

W C H A M P F X

BEGINNERS GUIDE TO PROP FIRM TRADING

W F X R E S O U R C E S



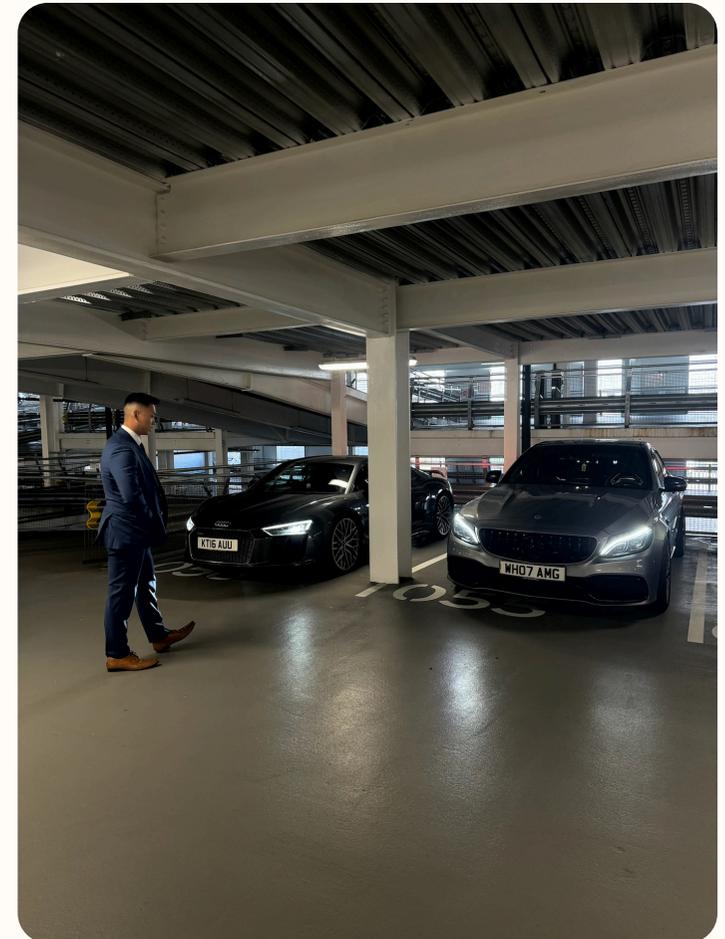


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1 INTRODUCTION

Prop firms offer a valuable gateway to advancing your trading career by allowing you to trade with virtual capital. By successfully passing their evaluation process, you gain access to funded accounts, where you can earn monetary rewards based on your performance.





2 HOW PROP FIRMS WORK

Pass the Evaluation

Most prop firms require you to complete a one or two phase challenge/ evaluation

- Phase 1: Reach a profit target (e.g., 10%)
- Phase 2: Trade consistently with lower targets to prove you can manage risk.

During these phases, you'll trade a demo or simulated account provided by the prop firm. Rules like maximum daily loss, minimum trading days, and max drawdown are enforced to ensure you can handle real trading conditions without excessive risk.

Each prop firm has unique rules to follow so make sure you are up to date with the firm you choose.

Get Funded

Once you pass, you'll receive a funded trading account, often ranging from \$10,000 to \$200,000+. Now you can trade their fictitious capital and earn a profit split typically between 70% - 100% and usually paid monthly, biweekly, or weekly depending on the firm. You still have to follow the risk rules.

Scale Up

Many firms offer scaling plans where your account size increases over time if you trade profitably. The more consistent you are, the more capital you get access to. Make sure to manage your risk accordingly.

Trading with prop firms is a business. Treat it like one, focus on discipline, not just profits. When done right, it's a scalable path to full-time trading or moving to trading your personal capital.



3 TYPES OF PROP FIRMS

- **Forex/ CFD firms** fund traders in currencies, indices, and commodities after passing an evaluation (e.g. FTMO, CK Capital).
- **Futures firms** focus on markets like the S&P 500 and oil, offering access to real exchanges (e.g. TopStep, Apex).
- **Crypto firms** let you trade digital assets like BTC and ETH, often 24/7.

Choose based on your market preference and strategy style.

Prop Firm Type	Market Focus	Best For
Forex/CFD	Forex, indices, gold, oil	Versatile strategies, low barrier to entry
Futures	S&P 500, Nasdaq, Crude Oil	Advanced traders with futures knowledge
Crypto	BTC, ETH, Altcoins	Traders active during off-hours or into digital assets



TYPES OF CHALLENGES

- Consistency in trading is the hardest,
- Reverse engineer with how much you want to invest and then
- swing and normal

Challenge Type	Pros	Cons	Best For
1-Step Challenge	Fast funding, less pressure.	Tighter rules, possibly lower profit split.	Confident traders who want quicker access.
2-Step Challenge	Balanced rules, higher payouts, scaling potential.	Takes more time and patience.	Traders focused on long-term growth.
Instant Funding	Trade live immediately.	Higher upfront cost, strict risk rules.	Skilled traders ready to jump in live.



WCHAMPFX

SOME OF MY CERTS



4 GETTING STARTED AS A BEGINNER

- **Learn the Basics:** Understand key trading concepts like risk management, technical analysis, and price action.
- **Develop a Strategy:** Focus on consistency over high returns. A simple, repeatable system is better than chasing big wins.
- **Choose a Prop Firm:** Research firms that suit your style—Forex, Futures, or Crypto—and check their rules, profit splits, and funding models.
- **Take the Evaluation:** Most firms require a 1–2 phase challenge to prove your skills. Stick to the rules and manage your risk.
- **Manage Your Risk:** Manage your risk first—profits come second.



5 THE EVALUATION PROCESS

EXAMPLE \$100K ACCOUNT

Stats:

Taking 10 trades per week **Wins** = 4 = \$8,000
Averaging \$2,000 per week. **Losses** = 6 = -\$6,000

PHASE 1

Phase 1 Target: 10%

- **Risk:** 1% per trade for a 1:2R
- **Win Rate** = 40%

Therefore will take 5 week to make \$10,000 to pass Phase 1

PHASE 2

Phase 2 Target: 5%

- **Risk:** 1% per trade for a 1:2R
- **Win Rate** = 40%

Then after 3 more weeks you could potentially pass Phase 2 target of \$5,000

FUNDED

- **Risk:** 1% per trade for a 1:2R
- **Win Rate** = 40%

Your first payout of \$2,000 would cover the initial challenge fee.

Make sure to manage your risk and don't let ego be your enemy.



EXAMPLE \$100K ACCOUNT

FUNDED ACCOUNT

Still with a 40% win rate

- Making an average \$2,000 per week
- = Make \$8,000 per month
= Making \$96,000 per year

Earning \$96,000 per year from prop firms means you're generating income without risking personal capital, creating freedom through skill, not labor. It's a scalable, independent path toward financial control and lifestyle flexibility.

Key Takeaway

Reverse Engineer Your Goals:

Instead of focusing on "how much can I make?", start with how much you're willing to risk or invest.

Work backwards: set realistic profit targets based on your account size, risk tolerance, and prop firm rules.



EXAMPLE \$100K ACCOUNT

FUNDED ACCOUNT

Still with a 40% win rate

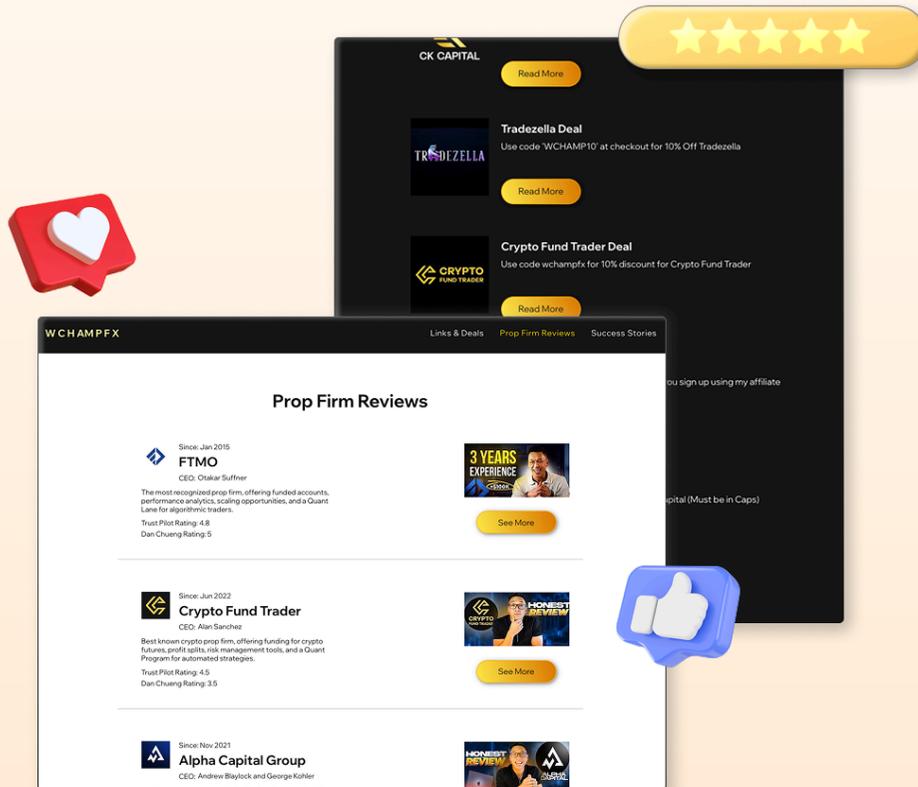
- Making an average \$2,000 per **month**

= Make \$2,000 per month

= Making \$24,000 per year

Earning \$24,000 per year from prop firms provides a solid supplementary income, offering financial flexibility and freedom. It allows you to grow capital, reduce reliance on traditional jobs, and build towards greater financial independence.





LINKS, DEALS, AFFILIATES

Head over to my website:

- Discounts on prop firm challenges
- Broker bonus deals
- Tradezella, Edgewonk discounts
- Tradingview discount

[Get Deals](#)

DAN CHEUNG PROP FIRM REVIEWS

Check out my new page for comprehensive prop firm reviews, so you don't have to test them yourself. Get all the pros and cons you need before committing.

[Read Reviews](#)

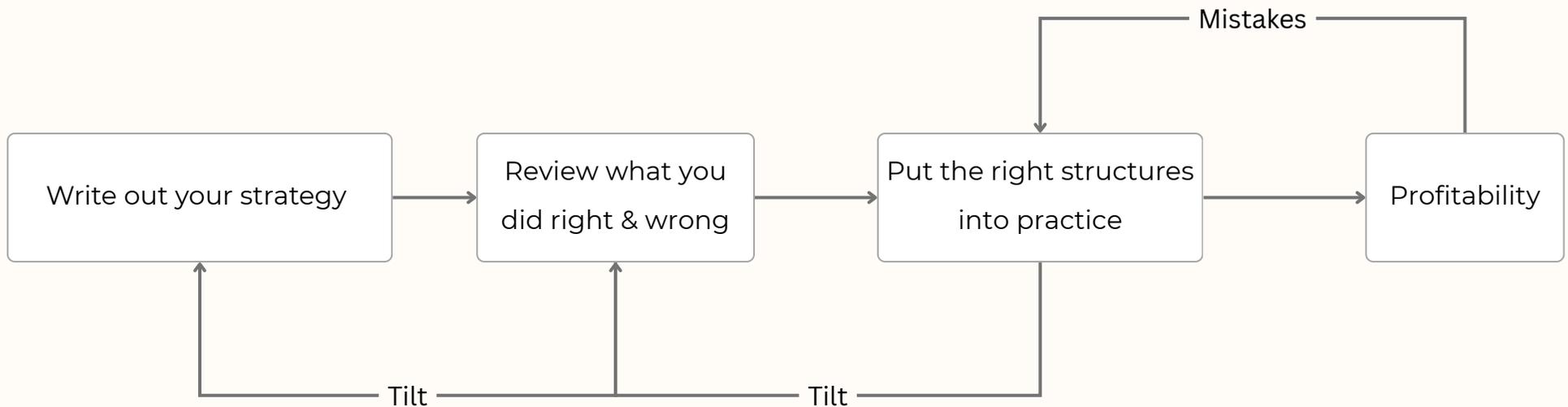
6 COMMON RULES

Rule	Description
Profit Target	Achieve a specific profit target (e.g., 8-10%) within a set period.
Drawdown Limits	Maintain a maximum daily and overall drawdown (usually a percentage of balance).
Max Loss per Trade	Limit the loss on a single trade (often a percentage of the balance).
Risk/Reward Ratio	Follow specific risk/reward guidelines for consistent profitability.
Minimum Trading Days	Complete a minimum number of trading days to ensure consistency.
Trade Size Limits	Restrictions on maximum position size or lot size to manage risk.
No Hedging	Restrictions on holding opposite positions simultaneously.
No News Trading	Some firms restrict trading during high-impact news events.
Consistent Trading Style	Maintain a clear, consistent trading strategy, avoiding high-risk behaviors.
Account Activity	Restrictions on large deposits or withdrawals during the evaluation phase.
Risk of Ruin	Account termination if maximum losses or risk limits are breached.



7 HOW TO MAKE MONEY - JOURNALLING FRAMEWORK

A solid trading framework begins with documenting your strategy. Next, review what worked well and what didn't. Apply the successful practices, and remember, profitability comes from learning from mistakes and constantly improving. This is my diagram below of the structure I follow to keep my on track.



8 PROP FIRM TRADING PLAN

A structured plan builds discipline. This guide aligns your strategy, mindset, and routine for prop success.

1	Trading Strategy Write Up: Write a full paragraph on your strategy. What times do you trade? What pairs/ indicies? What confluences should you have?
2	Trading Stragy Tick Boxes: This is a breakdown of the writeup, something you can tick off everytime you decide you want to take a trade
3	Trading Mantra: Something you read to your self at the start of you trading session. E.g.'Disciplined and optimistic trading will allow me to succeed and live the life I want to live' - Student
4	Trading Lifestyle Routine Flowchart: What time do you wake up? Do you mediate or pray before you start your day?
5	Journal Set Up: Edgewonk, Tradezella, Notion etc.
6	Journal/ Discord Post for accountability
7	30 Sample test: 20 Winners and 10 Losers

My Trading Confluences/ Tick Boxes

Having clear trading confluences and tick boxes is essential for consistent, disciplined decision-making. They remove emotion from your process, helping you only take high-probability setups. By sticking to predefined criteria for entries and exits, you reduce impulsive trades, manage risk better, and build long-term confidence in your system. It's not about trading more; it's about trading smarter. A checklist keeps your strategy structured, repeatable, and aligned with your overall trading goals Here are mine below:

Confluences	Entry Requirements	Exit Requirements
D&4H Candle Swing Chart in Favour	1. 10m + 3m Pattern A + 50MA in favour	1. Set & Forget (TP or SL hit)
More than 3R available	2. Pattern A must be confirmed (if early withinandles must confirm	2. Close before 830pm
30m, 10m + 3m all in favour	3. Last 10 mins from 30m candle always high probability	
30m + 4h Rivers in favour		
No news within 1 hour		
10m at least 1 leg in the direction of the trade		
No major SL or TP in the way		

1 The Risk Management Formula

- Never risk more than 1-2% per trade.
- Use a Risk-to-Reward Ratio (RRR) of at least 1:2 (e.g., risk \$500 to make \$1,000).
- Adjust position sizes based on your capital and drawdown limits.

Common Mistakes:

- Over-risking leads to emotional trading and blown accounts.
- Under-risking results in slow growth and insignificant profits.

Action Step: Write down your max daily, weekly, and monthly loss limits.

2 The Psychology of Risk & Reward

- Trading is probabilities, not guarantees.
- Losses are part of the game—accept them, learn, and move forward.
- Your goal: Execute your strategy flawlessly, not chase profits.

Mindset Shift: Stop focusing on individual trades and start thinking in batches of 50-100 trades.

Key Takeaway: The best traders manage risk like professionals and think long-term.



You

The trader you want to be

1. Strategy

2. Psychology & Risk

3. Becoming Profitable

Pattern A

Day trading strategy

BRE

Swing trading strategy

Holy Grail Mindset

Draw down.
Win streak.

Static & Dynamic Risk

Funded risk.
Personal risk.

To Do List

Journalling

Reps

Community

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