"Sharing real experiences from decades of profitable trading. Focusing on the important factors that lead to trading success."

Factor Update, June 25, 2017

Market Review

New candidate Factor Moves™ (trading set-up) are developing in:

- European bank stocks
- EuroSwiss (interest rate)

Candidate Factor Moves™ are currently ongoing in:

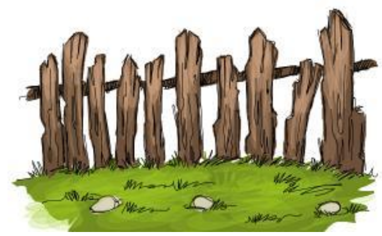
- *Portugal ETF (PGAL)

This issue also comments on EUR/USD, German Schatz, U.S. stock indexes, New Zealand Dollar, Financial Select Sector (XLF), energy markets, Singapore Index, *Canadian Dollar, *German Schatz, grain markets and *Kospi (and EWY-etf). *Signifies a position in the Factor $100,000 Tracking Account

Developing signals	Existing positions
• EuroSwiss – entry order and protective stop • Russell (probably ETF) – alert • Singapore Index – entry order and protective stop	• PGAL – protective stops and targets • EWY – protective stop • Canadian Dollar – protective stop and target • German Schatz
The Factor Tracking Account is currently leveraged at 1.8X The margin-to-equity use for futures and forex is 2.3%.	

Contents

My 2017 trading year in pictures

De 

I hate playing defense. I absolutely dread it. The Factor Service began in Jan 2014. I so appreciate that the renewal rate among the original members of the Factor Service remains at a consistent 80% level. Your loyalty to what I am attempting to accomplish through the Factor Service is appreciated more than I can express.

The Factor Tracking Account began in Jun 2014. From inception through Dec 2016 the Factor Tracking Account achieved consistent trading outcomes, thanks to some wonderful market trends launched by well-defined classical chart construction. Responsive markets continued through the first week of Jan, then, as the saying goes, the "dung hit the fan."

I run the risk of coming across as making an excuse for the lack of recent profitability in discussing the challenging markets I have faced in 2017. This is not my intent. I take complete and full responsibility for my trading performance – both the good and the bad. It is my sincere hope that a continued discussion of these challenging market conditions will be instructive … perhaps even encouraging.

There is no doubt that some trading approaches have performed wonderfully in 2017. I have an asset allocation to a CTA who is experiencing an incredible year. Good markets for one trader can be terrible markets for another trader. This is why we call it "market speculation." The reality is that the combination of my trade identification, trade entry signaling and trade management are out of synch with market behavior. It is not any more complicated than that.

There is nothing like difficult trading conditions to drag a trader into a world of introspection (even doubt). When an approach is working the tendency is for a trader to believe favorable trading conditions will last forever. When an approach is not working it is can be difficult for a trader to even remember what the good times were like. Welcome to the world of market speculation. Faced with difficult trading conditions I have considered several options.

1. Downsize, downsize, downsize
2. Discontinue all trading until favorable trading conditions reappear
3. Make whatever changes to my trading approach are necessary until I find something that works

4. Make slight trading modifications to adjust to current trading conditions without fundamentally altering what has historically worked
5. Become much more highly selective of trade signals
6. Keep plugging along with greatly downsized risk until markets return to more normal conditions

I am adopting a combination of #1, #4, #5 and #6 above – with a strong emotional temptation to retreat to #2. The current trading environment is the most challenging I have endured since 2013 (which was my worst year ever at -13% ROR). Option #3 is not even a second thought.

How bad is bad? Consider the following:

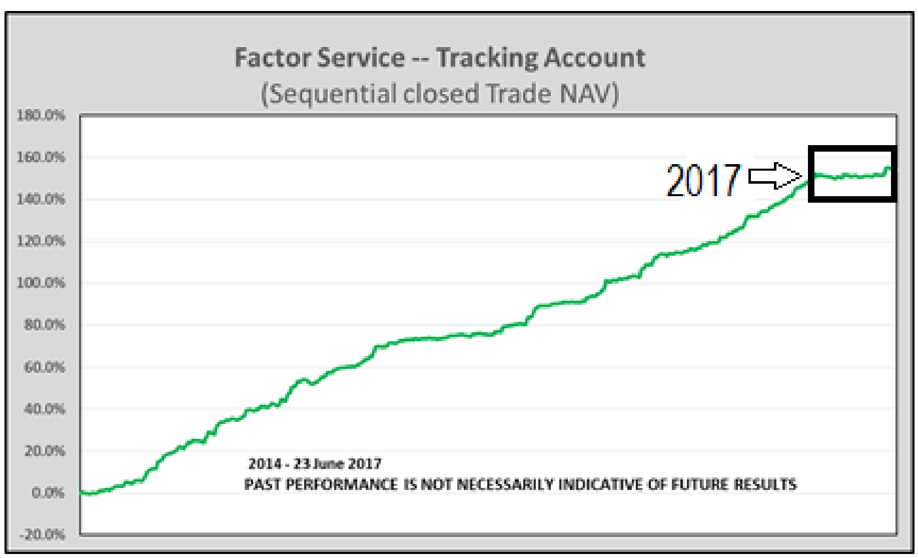
Factor Service Tracking Account			
Year(s)	Win rate*	# trades >100 BPs	# trades >200 BPs
Career	44%	NA	NA
2014-2016	53%	19% of all trades	9% of all trades
2014	55%	16	8
2015	53%	33	20
2016	52%	41	14
2017	39%	4 (7% of all trades)	1 (2% of all trades)

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS
*Tranches of the same trades or re-entry of trades are counted separately. 2017 represented my highest win-rate of my career based on themes

A much more vital consideration than points #1 through #6 above is the need to protect trading capital. Capital preservation during challenging trading conditions is JOB #1 for a trader because favorable trading conditions come and they go. It is far easier to make money in the markets than it is to keep the profits one has made.

Many of you know that I track trading performance based on sequential closed trade NAV – in my way of thinking open trade equity means nothing because it does not belong to me. Only closed profits matter. [Of course, trading is marked-to-the-market for the purpose of annual tax reporting.]

The graph below is the sequential closed trade NAV for the Factor Tracking Account since inception. You will note that the NAV curve recently registered a new-all-time record high due to the closed trade in Mpls. Wheat. Profitable trades during 2017 have averaged $642 while losing trades have averaged (-$210).

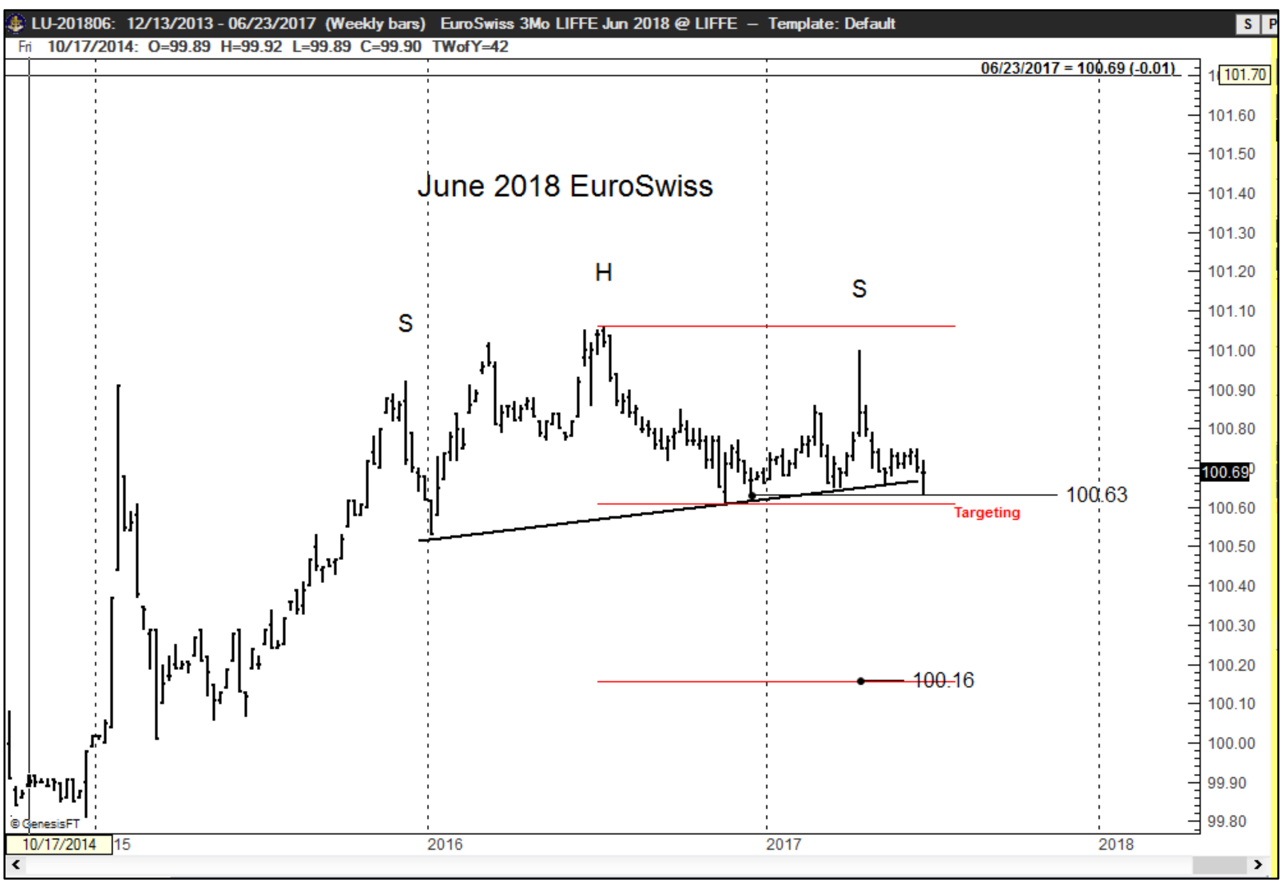


[Note: the Factor Tracking Account has outperformed Factor's proprietary trading performance during 2017. While the Factor Tracking Account has posted a new all-time sequential NAV high, Factor's proprietary account is one "Net Bottom Liner" shy of the same.]

Candidate Factor Moves™ Setting Up

EuroSwiss (interest rate) – a premature or false breakout occurred on Thursday

The weekly continuation graph continues to form a 30-month textbook descending triangle – a bearish pattern. The target of this pattern is 100.22 (or a negative 22 basis point interest rate yield). The weekly graph of the June 2018 contract displays a complex H&S top pattern. Factor is flat. I will short the Jun 2018 contract if support at 100.61 gives way. Note that a sharp and sudden decline on Thursday actually penetrated the neckline intraday before closing back above the neckline.



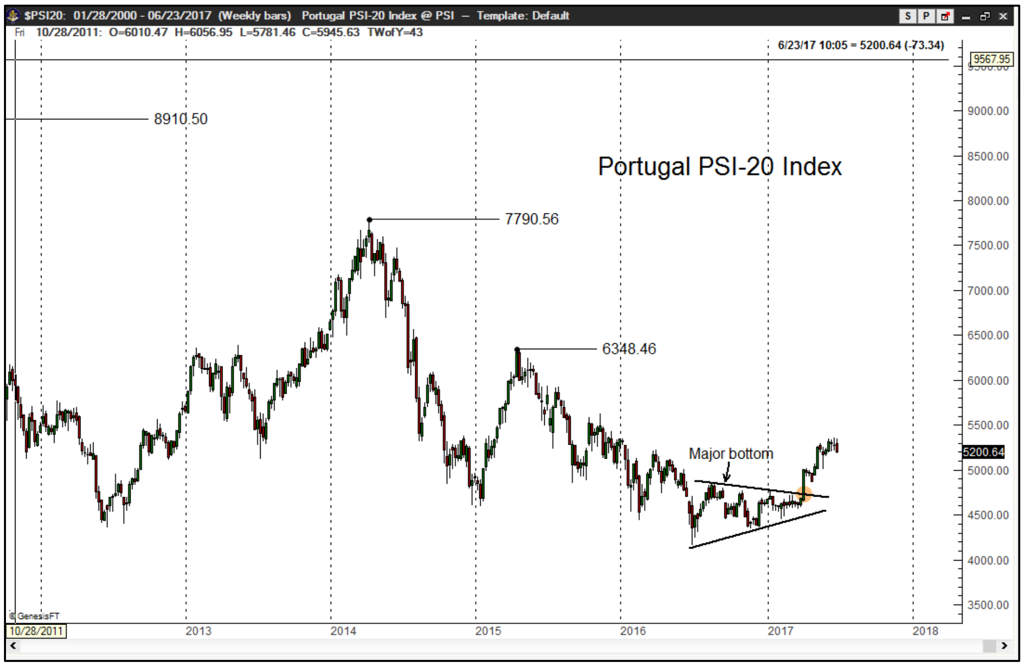
European banks – H&S bottoms are in no hurry

I will discontinue weekly coverage of the pending H&S bottoms in European bank stocks (CS, DB and UBS) until prices begin to challenge the necklines. The moving average I most monitor (14-day) is moving down in all three stocks.

Candidate Factor Moves™ in Progress

Portugal PSI-20 and PGAL – a correction in the major bull trend is underway

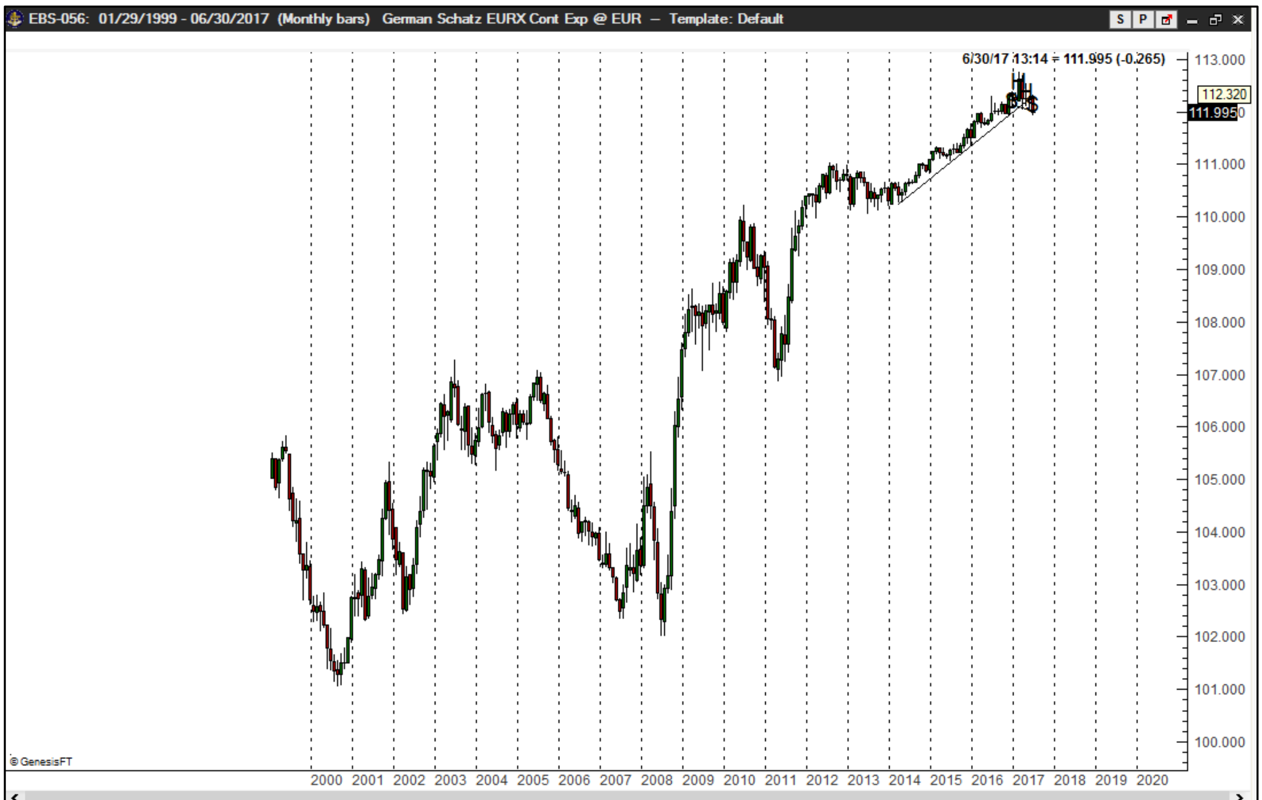
A correction in PSI-20 and PGAL is underway on the daily graph. I am mentally prepared to "popcorn" my long position.

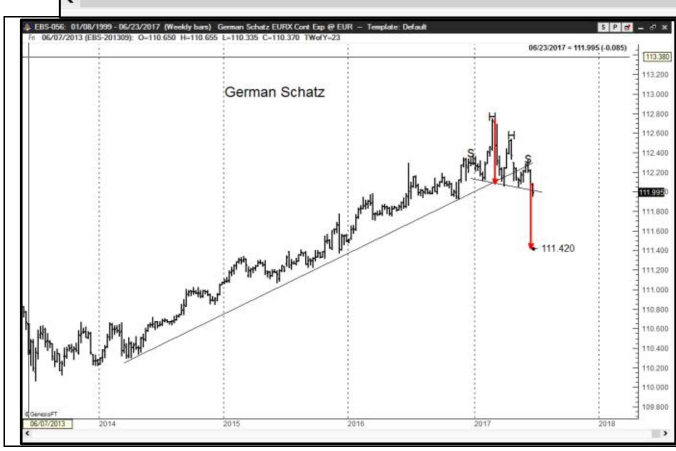


Other Markets

German Schatz – this could be a test of whether chart trading might return to normal

The Schatz has been in a strong bullish trend (yields down) since the 2008 global meltdown, as seen on the monthly graph. I have featured this market as a candidate short several times in recent months. The weekly graph has violated a 3+ year trendline and has arguably complete a complex H&S top on the weekly and daily charts. The Schatz graphs could prove to be the prototype of the challenges of trading chart configurations in 2017. In normal markets this market would be a "lay-up" short with prices declining in an immediate and sustained manner. My expectation is that this will not be the case. Nevertheless, I shorted the Sep 2017 contract on Wednesday. If you examine the daily chart closely you will see that Jun 15 would have been a preferred shoring date. As of Friday the German 2-year Schatz yield was negative -.63%.



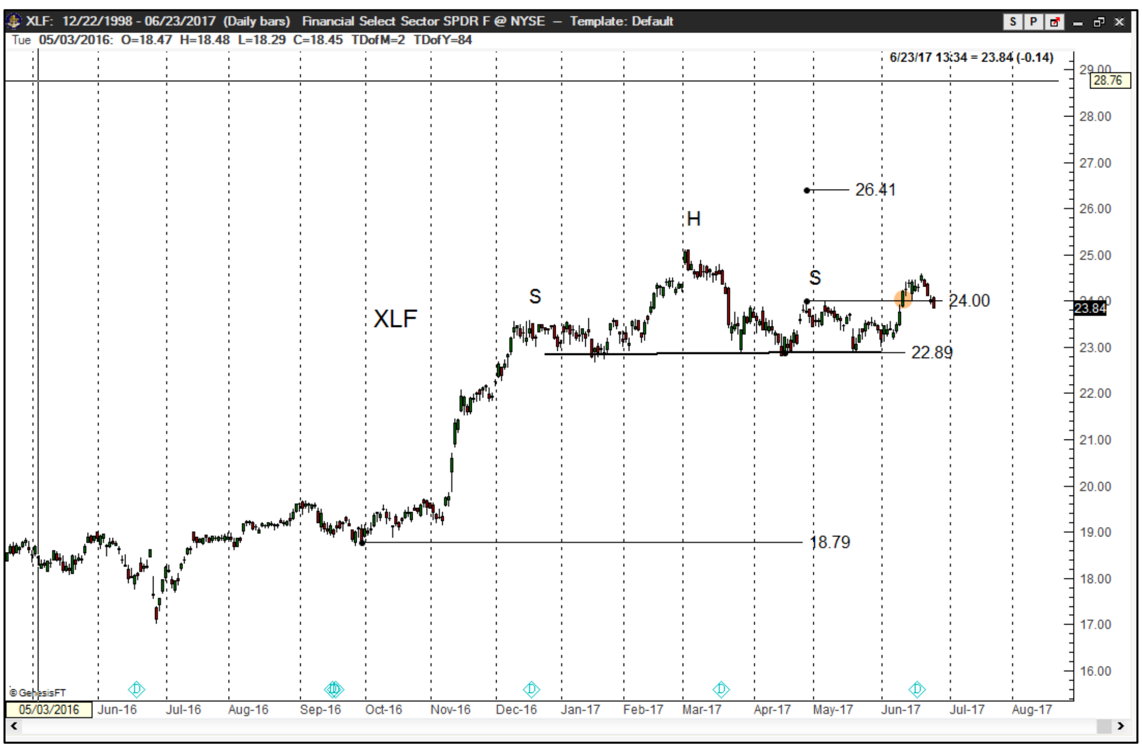


New Zealand Dollar – is the market constructing a bearish descending triangle top?

The Kiwi could be forming a bearish descending triangle. This interpretation would require prices to top soon and at current levels and then turn down sharply.

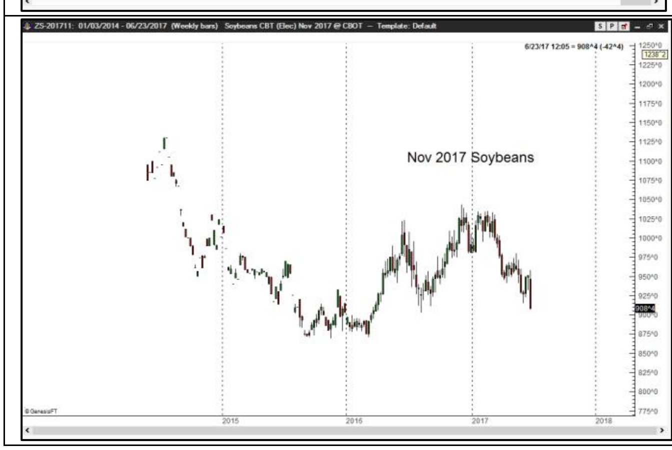
Financial Select Sector (XLF) – support is giving way

The close above the Apr 26 high completed the H&S failure pattern on the daily chart of XLF. I will continue to do whatever is necessary to protect my trading capital. One of my trading rules is to not take home a losing trade on a Friday. Accordingly the Factor exited the long XLF trade on Friday and is now flat.



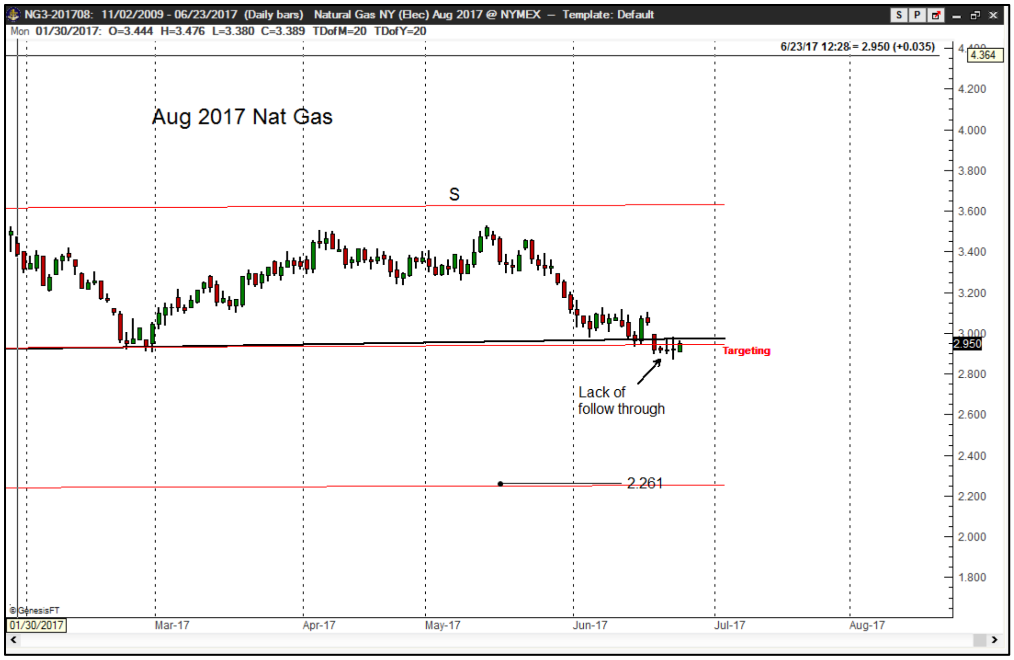
Grain markets – bottoms in grains are agonizing affairs

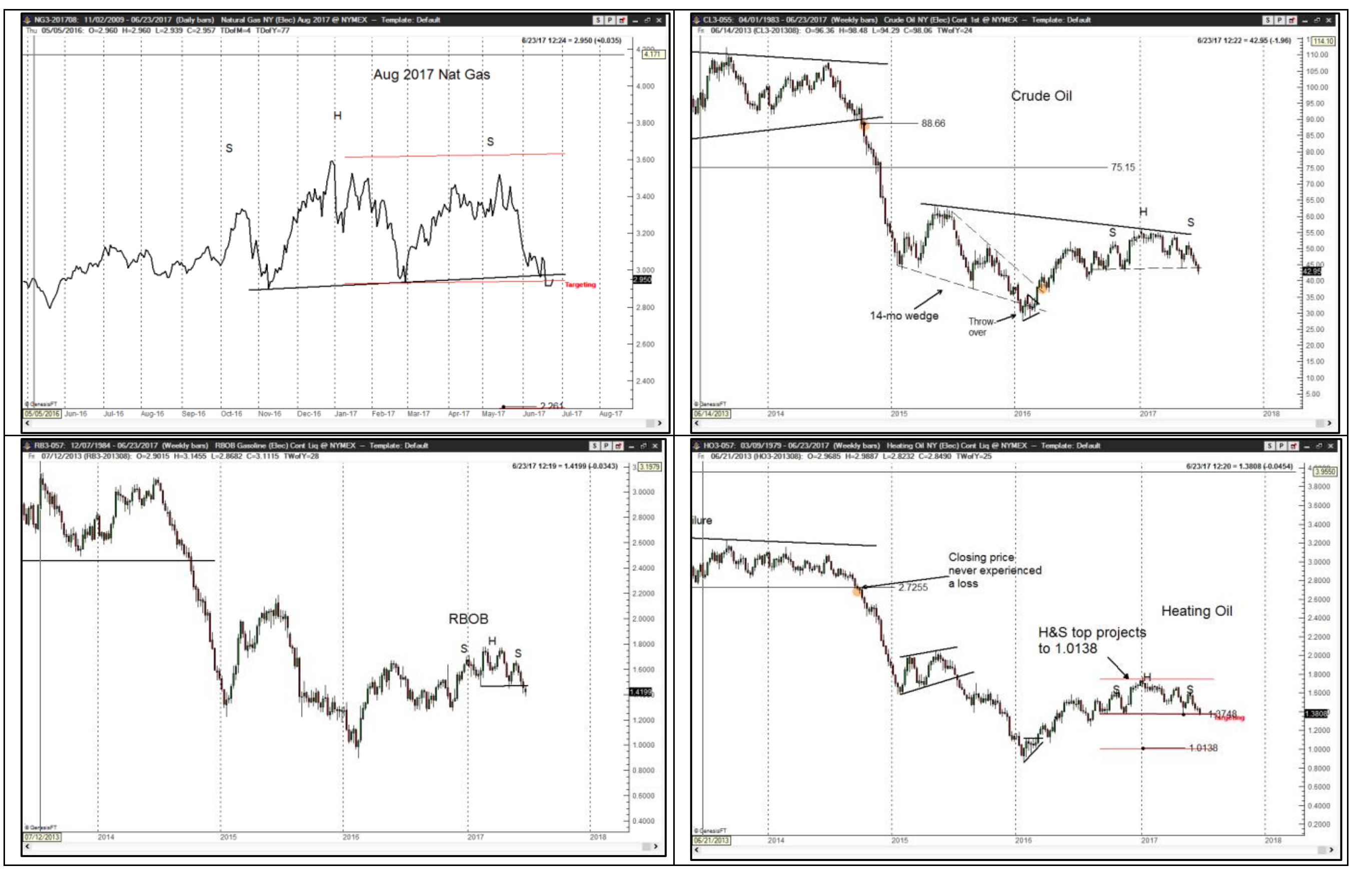
I have previously commented that the bottoming process in the grain markets can be agonizing and require a considerable period of time. With the exception of Mpls Wheat this is exactly what is happening. In hindsight I exited Mpls Wheat prematurely – the 6.94 target is within reach with a further possible target of 8.13. None of the other major grain products have developed similar momentum. Consistent with my trading rule to liquidate losing trades on Fridays, the Factor exited Chicago Wheat this past week. This is purely a capital protection rule – the chart of the Dec contract remains constructive with the possibility of a 10-month double bottom. The weekly charts of Dec Corn and Nov Beans are totally unappealing. The daily chart of Dec Oats ripped into new contract highs on Friday in what appears to be a play on northern U.S.-grown protein grain.



Energy markets – charts are negative --- but?????

The charts of all the energy markets are decisively bearish – all displaying forms of rounding or H&S tops. Rounding tops are among the most difficult patterns to trade. I have no desire to be involved on the short side of Crude Oil, RB Gas or Heating Oil given the oversold conditions and unreliability of classical chart patterns in 2017. I took a shot at the short side of Natural Gas on Monday, but the inability of the market to make any downward follow through gave me second thoughts. To repeat again – in my opinion capital management trumps the analysis of a particular chart. Nevertheless, the inability of Natural Gas to climb back above the H&S neckline on the closing price chart indicates lower prices ahead.





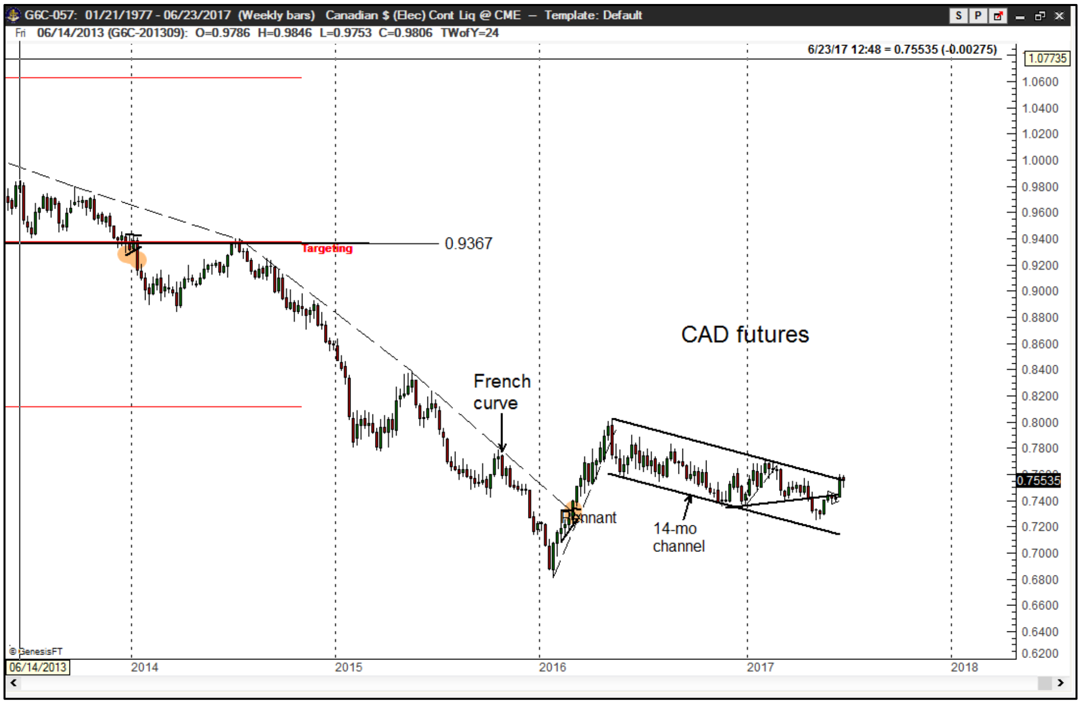
Kospi (and EWY-etf) – correction in progress

The dominant chart construction is the completed 5-year continuation symmetrical triangle on the Kospi monthly graph. The Index has a price target of 2616. The U.S. etf (EWY) has also confirmed its bullish pattern. There is a chance that the correction on the daily chart (see inset) has run its course. Factor is long EWY with a revised protective stop based on Wednesday's low.

U.S. stock indexes – the Russell 2000 continues to form a possible top pattern

The trend in the DJIA, NASDAQ and S&Ps remains strongly up. However, there are no tradeable patterns for a long-side trade (charts not shown). The daily continuation futures graph of the Russell 2000 displays a well-developed right-angled broadening triangle (RABT). A decline and close below 1331 by the Russell (futures) would complete this triangular pattern. The Russell 2000 ETF (IWM) has the same form as the Russell Index. Factor is flat in all U.S. stock index futures and ETFs.

Canadian Dollar (futures) – the best trades come from creative possibilities



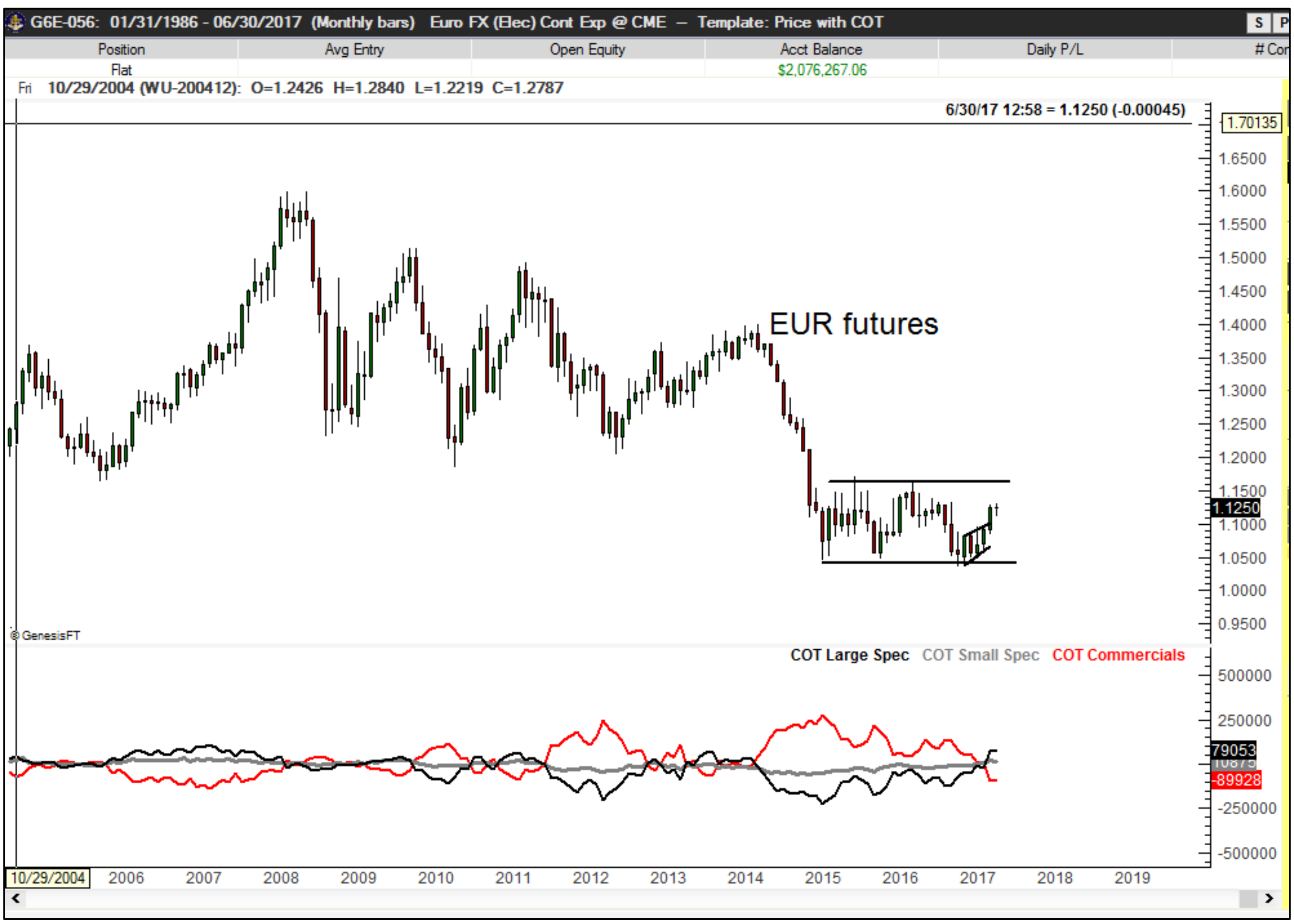
A bullish scenario for Canadian Dollar futures was detailed in the Jun 11 Factor Update. The advance on Jun 12 completed a small pennant on the daily chart – putting the Factor into a long position. This past week's low is my risk point. The next hurdle to a bull trend in the C$ is the 14-month channel on the weekly graph. Despite the rally from the early May low commercials hold near all-time record long positions while specs hold near all-time record short positions. Factor is long and I am willing to pyramid this trade should the channel be penetrated.

When to hold 'em and when to fold 'em

I do not want you to miss a point from this week's Update. I want nothing to do with trades that dig into my pocket (Wheat, Nat Gas and XLF) but am willing to stay around in trades that have not yet threatened my entry (Canadian Dollar, Schatz, PGAL, EWY). In the truest sense this is about cutting losses short and allowing profits to run. Sooner or later this process will return to glory. This is to say that if a chart pattern from which a trade is based has not been negated AND the position is not at a loss, then I want to "hold 'em.". The reality is that all traders need to deal with the tension created when nothing seems to work. My job as a prop trader is to make money, not just to tread water. The Factor Tracking Account has spent the entire 2017 in a 520 basis point range (ROR, sequential closed trades). My entire philosophy of trading has been to keep my capital together until outstanding trading conditions reappear. This remains my game plan. Yet, I cannot force something to happen before its time.

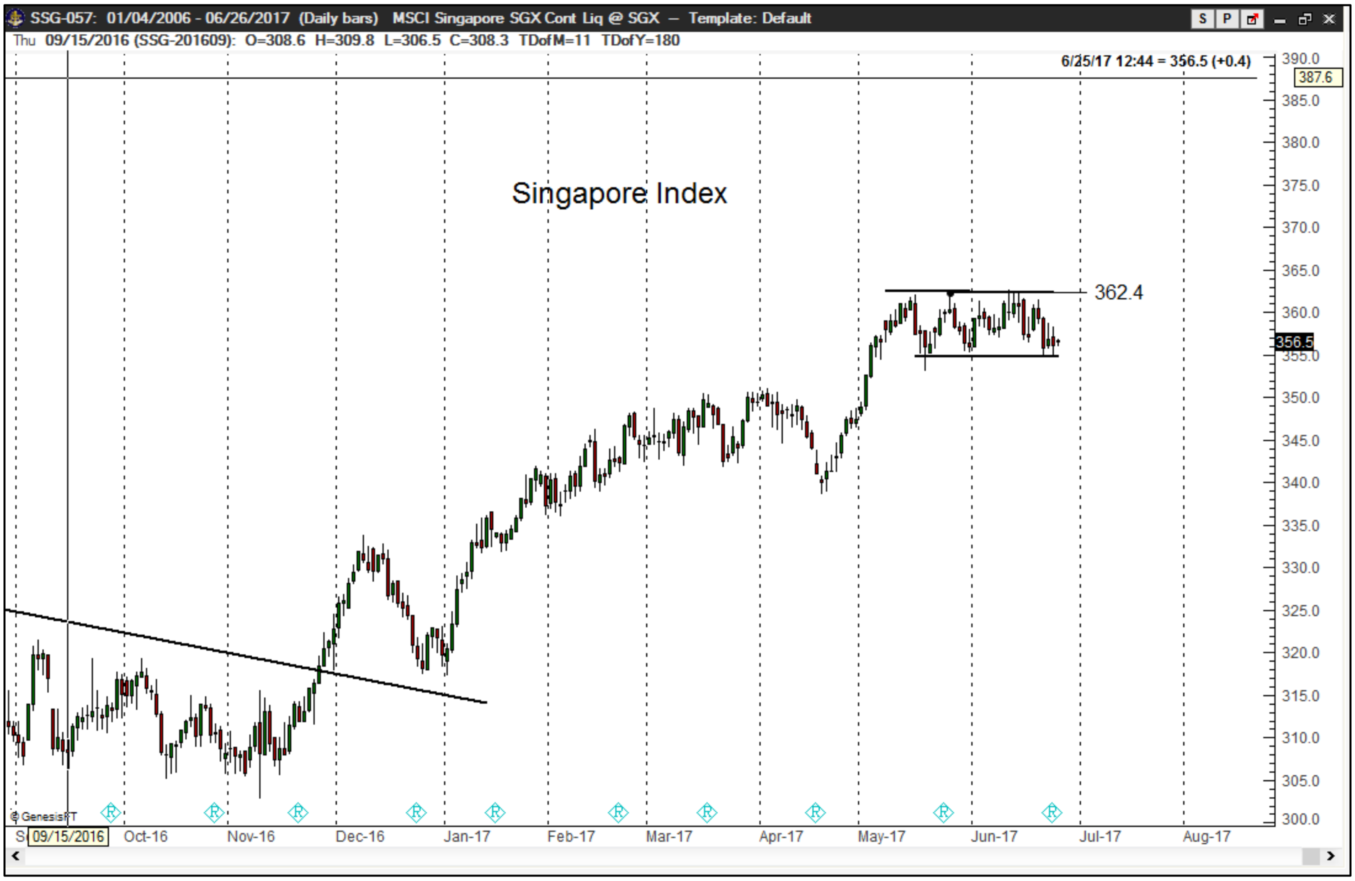
EUR/USD – how long will this forex cross remain within a 10% range?

This forex cross remains within a very tight and lengthy rectangle pattern on the weekly graph. Prices are advancing toward the upper boundary of this trading range. Commercials have a net short position last seen at the 2011 top. Specs have the largest net long position since Oct 2013. It remains to be seen if this COT positioning will impact price action.



Singapore Index – continuation of bull trend is still on the table

Not that I am a global macro trader, but the Shiller-Case Evaluation Ratio of the Singapore stock market is among the cheapest in the world (Russia is by far the best value with the Czech Republic in the second spot). I like tight and well-defined short-duration patterns (pennants especially) within the context of a strong trend. The Singapore Index displays a 6-week pennant. I am willing to go with an upside breakout of this pennant, but according to the theme of 2017 I will run quickly if a breakout lacks immediate follow through. Factor is flat.



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Factor Tracking Account, June 23, 2017

Market		Date	L/S	Price	Size	Initial stop	BP risk	Current Stop	Stop Date Δ	Target	Weekly	Daily	Exit Date	Exit Price	Net	Capital to carry trade	Value of trade (entry)
Factor LLC											6/23/2017						
Model Tracking Account Trade History and Portfolio																	
Initial capitalization: $100,000																	
					(See disclaimers and notes below)												
		Entry									Pattern		Exit				
Positions open as of 12/30/16																	
EXH7	EuroStoxx	12/6/16	L	3102.0	1	3029.0	78	3247	12/28	3289	11+mo H&S	11+ mo H&S	2-Jan	3289	$ 1,970	Closed	-
NZD/USD	Spot fx	12/15/16	S	0.7077	70k	0.7126	36	0.7002	12/27	0.6821	Poss 6+ mo H&S	4-wk wedge	5-Jan	0.7003	$ 518	Closed	-
												Total -- Carry in positions			$ 2,488		
2017 forex roll charges and FX losses on foreign margin deposits; day trade P/Ls on repositioned trades															$ (602)		
EUR/USD	EUR/USD	1/3/17	S	1.0445	50k	1.0532	43	1.0502	1/4	0.9621	21-mo sym tri	Jan Effect high	5-Jan	1.0503	$ (290)	Closed	-
EUR/NOK	EUR/NOK	1/3/17	S	9.0058	50k	9.1011	55	8.8631	2/24	8.7352	14-mo H&S top	Poss 14-wk H&S	27-Feb	8.8633	$ 851	Closed	-
MWEH7	Mpls Wheat	1/5/17	L	5.4700	1	5.3900	40	5.690	1/16	5.86	6+ mo H&S	5-wk asc tri	17-Jan	5.860	$ 1,945	Closed	-
MWEH7	Mpls Wheat	1/5/17	L	5.4700	1	5.3900	40	554.75	1/27	6.34 r	6+ mo H&S	5-wk asc tri	30-Jan	5.5450	$ 370	Closed	-
AUD/NZD	AUD/NZD	1/9/17	L	1.0508	70k	1.0419	45	1.0459	1/11	1.0746	Poss 7-mo H&S	10-wk wedge	24-Jan	1.0459	$ (248)	Closed	-
6GCH7	Canadian $	1/12/17	L	0.7652	1	0.7584	72			0.8023	9-mo channel	3-mo double bottom	18-Jan	0.7583	$ (695)	Closed	-
FAST	Fastenal	1/18/17	L	50.220	200	47.740	50	47.98	1/30	62.5900	57-mo rectangle		2-Feb	49.04	$ (241)	Closed	-
FGBMH7	Bobl	1/23/17	S	133.1900	1	133.4200	23	133.13	1/25	130.41	Poss 12-mo H&S	5-wk H&S	2-Feb	133.13	$ 55	Closed	-
ZCH7	Corn	1/24/17	L	363.00	1	354.50	45	359.75	1/27	384.750	13-wk sym tri	13-wk sym tri	30-Jan	359.75	$ (167)	Closed	-
EUR/NOK	EUR/NOK	1/30/17	S	8.9124	80k	8.9442	31	8.9102	2/9	8.7351	14-mo H&S top	Poss 16-wk H&S	10-Feb	8.9103	$ 20	Closed	-
YIH7	Mini Silver	1/31/17	L	17.43	2	17.07	36	17.32	2/2	18.8800	11-wk H&S	11-wk H&S	3-Feb	17.32	$ (230)	Closed	-
FVAH7	5-Yr Ts	2/9/17	L	118-08	1	108-03	32			119-18	12-wk H&S	12-wk H&S	9-Feb	118-03	$ (318)	Closed	-
JJC -ETF	Copper	2/9/17	L	31.66	800	30.98	55	Mkt	2/14	34.48		HG = 13-wk rect	16-Feb	31.73	$ 51	Closed	-
HGH7	Copper	2/14/17	L	274.10	1	269.3	120	271.9	2/15	299.30	13-wk rectangle	Retest	16-Feb	281.85	$ (568)	Closed	-
AUD/USD	Aussie	2/15/17	L	0.7702	50k	0.7629	36	Mkt	2/17	0.8338	Poss 10-mo rect	2-wk pennant	17-Feb	0.7664	$ (190)	Closed	-
EUR/USD	EUR/USD	2/16/17	L	1.06712	30	1.0498	47	Mkt	2/17	1.0674	Poss 23-mo rect	Poss 13-wk H&S	17-Feb	1.06077	$ (191)	Closed	-
ZH7	FTSE	3/1/17	L	7322.0	1	7269.0	65	7314.0	3/7	7722.0	17-year asc tri	Pennant	8-Mar	7314.00	$ (20)	Closed	-
DXH7	US Dollar	3/1/17	L	101.865	1	101.28	60	101.49	3/3	108.84	20-mo rectangle	Poss 15-wk H&S fail	10-Mar	101.485	$ (385)	Closed	-
FAST	Fastenal	3/3/17	L	51.53	300	50.29	40	50.94	3/7	62.59	6-mo H&S	7-wk pennant	9-Mar	50.94	$ (182)	Closed	-
QMK7	Min Crude	3/10/17	S	51.20	1	52.35	60			48.125		10-week horn	14-Mar	48.13	$ 1,533	Closed	-
GEBH8	Euribor	3/10/17	S	100.170	3	100.225	42	100.200	3/28	99.770	14-mo H&S top	14-mo H&S top	29-Mar	100.20	$ (272)	Closed	-
EURUSD	EURUSD	3/10/17	L	1.0688	40k	1.0594	36	1.07540	3/28	1.1234	25-mo rectangle	Poss 4-mo H&S	29-Mar	1.07538	$ 263	Closed	-
EURUSD	EURUSD	3/27/17	L	1.0861	20k	1.07690	19	1.07890	3/28	1.1197	4-mo H&S	4-mo H&S	29-Mar	1.07888	$ (144)	Closed	-
EURUSD	EURUSD	3/27/17	L	1.08645	20k	1.07920	19	1.07890	3/28	1.1197	4-mo H&S	4-mo H&S	29-Mar	1.0788	$ (153)	Closed	-
SNFJ7	Nifty	3/28/17	L	9155.0	1	8989.0	32	Mkt	4/13	11174.0	27-mo cup & handle	27-mo cup & handle	13-Apr	9200	$ 80	Closed	-
SNFJ7	Nifty	3/28/17	L	9155.0	1	8989.0	32	Mkt	4/13	11174.0	27-mo cup & handle	27-mo cup & handle	13-Apr	9200	$ 80	Closed	-
PGAL	**Port. ETF**	**3/31/17**	**L**	**10.22**	**100**	**8.99**	**11**	**10.64**	**6/2**	**16.49 r**	**10-wk sym tri**	**10-wk sym tri**				**$ 1,022**	**$ 1,022**
PGAL	**Port. ETF**	**3/31/17**	**L**	**10.22**	**200**	**8.99**	**22**	**10.29**	**4/24**	**16.49**	**10-wk sym tri**	**10-wk sym tri**				**$ 2,044**	**$ 2,044**
LL	Lumber Liq	3/31/17	L	20.21	200	19.29	19	21.59	4/12	34.79	20-mo H&S	20-mo H&S	12-Apr	21.59	$ 271	Closed	-
LL	Lumber Liq	3/31/17	L	20.21	200	19.29	19	21.97	4/28	30.34 r	20-mo H&S	20-mo H&S	2-May	21.93	$ 339	Closed	-
VRNS	Varonia	3/31/17	L	31.79	200	30.09	32	30.78	4/5	37.49	7-mo rectangle	7-mo rectangle	6-Apr	29.74	$ (415)	Closed	-
GBPUSD	GBPUSD	4/18/17	L	1.2663	30k	1.2508	45	1.2889	5/9	1.3288	6+ mo H&S	6+ mo H&S	11-May	1.2888	$ 675	Closed	-
TLT	20-Yr ETF	4/18/17	L	123.89	150	121.54	36	Mkt	4/25	126.93	5-mo double bottom	5-mo double bottom	25-Apr	121.76	$ (325)	Closed	-
SLCA	U.S. Silica	4/21/17	S	40.98	120	44.02	36			25.21	7-mo H&S top	7-mo H&S top	26-Apr	44.03	$ (371)	Closed	-
QGM7	Mini Nat Gas	4/21/17	S	3.190	2	3.280	45	3.225	4/25	3.030	Poss 10-mo H&S	Poss 4-wk H&S	26-Apr	3.225	$ (93)	Closed	-
USD/CAD	USD/CAD	4/25/17	L	1.3591	30k	1.3398	43	Mkt	5/5		5+ mo cont. H&S	5+ mo cont. H&S	5-May	1.3644	$ 116	Closed	-
EUR/USD	EUR/USD	4/25/17	L	1.0881	30k	1.0759	56	1.0904	5/8	1.1389	4-mo Horn	Breakaway gap	9-May	1.09038	$ 70	Closed	-
GBPUSD	GBPUSD	4/27/17	L	1.2876	30k	1.2809	17	Mkt	5/3		6+ mo H&S	Half mast pennant	3-May	1.2882	$ 18	Closed	-
ZLN7	Bean Oil	5/2/17	L	32.60	1	32.24	22	32.77	5/9	33.98	5-mo channel	5-wk rounding	10-May	32.77	$ 97	Closed	-
ZLN7	Bean Oil	5/2/17	L	32.60	1	31.98	37	32.64	5/9	Open	5-mo channel	5-wk rounding	10-May	32.64	$ 19	Closed	-
AUD/USD	Aussie	5/3/17	S	0.7436	70k	0.7503	50	Mkt	5/15	0.7216	Poss 12-mo rect	12-wk horn	15-May	0.7413	$ 156	Closed	-
EXM7	EuroStoxx	5/4/17	L	3552	1	3513	44	3559	5/5	3836	4-mo channel	Upside BO	17-May	3559	$ 68	Closed	-
PPC	Pilgrims P.	5/4/17	L	25.12	200	23.49	33	24.44	5/9	36.48	Poss 17-mo sym tri	Retest	10-May	24.44	$ (141)	Closed	-
ESM7	S&Ps	5/5/17	L	2393.50	1	2383.75	50	2389.00	5/9	2434.00	8-wk triangle	2-wk pennant	10-May	2389.00	$ (230)	Closed	-
PPC	Pilgrims P.	5/12/17	L	24.51	400	23.74	30	23.98	5/16	36.48	17-mo sym tri	Retest/reversal	17-May	23.97	$ (221)	Closed	-
EWY	**So. Kor etf**	**5/15/17**	**L**	**66.42**	**100**	**61.64**	**55**	**66.49**	**6/23**	**87.48**	**6-yr rectangle**					**$ 6,642**	**$ 6,642**
DXM7	U.S. Dollar	5/16/17	S	97.99	1	98.69	70	97.36	6/14	95.36	15-wk wedge	15-wk wedge	15-Jun	97.36	$ 625	Closed	-
GBP/USD	GBP/USD	5/19/17	L	1.2986	30k	1.2832	45	1.2919	5/25	1.3289	6+ mo H&S	4-wk bull flag	26-May	1.2918	$ (114)	Closed	-
USD/SEK	USD/SEK	5/22/17	S	8.6987	30k	8.8327	46	Mkit	6/15	8.4215	16-wk rectangle	16-wk rectangle	15-Jun	8.7547	$ (193)	Closed	-
USD/SEK	USD/SEK	5/22/17	S	8.6957	20k	8.7776	20	8.7017	6/6	8.4215	16-wk rectangle	16-wk rectangle	7-Jun	8.7019	$ (14)	Closeed	-
ZMZ7	Soy Meal	5/25/17	S	308.30	1	314.10	58	309.20	5/31	281.30	7-mo cont H&S	7-mo cont H&S	5-Jun	309.20	$ (95)	Closed	-
ESM7	S&Ps	5/31/17	L	2406.25	1	2394.50	60	2419.50	6/8		10-wk sym tri	10-wk sym tri	9-Jun	2419.25	$ 645	Closed	-
MWEN7	Mpls Wheat	6/5/17	L	584.00	1	566.00	90	579.00	6/9	639.00	12-mo rounding	12-mo sym tri (N)	14-Jun	639.00	$ 2,745	Closed	-
ZCZ7	Corn	6/9/17	L	4.0525	1	3.9575	47			4.4800	Poss 3-yr dbl bot		15-Jun	3.9575	$ (455)	Closed	-
G6CU7	**Canada $**	**6/12/17**	**L**	**0.7486**	**1**	**0.7434**	**62**	**0.7494**	**6/21**	**0.7984**	**H&S fail**	**3-wk pennant**				**$ 1,045**	**$ 74,860**
XLF	Fin ETF	6/14/17	L	24.26	500	23.48	39	23.84	6/23	26.41	6-mo H&S fail	6-mo H&S fail	23-Jun	23.84	$ (210)	Closed	-
XWZ7	Wheat mini	6/16/17	L	501.00	3	478.00	68	Mkt	6/23	579.00	4-mo rectangle	4-mo rectangle	23-Jun	496.50	$ (150)	Closed	-
QGQ7	Nat Gas	6/19/17	S	2.935	2	3.100	83	Mkt	6/23	2.286	9-mo H&S top	Breakaway gap	23-Jun	2.9350	$ (5)	Closed	-
EBSU7	**G. Schatz**	**6/22/17**	**S**	**112.05**	**3**	**112.155**	**35**			**111.42**	**4+ yr trendline**	**7-mo complex H&S**				**$ 1,253**	**NA**
												Trades as of			$ 5,654	$ 12,006	$ 84,568
											Indicates open position value as of					Levered at	0.8
PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE																	MtE = 1.8%
r = revised	RO = Rollover																

The Factor Service $100,000 Tracking Account represented herein is a proxy representation of the trading executed by Peter Brandt for the Factor LLC's proprietary trading accounts. There are some major differences between the trading activity conducted in the Factor Service $100,000 Tracking Account and trading in the Factor LLC's proprietary accounts. Peter's trade sizing and trade management tactics in the proprietary account is sized and managed per $1MM of proprietary capital. There may be trades Peter believes are not suitable for a $100,000 block of capital, and these trades are not executed in the Factor Service $100,000 Tracking Account. Factor LLC's proprietary account trades multiple contract trades wherein Peter layers into and out of a position at different prices and on different dates. The Factor Services $100,000 Tracking Account most often holds a single futures contract in a trade whereby layering is not possible. Factor LLC's proprietary accounts may also pyramid some trades not pyramided in the Factor Service Tracking Account. Because the Factor Service Tracking Account represents how Peter would trade a $100,000 block of capital in contrast to the actual trading of Factor LLC's proprietary account, the Factor Tracking Account should be considered as hypothetical. Hypothetical trading performance is subject to the following disclaimer required by the Commodity Futures Trading Commission.

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"Oh, not much. Well, still dabbling a bit in commodities futures."