INVESTING · A PERSONAL PORTFOLIO

My First $7,000: A 12-Month Stress Test

From pricing the odds to following my own rules

Richelle Yao | Stress test: Jun 2024 – Jun 2025 | Continued with my own profits through Jun 2026

Thesis: At fourteen, I became obsessed with how options price the odds of every possible future—live, tick by tick. I wanted to learn by trading with real money and facing real consequences.
Structure: My mom lent me $7,000 for one year. If the account fell below $7,000, the shortfall would become my personal debt. She called it a stress test.

$7,000	$27,694	+296%	$7,000
STARTING LOAN	BALANCE AT MONTH 12	ON THE LOAN	PRINCIPAL RETURNED

The Deal

In January 2024, I won a silver medal in the Student Investment Challenge (SIC), a global investing competition certified by the Council for Economic Education. The simulation rounds taught me something I hadn't expected: buying a stock felt like making an argument about what a company was worth that day.

Options felt completely different—like watching the market price the odds of every possible future, live and tick by tick. I became obsessed with that idea.

After the competition, I kept paper-trading and reading until I felt ready to use real money. I asked my mom to lend me $7,000. Our agreement was simple: I would return the full principal after one year. If the account fell below $7,000, the shortfall would become a debt I owed her. She called it a stress test. I didn't fully understand what she meant then. I do now.

My first trade with the money was a small NVIDIA trade in June 2024, and it made a little money.

I did have a backup plan, such as it was: if I couldn't return the $7,000, I'd write my mom an IOU and pay it off with summer jobs. I'd taught English online to younger kids before, so I knew I could earn money if I had to. The debt would be real—and it would be mine to work off.

The account was held in my mom's name, and she supervised my trading throughout.

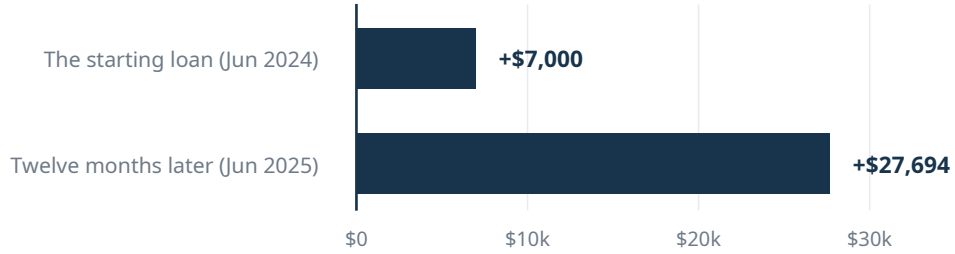
What follows isn't a highlight reel. It's two trades that worked, one that failed, and the chapter I least wanted to write: what happened with my little brother's pocket money.

THE AGREEMENT

Return the full $7,000 after one year. Any shortfall becomes my debt to repay.

Twelve months: $7,000 to $27,694

Account balance at the twelve-month mark



Includes the original $7,000 · about +296% on the starting loan

Case 1 —
NIP Group: the trade that broke my confidence

Date: Jul 30 – Aug 30, 2024 | Asset: NIPG common — long, then short | Realized -$2,688.16 (-40.72%)

TRADE DETAIL **REALIZED -$2,688.16 / -40.72%**

BOUGHT
Jul 30, 2024 · 200 shares @ $19.00

SOLD
Aug 5, 2024 @ $7.01

SHORTED
Aug 5, 2024 · 400 shares @ ~$7.00

COVERED
Aug 29 @ $7.81 (201 sh.) · Aug 30 @ $7.65 (199 sh.)

The broker's -40.72% figure is measured against about $6,602 in opening positions. It represents this trade's loss, not the loss on the entire account.

NIP Group is an esports company formed in 2023 through the merger of Sweden's Ninjas in Pyjamas and China's ESV5. It went public on Nasdaq on Jul. 26, 2024, at $9.00 per ADS.

What I did. On Jul. 29, the stock surged 83% to close at $16.50, making it one of the week's hottest new listings. I saw a nearly vertical chart and chased it. On Jul. 30, I bought 200 shares at $19.00—more than double the IPO price, just two trading days after the listing.

I had no thesis. I couldn't have told you what the company did, what its revenue was, or what a fair price might be. I just saw green and felt I was missing out.

What happened. The stock fell fast. On Aug. 5, during a global market selloff, I panic-sold at $7.01. Then, angry about the loss, I shorted 400 shares at $7.01 and $7.00. I sold near the bottom and then shorted near the bottom on the same day.

The stock closed that session at $9.24. I covered at higher prices—$7.81 and $7.65—adding to my loss.

What I missed: research, an exit plan, and position size. The long alone cost about $3,800, more than half my account, in a company I couldn't explain. After panic-selling, I put roughly $2,800 more into a revenge short. I bought a price spike, not a business, and one idea took most of my account. That's where my 15% limit comes from.

Where the -$2,688.16 came from



Long leg: 200 shares, Jul. 30–Aug. 5. Short leg: 400 shares, Aug. 5–29/30. Both legs lost money.

Takeaway. Never enter a trade without an exit plan. The short wasn't a strategy; it was revenge.

Case 2 —
NVIDIA puts: the trade that built my confidence

Date: Aug 29 – Sep 3, 2024 | Asset: NVDA Sep 6 2024 $118 puts | Realized +$7,960 (+444.69%)

TRADE DETAIL **REALIZED +$7,960 / +444.69%**

BOUGHT
Aug 29, 2024

POSITION
10 contracts · NVDA Sep 6 2024 $118 puts

ENTRY
$1.79

EXIT
Sep 3, 2024 @ $9.75

HOLDING PERIOD
Over Labor Day weekend

Why I entered. NVDA beat earnings expectations on Aug. 28, but the stock still fell 6.4% the next day, closing at $117.59. Expectations had risen so high that “good” news wasn't enough. I thought the slide might continue for a few more days.

How much I risked. Ten contracts at $1.79 cost $1,790—about 20% of my account at the time. That is more than the 15% cap I use now. I hadn't written my rules yet; they came after NIPG and after what happened with my brother's money.

What happened. On Sep. 3, weak manufacturing data triggered a broad selloff, and chip stocks fell sharply. I sold my puts at $9.75 during the session. The selloff continued: NVDA closed at $108.00, down 9.5% that day.

What was my decision, and what was luck? I got the direction right and kept my risk capped. I didn't predict the weak data or how far the stock would fall—that part was luck. The decision I'm actually proud of is that I sold instead of waiting for more.

✓ **MY CALL**
Direction and capped risk

● **LUCK**
The size of the drop

◆ **DISCIPLINE**
Sold without getting greedy

The Chapter I Didn't Want to Write

My Brother's Allowance

At a family dinner, my little brother found out that I'd made more in a few weeks of trading than he had saved over years of pocket money. He kept asking me to manage his allowance. We agreed that I'd take 20% of any profits as a fee. I said yes. Honestly, I liked how it sounded: someone trusted me with their money.

In the second week, the account—about $1,170 in pocket money he'd saved over years—fell by roughly 40% amid macroeconomic news and earnings-season volatility. The loss was $469.80.

He panicked. He had never watched his own money shrink before, and he wanted all of it out immediately. He didn't want to hear about probabilities. My mom had to step in. In the end, my brother and I each absorbed half of the $469.80 loss—$234.90 each—and we ended the arrangement. He agreed to the split, understood what had happened, and accepted his share.

It was a lesson for him, too: you can't outsource your judgment to someone else—not even your sister. He's started learning on his own now.

> *"I had a model for the market and forgot about the person."*

Here's what I've come to understand since. I told myself the lesson was to "communicate risk tolerance and put rules in writing." That's true, but it isn't the whole story. The harder question is whether I should have agreed in the first place. His pocket money—years of savings—was never appropriate for this kind of trading. Explaining the worst-case scenario isn't the same as deciding someone should have to face it.

The one term we did agree on was lopsided: 20% of any profits would go to me, but we said nothing about losses. If he made money, I got paid. If he lost money, he bore the loss alone. At the time, I didn't think of it that way; I was simply copying the fee structure used by real fund managers. But that structure can encourage a manager to gamble: the gains are shared, while the losses aren't theirs. The half-and-half split we ultimately agreed on was fairer than our original arrangement.

For me, a 40% drawdown was a number on a screen. For him, it meant years of savings disappearing while his sister stood by. I treated his trust as if it were free. It wasn't.

That was the lesson that cost me the most as a person, though not in dollars. It had nothing to do with options pricing.

What I Changed: Five Rules

I wrote them down after the NIPG trade and after what happened with my brother's money. Each rule comes from a specific mistake described above. Each also has limits, and I'll be honest about them.

01 **Position size is my lifeline.** Even when I'm extremely confident in a setup, I refuse to risk more than 15% on a single trade. I learned this the hard way. I decide how much to risk before entering—not after. Honest limit: four consecutive losses can still cut my account almost in half. This rule doesn't prevent losses—but it does mean one bad trade can't wipe me out.

02 **Enter with a plan, exit based on conditions.** Before buying, I write down why I'm buying, the price at which I'll sell, and a sentence that begins, “I'm wrong if…” If I can't finish that sentence, I don't buy. No greed, no gambling—the plan decides, not my mood.

03 **Steady first, fast second.** Options gave me a small taste of success—and taught me that impatience could be a fatal flaw. (Yes, I know how that sounds coming from someone who trades options that expire within a week.) Consistency is my real goal; growth comes only from accounts that survive. The circuit breaker: if I'm upset, or the account is down 20% or more, I don't touch anything for two hours—I just write down what happened. Honest limit: waiting two hours doesn't fix anything by itself. The point is I have to face what I did before I'm allowed back in.

04 **I don't manage other people's money** — not without everything in writing and a clear conversation with the investor about the worst-case scenario, including whether they can truly bear it. At this stage, that means I don't do it.

05 **I play probabilities, not predictions.** I can't know which way a stock will move, so I don't build a trade on certainty. I buy options only when the most I can lose is fixed in advance and the possible gain is much larger, and I size each bet so that a string of wrong ones doesn't end my account. Some trades will lose, so the winners have to be big enough to pay for them. Honest limit: my entries still rest on a view about direction (NVDA's slide, the ASTS bounce). I haven't removed prediction; I've only capped what being wrong can cost.

Size → Plan → Pause → Boundaries → Odds
The same checklist every time. Boring on purpose.

One more thing: after my last trade in June 2026, I stopped for several months because college applications took priority. No open positions, no urge to “stay active.” That isn't proof the rules work, but it is consistent with them: walking away was part of the system, too.

AFTER THE STRESS TEST — MY OWN PROFITS

Case 3 — ASTS Calls: The Rules in Action

Date: Jun 26 – 29, 2026 | Asset: ASTS Jul 2 2026 $81 calls | Realized +$3,480 (+527.27%)

TRADE DETAIL **REALIZED +$3,480 / +527.27%**

BOUGHT
Jun 26, 2026

POSITION
6 contracts · ASTS Jul 2 2026 $81 calls

ENTRY
$1.10

EXIT
Jun 29, 2026 @ $6.90

MAXIMUM LOSS
$660 — the most I could lose

Why it's here. This trade took place a year after the stress test ended, when I was trading with my own profits and following the five rules above. That's why I've included it: not because of the profit, but because of what it shows about execution.

The most I could lose was $660—six contracts at $1.10. I kept the position small on purpose. After the stock sold off sharply that month, I bought a small bounce position on Friday, June 26. It spiked on Monday, and I sold into the move that same day.

I had no long-term thesis and made no prediction about where the company would be in a year. I simply defined my risk, set a short holding period in advance, and sold rather than waiting for more. These were the same three moves as in the NVDA trade two years earlier: capped risk, selling into strength, and not getting greedy.

Two years apart, the process was the same. That's the closest thing I have to an answer about my edge. It's not forecasting; it's repeating a disciplined process. The rules didn't pick the winners, of course—they just kept the losses small enough for me to survive.

✓ **MY CALL**
Small size, quick exit

● **LUCK**
The Monday spike

◆ **DISCIPLINE**
Same rules, calmer hands

The Record: Five Documented Positions

POSITION	REALIZED P&L
NIPG (Jul–Aug 2024)	**-$2,688.16**
NVDA $118 puts (Aug–Sep 2024)	**+$7,960**
TSLA $260 calls (Nov 2024)	**+$4,040**
NVDA $175 calls (Dec 2025)	**+$4,320**
ASTS $81 calls (Jun 2026)	**+$3,480**

These five trades account for $17,111.84 of my $26,480 total profit, about two-thirds. Three are case studies; the other two are described briefly below.

TSLA calls (Nov. 5–6, 2024; +$4,040) came on an overnight jump. The move was luck, while the small position size and next-morning exit were planned. NVDA calls (Dec. 17–19, 2025; +$4,320) had timing that was mostly luck. These are selected examples, not a complete list; I've made many more trades than appear here, and the others include both winners and losers. The remaining $9,368 of the $26,480 came from other closed trades. Among those other trades, three lost money: OKLO (-$1,112, Jan. 2025), VRT (-$1,170, Dec. 2024), and one other position (-$1,565) — $3,847 in total, against about $13,200 in gains.

What I'm not claiming. Five trades—mostly options that expired within days—don't prove that I can do this consistently. A profitable result doesn't always mean the decision was sound; NIPG lost money on both the long and short sides. I never ran a backtest, and paper trading isn't the same as trading with real money. Luck also did a lot of the heavy lifting: every major win depended on the market making a sharp move within days. In a quiet market, the same trades could have lost their entire premiums, anywhere from a few hundred dollars to nearly $2,000 each. And the account didn't grow in a straight line. I don't have month-by-month balances to show its full path, only the starting balance, the month-12 balance, and the trade records.

The stress test ended in June 2025 with the account at $27,694. I returned the full $7,000 to my mom that month and bought her a necklace with part of the profits. After that, I kept trading under her supervision with my own profits, following the same five rules, through June 2026.

My cumulative realized profit from June 2024 through June 2026 was $26,480. The $27,694 balance includes the $7,000 principal, so the first year's profit was $20,694 and the second year added about $5,786 more. The second year looks smaller partly because I traded smaller — my biggest win came from a position I took before the rules existed, and after them I kept position sizes down on purpose. On the money left in the account, it still came to about 28%. I'm proud of the result. I'm even prouder that I learned to distinguish a sound process from a lucky outcome, and that confidence isn't the same as responsibility.

$7,000 returned — Jun 2025, on time

$26,480 realized profit — Jun 2024 – Jun 2026