BREAKING STRUCTURE PRESENTS

The Six-Field *Format.*

Six fields, one paragraph, every trade. The discipline format institutional desks live in.

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// THESIS · ENTRY · STOP · TARGET · SIZE · TIME //

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Inside this issue

SECTION 01

Why most retail plans fail.

> *"I will buy if it pulls back to support" is not a trade plan. It is a daydream. The reason retail trade plans fail is that they are verbal, vague, and reconstructed after the fact to fit whatever happened.*

The pattern is consistent. A retail trader sees a chart, forms an opinion, enters a position. If the trade works, the post-hoc narrative is "I saw the setup and acted." If it does not work, the narrative becomes "the market did something unexpected." Both narratives are unfalsifiable because there was no written, time-stamped plan against which to measure them.

The six-field plan exists to fix this. It is the minimum information required to make a trade falsifiable. Six fields, written in one paragraph, before entry, no exceptions. The structure forces the trader to be specific about what they think will happen, why, and what would invalidate the thesis. **If the trader cannot articulate the six fields in writing before entry, the trade is not ready.** That is the entire discipline.

The cost of writing six fields is roughly two minutes per trade. The benefit is a journal that can be reviewed weekly, a process that improves quarter over quarter, and a personal history of decision-making that survives memory bias. Most retail traders do not write the plan because two minutes feels like friction. The friction is the point.

SECTION 02

The six fields, defined.

> *Six fields. Each is mandatory. Each has a precise definition. The format does not change across trade types, instruments, or holding periods.*

Figure 01 · The six-field plan structure.

THREE FIELDS DEFINE THE THESIS SIDE (THESIS, ENTRY, TIME STOP). THREE FIELDS DEFINE THE RISK SIDE (STOP, TARGET, SIZE). TOGETHER THEY ARE THE COMPLETE PLAN. MISSING ANY ONE OF THEM MAKES THE TRADE UNMEASURABLE.

The minimum viable plan is one paragraph that contains:

1. **Thesis.** One sentence. Falsifiable. Names the cause, not the chart.
2. **Entry.** Level. Structure. Conditions for activation.
3. **Stop.** Level. Reason that level. Hard or trailing.
4. **Target.** Level or range. Partial-take logic if applicable.
5. **Size.** Percent NAV. Calculation shown.
6. **Time stop.** Window after which the thesis is considered to have decayed.

Each of the next six sections covers one field in detail. The combined format is the standard against which the worked examples in Section 09 are written.

SECTION 03

Thesis · the one-sentence rule.

> *The thesis is the single most important field. It is also the field most retail traders skip or reduce to a gesture at a chart pattern. Done correctly, it is one sentence, names the underlying cause, and can be falsified by observation.*

What the thesis is not

- **Not a chart pattern read.** "Breaking out of a triangle" is a description, not a thesis.
- **Not a directional opinion.** "Going up" is not a thesis.
- **Not a flow-only narrative.** "Heavy call buying on the daily" is one data point, not a thesis.

What the thesis is

A thesis names **a specific causal mechanism** that the trader believes will move price in a specific direction over a specific window. The mechanism is grounded in Layer 1 positioning data, Layer 2 mechanics, or Layer 3 flow, ideally in some combination, per the framework from Issue 01.

Examples of acceptable thesis statements:

- *"OEP's $24.3M open-market accumulation across March 10-20 indicates a 10%-owner conviction add at the $9.73-9.91 floor, paired with Reinhart Partners' Q1 13F add of 1.98M shares, supporting a 6-month hold thesis."*
- *"WTI Managed Money is at +1.8σ on a 3-year window, EIA petroleum status reports on Wednesday, producer skew has flattened, suggesting an asymmetric short setup into a binary event."*
- *"SPX is approaching gamma flip from above. A close below flip would convert positive-GEX dampening into negative-GEX amplification, supporting a short with stop above the flip line."*

Each of these is testable. Each names the specific data driving the trade. Each is falsifiable: if OEP files a 13G amendment showing a sale, if managed money exits the long extreme, if SPX holds above the flip line, the thesis is dead. **The thesis is the falsifiable claim. The trade is the bet on that claim.**

SECTION 04

Entry · level, structure, conditions.

> *The entry field is where the plan meets execution. Three sub-components: the price level (or zone), the structural reason for the level, and any conditions that gate activation.*

Level or zone

A specific price (or a tight zone, typically less than 1% wide). "Around $20" is too wide for most setups. "$19.80-$20.05" is operational. The level is informed by Layer 2 mechanics where possible: gamma walls, prior session highs and lows, structural levels from the dealer book.

Structural reason

Why this level, not the level five points away. The reason should connect to the thesis. For a positioning-based thesis, structural reasons include: average price of the insider cluster (entry near insider average is a way to ride along), nearest dealer wall, sector ETF flow inflection level. For a mechanics thesis, the level is typically a gamma flip or wall.

Activation conditions

Optional but often useful. "Limit order at $19.85 valid for one week" is a conditioned entry. So is "Buy only if SPX is above its weekly opening range high while at the level." Conditions reduce the risk of entering against the regime that produced the thesis in the first place.

A complete entry field reads: *"Limit at $9.80 (OEP cluster average), valid through Friday close, no entry if AHCO daily volume drops below 1.5M for two consecutive sessions."* Three sub-components, one line.

SECTION 05

Stop · level, reason, hard or trail.

> *The stop field is where most retail trade plans go vague. "Stop at the recent low" is not a stop; it is a hand-wave. A real stop is a specific price, a specific reason for that price, and an explicit rule for whether the stop moves with the trade.*

Stop placement · three methods compared

STRUCTURAL	PERCENT-OF-PRICE	ATR-BASED
Stop below specific structure: • Prior swing low • Below support/wall • Below volume node	Stop at fixed % below entry: • 5% for swing • 8-10% for position • 15% for high-vol names	Stop at multiple of ATR: • 1.5x ATR for swing • 2.5x ATR for position • Dynamic to volatility
Best for: positioning trades works with the dealer book	*Best for: untrained eye fast to set, ignores structure*	*Best for: vol-aware traders adjusts to current regime*

Mix is fine: structural stops for high-conviction Tier C, ATR for fast-moving Tier D.

Figure 02 · Three methods of stop placement.

STRUCTURAL STOPS ALIGN WITH THE DEALER BOOK AND NAMED PRICE STRUCTURE. PERCENT-OF-PRICE STOPS ARE FAST BUT IGNORE STRUCTURE. ATR-BASED STOPS ADAPT TO CURRENT VOLATILITY. MIXING METHODS ACROSS THE BOOK IS NORMAL: STRUCTURAL FOR HIGH-CONVICTION TIER C, ATR FOR FAST TIER D.

The three methods

Structural stops are placed below specific price structure: a prior swing low, the bottom of a wall zone, the average of a cluster. They are the highest-quality stops for positioning trades because the cause of stop-out is the thesis breaking, not random volatility.

Percent-of-price stops set the stop at a fixed percentage below entry: 5% for swing, 8-10% for position, 15% for high-volatility names. They are operationally fast but ignore structure. Acceptable for new traders learning the discipline; suboptimal for traders who have learned to read structure.

ATR-based stops use multiples of recent Average True Range. 1.5x ATR for swing, 2.5x ATR for position. They adapt to current volatility: a high-vol week produces a wider stop, a quiet week produces a tighter stop. They work especially well for fast Tier D crypto and exotic positions where structural levels can be unreliable.

Hard vs trailing

A hard stop is set once and does not move. A trailing stop ratchets up as price rises (for longs) or down (for shorts), locking in unrealized P&L. The choice depends on the thesis: a 6-week positioning trade typically uses a hard stop for the first 2-3 weeks, then a structural trail as the thesis develops. A short-term flow trade often uses ATR trail throughout.

The discipline that matters most: **stops do not move against the trader**. A widening stop is a confession that the original plan was wrong. The right response to a wider-than-expected drawdown is to exit at the original stop, not to move the stop.

SECTION 06

Target · level, partial-take logic.

> *The target field defines what success looks like. It is paired with the stop: target and stop together determine the R-multiple the trade is built around. R is the unit of analysis for every closed trade.*

R, the unit that matters

R is the dollar amount risked between entry and stop. A 2R target is two times that amount above entry. A 3R trade that works delivers triple the dollar amount the trader was willing to lose. Most professional traders evaluate their trading book in R-multiples rather than dollars because R normalizes for position size across very different trade types.

The minimum acceptable R-multiple depends on win rate. The math is simple: a 50% win rate trader needs better than 1R average to be profitable. A 35% win rate trader needs better than 2R. The Kelly heatmap in Issue 05 is the same math viewed from the sizing side.

Target structures

- → **Single target.** "Trim entire position at $24.00." Simplest. Best for trades with a single thesis-driven event.
- → **Scale-out target.** "Trim 50% at $22.00, hold remainder to $26.00, trail stop on the runner." Most common for positioning trades.
- → **Open-ended hold.** "Hold until thesis breaks; no fixed price target." Used for high-conviction multi-month positioning trades like the Issue 03 case studies.

A complete target field reads: *"First trim 50% at $11.50 (52-week high resistance), hold remainder until Q3 13F filings or sector rotation signal."* Specific. Conditioned on observable events.

SECTION 07

Size · % NAV with calculation shown.

> *The size field is the operational link between the thesis and the account. It carries forward the sizing matrix from Issue 05 and produces a specific dollar value of risk-at-stop for this trade.*

The calculation

Size in shares (or contracts) is computed from three inputs: NAV, percent risk, and dollar-distance-to-stop. The formula is mechanical:

```
shares = (NAV × percent_risk) / (entry_price - stop_price)
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Example: $50,000 NAV, 1% risk, entry $20.00, stop $18.50 (a $1.50 distance). Risk-dollars = $500. Shares = $500 / $1.50 = 333 shares. Position notional = $6,667. Position size as percent of NAV = 13.3%. Risk-at-stop = 1.0% as planned.

The calculation should appear in the plan, shown step by step. The reason is not arithmetic; it is verification. **Writing the calculation makes the trader notice when the math does not work** (a stop too close to entry produces a position that is too large relative to NAV; a stop too wide produces a position that may exceed liquidity comfort).

Tier and conviction adjustments

The base percent-risk from the sizing matrix in Issue 05 is conditioned by two factors before the calculation:

- **Tier cap.** Tier C single-name typically 1%; Tier D crypto 0.5% or less for smaller accounts.
- **Conviction multiplier.** 5/6 or 6/6 convergence names from Issue 03 size 1.5x baseline. 3/6 watch names size 0.5x baseline. The framework's edge is in differentiated conviction; flat sizing flattens the edge.

SECTION 08

Time stop · when thesis decays.

> *The time stop is the most-skipped field in retail trade plans. Without it, positions linger past the window during which the thesis was supposed to play out. A 6-week thesis that has not moved in 12 weeks is no longer a 6-week thesis.*

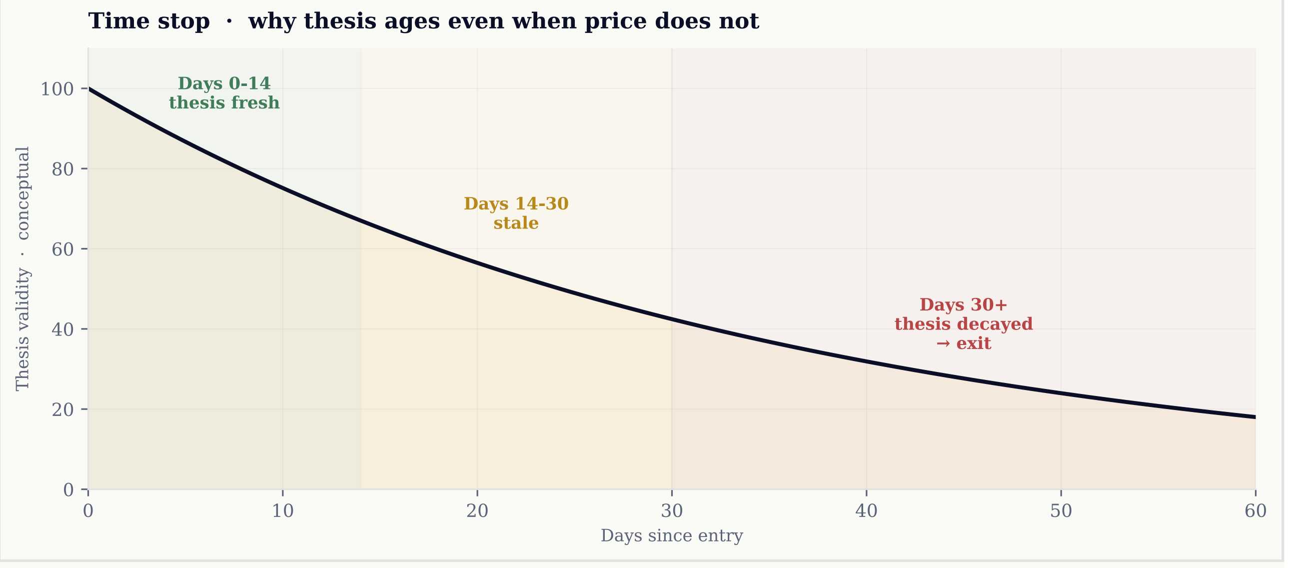

Figure 03 · Thesis decay over time.

CONCEPTUAL DECAY CURVE. DAY 0-14 THE THESIS IS FRESH. DAY 14-30 IT BECOMES STALE, REQUIRING RE-VERIFICATION. DAY 30+ THE THESIS HAS DECAYED REGARDLESS OF PRICE; EXIT AND FREE THE CAPITAL. THE EXACT CURVE VARIES BY THESIS TYPE, BUT THE SHAPE IS CONSISTENT: POSITIONING THESES AGE.

Typical time-stop windows by thesis type:

- **Form 4 cluster thesis.** 4-8 weeks. Cluster information ages quickly once the catalyst has been priced.
- **13F-driven positioning thesis.** 8-16 weeks. Slower-moving capital takes longer to develop into price.
- **Government contract / federal pipeline thesis.** 12-26 weeks. Structural revenue thesis decays slowly; news flow on contract execution refreshes it.
- **Gamma regime thesis.** 1-5 sessions. The fastest-decaying thesis type. Gamma reads age in days, not weeks.
- **COT positioning extreme.** 2-6 weeks. The unwind of an extreme takes weeks; the asymmetry decays as positioning normalizes.

A complete time-stop field reads: *"Reassess if no further DoW or Army contract activity by end of Q2 2026. Exit if no positive news flow plus no price movement above $24 by July 31."* Specific date. Specific conditions. No room for "I'll just hold it a little longer."

SECTION 09

Three worked examples.

> *Three trade plans, drawn from the verified case studies in Issue 03. Each uses the six-field format. Each is built on data points cited in primary sources (EDGAR, SAM.gov, company press releases) as of mid-2026. These are educational examples, not real-time recommendations.*

Example 1 · IPX (IperionX, NASDAQ)

TRADE PLAN · IPX · IperionX Limited (NASDAQ)	Tier C · long hold
THESIS	Federal contract stack ($47.1M IBAS fully obligated + $12.7M DPA Title III + $99M SBIR IDIQ pathway) plus 290 tons titanium scrap feedstock creates structural revenue. CEO buy at scale on March 27 confirms management conviction at the current price.
ENTRY	Scale-in window after CEO Form 4 prints. Three tranches over 2-3 weeks, no single bar entry.
STOP	Daily close below $19.00 (structural level coincident with IBAS announcement reaction low).
TARGET	No fixed price target. Trim on contract-announcement spike days; hold core through 2026 ramp.
SIZE	1.5% NAV · scale-in tranches. Total exposure capped at 4% NAV across tranches.
TIME STOP	Reassess if no further DoW / Army contract activity by end of Q2 2026.

Figure 04 · IPX worked example.

THESIS GROUNDED IN VERIFIED FEDERAL CONTRACT STACK ($47.1M IBAS, $12.7M DPA TITLE III, SBIR PHASE III IDIQ UP TO $99M, 290 TONS TITANIUM SCRAP FEEDSTOCK) AND CEO ARIMA'S MARCH 27, 2026 OPEN-MARKET BUY. ALL SIX FIELDS SPECIFIED. SCALE-IN OVER MULTI-WEEK WINDOW PER THE MULTI-TRANCHE CONVICTION-BUILD PATTERN FROM ISSUE 05.

The IPX setup is the cleanest example in the convergence universe because the thesis is anchored in structural revenue (federal contracts already obligated). The six-field format here emphasizes the time stop: contract pipeline thesis is slow-moving, and the time stop is end-of-Q2 reassessment based on new SAM.gov contract activity, not a fixed date.

Example 2 · AHCO (AdaptHealth, NASDAQ)

TRADE PLAN · AHCO · AdaptHealth Corp. (NASDAQ)	Tier C · long hold
THESIS	One Equity Partners (10% owner) deployed ~$24.3M across March 10-20 in open-market buys at the $9.73-9.91 band. Reinhart Partners Q1 13F add of 1.98M shares confirmed concentrated buying. Setup is a multi-source institutional accumulation at multi-year support.
ENTRY	Initial position at OEP cluster mean (~$9.80). Add second tranche on any retest of $9.50.
STOP	Daily close below $9.20 (below OEP cluster floor and below 200-day support).
TARGET	Trim 25% at $11.50 (52-week high zone). Hold core until Q2 print + sector rotation.
SIZE	1.5% NAV · two-tranche entry. Total cap 3% NAV.
TIME STOP	Six-month hold default. Re-evaluate at Q3 13F filings if OEP trims.

Figure 05 · AHCO worked example.

THESIS GROUNDED IN VERIFIED 10%-OWNER OEP (~$24.3M ACROSS MARCH 10-20, 2026) PLUS REINHART PARTNERS 13F ADD (+1.98M SHARES Q1 2026 AT ~$20.2M EST., 3.5% OF REINHART AUM). ENTRY AT OEP CLUSTER MEAN. STOP BELOW THE CLUSTER FLOOR. SIX-MONTH DEFAULT HOLD.

AHCO illustrates the 13F-driven thesis: longer time window, scale-in tolerated, target tied to 52-week structural resistance. The stop is mechanical, not interpretive, because it sits below the floor at which the largest institutional buyer was willing to add.

Example 3 · EFOR (Everforth, NYSE)

TRADE PLAN · EFOR · Everforth, Inc. (NYSE) Tier C · contrarian entry

THESIS	CEO Hanson plus 100% of eligible directors bought $1.8M in open-market shares on April 24-27 into a Q1 EPS miss and two analyst downgrades. Stock near 52-week low at $18.50. Company has $925M remaining on $1B repurchase. Insider conviction is the only contrarian signal in play.
ENTRY	Position at sub-$20.00 levels. No chase above $21.00 in first two weeks.
STOP	Daily close below $17.50 (below 52-week low and below CEO buy average).
TARGET	First trim at $24.00 (recovery to pre-miss level). Hold core to $28.00 if buyback active.
SIZE	0.75% NAV · smaller because the contrarian context is real risk.
TIME STOP	Three-month thesis window. If no recovery by next Q2 print, exit regardless of level.

Figure 06 · EFOR worked example.

THESIS GROUNDED IN CEO HANSON'S VERIFIED $999,785 OPEN-MARKET BUY (51,965 SHARES AT $19.2396 AVG, APRIL 24, 2026) PLUS 100% OF ELIGIBLE DIRECTORS' PARTICIPATION, INTO A Q1 EPS MISS (-29.6% VERSUS EXPECTATION) AND TWO ANALYST DOWNGRADES. SMALLER 0.75% NAV SIZE BECAUSE THE CONTRARIAN CONTEXT IS REAL RISK.

The EFOR plan illustrates how the framework handles contrarian setups: smaller size, tighter time stop, structural stop below 52-week low. The thesis itself is honest about the difficulty: insiders are the only data source firing positively while analysts and Q1 earnings fire negatively. The trade pays off if the insiders are right that the company is undervalued at sub-$20 levels.

SECTION 10

The journal entry that follows.

> *The six-field plan at entry becomes a six-field journal entry at close. Same fields, evaluated against outcome. This is where the framework learns.*

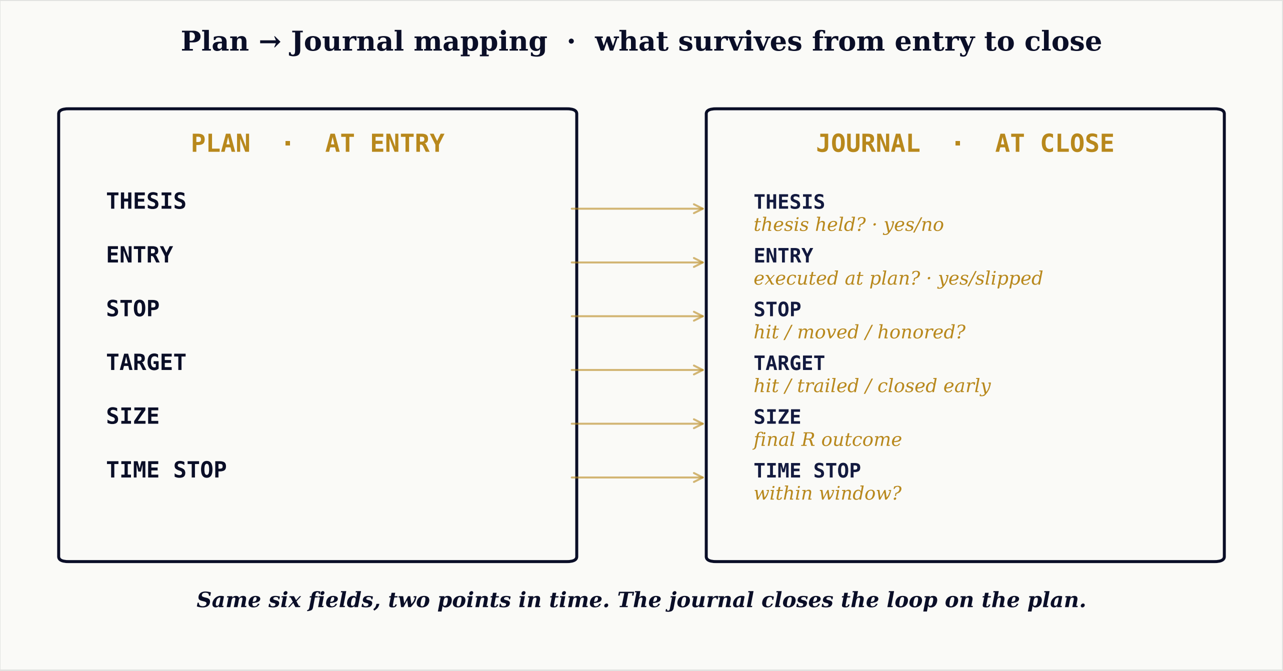

Figure 07 · Plan to journal mapping.

EACH PLAN FIELD MAPS TO A JOURNAL FIELD AT CLOSE. SAME FORMAT, TWO POINTS IN TIME. THE JOURNAL CLOSES THE LOOP ON THE PLAN AND FEEDS THE NEXT QUARTER'S PROCESS REFINEMENT.

The journal entry takes 60 seconds per closed trade if the plan was complete at entry. The four questions are:

- **Did the thesis hold?** Yes, no, or partial. This is the most important question. A losing trade with thesis-held is a small loss on a real thesis. A winning trade with thesis-not-held is a lucky outcome and should be treated as a process failure, not a process success.
- **What was the R-result?** Computed mechanically: (exit_price - entry_price) / (entry_price - stop_price) for longs. The unit is R-multiples, not dollars.
- **Was the time stop honored?** Yes or no. A trade closed because of time-stop (not price-stop) is a process success even if it loses money: the framework worked as designed.
- **One-line lesson.** "Entry was 0.3% late, cost 0.2R." "Stop was structurally right but emotionally hard to hold through the gap down." Specific, retrievable.

Quarterly aggregation of journal entries produces the input to the next sizing review. The framework learns from its own history. Without journal entries, the framework runs on memory bias, which is the same as running on no data.

SECTION 11

Common mistakes.

> *Five patterns are responsible for most six-field plan failures. All five are common across retail traders adopting the format for the first time.*

1. Moving the stop.

The single most common and most expensive failure. A position approaches the stop and the trader decides "the structure has shifted, I will give it a little more room." The structure has not shifted; the trader's discomfort has. Moving the stop converts a defined-risk trade into an open-ended risk trade. The discipline: **stops do not move against you, ever**. Moving the stop is the same operational mistake as not having a stop in the first place.

2. No time stop.

The trade plan has thesis, entry, stop, target, size, and nothing in the time-stop field. Positions linger. The trader is now riding a thesis that may have decayed. The fix is mechanical: write the time stop or do not enter the trade.

3. Vague thesis.

"Bullish setup with positive flow." Not a thesis. Not falsifiable. The trader cannot tell from this whether the thesis broke or not, because there is no concrete claim. The rewrite: name the data sources, name the mechanism, name the window. If the thesis cannot fit one falsifiable sentence, the trader does not yet have a thesis.

4. Calculation skipped.

The size field is written as "1.5% NAV" without the computation. Three weeks later the trader cannot remember whether the position was actually 1.5% or 3% (the stop moved during the plan, the calculation never updated). The fix: show the math. NAV, percent, entry, stop, dollar-risk, share count, position notional. Six numbers, one line. Two minutes.

5. Plan written after entry.

The trader enters first, then writes the plan to match what they did. The plan is no longer a plan; it is a justification. The discipline that defeats this is mechanical: the plan must exist as a written paragraph (in a journal, in a notes app, on paper) **before** the trade is sent to the broker. No exceptions, regardless of how time-sensitive the trade feels.

SECTION 12

Resources and what is next.

FREE TOOLS

- **Plain text journal.** Apple Notes, Google Docs, a paper notebook. The format matters more than the tool.
- **Position sizing calculator.** Most broker platforms include one. Use it for the size calculation.
- **R-multiple tracker.** A spreadsheet column. Compute (exit - entry) / (entry - stop) for every closed trade.

PAID TOOLS

- **TraderSync, Edgewonk, TradesViz.** All implement the six-field structure to varying degrees, with broker integrations.
- **Notion or Airtable templates.** Many traders build their own. The customization beats most off-the-shelf tools for the framework's specific needs.

The Stryk angle on this issue.

Stryk's trade ticket enforces all six fields before submit. Missing thesis, missing time stop, missing size calculation: the order does not transmit. The journal auto-populates from the executed plan with R-multiple computed at close. **The discipline is in the platform, not in the trader's willpower to fill the fields manually.**

Breaking Structure subscribers go to the front of the early access line by default. Until Stryk ships, the manual journal template from Issue 05 Figure 05 implements the same structure. *Build the habit now. The workflow ports.*

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What is next in the series

Issue 07 covers **Cross-Asset Hedging**: the portfolio-level view. How institutional desks think about books rather than trades, where cross-asset correlations matter, and how to budget for hedges at the book level. The six-field plan governs single trades. Cross-asset hedging governs the relationships between trades.