Applied Asset Management

- Portfolio Construction & Management
- Positions
- Option Strategies

Applied Analysis

- Sector Studies
- Financial Modelling

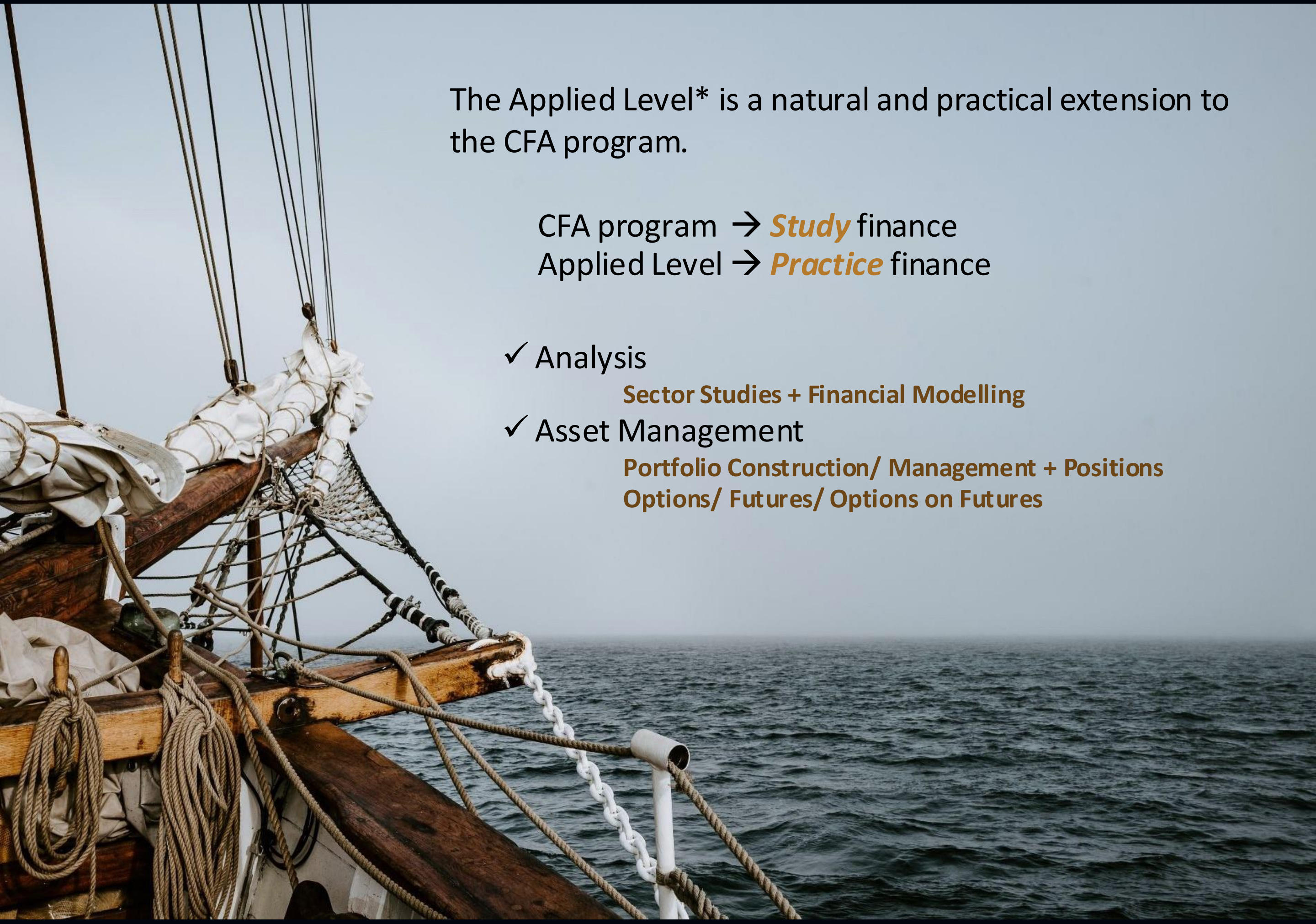
APPLIED

level

Mark Meldrum, Ph.D

The markets are not easy, no matter what the Tik-Tokers tell you. The real world is hard, and it will always be hard. It is a brutal game we choose to play. But you can manage the risk, and you can reduce the complexity, of the game. The playing field is full of professionals, so you better *know how* to know what they know.

about the APPLIED level:



The Applied Level* is a natural and practical extension to the CFA program.

CFA program → ***Study*** finance
Applied Level → ***Practice*** finance

- ✓ Analysis
  - **Sector Studies + Financial Modelling**
- ✓ Asset Management
  - **Portfolio Construction/ Management + Positions**
  - **Options/ Futures/ Options on Futures**

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.

* The Applied Level is proprietary to MarkMeldrum.com. No other CFA exam prep provider can offer this program content.

Pathway

1 Applied Analysis

(Aligns well with CFA Levels 1 / 2)

A. Sector Studies —

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

B. Financial Modelling

I want to thank you from all my heart for the brilliant subscription you have created - The Applied Level!

It has helped me greatly in my professional journey and the value you get out of it is immensely undervalued compared to what you pay for the course. I would definitely recommend anyone who is in the finance field to be a happy subscriber of a goldmine.

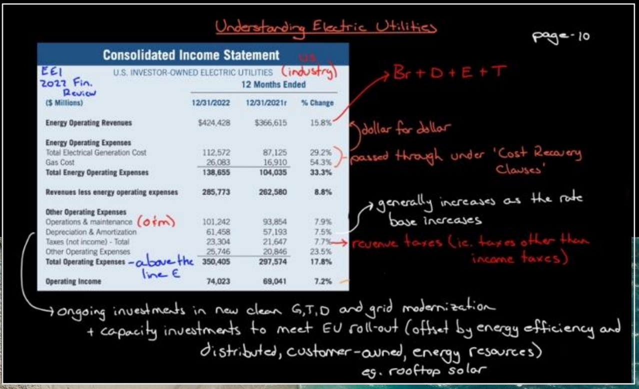
— Kevval Mehta, CFA

https://www.linkedin.com/in/kevvalmehta/

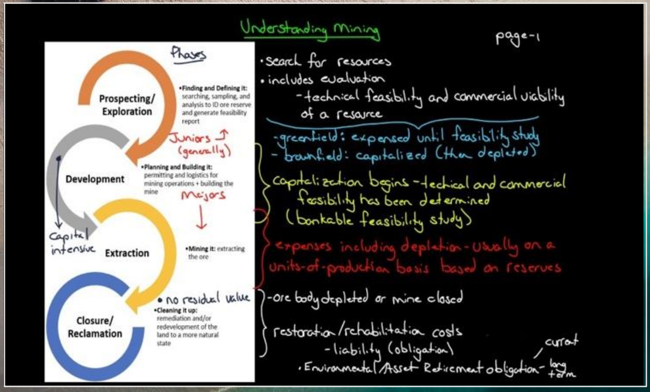
Sector Studies

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.



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.

Estimated Module length: 70+ hours

Fact: Opportunity is everywhere for the prepared mind.

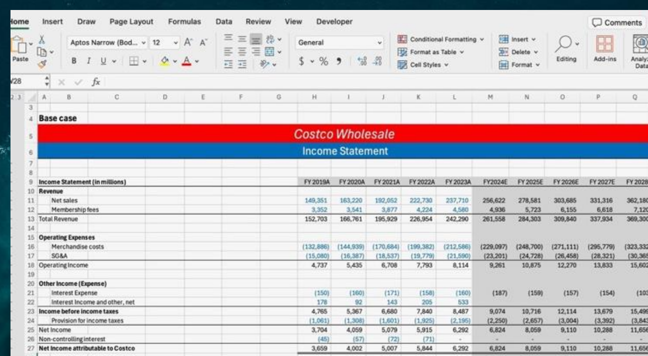
Find opportunity now.

Financial Modelling

Overview

Institutional-level practical skill development, a must-know for any aspiring financial analyst and a powerful process/tool for professional retail investors.

- 3-statement model including revenue, expense, debt, lease, depreciation, working capital, and tax schedules – no manufactured data here – only the real world, in all its messiness

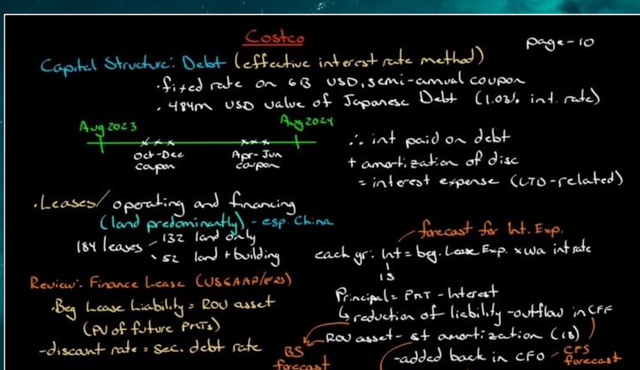


Base case

Costco Wholesale

Income Statement

Income Statement (in millions)	FY 2019A	FY 2020A	FY 2021A	FY 2022A	FY 2023A	FY2024E	FY 2025E	FY 2026E	FY 2027E	FY 2028E
Revenue										
Net sales	149,351	163,220	192,052	222,730	237,710	256,622	278,581	303,685	331,316	362,180
Membership fees	3,352	3,541	3,877	4,224	4,580	4,936	5,723	6,155	6,618	7,120
Total Revenue	152,703	166,761	195,929	226,954	242,290	261,558	284,303	309,840	337,934	369,300
Operating Expenses										
Merchandise costs	(132,886)	(144,939)	(170,684)	(199,382)	(212,586)	(229,097)	(248,700)	(271,111)	(295,779)	(323,332)
SG&A	(15,080)	(16,387)	(18,537)	(19,779)	(21,590)	(23,201)	(24,728)	(26,458)	(28,321)	(30,365)
Operating Income	4,737	5,435	6,708	7,793	8,114	9,261	10,875	12,270	13,833	15,602
Other Income (Expense)										
Interest Expense	(150)	(160)	(171)	(158)	(160)	(187)	(159)	(157)	(154)	(103)
Interest Income and other, net	178	92	143	205	533					
Income before income taxes	4,765	5,367	6,680	7,840	8,487	9,074	10,716	12,114	13,679	15,499
Provision for income taxes	(1,061)	(1,308)	(1,601)	(1,925)	(2,195)	(2,250)	(2,657)	(3,004)	(3,392)	(3,843)
Net Income	3,704	4,059	5,079	5,915	6,292	6,824	8,059	9,110	10,288	11,656
Non-controlling interest	(45)	(57)	(72)	(71)	-	-	-	-	-	-
Net Income attributable to Costco	3,659	4,002	5,007	5,844	6,292	6,824	8,059	9,110	10,288	11,656



The entire process:

Financial Analysis
⬇
Output:
Assumptions & Drivers
⬇
Input
⬇
Financial Modelling

CFA skill applied (Financial Analysis; Output: Assumptions & Drivers)

New skill development (Financial Modelling)

Don't wait for a job to get hands-on experience, show up saying '**yes**'.

- ✓ Financial Modelling? Yes.
- ✓ Real company data? Yes.
- ✓ Valuation? Yes.

Every company is a buy, hold or sell.
There is always an opportunity,
no time is ever lost.

Fact: Climbing higher takes effort and time, but it is not crowded at the top.

Don't outsource your thinking.

Pathway

2

Applied Asset Management

(Aligns well with CFA Levels 2 / 3)

A. Option Strategies

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

B. Portfolio Construction & Management

C. Positions

Applied Level offers **exceptional value** for retail investors, serving as a comprehensive guide to portfolio management. It's a natural extension of the CFA program, tailored for practitioners who want to delve deeper into advanced options strategies, detailed sector analysis, and critical portfolio construction and risk management techniques. Mark's outstanding teaching skills, coupled with the **practical content** of the Applied Level, deliver unparalleled real-world insight.

— Edward Jacoby, CFA

https://www.linkedin.com/in/edjacoby/

Option Strategies

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

Topics covered:

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

Pathway

2

Applied Asset Management

(Aligns well with CFA Levels 2 / 3)

A. Option Strategies

B. Portfolio Construction & Management

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

C. Positions

Applied level - a must have for a CFA charterholder

I've been Mark's student since my CFA days and I have benefitted incredibly from his tutelage. I signed up to his applied series some time ago - despite being employed in a role that forbids trading without regulatory consent - purely because of the range of coverage and the sector studies part of the module, beyond his famous series on options strategy. As someone who has been covering the financial services sector for some time now, I can vouch for how well some of the esoteric, sector-specific nuances have been dealt in the modules.

In finance, I have found that it is relatively easy to access theory on most concepts if one knows where to look or enroll into one of the professional certifications (viz., CFA, FRM etc.). What a student finds hard to do is to locate an avenue that guides her on how to implement the said theory into practice. Therefore, I cannot overstate how useful Mark's applied level series is going to be for CFA candidates and charterholders alike.

— Naga Subramainian, CFA, FRM

https://www.linkedin.com/in/n%C4%81ga-subramanian-cfa-frm-ba0616a1/

Portfolio Construction & Management

(Extended Applied Asset Management Seminar)

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.

In each video, 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.

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).

Don't wait for the job to get hands-on experience, show up saying '**yes**'.

- ✓ Asset Management? Yes.
- ✓ Risk Management? Yes.

Examples of trades that are 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 several 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: 20+ hours

The market can be a giant money printing machine, or a giant money sucking machine.
Don't end up on the wrong side.

Pathway

2 Applied Asset Management

(Aligns well with CFA Levels 2 / 3)

A. Applied Options

B. Portfolio Construction
& Management

C. Positions

Each week, Dr. Meldrum discloses his portfolio positions along with his investment thesis.

Each week, changes to positions are updated and discussed. Also presented are potential investment/trade positions on watch. These are positions that are not quite ready to be executed yet but coming into target.

Styles employed:

Macro themes
Value/Contrarian
Growth/Momentum

Most common

Pricing*

Pathway 1 Analysis		**Pathway 2** Asset Management	
Price	425 USD	Price	425 USD
CFA /FRM/ CAIA status (Any level)	- 100	CFA /FRM/ CAIA status (Any level)	- 100
	325 USD		325 USD
MM.com subscriber	- 50	MM.com subscriber	- 50
	275 USD		275 USD

For markmeldrum.com CFA subscribers, select the "Plus" package to include one or both of the above Applied Pathways.

* Applied Pathway subscribers receive lifetime access to all content as of the start date of their subscription plus all new content added for the next year. Nominal recurring monthly fee beginning in month 13.

biography according to

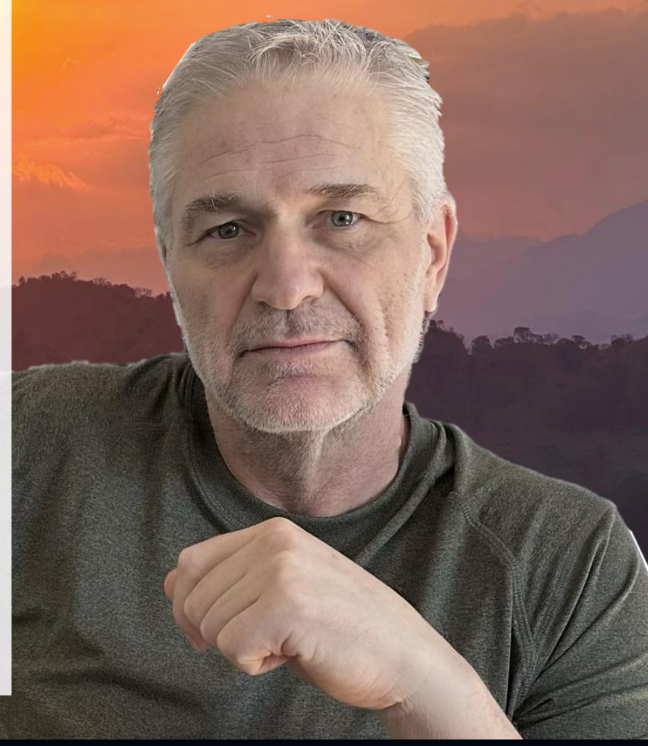
ChatGPT 3.5

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 nearly two decades 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 **25+ 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 the first 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.

Testimonials

My experience with the Applied Level has been transformative; it brings all you learned in the CFA and prunes the more academic and institutional stuff to directly teach you the relevant tools and processes to train you as a professional retail investor. The important word is "process." I learned how to approach daily work as a finance professional: how to analyze sectors, industries, and single stocks, and how to manage risk at the portfolio and single position level. The Applied Level has been a key part of finally being able to work in what I love. It now is like having a job partner because the sector studies save you a lot of time in the initial steps to follow a new industry or better understand the context of current developments that are the market's focus.

Hector Nieva Rollon
www.linkedin.com/in/hector-nieva-rollon

As someone with a strong interest in finance and a basic understanding of the field, I've always aspired to pursue the CFA designation. However, I hadn't yet found the right opportunity to begin that journey. When I heard about your Applied Level course, I realized it was the perfect way to bridge the gap between practice and theory.

The course provides exceptionally high-quality content, which has significantly enhanced my experience as an investor. The practical insights I've gained have made a tremendous difference in my approach to the markets. Now, as I prepare to tackle the CFA curriculum, I feel more confident in my ability to relate theoretical concepts to real-world scenarios. For anyone who views finance not just as a profession but as a passion, this course is invaluable. It's not just about learning; it's about deepening your understanding and love for the game of investment.

Thank you for offering such a valuable resource. I look forward to continuing my journey with the knowledge and skills I've gained.

Sebastien Doan
https://www.linkedin.com/in/sebastiendoan/

Testimonials

I didn’t come from a finance background, but with Dr. Mark Meldrum’s help, I managed to pass all three levels of the CFA exam, even scoring in the 90th percentile for Levels I and II. When I found out he offered an Applied Level course, I didn’t hesitate for a second to sign up, and it turned out to be one of the best decisions I’ve made in my self-education journey.

The CFA curriculum gave me a good foundation in finance, but I often felt disconnected from the real market. The Applied Level course changed that for me—it helped me understand and integrate my knowledge with real market scenarios. If you’re looking to deepen your understanding of finance, this course is a must.

Dr. Meldrum is the best mentor you could ask for. It’s not just his extensive knowledge that stands out, but also his ability to explain complex concepts in a way that’s easy to grasp. Plus, I really appreciate how reasonably priced all his products are. As a customer, I often feel like I didn’t pay enough for what I’m getting from him.

Tingling Wei
https://www.linkedin.com/in/tingling-wei-81497a75/

I've been subscribed to Mark Meldrum for over five years and invested in the Applied Level as soon as it became available because I knew that I would get tremendous value from the product. It exceeded all my expectations. The Applied Level is must-have for anybody who has made a commitment to themselves to become a serious investor in the financial markets. Mark’s technical knowledge and expertise are superlative but what most separates him from everybody else is that he is also an active and successful practitioner. Investing in the Applied Level means access to a library of technical knowledge, a colleague who constructively challenges your ideas, and a mentor.

Goergiy Lytvynenko
https://www.linkedin.com/in/georgiy-lytvynenko-a7454891/

Testimonials

Dr. Mark Meldrum made learning finance easy for me. I passed my CFA Level one exam using only his video lectures, without even opening the CFA books and will continue to use his lectures for level 2 and 3!

His applied-level courses are fantastic! Even though I knew nothing about the very complicated telecommunications industry, I quickly learned the essentials thanks to his great teaching. His portfolio management package, applied options, and sector and industry coverages are all outstanding. His tutorials in the applied level series inspire you to keep going after your goals and dreams.

He's always there to answer questions and offers great recommendations for documentaries, books, and online courses on his website. I highly recommend his CFA and applied-level packages to anyone looking to deepen their understanding of world of finance and investments.

Samaneh Maram
https://www.linkedin.com/in/samaneh-maram-09439587/