

Prop Firm Evaluation Checklist

Use this checklist to evaluate potential proprietary trading firms.

1. Funding and Capital Allocation

- ☐ What is the initial capital allocation?
- ☐ Is there a realistic path to increased capital?
- ☐ What percentage of profits do traders keep?
- ☐ Are there any hidden fees or deductions?
- ☐ How does the firm reward consistent profitability with increased capital?
- ☐ Are there clear milestones for scaling up?

2. Risk Management Guidelines

- ☐ What are the daily and maximum drawdown limits?
- ☐ Are these limits reasonable and aligned with your trading style?
- ☐ What are the guidelines for position sizing?
- ☐ Does the firm encourage responsible risk management?
- ☐ What instruments are allowed?
- ☐ Are there any restrictions or limitations?

3. Payout Structure and Schedule

- ☐ How often are payouts processed?
- ☐ Are there any delays or inconsistencies?
- ☐ What payout methods are available?
- ☐ Are there any fees associated with withdrawals?
- ☐ Are there realistic profit targets?

- ☐ Are there any hidden conditions or limitations?

4. Training and Educational Resources

- ☐ Are there experienced mentors available?
- ☐ How accessible are these mentors?
- ☐ What educational resources are provided (e.g., webinars, articles, videos)?
- ☐ Are these materials up-to-date and relevant?
- ☐ What trading platforms and tools are provided?
- ☐ Are these tools reliable and efficient?

5. Firm Reputation and Track Record

- ☐ What are traders saying about the firm online?
- ☐ Are there any consistent complaints or red flags?
- ☐ How long has the firm been in business?
- ☐ What is their track record of success?
- ☐ Is the firm compliant with relevant regulations?
- ☐ Are they transparent about their compliance practices?

Additional Notes:

- ☐ Research the firm's leadership and team.
- ☐ Look for testimonials and case studies.
- ☐ Compare multiple prop firms before making a decision.