

Answers to Questions Prospective Futures Traders Seem to Ask Most

Trading commodity futures is a lot like racing cars. The action's fast. The stakes are high. And there's nothing sweeter than making it to the winner's circle!

But these days you face more treacherous obstacles than ever before. And if you crash, you can lose a lot. That's why, as in racing, it's important to have a top-flight pit crew. People you can trust. To get them, you need to know...

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We're Zaner Group, one of Chicago's oldest, most reliable brokerage firms. And on behalf of all the hard-working futures' brokers who are doing their best to serve you, we hope this report will help clear a few obstacles out of your way. In this special report, we'll give you the ten key questions you should ask a prospective broker – and the answers too!

Whether this is your first venture into futures, or ever if you've been trading for years, it's a good idea to take along hard look at the men and women who handle your investment cash. For in the race toward futures riches, your pit crew keeps you running strong, ahead of the pack.

Note: Futures trading is speculative in nature and involves substantial risk of loss.

Your broker is the best assurance you've got of getting a good service on the trading floor -- Because a good solid broker will have the clout and wherewithal to handpick his floor traders, and hold them responsible when you need it most. And in electronic trading, a good broker should be available via phone immediately and know how to get answers - fast. In seconds, not minutes he should be able to tell you if you are in a trade or not. Knowing your position is priority number one.

Before we give you the ten key questions you should ask a prospective broker, let us first suggest that you do a quick exercise. Get a pen and paper, and jot down exactly what your investment goals are.

Now, are you looking to concentrate in futures?...Or do you own some stocks, bonds and now want to diversify into futures?...Are you interested in doing your own trading? Need a broker? Or are you looking for a professional managed account?...Whichever, you should only use risk capital, money you can afford to lose – no if's, and's or but's about it. With futures' big rewards come big risks, so never use money you need to live off of.

Keep these goals you've jotted down handy, where they can't be shuffled or forgotten. Then, as you speak with potential brokers, keep one eye on your goals. While you might get taken on a whirlwind of fancy, your own realistic goals, set down on paper, will keep your feet—and your money—firmly planted on your turf. And you'll also have a place to write down your observations. Observations on absolutely everything. Like attitude, and appearance if you're meeting face-to-face, even the ability to communicate.

For example, a good broker will talk comfortably about his firm's products. His enthusiasm will come from the heart, and you'll feel it. This will be your best clue that he likes his job and won't be asking you to change firms with him two months down the road.

Beware of the broker who offers unsupported opinions, makes promises that sound too good, weasels around with the fine print, or pushes “a fantastic deal you’ve got to take now!” A good talker can be convincing. But any decision you make based on glib or superficial explanations is doomed to failure. If some smooth talker guarantees you questionably-high profits, ask him to put it in writing. Believe me, that will stop an unscrupulous broker right in his tracks.

Of course it’s easier for me to tell you how to spot a scam than it is for you to spot one yourself. So perhaps the best advice is to take the Daymon Runyon approach. He said, “The race doesn’t always go to the swift, or the battle to the strong, but that’s the way to bet.”

Go on out and look for a broker who’s aggressive – but rational, stable and organized. Someone who’s confident enough to make a split-second decision...who’s strong in the face of contrary opinions...who’s driven by fierce competitive pride. But someone who’s also very clear that it’s your hard-earned money he’s working with.

Also be sure this guy supports you 110%.

He should be up-to-date on his firm’s products, and he should be able to tell you why they’re better than the competition’s. That computer on his desk should look well-used – that’s his link with the markets, where decisions are made lightning fast, and millions might be made in one brilliant move. He’d better be on top of it!

Futures is about the most regulated industry there is. Your brokerage may well be registered with several agencies and associations.

But be sure they’re current with the Commodity Futures Trading Commission, the CFTC, and the National Futures Association, the NFA. In fact, go ahead and give these agencies a call, to make sure the firm’s record is unblemished. The phone number for the CFTC is...(202) 254-6387. The NFA’s number is...(800) 621-3570. Don’t hesitate to call, both agencies are happy to help you.

The President of Zaner Group, Matthew Zaner, has what you’d call a BMW stance, aggressive but rational. He sums it up this way, “You’ve got to protect your capital if you want to see it grow.” Simple words, but makes a lot of sense, doesn’t it?

A potential broker should also have some things to ask you before he says yes.

As well he should. If he’s going to enter into an important financial relationship with you, he’d better do some qualifying of his own.

So expect to be asked about your personal finances, the amount of risk capital you have liquid. Your broker should not recommend you trade futures unless you have sufficient risk capital to speculate with. After all, you could lose a portion, all or more of your initial investment capital.

Your broker should also ask about your short and long-term goals. These goals will, of course, change from time to time, and you’ll want to always keep your broker up-to-date on your thinking. It is in your best interest to confide in him.

Now, let’s condense all this down into ten simple questions. It could cost you or make you a fortune down the road.

- 1) Does this broker genuinely believe that futures is a good investment for you?
- 2) Is he asking you to commit only a comfortable amount of risk capital?
- 3) How long has this broker actually be advising clients?
- 4) Can you speak with some of his past clients?
- 5) Are his firm's credentials impeccable and the management team solid?
- 6) Can you get prompt attention from senior management when you need it?
- 7) Are the fees and commissions competitive?
- 8) Can you get all agreements and performance claims in writing?
- 9) Does the firm have instant access to its floor traders and electronic markets?
- 10) What is this broker doing to protect your interest in today's markets?

Now, what if you're considering a professionally managed account? Managed accounts are perfect for investors who want into the race, but who don't have the time or experience to trade these markets confidently. Zaner Group offers a family of truly unique managed accounts. Our systems are virtually 100% mechanical. They are tested on the remarkable new technology known as **Artificial Intelligence**. That's right, we're using computers that "think" to trade futures.

Note: Futures trading is speculative in nature and involves substantial risk of loss. Past performance is not necessarily indicative of future results.

And we'll be happy to answer any questions you may have.

Here then, are the questions you should ask us, or any futures firm, about a professionally managed account.

- 1) If the system is so good, why is it for sale?
- 2) What makes this trading system different?
- 3) Has the system been traded in real-time?
- 4) What is the draw-down?
- 5) What is the risk-to-reward ration?
- 6) Has the system been tested under all market conditions?
- 7) Does the advisor/broker trade this system? If so, does he make the same trades for himself as he does for you?

If, in the last few minutes, you've become a little more curious about Zaner Group, then I hope you'll give us a call, and fire some questions at us. We welcome them...because we offer the very best service at some of the lowest commissions, so you get a great value. And we're experts in managed accounts too.

For more information just call us at 1-800-USA-MORE, for more of the opportunities you're looking for. Once again, that's 1-800-USA-MORE (1-800-872-6673).

And no matter whom you choose to trade with, I sincerely hope that you find a responsible, hard-working broker. Someone who, over the years, will become more than a broker, more than a pit crew, but actually your friend.

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