

Your Rules Sheet

Your rules sheet is one page that states your plan completely enough that someone else could follow it. Every chapter has asked you to write something into it. This is where it comes together. The middle column shows the plan used in Chapter 19 as an example, not a recommendation.

RULE	EXAMPLE (CHAPTER 19)	YOURS
Reference equity	\$10,000	
Per-trade budget	\$100, for the whole connected trade, including repairs and rolls	
Daily loss limit	\$200, using Chapter 8's budget-used formula	
Open-exposure limit	\$150	
Campaign budget, if you run campaigns	Not used	
Product and structure	XSP iron condor, 1-point wings, 1 contract, one trade per session	
Strike rule	Short call = XSP at entry + 3, rounded up; short put = XSP at entry - 3, rounded down; longs 1 point farther out	
Entry time and minimum credit	11:00 a.m.; assumed credit rounded down to 0.01, and at least 0.45	
Event filter	Your declared list of releases; no entry if one falls between entry and settlement	
Gate	Chapter 1's questions and Chapter 7's checklist	
Profit target	Resting order at 50% of the entry credit, rounded down to 0.01	
Checkpoints and stops	12:30 strike test; 2:30 time stop	
Maximum permitted exit price	For this intact iron condor, never submit a closing order above the width (1.00). It doesn't govern a broker's liquidation	
If a 12:30 exit doesn't fill	Retry each minute until 12:40, then cancel and reinstate the profit target	
If the 2:30 exit doesn't fill	Retry each minute until 2:40, then cancel and hold to settlement	
Monitoring you can give	12:30–12:40 and 2:30–2:40	
Stop-for-the-day rules	Daily limit hit, a rule broken, or any Chapter 7 condition	
Review	Weekly, against the journal	

If you can't fill in a line, you aren't ready to trade that plan. If a line says "it depends," write down what it depends on.

Version _____ Dated _____

Rule Change Log

Rules should change, but not mid-trade and not mid-day. Change them at your weekly review, in writing, with the date and the reason. Keep the old version. If you change a rule because of one bad day, wait a week and see whether the reason still holds. A rule change resets the testing. Results from the old rules don't tell you about the new ones, so paper trade the change before you trade it with money.