

**Rockefeller Treasury Services, Inc.**

Daily Cumulative Track Record FUTURES

**May 2017**

Any COLORED blocks denote corrections made after first publication of this track record.

**THESE RESULTS ARE HYPOTHETICAL. WE DID NOT EXECUTE THESE TRADES.**

Performance based on one CME futures contract per currency.

Percentage gain based on \$50,000 starting stake without compounding.

2007 Track Record	57,413.75		
2008 Track Record	207,640.75		
2009 Track Record	79,993.25		
2010 Track Record	96,785.00		
2011 Track Record	89,146.25		
2012 Track Record	16,683.75		
2013 Track Record	57,908.76		
2014 Track Record	17,889.95		
2015 Track Record	77,680.00		
2016 Track Record	111,319.45		
10-Year Cum. and Average %	812,460.91	162.49%	
January	3,957.50		
February	(81.25)		
March	6,358.75	10,235.00	102.35%
April	(1,435.00)		
May	1,593.75		

**See below for Rules.**

Rule 0 = Enter at open or regular re-entry

Rule 1 = Guerilla trade

Entry Date	Currency	Trade Direction	Entry Price	Rule	Exit Date	Exit Price	Points	P/L	Cumulative
05/01/17	Yen	Buy	8991	0	05/01/17	8965	26	325.00	-325.00
05/01/17	Pound	Buy	12941	1	05/02/17	12903	38	237.50	-562.50
05/01/17	A\$	Buy	7515	1	05/02/17	7549	34	340.00	-222.50
05/01/17	SF	Sell	10080	0	05/02/17	10096	16	200.00	-422.50
05/01/17	SF	Sell	10080	0	05/02/17	10096	16	200.00	-622.50
05/02/17	Pound	Sell	12897	1	05/02/17	12927	30	187.50	-810.00
05/02/17	Yen	Sell	8957	0	05/02/17	8918	39	487.50	-322.50
05/02/17	C\$	Sell	7315	0	05/02/17	7293	22	220.00	-102.50
05/02/17	SF	Buy	10105	1	05/03/17	10137	32	400.00	297.50
05/02/17	Peso	Buy	5297	0	05/03/17	5263	34	170.00	127.50
05/03/17	Pound	Buy	12955	0	05/03/17	12901	54	337.50	-210.00
05/03/17	A\$	Buy	7512	1	05/03/17	7486	26	260.00	-470.00
05/03/17	Yen	Sell	8942	0	05/03/17	8910	32	400.00	-70.00
05/02/17	Euro	Buy	10926	1	05/03/17	10926	0	0.00	-70.00
05/03/17	C\$	Sell	7302	1	05/04/17	7282	20	200.00	130.00
05/04/17	Euro	Buy	10916	1	05/04/17	10959	43	537.50	667.50
05/04/17	SF	Buy	10083	0	05/04/17	10136	53	662.50	1,330.00
05/04/17	Pound	Sell	12913	1	05/05/17	12957	44	275.00	1,055.00
05/04/17	Yen	Sell	8888	0	05/05/17	8929	41	512.50	542.50
05/04/17	Peso	Sell	5236	2	05/05/17	5231	5	25.00	567.50
05/05/17	C\$	Sell	7279	0	05/05/17	7303	24	240.00	327.50
05/05/17	Peso	Sell	5236	3	05/05/17	5331	95	475.00	-147.50
05/04/17	Euro	Buy	10999	2	05/08/17	11036	37	462.50	315.00
05/05/17	Pound	Sell	12971	0	05/08/17	12998	27	168.75	146.25
05/05/17	SF	Buy	10147	1	05/08/17	10121	26	325.00	-178.75
05/04/17	Yen	Sell	8888	3	05/08/17	8872	16	200.00	21.25
05/08/17	Pound	Buy	12998	0	05/08/17	12964	34	212.50	-191.25
05/08/17	Euro	Buy	10879	0	05/08/17	10953	74	925.00	733.75

05/08/17	SF	Buy	10103	1	05/08/17	10071	32	400.00	333.75
05/08/17	Peso	Sell	5247	1	05/08/17	5211	36	180.00	513.75
05/04/17	A\$	Sell	7382	2	05/09/17	7380	2	20.00	533.75
05/08/17	C\$	Buy	7326	0	05/09/17	7288	38	380.00	153.75
05/09/17	Euro	Buy	10940	1	05/09/17	10906	34	425.00	-271.25
05/09/17	SF	Buy	10020	1	05/09/17	9975	45	562.50	-833.75
05/09/17	Yen	Sell	8819	2	05/09/17	8759	60	750.00	-83.75
05/09/17	Pound	Buy	12924	1	05/10/17	12980	56	350.00	266.25
05/09/17	A\$	Sell	7340	2	05/10/17	7364	24	240.00	26.25
05/09/17	Peso	Sell	5170	0	05/10/17	5224	54	270.00	-243.75
05/10/17	Yen	Sell	8778	1	05/10/17	8811	33	412.50	-656.25
05/10/17	C\$	Sell	7294	0	05/10/17	7325	31	310.00	-966.25
05/10/17	SF	Sell	9952	1	05/11/17	9958	6	75.00	-1,041.25
05/10/17	Peso	Sell	5224	0	05/11/17	5224	0	0.00	-1,041.25
05/10/17	Yen	Sell	8778	3	05/11/17	8805	27	337.50	-1,378.75
05/11/17	Pound	Buy	12914	1	05/11/17	12869	45	281.25	-1,660.00
05/11/17	C\$	Buy	7321	0	05/11/17	7290	31	310.00	-1,970.00
05/11/17	Peso	Buy	5221	2	05/11/17	5248	27	135.00	-1,835.00
05/10/17	Euro	Sell	10897	0	05/12/17	10920	23	287.50	-2,122.50
05/11/17	Yen	Sell	8824	1	05/12/17	8793	31	387.50	-1,735.00
05/11/17	A\$	Sell	7368	1	05/12/17	7388	20	200.00	-1,935.00
05/11/17	SF	Sell	9952	3	05/12/17	9948	4	50.00	-1,885.00
05/12/17	Pound	Sell	12864	2	05/12/17	12904	40	250.00	-2,135.00
05/12/17	A\$	Buy	7388	0	05/12/17	7414	26	260.00	-1,875.00
05/12/17	Yen	Buy	8798	0	05/12/17	8832	34	425.00	-1,450.00
05/12/17	SF	Buy	9944	1	05/12/17	9991	47	587.50	-862.50
05/12/17	C\$	Buy	7299	1	05/13/17	7330	31	310.00	-552.50
05/12/17	Euro	Sell	10933	1	05/15/17	10950	17	212.50	-765.00
05/15/17	Euro	Buy	10950	0	05/15/17	10979	29	362.50	-402.50
05/12/17	SF	Buy	10031	2	05/16/17	10075	44	550.00	147.50
05/15/17	Pound	Sell	12910	1	05/16/17	12943	33	206.25	-58.75
05/16/17	Pound	Buy	12953	1	05/16/17	12912	41	256.25	-315.00
05/16/17	Euro	Buy	10997	0	05/16/17	11029	32	400.00	85.00
05/16/17	C\$	Buy	7340	0	05/16/17	7364	24	240.00	325.00
05/15/17	Yen	Buy	8828	0	05/16/17	8866	38	475.00	800.00
05/12/17	Peso	Buy	5307	2	05/17/17	5340	33	165.00	965.00
05/16/17	Euro	Buy	11069	2	05/17/17	11100	31	387.50	1,352.50
05/16/17	SF	Buy	10115	2	05/17/17	10164	49	612.50	1,965.00
05/17/17	Yen	Buy	8852	0	05/17/17	8893	41	512.50	2,477.50
05/16/17	A\$	Buy	7409	1	05/17/17	7392	17	170.00	2,307.50
05/17/17	Yen	Buy	8933	2	05/17/17	8993	60	750.00	3,057.50
05/17/17	Pound	Buy	12974	2	05/18/17	13032	58	362.50	3,420.00
05/16/17	A\$	Buy	7409	3	05/18/17	7441	32	320.00	3,740.00
05/17/17	Peso	Buy	5318	1	05/18/17	5290	28	140.00	3,600.00
05/18/17	Yen	Buy	9044	0	05/18/17	8998	46	575.00	3,025.00
05/17/17	Euro	Buy	11140	2	05/18/17	11113	27	337.50	2,687.50
05/18/17	Yen	Buy	9044	3	05/18/17	8998	46	575.00	2,112.50
05/17/17	SF	Buy	10204	2	05/19/17	10223	19	237.50	2,350.00
05/17/17	C\$	Buy	7354	1	05/19/17	7376	22	220.00	2,570.00
05/19/17	Pound	Sell	12948	0	05/19/17	12988	40	250.00	2,320.00
05/19/17	Euro	Sell	11116	0	05/19/17	11156	40	500.00	1,820.00
05/19/17	A\$	Buy	7403	1	05/19/17	7433	30	300.00	2,120.00
05/19/17	SF	Sell	10220	0	05/19/17	10254	34	425.00	1,695.00
05/19/17	Peso	Buy	5282	0	05/19/17	5338	56	280.00	1,975.00
05/19/17	Yen	Sell	8974	0	05/22/17	9003	29	362.50	1,612.50
05/22/17	Pound	Buy	13022	0	05/22/17	13006	16	100.00	1,512.50
05/22/17	Pound	Buy	13022	3	05/22/17	13006	16	100.00	1,412.50
05/22/17	Euro	Buy	11221	0	05/22/17	11182	39	487.50	925.00
05/22/17	Euro	Buy	11221	3	05/22/17	11182	39	487.50	437.50
05/22/17	A\$	Buy	7445	0	05/23/17	7493	48	480.00	917.50
05/22/17	Yen	Buy	9003	0	05/23/17	8962	41	512.50	405.00

05/22/17	SF	Buy	10297	0	05/22/17	10322	25	312.50	717.50
05/22/17	Peso	Buy	5326	1	05/22/17	5362	36	180.00	897.50
05/31/17	Pound	Buy	12854	1	05/31/17	12803	51	318.75	578.75
05/31/17	Euro	Buy	11194	0	05/31/17	11234	40	500.00	1,078.75
05/31/17	Yen	Buy	9027	0	05/31/17	9001	26	325.00	753.75
05/31/17	SF	Buy	10271	1	05/31/17	10301	30	375.00	1,128.75
05/31/17	Peso	Sell	5342	1	05/31/17	5311	31	155.00	1,283.75
05/31/17	C\$	Sell	7441	1	05/31/17	7410	31	310.00	1,593.75
								1,593.75	

#### Open Positions

05/31/17	SF	Buy	10341	2
----------	----	-----	-------	---

#### Contingency "Footnote" Rules (Revised 01/30/17)

**Proportionality Rule:** *The recommendation to enter at the close obviously cannot be met.* It means enter at the next open. In spot, normally the close and open are only a few points apart. But, if the open is 15 points or more away from the close, apply the number of points in the stop and target to the actual open. This prevents stupid stops and wrong targets. A version of the proportionality rule is used in Rule 3 below.

Note that if the gap between close and open is 40 points or more and in the same direction as the Position Direction, you should apply Rule 2. If the move is 40 points or more in the opposite direction, you should do nothing unless it goes far enough to qualify for Rule 4.

#### 1. No Position Recommended (NPR).

NPR is not, technically, a Rule, or rather it's a rule that says "do not trade" except under special circumstances. NPR is a statement that uncertainty is unbearably high. NPR can appear in two places, the Recommended Entry column or the Position Direction column.

When NPR appears in the **Position Direction** column, it means not only that we can't find a positive expectancy, we are seriously unsure about direction. When we have NPR in the Position Direction column, we always have NPR in the Recommended Entry, too.

You might think that Rules 2 and 4 described below have big enough hurdle criteria to overcome this qualm, but in practice, there are occasions when either or both Rules get activated and result in a net loss. If we see that coming, we judge the best tactic is to withdraw altogether. Notice that word "judgment." This is indeed an instance of operator interference in the trading system, named "discretion," something we disapprove of on the whole and to be used only sparingly.

When NPR appears in the Recommended Entry column only but there is still a long or short recommendation in the Position Direction box, it means do not enter any trades except Rule 2 or Rule 4 trades.

By definition, if we get the breakout during an NPR "stand-pat/do nothing" period, it should trigger a Rule 2 or a Rule 4. In other words, when a Contingency Rule is hit, it means conditions have changed and changed by a sufficient amount to restore confidence in our estimate of direction and trendedness.

Rule 2, for example, is triggered when the price moves 40 points past the last exit on the same day or the previous close. See below. In the case of an NPR on the end-of-day Monday report, we would still apply Rule 2 on a Tuesday--off the Monday close. The same thing holds for Rule 4, the reversal rule. If the price moves 80 points in the opposite direction of the last close, we want to participate in the move. **Note that if the Position Direction has changed, from Long to Short or vice versa, you would apply Rule 2 or Rule 4 to the new direction. A new direction is always marked in red.**

Notice that Rule 3, re-enter in same direction and at the same price after a loss, is not included in the NPR rules. Rule 3 is not eligible to override NPR because Rule 3 runs off the entry that was used in the last loss. By definition, the last loss occurred yesterday and is no longer relevant to today. Yesterday's trading action is now a dead duck. **The only thing from yesterday that is relevant to today is the close.** We start each trading session anew. The previous entry, stop and target in Rule 3 are yesterday's news. Today we have an updated Average True Range, a new standard error slope, new momentum readings, etc.. Starting anew with new data for today makes the system more **adaptive** to new conditions. And new conditions are coming along continuously.

#### Rule 2: Runaway Move

Rule 2 is the most important of the rules and generates the most gains. Rule 2 states that if a move continues in the same direction by 40 points after taking profit or from the last close if the recommended guerilla entry is not hit, re-enter in same direction with a stop 40 points and target 60 points away from entry. You do not apply Rule 2 to a previous close if you have already hit the profit target—you apply it to the level of the last profitable exit. You can apply Rule 2 if it comes before a guerilla trade entry and in fact this is quite common.

A runaway move that triggers Rule 2 sometimes starts on a gap, i.e., a substantial difference between the close and the open. Gaps are a misery for trading rules, as we saw in the Swiss franc in January 2015 and the pound after Brexit. The gap must be respected.

If the gap between close and Recommended Entry is 40 points or more and in the same direction as the Recommended Direction, enter at the open as though you were applying Rule 2 (stop 40, target 60 points). IT IS, INDEED, A RUNAWAY MOVE and qualifies for Rule 2. It may seem that a gap or more than 40 points doesn't offer enough room for a 60-point gain, the standard for the Rule 2 profit target, and this may be true, but fine-tuning the stop and target to the size of a gap would make trading too complicated. You are welcome to modify the Rule 2 stop and target to what you consider reasonable in the event of gaps.

Also, if the open is 80 points from the close and in the opposite direction, apply Rule 4 as usual.

What if the price moves in the opposite direction by 40 points or more but not the full 80 points that would trigger Rule 4? In this case we continue to respect the BUY/SELL advice in the Direction cell. Rule 2 or a proportionality trade is not applicable because the direction is wrong. We chose to not trade at all unless the price returns to the Recommended Entry, either the previous close or a guerilla level.

Whether on a gap or not, Rule 2 runaway trades can number two, or ten. During Brexit in June 2016, we probably had as many as twenty or more Rule 2 trades. We were unable to count them because the action was so fast that it would have been unfair (and taken days) to assume every Rule 2 was executable in the real world. An important point is that a series of Rule 2 trades almost always ends with a loss, except when the runaway trade carries over to the next day. Then we give a new stop and target that differs from the standard Rule 2 version.

### **Rule 3: Recovery Rule**

You placed a trade and hit the stop. Now the price has returned to the same level as your entry. If you were willing to buy or sell at that level a few hours ago, you should be willing to do it again. A return to your entry level is vindication that it was a good entry.

Re-enter at same level as the original entry if the price returns to it after a stop, using the same stop and target as originally instructed. But we need to adjust the stop or target if the old stop or target is a stupid number, either delivering the opposite outcome (e.g. loss on a target) or a small number of 15 points or less. This can happen when a position is already in place from the day before and the stop and target on the open order are designed to get an exit from the position and start over with a new entry. We could have, for example, a stop of 40 points and a target of 15 points, which is not the optimum set for a new trade. We always want the target to be a higher number of points than the stop.

Therefore, if the difference between entry and stop or target is negative or 15 points or less, adjust the stop to 38 points from entry and target to 44 points from entry.

***Do not take more than three losses on the same trade, i.e., the initial trade and two Rule 3's.***

### **Rule 4: Reversal Rule**

If the price moves 80 points in the opposite direction of the Position Direction after a stop or target, or off the close if the new re-entry level is not hit, reverse direction with the stop at 44 points and target at 48 points. You should use Rule 4 off the close if there is an NPR in the Recommended Entry column. You may also chose to use it if there is NPR in the Position Direction column, too, although we don't do it and it does not appear in the hypothetical track record--but logically, after an 80-point move, clearly conditions have changed. The number of points to use in the Reversal Rule changes from time to time as ATR changes. It will always be noted in this commentary box.

### **Combined Rules**

We sometimes get a situation where Rule 2 is triggered, sometimes several times, only to get a Rule 4 reversal off the last exit, whether a gain or a loss. We always take these trades as a matter of principle, even if we judge the latest signal is wrong. But be careful not to use any price from the day before to enter any Rule-based trade. You may have used that close to start a chain of Rule-based trades, but once you have a Rule-based entry, the previous close and also any entry in the Recommended Entry column, whether at the close or guerilla, are dead ducks. The first application on a Rule-based trade eliminates them as influencing any additional trades.

**CFTC REQUIRED RISK DISCLOSURE STATEMENT:**

NOTICE: "HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.