

LONG WINTER TRADING COMPANY

Seek Higher Ground

DISCOVERING YOUR TEAM

We're going to work through some questions to help us understand what personalities you might be working with during the trading day.

There are a lot of ways to think of this. I often like to think of it as "The Life of the Mind". This is the term I used well before trading, from my early twenties and it's always benefitted me. Some also refer to this as "Developing the Silent Watcher". That can be good as well. You may also have heard of what we'll do next as identifying your inner family.

What I want to do is help you understand your inner voice as it applies to trading. If you find this helpful, you can continue to develop it on your own.

The "Your Team" concept:

I use this language because, in trading, we are running a business. If we frame it this way, we can start to think as different elements of our personality as team members or co-workers. If we do this, we can employ certain parts of our own personality at different times towards different goals. We can also guide those team members towards improvement in certain tasks.

Let's start to break it down.

You likely have one MAIN part of your personality that comes through most of the time. This is how you are in your leisure time. This is your corner stone team member. He/she leads the team They may not be the most capable in the area of trading but that is ok. This is the part of you who you get most days. You are this part without trying.

Let's identify the main member of your team:

Fill out the following questions. I don't want you to over think these. We're getting a sense of who you are in your default state.

Let's say you had a rough day. Fill in the following sentence.

Today was tough but at least I got to :

Why is doing the above important to you?

When you go on a trip I tend to look forward to :

My favorite past time is ____ because ____ :

Fill in both in the slot below.

My partner least understands my need to :

(This question is not about physical needs but about some behavior, not trading related. ei, golf every weekend, learn the latest about x,y,z, or train for a marathon. If no partner, use a close friend or friends)

I am happiest when I am :

(If a parent, we already know you love your kids. Try to choose a personal activity)

I find myself getting irritated when I have to :

Let's ask some trading questions now. This will give us a sense of who you are by default when you come into the market. There is no need to look smart here. We really just want to know what your default personality is. Any overthinking will dilute the results.

By default, I think I can trade well if I just :

(this is not about what you need to fix. It's about your default assumptions)

If I am not prepared, I rely on my ability to ____ when I come into the market:

This has a tendency to make me :

Good work. These should give us at least a sense of who you are by default. What's important is that you have a sense of your default person. This is your "Michael" from The Office. They run the show. They may not be the most capable or the best boss but they are the ones who are in charge. We need to respect that about ourselves and understand that, no matter how hard we try, we cannot live without them.

They also need to be kept in check a bit. Many qualities they possess are good but, may not always be good in markets. That's why we need the rest of the team.

This second section is about finding your other team members. We're going to look for your rouge next. Your Rouge is a person or quality that is most distracting. Unlike the guy above, this part of you does not have your best interests in mind. They are an agent of chaos.

Think of them like an old high-school friend who still hangs around and gets you to do things you don't want to do. We all have this part of us. The trick is, we need to figure out when this guy is most likely to nudge us in the wrong direction. Then we can be well prepared for his suggestions to do something dumb and stay the course to success.

While most days, I start out prepared and willing to take good trades inside my system, this tends to go out the window when ___ :

What do you find most irritating while trading?

- Getting stopped out on a good trade.
- Missing a good opportunity.
- Feeling unconfident.
- Feeling lost.
- Being very patient and then taking a loss.

(feel free to choose another)

If a few days goes by without a solid trade, I tend to find myself ___ :

My biggest losses come when I :

What kinds of things are you thinking about leading up to taking an unplanned trade :

Are you able to see a repeatable pattern in your unplanned trades? If yes, explain :

Good work. Those questions can be difficult and unpleasant. My biggest losses always came from “trying something new” or the thought of “Let’s just see what happens if I... “

If we can dial this in, we can identify the main offender in our system. What this can do is open you up to taking only trades that are not influenced by this part of you. If we can do that, you will have far more confidence knowing that when you take a trade it’s only your good qualities acting out and not your bad. This allows you to take stops better, hold winners longer and trade with far less stress. At least this way, if a trade doesn’t work, it’s not your sabotage self acting out.

We're moving out of this more subjective work into a bit more defined work.

We need to understand two more important personalities in your trading. You have a business side we need to understand and you have a strategy side we need to understand. The next set of questions will help us see what your business and strategy team members find most important.

When I was first developing my strategy, I was most interested in finding something that would :

I am always looking for ways to view/trade my strategy that will :

I am most likely to change my strategy when I see it not :

Right now, in this phase of my trading, it's most important that I :

The second most important thing to me right now is :

In an ideal world, my strategy would be able to :

When tuning my strategy or backdating, I tend do :

In this next section, pick a single word to fill in the blank.

You might be surprised. When we read through these, we might feel like that is the only answer anyone would put to the question. The beauty of it is that we all put different values on what trading might bring us and this is reflected in our strategy and business operations.

Do your best to answer naturally.

I wish I could trade my strategy

_____.

If I could change one thing about my strategy it would be _____.

No matter what I try, I tend to always come back to looking for more

_____ **in my strategy.**

Fill in the following with a 1-5 rating.

1 = Not True.

3 = A little of both.

5 = Very True.

I don't mind if my strategy is complicated. I just want it to be right.

It's more important for me to have a clear strategy than to make money soon.

I would rather make consistent money slowly.

I would rather make bigger gains that are less frequent.

I hate overtrading.

Overtrading is fine if it makes me more money

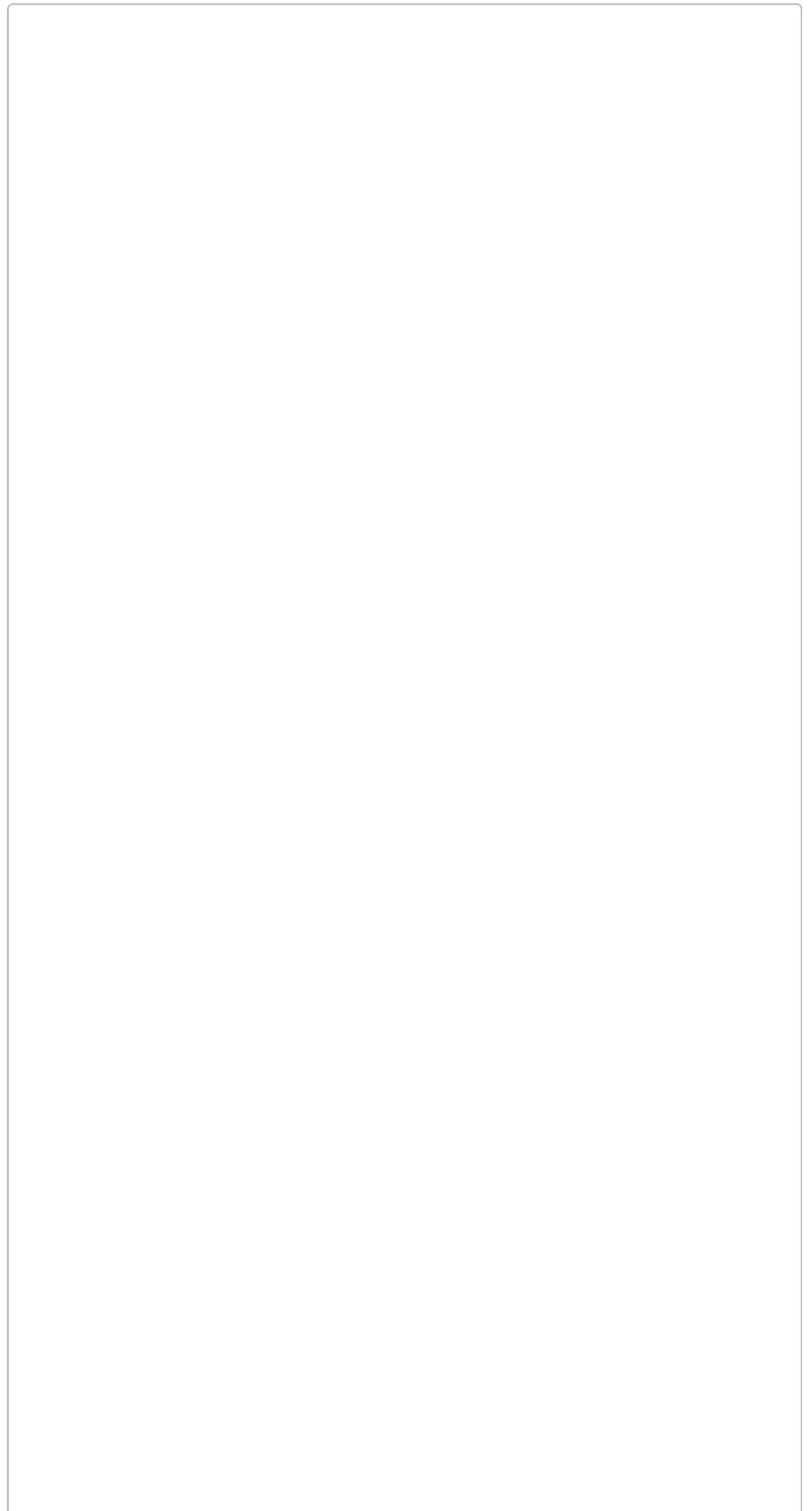
Last but not least, we need to try and wrap up some of your business and strategy priorities. You'll notice I've paired them together. This is because the two need to work together but often have different intentions. We need to find the crossroads between them.

For example, your business self may want to be very aggressive and able to handle financial volatility but, the strategy you've chosen is precise and only offers a few trades per week. This would be a bad pairing and will always lead to frustration no matter how good the edge is.

Ideally, we want the part of you that is looking for a strategy to be working with the part of you that is managing your books. Without this, you will never feel at peace about your method. With it, you will be full in line with how you trade and a natural commitment to it will grow.

Here is where you need to write out some thoughts.

In the box below, fill out a brief summary of what your trading strategy produces. How often you get a trade, what is the Risk/Reward of that trade and generally, what is your win rate. It would be good to know how complex it is, if you need lots of inputs to get a good trade or if it's fairly simple. Give us an overview of what your strategy produces (not the technical ideas you look at)

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Now let's look at your business.

No matter if you've thought it out well or are shooting from the hip, we need to know what you're doing. This helps to see where your attention is and what is guiding you.

Briefly describe what has been most important to you in deciding what account and value to trade. Let us know if you've made choices to maximize return or protect capital. Why do you trade the account that you trade and risk the amount that you risk?

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