ADVANTAGE FUTURES LLC
AND SUBSIDIARY

STATEMENT OF FINANCIAL CONDITION
AND SUPPLEMENTARY SCHEDULES
PURSUANT TO REGULATION 1.10 UNDER
THE COMMODITY EXCHANGE ACT

December 31, 2013

AVAILABLE FOR PUBLIC INSPECTION

CFTC FORM 1-FR-FCM [0005]

OMB NO. 3038-0024

NAME OF COMPANY:	EMPLOYER ID NO:	NFA ID NO:
ADVANTAGE FUTURES LLC [0010]	**75-3094454** [0020]	**0327359** [0030]
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: **231 South LaSalle Street, Suite 1400** **Chicago, Illinois 60604** [0050]	PERSON TO CONTACT CONCERNING THIS REPORT: **James C. Haney** [0040] TELEPHONE NO: **(312) 800-7021** [0060] E-MAIL ADDRESS: jhaney@advantagefutures.com [0065]	

1. Report as of **12-31-13** [0070]

2. Type of report [0090] [X] Certified [ ] Regular quarterly/semiannual [ ] Monthly 1.12 (b)

   [ ] Special call by: ______________________ [ ] Other - Identify:______

3. Check whether [0095] [X] Initial filing [ ] Amended filing

4. Name of FCM's Designated Self-Regulatory Organization: **CME Group, Inc.** [0100]

5. Name(s) of consolidated subsidiaries and affiliated companies:

Name		Percentage Ownership		Line of Business	
Advantage Securities LLC	[0110]	**100%**	[0120]	**Broker-Dealer**	[0130]
	[0140]		[0150]		[0160]
	[0170]		[0180]		[0190]
	[0200]		[0210]		[0220]
	[0230]		[0240]		[0250]

The futures commission merchant, or applicant for registration therefore, submitting this Form and its attachments and the person whose signature appears below represent that, to the best of their knowledge, all information contained therein is true, correct and complete. It is understood that all required item, statements and schedules are integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted. It is further understood that any intentional misstatements or omissions of facts constitute Federal Criminal Violations (see 18 U.S.C. 1001).

Signed this **24th** day of **March, 2014**

Manual signature James C Haney

Type or print name **James C. Haney**

[ ] Chief Executive Officer [X] Chief Financial Officer Corporate Title ______________

[ ] General Partner [ ] Sole Proprietor

Authority: Sections 4c, 4d, 4f, 4g, 5a, 8a, and 17 of the Commodity Exchange Act (7 U.S.C. §§ 6c, 6d, 6f, 6g, 7a, 12a, and 21)

RYAN & JURASKA
Certified Public Accountants
141 West Jackson Boulevard
Chicago, Illinois 60604
Tel: 312.922.0062
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INDEPENDENT AUDITORS' REPORT

To the Members of Advantage Futures LLC and Subsidiary

Report on the Financial Statements
We have audited the accompanying consolidated statement of financial condition of Advantage Futures LLC and Subsidiary (the "Company") as of December 31, 2013 that is filed pursuant to Regulation 1.10 under the Commodity Exchange Act, and the related notes to the consolidated statement of financial condition.

Management's Responsibility for the Financial Statement
Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statement referred to above presents fairly, in all material respects, the consolidated financial position of Advantage Futures LLC and Subsidiary as of December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

Report on Other Regulatory Requirements
Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The information contained in the supplementary schedules is presented for the purpose of additional analysis and is not a required part of the financial statement, but is supplementary information required by regulations under the Commodity Exchange Act. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information in the supplementary schedules has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in the supplementary schedules is fairly stated in all material respects in relation to the financial statement as a whole.

Ryan & Juraska

Chicago, Illinois
March 17, 2014

ADVANTAGE FUTURES LLC AND SUBSIDIARY

Consolidated Statement of Financial Condition

December 31, 2013

Assets

Cash and cash equivalents	$	5,070,944
Cash segregated under federal and other regulations		62,436,349
Securities purchased under agreements to resell, at fair value		175,573,460
U.S Government treasury securities, at fair value		6,849,572
U.S Government agency securities, at fair value		40,548,793
Securities owned, marketable, at fair value		1,961,500
Deposits with clearing organizations		187,492,302
Receivables from:		
Broker-dealers and futures commission merchants		14,311,538
Other brokers		13,307,843
Clearing organizations		5,201,400
Customers (net of allowance for doubtful accounts of $1,759,595)		407,986
Other		492,439
Exchange memberships, at cost (fair value $987,500)		955,500
Furniture, equipment, and leasehold improvements, at cost (net of accumulated depreciation and amortization of $3,283,266)		1,862,418
Goodwill		350,276
Other assets		690,580
	$	517,512,900

Liabilities and Member's Equity

Liabilities:		
Payables to:		
Customers	$	464,504,558
Brokers		11,764,267
Clearing organizations		129,198
Noncustomers		37,725
Accounts payable and accrued expenses		10,121,947
		486,557,695
Liabilities subordinated to claims of general creditors		8,500,000
Member's equity		22,455,205
	$	517,512,900

See accompanying notes.

1. Organization and Business

Advantage Futures LLC, ("AF"), a Delaware limited liability company, was formed on January 9, 2003. AF is a wholly owned subsidiary of Advantage Financial LLC, (the "Parent"). AF is the sole member of Advantage Securities LLC ("AS"), an Illinois limited liability company.

AF is registered as a Futures Commission Merchant ("FCM") with the Commodity Futures Trading Commission and is a member of the National Futures Association. AF is a clearing member of the Chicago Mercantile Exchange, the Chicago Board of Trade, the New York Mercantile Exchange, Commodity Exchange, Inc., the Options Clearing Corporation, ICE Clear U.S., ICE Clear Europe and LCH.Clearnet Limited. AF is also member of NYSE Liffe, NYSE Liffe US and the CBOE Futures Exchange, a registered participant of the ELX Futures Exchange, a non-clearing member of Eurex and a foreign approved participant of the Montreal Exchange. AF provides execution and clearing services for professional traders, institutional clients and individual investors. AS is registered as a broker-dealer with the Securities and Exchange Commission and is a member of Financial Industry Regulatory Authority ("FINRA").

2. Summary of Significant Accounting Policies

<u>Principles of Consolidation</u>
The consolidated financial statements include the accounts of AF and AS, (collectively, the "Company"). All significant inter-company balances and transactions have been eliminated.

<u>Revenue Recognition</u>
Futures and futures options transactions and the related commission revenue and expenses are recorded on trade date.

<u>Securities Valuation</u>
Securities owned are recorded in the statement of financial condition at fair value in accordance with Accounting Standards Codification Topic 820 ("ASC 820") - Fair Value Measurement and Disclosures (see Note 14).

<u>Use of Estimates</u>
The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles ("US GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Management determines that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

<u>Depreciation and Amortization</u>
Depreciation of furniture and equipment is computed using the straight-line method for financial reporting purposes and accelerated methods for income tax purposes. Leasehold improvements are amortized over the term of the associated lease for financial reporting purposes and are amortized over the life of the building for tax purposes.

<u>Goodwill</u>
Goodwill represents the excess of the purchase price over the fair value of the net assets acquired in connection with the Company's purchase of AS. The Company's policy is to review goodwill for impairment on an annual basis. Management has determined that goodwill has not been impaired for the year ending December 31, 2013.

2. Summary of Significant Accounting Policies, continued

Income Taxes
No provision has been made for federal income taxes as the taxable income or loss of the Company is included in the respective income tax return of the sole member.

In accordance with U.S. GAAP, the Company is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. Generally, the Company is no longer subject to income tax examinations by major taxing authorities for the years before 2010. Based on its analysis, there were no tax positions identified by management which did not meet the “more likely than not” standard as of and for the year ended December 31, 2013.

Cash and Cash Equivalents
Cash and cash equivalents include highly liquid instruments with original maturities of three months or less at the date of acquisition.

Securities Purchased Under Agreements to Resell
Transactions with broker-dealers and other financial institutions that involve the purchases of securities under agreements to resell (resale agreements) are accounted for as collateralized financing transactions and are carried at the amounts at which the underlying securities will be subsequently resold as specified in the respective agreements. The Company takes possession of collateral under resale agreements with a fair value equal to or in excess of the principal amount loaned, monitors the market value of the underlying collateral daily as compared to the related receivable, and obtains additional collateral or returns collateral pledged when appropriate. These transactions are carried at their contracted resale amounts, plus accrued interest, as specified in the respective agreements. When additional cash is obtained or surrendered, the contract amounts are adjusted.

3. Securities Owned

Securities owned represent corporate equity securities with a fair value of $1,961,500.

4. Deposits with Clearing Organizations

At December 31, 2013, deposits with clearing organizations consisted of the following:

Margin Deposits:		
Cash	$	157,810,132
Money market funds		372,705
U.S. Government treasury securities		14,996,450
Guarantee Deposits:		
Cash		3,270,170
Money market funds		9,893,117
U.S. Government treasury securities		1,149,728
	$	187,492,302

5. Segregated Assets

At December 31, 2013, assets segregated or held in separate accounts under Federal regulations included in the statement of financial condition are as follows:

Segregated for customers trading on U.S. futures exchanges:		
Cash and cash equivalents	$	46,065,427
Securities purchased under agreements to resell		175,573,460
U.S Government treasury securities		849,799
U.S Government agency securities		40,548,793
Deposits with clearing organizations		168,873,079
Receivables from clearing organizations		5,200,562
Payable to clearing organization		(243,935)
Receivable from clearing broker		510,626
	$	437,377,811
Held in separate accounts for foreign futures and options customers:		
Cash and cash equivalents	$	16,370,922
U.S Government treasury securities		5,999,773
Deposits with clearing organizations		3,935,185
Receivables from clearing organization		114,737
Receivables from clearing brokers		13,800,912
	$	40,221,529

Customers' funds, regulated under the Commodity Exchange Act, as amended (the "CEAct"), are required to be segregated from the funds of the Company and its employees. Customers' segregated funds and equities in customers' regulated trading accounts, as shown in the statement of financial condition, do not reflect the market value of options positions owned by customers and securities owned by customers and held by the Company as collateral or as margin. At December 31, 2013, the market value of net customers' options positions totaled approximately $29.4 million. The market value of securities and spot commodities owned by customers and held by the Company totaled approximately $18.052 million. Included in this amount is approximately $17.398 million in U.S. Treasury securities and approximately $654,000 in warehouse receipts. Interest on customer owned securities accrues to the benefit of the customers.

6. Furniture, Equipment and Leasehold Improvements

At December 31, 2013, furniture, equipment, and leasehold improvements consisted of the following:

Computers, equipment and software	$	3,915,027
Leasehold improvements		1,102,988
Furniture and fixtures		127,669
		5,145,684
Accumulated depreciation and amortization		(3,283,266)
	$	1,862,418

7. Liabilities Subordinated to Claims of General Creditors

At December 31, 2013, liabilities subordinated to claims of general creditors totaled $8,500,000 and consists of the following:

Lender		Amount	Effective Date	Maturity Date	Interest Rate
Afiliated individual	$	5,000,000	03/20/13	03/19/16	9% to 3/19/15, 14% thereafter
Afiliated individual		2,000,000	06/29/12	06/28/15	8.5% to 6/28/14, 13% thereafter
Non-affiliated entity		1,500,000	01/03/13	01/03/15	0.35% to 1/2/14, 13% thereafter
	$	8,500,000			

The subordinated borrowings are covered by agreements approved by the Chicago Mercantile Exchange and are thus available in computing net capital under the CEAct. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

8. Commitments and Contingencies

The Company conducts its operations in leased office facilities and annual rentals are charged to current operations. The lease is subject to an escalation clause based on the operating expenses of the lessor.

The approximate minimum annual rental commitments under non-cancelable operating leases as of December 31, 2013 are approximately as follows:

Year Ended December 31		Amount
2014	$	814,000
2015		916,000
2016		937,000
2017		957,000
2018		978,000
Thereafter		4,657,000
	$	9,259,000

At December 31, 2013, the Company was a guarantor of certain exchange membership loans for its customers totaling approximately $1,025,000.

9. Employee Benefit Plan

The Company has established a salary reduction (401(k)) plan for qualified employees. This is a "Safe Harbor" plan and requires the Company to contribute at least 3% of the eligible regular earnings of qualified employees to the plan. Employee contributions made to the plan during the year ended December 31, 2013 totaled approximately $484,000.

10. Financial Instruments

Accounting Standards Codification Topic 815 (“ASC 815”), Derivatives and Hedging, requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments, and disclosures about credit risk related contingent features in derivative agreements. The disclosure requirements of ASC 815 distinguish between derivatives, which are accounted for as “hedges” and those that do not qualify for such accounting. The Company reflects derivatives at fair value and recognizes changes in fair value through the statement of operations, and as such do not qualify for ASC 815 hedge accounting treatment. The Company does not engage in the proprietary trading of derivatives.

The Company executes customer transactions in the purchase and sale of commodity futures contracts (including options on futures contracts), substantially all of which are transacted on a margin basis subject to individual exchange regulations. Such transactions may expose the Company to significant off-balance-sheet risk in the event margin requirements are not sufficient to fully cover losses that customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell futures contracts at prevailing market prices in order to fulfill the customer's obligations. The Company controls this risk by monitoring margin collateral levels on a daily basis for compliance with regulatory and internal guidelines and requires additional collateral when necessary. The Company requires a customer to deposit additional margin collateral, or reduce positions, if it is determined that the customer's activities may be subject to above normal market risks.

The Company is engaged in futures clearing activities in which counterparties primarily include clearing organizations, broker-dealers, other futures commission merchants and other brokers. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty. It is the Company’s policy to review, as necessary, the credit standing of each counterparty.

11. Guarantees

Accounting Standards Codification Topic 460 (“ASC 460”), Guarantees, requires the Company to disclose information about its obligations under certain guarantee arrangements. ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity’s failure to perform under an agreement, as well as indirect guarantees of the indebtedness of others.

The Company is a member of various clearing organizations that clear derivatives contracts. Associated with its memberships, the Company may be required to pay a proportionate share of the financial obligations of another member who may default on its obligations to the exchange or the clearinghouse. While the rules governing different exchange or clearinghouse memberships vary, in general the Company’s guarantee obligations would arise only if the exchange or clearinghouse had previously exhausted its resources. The maximum potential payout under these membership agreements cannot be estimated. The Company has not recorded any contingent liability in the statement of financial condition for these agreements and believes that any potential requirement to make payments under these agreements is remote.

12. Agreements and Related Party Transactions

Certain exchange memberships owned by members of the Parent, having an aggregate fair market value of approximately $1,532,000 are registered for the use of the Company. Additionally, certain exchange memberships and exchange common stock owned by customers, having an aggregate fair market value of approximately $1,302,000 are registered for the use of the Company.

The Company has an expense sharing agreement with AS under which they share certain general and administrative services.

13. Minimum Capital Requirements

The Company is subject to minimum capital requirements pursuant to Regulation 1.17 under the Commodity Exchange Act, as amended. Under Regulation 1.17, the Company is required to maintain net capital equivalent to the greater of $1,000,000 or the sum of 8% of the customer risk maintenance margin requirement plus 8% of the non-customer risk maintenance margin requirement. In addition, the Company is subject to minimum capital requirement of the CME Group, Inc. Under the more restrictive of these rules, the Company is required to maintain net capital equivalent to the greater of $5,000,000 or 8% of the customer risk maintenance margin requirement plus 8% of the non-customer risk maintenance margin requirement. At December 31, 2013, under Regulation 1.17 and under the requirements of the CME Group, Inc., the Company's minimum capital requirement and adjusted net capital were $10,964,536 and $24,117,609, respectively. The net capital rule may effectively restrict member withdrawals and the repayment of subordinated loans.

14. Fair Value Measurement and Disclosures

ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions that market participants would use in pricing the asset or liability. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.

14. Fair Value Measurement and Disclosures, continued

At December 31, 2013, Level 1 assets consisted of the following:

Securities purchased under agreements to resell	$	175,573,460
U.S. Government agency securities		40,548,793
U.S. Government treasury securities		22,995,750
Money market funds		10,265,822
Corporate equity securities		1,961,500
	$	251,345,325

The Company held no Level 2 or Level 3 assets at December 31, 2013.

15. Subsequent Events

The Company's management has evaluated events and transactions through March 17, 2014, the date the financial statements were issued, noting no material events requiring disclosure in the Company's financial statements.

SUPPLEMENTARY SCHEDULES

Reconciliation of Statement of Financial Condition to Net Capital Computation

December 31, 2013

Total assets per Statement of Financial Condition			$	517,512,900
Add/Deduct:				
Securities owned by customers	$	18,052,176		
Reclassification of settlement due to clearing organizations		(129,198)		
Value of net customer options positions		29,378,643		
Value of net noncustomer options positions		603		47,302,224
Deduct: Noncurrent assets (as defined)				
Receivables from customers, net	$	227,298		
Deposits with clearing organization		169,437		
Other receivables		283,072		
Exchange memberships		955,500		
Furniture, equipment and leasehold improvements, net		1,862,418		
Goodwill		350,276		
Other assets		690,580		(4,538,581)
Current Assets (as defined)			$	560,276,543

Total liabilities per Statement of Financial Condition			$	495,057,695
Add/Deduct:				
Securities owned by customers	$	18,052,176		
Reclassification of settlement due to clearing organizations		(129,198)		
Value of net customer options positions		29,378,643		
Value of net noncustomer options positions		603		47,302,224
Adjusted Total Liabilities			$	542,359,919

See accompanying independent auditors' report.

ADVANTAGE FUTURES LLC AND SUBSIDIARY **Schedule 2**

Statement of the Computation of Net Capital and Minimum Capital Requirements

December 31, 2013

Current assets, as defined (see reconciliation on prior page)			$ 560,276,543
Adjusted total liabilities (see reconciliation on prior page)		$ 542,359,919	
Deduct liabilities subject to satisfactory subordination agreements		(8,500,000)	533,859,919
Net capital			26,416,624
Charges against net capital:			
Twenty percent of market value of uncovered inventories		$ 22,921	
U.S government obligations (fair value $63,544,542)		320,910	
Corporate equities (fair value $1,961,500)		294,225	
Other securities (fair value $10,291,445)		201,927	
Charges against securities purchased under agreements to resell		32,107	
Undermargined customer commodity futures accounts		811,882	
Charges against open commodity positions - proprietary		1,650	
Five percent of unsecured receivables from foreign brokers		313,393	
Adjustment to eliminate the benefits of consolidation		300,000	2,299,015
Adjusted net capital (net capital less charges against net capital)			24,117,609
Net capital required using risk-based requirement:			
Amount of customer risk maintenance margin	$ 137,023,687		
8% of customer risk-based requirement		$ 10,961,895	
Amount of noncustomer risk maintenance margin	33,010		
8% of customer risk-based requirement		2,641	
		10,964,536	
Minimum dollar amount requirement		$ 1,000,000	
Amount required			10,964,536
Excess net capital			$ 13,153,073

Computation of Early Warning Level

Enter 110% of risk-based amount required	$ 12,060,990

There are no material differences between the above computation and the Company's corresponding unaudited Form 1FR-FCM filing as of December 31, 2013.

See accompanying independent auditors' report.

Reconciliation of Statement of Financial Condition to Segregation Statement (U.S. Exchanges)

December 31, 2013

Customers' Segregated Funds per Statement of Financial Condition (Note 5)	$	437,377,811
Add:		
U.S. Treasury securites owned by customers		17,398,143
Warehouse receipts owned by customers		654,033
Value of customers' open long futures options contracts		541,455,745
Deduct:		
Value of customers' open short futures options contracts		(512,796,598)
Total Amount in Segregation	$	484,089,134

ADVANTAGE FUTURES LLC AND SUBSIDIARY **Schedule 4**

Segregation Requirement and Funds in Segregation

December 31, 2013

Segregation requirement:		
Net ledger balance:		
Cash	$	436,677,802
Securities		18,052,176
Net unrealized loss in open futures contracts traded on a contract market		(12,686,754)
Exchange traded options:		
Market value of open options contracts purchased on a contract market		541,455,745
Market value of open options contracts sold on a contract market		(512,796,598)
Net equity		470,702,371
Accounts liquidating to a deficit and accounts with debit balances with no open trades (offset by customer owned securities totaling $175,627)		1,988,887
Amount required to be segregated		472,691,258
Funds on deposit in segregation:		
Deposited in segregated funds bank accounts:		
Cash		46,065,427
Securities representing investments of customers’ funds, at market		66,468,954
Securities held for particular customers in lieu of cash margins, at market		6,399,132
Margins on deposit with clearing organizations of contract markets:		
Cash		153,874,947
Securities representing investments of customers’ funds, at market		165,501,230
Securities held for particular customers in lieu of cash margins, at market		9,999,136
Net settlement receivable from clearing organizations of contract markets		4,956,627
Exchange traded options:		
Value of open long option contracts		541,455,745
Value of open short option contracts		(512,796,598)
Net equities with other futures commission merchants:		
Net liquidating equity		510,626
Securities held for particular customers in lieu of cash margins, at market		999,875
Customers’ segregated funds on hand (warehouse receipts)		654,033
Total amount in segregation		484,089,134
Excess funds in segregation	$	11,397,876

There are no material differences between the above computation and the Company’s corresponding unaudited Form 1FR-FCM filing as of December 31, 2013.

See accompanying independent auditors' report.

Segregation Requirement and Funds in Segregation - Customers' Dealer Options

December 31, 2013

The Company does not carry customers' dealer option accounts as defined by Commodity Exchange Act Regulation 32.6. Therefore, the Company is exempt from the provisions of Regulation 32.6.

Reconciliation of Statement of Financial Condition to Secured Statement (Non-U.S. Exchanges)

December 31, 2013

Customers' Secured 30.7 Funds per Statement of Financial Condition (Note 5)	$	40,221,529
Add:		
Value of customers' open long futures options contracts		3,474,561
Deduct:		
Value of customers' open short futures options contracts		(2,755,065)
Total Funds in Separate Section 30.7 Accounts	$	40,941,025

See accompanying independent auditors' report.

ADVANTAGE FUTURES LLC AND SUBSIDIARY **Schedule 7**

Secured Requirement and Funds Held in Separate Accounts

December 31, 2013

Amount required to be set aside in separate Section 30.7 accounts			$	38,643,635
Funds on deposit in separate Section 30.7 accounts:				
Cash in banks				
Banks located in the United States	$	5,019,870		
Other banks designated by the Commission				
Barclays Bank PLC		11,351,052		16,370,922
Equities with registered futures commission merchants				
(ABN AMRO Clearing)				
Cash	$	7,008,653		
Unrealized gain on open futures contracts		106,724		7,115,377
Amounts held by clearing organizations of foreign boards of trade				
(ICE Clear Europe)				
Cash	$	3,935,185		
Amount due from clearing organization - daily variation		114,737		4,049,922
Amounts held by members of foreign boards of trade				
(BMO Capital Markets & Nissan Century Securities Co. Ltd.)				
Cash	$	5,884,101		
Unrealized gain on open futures contracts		801,434		
Securities on deposit		5,999,773		
Value of long option contracts		3,474,561		
Value of short option contracts		(2,755,065)		13,404,804
Total amount in separate Section 30.7 accounts				40,941,025
Excess funds in separate Section 30.7 accounts			$	2,297,390

There are no material differences between the above computation and the Company's corresponding unaudited Form 1FR-FCM filing as of December 31, 2013.

R&J

RYAN & JURASKA
Certified Public Accountants
141 West Jackson Boulevard
Chicago, Illinois 60604
Tel: 312.922.0062
Fax: 312.922.0672

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

To the Member of
Advantage Futures LLC and Subsidiary

In planning and performing our audit of the consolidated statement of financial condition of Advantage Futures LLC and Subsidiary (the "Company") as of December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Regulation 1.16 of the Commodity Futures Trading Commission (the "CFTC"), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding customer and firm assets. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in Regulation 1.16 in making the following:

> The periodic computations of minimum financial requirements pursuant to Regulation 1.17
>
> The daily computations of the segregation requirements of section 4d(2) of the Commodity Exchange Act(the "CEAct") and the regulations thereunder, and the segregation of funds based on such computations
>
> The daily computations of the foreign futures and foreign options secured amount requirements pursuant to Regulation 30.7 under the CFTC.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the CFTC's previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Regulation 1.16(d)(2) lists additional objectives of the practices and procedures listed in the proceeding paragraphs.

Because of inherent limitations in internal control or the practices and procedures referred to previously, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of control deficiencies, in internal control that is less severe than a material weakness; yet important enough to merit attention by those responsible for oversight of the company's financial reporting.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities and certain regulated commodity customer and firm assets that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the CFTC to be adequate for its purposes in accordance with the CEAct and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2013 to meet the CFTC's objectives.

This report is intended solely for the information and use of management, the CFTC, the National Futures Association, the CME Group, Inc., and other regulatory agencies that rely on Regulation 1.16 of the CFTC, in their regulation of registered futures commission merchants, and is not intended to be and should not be used by anyone other than these specified parties.

Ryan & Juraska

Chicago, Illinois
March 17, 2014