Upon completion of this lesson, candidates should be able to:

Demonstrate knowledge of investing in commodities without futures.Including:

Discuss disadvantages of direct investment in physical commodities

Define and interpret Hotelling's theory

Explain Julian Simon's argument related to direct commodity returns

Understand the idiosyncratic risks and two-betas of commodity-related equity returns

Recognize investments in commodities through exchange-traded funds (ETFs)

Discuss advantages and disadvantages of commodity-linked notes (CLNs)

Apply option valuation methods to price commodity-linked notes