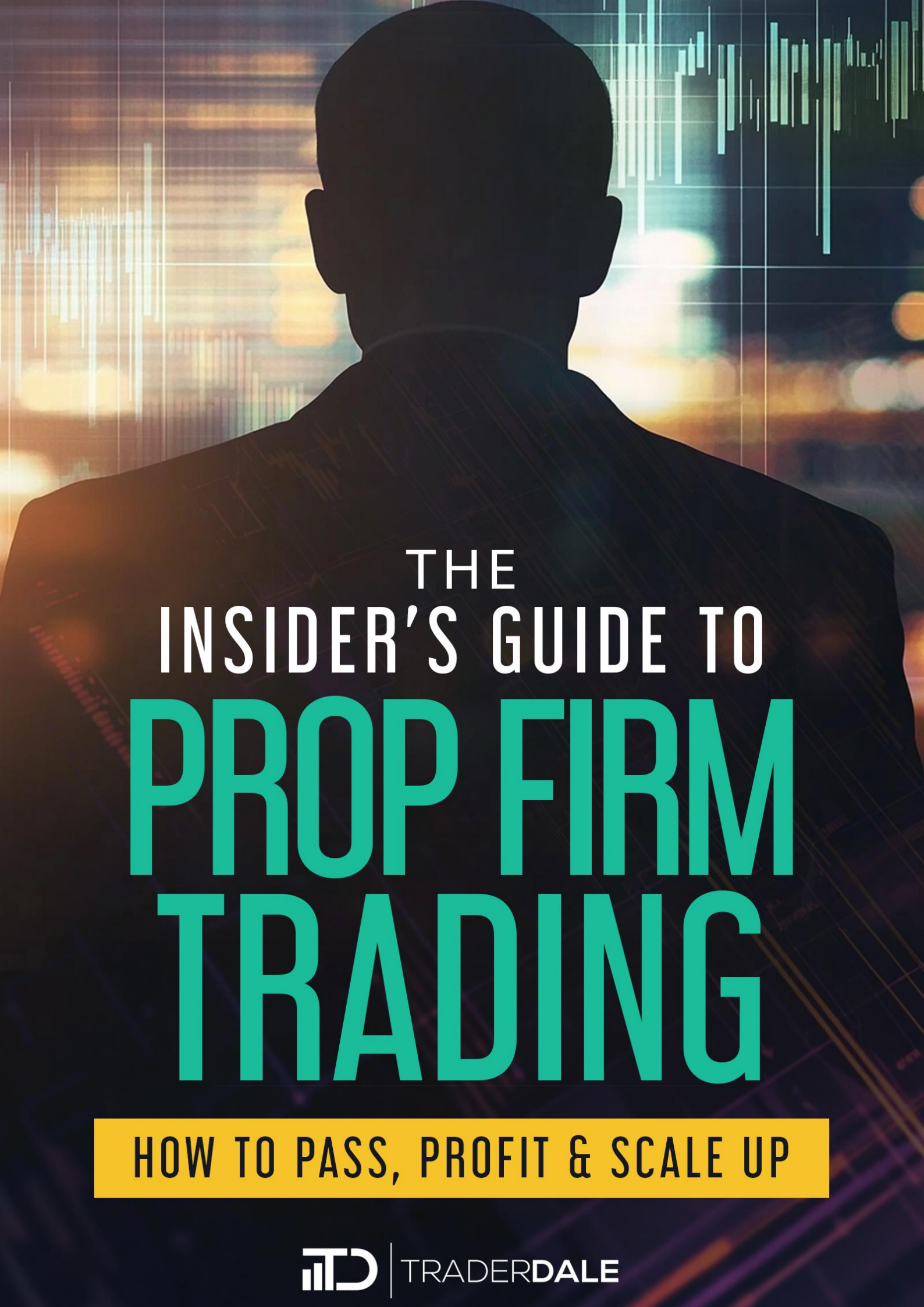


The background of the entire image features a silhouette of a person's head and shoulders, facing away from the viewer. Behind the silhouette is a blurred background of a sunset or sunrise with warm orange and yellow tones. Overlaid on this background are several vertical, semi-transparent financial charts, including candlestick and bar charts, in shades of teal and white. The text is centered over the lower half of the image.

THE INSIDER'S GUIDE TO PROP FIRM TRADING

HOW TO PASS, PROFIT & SCALE UP

Risk Disclosure:

Futures and forex trading involve substantial risk and may not be suitable for every investor. An investor could potentially lose all or more than their initial investment. Risk capital refers to funds that can be lost without impacting one's financial security or lifestyle. Trading should only be done with risk capital, and only those with sufficient risk capital should consider trading. Past performance does not necessarily predict future results.

Hypothetical Performance Disclosure:

Hypothetical performance results come with several inherent limitations, some of which are explained below. There is no assurance that any account will achieve profits or losses similar to those depicted. Often, there are significant differences between hypothetical performance results and the actual results achieved by any specific trading program. One limitation of hypothetical performance results is that they are typically prepared with the benefit of hindsight. Furthermore, hypothetical trading does not involve real financial risk, and no hypothetical trading record can fully consider the impact of actual financial risk. Factors such as the ability to withstand losses or adhere to a specific trading program, despite losses, are essential and can negatively affect actual trading results. Many other market-related factors or the execution of any specific trading program cannot be entirely accounted for in the preparation of hypothetical performance results and can adversely affect trading outcomes. This book is solely for educational purposes, and the expressed opinions are those of the author alone. All presented trades should be considered hypothetical and have not been executed in a live account.

Testimonials:

Testimonials featured in this publication may not represent the experiences of other clients or customers and do not guarantee future performance or success. Trading is a difficult business and the odds of failure are high.

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Bonus Materials & Additional Resources

First, thank you for purchasing this book! I appreciate your support and hope you find it valuable in your trading journey.

If you bought the printed version, you can **download your e-book** (for free) on this special Bonus Page:

<https://www.trader-dale.com/funded-trader-book>

To help you get even more out of this book, I've included additional bonus resources, including:

- **Prop Firm Trading Videos** – Learn how to get funded and trade successfully with prop firms.
- **Trading Journal Tutorials** – Step-by-step videos on how to use a trading journal effectively.
- **And More!** – Additional resources designed to sharpen your trading skills.

Visit the Bonus Page and start exploring these valuable extras!

About the Authors

This book is written by two authors who joined forces to give you the best of what we know about trading. Together, we have nearly 40 years of experience in both trading and teaching others how to trade successfully. In this book, we share our knowledge, strategies, and lessons learned over the years to help you become a successful prop firm funded trader.



Dale

Hi, I'm Dale, a full-time trader since 2008. I've always been passionate about economics, finance, and trading. I studied finance at university and earned certifications as a portfolio manager, investment manager, and financial derivatives specialist. Unlike many so-called trading "gurus," I have formal education and real experience.

After college, I worked as a market analyst at a big brokerage but soon left to pursue my dream—trading full-time. I spent 12-15 hours a day testing strategies, analyzing patterns, and trading everything from stocks to automated systems. Eventually, I found my edge in manual forex trading.

Like many traders, I started by searching for a "Holy Grail" strategy. I tested countless indicators, but none worked consistently. My first real breakthrough came when I stripped

everything back to simple Price Action. The game-changer was when I combined it with Volume Profile—that's when I finally started seeing consistent results.

In 2016, I launched [Trader-Dale.com](https://trader-dale.com) to teach traders my methods through in-depth courses. My training covers Volume Profile, Order Flow, VWAP, and long-term investing, and I provide custom-built trading tools, including indicators for Volume Profile, Order Flow, VWAP, and more.

By 2024, my trading buddy Sterling and I wanted to help traders take their skills to the next level. We realized that lack of capital is a major hurdle for most traders. Turning a small account into a fortune is a dream very few achieve—but they don't have to. Prop firms allow traders to access large trading accounts quickly. That's why we created the Funded Trader Academy, where we mentor traders daily through live trading rooms and hands-on support, helping them turn trading into a sustainable business.

Beyond my courses, I've written several bestselling books, including:

- VOLUME PROFILE: The Insider's Guide to Trading
- VWAP: The Insider's Guide to Trading
- ORDER FLOW: Trading Setups
- Stock Investing with Volume Profile

You can find me at [Trader-Dale.com](https://trader-dale.com) and on sites like [VolumeProfile.com](https://volume-profile.com), [OrderFlow.com](https://order-flow.com), and [VWAP.com](https://vwap.com)

I'm always happy to help! I know how important communication and support are for traders—that's why I read and respond to emails every day. If you have any questions or need assistance, just send me an email at contact@trader-dale.com. Don't hesitate to reach out!



Sterling

Hey, I'm Sterling, and if you're anything like me, your trading journey may have had a few wild twists along the way. Mine started in 2005 with penny stocks, and it didn't take long before I got hooked for life. I'll never forget finding what I thought was the "next big thing"—a stock with the ticker FHAL, later known as CSHD. I jumped in at \$0.07, and before I knew it, it skyrocketed to \$4! I was on top of the world, thinking I'd found my ticket to endless profits. I took some gains, then gave them back (as many new traders do), but it taught me an invaluable lesson: this game isn't as simple as it seems. The stock turned out to be a pump and dump, and the CEO even went to prison. Wild story, but it's an experience I'm thankful for, as it pushed me deeper into the world of trading.

After that wild ride, I shifted gears into the forex market, and this is where I really found my stride. For the next 10 years, I focused on forex trading and ran a live trading room where I called trades every single day. That decade of guiding traders in real-time taught me so much about what it takes to succeed in this business. It's not just about the trades you take, but the mindset, discipline, and strategy you bring to the table every single day.

These days, my primary focus is on trading the ES (E-mini S&P 500) and NQ (E-mini Nasdaq 100) futures. These markets are where I apply the strategies I've honed over the years, and where I see the most opportunities. I'm a big believer in tracking institutional activity—what

we call “smart money”—because they are the ones who truly move the market. If you can learn to follow their footsteps, you’re already a step ahead of the game.

In 2016, I teamed up with Dale to launch Trader-Dale.com, and I’ve been proud to play a key role in helping traders reach their potential. I’m in charge of Customer Success, which means I’m here to make sure that every trader who joins us gets the support and guidance they need to succeed. Whether you’re new to trading or looking to sharpen your edge, I’m here to share what I’ve learned from years of tracking smart money and trading the markets day in and day out.

My goal is simple: to help you trade smarter, not harder. With the right strategy, mindset, and support, you can take control of your trading journey and reach the success you’re aiming for. Let’s take this path together and make trading work for you!

Introduction to the Book

Welcome to this book! If you're here, it means you want to take your trading to the next level. Congratulations!

Maybe you've heard about trading with big capital without using your own money, or you're looking for a way to grow faster as a trader. No matter your reason, you're in the right place.

This book is designed to guide you through the world of proprietary trading firms (prop firms) and help you understand how they work, how to succeed with them, and how to avoid common pitfalls. But before we dive in, let's set some expectations.

What This Book Is (And What It Isn't)

First, let's be clear: this is not a book where you'll learn a specific trading strategy. If you're looking for detailed strategies on Volume Profile, Order Flow, or VWAP, you'll find those in my other books and courses available on my website. Instead, this book focuses on the bigger picture—how to navigate the prop firm landscape, how to pass their evaluations, and how to manage your trading like a professional.

In this book, you'll learn:

- What a prop firm is and why trading with one can be a game-changer for your career.
- How prop firms make money and what that means for you as a trader.
- The advantages and challenges of trading with a prop firm, including tax implications and risk management.
- How to pass a prop firm evaluation on your first attempt, with proven strategies and mindset tips.
- How to create a solid trading plan— every successful trader follows a structured plan. You'll learn how to create one and stick to it.
- The power of a trading journal - how to use it effectively to improve over time.

- How to manage drawdowns - every trader experiences losses. What separates the pros from the amateurs is how they recover.
- The psychology of trading—how to avoid blowing up your account and develop a winning mindset.
- How the best traders in the world actually trade, based on real data from thousands of professional traders.
- Scaling up your trading — Once you're profitable, how do you take it to the next level? We'll cover how to increase your funding and maximize your earning potential.

Why This Book Matters

Many traders focus only on finding the perfect strategy, thinking that's the key to success. But in reality, most traders fail because they lack discipline, structure, and a proper plan. A good strategy is important, but without the right mindset and approach, even the best strategy won't make you profitable in the long run.

This book will help you avoid the mistakes that wipe out most traders and give you the tools to build a solid foundation. If you apply what you learn here, you'll have a much better chance of not just passing a prop firm evaluation, but thriving as a funded trader.

Let's make it happen!

Getting Started with Prop Firm Trading

What is a Prop Firm?

A proprietary trading firm, commonly referred to as a prop firm, is a company that provides traders with access to its capital. Instead of using your own money to trade, you trade with the firm's funds. This model is a game-changer for many traders because it eliminates the need to build a personal trading account over an extended period. For those looking to replace their income or make trading a full-time career, prop firms offer a realistic and accelerated path to achieving those goals.

The primary advantage of trading with a prop firm is the ability to access significant capital quickly. For example, instead of starting with a \$10,000 personal account and slowly growing it, you can immediately trade with a \$150,000 account. This scalability allows you to generate meaningful profits in a much shorter time frame. Let's break this down further with a comparison.

Why Trade with a Prop Firm Instead of Your Own Money?

To illustrate the benefits of prop firms, let's look at two scenarios:

1. **Trading with Your Own Money:** Imagine you start with a \$10,000 personal account and aim for a 5% monthly return. This would take 63 months (over five years) to grow your account to the point where you can make \$10,000 per month in trading profits. This is a long and arduous journey, especially for those looking to replace their primary income quickly.
2. **Trading with a Prop Firm:** Now, consider trading with a \$150,000 funded account from a prop firm. A 5% return on this account would generate \$7,500 in profit per month. If you add another account a few months later, your combined profit could quickly reach \$15,000 per month. This level of scalability is difficult to achieve with a small personal account.

The chart below is hypothetical and should be used to give an overall perspective to potential growth, not an exact or expected return as this is never guaranteed in trading.



For example, one of our students at the Funded Trader Academy, Eden, generated \$16,000 in her first three months of trading with a prop firm. This success story highlights the potential of prop firms to massively accelerate your trading career. I think it is also important to note that she is more the exception than the rule. Trading is an extremely hard business and most traders will fail. For those like her, however, who are willing to commit to a proven process, the potential upside is rather large!

The Advantages of Prop Firms

Prop firms offer several advantages that make them an attractive option for traders:

1. **Reduced Financial Risk:** One of the most significant benefits of trading with a prop firm is the limited downside. When you trade with your own money, you are fully liable for any losses. For example, if you deposit \$150,000 into a personal trading account, you

could potentially lose the entire amount. With a prop firm, your risk is limited to the cost of the evaluation and monthly fees.

For instance, a \$150,000 account with Topstep costs \$149 per month during the evaluation phase and another \$149 once funded. This means your total risk is \$300, compared to the potential loss of \$150,000 if you were trading with your own money.

IMPORTANT: We're going to reference Topstep throughout this book. We have no affiliation to the company nor are we recommending them per say. Please do your own due diligence when selecting a prop firm that is right for you.

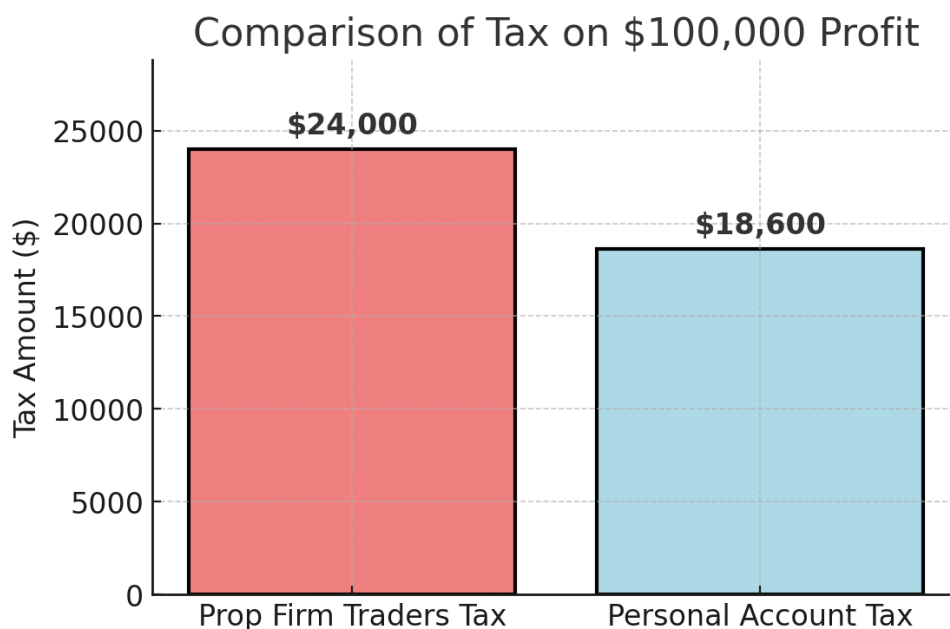
2. **Scalability:** Prop firms allow you to manage multiple accounts, which can significantly increase your earning potential. For example, Topstep permits up to five accounts, while other firms like Apex allow even more. This scalability is a major advantage for traders looking to grow their income quickly. By adding multiple accounts over time, you can compound your profits and achieve financial independence faster.
3. **Access to Capital:** Prop firms provide access to large trading accounts that would otherwise take years to build. This allows traders to focus on executing their strategies rather than worrying about building capital. For example, a \$150,000 account can generate meaningful profits even with a modest monthly return. This level of capital is difficult to accumulate on your own, especially if you're just starting out.

The Challenges of Prop Firms & Common Pitfalls

While prop firms offer many advantages, there are some challenges to consider:

1. **Tax Implications:** In the United States, profits from prop firms are taxed as short-term capital gains, which can be higher than the tax rates for futures traders. For example, a \$100,000 profit from a prop firm could be taxed as high as 37%, compared to the low 20's at worst for futures traders.

- **60/40 Tax Split for Futures Traders:** Under this rule, 60% of your profits are taxed at the long-term capital gains rate (15%), while the remaining 40% is taxed at your ordinary income tax rate.
 - Example: On a \$100,000 profit, \$60,000 would be taxed at 15% (\$9,000), and \$40,000 would be taxed at 24% if you made less than \$191,950 (\$9,600), resulting in a total tax of \$18,600 (18.6%).
- **Prop Firm Taxes:** Profits from prop firms are taxed entirely as short-term capital gains, which means you could pay a higher percentage of your profits in taxes compared to trading your own account.



2. **Lack of Diversification:** Relying solely on prop firms for income can be risky, as these firms are not as established as major financial institutions. We've seen Black Swan events shake the markets before—like when the EUR/CHF peg was removed, causing major brokers to collapse overnight. While many prop firms have reliable risk-control models, it's wise to diversify by building your own trading account over time. This provides a safety net in case of unforeseen issues with the prop firm.
3. **Trading Rules:** Prop firms often have specific rules that traders must follow, such as maximum drawdown limits and profit targets. While these rules can feel restrictive, they are designed to promote disciplined trading.

For example, Apex's rule set is based on the behaviors of profitable traders, making it a valuable guide for success. Instead of viewing these rules as limitations, consider them as a roadmap to profitability. In other words, Apex is telling you how their best traders trade. You better listen.

Friendly reminder, we are not recommending Apex either, just using them as an example.

How Prop Firms Really Make Money

In this chapter, we'll explore the business model of proprietary trading firms (prop firms) and answer a common question: How do prop firms make money? Understanding this will give you insight into why prop firms exist, how they structure their operations, and what it means for you as a trader.

Evaluation Fees & Account Resets: The Business Model Explained

The main way prop firms generate revenue is through their evaluation challenges, B-book traders, and account resets.

Based on publicly available data, we know that 90% (some say 100%) of a prop firm's income comes from losing traders. How so?

Evaluation Fees

When you sign up for a prop firm's evaluation, you pay a fee to participate. For example, Topstep charges \$149 for a \$150,000 account evaluation. This fee is non-refundable and covers the cost of the evaluation process. If you pass the evaluation you would pay another \$149 to go from an evaluation account to a funded account.

Account Resets

If you fail the evaluation (which most traders do), you have the option to reset your account by paying another fee. For example, Topstep charges \$149 to reset a \$150,000 account. Many traders reset their accounts multiple times, which can add up to significant revenue for the prop firm.

In essence, prop firms make money from losing traders. The majority of traders fail their evaluations or lose money in funded accounts, and these losses directly contribute to the firm's profits.

B-Book vs. A-Book: How Prop Firms Classify Traders

Prop firms categorize traders into two groups: B-book and A-book. This classification determines how the firm handles your trades and manages its risk.

B-Book Traders (Losing Traders)

B-book traders are those who are unprofitable or fail their evaluations. When a new client comes in, this is where they will start as most traders fail. When you are on the B-book, your trades are not sent to the live market. Instead, the prop firm takes the opposite side of your trades which is needed to complete a transaction (a buyer needs a seller to buy from...). To oversimplify what is happening...

If you buy 1 contract, the firm sells you 1 contract.

If you sell 1 contract, the firm buys 1 contract from you.

If it is a losing trade the money is deducted from your account but the prop firm doesn't 'make money' as their opposing trade never went to live market. If it is a winning trade, the prop firm pays you from their pocket.

Since most traders lose money, the prop firm B-books everyone to start and then profits from their losing trades.

A-Book Traders (Profitable Traders)

A-book traders are those who are consistently profitable. When a prop firm recognizes that you are a profitable trader, they A-book you, and your trades are hedged in the live market or hedge against the aggregate position of all A-book traders. Here's how it works:

Instead of taking the opposite side of your trades, the firm hedges your positions in the live market to mitigate its risk. This isn't done trader by trader, but rather the collective total of all traders on the A-book.

Hedging & Risk Management: What Happens Behind the Scenes

Prop firms are masters of risk management. Their primary goal is to minimize losses while maximizing profits from losing traders. Here's how they do it:

Internal Client Matching

If the firm has A-book clients taking opposite positions (e.g., one buying and one selling), it can match these trades internally without going to the live market. This reduces costs and eliminates the need for external hedging.

Hedging the Aggregate

When the firm's clients have a net long or short position, the firm hedges this exposure in the live market. For example, if clients are net long 500 contracts, the firm will go long 500 contracts in the live market to offset its risk.

Remember, for a prop firm, the biggest risk is a trader who actually makes money. So how do they handle this? Simple—they spot profitable traders as fast as possible, switch them to an A-book, and hedge their trades. This way, the trader's wins don't hurt the firm. If they left a profitable trader on a B-book, it would cost them money since they'd be taking the other side of his trades.

Covering Slippage, Commissions, and Other Costs

Prop firms typically pay out 80-90% of the profits to their traders and keep the remaining 10-20%. Here's why:

When a prop firm hedges their profitable traders, they have to account for slippage (the difference between the expected price and the actual execution price) and commissions. Plus, they don't always get a perfect hedge for the total risk. That's where the 10-20% profit share they keep from a profitable trader's earnings comes in—it helps cover these costs and ensures the firm stays profitable.

Do Prop Firms Trade Against You? The Truth About Fairness

One common concern among traders is whether prop firms are “trading against them.” While it’s true that prop firms do take opposite sides of most of their clients (B-book traders) and profit from losing traders, they also have a vested interest in providing a fair trading environment. Here’s why:

Long-Term Profitability: Prop firms want to retain profitable traders because they contribute to the firm’s long-term profitability. By hedging their trades and sharing profits, the firm ensures it can continue operating sustainably.

Reputation and Growth: A prop firm’s reputation depends on its ability to pay out profits to successful traders. If a firm gains a reputation for unfair practices, it will struggle to attract new clients.

Risk Management: Prop firms are in the business of managing risk, not taking excessive risks. By hedging profitable traders and focusing on steady growth, they ensure their long-term survival.

What It Takes to Become a Funded Trader

In this chapter, we'll break down the essential steps and requirements to become a funded trader with a prop firm. While there are many prop firms available, each with its own evaluation process, rules, and pricing structures, we'll focus on Topstep as our primary example. Topstep is one of the most popular prop firms and is widely used by traders, including those in our Funded Trader Academy. By understanding the basics of Topstep's evaluation process, you'll gain insights that apply to many other prop firms as well. Again, this is not a recommendation of Topstep, we're simply using them as an example.

TopStep is a popular choice among traders for several reasons:

- **No Trading Rules During the Funded Phase:** Unlike some other prop firms, Topstep does not impose strict trading rules once you've passed the evaluation. This gives you more flexibility to trade according to your strategy.
- **Scalability:** Topstep allows you to scale up to multiple accounts, increasing your earning potential. For example, you can manage up to five \$150,000 accounts, giving you access to \$750,000 in trading capital.
- **Transparency:** Topstep's evaluation process is straightforward and transparent, making it easier for traders to understand the requirements and track their progress.

How the Prop Firm Evaluation Process Works

The first step to becoming a funded trader is passing the prop firm's evaluation process. This is essentially a test to prove that you can trade profitably while adhering to the firm's risk management rules. Each prop firm has its own unique evaluation process, but the core principles are similar across the board.

Let's dive into Topstep's requirements:

	\$50,000 Account	\$100,000 Account	\$150,000 Account
Profit Target	\$3,000	\$6,000	\$9,000
Max Drawdown	\$2,000 (4%)	\$3,000 (3%)	\$4,500 (3%)
Max Contracts	5	10	15

Account Options

Topstep offers three main account sizes for traders to choose from:

1. \$50,000 Account
2. \$100,000 Account
3. \$150,000 Account

Each account size has specific profit targets, maximum drawdown limits, and position sizing rules. Here's a breakdown of the basic requirements for each account:

Profit Target

The profit target is the amount you need to earn during the evaluation phase to pass and become a funded trader. The target varies depending on the account size:

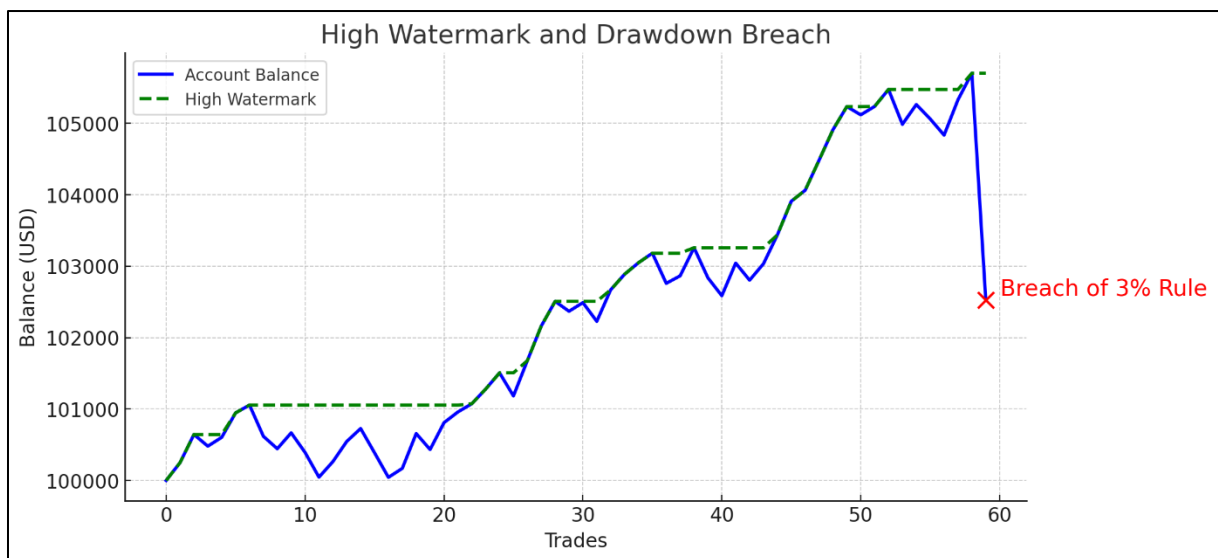
- \$50,000 Account: \$3,000 profit target
- \$100,000 Account: \$6,000 profit target
- \$150,000 Account: \$9,000 profit target

These targets are based on a percentage of the account size. For example, the \$50,000 account requires a 6% return (\$3,000), while the \$150,000 account also requires a 6% return (\$9,000).

Maximum Drawdown (Max Loss)

The maximum drawdown is the most you're allowed to lose from your account's starting balance or high watermark (the highest CLOSING account value). Exceeding this limit will result in failing the evaluation. Here's how Topstep's drawdown rules work:

- \$50,000 Account: \$2,000 maximum drawdown (4% of the account size)
- \$100,000 Account: \$3,000 maximum drawdown (3% of the account size)
- \$150,000 Account: \$4,500 maximum drawdown (3% of the account size)



One unique aspect of Topstep is that the \$50,000 account offers a slightly more lenient drawdown limit compared to the larger accounts. For example, the \$50,000 account allows a 4% drawdown, while the \$100,000 and \$150,000 accounts only allow a 3% drawdown. This can make the smaller account a more accessible option for newer traders.

Position Sizing

Topstep also limits the number of contracts you can trade based on your account size. This rule ensures that traders don't take on excessive risk during the evaluation phase. Here's the position sizing breakdown:

- \$50,000 Account: Up to 5 contracts
- \$100,000 Account: Up to 10 contracts

- **\$150,000 Account:** Up to 15 contracts

These limits are designed to encourage disciplined trading.

Key Rules Every Trader Must Follow

In addition to the profit target, maximum drawdown, and position sizing, Topstep has a few other important rules you need to follow during the evaluation phase:

1. **Two-Day Minimum:** You cannot pass the evaluation in a single day. Even if you hit your profit target on the first day, you must trade for at least two days to complete the evaluation.
2. **No Single-Day Profit Exceeding 50%:** No single day's profit can account for more than 50% of your total profit target. For example, if you're trading a \$50,000 account with a \$3,000 profit target, you cannot make more than \$1,500 in a single day. This rule encourages consistency and prevents traders from relying on one lucky trade to pass the evaluation.

How to Activate Your Funded Account & What to Expect

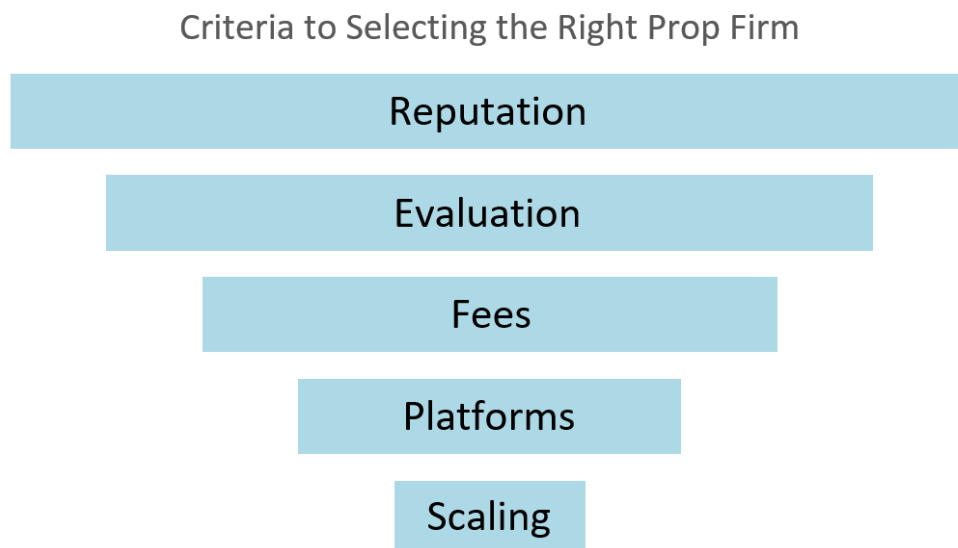
Once you've met the evaluation requirements, Topstep will send you a link to activate your funded account. The activation fee is \$149, which is a one-time payment. After activation, you'll gain access to the firm's capital and can start trading the funded account.

It's important to note that the rules for the funded account are different from the evaluation phase. For example, the profit targets and drawdown limits are different once you're trading a funded account.

Choosing the Right Prop Firm

Now we're going to talk about five key factors to consider when selecting the right prop firm. These five criteria are crucial when evaluating a prop firm—or really any financial service you're entrusting your money with. If you stick to these, you'll have a strong reference point for selecting the best option available.

I put these five points in order from most to least important. For example, reviews and reputation come first because you want to trade with a prop firm you can trust—one that pays out without issues and has good customer support. Capital allocation or scalability is last because it's something you can work with, and it shouldn't be the main reason you choose a particular prop firm.



Reviews and Reputation

In today's world, we have the benefit of a robust review process, especially within the prop trading industry. Websites like Trustpilot do a great job of highlighting the firms that perform well and exposing those that have issues. It's straightforward—if a firm has consistent problems, the reviews will reflect that.

When evaluating a prop firm, don't just look at one review site. Cross-check multiple platforms to get a broad sense of how traders are experiencing the firm. Positive reviews generally indicate a smooth process, fair payouts, and good customer service. If you see recurring complaints, especially about payouts or sudden rule changes, that's a red flag.

The Evaluation Process and Rules

The next critical factor is the firm's evaluation process and trading rules. Every prop firm has a set of requirements that traders must meet to qualify for a funded account. Some firms make it easier to pass, while others have stricter rules designed to weed out undisciplined traders.

A great example is Topstep. Their rules are straightforward—before you can get a payout, you must have at least five profitable days with gains of \$200 or more. If you meet that, they'll pay you up to 50% of your account balance. Once you have 30 trading days with a \$200 profit or more, they'll pay out 100%. Beyond that, there aren't additional restrictions on trading style—except for the maximum drawdown.

Other firms, like Apex, have stricter rule sets. While some traders may find these limiting, in reality, they serve as a guide to profitable trading. Apex's rules aren't random—they're based on statistical analysis of what consistently profitable traders do. For example:

- Profitable traders don't average down into losing positions.
- Profitable traders don't take a small position one time and a massive one the next.
- Profitable traders maintain consistency in position sizing.

By enforcing these rules, Apex essentially provides a "cheat code" to profitable trading. They're not just random restrictions—they reflect behaviors of successful traders.

That said, I personally have never had an issue with getting payouts from Topstep, so my philosophy is: if it isn't broken, don't fix it. Overtime this may change and it's important to note that this is often the case as prop firms recognize vulnerabilities in their rules. Likely Topstep will 'tighten the belt' on their rules with time as well.

Understanding Fees & Hidden Costs

Let's talk about fees. While some prop firms are cheaper than others, low cost doesn't always mean better value. You need to evaluate fees alongside the firm's rules and reputation.

Topstep stands out here again—they have some of the lowest fees in the industry without restrictive rules. Other firms like FTMO and Apex have higher costs, and while they may have easier evaluations, that doesn't always mean they're the best choice.

The key takeaway here is to balance affordability with reliability. Some firms charge upwards of \$600–\$700 for a \$200,000–\$300,000 account, which can be a significant investment. Others let you start with a \$50,000 account for \$49. It's important to assess whether the fees align with the firm's reputation and what they offer in return.

Trading Platforms: Finding the Best Fit for Your Strategy

The trading platform a prop firm supports is another crucial factor. If a firm doesn't offer a platform, you're comfortable using, it may not be the right fit for you.

For example, Topstep works smoothly with TradingView through their Topstep X platform—it's easy to use and hassle-free. They also support NinjaTrader, Quantower, Tradovate, T4, R|Trader Pro, ATAS OrderFlow Trading, and MotiveWave. However, keep in mind that MetaTrader 4 (MT4) and MetaTrader 5 (MT5) are not supported.

For most of you, I'm pretty sure your platform is covered!

This is why I rank trading platforms fourth—it's important, but it only becomes a deciding factor if the first three criteria check out. If a prop firm has a great reputation, fair rules, and reasonable fees, but they don't support your preferred trading platform, you'll need to consider whether switching platforms is worth it.

Scaling Up: Managing Multiple Accounts for Maximum Growth

The final factor is capital allocation—how much funding a firm provides and how they allow traders to scale their accounts.

Some firms allow traders to hold multiple funded accounts—five, ten, or more. These accounts can often be linked together, so when you place one trade, it executes across all accounts simultaneously. This is important if you're looking to scale up and manage larger amounts of capital.

That said, this factor is at the bottom of the list because, in my opinion, it's only relevant once you've already proven yourself as a profitable trader. The hardest challenge is achieving consistent profitability. That's where the real work happens. Scaling up, once you're profitable, is more of a technical process. If you're making \$30,000–\$40,000 and want to add another \$500,000 in funding, that's an easy bridge to cross.

How to Pass the Prop Firm Evaluation on Your First Attempt

One of the most important things to understand is that success or failure in the evaluation is often determined before you even take the challenge. If you don't have a proven track record of profitability in a demo account, you're essentially gambling. Trading is a business, and like any business, it requires preparation, planning, and discipline.

Aim for at least one month of profitable trading in a demo account. If you're taking 1-3 trades per day, a 20-day track record is a good minimum to have before going live. This will give you enough data to assess your performance and make necessary adjustments.

The reason I recommend becoming profitable on a demo account first is because demo trading is like playing on "easy mode."

Demo accounts don't have slippage or execution issues, making them a great environment for testing your strategy without extra complications. Plus, the psychological pressure is much lower—you won't feel the same fear, greed, or FOMO as you would with real money.

While demo trading isn't a perfect representation of live trading, it helps you build confidence, refine your strategy, and prove that you can be consistently profitable before risking real capital.

Being able to make a profit on a demo is a baseline requirement. If you can't make money in a demo account, you won't make money in a live account. Demo trading helps you build confidence, refine your strategy, and gather statistical data like win/loss ratio, drawdown, average Risk Reward Ratio...

These metrics will help you determine whether you're ready to take on a prop firm evaluation or if you're just getting lucky.

Remember, profitable traders treat trading like a business, not a gamble.

Two Proven Approaches to Passing the Evaluation

Once you've proven profitability in a demo account, you're ready to take on the prop firm evaluation. There are two main approaches to passing the evaluation

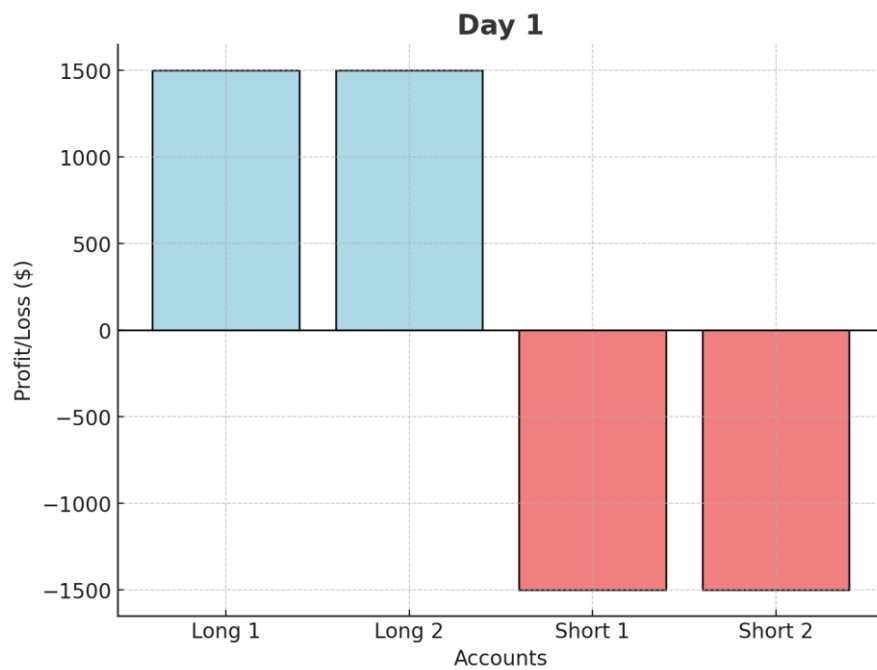
Option 1: The Quick and Dirty Approach

This approach is for traders who know they are profitable and want to pass the evaluation as quickly as possible.

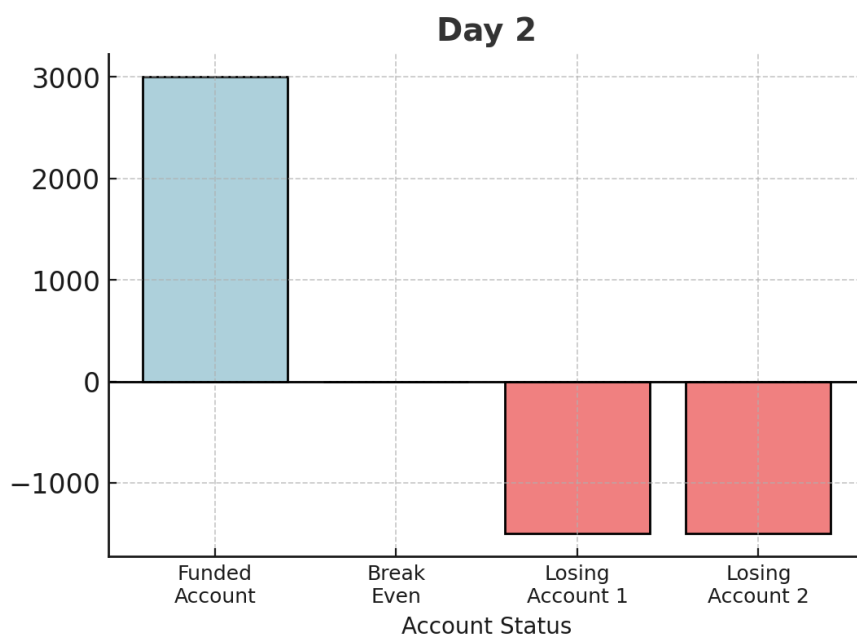
DISCLAIMER: It is expressly against most prop firms rules to follow this option. That said, I have never seen TopStep not approve an account because of it during the evaluation phase. Additionally, if you are NOT a profitable trader, the house will always win over time. Even if you get a funded account you will likely just blow it up. That is why you should have a proven track record of profitability before going to a prop firm, regardless of the approach you take.

Here's how it works:

1. Open four \$50,000 accounts.
2. Take two accounts long (maximum size, that's 5 lots with Top Step) and two accounts short (maximum size).
3. Set \$1,500 stop-loss and \$1,500 take-profit.
4. At the end of the day, two accounts will be up \$1,500, and two will be down \$1,500 (those will still be active as your max drawdown is \$2,000).



5. With the two profitable accounts, repeat this process on the next day.
6. By day two, you will have one funded account, one at break-even and two down - \$1,500.



Cost breakdown:

- \$49 per account setup (\$196 total)
- \$149 one-time activation fee for the funded account
- Total risk: \$345, which essentially ensures you get one funded trading account

Why would you consider this option if you're already profitable? As a trader, I look at everything as a risk/reward equation. This is no different, let's take a look:

Assuming you can make a 7% return on a \$50,000 account, this would make you \$3,500 profit on the first month.

This means you are risking \$350 to potentially earn \$3,500, making this a 10:1 risk-reward trade, and that's just the first month.

If you know you're profitable, this approach makes a lot of sense.

IMPORTANT: Unfortunately, more and more prop firms are cracking down on this quick and easy approach. Most explicitly state in their terms that it's not allowed, and doing it could get you banned. While some firms might look the other way, others strictly enforce the rule.

For example, TopStep used to have this restriction in their terms, but in practice, they didn't enforce it. However, they've recently tightened their rules, and this strategy may even start to be disallowed or get you banned during the evaluation process. It is CERTAIN to get you banned on live or evaluation accounts that are funded.

Whether you choose to try it is up to you—but so is the risk. One thing is certain: it's a loophole that is quickly closing. The good news is, approach number two doesn't take much longer.

Option 2: The Professional Approach

This approach is for traders who prefer a more conservative and disciplined method. Here's how it works:

If you prefer a more traditional method, follow this structured approach:

Trade exactly as you did in demo – If your strategy was working, it should work in the live challenge.

Risk 0.5% per trade – With a \$50,000 account, this means risking \$250 per trade. This allows you to lose up to 8 trades in a row before reaching the 4% max drawdown and failing the challenge.

Win six trades to reach the profit target – Assuming a 2:1 reward-to-risk ratio, six wins should be enough to pass.

This method takes longer but is safer and more professional. It also costs less upfront compared to the first approach.

Regardless of the path you take, once you have a funded account, you must treat your trading seriously—like a business, because that’s exactly what it is! And just like any successful business, you need a solid plan. That’s where the Trading Plan comes in.

The Power of a Solid Trading Plan

In over 20 years of trading, I've never met a profitable trader who didn't have a detailed trading plan.

I recommend that you write your own plan, print it, have it ready at hand all the time, and follow it 100%.

A trading plan is a written document that outlines:

- **How you enter trades:** What are your entry criteria?
- **Take Profit & Stop Loss placement:** How exactly you determine where to place your TP & SL?
- **How you manage trades:** How do you secure your trades, are you trailing your Stop Loss? How do you handle correlated trades? How do you quit a bad trade?
- **Risk management:** How much are you willing to risk per trade?
- **Exit strategies:** When and why will you exit a trade?

Your trading plan should be specific and actionable.

Having a plan ensures consistency and helps you avoid emotional decision-making. If you don't have a trading plan, you're essentially flying blind.

Example of a Trading Plan

This example is based on my way of trading (intraday trades), and on what I teach our members in the Funded Trader Academy, and our self-study courses.

Instruments

Focus primarily on major Forex pairs like EUR/USD, AUD/USD, GBP/USD, and the S&P 500.

When trading crosses, only take the highest-quality setups.

Trade Entry

- MAIN SETUPS: One of these setups MUST be present: Volume Accumulation, Trend, Rejection Setup.
- CONFIRMATION SETUPS: not obligatory for trade entry, but preferable: Fair Value Gap, S→R (and vice versa), AB=CD, VWAP setups, POC from higher time frame (Weekly POC, ...).
- Enter trades with Limit Orders (even if you are around the computer). Use Market Orders only when trading with Order flow confirmation.
- Don't trade a level which has already been tested (a couple of pips earlier).
- Don't trade against a spike move.
- Take a Reversal trade when price doesn't react to a level and shoots past it.
- Trade example:



Take Profit

- Use Volume Profile or Price Action to determine TP (TP should be before a barrier).
- Risk Reward Ratio must be at least = 1. Ideally 1-2.

Stop Loss

- Use Volume Profile or Price Action to determine SL (SL should be behind a barrier).
- SL should not be too tight. Minimum roughly 10% ATR (Average Daily Volatility).

Money Management

- Maximum risk per trade = 2%
- If trading highly correlated pairs together, then split the risk between them.

Position Management

- Secure trade by moving Stop Loss to Reaction Point after the price made 75% of the move towards the Take Profit (If TP is 10, and you are 7.5 pips in open profit → move SL to Reaction Point).
- Don't move SL to Break Even. Always to RP.



Macro News

This applies only to macro news marked as high-impact (red news) on Forex Factory. It's okay to trade during less significant news.

Wed Feb 19	12:30am	»	AUD	📁	MI Leading Index m/m	📁	0.1%	0.0%	📊
	12:50am	»	JPY	📁	Core Machinery Orders m/m	📁	-1.2%	0.4%	3.4%
		»	JPY	📁	Trade Balance	📁	-0.86T	-0.26T	-0.22T
	1:30am	»	AUD	🔴	Wage Price Index q/q	📁	0.7%	0.8%	0.9%
	2:00am	»	NZD	🔴	Official Cash Rate	📁	3.75%	3.75%	4.25%
		»	NZD	🔴	RBNZ Monetary Policy Statement	📁			
		»	NZD	🔴	RBNZ Rate Statement	📁			

- Don't enter a trade during macro news
- Quit trade 5 minutes before news release
- It's okay to trade 10 minutes after macro news or after it's clear that post-macro volatility is over.
- It's okay to re-enter your trade after macro news passed – but only if macro didn't make a strong impact (increased volatility) on the market and if you manage to re-enter for the same or better price as before.
- Monster Macro news (the strongest macro news related directly to central bank rate policy) – don't trade all affected pairs for the rest of the trading session.

Handling a Drawdown

- Review screenshots and journal thoroughly – focus on what went well but also look for what went wrong and fix it.
- Don't pause trading (at least not too long).
- Keep trading. Use smaller (50%) positions until you regain confidence.

Do NOT Do This (My Weaknesses)

- Hope a loser will turn into a winner
- Trade impulsively based on emotions
- Force trades
- Revenge trading
- Fear of entering a trade

- Close trades too soon (Risk Reward Ratio should be at least 1)
- Add to losing positions
- Get swayed by FOMO (fear of missing out) – rather skip a trade than enter a bad one.

If you do any of these, go for a walk or stop trading until the rest of the day. Review what happened with clear head.

Business Hours

8:00 a.m. – 12:00 p.m.

- Analysis – go through all instruments, look for levels to trade.
- Trading

2:00 p.m. – 6:00 p.m.

- Analysis – go through all instruments, look for levels to trade.
- Trading

6:00 p.m. – 7:00 p.m.

- Trade review
- Journaling

Apart from having a detailed Trading Plan that you stick to and follow, you also need a Trading Journal. This allows you to track how well you followed your plan and how your strategy performed. A journal is invaluable for identifying strengths and weaknesses, helping you refine your approach and make necessary adjustments to improve your trading over time.

Journaling: The Secret to Long-Term Trading Success

Index	DATE				CHART				SETUP				TRADE				INITIAL SETTING				RESULT			
	Level Formed	Session/Level Formed	Level Executed	Session/Level Executed	Instrument	Time Frame	Long or Short	Setup #1 (Main)	Setup #2	Setup #3	Entry	SL	TP	R/R	Risk %	Result	P/L %	Attached	DU	Notes				
225	15/01/2024	EU+US	15/01/2024	EU+US	usdjpy	30min	short	Rejection Setup	AB-CD	AB-CD	1.03000	1.01000	1.05000	1:1	2.00%	loss	-2.00%	No						
226	16/01/2024	EU	16/01/2024	EU	usdjpy	30min	short	Trend Setup	VWAP Trend	VWAP Trend	1.03000	1.01000	1.05000	1:1	2.00%	win	2.00%	No						
227	16/01/2024	AS	16/01/2024	AS	usdjpy	30min	long	Trend Setup	S-U-R-B-S	S-U-R-B-S	1.03000	1.01000	1.05000	1:1	2.00%	win	2.00%	No						
228	16/01/2024	EU	16/01/2024	EU	usdjpy	30min	long	Vol. Accumulation	AB-CD	AB-CD	1.03000	1.01000	1.05000	1:1	2.00%	win	2.00%	No						
229	16/01/2024	US	16/01/2024	US	usdjpy	30min	long	Trend Setup	High TF FOC	High TF FOC	1.03000	1.01000	1.05000	1:1	2.00%	win	2.00%	No						
240	18/01/2024	EU+US	18/01/2024	EU+US	audusd	30min	short	Rejection Setup	VWAP Trend	VWAP Trend	1.03000	1.01000	1.05000	1:1	2.00%	win	2.00%	No						
241	24/01/2024	EU	24/01/2024	EU	eurusd	30min	short	Trend Setup	Anchor VWAP	Anchor VWAP	1.03000	1.01000	1.05000	1:1	2.00%	loss	-2.00%	No						
242	24/01/2024	US	24/01/2024	US	audusd	30min	short	Rejection Setup	S-U-R-B-S	S-U-R-B-S	1.03000	1.01000	1.05000	1:1	2.00%	loss	-2.00%	No						
243	24/01/2024	EU+US	24/01/2024	EU+US	usdjpy	30min	long	Vol. Accumulation	AB-CD	AB-CD	1.03000	1.01000	1.05000	1:1	2.00%	win	2.00%	No						
244	24/01/2024	AS	24/01/2024	AS	gbpusd	30min	short	Trend Setup	High TF FOC	High TF FOC	1.03000	1.01000	1.05000	1:1	2.00%	win	2.00%	No						
245	25/01/2024	EU	25/01/2024	EU	eurusd	30min	long	Rejection Setup	VWAP Trend	VWAP Trend	1.03000	1.01000	1.05000	1:1	2.00%	win	2.00%	No						
246	25/01/2024	EU+US	25/01/2024	EU+US	eurusd	30min	long	Trend Setup	Anchor VWAP	Anchor VWAP	1.03000	1.01000	1.05000	1:1	2.00%	win	2.00%	No						
247	30/01/2024	AS	30/01/2024	AS	usdjpy	30min	long	Rejection Setup	S-U-R-B-S	S-U-R-B-S	1.03000	1.01000	1.05000	1:1	2.00%	win	2.00%	No						
248	09/02/2024	US	09/02/2024	US	eurusd	30min	long	Trend Setup	High TF FOC	High TF FOC	1.03000	1.01000	1.05000	1:1	2.00%	win	2.00%	No						
249	09/02/2024	EU+US	09/02/2024	EU+US	eurusd	30min	short	Rejection Setup	VWAP Trend	VWAP Trend	1.03000	1.01000	1.05000	1:1	2.00%	win	2.00%	No						
250	06/02/2024	EU+US	06/02/2024	EU+US	usdjpy	30min	long	Vol. Accumulation	VWAP Trend	VWAP Trend	1.03000	1.01000	1.05000	1:1	2.00%	win	2.00%	No						
251	06/02/2024	AS	06/02/2024	AS	usdjpy	30min	long	Trend Setup	VWAP Rotation	VWAP Rotation	1.03000	1.01000	1.05000	1:1	2.00%	loss	-2.00%	No						
252	06/02/2024	EU	06/02/2024	EU	usdjpy	30min	long	Rejection Setup	Anchor VWAP	Anchor VWAP	1.03000	1.01000	1.05000	1:1	2.00%	win	2.00%	No						

If you're not journaling your trades, you're basically flying blind. Our minds naturally focus on recent events, a cognitive bias known as recency bias, which can distort our perception of our overall performance. This is a big problem in trading because emotions and adrenaline can cloud our memory, making it easy to overlook patterns, mistakes, and opportunities for improvement. A Trading Journal keeps you grounded in reality, helping you see the bigger picture and make data-driven decisions.

Think about it—this is why if 10 people witness the same event, they all remember it differently. Trading is the same. If you rely on memory alone, you won't recall your trades correctly.

That's why journaling is so important. But just writing things down isn't enough—you have to compare your trades to your plan. Journaling serves two key purposes:

1. **Are you actually following your plan?** – Most traders don't. They overtrade, revenge trade, or go off-script.
2. **Does your plan even work?** – Once you're consistently following it, you can assess if it's profitable.

At the end of each month, reviewing your journal will show you where you're making mistakes and whether your strategy is solid. This is how you track progress and improve as a trader.

Example of a Trade Journal

Let me now show you my Trading Journal and all the key parameters I track. You can use it as a blueprint for your own journal.

Key parameters of Trading Journal

Date: When I took the trade.

Session: The trading session (Asian, EU, US, or EU+US overlap).

Instrument: The asset I traded (e.g., EUR/USD, ES, NQ, etc.).

Time Frame: The chart timeframe I used (30-minute, daily, etc.).

Long/Short: Whether it was a buy (long) or sell (short) trade.

Main Setup: The primary trading setup I used.

Secondary Setup: Any additional setups that were present.

Entry Level: The price at which I entered the trade.

Stop Loss: My initial Stop Loss level.

Take Profit: My target price for taking profit.

Risk-Reward Ratio: How much I risked vs. how much I aimed to gain.

% Risk: The percentage of my account equity I risked.

Result: Win, loss, break-even, or missed trade.

P/L %: The percentage gain or loss from the trade.

Macro News: Whether macroeconomic news impacted my trade.

Mindset: How I felt before, during, and after the trade.

Notes: Any important observations or comments.

Screenshot: I take a screenshot of each trade for review.

I have all this data in an Excel file, and I use it to automatically generate an overview of my trading performance. This helps me analyze key aspects of my trading and make better decisions.

Overview Section of Trading Journal – The Big Picture

In my performance overview, I track:

- **Trading Instrument:** Which instruments give me the best results? For example, EUR/USD works best for me. I also check which instruments I should trade more and which ones underperform.
- **Trading Setup:** Which setups have the highest success rate? Which ones are not performing well?
- **Trading Days:** Which days are my most profitable? Fridays work best for me, while Mondays tend to be my worst trading days.
- **Trading Session:** Which session do I trade best in? For me, the US session is the most profitable.
- **Risk-Reward Ratio:** What is my average Risk-Reward Ratio, and how well am I managing risk overall?

This section of my journal is the most important part—it's the key to improving my trading. It gives me a clear overview based on all the data I've collected. It literally tells me which instruments work best and what I should focus on, how my setups perform and which ones deserve more attention, when to trade and when to be more cautious, and how I manage risk vs. reward and whether I need to adjust my approach.

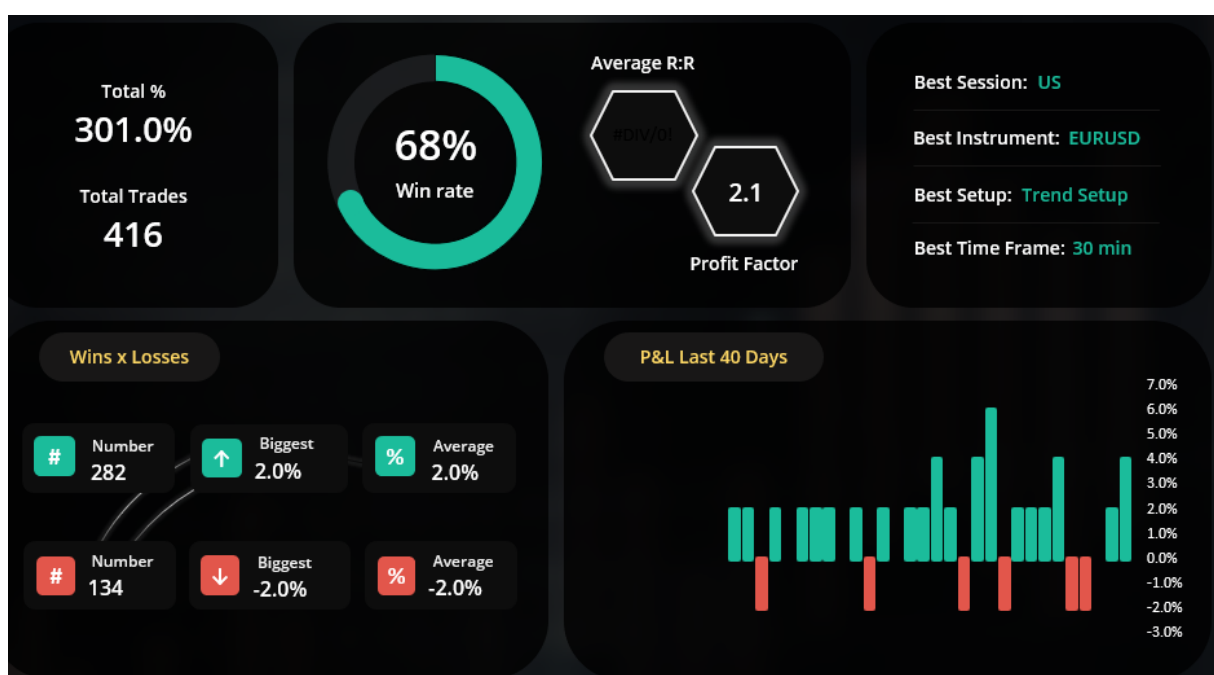
It's not the raw data itself that's useful—it's what I do with it. All the details I log for each trade (like date, session, and instrument) feed into this overview section. I rarely look at the raw data—I focus on the big picture. That's what helps me identify what works and what doesn't.

At the end of my performance overview, I also track key totals that give me a clear picture of my overall trading performance. These include:

- **Total Gain:** My overall profit/loss over a given period.
- **Total Number of Trades:** The total number of trades I've taken.
- **Total Winners:** The number of profitable trades.
- **Total Losers:** The number of losing trades.
- **Win Rate (%):** The percentage of trades that were profitable.
- **Profit Factor:** The ratio of total profit to total loss, showing how much, I make for every dollar I risk.
- **Biggest Winner:** My most profitable trade.
- **Biggest Loser:** My largest loss.
- **Average Win:** The average profit from winning trades.
- **Average Loss:** The average loss from losing trades.

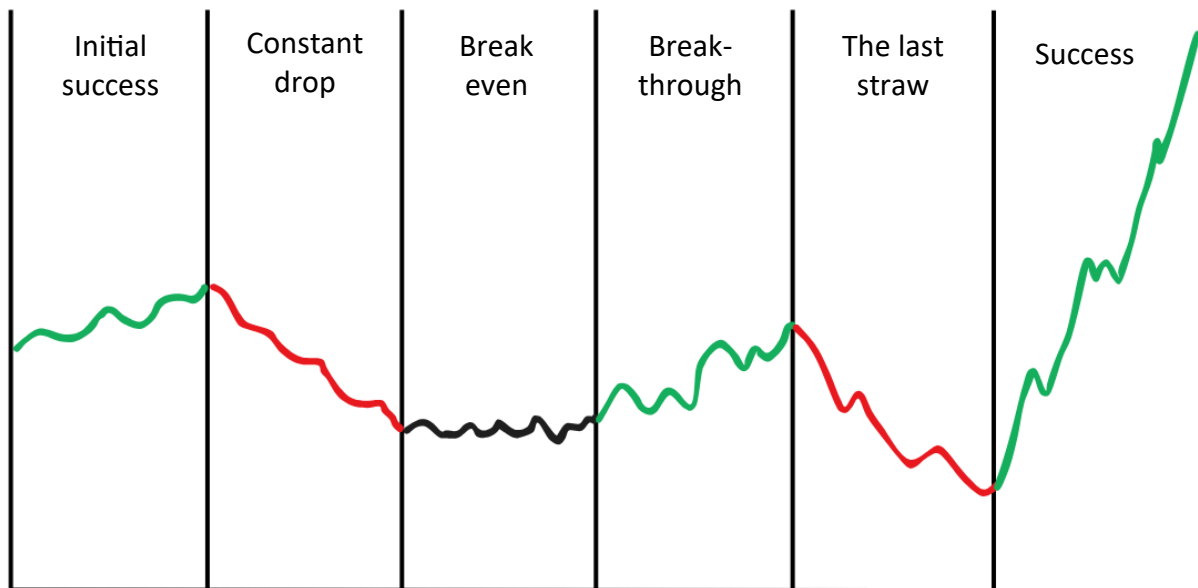
It might sound like a lot, but it's actually quite manageable if you set up a clean and well-structured journal. A good layout makes it easy to track everything at a glance without feeling overwhelmed.

Here's a screenshot of my "Overview" section, where all the key metrics are automatically calculated and displayed in a clear, organized way:



The Trader's Journey: From Beginner to Profitable

Every trader's journey follows a similar path—ups, downs, and crucial turning points. Understanding these six phases will help you recognize where you are, what challenges to expect, and how to push through to long-term profitability.



Initial Success

When a new trader starts out, they often experience some early wins. This could be due to beginner's luck or the fact that they don't yet carry the emotional baggage that comes with years of trading. Without the weight of past losses or the "scar tissue" of repeated mistakes, they might see some green in their account and think "This isn't so hard!". But this initial success is usually short-lived.

The Constant Drop – Losing Phase

That early success doesn't last. The market humbles every trader, and losses start piling up. This is where many traders experience a steady decline—sometimes steep, sometimes slow, but often leading to repeated account blowouts.

At this point, most traders either quit or keep trying without changing anything. But those who persist long enough eventually hit a turning point.

Break Even – The Crossroads

Traders who survive the losing phase may start hovering around break-even. This is a huge milestone.

If you're at break-even, you're incredibly close to profitability. The difference between a break-even trader and a consistently profitable one often comes down to fine-tuning.

This is when discipline, patience, and a proper trading plan become critical. Many traders at this stage are making fewer mistakes, but they still need to tighten up their entries, exits, and risk management. Journaling trades, reviewing setups, and refining their execution are key to breaking through.

The Breakthrough

At this stage, traders start to see consistent success. They've tightened up their strategies, become more patient, and are waiting for the right setups. They're journaling their trades, managing risk properly, and acting more like professionals. Small wins begin to add up, and the equity curve starts to climb. This is where the hard work starts to pay off.

This is where we see traders in Funded Trader Academy getting their first payouts within 2-3 months. But a crucial mistake at this stage is not paying yourself—it's essential to withdraw some profits to reinforce good habits as the next stage often results in a pullback...

The Last Straw – The Psychological Battle

Even after success, old habits can creep back in. Just like breaking a bad habit in life—whether it's overeating, excessive phone use, or any other behavior—trading habits are deeply ingrained.

This is where some traders fall back into revenge trading, overtrading, or making emotional mistakes. It's a critical moment:

- Some traders give up, thinking they'll never fully master it.
- Others say, "That's it. No more bad habits. I'm sticking to the plan."

This is the deciding moment that separates those who succeed from those who don't.

Success

The final stage is where everything comes together. Traders are implementing their strategies flawlessly, avoiding revenge trading, and staying disciplined. They're no longer chasing random setups or letting emotions dictate their actions. This is when consistent profitability happens. And when you reach this point, it's important to "pay the trader"—take some profits out of your account, reward yourself, and reinforce the positive habits that got you here.

The Psychology of Trading: How to Avoid Blowing Up Your Account



Let's address the elephant in the room: Why do traders who pass evaluations often struggle with live accounts?

It's not that they never fail evaluations—some do. But most traders can pass an evaluation account and still fall apart when trading with real money.

You might see some early consistency, but as soon as a drawdown or losing streak happens, things start to unravel.

In my 20 years of trading, I've seen this pattern over and over again. Traders can handle the pressure of simulated trading, but once real money is on the line, emotions take over.

- Fear makes them hesitate on good setups.
- Greed pushes them to take unnecessary risks.
- Revenge trading kicks in after a loss.
- Overconfidence makes them abandon their plan after a winning streak.

Before they know it, their account is blown.

So, how do we fix this? The answer lies in developing a winning mindset.

The Winning Mindset in Trading

To succeed in trading, you need more than just a good strategy—you need a winning mindset.

A winning mindset is: patient, disciplined, focused, and calm.

These traits are the opposite of what happens when you:

- Revenge trade after a loss.
- Overtrade because you feel the need to "make something happen."
- Chase the market out of FOMO (fear of missing out).

These emotional reactions destroy profitability and are the reason so many traders struggle.

But here's the challenge: You can't just tell yourself, "I'm going to be calm and disciplined."

These traits don't magically appear when you sit down at your trading desk. They are the result of preparation, self-awareness, and structure.

At the Funded Trader Academy, we spend a lot of time on psychology because it's the number one reason trader's struggle. You can have the best trading strategy in the world, but if you don't have the right mindset, it won't matter.

So how do you build a strong trading mindset? Let's break it down step by step, starting with two fundamental building blocks.

Step 1: Have a Written Trading Plan

The first step to developing a winning mindset is to have a written trading plan. It's impossible to be patient if you don't know what you're waiting for. A trading plan defines your strategy, including your entry criteria, exit criteria, risk management rules, and more. Without a plan, you're just guessing, and that's a recipe for emotional trading.

I've been trading for 20 years, and I've seen this time and time again. Traders who don't have a written plan struggle to stay disciplined. They jump from one strategy to another, overtrade, and make impulsive decisions. If you want to trade like a professional, you need a plan. Period.

Step 2: Journal Every Trade

The second step is to journal every trade. But here's the catch: Journaling is only useful if you have a trading plan in place. If you're journaling random trades, the data won't help you. But if you're journaling trades that follow your plan, you'll start to see patterns—both good and bad.

Journaling helps you identify your strengths and weaknesses. Are you consistently taking high-probability setups? Are you sticking to your risk management rules? Or are you deviating from your plan and making emotional decisions? The journal will tell you.

The 20-Trade Challenge: Can You Follow Your Plan?

If you're unsure whether psychology is holding you back, here's a test I call the 20-Trade Challenge. Can you find a sequence of 20 trades in your journal where you followed your plan exactly? It doesn't matter if those trades were profitable or not—what matters is whether you stuck to your plan without deviating.

Many traders think their strategy is the issue, but often, the real problem is psychological. Some traders lack confidence and hesitate to enter trades. Others get overconfident and start thinking they can predict every tick. Some traders move their stop losses and let a single bad trade blow up their account.

If you can take 20 trades without falling into your usual psychological traps and following your written trading plan 100%, you're on the right track. If not, this challenge will reveal exactly where your weaknesses lie.

Injecting Logic into Emotional Moments

Emotions play a huge role in how we trade, and they're often rooted in our past experiences. The hard truth is that most traders let their emotions dictate their decisions. How you react to trading losses is often shaped by childhood experiences—whether you realize it or not.

For example, if you experienced a lot of uncertainty or loss in your early years, you might have a harder time handling losses in trading. You may find yourself reacting impulsively, self-sabotaging, or struggling to regain control when losses or other emotional triggers occur. If you grew up in a supportive environment where problems were solved constructively, you're more likely to handle losses as well as the other stresses of trading well.

Many traders—especially men—have an anger response to trading. This isn't surprising when you consider how emotions develop. Major events of loss, uncertainty, or fear (to name a few) that occur in that critical 6 year window after birth will leave a lens or perspective with which you see the world, including losing or winning trades.

As an example, someone with parents who worked all the time/were aloof will likely have a sense that people don't care about them, they're unlovable, or something else along these lines. This will cause them to interpret events to fit the narrative about themselves, even if others are truly caring and loving towards them.

Why are we talking about this with trading? Using the example from above, this type of upbringing could and often does leave a person with self-confidence/value issues, often seeing themselves as worthless or not worthwhile. How might this effect your trading? Let me ask you this. How good do you feel about YOURSELF after a losing trade? We all probably take it personally on some level, but someone with an already low self-esteem issue will likely spiral into destructive trading behavior with even the smallest loss. The losing trade actually triggers the same lack self-worth which then results in the emotion response and destructive behavior.

The good news is that you can learn to manage these emotions. The first step is to recognize them. When you feel anger, frustration, or fear creeping in, pause and acknowledge it. The second step is to inject logic into the situation.

Let me give you a couple of examples:

Example #1: Panic After a Big Drawdown

You hit a rough patch, and your account is down significantly. Fear takes over, and you feel like you've lost your ability to trade.

Inject logic:

- Have I experienced drawdowns before? Yes. Did I recover? Also yes.
- Is my edge gone, or is this a temporary rough patch? Trading is about probabilities—bad streaks happen to everyone.
- What would a pro trader do? They'd review their journal, analyze mistakes, and adjust where needed—not panic.

Result: Instead of making emotional changes, you analyze your performance objectively and adjust accordingly.

Example #2: Frustration After Missing a Perfect Trade

You see a setup, hesitate for a second, and don't take the trade. It plays out exactly as expected, and you feel frustrated, thinking, "Why didn't I just take it?!"

Inject logic:

- Does missing one trade mean I'm a bad trader? No. The market presents opportunities every day.
- Would I be this frustrated if the trade had lost instead of won? Probably not—this means my emotions are clouding my judgment.
- My job isn't to catch every trade. My job is to execute well over the long run.

Result: You let go of the frustration and refocus on the next opportunity.

Example #3: Revenge Trading After a Loss

You take a loss, and instead of accepting it, you instantly look for another trade to "get it back." You're now trading emotionally, not rationally.

Inject logic:

- Will forcing a trade improve my chances, or am I just reacting emotionally? I'm reacting emotionally.

- If my strategy is profitable, do I need to win every trade? No. Every profitable trader loses regularly.
- If I revenge trade and lose again, will I feel better or worse? *Much* worse.

Result: You step away from the screen, regain composure, and return with a clear head.

Example #4: Fear of Pulling the Trigger

You hesitate on a perfect trade setup because of a recent losing streak. You're afraid to enter and let the trade go by.

Inject logic:

- If I followed my plan and lost, was it a mistake? No. Losing trades are part of the process.
- Is skipping good setups because of fear a rational approach? No, because my long-term profitability depends on taking high-quality trades, not avoiding them.
- Do I trust my edge, or am I letting emotions control me? I need to trust my edge.

Result: You focus on executing the next trade according to your plan instead of hesitating.

Example #5: Overconfidence After a Winning Streak

You've had a series of wins and start feeling invincible. You increase your position size without a plan, thinking, "I can't lose now."

Inject logic:

- Do winning streaks guarantee future wins? No.
- If I suddenly change my risk management, am I following my process? No—I'm acting on emotions, not logic.
- Have I seen traders (or myself) give back profits after overconfidence? Yes, and I don't want to repeat that mistake.

Result: You stick to your trading plan and avoid reckless overtrading.

The real beauty of mastering trading psychology is that it doesn't just make you a better trader—it makes you a better person.

Fixing your mindset in trading will also improve your mindset in life. If you can discipline yourself in trading, you'll see that discipline extend to other areas – you can't be a disciplined trader and be a slob at home. How do you one thing is how you do everything.

This is why I love trading psychology—it's about so much more than just trading.

Finally, some of these things need additional assistance to overcome. If you find yourself saying things like, “why do I keep making the same mistake” then this might be you. I'm a big fan of talk therapy. Often just starting to talk with someone trained in the field can have huge results. For those of you who are brave enough and want to dig deep, you may even consider looking into a psychedelic assisted therapy session (where legal).

The Trading Mistake Loop: How Small Errors Spiral into Big Losses



In trading, mistakes often follow a predictable pattern. Jared Tendler, a well-known trading psychologist, identified seven steps that lead to a mistake. Here's a simplified version of the sequence:

1. Trigger

The first thing that sets everything in motion is the trigger. This could be anything—a win, a loss, missing an entry by a few ticks, watching the market move without you, or even having your take profit missed before the price reverses and hits your stop loss. Whatever the case, something happens that stirs an emotional reaction.

2. Thought

Once the trigger occurs, a thought follows. It's often negative: *"The market is always against me."* *"I'm never going to get this."* *"I'm such an idiot."* Self-deprecating thoughts are common, and they start reinforcing a pattern that leads to emotional decision-making.

3. Emotion

This thought quickly turns into an emotion. Many traders don't realize that how they handle losses was shaped between the ages of 0 and 6. Psychology shows that early childhood experiences form the lens through which we see the world. If you grew up with a lot of uncertainty—maybe a single-parent household, food scarcity, or instability—then loss today can trigger deep emotional reactions - similar to the emotions you were experiencing at that age from 0 to 6 years.

On the other hand, if you had a stable family that supported you and helped you work through problems, you're more likely to process challenges rationally and work through them just like you were taught when you were young.

I can't really dig deep into you and discover how your childhood was and how you see the world. However, what you can do is recognize this emotion and choose not act on it.

4. Behavior

Once that emotion kicks in, it often leads to impulsive, self-destructive behavior. Instead of following a structured plan, you start flipping between timeframes—switching from the hourly chart to the 15-minute, then to the 5-minute, then to the 1-minute, or even down to the 100-tick chart. You're zooming in, trying to find a setup that confirms what you *want* to see rather than what's actually happening.

5. Action

Your decision-making starts shifting. You begin forming trade ideas on the fly based on market movement instead of logic and planning. The emotional state overrides rational thought, and you take trades that you wouldn't normally consider.

6. The Change in Market Perception

At this point, the way you see the market becomes distorted. You convince yourself that you *must* be right. You may double your position, thinking, *"This is the move! I'll make back what I lost!"*

But more often than not, this is just a trap. The market might make a small liquidity sweep before continuing in the opposite direction. You end up taking a bigger loss.

Things often spiral further. You start chasing the market, placing impulsive trades in an attempt to recover. These revenge trades tend to be poorly thought out, leading to even greater losses. The emotional pressure builds, and instead of stopping, you become more desperate to 'fix' the situation.

7. The Emotional Spiral

Now, you're deep in the sequence. You've taken three revenge trades. Your body is flooded with stress chemicals, and your brain's frontal lobe—the part responsible for logical thinking—is shutting down. At this point, you're no longer making rational decisions. You're simply reacting emotionally.

If you've reached this stage, the best advice is to *stop trading for the day*. Your decision-making is impaired, and continuing to trade will only make things worse.

Breaking the Cycle of Trading Mistakes

The key to improving as a trader is recognizing when you're stuck in a mistake loop. The faster you catch yourself, the better. Once you see it happening, you need to disrupt the pattern before it spirals into bigger losses.

Step 1: Recognize the Mistake Loop

The first step is learning to recognize when you've entered the mistake loop. The quicker you identify it, the easier it is to correct course before things get worse. This means developing self-awareness in your trading. Pay attention to your emotions—are you feeling frustrated, overconfident, or desperate to make back a loss? If so, you might already be in the mistake loop. Keeping a journal can help you track these patterns and identify triggers before they escalate.

Step 2: Disrupt the Pattern

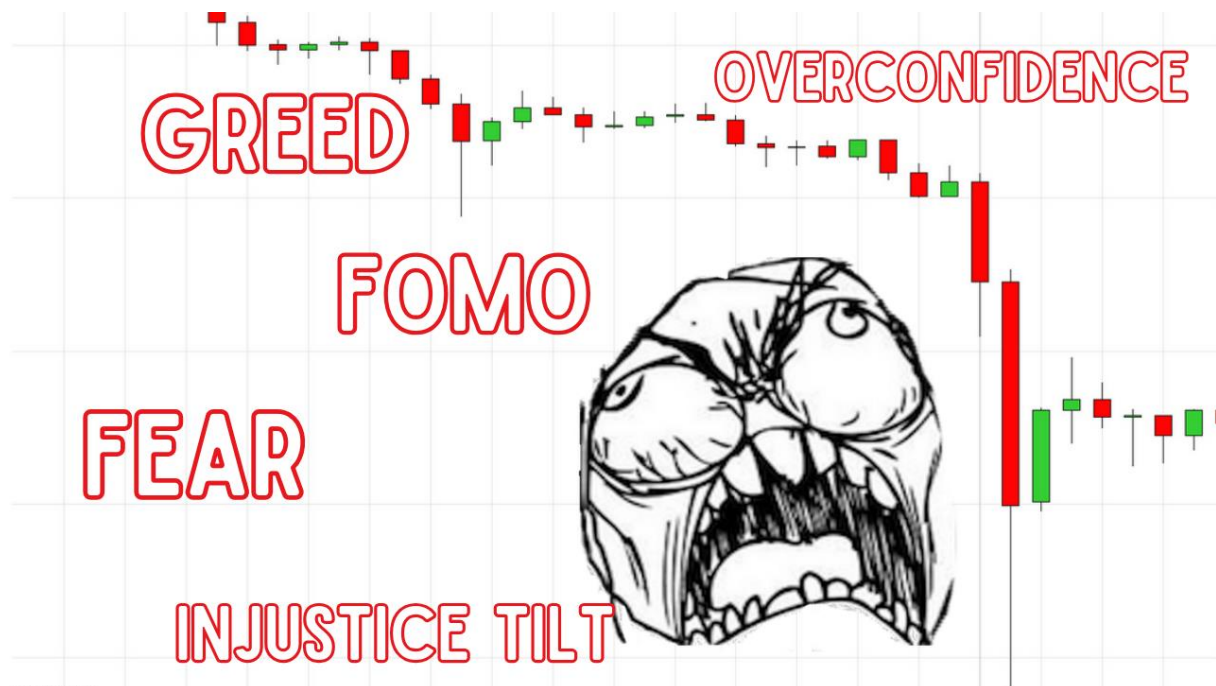
Once you recognize that you're in the mistake loop, the next step is to disrupt the cycle. One of the simplest ways to break out of a mistake loop is to step away. That might mean shutting down your computer, going for a walk, meditating, or simply taking a few deep breaths. Personally, I meditate for at least an hour a day, and I rarely get to the point where I need to step away from the screen. But if I ever do, a 20-minute walk is one of the best things anyone can do. Walking is simple, effective, and proven to improve brain function and frontal lobe blood flow. If you can't get outside, a treadmill or any physical activity can also help reset your mind.

Step 3: Inject Logic

One of the most powerful ways to regain control is to inject logic into your thought process. Ask yourself simple, rational questions.

For example, after a losing trade you might ask this: *Do good traders lose?* Of course, they do. So why do you think you're supposed to win every trade? That's illogical.

Emotional Traps that Trigger Bad Trading



Whenever you recognize these fears or traps, break the pattern and inject logic:

FOMO (Fear of Missing Out)

Is the market a constant stream of opportunities? Absolutely. Yet traders often take a string of bad trades, blow up their account for the day, and then watch as the best setup of the session plays out perfectly—except they can't take it because they've already lost too much. If you could just have the patience to wait for high-quality setups, you'd avoid unnecessary losses and be ready to take advantage of the best trades.

Fear of Failure

Sometimes, the greatest risk is staying on the sidelines. If you want to make money, you have to accept risk. That's just the nature of trading.

A good example of this is what happened after the 2008 financial crisis. Many traders and investors were so shaken by the crash that they never wanted to invest again. But what happened in the years after? Markets recovered, and those who refused to take on risk missed out on incredible opportunities. The key isn't to avoid risk—it's to take risk only when the setup is right. When you do that, fear is significantly reduced because you know you're trading with an edge.

Hating to Lose

Even the best traders in the world take losses. It's part of the game.

If you take a loss and immediately get angry or frustrated, that's a problem. Losses should be seen as part of the game, not personal failures.

Mistake Tilt

Mistakes happen. Maybe you forgot to set a stop-loss. Maybe you used the wrong lot size. Maybe you closed a trade too early or let it run through major news.

Instead of beating yourself up, treat them as learning opportunities. A simple checklist can help you avoid these errors, and setting alerts before important news can keep you prepared.

What matters most is that you learn from your mistakes and don't make them again.

Injustice Tilt

Trading can feel unfair sometimes.

You get stopped out by one tick before the market reverses in your favor. You miss a profit target by a tiny margin, only to see price come back and hit your stop. It feels like the market is out to get you.

This is what's called injustice tilt—the frustration that comes from feeling like you got an unfair result.

But here's the reality: these things balance out over time. Just like in golf, where some putts lip out while others somehow drop in, trading has an even distribution of good and bad breaks.

A simple exercise to help with this:

Keep a "Good Break / Bad Break" log.

Every time you get a lucky break, put a check in the Good column.

Every time something unfair happens, put a check in the Bad column.

Over time, you'll see that things even out.

Lacking Confidence

Confidence is one of the most important things in trading. Without it, every decision feels like guesswork, and hesitation leads to missed opportunities.

Many traders go through a confidence crash after one bad trade. They could be trading well for weeks or months, but then one bad trade where they for example forgot to place stop-loss and suffered a big loss sends them into a frustration which often leads to revenge trading, trying to make back what was lost—only to make things even worse.

A great exercise is to remind yourself: I spent X number of hours learning, perfecting, and detailing my plan. Am I really going to let one trade to change it all? Would I really let ONE trade erase all that progress?

If you've put in the work and have a solid strategy, then trust yourself. Confidence comes from preparation and discipline, not from short-term results.

Overconfidence

Confidence is good. But overconfidence is dangerous.

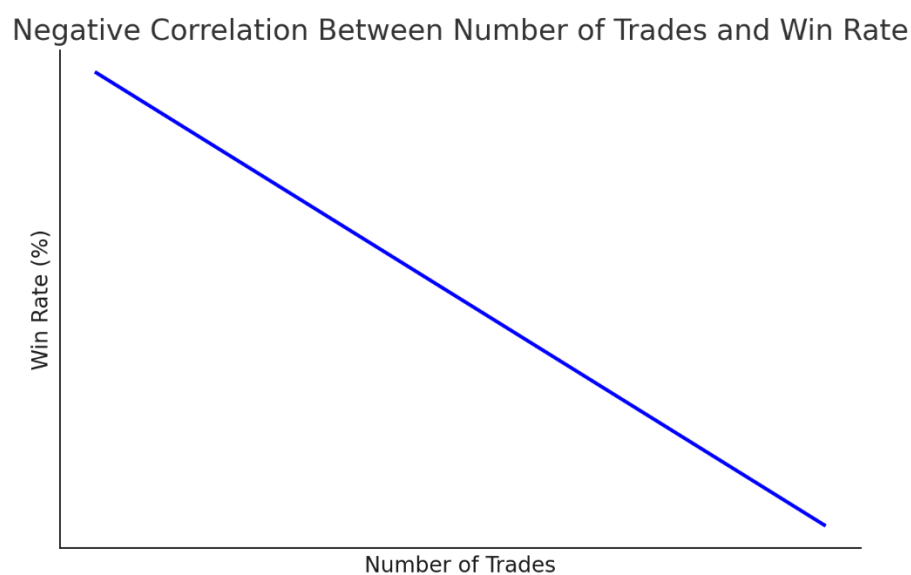
Many traders do well for a week, two weeks, or even a month, and then suddenly, one bad trade wipes out all their gains. Not because the trade itself was bad, but because they let their confidence turn into recklessness.

This often happens after a winning streak. You start feeling like you can't lose, so you take bigger risks, ignore your plan, and eventually, the market humbles you.

Boredom

Gamblers look for trades to take, traders only take trades that fit.

When the market is slow, many traders feel the urge to trade just for the sake of trading. This leads to random, low-quality trades that have no real edge. Statistics show that there is direct negative correlation between number of trades and profitability. In other words – the more trades you take, the less profitable you are likely to be.



Even if you take small trades just to fight boredom, they still drain your mental energy, making it harder to focus on the good setups.

The best way to fight boredom? Have a structured routine for when you're waiting for a setup.

Instead of forcing trades, try:

- Reviewing past trades in your journal.
- Watching market structure develop without taking action.

- Backtesting new strategies.
- Stepping away from the screen to reset your mind.

Good trading is about waiting for the best opportunities—not just staying busy.

How to Manage Drawdowns & Get Back on Track

Every trader, at some point in their journey, will experience a drawdown. It's an inevitable part of trading, and even the best traders go through it—including me. If you're currently experiencing a drawdown, I want to start by congratulating you. Why? Because you're in the right place, and the fact that you're looking for a way to fix it means you're already on the right track. In this chapter, I'll explain exactly what a drawdown is, why it happens, and most importantly, how to recover from it and prevent it in the future.

When dealing with a drawdown, there are two main areas where the problem might originate:

1. **Risk and money management issues** – This is the easier issue to fix and should be the first place to look.
2. **Flaws in your trading strategy** – If your risk and money management are sound but you're still struggling, your strategy might need refinement.

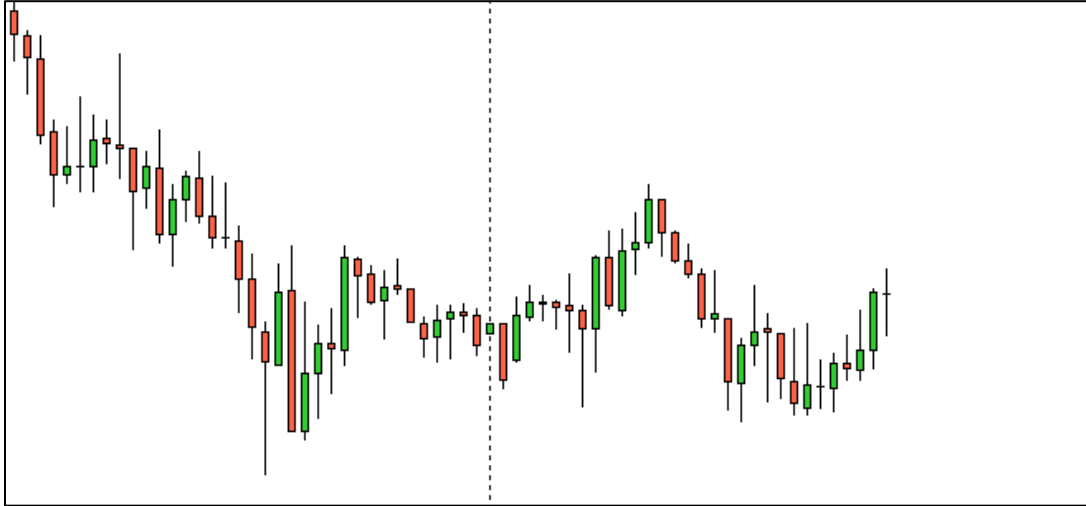
In some cases, both factors could be causing your drawdown. Since risk and money management are typically the easiest to adjust, we'll begin there before diving into strategy-related issues.

Part 1: Fixing Risk and Money Management Issues

The Problem of Inconsistent Risk Per Trade

One of the most common mistakes traders make is not maintaining a consistent risk per trade. Many traders use a fixed lot size—let's say one lot—without considering the volatility of the trading instrument. This inconsistency leads to large disparities in trade outcomes. Let's look at an example:

If you trade AUD/USD with one lot and its average daily volatility is 70 pips, your profit and loss potential remains rather small – because this pair simply doesn't make big moves. Let's say that in this case a viable TP and SP could be 10 pips (for an intraday trade).



1 AUD/USD = low volatility instrument, Average daily volatility = 70 pips

If you trade GBP/JPY with one lot and its average daily volatility is 200 pips, your risk exposure is significantly higher. Because trading this volatile pair, you need for example 30 pip Take Profit and Stop Loss (intraday trading) to let the trade breathe a bit. You can't trade it with 10 pip TP/SL like you would the less volatile AUD/USD. But the problem is, when you trade with 30 pip TP/SL, you are risking 3 times more!



2 GBP/JPY = high volatility instrument, Average daily volatility = 200 pips

Even though the lot size remains the same, the volatility differences mean that GBP/JPY trades can result in either massive wins or massive losses, whereas AUD/USD trades will yield much smaller outcomes. This kind of inconsistency creates an unbalanced risk exposure and can contribute to rapid drawdowns. This is not what I would consider a proper risk management. One trade on GBP/JPY simply cannot have 3 times more weight than a trade on AUD/USD.

Here is an example of what would happen if you didn't adjust your risk and traded for example with 1 lot every trade on every instrument:

Instrument	Risk per trade
EUR/USD	Risk \$100
S&P 500	Risk \$120
BITCOIN	Risk \$600
AUD/USD	Risk \$70
GBP/JPY	Risk \$300

This is an example of risk management done wrong.

Imagine you took all those trades above. Let's say that Bitcoin and GBP/JPY trades were losing trades (-\$600 and -\$300), and the rest were winners. Your day would end up in red numbers (-\$610), even though you had 3 winners, and 2 losers!

Solution: Use a Fixed Risk Per Trade

The solution is simple: risk the same amount of money on every single trade. No matter if you take 10 pip or 30 pip/point/tick trade, the risk needs to be the same for each one of them. For example, 2%.

This is what you should aim for:

Instrument	Risk per trade
EUR/USD	Risk \$200
S&P 500	Risk \$200
BITCOIN	Risk \$200
AUD/USD	Risk \$200
GBP/JPY	Risk \$200

This is an example of risk management done well.

Imagine the same example as before where Bitcoin and GBP/JPY were losing trades, and the rest winners. In this case, where you managed your risk properly, you would end your day in profit (+\$200).

Instead of using a fixed lot size, you should calculate your position size based on your stop-loss distance. This ensures that your risk remains constant across all trades.

For example, let's say you want to risk \$100 per trade:

- If you take a trade with a 10-pip stop-loss, you can trade 1 lot.
- If you take a trade with a 30-pip stop-loss, you should reduce your lot size to 0.3 lots to maintain the same \$100 risk.

This adjustment keeps your overall risk in check and prevents any single trade from disproportionately affecting your account.

Simply put, the more volatile the instrument, the smaller position size you should use.

To simplify this process, I developed a Trade Manager tool. This software automatically calculates the appropriate position size based on your stop-loss distance. It's available for free, and I highly recommend using it to ensure you are applying consistent risk management

Trade Manager (MT4 Tool)

Available for free here: <https://mt4trademanager.com>



- 1. Calculating Position Size:** You can set how much you're willing to risk on each trade as a percentage, and my tool figures out the lot size for you. This makes placing orders quick and keeps your risk consistent.
- 2. Adjust Take Profit & Stop Loss:** Easily change your Take Profit and Stop Loss levels with a single click. You can see in real-time how it affects your Risk & Reward.
- 3. Simplified Limit Orders:** Placing Limit Orders is made simple with just two clicks. You can even set alerts for when the price gets close.
- 4. Protecting Your Trade:** You can move your Stop Loss to the break-even point or where the price first reacted with just one click to secure your position.
- 5. Partial Position Closure:** Close a part of your trade with a single click. This is useful when you need to act quickly.
- 6. Secure Limit Orders:** This unique feature monitors macroeconomic news and temporarily removes your Limit Orders a few minutes before major news releases to protect your positions from sudden price spikes. After the news, it automatically puts your Limit Orders back in place!

The Hidden Risk of Correlated Trades

Another significant issue that leads to drawdowns is too big exposure to risk due to correlated trades. For these examples I will be using correlations in the Forex or FX market. The same would be true with the ES/NQ, Gold/Silver, etc.

There are two types of correlation we will cover:

- **Positive Correlation:** Two instruments move in the same direction most of the time (e.g., AUD/USD and NZD/USD). This could also be the ES and NQ for example.



3 AUD/USD, 30 Minute chart



4 NZD/USD, 30 Minute chart

- **Negative Correlation:** Two instruments move in opposite directions (e.g., EUR/USD and USD/CHF).



5 EUR/USD, 30 Minute chart



6 USD/CHF, 30 Minute chart

Imagine you're in two trades: buying EUR/USD and selling USD/CHF. If the USD gets stronger, what happens?

- EUR/USD drops (because the USD is gaining strength).
- USD/CHF rises (for the same reason).

Now you're losing on both trades at the same time—double the damage!

Why? Because both trades were heavily correlated, meaning they moved in the same direction based on the USD's strength. That's too much risk exposure!

Why Correlation Matters in Risk Management

Let's take this even further and let's say you take three heavily correlated trades at the same time:

1. Long GBP/USD
2. Long AUD/USD
3. Short USD/CAD

If the USD strengthens, all three trades would go against you at once, creating a massive loss—essentially, triple the damage. This happens because all three trades are reacting to the same market movement – for example USD strengthens which causes the GBP/USD and AUD/USD to move down, and USD/CAD to go up.

If you're not aware of these correlations, you could unknowingly take on excessive risk which could very easily turn into a huge loss and unnecessary drawdown.

Solution: Reduce Risk on Correlated Trades

If you see multiple correlated trade setups forming at the same time, instead of taking full-sized positions on all of them, reduce your risk by decreasing your position size by 50%.

If you usually risk 2% per trade, reduce your risk to only 1% per each correlated trade.

So, if you enter three heavily correlated trades and take a loss on all of them, you only lose 3% instead of 6%.

About Correlation

Correlation changes over time and varies across different time frames. Strong correlation often occurs during macroeconomic news when a significant move is driven by one currency strengthening or weakening. Some forex pairs and other trading instruments naturally have strong positive or negative correlations—it's important to watch out for these when trading.

For example, key correlations include EUR/USD with EUR/CHF (strong positive), XAU/USD with USD/JPY (strong negative), and AUD/USD with USD/CAD (strong negative). If you take a long on AUD/USD and a short on USD/CAD, their strong negative correlation means both trades will likely have the same outcome—either both winning or both losing. This is generally fine with two trades, but for three or more, I reduce my position size to manage risk.

A correlation table can help track these relationships. You can check correlations here:

<https://www.mataf.net/en/forex/tools/correlation>

Daily		4 hours		Hourly		15 min	
AUDUSD	NZDUSD	XAUUSD	EURUSD	GBPUSD	USDCAD	SPX500	
AUDUSD	58	4	46	84	-76	52	
NZDUSD		57	59	42	-22	-20	
XAUUSD	4		52	-13	45	-77	
EURUSD	46	59		49	-8	-26	
GBPUSD	84	42	-13		-85	62	
USDCAD	-76	-22	45	-8		-82	
SPX500	52	-20	-77	-26	62		

As a rule of thumb, a correlation above 80 is strong, below 60 is weak. The same applies to negative correlations, where -80 to -100 is strong, and anything above -60 is weak.

Summary of Risk and Money Management Issues Leading to Drawdowns

One of the most common risk and money management mistakes traders make is treating all trading instruments the same—without adjusting risk based on volatility. For example, they might risk the same amount on a calm, steady pair like EUR/CHF as they would on a wild, unpredictable one like GBP/JPY. This inconsistency often leads to losses. The solution? Keep it simple: risk the same percentage of your account on every trade, no matter what you're trading. For example, risk 2% of your account on each trade—whether it's gold, EUR/USD, or anything else. Every trade = 2% risk. Easy, right?

Another common problem is taking on too much risk by opening multiple trades that are heavily correlated. For example, if you take three trades that all move in the same direction (like EUR/USD, EUR/GBP, and EUR/CHF), the result will often be either three wins or three losses. This can lead to big drawdowns and hurt your account. The fix? If you're taking multiple trades that are strongly correlated, lower your risk per trade. For example, instead of risking 2% on each trade, risk 1%. This way, you're not putting too much of your account on the line if all the trades go against you.

In short:

- Risk the same percentage on every trade (like 2%).
- If you take multiple correlated trades, lower your risk per trade (like 1%).

By following these simple rules, you'll avoid unnecessary losses and keep your trading on track.

Part 2: Fixing Your Trading Strategy

If your risk and money management are solid but you're still struggling with trading, the problem might be your strategy.

In this section, we'll focus on identifying and fixing strategy-related issues to help you improve your results.

How to Identify Strategy-Related Problems Using Screenshots

The simplest way to spot problems in your strategy is by taking screenshots of your trades. If you don't have any yet, go through your trade history and start capturing screenshots of past trades—this will give you something to analyze.

Each screenshot should include a few quick notes so that when you review them later, you can easily see what happened and why you took the trade. This saves time and helps you spot patterns faster.

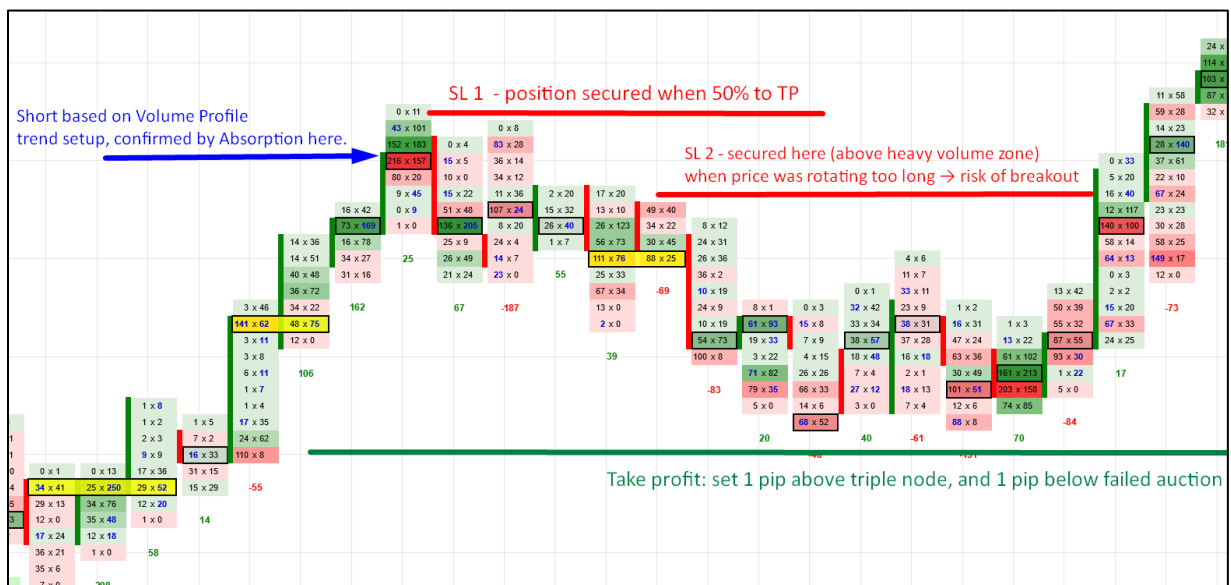
Here are the key notes every screenshot should have:

- **Entry Point & Reason:** Where and why did you take the trade?
- **Reason behind Stop-Loss & Take-Profit Placement:** Why did you place TP/SL there?
- **Trade Management Notes:** How did you handle the trade once it was active?

Here is an example of how such a screenshot might look like:



Another one, this time it is an Order flow chart, but the nature of the notes remains the same:



My tip: Keep your notes short and simple. When reviewing a large number of screenshots, you want to move quickly and stay efficient. Long notes will only slow you down. Remember, this

process is mostly about visuals—the notes are just there to give you a quick reminder of what the trade was about.

Learning from Your Trades – Building a Positive Trading Mindset

When you're reviewing your trading screenshots, start with the good ones—the trades where everything went right. These are the moments you want to focus on because they show you what success looks like. Look for the positive traits:

Good trade entries: you managed to find a strong level, used Order Flow for good timing, ...

Good Take Profit placement: You placed Take Profit according to your rules, managed to have positive risk Reward Ratio, you were not too greedy nor too afraid to hold your trade until it reached full Take Profit, ...

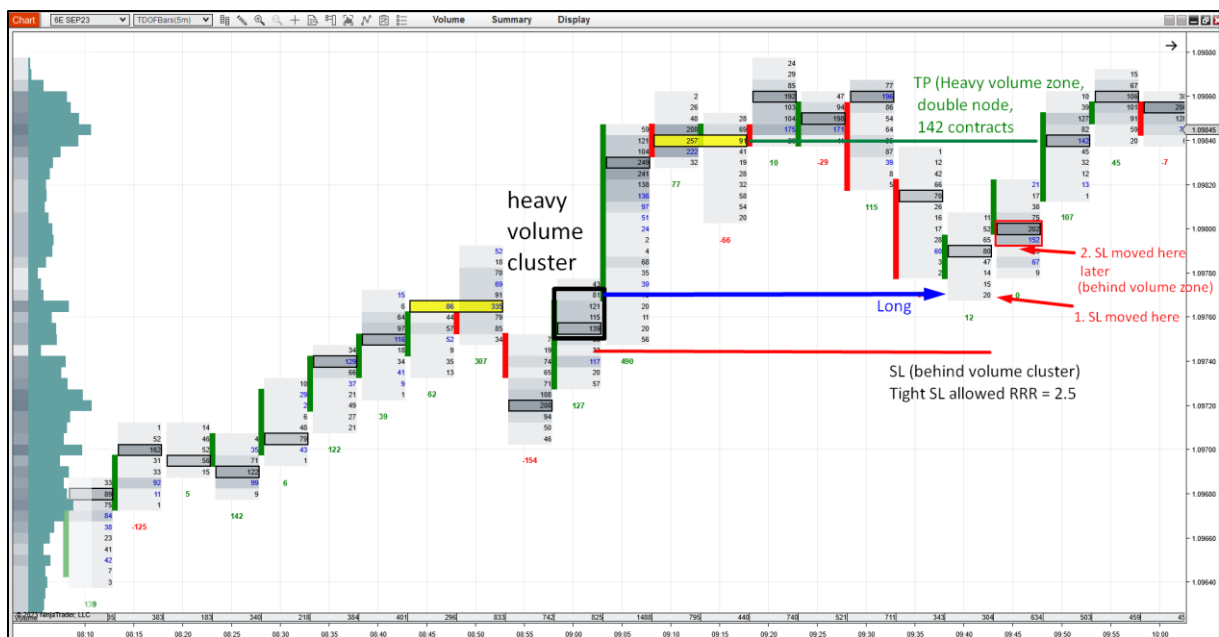
Good Stop Loss placement: Stop Loss was placed according to rules, you managed well Stop Loss trailing, ...

Well managed Psychology: You managed to follow the plan without any emotion-driven last-minute changes, you didn't quit the trade prematurely, you didn't skip the trade because of fear, or you didn't enter a risky trade because of your FOMO, ...

By doing this, you're training your brain to recognize and repeat these successful patterns. Over time, your mind will naturally steer toward trading like this in the future. This is how you build consistency and get out of a drawdown.

The goal of reviewing your good trades is to create a positive mindset. By focusing on what you did well, you reinforce those habits and behaviors. It's like building a mental library of success that you can draw from when you're trading.

Let's break it down with an example:



Trade Entry: There was a nice volume cluster, signaling a good setup. You managed to pull the trigger at the right time, exactly at the place according to my trading plan.

Stop-Loss Management: The stop-loss was tight and placed just behind a heavy volume zone, allowing for a positive risk-reward ratio.

Moving Stop-Loss: As the trade progressed, the stop-loss was moved behind new heavy volume zones, locking in profits.

Take Profit: The take profit was well-placed because it was placed at a significant resistance (double node).

Psychology: You managed to strictly follow your trading plan and was able to hold the trade until it hit the pre-determined TP.

All of these factors came together to make this a great trade. This is the kind of positive feedback you want to take away from your good screenshots. It's a reminder of what you're capable of and what you should aim for in your trading.

Surround yourself with such screenshots, and they will have a very positive impact on your trading.

Pinpointing and Fixing Trading Mistakes

While focusing on your good trades is essential, it's equally important to identify and eliminate the things you're doing wrong. Sometimes, it's hard to spot these mistakes in the moment, but reviewing your screenshots can help you see patterns and areas for improvement. To make it easier, here's a list of some of the most common trading problems. If you recognize any of these in your own trading, it's time to fix them.

Trading Weak Levels

This often happens during a winning streak. When you're making money, it's natural to feel confident—and that's okay. But overconfidence can lead to taking worse, riskier trades without even realizing it. When you review your screenshots, compare your losing trades to your winning ones. You might notice that during a drawdown, you're trading weaker levels or weaker signals. These trades lack the strength and clarity of your better setups. The solution? Stick to trading strong levels, even when you're on a roll.

Trading Against Spikes

A spike is a sharp, aggressive price movement, and trading against it without confirmation (like with Order Flow) is extremely risky. If you've grown overconfident, you might start taking trades too aggressively, even against spikes. This can quickly lead to losses. When the market moves sharply, always wait for confirmation before entering a trade.

Holding a Bad Trade for Too Long

This is a painful mistake many traders make. It happens when you break your risk management rules, hoping a losing trade will eventually turn around. Instead of cutting your losses, you hold on, and the trade gets worse and worse. This kind of behavior can lead to significant drawdowns. Remember: it's better to take a small loss early than to let it grow into a big one.

Poor Take Profit and Stop Loss Placement

If you're unsure where to place your take profit or stop loss, it can lead to inconsistent results. Proper placement is key to managing risk and locking in profits. If you'd like to learn more about how I approach this, you can visit my website, www.trader.dale.com. In the videos section, you'll find tutorials on take profit and stop loss placement. These strategies can help you improve your trade management.

Not Securing Your Position

Failing to tighten your stop loss as a trade moves in your favor is a missed opportunity to lock in profits. On the flip side, securing your stop loss too soon can kick you out of a winning trade prematurely. Both mistakes can hurt your overall performance. The key is to find the right balance—protect your profits without cutting your trades short too early.

Quitting Trades Too Soon

This often happens to traders on a losing streak. After a series of losses, you finally get a trade that looks promising. But because you're afraid of losing again, you exit too soon, taking small profits that don't compensate for your previous losses. This behavior keeps you stuck in a drawdown. To break the cycle, trust your setup and let your trades play out according to your plan.

Entering a Trade Without a Plan

This is a common mistake during sudden market moves, like those caused by macroeconomic news. You see the market moving sharply in one direction, and FOMO (fear of missing out) kicks in. You jump into the trade without a plan—no take profit, no stop loss, no clear exit strategy. Suddenly, you're stuck in a trade you don't know how to manage. Always have a plan before entering a trade, even during volatile moments.

Here's an example of one of these problems in action:



In this screenshot, I entered a short trade but didn't exit when I should have. Why? Greed. I held onto the trade, hoping for more profit, and it turned against me. This is a clear example of poor trade management, and it's something you can easily spot when reviewing your screenshots.

Summary of Fixing Your Strategy

Let's wrap this up with a quick summary of why we're doing all this screenshot review work and what you should take away from it. The goals are simple but powerful:

Get a Clear Picture of Your Trading

By going through your screenshots, you'll see exactly what you've been doing—both the good and the bad. This helps you understand what's working and what's not.

Identify What Worked and Get Back to It

The good trades are your blueprint for success. They show you the setups, risk management, and habits that lead to winning results. Your goal is to replicate those behaviors and get back to trading like that.

Spot Problems That Led to Drawdowns

Reviewing your screenshots helps you pinpoint the mistakes that caused losses. Maybe you traded weak levels, held onto bad trades too long, or entered trades without a plan. Once you identify these issues, you can work on fixing them.

Eliminate Those Problems

The whole point of spotting mistakes is to stop making them. By addressing these issues, you'll improve your trading and avoid repeating the same errors.

Keep It Positive

While it's important to learn from your bad trades, don't dwell on them. Focusing too much on what went wrong can leave you frustrated and discouraged. Instead, spend more time analyzing your good trades. They're proof that you can trade well, and they'll help you build a positive mindset.

Trade Your Way Out of Drawdown

Now it's time to fix what needs fixing—whether it's a risk management issue, a money management mistake, or a problem in your strategy. But don't pause for too long. Taking a break might seem like a good idea, but if you step away for too long, you'll likely miss a lot of good trades. Then, when you come back, you'll be stuck in the mindset of "I should have taken that trade" and may end up forcing bad trades out of frustration.

Instead, take only a short break—just long enough to regain a clear, emotion-free perspective on your trades. For most traders, a couple of days is enough. When you start again, trade with smaller positions. This will help you rebuild confidence without fear of taking trades. Once you feel in control again, you can gradually increase your position sizes.

Extra Tips for Getting Back on Track

Now that you've reviewed your trades and identified what needs fixing, here are some extra tips to help you recover and improve.

Focus on What Works Best for You

Stick to the trading instruments and strategies that have worked best for you in the past. Your trading journal and statistics are key here—if you don't have them, you can go through your past trades from your broker's history and analyze them retrospectively.

For my students, I recommend focusing on trading EUR/USD with Volume Profile or, if they use Order Flow, continuing with that. Swing trading on daily charts with a 1:1.5 risk-reward ratio has also proven highly effective. When struggling, go back to the core—trade what has consistently worked best for you.

If you have a proper journal, you can run statistics on your best setups. For example, when I analyzed my trading levels, EUR/USD clearly outperformed other pairs, so I prioritized it. This approach helps rebuild confidence and consistency before expanding to other instruments or styles.

Adjusting Your Strategy (But Only Slightly)

Strategies don't suddenly stop working. However, small adjustments may be needed over time. The key is to make one small change at a time and only when necessary.

For example, in my Volume Profile trading, I used to trade from the heaviest volume zone. Over time, I noticed I sometimes missed trades, so I started entering at the beginning of the volume zone instead—a small but effective change. In swing trading, I also adjusted my stop-loss placement slightly (I call this the alternative stop-loss) and leaned more towards a positive risk-reward ratio.

If you make changes, keep them small and test them gradually—massive overhauls often do more harm than good.

Avoid Over-Optimization

Many traders fall into the trap of over-optimizing their strategy based on past trades. They think, *“If I had used a 10-pip take profit instead of 12, I wouldn’t be in a drawdown!”* But this is just curve-fitting to past data, and it rarely helps in future trading. Stick to a consistent approach instead of constantly tweaking small details.

Don’t Fall into the Strategy-Jumping Trap

Switching strategies every time you hit a drawdown leads nowhere. This is called strategy jumping—you trade one strategy, hit a rough patch, switch to a new one, struggle again, and keep repeating the cycle. Instead of making progress, you just go in circles.

Most of the time, your strategy isn’t the problem—it’s your risk management, trade execution, or psychology. Focus on refining what you already know works instead of chasing the next "perfect" strategy.

How the Best Traders in the World Actually Trade



Trading can feel like an unpredictable journey, but when you dig into the numbers, patterns emerge. The best traders don't just rely on intuition—they follow data-driven strategies that put the odds in their favor.

This chapter dives into a large-scale study of over 17,000 prop firm traders, revealing the key habits that separate the top performing traders from everyone else. I highly encourage you to compare these insights to your own trading approach—see where you align, where you can improve, and let it motivate you to level up your game!

I think it is also important to note that this study focused primarily on forex traders. As such, use this as a guide to your trading, not an absolute set of number or parameters you have to stay within.

The study revealed nine critical factors:

1. **Max Loss vs. Average Win** – Keeping losses small compared to wins.
2. **Profit Factor** – How much money is made on winning trades vs. lost on losing trades.

3. **Win Duration vs. Loss Duration** – Holding winners longer than losers.
4. **Quality Over Quantity** – Taking fewer, higher-quality trades.
5. **Following the Trend** – Trading with, not against, the market direction.
6. **Number of Markets Traded** – Focusing on just a few markets.
7. **Choosing the Right Time to Trade** – Trading only when conditions are ideal.
8. **Win Percentage** – How often winning traders actually win.
9. **Number of Losing Trades Per Day** – Keeping daily losses under control.

Let's go through each one in detail.

Max Loss vs. Average Win

A key habit of top traders is keeping their losses smaller than their wins. In other words - your average win should be greater than your maximum loss.

This is what the best traders do:

- Cut their losses quickly.
- They let winners run longer.

For example, if your average winning trade makes \$1,000 and your biggest single loss is \$500, your ratio is 0.5.

Only 7% of traders maintain this ratio, but those who do account for 53% of total payouts from prop firms.

Lesson: The best traders take small losses and never let one bad trade wipe them out.

Profit Factor

Your profit factor is the total amount made from winning trades divided by the total amount lost from losing trades. For example, if your total winnings amount to \$10,000 and your total losses are \$5,000, your Profit Factor is 2.0.

- A profit factor above 1.0 means you're profitable.

- The best traders have a profit factor above 2.0, meaning they make twice as much on winners as they lose on losers.
- Only 14% of traders achieve this, but they take home 58% of total payouts.

Lesson: The math of trading is simple—win more than you lose and keep losses small.

Holding Time: Winners vs. Losers

Profitable traders hold their winning trades longer than their losing trades.

- In the study, the top traders held winners twice as long as losers.
- 59% of total payouts went to the top 15% of traders who followed this principle.

Lesson: Patience pays off. Let winners run and cut losers quickly.

Quality Over Quantity: Trading Less, Winning More

One of the most surprising stats from the study:

- 12% of traders who placed 10 or fewer trades per month took home 60% of total payouts.
- 34% of traders who placed 25+ trades per month only claimed 2.4% of total payouts.

More trading doesn't mean more money. In fact, overtrading hurts profitability.

Lesson: Focus on A+ setups and take only high-quality trades.

Following the Trend: Trading With, Not Against, the Market

- The top 15% of traders made 56% of total payouts by trading with the trend.
- They took 90% of their trades in the direction of the market (long in uptrends, short in downtrends).

Lesson: Fighting the trend is a losing game. Stick to trend-following trades.

Number of Markets Traded: Less is More

- 6% of traders who focused on one market made 43% of total payouts.
- 17% of traders who traded two to three markets made 33% of total payouts.
- 43% of traders trading more than three markets only took home 6% of payouts.

Lesson: Master one or two markets. The more markets you trade, the harder it is to stay profitable.

Choosing the Right Time to Trade

Timing is everything. The study showed:

- 9% of traders who only traded one day per week made 45% of payouts.
- 38% of traders who traded 2-3 days per week made 33% of payouts.
- 53% of traders who traded 4-5 days per week took home 22% of payouts.

Lesson: Only trade when conditions are in your favor. If you struggle on certain days, avoid them.

Win Percentage: How Often Do Profitable Traders Win?

Contrary to popular belief, most top traders don't have insanely high win rates:

- Only 1.8% of traders maintained a 90% win rate, taking 40% of total payouts.
- 14% of traders had an 80% win rate, claiming 67% of payouts.
- 34% of traders had a 70% win rate, taking 87% of payouts.
- Traders with a 50-60% win rate made less than 2% of total payouts.

Lesson: An insanely high win rate isn't necessary to be successful—you can still perform very well with lower win rate like 60-70%

Number of Losing Trades Per Day

The study found that keeping daily losses low is critical:

- 6% of traders who had one or zero losing trades per day took 41% of total payouts.
- 14% of traders who had three or fewer losing trades per day took 73% of payouts.
- 39% of traders who had 8+ losing trades per day made less than 1% of payouts.

Lesson: Limit your losing trades per day. Set a max loss rule and stick to it

How to Apply This Data to Your Trading

The key lesson from this chapter is that successful trading comes down to a few essential principles:

- Cut losses quickly and let winners run
- Focus on quality: Take fewer, high-quality trades
- Follow the trend: Trade in the direction of the market
- Focus on a few markets you know well
- Stick to the times when you perform best
- No need to have insanely high win rate
- Set a rule to stop trading after a certain number of losses

As you can see, all of these are classic trading principles we've heard countless times—cut losses short, let winners run, the trend is your friend, and so on. But here's the thing: they work! And now, you have them backed by a massive study.

I strongly encourage you to take this seriously and compare it to your own trading. I'm not saying you need to adopt every rule from this chapter, but it might highlight areas where you can improve. After all, this study reveals exactly how the best traders operate—so why not learn a thing or two from them? It would be a shame to ignore such valuable insights!

You're Finally a Profitable Prop Firm Trader, What's Next?

If you've reached the point where you're showing profitability, congratulations! That's a huge milestone. But what do you do now? How do you build on that success and ensure long-term growth? In this chapter, I'll share five key rules that I always emphasize to traders in our Funded Trader Academy when they start seeing success. These rules are designed to help you stay on track, avoid common pitfalls, and continue growing as a trader. Let's dive in!

Pay the Trader

The very first thing you should do when you start making money is pay yourself. Why? Because, to be completely honest, you're very likely to blow up your account.

I don't say this to discourage you—I say it because I've seen it happen over and over again. The first account you receive a payout from will probably be lost within a month or two, sometimes even within a week. That's just how trading works. The road to success isn't smooth, and your first profitable period doesn't mean you've "figured it all out."

Psychologically, here's what happens:

Many new traders start strong due to beginner's luck or the absence of emotional baggage from past trading failures.

Over time, old habits creep back in, leading to bad trades, revenge trading, and emotional decision-making.

Before they know it, they've lost everything and are back at square one.

To combat this, withdraw money from your account. If you joined our Funded Trader Academy, pull out at least what you paid to join us. If you've spent money on prop firm evaluations, withdraw enough to cover those expenses. This ensures that, even if your trading takes a hit, you haven't lost everything you've worked for.

Remember: Habits die hard. If you've had poor trading habits in the past, they won't disappear overnight. Your brain is wired to repeat what it's familiar with, which means you have to actively fight against slipping back into old patterns.

Don't Change What's Working

One of the biggest mistakes traders make when they start seeing success is tinkering with their strategy too soon. The excitement of a profitable week makes them wonder, *"What if I used more leverage? What if I traded more markets? What if I took more trades?"*

Here's the truth: Until you have at least three to six months of consistent profitability, don't change a thing.

If what you're doing is working, keep doing it. The goal is to build a solid psychological foundation. Instead of rushing into scaling up, take time to:

- Journal your trades every day.
- Prove to yourself that you can follow your strategy over the long run.
- Build a track record of consistent payouts.

Expanding your strategy can come later. For now, stick with what's working and focus on refining it.

At the Funded Trader Academy, we encourage traders to build a solid psychological foundation before scaling up. This means journaling every trade, reviewing your performance regularly, and making small, data-driven adjustments to your plan. Remember, slow and steady wins the race.

Scale Slowly

The third rule is Scale Slowly. In the prop firm environment, it's easy to get access to large amounts of capital quickly. But just because you *can* trade with more contracts doesn't mean you *should*. Scaling up too fast can lead to psychological challenges that you might not be ready for.

For example, going from trading one contract to five contracts might seem like a good idea to start earning five times more, but the emotional impact of larger wins and losses can be significant. Your brain starts associating those numbers with real-world objects or emotions, which can lead to mental sabotage. This is why so many lottery winners end up broke within a few years—they weren't mentally prepared for the money they received.

To avoid this, take your time. Start with one contract, and only move up to two contracts once you're consistently profitable. Then, gradually increase your position size as you build confidence and experience. This slow, steady approach will help you develop the mental resilience you need to handle larger sums of money.

Make Small Plan Changes Based on Clear Data

Treat trading like a science experiment. You don't want too many variables changing at once, or you won't know what's making the difference.

You should:

- Journal every trade to identify what's working and what's not.
- Review your trades every month.
- Look for patterns. Are there certain setups that consistently lead to profits? Are there trades that always seem to go against you?
- Make small adjustments based on actual data from your journal. This approach is much more effective than making sweeping changes based on emotions or guesswork.

Let me give you two examples of small adjustments I made to my strategy

Example #1: Trade Entry Adjustment

I started noticing that I was missing a lot of trades because the price would turn just a few pips before reaching my support/resistance levels. The important thing is, this wasn't just a feeling—I had proof from hundreds of trades (or rather, missed trades), all clearly recorded in my trading journal.

So, I decided to enter my trades a little earlier. In my strategy, that meant not waiting for the heaviest volume peak but instead entering where the heavy volume zone begins. (See the picture below.)



I only changed this one small thing, keeping everything else the same. As a result, I miss fewer trades, and my win ratio has improved.

Example #2: Stop Loss Adjustment:

As I was reviewing screenshots of my old trades, I noticed a pattern—my swing trades (long-term positions) were often stopped out just because a single candle wick hit my Stop Loss. After that, the price would turn and move in the direction I originally predicted.

To fix this, I adjusted my Stop Loss strategy for all swing trades. Now, I only close a losing trade if a daily candle closes behind my Stop Loss level. In other words, if a wick just touches my SL, I stay in the trade.



This small adjustment means I don't get kicked out of good trades as often. And just like before, I changed only this one thing while keeping everything else the same. That way, I can clearly see how this single tweak impacts my results.

Start Funding Your Own Live Account

You shouldn't rely solely on prop firm funding—I recommend to build your own trading account. Here are the reasons:

Security: Prop firms aren't JPMorgan or Vanguard—they're businesses with their own risks, and there's no guarantee they'll be around forever.

If you plan to trade for the next 20 years, you don't want your entire income to depend on a prop firm. That's why I recommend gradually setting aside a portion of your earnings to build your own trading account. Over time, this gives you more independence and ensures you're not 100% reliant on being funded by a prop firm.

Tax Advantages: If you're in the U.S., trading your own futures account allows you to take advantage of the 60/40 tax split as we discussed earlier in the book. As a reminder this means:

- 60% of your income is taxed at 15% (capital gains rate).
- The remaining 40% is taxed at your personal income tax rate.

This results in a much lower overall tax rate than prop firm payouts.

Control: When you trade your own capital, you have full control over your trading decisions without restrictions imposed by a prop firm.

Of course, funding your own account requires more capital upfront. But by taking profits from your prop firm account and reinvesting them into your own trading, you can gradually build up the funds you need. This approach gives you the best of both worlds: the low-risk, high-reward potential of prop firms and the long-term stability of your own futures account.

Summary of Your Upcoming Steps

So, there you have it—five rules for profitable prop firm traders. To recap:

- **Pay the Trader:** Take profits out of your account to protect yourself from potential losses.
- **Don't Change What's Working:** Stick with your strategy until you've had several months of consistent profits.
- **Scale Slowly:** Gradually increase your position size to build mental resilience.
- **Make Small Plan Changes Based on Clear Data:** Use your trading journal to refine your strategy over time.
- **Start Funding Your Own Live Account:** Transition some of your profits into your own trading account for long-term stability.

What's Next? Taking Your Trading to the Higher Level

By now, you have a solid understanding of how prop firms work, how to pass evaluations, and how to develop a structured trading plan. You've gained insights into risk management, trading psychology, and the key habits that separate profitable traders from those who struggle.

But knowledge alone isn't enough—execution is what truly matters.

Becoming a consistently profitable, funded trader takes real-world experience, mentorship, and a supportive community. That's exactly why I created the Funded Trader Academy (FTA)—to give traders like you a clear path to success in prop firm trading.

Welcome to the Funded Trader Academy!

Funded Trader Academy is a live trading room environment where you'll work directly with me and my team of professional prop firm traders—all trading with over \$3 million in capital.

Unlike traditional courses, this isn't just another self-study program. It's a hands-on, interactive experience designed to help you:

- Trade live with me and my team in daily trading sessions
- Get personal mentorship and feedback from professional traders
- Learn how to pass prop firm challenges and secure funding
- Use proprietary trading strategies that top traders rely on
- Join a supportive community and never trade alone again

The goal? Not just to make you a better trader—but to help you get funded and trade a \$250,000+ account within months while keeping up to 80% of the profits.

Are You Ready to Take the Leap?

I know you probably have questions. How does it work? What's included? How do I get started?

That's why I've opened up a few spots for one-on-one calls with me or my team. On this call, we'll go over everything, answer your questions, and help you decide if this is the right fit for you.

Click the link below to book your call now and start your journey to becoming a fully funded, profitable trader.

www.trader-dale.com/funded-trader-academy

Let's make your trading goals a reality!



Funded Trader Academy



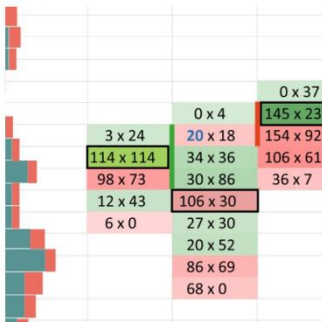
Daily Live Trading Sessions

Join professional prop firm funded traders in a live trading room every day. Watch their strategies in action and trade alongside them in real time.



Personalized Mentorship & 1-1 Care

Get personal coaching from experienced prop traders who guide you every step of the way. We're here daily to keep you on track, help you get funded, and ensure your success.



Professional Indicators & Tools

Gain access to powerful trading tools, including Volume Profile, Order Flow, VWAP, Smart Money indicators, interactive trading journal, and more



24/7 Support & Active Community

Never trade alone—our community and support team are always here for you. Get fast tech support, discuss trades with other traders, share ideas, and learn from real-time market insights in our active forums

Available at: www.trader-dale.com

Real Stories of Prop Firm Traders

Want to know what it's really like to join our Funded Trader Academy? Don't just take our word for it—hear from traders who have gone through the program, passed their prop firm evaluations, and taken their trading to the next level. Here are their stories.

Eden

Seven months ago, I had no idea what I was doing. I had always been drawn to trading—the idea of making a living from the markets fascinated me. But like most beginners, I was overwhelmed, confused, and constantly second-guessing myself.

I spent months jumping between different strategies, watching countless YouTube videos, and trying to piece everything together. I wanted trading to work, but deep down, I wondered if it ever really would.

Then, I found Trader Dale. His approach to trading was different from what I had seen before—clear, structured, and backed by actual market logic. I bought his indicators and started using Volume Profile, and for the first time, something clicked. Suddenly, I wasn't just guessing anymore. I started to see patterns, real opportunities, and best of all—I started making money.

Three months into trading, I hit my first profitable streak. It wasn't anything crazy, but it was enough to make me believe that success in trading was possible. Around that time, Dale announced he was launching the Funded Trader Academy. It was an easy decision for me—I had already seen results with his methods, so I knew this was the next step.

Joining the academy was a game-changer. The structured learning, the mentorship from Dale, Dan, and Vivek, and the live trading environment took my understanding to a whole new level. I found myself drawn to Smart Money Concepts (SMC), particularly BPR (Balanced Price Range) reversals. Something about that strategy just made sense to me.

At first, it wasn't easy. The information was dense, and I had to put in the work. I remember watching the “Put It All Together” video and feeling like my brain was going to explode. But I stuck with it. I back tested, refined, and practiced. And then, something amazing happened.

After just one month of trading with Smart Money Concepts, I made \$8,800.

It still feels surreal to say that. That month, I pulled profits from Apex and Topstep, two of the biggest prop firms. I had never made that much money in my life—not even close. And I did it not by chasing signals or gambling, but by following a structured, tested strategy.

People often ask if trading success is real. I get it—so many people fail at trading, and it's easy to be skeptical. But here's what I've learned: you get out what you put in. If you treat trading like a serious profession, if you study, practice, and refine your edge, the results will come.

The Funded Trader Academy gave me the tools, but I still had to put in the effort. I wasn't spoon-fed a strategy—I learned how to think for myself. I took Vivek's methods, adapted them to my style, and focused on perfecting one thing at a time. And it paid off.

But this is just the beginning. I don't feel like I've "made it" yet. I know there's more to learn, more to refine, and more opportunities ahead. That's what excites me the most—knowing that if I keep improving, this could be just the start of an incredible journey.

To anyone on the fence about joining, I'll say this: if you're willing to commit, this will be the best investment you make in yourself. I've already made back my investment many times over. And if I can do it, so can you.

William

Before joining the FTA, I spent a year searching for a solid day trading strategy after losing hundreds of thousands of dollars trying to swing trade penny stocks in previous years. During my FTA onboarding call, it was suggested that I focus on the SMC course. I did just that, watching the videos repeatedly for months before taking my first trade.

I then opened a prop account and began trading using the model I had learned from the videos and live tape reading calls. In my first month, I broke even, and by the second month, I was up 43%. Despite trading conservatively and consistently, I unknowingly blew my prop account by taking a trade during a news event at the end of month two.

Even with just two months of trade data, I still felt confident in my numbers. After reviewing my FTA trading journal statistics, I started trading in a cash account. I am now in the middle of

month three, with an overall profit factor of 2 and a win rate of 50%, averaging three trades per week.

My goal now is to find a few more high-quality trades each week and improve my win rate over time. Thanks to the education and structure provided by the FTA, I have been able to clearly define a profitable day trading strategy, consistently execute it, and avoid overtrading—all in less than half a year.

Joseph

Before joining the Funded Trader Academy, I was struggling with consistency. I knew how to trade, but I kept making mistakes, second-guessing my trades, and sometimes letting emotions take over. I tried passing prop firm challenges on my own, but I kept failing.

Joining this program changed everything. The training is clear, straight to the point, and actually useful—no fluff or unnecessary theory. The live trading sessions are my favorite part because you get to see real traders making real decisions. It helped me understand why certain setups work and when to stay out of the market.

Another big thing is the community. Trading can be lonely, but here, you get support from people who are going through the same journey. Everyone shares ideas, trade setups, and experiences, and the coaches actually answer questions and give feedback.

Since joining, I've finally passed my prop firm evaluation and have already gotten my first payout. I feel way more confident in my trading now. If you're serious about getting funded and actually making money from trading, this program is 100% worth it.

Tim

I've been trading for 15 years. I wasn't very successful at first—I started with Forex and, over the past three years, transitioned to futures. My goal is to have something I can rely on in retirement.

I was searching for information on order flow when I came across Trader Dale. It made sense, so I bought the indicators and training and got to work. To be honest, order flow works well for some traders, but it didn't feel quite right for me. I joined the Funded Trader Academy, started going through the course, and attended the live sessions. Smart money concepts turned out to be exactly what I needed. It completely changed my attitude and the way I trade. I found myself entering trades I normally wouldn't have. The result? I started making a lot more profitable trades, and now I'm trading 10 funded accounts. I also have a personal cash account, which I'm careful with, but it's done well enough to pay for a nice trip to Cozumel for my wife and me next month!

One of the biggest things the Funded Trader Academy has taught me is discipline. Instead of chasing the market and jumping into trades based on how I "feel," I built a systematic approach that works for me. If my setup appears, I trade. If not, I stay out. I have to say—it's probably one of the hardest things I've ever done, but I'm just stubborn enough to stick with it, and it's definitely paying off!

The Academy encourages everyone to develop their own trading plan and stick to it. That's something I had never really done before. Discipline has been the hardest part for me, but the skilled instructors always stress its importance. They're honest when they say that if you chase the market, it might work sometimes, but in the long run, you'll lose. That's exactly what I had been doing for years. Now that I've changed my approach, things are really turning around!

I still have a lot to learn, but I know I'm on the right path.

Thank you

At this place, we would like to thank you for reading our book. We hope you liked it, and that you found it useful. We hope it helps you in achieving your financial goals and dreams no matter how big they are!

Happy trading!

Dale & Sterling

Publications by Trader Dale



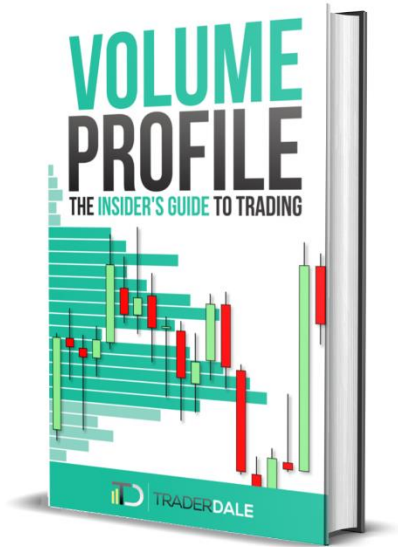
Available at: www.trader-dale.com

VOLUME PROFILE:

The Insider's Guide To Trading

What will you learn:

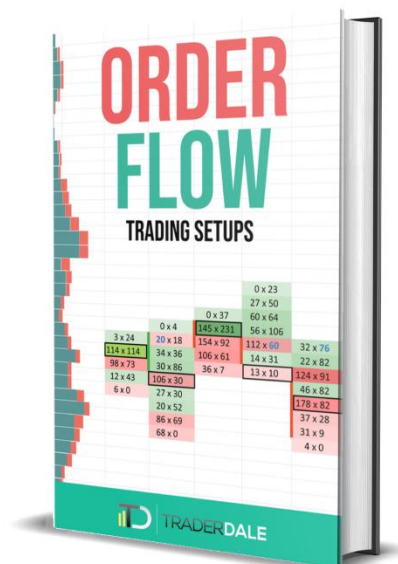
- How to work with Price Action
- Price Action strategies that you can immediately put to use
- How Volume Profile works
- My favorite Volume Profile strategies
- How to manage trading around macroeconomic news
- How to do your market analysis from A to Z
- How to manage your positions
- How to do a proper money management
- How to deal with trading psychology
- What are the most common trading mistakes and how to avoid them
- The exact ways and rules I apply to my own trading



ORDER FLOW: Trading Setups

What will you learn:

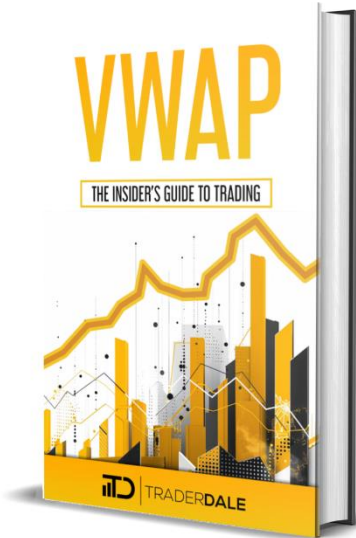
- Choosing the right trading platform for Order Flow trading
- Where to get data for Order Flow
- The best instruments to trade with Order Flow
- Order Flow – what it tells us
- Order Flow – special features
- How to set up Order Flow workspace
- Order Flow – trading setups
- Order Flow – confirmation setups
- How to use Order Flow to determine your Take Profit and Stop Loss
- How to use Order Flow for trade management
- How to find strong institutional Supports and Resistances using Volume Profile
- How to combine Order Flow with Volume Profile



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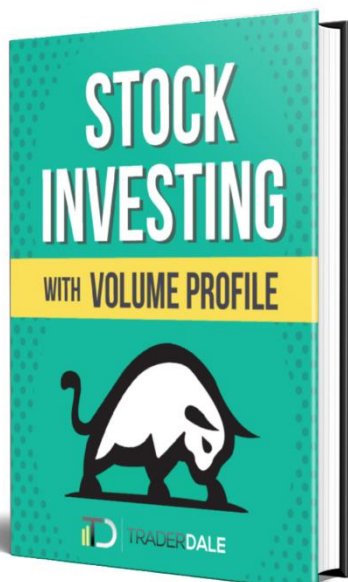


VWAP:

The Insider's Guide To Trading

What will you learn:

- Understand why VWAP is a valuable tool for institutional traders.
- Explore my best battle-tested VWAP and Anchored VWAP trading strategies.
- Discover trade entry confirmation techniques.
- Explore order flow confirmation methods.
- Learn about Take Profit and stop loss placement.
- Understand how to manage risk and position sizing effectively.
- See real-world examples and case studies throughout the book.



Stock Investing With Volume Profile

What will you learn:

- How to protect your money from inflation and grow wealth.
- The basics of index and stock investing.
- How to use stock screeners to find strong investments.
- Volume Profile and price action trading strategies.
- When to buy and sell stocks with smart timing.
- How interest rates and economic cycles affect investments.
- Common mistakes investors make and how to avoid them.
- Portfolio management and risk control techniques.
- How institutional investors influence the markets.
- Alternative investment options for diversification.