

# READING YOUR FUTURES STATEMENT

A guide for CHS Hedging customers



A photograph of an industrial facility, likely a refinery or chemical plant. The image shows several large, silver-colored metal valves with blue handwheels. The valves are connected to a network of pipes. In the background, there are large white storage tanks and a clear blue sky. The overall scene is brightly lit, suggesting a sunny day.

## Your partner in helping you make the right decisions for the right reasons

CHS Hedging, LLC is the commodity brokerage subsidiary of CHS Inc., a leading U.S. farmer-owned cooperative and a Fortune 100 company dedicated to helping producers and cooperatives grow their businesses.

Focused on the agriculture and energy sectors, we have provided risk management services and educational programs to commercial and private commodity businesses as well as to agricultural producers for three decades. Futures magazine has recognized us as one of the Top 50 Brokers leading the trading industry since 2005.

This guide is designed to help you navigate your futures statement with easy-to-follow detail for every section of this important document. We want to ensure that you clearly understand how trade confirmations, gains/losses and monthly activity is presented in your statement.

If you have any questions about your futures statement, please contact your CHS Hedging broker today.

## OUR STATEMENT FORMAT HAS *FIVE* MAIN SECTIONS.

### 1. Confirmation:

This is a listing of all future and option transactions made as of the date indicated.

### 2. Purchase and Sale:

A listing of offsetting transactions and the resulting profit/loss information.

### 3. Journal Entries:

A listing of all cash transactions affecting the account's ledger balance.

### 4. Open Positions:

A listing of all open positions with trade prices, current settlement prices and unrealized profits or losses. Securities on deposit and market value are also shown.

### 5. Account Summary:

All relevant financial totals are summarized by individual currency and converted to U.S. dollar value.

These five sections overlay a framework of descriptive columns:

<u>[A]</u>	<u>[B]</u>	<u>[C]</u>	<u>[D]</u>	<u>[E]</u>	<u>[F]</u>	<u>[G]</u>	<u>[H]</u>	
<u>TRADE</u>	<u>SETTL</u>	<u>AT</u>	<u>BUY/SELL</u>	<u>CONTRACT DESCRIPTION</u>	<u>EX</u>	<u>TRADE PRICE</u>	<u>CC</u>	<u>DEBIT/CREDIT</u>

A.	TRADE SETTL			Trade date of the transaction.
B.	AT			Account Type. Denotes regulated, unregulated or secured account type.
C.	BUY/SELL			Denotes quantity bought or sold.
D.	CONTRACT DESCRIPTION			A description of the futures or options contract.
E.	EX			The exchange where the contract was traded.
F.	TRADE PRICE			Price per unit of the futures or option contract.
G.	CC			Currency code. The underlying currency code.
H.	DEBIT/CREDIT			The total debit or credit to the account balance in the Confirmation and Purchase & Sales section and the unrealized P&L in open positions section. Note: Debits have DR after the amounts.

## SECTION 1 - CONFIRMATIONS

The number of contracts bought or sold, as of the date indicated, generally the statement date, with all pertinent information listed underneath the columns (A-H) described above. Beginning "A" on the left (TRADE SETTLE) and moving horizontally, ending with "H" (DEBIT/CREDIT) on the right. "\*" denotes totals.

* * * * * <b>CONFIRMATION</b> * * * * *									
THE FOLLOWING TRADES HAVE BEEN MADE THIS DAY FOR YOUR ACCOUNT AND RISK.									
<u>TRADE</u>	<u>SETTL</u>	<u>AT</u>	<u>BUY</u>	<u>SELL</u>	<u>CONTRACT DESCRIPTION</u>	<u>EX</u>	<u>TRADE PRICE</u>	<u>CC</u>	<u>DEBIT/CREDIT</u>
7/24/06	F1		5		NOV 06 SOYBEANS	01	598½	US	
	F1		5*		E-CBOT TRADE			US	175.00DR
	F1						COMMISSION	US	9.05DR
	F1						EXCHANGE & CLEARING FEES	US	.10DR
	F1						NFA FEES	US	.10DR
	F1						TOTAL COMMISSIONS & FEES	US	184.15DR
7/24/06	F1			5	CALL DEC 07 CORN 400	01	13	US	3,250.00
	F1				EX-11/20/07			US	175.00DR
	F1			5*			COMMISSION	US	3.30DR
	F1						EXCHANGE & CLEARING FEES	US	.10DR
	F1						NFA FEES	US	.10DR
	F1						BROKERAGE	US	6.25DR
	F1						TOTAL COMMISSIONS & FEES	US	184.65DR
	F1						OPTION PREMIUM	US	3,250.00
7/24/06	MS		2		SEP 06 EUREX DAX INDEX	27	5557.00	EU	
	F3		2*				COMMISSION	US	70.00DR
	F3						EXCHANGE & CLEARING FEES	US	1.44DR
	F3						NFA FEE	US	.04DR
	F3						TOTAL COMMISSIONS & FEES	US	71.48DR

## SECTION 2 – PURCHASE AND SALE

This section reflects positions being closed by offset or settlement. Trades executed that have resulted in a realized profit or loss are matched. Gross and net profit/loss are indicated. A detailed listing of those contracts and any associated option costs/proceeds with the resulting profit/loss is provided. "NET PROFIT OR LOSS FROM TRADES" includes commission and all fees charged.\* Options that have expired, been exercised, or assigned are also listed. \*This does not include commissions and fees charged on the entry of this position.

* * * * * <b>PURCHASE &amp; SALE</b> * * * * *									
<u>TRADE</u>	<u>SETTL</u>	<u>AT</u>	<u>BUY</u>	<u>SELL</u>	<u>CONTRACT DESCRIPTION</u>	<u>EX</u>	<u>TRADE PRICE</u>	<u>CC</u>	<u>DEBIT/CREDIT</u>
7/21/06		F1		5	NOV 06 SOYBEANS	01	601½	US	
7/24/06		F1	5	5*	NOV 06 SOYBEANS	01	598½	US	
					GROSS PROFIT/LOSS FROM TRADES			US	750.00

## SECTION 3 – JOURNAL ENTRIES

All financial transactions affecting the balance of the account, including all receipts and/or disbursements related to cash margin deposits, securities, cash adjustments, etc.

THE FOLLOWING JOURNAL ENTRIES HAVE BEEN POSTED TO YOUR ACCOUNT.

<u>TRADE</u>	<u>SETTL</u>	<u>AT</u>	<u>JOURNAL DESCRIPTION</u>	<u>CC</u>	<u>DEBIT(DR)/CREDIT</u>
7/24/06		F1	BRANCH BANK DEPOSIT	US	10,000.00

## SECTION 4 – OPEN POSITIONS

All positions that remain open and not offset are shown. These are active positions reflected in the same format as in the CONFIRMATION and PURCHASE AND SALE sections of the account statement. The debit/credit column provides unrealized profit or loss as of the statement date. Options positions are presented at gross market value, as is the corresponding delta and futures equivalent values.

* * * * * <b>OPEN POSITIONS</b> * * * * *									
<u>TRADE</u>	<u>SETTL</u>	<u>AT</u>	<u>LONG</u>	<u>SHORT</u>	<u>CONTRACT DESCRIPTION</u>	<u>EX</u>	<u>TRADE PRICE</u>	<u>CC</u>	<u>DEBIT(DR)/CREDIT</u>
7/12/06		F1	5		AUG LEAN HOGS	02	67.70	US	400.00
			5*				68.70		
7/24/06		F1		5	CALL DEC 07 CORN 400	01	13	US	3,625.00DR
				5*	.6-DQ .198 EX 11/20/07	01	14½		
7/24/06		MS	2		SEP 06 EUREX DAX INDEX	27	5557.00	EU	1900.00
			2*				5595.00		

## SECTION 5 - ACCOUNT SUMMARY

Finally, a summary section condenses and translates the four proceeding main sections into all possible dollar and foreign breakdowns required to balance and value your account. Starting with the beginning balance, then net profit/loss from trades, plus commissions, fees, cash amounts and option premium resulting in the ending balance for that day. Open trade equity is added which then follows the total equity and account value at market. Initial and maintenance margin requirement are given, as well as excess equity or margin deficit. If there is foreign trading in the account, we will also show the currency conversion rate to U.S. dollars and the converted account value at market to each currency and a converted total to U.S. dollars for the account.

	*US\$-SEGREGATED(F1)*	*US\$-SECURED(F3)*	*EUR SECURED(MS)*	*CONVERTED TO USD*
BEGINNING BALANCE	12,375.00	1,022.24	30,000	51,288.74
COMMISSIONS	350.00DR	70.00DR	0	420.00DR
EXCHANGE & CLEARING FEE	12.35DR	1.44DR	0	13.79DR
BROKERAGE FEE	6.25DR	.00	0	6.25DR
NFA FEE	.20DR	.04DR	0	.24DR
TOTAL COMMISSIONS & FEES	368.80DR	71.48DR	0	440.28DR
GROSS PROFIT/LOSS FROM TRADES	750.00	.00	0	750.00
OPTION PREMIUM	3,250.00	.00	0	3,250.00
NET PROFIT/LOSS FROM TRADES	3,631.20	71.48DR	0	3,559.72
CASH ACTIVITY	10,000.00	.00		10,000.00
ENDING BALANCE	26,006.20	950.76	30,000	64,848.46
OPEN TRADE EQUITY	400.00	.00	1,900	2,799.80
TOTAL EQUITY	26,406.20	950.76	31,900	67,648.26
NET MARKET VALUE OF OPTIONS	3,625.00DR	.00		3,625.00DR
ACCOUNT VALUE AT MARKET	22,781.20	950.76	31,900	64,023.26
INITIAL MARGIN REQUIREMENT	11,817.50	.00	20,500	37,710.03
MAINTENANCE MARGIN REQUIREMENT	9,612.50	.00	20,500	35,505.03
EXCESS EQUITY	10,963.70	950.76	11,400	26,313.23
MARGIN DEFICIT				
CURRENCY CONVERSION RATE TO US	1.00000000	1.00000000	1.26305000	1.00000000
CONVERTED ACCOUNT VALUE AT MKT	22,781.20	950.76	14,398.77	64,023.26

## CHS HEDGING STATEMENT CODES

### Exchanges (EX)

01	Chicago Board of Trade
02	Chicago Mercantile Exchange
03	Merchants Exchange of St. Louis
04	Commodity Exchange, Inc.
05	London Int'l Financial Futures Exchange
06	New York Board of Trade
07	New York Mercantile Exchange
08	Kansas City Board of Trade
09	Minneapolis Grain Exchange
10	Montreal Exchange
11	Winnipeg Exchange
12	London Metal Exchange
13	New York Board of Trade
14	London Int'l Financial Futures Exchange
16	IMM/One Chicago Exchange
17	Singapore Exchange Derivatives Trading Ltd.
18	Sydney Futures Exchange
19	International Petroleum Exchange/ICE Exchange
20	Miscellaneous Exchanges
22	Osaka Securities Exchange
23	TIFFE Exchange
24	Tokyo Stock Exchange
25	MATIF Exchange
27	EUREX Exchange
28	Amsterdam Exchange
30	MONEP Exchange
32	MEFF Renta Exchange
33	Hong Kong Futures Exchange
34	New Zealand Futures Exchange
7B	CBOE Futures Exchange
7C	Eurex-US Futures Exchange

### Account Type (AT)

A1	Australian Dollar Segregated
B1	British Pound Segregated
C1	Canadian Dollar Segregated
E1	US Dollar Equities
EA	Australian Dollar Equities
EB	British Pound Equities
EC	Canadian Dollar Equities
EG	Singapore Dollar Equities
EH	Hong Kong Dollar Equities
EJ	Japanese Yen Equities
ER	Korean Won Equities
ES	Swiss Franc Equities
ET	Thai Bhat Equities
F1	US Dollar Segregated
F2	US Dollar Non-regulated
F3	US Dollar Secured
FA	Australian Dollar Secured
FB	British Pound Secured
FC	Canadian Dollar Secured
FG	Singapore Dollar Secured
FH	Hong Kong Dollar Secured
FJ	Japanese Yen-TSE Secured
FM	Malaysian Ringgit Secured
FN	New Zealand Dollars Secured
FO	OSE Japanese Yen Secured
FR	Korean Won Secured/Segregated
FS	Swiss Franc Secured
G1	Singapore Dollar Segregated
H1	Hong Kong Dollars Segregated
J1	Japanese Yen Segregated
M1	Malaysian Ringgit Segregated
ME	European Monetary UN Equities
MS	EMU Secured
MS	EMU Segregated
N1	New Zealand Dollars Segregated
S1	Swiss Francs Segregated

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