FundedHero $2.5K Challenge Trading Plan

Strategy to pass Phase 1 & 2 and get funded on a $2,500 account.

Objective

Phase 1: Hit **8% Profit ($200)** without breaching parameters. **Phase 2:** Hit **5% Profit ($125)** to secure the funded account. **Funded:** Switch to capital preservation (10% max loss).

1. Challenge Risk Parameters

The challenge rules are more generous than the funded stage. Use this extra room to secure the target, but don't over-leverage.

- **Daily Drawdown Limit:** 6% = **$150** (Hard limit).
    - *Self-Imposed Daily Stop:* **$75** (3%). Stop trading for the day if you hit this to avoid tilting toward the $150 breach.
- **Total Drawdown Limit:** 12% = **$300** (Static).
- **Drawdown Type: Static**.
    - *Advantage:* Your max loss is fixed at $2,200 equity. As you profit, your buffer grows.
- **Target Risk per Trade:** 0.5% - 1.0% = **$12.50 - $25.00**.
    - *Note:* You can risk slightly more in the challenge phase (1%) compared to the funded phase (0.5%) because the max drawdown is wider (12% vs 7-10%).

2. Lot Size Strategy (Micro-Lots)

- **Instrument:** Forex Pairs or **XAUUSD (Gold)**.

A. Forex Pairs (EURUSD, GBPUSD, etc.)

- **Risking $25 (1%):**
    - 10 pip Stop Loss: **0.25 Lots**
    - 20 pip Stop Loss: **0.12 Lots**
    - 50 pip Stop Loss: **0.05 Lots**

B. XAUUSD (Gold) Specifics

Gold is more volatile. A $1.00 move in price (e.g., 2000.00 to 2001.00) is equivalent to 10 "pips" or 100 points.

- **Contract Size:** Standard 1 Lot = 100oz ($1 move = $100 PnL).
- **Risking $25 (1%):**
    - **Scalp SL ($2.00 move / 20 pips): 0.12 Lots**

- *Math:* 0.12 * 100oz * $2.00 = $24.00 Risk.
  - **Day Trade SL ($4.00 move / 40 pips): 0.06 Lots**
    - *Math:* 0.06 * 100oz * $4.00 = $24.00 Risk.
  - **Swing SL ($5.00 move / 50 pips): 0.05 Lots**
    - *Math:* 0.05 * 100oz * $5.00 = $25.00 Risk.
- **Consistency Rule for Gold:** Do not switch randomly between 0.01 and 0.20 lots. If you usually trade 0.05 for day trades, stick to the 0.04-0.06 range.

3. Profit Targets (The "Passing" Goals)

Phase 1: The Aggressive Phase

- **Goal:** 8% ($200).
- **Strategy:** 2 weeks to 4 weeks.
- **Math:** You need **8 trades** of +2R (2% gain) or **16 trades** of +1R (1% gain).
- **Weekly Goal:** 2% - 3% ($50 - $75).

Phase 2: The Consolidation Phase

- **Goal:** 5% ($125).
- **Strategy:** Slow down. The target is smaller.
- **Risk Adjustment:** Drop risk per trade to **0.5% ($12.50)**.
- **Why?** You have already proved you can trade. Now prove you can be safe.

4. Trade Execution Plan

- **Daily Limit:** Max 3 trades per day.
- **Confluence:** Only take A+ setups (e.g., Trend + Support/Resistance + Key Level).
- **News:** Avoid high-impact news if the firm restricts it (check specific FAQ), or use it to your advantage if allowed.

5. Consistency & "Gaming" the Rules

Even if the challenge doesn't strictly enforce the "20% consistency rule" for passing, behave as if it does to prepare for the Funded Stage.

- **Avoid:** Don't try to hit the full $200 target in one giant "lucky" trade.
- **Aim For:** steady wins of **$20 - $40**.

6. Weekly Roadmap (Phase 1 Example)

Week	Goal	Amount	Focus

Week 1	+2.5%	**$62.50**	Build a buffer above start balance.
Week 2	+2.5%	**$62.50**	Maintain rhythm. You are halfway there ($125).
Week 3	+2.0%	**$50.00**	Don't rush. Wait for setups. Total: $175.
Week 4	+1.0%	**$25.00**	Finish the remaining $25. Pass Phase 1.
Total	**8%**	**$200**	**CHALLENGE PASSED**

7. What Happens Next? (Funded Rules Preview)

Once you pass, the rules tighten. Be mentally prepared for the switch.

- **Profit Split:** 80% / 90% (check specific tier).
- **Daily Loss Drops:** Starts at **5% ($125)**.
- **Max Loss Drops:** Starts at **10% ($250)**.
- **Mindset Shift:** Switch back from "Growth Mode" (Phase 1) to "Survival Mode" (Funded).

Pro Tips for the Challenge

1. **The "Buffer" Strategy:** Your first goal is not 8%. Your first goal is **+2% ($50)**. Once you have a $50 profit buffer, you can trade stress-free because you are trading with "market money," not your drawdown limit.

2. **Static Drawdown:** Since the max loss is static ($2,200 level), every dollar of profit you make adds to your max allowable loss.
   - *Start:* Max Loss = $300.
   - *After $100 Profit:* Max Loss = $400.

3. **Gold Volatility Warning:** Gold can spike $5-$10 in seconds during NY Open (8:30 AM EST). Reduce lot size by 50% if trading during this window.