market truths — the same logic you already use when buying and selling stocks.

① **Stock prices go up — and down**

There is no method that guarantees a stock will only rise.

All investment tools, at their core, are about finding more stable ways to participate **under uncertainty**.

② **There are only three outcomes when buying a stock**

- Price goes up → you make money
- Price goes down → you lose money
- Price stays roughly flat → you may gain a little or lose a little

Prime Path does not try to change these rules.

It tries to help you **see the boundaries** of profit and loss in advance.

③ **Risk is not only about being wrong on direction**

What hurts most is often not being wrong — but:

- Not knowing how far losses could go
- Feeling mentally unsettled while holding

- Wanting to exit at every market fluctuation

Prime Path starts by answering the most important questions **before** the trade begins:

- What is the maximum possible gain?
- What is the maximum possible loss?
- Around what price do I break even?

④ **You are still making a stock investment**

Prime Path is not a “high-difficulty game.”

At its core, it is still an investment in a stock or ETF you like — just designed with a clearer structure, so outcomes are not completely driven by market emotion.

1-2. The Intuitive Logic of Prime Path (No Options Jargon)

You can think of Prime Path as:

Adding **insurance** for a stock or ETF investment in advance.

This “insurance” does not predict the market.

It defines the range of outcomes **before** you start.

① **Buying stock alone is like driving without guardrails**

If you buy a stock outright:

- You don't know how high it might go
- You don't know how far it might fall
- You don't know how rough the ride will be

It's like driving on a mountain road without guardrails — you may be heading in the right direction, but never fully at ease.

② **Prime Path is like driving with guardrails**

The idea is simple:

- Invest in a stock or ETF you like
- Add a set of option-based rules for payoff and protection
- Start the journey with guardrails already in place

From the beginning, you know:

- Where profits roughly cap out
- Where losses are contained
- Which price range is relatively stable

Markets are still unpredictable —
but the **boundaries** become much clearer.

③ The goal is not excitement, but control

Prime Path is not designed to:

- Chase overnight riches
- Maximize upside at all costs
- Gamble against the market

It is designed to:

Trade away some uncertain upside
in exchange for locking maximum risk within an acceptable range.

This appeals to investors who:

- Want market participation without emotional whiplash
- Prefer sleeping well over squeezing every dollar
- Treat investing as a long-term process, not a bet

④ One-sentence definition

Prime Path is a way to invest in stocks or ETFs you believe in,
after first drawing clear profit and loss boundaries.

That's all you need to understand.

1-3. The Only Lines of Data You Really Need to Read

Prime Path groups popular stocks and ETFs into different sectors³.

Each section provides a table of execution details called a **Prime Path Live Snapshot**.

For most investors, **only one or several rows truly matter**.

Let's use an example from the "USA Most Active" sector.

Most Active	Structure Specifications										Performance at Expiration					
	Publish Date	Duration	Stock (100 shares)		Short Call (1 contract)		Long Put (1 contract)		Spread Cost	Max Profit		Breakeven		Max Loss		Max RoR
			Symbol	Price (PX)	Expiration	Strike	Expiration	Strike		Stock PX	P/L	Stock PX	P/L	Stock PX	P/L	
	2026/1/14 3:55	1 Mo	NVDA	185.81	February 20, 2026	190	February 20, 2026	185	0.88	190.00	1.78%	186.69	0	185.00	-0.91%	1.97
	2026/1/14 3:55	1 Qtr	NVDA	185.81	April 17, 2026	190	April 17, 2026	185	-0.25	190.00	2.39%	185.56	0	185.00	-0.30%	7.93
	2026/1/14 3:55	2 Qtrs	NVDA	185.81	July 17, 2026	195	July 17, 2026	185	0.10	195.00	4.89%	185.91	0	185.00	-0.49%	9.99
	2026/1/14 3:55	3 Qtrs	NVDA	185.81	September 18, 2026	200	September 18, 2026	185	0.83	200.00	7.19%	186.64	0	185.00	-0.88%	8.17
	2026/1/14 3:55	1 Yr	NVDA	185.81	December 18, 2026	205	December 18, 2026	184	0.58	205.00	10.02%	186.39	0	184.00	-1.28%	7.81
	2026/1/14 3:55	1.5 Yrs	NVDA	185.81	June 17, 2027	210	June 17, 2027	185	-0.55	210.00	13.31%	185.26	0	185.00	-0.14%	95.15
	2026/1/14 3:55	2 Yrs	NVDA	185.81	December 17, 2027	220	December 17, 2027	185	-0.45	220.00	18.64%	185.36	0	185.00	-0.19%	96.22
	2026/1/14 3:55	1 Mo	INTC	47.29	February 20, 2026	48	February 20, 2026	47	-0.03	48.00	1.55%	47.27	0	47.00	-0.56%	2.77
	2026/1/14 3:55	1 Qtr	INTC	47.29	April 17, 2026	49	April 17, 2026	47	0.08	49.00	3.46%	47.37	0	47.00	-0.77%	4.48
	2026/1/14 3:55	2 Qtrs	INTC	47.29	June 18, 2026	50	June 18, 2026	47	0.10	50.00	5.52%	47.39	0	47.00	-0.82%	6.69
	2026/1/14 3:55	3 Qtrs	INTC	47.29	September 18, 2026	52.5	September 18, 2026	47	0.43	52.50	10.12%	47.72	0	47.00	-1.51%	6.69
	2026/1/14 3:55	1 Yr	INTC	47.29	December 18, 2026	52.5	December 18, 2026	47	-0.13	52.50	11.28%	47.17	0	47.00	-0.35%	32.33
	2026/1/14 3:55	1.5 Yrs	INTC	47.29	June 17, 2027	0	June 17, 2027	0	#VALUE!	0.00	#VALUE!	#VALUE!	0	0.00	#VALUE!	#VALUE!
	2026/1/14 3:55	2 Yrs	INTC	47.29	December 17, 2027	55	December 17, 2027	47	-0.57	55.00	17.52%	46.72	0	47.00	0.60%	29.07

Suppose you are medium- to long-term bullish on Nvidia (NVDA).

You might focus on the fourth row in the table.

That row tells you:

If, at the time the Live Snapshot was published (Jan 14, 2026),

you bought NVDA shares and established the listed option structure^{4 5},

then at option expiration (about 8 months later), outcomes would fall within three predictable ranges:

- **NVDA ≥ \$200 (upper boundary):** Max Profit of **7.19%**

³ For example: Crypto and Metal, USA Most Active, ex-USA etc.

⁴ For the basic steps of options trading (using Interactive Brokers as an example), please visit this video: *Basic Steps to Place an Options Order*

<https://gigacertainty.yoursuccessreport.com/prime-path-member-resources#section-581cfd85cc5>

⁵ For how to build a Prime Path structure (using Interactive Brokers as an example), please visit this video: *How to Build a Prime Path Position in a Broker Platform*

<https://gigacertainty.yoursuccessreport.com/prime-path-member-resources#section-18067ca0395e>

- **NVDA \leq \$185 (lower boundary):** Max Loss of **-0.88%**
- **\$185 < NVDA < \$200:** Result falls between Max Loss and Max Profit
 - At \$186.64 \rightarrow Breakeven

The row also shows **Max RoR = 8.17**, meaning:

At the time of publication, each \$1 of maximum risk corresponded to about \$8.17 of maximum potential return.

This metric is used for **position sizing**, not market prediction.

If you execute at the time of publication, what should you actually do?

Using this trade as an example, executing at the moment the list is published roughly corresponds to the following:

1. At the prevailing market price at that time (for example, \$185.81),
buy 100 shares of NVDA stock
(the minimum trading unit for options is one contract, which corresponds to 100 shares of stock).
2. At the same time, using the option prices shown in the list,
establish one options combination (must be opened simultaneously), namely:
 - Sell (Short) NVDA Sep 18, 2026 200 Call
 - Buy (Long) NVDA Sep 18, 2026 185 Put

In this example, the cost of the options combination (Spread Cost) is **\$0.83 per share**, which means you need to pay a total of **\$83** for this set of options.

Please note:

- Sometimes you will see a **negative Spread Cost**
 \rightarrow This means you **receive cash** when opening the options combination.
- If at expiration the price of the stock / ETF is between the upper and lower boundaries,
 \rightarrow This cash directly becomes your actual profit
(independent of the price movement of the stock itself)

In Prime Path, most options combinations are structured either with a **negative cost (cash received at entry)**, or **close to zero cost**, or with a **slightly positive cost (a small cash payment at entry)**.

What we focus on is not whether a single metric “looks the best,” but whether the overall structure is **in an acceptable and repeatable state of balance**—including Max Profit, Max Loss, Max RoR, option entry cost, and market liquidity.

In the Live Snapshot, when certain Prime Path entries appear relatively well balanced across these dimensions, we **highlight** those rows as an additional visual cue, but this does not constitute any priority or recommendation.

Therefore, each row of data in Prime Path essentially answers four questions:

1. **What is the best possible profit?**
2. **What is the worst possible loss?**
3. At what price does it start to incur real losses?
4. Roughly where does the **risk–reward profile** of this structure sit?

You do not need to understand complex formulas, nor do you need to study option pricing models.

You only need to understand it the way you would read an “investment prospectus”:

- This is the “upper limit” of the investment.
- This is its “lower limit.”
- In between is a foreseeable range, a range constrained by the structure.

It's like buying travel insurance: you don't study the insurer's actuarial models, you only care about—the payout cap, the deductible, and the coverage.

Each row in Prime Path plays exactly this role.

An intuitive way to understand it

You can think of each row of data as saying:

“If you participated in this stock investment at that point in time, using that structure, the best case, typical case, and worst case would roughly look like this.”

It is not a prediction,

but a way of **framing an uncertain future into a range that can be understood.**

So what you need to do is not to become an “options expert,”

but to ask yourself, like a rational investor:

- Can I accept this ‘worst-case’ outcome?
- Is this ‘best-case’ outcome worth my participation?
- Does this range align with my view on this stock?

If the answer is “yes,” then consider executing.

If the answer is “hesitant,” then skip this row.

That is the entire logic behind using Prime Path.

Part 2: From Seeing the Structure to Making a Personal Decision

2-1. Three Checks Before Execution

Each row in Prime Path is like an “already written investment prospectus.”
But before actually executing, you still need to go through **three simple checks**.

Step 1: Look at the “worst case,” not how much you could make

Many people, when looking at an investment, instinctively ask first:
“How much can I make at best?”

But when using Prime Path, the first question you should ask is:

“How much could I lose at worst? Can I accept that?”

If the number in the Max Loss column makes you uncomfortable or keeps you up at night, then no matter how attractive the Max Profit looks, this row is **not for you**.

This is the most important filtering step.

Step 2: Confirm that you already like this stock / ETF

It is a tool that **helps you frame outcomes, assuming you are already willing to hold a certain asset**.

So you should ask yourself:

- Would I already be willing to buy this stock / ETF?
- Am I comfortable allocating capital to it for a period of time?

If the answer is no,
then no matter how nice the structure looks, you should not execute it.

Step 3: You must execute it as a whole — do not split it

This point is absolutely critical:

Prime Path shows a **complete structure**.

The stock / ETF and the options combination must be established together **as one whole**.

You **cannot** do only part of it, for example:

- Buy the stock only, without protection
- Trade only the options, without the stock
- Do half now and the other half later

Once you split the execution, what you are facing is no longer the “bounded outcome” shown in Prime Path, but a **completely different investment with uncontrolled risk**.

You can think of it this way:

Prime Path gives you a “finished solution,” not a list of parts.

It's like buying a car with airbags— if you remove the airbags and then drive it, it is no longer the original safety design.

A simple self-check list

Before clicking the execute button, just quickly go through this:

1. I can accept the worst-case loss
2. I already like this stock / ETF
3. I will execute the structure as a whole

Only when all three are checked is this row truly suitable for you.

2-2. Real-time Market Price Check Before Placing Orders

Why add this extra step?

Prime Path Live Snapshot is calculated at a **fixed release time** based on market prices at that moment.

But the market is constantly changing—

- Stock prices change
- Option prices change
- The moment you actually place the order is often no longer “the moment of release”

That’s why we provide a small tool called **Prime Path Self Checker**⁶, which helps you: before execution, quickly re-verify using “real-time prices”: whether this structure still looks close to what you saw in Prime Path.

It is not meant to redesign the structure, but to act as a reference mirror.



You only need to enter four numbers

The image on the left shows the Self Checker interface. You don't need to understand complex logic, just enter:

1. The current **stock / ETF price**
2. The **strike price** (number in Live Snapshot) of the Short Call
3. The **strike price** (number in Live Snapshot) of the Long Put
4. The actual cost of the Short Call + Long Put (**Spread Cost**)

⁶ Prime Path Self Checker is available via Google Sheets (mobile access requires the app). Please contact team_gc@yoursuccessreport.com using your registered Gmail (for free membership) to receive your personal access link. After the trial period, it is available to paid members only.

After entering these, you only need to look at the **four** automatically calculated **expiration metrics**:

- Max Profit
- Breakeven
- Max Loss
- Max RoR

And see whether these results are roughly close to what you saw in Live Snapshot, or whether they have deviated too much.

What does “deviated too much” mean?

You don't need precision down to decimals here.

A simple intuitive check is:

- If Max Loss is clearly **larger than before**
- Or the Breakeven level has **shifted noticeably**
- Or the reward-risk ratio (Max RoR) has dropped to a level that makes you hesitate

Then it means:

the market has already deviated significantly from the “snapshot at release.”

At this point, remember one very important idea:

Prime Path is **regenerated every week**.

Skipping this row does not mean missing an opportunity — it just means waiting for a snapshot that better matches current market conditions.

You can absolutely choose to:

- Skip the current row
- Wait for the next published updated structure
- Or decide only when the boundaries truly make you comfortable

**The purpose of Self Checker is not to push you to execute,
but to help you execute only when things have not drifted too far from reality.**

Remember its role

Prime Path tells you:

“At the moment of release, this is what the structure looked like.”

Self Checker helps you confirm:

“At this moment, is it still roughly the same?”

By combining these two steps,

you are using the simplest possible way to protect the profit-and-loss boundaries and range of this investment.

2-3. What Happens at Expiration — The Real Meaning of the Three Outcomes

Each row in Live Snapshot is actually telling you one thing in advance: once you execute a Prime Path structure as a whole, no matter how the market fluctuates during the period, on option expiration day your investment will end up in only one of three outcomes.

Not vague “it might go up or down,”
but **three outcomes with clear boundaries**.

First: Best Case (Max Profit)

If at expiration the stock / ETF price is at or above the “upper boundary,” your profit will be capped at the Max Profit shown in Live Snapshot.

This is not a “the more it rises, the better” model,
but rather:

- You give up low-probability extreme upside
- In exchange for locking in the worst-case outcome in advance

You can think of it as:
accepting a “good outcome with a ceiling,”
while also having a “safety net.”

Second: Worst Case (Max Loss)

If at expiration the stock / ETF price falls to or below the lower boundary, your loss will stop at the Max Loss shown in Live Snapshot.

This is the core meaning of the entire structure:
how bad the worst case can be
is something you already know before executing.

Many investments are painful
not because of losses themselves,
but because you don't know how bad they can get.

This structure turns “unknown fear” into “known boundaries.”

Third: Landing “Between the Upper and Lower Boundaries”

A more common situation is:
at expiration, the stock / ETF price
falls between the upper and lower boundaries.

In this case:
your actual profit or loss
will fall somewhere between Max Loss and Max Profit,
naturally depending on where the stock / ETF price ends up.

Intuitively:

- The closer to the upper boundary → the closer the result is to Max Profit
- The closer to the lower boundary → the closer the result is to Max Loss
- Somewhere in the middle → it could be
 - a small gain
 - a small loss
 - or close to breakeven

**Breakeven is just one point within this range,
not the only “middle outcome.”**

So the key is not guessing the exact price,
but knowing that:
wherever it lands within the range,
you already have a rough idea of the outcome in advance.

One-sentence summary of the three outcomes

What Prime Path does is actually very simple:
it turns an investment with a “completely uncertain ending”
into a path with an upper limit, a lower limit, and a foreseeable range.

- Upper side: you know how much you can make at best
- Lower side: you know how much you can lose at worst
- Middle: you know the result will naturally slide within this band

This is what it means to:
see the boundaries first, then participate.

2-4. At Expiration, What Do You Need to Do?

1 First case: Best Case (Max Profit)

In most cases: you don't need to do anything.

When at expiration the stock / ETF price is above the upper boundary, the broker will usually handle the entire structure automatically according to its rules:

- The relevant options are automatically settled
- You realize the expected **Max Profit**
- Neither the stock nor the options remain in your account

From your perspective, the result is:

on expiration day, you wake up and the investment has “ended naturally.”

No manual closing is required,
and no complex operations are needed.

2 Second case: Worst Case (Max Loss)

In most situations, you still do not need to take active action.

When at expiration the stock / ETF price is below the lower boundary, the broker will usually handle it automatically:

- The protection (Long Put) is automatically exercised
- The stock / ETF is sold at the Long Put strike price
- The Short Call expires worthless and has no impact on the structure
- The loss is limited to the **Max Loss**
- The structure naturally ends after expiration

For you, the key point is:
the worst outcome has already been locked in,
and it will not continue to worsen because you “forgot to act.”

Two things you should check in advance

Although “automatic exercise” is common, broker rules may differ slightly.
We recommend **confirming the following with your broker in advance:**

1) Whether in-the-money (ITM) Put options are automatically exercised at expiration

You can ask customer support directly:

“Will my broker automatically exercise an in-the-money put option at expiration, or do I need to submit an exercise request myself?”

If your broker **does not provide automatic exercise**,
you will need to submit the exercise instruction⁷ yourself at expiration.

2) Distinguish between “exercise” and “sell to close”

- Only when the Put is **exercised**
(whether automatically by the broker or manually by you)

will the stock / ETF be sold at the Put strike price. This step cleanly closes both the stock / ETF position and the Long Put position at the same time.
- If you simply **sell** the Put in the market **to close** it,
the broker will not automatically handle the stock / ETF you hold.

Regardless of the path, the outcome logic is the same

Whether it is:

⁷ We’ve prepared a tutorial video on how to exercise options. Please visit:
How to Close Part of A Position _ Exercise Option
<https://gigacertainty.yoursuccessreport.com/prime-path-member-resources#section-abf63b0831b5>

- automatic exercise by the broker
- or manual exercise by you

as long as the structure was **executed as a whole**,
the final result at expiration will be **close to the Max Loss shown in Live Snapshot**.

3 Third case: Landing “Between the Upper and Lower Boundaries”

This is a state where “the options are gone, but the stock remains.”

When at expiration the price is between the upper and lower boundaries:

- Short Call → automatically cleared by the broker, no longer affecting the structure
- Long Put → also automatically cleared, likewise no longer affecting the structure
- **But you still hold the stock / ETF**

At this point, your profit or loss
is essentially the **combined book result** of
“options finished + stock still open.”

The one step you actually need to take

Only when you **actively sell the stock / ETF**
is the entire structured trade truly completed.

- If you sell the stock / ETF at the market price at that time,
the overall P&L will be close to what Live Snapshot anticipated;
 - If you choose to continue holding the stock,
the trade transitions from a “structured trade” into a simple stock / ETF position.
-

The decision logic is actually very simple

You only need to consider one question:

“After expiration, do I still want to hold this stock / ETF position?”

- Want to keep holding → no action needed
- Don't want to hold → sell manually and complete the loop

Important conclusion

Unlike the first two cases:

when the result lands between the boundaries, you must personally complete the final step to truly realize the profit or loss implied by the structure.

This is not risk, but optionality—
you can treat it as an opportunity to reassess the stock.

Expiration Handling Quick Reference — What You Need to Do in the Three Scenarios

Price at Expiration	Options status	Stock/ETF status	What you need to do
At the upper boundary (Max Profit)	Short Call ITM is exercised; Long Put OTM expires	Stock / ETF is automatically sold	Usually no action required. The broker completes settlement automatically and you realize close to Max Profit
At the lower boundary (Max Loss)	Long Put ITM; Short Call OTM expires	Stock / ETF is sold at the Put strike price	Usually exercised and settled automatically by the broker; confirm in advance whether the Put is auto-exercised , and exercise manually if required
Between the boundaries	Both options are OTM → both expire	Stock / ETF remains in the account	You must decide whether to sell the stock ; only after selling is the overall P&L fully realized

Remember this in one sentence

- **Upper boundary: automatic ending, no action needed**
- **Lower boundary: mostly automatic, but confirm broker rules**
- **Inside the range: options end, stock decision is yours**

Part 3: The Real World During Holding

3-1. How to View Mid-Period Fluctuations

Unrealized P&L ≠ Final Outcome

During the holding period of a Prime Path, the “unrealized profit or loss” you see in your account each day **is not the true endpoint of this investment**.

Prime Path is an integrated structure composed of a stock / ETF plus two options:

- The stock price is moving
- Option values are changing
- Time is passing
- Volatility is also changing

All of these factors reprice the structure every day. Therefore:

the number you see is simply the price of “closing the entire structure immediately at that moment,”

not the result of “holding it to expiration as planned.”

As long as the market has not reached expiration, this number is bound to fluctuate back and forth.

The Impact of Market Sentiment on the Structure

The real market does not move in a straight line.

Sometimes the stock barely moves, yet your unrealized P&L swings noticeably; sometimes the stock moves in a favorable direction, but profits actually shrink; there may even be cases where the stock drops sharply while the overall structure shows an unrealized gain.

This is because:

- Option prices are influenced by **sentiment and volatility**
- Time value decays every day
- Bid–ask spreads can amplify short-term fluctuations
- Market expectations may be more aggressive than price movements themselves

So what you see during the holding period reflects more of:

“the market’s sentiment-based pricing at that moment,”
rather than “whether this strategy is failing.”

Why Ups and Downs Are Normal

Prime Path is not designed to look good every single day, but rather to:

- Have a clear profit boundary on the upside
- Have a defined protection mechanism on the downside
- Let results be mainly determined by the stock price at expiration

This means:

- You may lose first and then gain
- Or gain first and then give some back
- Or even look flat and uneventful for a long time

All of these are **normal paths of the structure**, not abnormal signals.

What truly matters is not daily P&L, but:

1. Whether the structure is still intact
2. Whether the key boundaries remain unbroken
3. Whether your position size is within what you can tolerate

As long as these three remain unchanged, volatility itself is not a problem.

A Real Example: The Stock Fell Sharply, but the Structure Did Not Necessarily Lose Money

Below are three Prime Path positions actually held by Giga Certainty, used to help you understand what “mid-period fluctuation” really means.

IBIT (Bitcoin ETF)

- Entry date: October 1, 2025
- Position structure: IBIT @ \$66.22 | Short Dec 17, 2027 70 Call | Long Dec 17, 2027 58 Put
- Prime Path metrics: Max Profit 17.64% · Max Loss -0.47% · Max RoR 37.86

ETHA (Ethereum ETF) — First Position

- Entry date: September 29, 2025
- Position structure: ETHA @ \$31.53 | Short Dec 17, 2027 37 Call | Long Dec 17, 2027 27 Put
- Prime Path metrics: Max Profit 30.32% · Max Loss -1.46% · Max RoR 20.74

ETHA (Ethereum ETF) — Second Position

- Entry date: October 1, 2025
- Position structure: ETHA @ \$32.51 | Short Dec 17, 2027 38 Call | Long Dec 17, 2027 29 Put
- Prime Path metrics: Max Profit 27.35% · Max Loss -0.40% · Max RoR 68.23

After entry, both IBIT and ETHA experienced significant declines.

Symbol Filter		Account No		All												
Symbol	Position	Quantity	Average Price	Last	Trade Size	Trade Exch	Bid	Bid Size	Ask	Ask Size	Open P/L (Acct)	Open P/L / Qty (Acct)	Open P/L %	Total Cost (Acct)	Market Value (Acct)	
1	BIT 271217P58	Long	1	11.98000	16.28	1	CBOE2	15.38	24	16.15	8	\$417.00	\$417.00	34.81%	\$1,198.00	\$1,615.00
2	BIT 271217C70	Short	-1	19.93000	11.55	2	MIAX	11.55	17	12.00	11	\$838.00	\$838.00	42.05%	\$1,993.00	(\$1,155.00)
3	IBIT	Long	100	66.25888	54.85	1,848	TRF	54.84	2,400	54.65	1,200	(\$1,220.91)	(\$12.21)	-18.43%	\$6,625.88	\$5,494.97
4	ETHA 271217P29	Long	1	8.67000	12.70	1	AMEX	10.85	1,114	11.40	90	\$273.00	\$273.00	31.49%	\$867.00	\$1,140.00
5	ETHA 271217P27	Long	1	7.83000	10.30	1	BOX	9.50	191	10.10	101	\$227.00	\$227.00	28.99%	\$783.00	\$1,010.00
6	ETHA 271217C38	Short	-1	11.97000	6.21	1	BATS	6.20	1,017	6.75	1,294	\$576.00	\$576.00	48.12%	\$1,197.00	(\$621.00)
7	ETHA 271217C37	Short	-1	11.83000	5.93	10	MIAX	6.25	360	6.95	984	\$558.00	\$558.00	47.17%	\$1,183.00	(\$625.00)
8	ETHA	Long	200	31.94500	25.13	100	MEMX	25.11	4,800	25.14	4,000	(\$1,363.00)	(\$6.82)	-21.33%	\$6,389.00	\$5,026.00
9	Total Row										\$305.09	\$2,869.88		\$20,235.88	\$11,794.97	

NOTE: The list is automatically sorted every minute. Last sort on 1/13/2026 at 8:28:51 PM

By **January 13, 2026**, IBIT was down **-18.43%** and ETHA was down **-21.33%**.

If you looked only at the stock / ETF itself, this would have been a very painful drawdown; yet on that day, all three Prime Path positions as a whole were **still showing unrealized gains**.

Symbol Filter		Account No		All												
Symbol	Position	Quantity	Average Price	Last	Trade Size	Trade Exch	Bid	Bid Size	Ask	Ask Size	Open P/L (Acct)	Open P/L / Qty (Acct)	Open P/L %	Total Cost (Acct)	Market Value (Acct)	
1	BIT 271217P58	Long	1	11.98000	16.28	1	CBOE2	14.85	13	15.60	10	\$362.00	\$362.00	30.22%	\$1,198.00	\$1,560.00
2	BIT 271217C70	Short	-1	19.93000	12.90	3	CBOE2	12.60	14	13.05	11	\$703.00	\$703.00	35.27%	\$1,993.00	(\$1,290.00)
3	IBIT	Long	100	66.25888	54.86	400	TRF	54.85	1,800	54.86	100	(\$1,139.88)	(\$11.40)	-17.20%	\$6,625.88	\$5,486.00
4	ETHA 271217P29	Long	1	8.67000	10.75	44	ISE	10.40	1,082	11.05	924	\$208.00	\$208.00	23.99%	\$867.00	\$1,075.00
5	ETHA 271217P27	Long	1	7.83000	10.30	1	BOX	9.15	254	9.70	656	\$187.00	\$187.00	23.88%	\$783.00	\$970.00
6	ETHA 271217C38	Short	-1	11.97000	6.21	1	BATS	6.80	1,413	7.55	2,127	\$517.00	\$517.00	43.19%	\$1,197.00	(\$680.00)
7	ETHA 271217C37	Short	-1	11.83000	7.66	2	PSX	7.00	1,437	7.55	141	\$428.00	\$428.00	36.18%	\$1,183.00	(\$755.00)
8	ETHA	Long	200	31.94500	25.19	100	ARCX	25.19	100	25.20	100	(\$1,351.00)	(\$6.75)	-21.15%	\$6,389.00	\$5,038.00
9	Total Row										(\$85.88)	\$2,386.85		\$20,235.88	\$11,404.00	

NOTE: The list is automatically sorted every minute. Last sort on 1/14/2026 at 8:27:12 PM

Then on **January 14, 2026**, the declines narrowed slightly (IBIT -17.20%, ETHA -21.15%). It looked as if “the market had improved a bit,” but the three Prime Path positions **as a whole actually turned into slight unrealized losses**.

This contrast reflects a real characteristic of Prime Path:

the direction of market price movement \neq the direction of the structure’s P&L changes in unrealized P&L \neq the final result at expiration

During the holding period, the numbers you see are more **an immediate reflection of option pricing and market sentiment** than the final answer.

As long as the structure itself has not been broken, what you truly need to focus on are still the original three boundaries — Max Profit, Max Loss, and Breakeven at expiration — not the day-to-day fluctuations along the way.

3-2. The Three Moments When You're Most Likely to Waver — and the Right Mindset for Each

Even if you understand the logic of Prime Path and clearly grasp Max Profit and Max Loss, during real holding periods there are still several moments when you are especially tempted to abandon the rules.

The following three are the most common.

1 The market drops sharply, yet you still see a “small unrealized gain”

Feeling

“The stock has fallen so much — why hasn't Prime Path lost money yet?”

“Should I take the small profit and get out while I still can?”

Underlying logic

Prime Path's protection mechanism exists precisely for moments like this.

When the market falls, the value of the Long Put rises, helping offset losses on the stock side;

but option prices are also affected by volatility and time value, so the unrealized P&L will fluctuate.

Response

- Go back to the original three boundaries, not today's P&L
 - Ask yourself: has the structure been broken? The answer is usually “no”
 - Remember: you are not investing in “stock ups and downs,” but in a **bounded outcome**
-

2 The market surges, and you start to regret that “profits are capped”

Feeling

“If I had just bought the stock, I'd be making more now.”

“This Short Call feels like it's limiting my freedom.”

Underlying logic

Capped upside is the price you pay to lock in the worst-case outcome.
The essence of Prime Path is not chasing extreme good luck,
but trading part of the upside for **a survivable, repeatable long-term path**.

Response

- Shift focus from “what I could have made” back to “how little risk I took”
 - Use Max RoR to remind yourself that this is a **highly risk-efficient** investment
 - Don't evaluate a structured solution using one-sided fantasy scenarios
-

3 You've held it for a long time, but it feels like “nothing is happening”

Feeling

“I check my account every day and nothing changes — it feels boring.”

“Should I switch to something more exciting?”

Underlying logic

Like many long-term successful investments, Prime Path often looks “boring.”
Its value is not in providing daily emotional stimulation,
but in turning investing from an anxiety-driven game into a planned process.

Response

- Shift attention from price charts to the fact that time is working in your favor
 - Remind yourself that stability and predictability are advantages
 - Allow investing to be calm, rather than always exciting
-

To be frank

Most investment failures are not caused by bad strategies,
but by people **abandoning rules they originally understood and accepted** midway
through.

Prime Path's role is to clearly draw the boundaries;
what truly gives it power is the choices you make at these three moments.

It's not about fighting the market, but about fighting impulse.

3-3. Four Things You Must Know About “Extreme Scenarios”

Prime Path is designed to define profit and risk boundaries in advance for a stock / ETF investment, using the position structure described above, **under normal and reasonably predictable market conditions**.

However, in the real world, there still exist some **low-frequency, uncontrollable scenarios that cannot be fully handled by structure alone**.

These scenarios are uncommon, but if you know in advance that “this can happen,” you **won’t panic or mistakenly think the system has failed**.

The following four categories are things you must understand beforehand.

1 When market sentiment shifts violently, unrealized swings may look “exaggerated”

At times, market sentiment can reverse sharply in a very short period. You may see option prices swing violently, causing the **unrealized P&L** of the entire Prime Path to **fluctuate dramatically**.

This usually occurs when:

- The market suddenly panics or suddenly becomes euphoric
- Volatility rises or falls rapidly

What you need to know:

- The final outcome of Prime Path depends on which boundary the stock / ETF price is closer to at expiration
- Mid-period unrealized swings **do not change the predefined Max Profit or Max Loss**

Some people choose to ignore these swings and hold to expiration; others choose to exit early due to psychological pressure.

Both choices exist in real markets, but you must understand:

👉 Turning interim fluctuations into realized outcomes often means giving up the boundary advantages you originally had.

2 During sharp short-term rallies or sell-offs, unrealized P&L may exceed intuition

In extreme markets, the underlying may sharply rise⁸ or fall in a very short time, even rapidly approaching, touching, or briefly crossing the upper or lower boundaries of Prime Path.

In such cases, you may observe:

- Unrealized P&L temporarily exceeding the structure's original design range
- A P&L profile that feels counterintuitive

This does not mean the structure has “failed.”

It means the market is testing whether you truly understand what you are holding.

In practice, some participants choose to:

- Maintain the original structure and accept interim volatility
- Others attempt to exit early

But what you must know in advance is:

👉 In such environments, any early action is constrained by execution costs⁹, liquidity¹⁰, and psychological pressure — there is no “cost-free” solution.

⁸ In rare cases, if the underlying stock/ETF rises sharply, the short call in the Prime Path may be assigned (i.e., the counterparty exercises the call). If this happens and the stock/ETF position is closed by your broker, it simply means the Prime Path's maximum profit has been realized early.

Any remaining long put may be closed or held as a standalone bearish position, at your own discretion and risk.

⁹ Execution cost: includes not only broker commissions, but also slippage when the actual price deviates significantly from the theoretical price.

¹⁰ Market liquidity: how easily an asset can be bought or sold. Higher liquidity means trades are closer to theoretical prices; lower liquidity can widen bid-ask spreads and cause prices to deviate.

3 When liquidity deteriorates, theoretical outcomes and actual execution may diverge

In certain market conditions, you may find that: option bid–ask spreads widen significantly, quotes become discontinuous, or trades are hard to execute at “reasonable-looking” prices.

This does not mean the Prime Path structure has changed; it reflects **a temporary decline in market liquidity**.

In such situations, two things are important to understand:

First, the structure’s “expiration outcome” has not changed.

The Max Profit, Max Loss, and Breakeven shown in Prime Path are determined by option strike prices, not by interim quote fluctuations.

As long as the structure can be held to expiration, these boundaries remain valid.

Second, attempting to actively trade options mid-period can actually amplify liquidity issues.

When bid–ask spreads widen significantly, any proactive closing trades may suffer from poor fills, producing results worse than the original structural design.

Therefore, in real markets, the common approaches are:

- **If there is still a long time until expiration,**
investors often choose to continue holding and wait for liquidity to recover naturally;
- **If expiration is already near,**
there is usually no need to worry excessively about liquidity — because in the three expiration outcomes described earlier, most cases do not require actively buying or selling options to close positions, but instead rely on expiration settlement or exercise mechanisms to complete the structure naturally.

For this reason, Prime Path assumes from the outset that:

👉 It is a structure **better suited for whole execution, whole holding, and whole settlement,**

not one designed for frequent adjustments or repeated trading.

4 Some risks come from outside price itself and cannot be fully covered by options

So far, nearly all scenarios we've discussed relate to **price movements**.

But in the real world, there is indeed another class of risk —

risks that are not triggered by price changes, but by changes in the underlying or in trading rules themselves.

These risks cannot be fully covered by options.

Below are several typical situations you should understand in advance.

I. What are “non-price events”? (Simple explanation)

① Stock splits / reverse splits

For example:

- A stock goes from 1 share to 2 shares, with the price halved (split)
- Or 5 shares are consolidated into 1 share, with the price rising (reverse split)

These changes do not directly alter the company's economic value, but they do change:

- Per-share price
- Number of shares held
- The technical parameters of option contracts

② ETF rule changes

For example:

- The ETF changes its constituents
- Adjusts weights or rebalancing methodology
- Switches from physical replication to derivatives-based tracking

Prices may not move dramatically right away, but **the source of risk has changed**.

③ Mergers / delisting / trading halts

For example:

- A company is acquired or merged
- A delisting is announced
- Trading is temporarily or permanently suspended

These events are often sudden and cannot be predicted from historical prices.

II. What might happen to the structure when these events occur?

When such “non-price events” occur, you may see:

- **Option contracts being technically adjusted by the clearinghouse**
(including contract symbols, strike prices, contract multipliers, etc.)
- **Previously clear profit and risk boundaries becoming less intuitive**
- **Option liquidity dropping sharply, possibly for an extended period**

More plainly:

after a non-price event,
the stock or ETF you hold may be automatically adjusted into a “new underlying”;
while the options you originally held effectively only covered the underlying **before the event**.

In this situation:

- Options and the adjusted stock / ETF may become “decoupled”
 - The originally designed Max Profit, Max Loss, and Breakeven **may no longer mechanically provide the same level of protection**
-

III. Clarifying Prime Path’s responsibility

Under non-price events, the following points must be made clear:

- These **are not** risks Prime Path can prevent
- Prime Path **cannot guarantee**:
that profit-and-loss boundaries remain unchanged after such events

- These events are typically **handled on a case-by-case basis** by clearinghouses or exchanges
- There is no universal, pre-written handling template

Therefore, in such situations, any approach that “looks standard” may no longer apply.

IV. So what is the correct response logic?

The good news is:

- The **probability and frequency** of such non-price events are **relatively low**
- When they do occur, clearing organizations (such as the OCC, The Options Clearing Corporation) usually publish an **Adjustment Memo**
- This document is **the only authoritative reference** for determining how your current structure is affected

For this reason, responses to such events typically **require case-by-case analysis based on the specific terms of the Adjustment Memo**, rather than applying a pre-prepared process.

Additional Note (Not A Service Included by Default)

Upon user request, we can provide an **independent, pay-per-use, non-subscription, non-default** add-on service:

a one-time analysis and interpretation of an OCC Adjustment Memo, explaining how rule changes may affect your currently held options structure, and outlining possible scenarios.

This service provides analytical perspective only, does not include trading instructions, and makes no guarantees regarding final execution results or profit and loss outcomes.

Part 4: The Psychological Battle Is the Real Main Front

In the previous sections, we have discussed:

under what circumstances investors are **most likely to waver in their execution discipline**, and how they should respond.

But at a deeper level, what truly determines long-term outcomes is not whether you waver at any single moment, but—

whether, from the very beginning, you have placed Prime Path in the correct position.

1 Do Not Treat the Structure as a Forecast

Prime Path relies on structural design, not directional bets.

This means:

- It is not judging that “a particular stock/ETF will definitely go up / down next”
- It predefines risk and return boundaries within **a known zone of uncertainty**
- Profit and loss outcomes come from **the probability distribution of the structure itself**, not from precise predictions of future price paths

If, during use, you find yourself unconsciously asking:

“Is a reversal about to happen?”

“Should I adjust early now?”

“If I had chosen a different stock, would I have made more?”

That often indicates one thing:

👉 You are **using a forecasting mindset to demand results from a non-forecasting structure.**

These two are logically incompatible.

2 Prime Path Is Not a Get-Rich Button

Prime Path has never been designed for “quick doubling” or “capturing extreme market moves.”

It deliberately avoids:

- Maximizing gains in extreme one-directional markets
- Tail-end (low-probability) windfalls in high-volatility environments
- Opportunities that depend on personal judgment and reaction speed

Instead, it offers:

- A maximum risk that can be quantified in advance
- A repeatable structural execution logic
- A probabilistic edge that holds across most market environments

This leads to a realistic outcome:

👉 **It often looks “not exciting,” and may even feel “slow to make money.”**

But this is a design choice, not a flaw.

3 Its True Role in a Portfolio: A Stabilizer

Prime Path is closer to a **portfolio-level tool** than a standalone speculative weapon.

Its core functions are:

- Reducing overall portfolio volatility
- Providing structured risk boundaries in uncertain environments
- Allowing returns to come more from discipline than from emotion or judgment

In other words:

- It is not meant to “prove that your judgment is correct”

- It is meant to allow **controlled participation in the market even when your judgment may be wrong**

If you treat it as a “stabilizer” within your portfolio, its pacing, return profile, and design logic will all start to make sense.

4 Giving Up Tail-End Windfalls in Exchange for Long-Term Repeatability

All structured strategies are, at their core, a trade-off.

The trade-off Prime Path makes is:

- **Actively giving up:**
 - One-off windfall profits that may appear in extreme market conditions
 - Excess returns driven by luck or timing calls
- **In exchange for:**
 - A long-term, repeatable execution path
 - A higher rate of discipline completion
 - A lower psychological burden

This is not a question of being “smarter” or “more conservative,” but a clear choice:

👉 Do you want occasional surprises, or a sustainable process?

Prime Path clearly stands on the latter.

Summary

If you want:

- Every trade to “win beautifully”
- Every market move to be “fully captured”

- To use structures to validate your judgment ability

then Prime Path may not be for you.

But if you value:

- Risk being known before entry
- Minimizing subjective intervention during execution
- Letting results, over time, come more from discipline than from emotion

then placing Prime Path in **the correct position**

makes the psychological challenge far easier than you might expect.

Part 5: What This Product Does / Does Not Do

Before using Prime Path, you must clearly understand what it *is* and what it *is not*.

This section is not a repetition of risk disclosures, but **a definition of the Prime Path product itself.**

Understanding this point will determine whether, in future volatility, extreme scenarios, or execution deviations, you develop unnecessary misunderstandings about this tool.

5-1. What We Provide

Prime Path provides a “structural snapshot,” not an action directive.

Specifically, we provide three types of content:

1 Structural Snapshot (Live Snapshot)

- An objective description, at the time of publication, of a complete “stock/ETF + options structure”
- Including: structure composition, theoretical profit/loss boundaries, breakeven range, Max Profit / Max Loss / RoR, etc.
- These metrics are calculated based on market prices, implied volatility, and contract rules at that moment

It answers the following question:

“If under the conditions at the time of publication, this structure were fully established and held to expiration, what would the theoretical outcome be?”

2 Information Display, Not Execution Substitution

- We present **structural logic and outcome ranges**
- We do not place orders, split trades, adjust prices, or choose execution paths on your behalf

- Execution-level factors such as price, slippage, and liquidity are always the user's own responsibility

3 General Education and Usage Framework

- We explain what typically happens to Prime Path at different stages
- Including: fluctuations during the holding period, the three outcomes at expiration, and basic awareness of extreme scenarios
- The goal is to help you **understand the structure, not to predict the market**

5-2. What We Do Not Provide

To avoid any misunderstanding, it is equally important to clearly state **what Prime Path explicitly does *not* do**.

✘ No Buy/Sell Recommendations

- We do not tell you “whether you should enter now”
- We do not tell you “whether you should close early or adjust”
- Live Snapshot is not an entry signal, but an information presentation

✘ No Judgment or Adjustment During the Holding Period

- Prime Path assumes: build the structure as a whole, hold it as a whole, and settle it as a whole
- Interim price moves and unrealized P&L changes do not, by themselves, constitute a reason to act
- Whether the position deviates from your personal risk tolerance is for you to judge

✘ No Result Guarantees

- Theoretical profit/loss boundaries \neq actual results
- Execution prices, liquidity changes, and non-price events may all cause deviations
- We make no promises regarding the final P&L of any single structure

✘ No Real-Time Monitoring or Alerts

- Prime Path is not a custodial service
- We do not provide intraday alerts for risks, opportunities, or “moments that require action”
- The user is always the sole decision-maker for their own account

5-3. Publication and Timeliness Rules

The way Prime Path is published is itself a deliberate product design choice.

Publication Timing

- Prime Path is typically published **after the U.S. market close on Tuesday → before market open on Wednesday** (postponed on holidays)
- This is a relatively calm time window, intended to:
 - Avoid emotionally driven price chasing
 - Give users sufficient time to read the structure, understand the logic, and think independently

No Rolling Updates

- Each Live Snapshot reflects only the market conditions **at the time of publication**
- We do not “dynamically revise” structures after they are published
- Subsequent price changes are part of the real world, not a product failure

Final Step Before Execution: User Self-Verification

Before any actual position is opened, you should return to the key steps described in **Part 2, Section 2-2: Real-time Market Price Check Before Placing Orders** — and **reassess current market conditions**.

If:

- Prices have clearly deviated
- Liquidity has significantly deteriorated
- Or the structural conditions no longer match your expectations

Then **choosing *not* to execute is itself a completely reasonable decision**.

The core message of this section can be summarized in one sentence:

👉 Prime Path is a tool to help you *see the structure clearly*, not a system that makes decisions for you.

Understanding and accepting this is the prerequisite for using it steadily and calmly over the long term.

Appendix

Essential Basic Knowledge (Glossary)

This appendix is not meant to “teach you options.”

When you are reading the Handbook or a Live Snapshot, you only need to **quickly look things up here the first time a term appears, or whenever you feel unsure.**

I. Trading and Structure Related

1. Option Contract

In Prime Path, options are not traded on their own, but **are used to “define” part of the stock’s potential gains and losses.**

Each option contract is built around the same stock or ETF, and sets a group of rules for a future point in time.

You don’t need to worry about the contract details—just know this:

together with the stock, it forms the Prime Path structure you see in each row.

2. One Option Contract = 100 Shares of the Underlying

The minimum trading unit for options is one contract, and **one contract typically corresponds to 100 shares of the stock or ETF.**

That’s why, in Live Snapshot and Handbook examples, the stock position is always shown in units of 100 shares.

3. What Buy / Sell Mean in Options

In options, “Buy” and “Sell” refer to **whether you pay cash or receive cash when opening (or closing)¹¹ a position.**

- **Buy:** you pay cash when opening the position (cash outflow)
 - After opening, this is called “Long,” e.g., Long NVDA September 18, 2026 185 Put
 - **Sell:** you receive cash when opening the position (cash inflow)
 - After opening, this is called “Short,” e.g., Short NVDA September 18, 2026 200 Call
-

4. The Most Intuitive Difference Between Call and Put

You can think of them simply as:

- **Call:** related to prices going up
- **Put:** related to prices going down

Prime Path uses combinations of Calls and Puts to confine “possible future outcomes” within a defined range.

You don’t need to predict how the market will move—the structure has already drawn the boundaries for you.

5. Option Spreads

In Prime Path, you never see a single option on its own, but **a combination of at least two options at the same time.**

The purpose of this combination is not to bet on direction, but to **define the maximum profit, maximum loss, and payoff range in advance.**

¹¹ Trading options can be done by **Buy to Open → Sell to Close** or **Sell to Open → Buy to Close.**

6. Spread Cost (Positive / Negative Cost)

This is the **net cash result** when establishing the option spread:

- **A positive number:** you pay cash when opening the position
- **A negative number:** you receive cash when opening the position

In Prime Path, this amount is either:

**the “insurance premium” you are willing to pay, or
the “subsidy” provided by the structure itself.**

7. Credit / Debit (Income / Expense)

This is another way to describe Spread Cost:

- **Credit:** you receive money when opening the position
- **Debit:** you pay money when opening the position

In Live Snapshot, you can think of it as:

whether the structure starts with a “head start” or a “handicap” at the starting line.

8. All-at-once execution

In Prime Path, the option combination **must be opened all at once**.

You do not need to—and should not—place separate orders for each option leg.

Only with all-at-once execution does the protective relationship within the structure truly hold.

II. Result Metrics Related

9. Max Profit

The best possible outcome this investment can reach at option expiration.

This is not a prediction, but an upper limit.

No matter how the market moves, the result will not exceed this value.

10. Max Loss

The maximum loss this investment can suffer in the worst-case scenario.

This is one of the most critical metrics in Prime Path, and the first number you should look at when deciding your position size.

11. Breakeven

At expiration, this is **the Stock / ETF price at which you neither make nor lose money.**

Above or below this price, the direction of your profit or loss changes.

12. Max RoR (Maximum Return on Risk)

This is a **“risk-efficiency metric.”**

It tells you:

for every 1 dollar of maximum risk you take, how many dollars of maximum potential profit you could theoretically earn.

This metric is often used to **compare the attractiveness of different Prime Paths.**

III. Pricing and Execution Related

13. Bid / Ask

- **Bid:** the price buyers in the market are willing to pay
- **Ask:** the price sellers in the market are willing to accept

Your actual execution price usually falls somewhere between the two.

14. Slippage

When markets are volatile or liquidity is insufficient,
your execution price may be slightly worse than the price you see.

When using Prime Path,
you need to accept that this is part of real-world trading.

15. Execution Cost

This refers to the difference between:
your **actual execution result** and the price shown in the Snapshot.
It's not an error—it's a normal part of financial markets and trading.

16. Theoretical Price vs. Actual Execution Price

The Snapshot shows **reference prices based on market conditions at that time.**
Your actual execution depends on the real market environment when you place the order.
Differences between the two are normal.

17. Liquidity

Good liquidity means:

- easier execution
- prices closer to expectations
- smaller slippage

Prime Path prioritizes stocks/ETFs and option contracts with better liquidity.

IV. Holding and Expiration Related

18. Expiration

This is the “end date” of an option contract, and also the expiration date of the entire Prime Path structure.

By this date,
the three outcome ranges described in Prime Path become final.

19. ITM / OTM (In-the-Money / Out-of-the-Money)

These terms describe the option's status at expiration:

- **ITM:** the option still has value at expiration
- **OTM:** the option has no value at expiration and expires worthless

You don't need to judge this yourself—
the structure automatically reflects the outcome in your final P&L.

20. Automatic Exercise

Generally, if an option is in the money (ITM) at expiration,
the **broker's system will handle it automatically for you.**

In this case, you don't need to submit any additional instructions.

21. Exercise

Exercise means:

you submit an instruction to your broker to convert the option contract into the corresponding stock transaction.

In Prime Path, most situations do not require you to actively exercise.
Please refer to the main text for details.

22. Close (Close the Position)

In most cases, we recommend holding a Prime Path until expiration.

However, before expiration, you can also choose to close the position early¹² and end the structure ahead of time.

23. Why Sometimes No Action Is Needed and the Structure “Ends Naturally”

If, at expiration, the price falls within certain ranges, the options expire naturally, the structure ends automatically, and funds return to your account.

This is a designed outcome, not a missed action.

V. Extreme Scenarios and the Real World

24. Non-standard Options

When events like stock splits or mergers occur, standard option contracts may become non-standard.

If Prime Path encounters such situations before publication, it will try to avoid them.

25. OCC (Options Clearing Corporation)

This is the “clearinghouse” of the options market.

¹² For how to close stocks and options before expiration, watch this video:

How to Close a Prime Path Position in a Broker Platform

<https://gigacertainty.yoursuccessreport.com/prime-path-member-resources#section-54ed2ce5d3aa>

You don't need to interact with it directly,
but it ensures the settlement and fulfillment of option contracts.

26. Adjustment Memo (期权合约调整说明)

When non-price events occur,
option contract terms may be adjusted.

An Adjustment Memo explains
what has changed in the original contract rules.

27. Non-price Events

Some risks do not come from price movements,
but from events themselves (e.g., trading halts, contract adjustments).

These risks cannot be fully eliminated by structure alone.

28. Liquidity Deterioration / Abnormal Bid-Ask Spreads

In extreme market conditions,
bid-ask spreads may suddenly widen,
making execution more difficult.

— End of Member Handbook —