

# 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.