



TRADE WITH THE PROS

Trading Strategy Simulator

Comprehensive User Guide

August 3, 2025

TABLE OF CONTENTS

- 1. Introduction**
- 2. Getting Started**
- 3. Understanding the Interface**
 - 3.1 Desktop Layout
 - 3.2 Mobile Layout
 - 3.3 Navigation
- 4. Simulation Parameters**
 - 4.1 Initial Equity
 - 4.2 Trades Per Month
 - 4.3 Risk Per Trade
 - 4.4 Win Probability
 - 4.5 Reward/Risk Ratio (Win)
 - 4.6 Risk/Reward Ratio (Loss)
 - 4.7 Commission Per Trade
- 5. The Mathematical Model**
- 6. Interpreting Results**
 - 6.1 Summary Metrics
 - 6.2 Equity Chart
 - 6.3 Trade Log
 - 6.4 Performance Benchmarks
- 7. Report Card Analysis**
 - 7.1 Performance Grade
 - 7.2 Risk of Ruin Analysis
 - 7.3 Improvement Recommendations
- 8. Strategy Presets**
 - 8.1 Time-Based Strategies
 - 8.2 Style-Based Strategies
 - 8.3 Specialized Strategies
- 9. Advanced Features**
 - 9.1 Dark/Light Mode
 - 9.2 Monte Carlo Simulation
 - 9.3 PDF Export
 - 9.4 Audio Guide
- 10. Mobile Features**
 - 10.1 Mobile-Optimized Interface
 - 10.2 Touch Controls
- 11. Frequently Asked Questions**
- 12. Disclaimer**

1. Introduction

The Trade with the Pros Trading Strategy Simulator is a powerful tool designed to help traders understand the statistical outcomes of trading strategies. By simulating thousands of trades based on your specified parameters, our tool provides comprehensive insights into potential performance, risk, and profitability.

This user guide will walk you through all the features of the simulator, help you understand how to interpret the results, and provide practical tips to get the most out of your analysis.

Whether you're a beginner trader looking to understand the impact of different trading variables, or an experienced professional seeking to optimize your strategy's risk parameters, this tool will help you make more informed trading decisions based on statistical probabilities rather than guesswork.

Note

This simulator uses statistical modeling to project potential outcomes. While it provides valuable insights, remember that past or simulated performance doesn't guarantee future results in actual market conditions.

2. Getting Started

The Trading Strategy Simulator is accessible directly through your web browser with no installation required. To begin using the tool:

- Navigate to the simulator page in your web browser
- You'll see the simulator interface with parameter inputs on the left side and results on the right
- Enter your desired trading parameters in the sidebar (or select a preset strategy)
- Click the 'Run Simulation' button to generate results
- Review the different tabs to explore various aspects of your simulated strategy performance

The first time you use the application, a tutorial will guide you through the interface. You can toggle this tutorial on or off using the 'Show Tutorial' button in the top right corner of the page.

3. Understanding the Interface

The Trading Strategy Simulator provides both desktop and mobile interfaces, designed to give you the best experience regardless of the device you're using.

3.1 Desktop Layout

On desktop devices, the simulator has a two-panel layout:

- Left Panel (Sidebar): Contains input parameters for your trading strategy
- Right Panel: Displays simulation results with multiple tabs for different analyses

The header includes several important controls:

- Logo and Title: Identifying the application
- Theme Toggle: Switch between dark and light modes
- Audio Guide: Access the comprehensive 24-minute audio walkthrough
- PDF Manual: Generate this detailed user manual
- Run Simulation: Calculate and display results based on your parameters

3.2 Mobile Layout

On mobile devices, the simulator adapts to provide an optimized experience:

- Full-width design that prioritizes content
- Controls accessible through a dropdown menu to save space
- Parameters available through a modal dialog that overlays the screen
- Responsive charts and visualizations that resize for smaller screens
- Touch-friendly controls with larger tap targets

3.3 Navigation

The results panel is divided into several tabs for different time periods:

- 1 Month: Shows performance metrics for a one-month simulation period
- 3 Months: Shows performance metrics for a three-month simulation period
- 6 Months: Shows performance metrics for a six-month simulation period
- Report Card: Provides an overall assessment of your strategy with grades and recommendations

Each results tab contains several sections:

- Summary Metrics: Key performance statistics
- Equity Chart: Visual representation of account balance over time
- Monte Carlo Analysis: Statistical projection of possible outcomes (in 6 Months tab)
- Trade Log: Detailed record of individual trades
- Performance Benchmarks: Comparison of key metrics against target values

4. Simulation Parameters

The simulator allows you to adjust the following parameters to model your trading strategy:

Initial Equity

This is your starting account balance. The simulation will track how this amount grows or shrinks based on your trading parameters.

Trades Per Month

The average number of trades you expect to take each month. Higher frequency trading will generate more trades in the simulation.

Risk Per Trade

The dollar amount you're risking on each trade. This parameter has a significant impact on both potential returns and drawdowns.

Win Probability

The percentage of trades that you expect to be winners. This is your win rate expressed as a percentage.

Reward/Risk Ratio (Win)

The average ratio of profit on winning trades relative to your risk. For example, a value of 2.0 means your winning trades typically make twice as much as you risked.

Risk/Reward Ratio (Loss)

The average ratio of loss on losing trades relative to your potential reward. A value of 1.0 means your losing trades typically lose the full amount at risk.

Commission

The fee paid per trade in dollars. This accounts for trading costs in the simulation.

Note

Risk parameters have the biggest impact on your trading outcomes. Even small changes to risk per trade or win probability can dramatically affect long-term results.

5. The Mathematical Model

The simulator uses a robust mathematical model to generate trade outcomes and track equity changes over time. Understanding this model will help you interpret the results more effectively.

For each simulated trade, the following process occurs:

- Determine win/loss outcome based on your Win Probability setting
- Calculate risk amount based on Risk Per Trade parameter
- Calculate profit (winning trade) using your Reward/Risk Ratio
- Calculate loss (losing trade) based on your Risk/Reward Ratio
- Apply commission costs
- Update account equity

The simulator then tracks the resulting equity curve, drawdowns, and other key performance metrics.

6. Interpreting Results

6.1 Summary Metrics

The summary metrics provide key performance indicators for your strategy:

- Return: The percentage change in equity from start to end of the simulation period
- Drawdown: The maximum percentage decline from peak to trough in your equity
- Win Rate: The percentage of trades that were profitable
- Profit Factor: The ratio of gross profits to gross losses
- Expected Value: The average amount you can expect to make per trade
- Sharpe Ratio: A measure of risk-adjusted return (higher is better)

6.2 Equity Chart

The equity chart shows how your account balance changes over time. This visualization makes it easy to identify trends, periods of drawdown, and overall performance trajectory.

6.3 Trade Log

The trade log provides a detailed record of each simulated trade, including:

- Trade number and date
- Outcome (win or loss)
- Profit/loss amount
- Running equity balance

7. Report Card Analysis

The Report Card tab provides a comprehensive assessment of your trading strategy's viability and sustainability.

7.1 Performance Grade

Your strategy receives an overall grade (A+ to F) based on several factors:

- Profitability: The expected return over time
- Risk Management: The drawdown characteristics
- Consistency: The smoothness of the equity curve
- Risk of Ruin: The probability of significant account depletion

7.2 Risk of Ruin Analysis

Risk of Ruin is a critical metric that calculates the probability of your trading account declining to a point where continuing to trade becomes unviable. A well-designed strategy should have a Risk of Ruin below 5%.

The simulator provides a dedicated Risk of Ruin card in the Report Card section with color-coded feedback:

- Green (0-5%): Excellent - Your strategy has a very low probability of significant account depletion
- Yellow (5-15%): Caution - Your strategy has moderate risk that should be monitored
- Orange (15-25%): Warning - Your strategy has high risk that needs attention
- Red (>25%): Danger - Your strategy has a very high probability of failure

When the Risk of Ruin is exactly 0%, it's displayed with a green background, indicating an extremely low statistical probability of account ruin based on your parameters.

Factors affecting your Risk of Ruin score include:

- Position sizing (risk per trade) - the most critical factor
- Win rate - higher win rates reduce Risk of Ruin
- Reward-to-risk ratio - higher ratios can offset lower win rates
- Account size - larger accounts provide more resilience
- Trading frequency - impacts exposure to the probability distribution
- Consecutive losses - higher numbers of consecutive losses increase Risk of Ruin

The Risk of Ruin calculation includes:

- Mathematical probability of reaching drawdown thresholds
- Monte Carlo simulation to test boundary conditions
- Statistical analysis of consecutive loss scenarios
- Compounding effects over long time periods

When your Risk of Ruin score is high, consider these adjustments:

- Reduce your per-trade risk percentage (most effective approach)
- Improve your win rate through better trade selection
- Increase your reward-to-risk ratio by letting winners run
- Trade less frequently to reduce commission drag
- Add more capital to your trading account

- Implement a stop-trading rule after reaching a predetermined drawdown threshold

Note

When Risk of Ruin displays as 0%, this doesn't mean there's no risk whatsoever. It indicates that based on your parameters, the mathematical probability is extremely small. Always practice prudent risk management regardless of the calculated value.

8. Strategy Presets

The simulator includes several preset strategies to help you explore different trading approaches.

8.1 Time-Based Strategies

- Day Trading: High-frequency, lower reward-to-risk, lower commission strategies
- Swing Trading: Medium-frequency, balanced reward-to-risk strategies
- Position Trading: Low-frequency, higher reward-to-risk strategies

8.2 Style-Based Strategies

- Trend Following: Lower win rate but higher reward-to-risk ratios
- Mean Reversion: Higher win rate but lower reward-to-risk ratios
- Breakout Trading: Medium win rate with potential for higher reward-to-risk ratios

9. Advanced Features

9.1 Dark/Light Mode

Toggle between dark and light themes using the theme button in the upper right corner of the application. Dark mode can be easier on the eyes during extended analysis sessions.

9.2 Monte Carlo Simulation

The Monte Carlo simulation feature runs hundreds of randomized simulations to provide statistical confidence intervals for your strategy's performance metrics. This helps you understand the range of possible outcomes rather than just a single path.

You can access the Monte Carlo simulation from the 6 Months tab, where it provides:

- Statistical distribution of possible outcomes
- 95% confidence intervals for equity projections
- Best, worst, and average case scenarios
- Probability of reaching specific profit targets
- Visual distribution curve of expected outcomes

This powerful analysis helps you understand the probabilistic nature of trading and avoid making decisions based on a single simulation path.

9.3 PDF Export

The Trading Strategy Simulator allows you to export a comprehensive PDF manual (the document you're reading now) that includes detailed explanations of all features and helps you understand how to interpret the results.

To generate this PDF:

- Click the headphones icon in the header to open the Audio Guide dialog
- Click the 'Download Complete PDF Manual' button at the bottom of the dialog
- Wait for the PDF to generate (this may take a few seconds)
- The PDF will automatically download to your device

This feature is available in both desktop and mobile versions, providing identical comprehensive documentation regardless of which platform you're using.

9.4 Audio Guide

The Trading Strategy Simulator includes a comprehensive 24-minute audio guide that walks you through all features of the application. This narrated guide provides detailed explanations and tips for getting the most out of the simulator.

To access the audio guide:

- Click the headphones icon in the header
- Use the audio player controls to play, pause, or scrub through the guide
- You can also use the 'Start Audio Guide' button to begin playback

The audio guide covers:

- How to set up your initial parameters
- Understanding the mathematical model behind the simulator

- Interpreting the various result metrics and visualizations
- Using the Report Card to assess your strategy
- Advanced features like Monte Carlo simulation
- Tips for optimizing your trading strategy
- Common questions and answers

This audio guide is designed to be a convenient way to learn about the simulator while doing other tasks or if you prefer auditory learning over reading.

10. Mobile Features

The Trading Strategy Simulator is fully optimized for mobile devices, providing a complete feature set even on smaller screens.

10.1 Mobile-Optimized Interface

The mobile interface has been specially designed to maintain usability on smaller screens:

- Responsive layout that adapts to any screen size
- Touch-friendly controls with appropriate sizing for fingers
- Streamlined navigation with dropdown menus to save space
- Modal dialogs for parameter entry that maintain context
- Optimized charts and visualizations that remain readable
- Collapsible sections to focus on relevant information

10.2 Touch Controls

The mobile interface includes touch-specific interactions:

- Swipe gestures for navigating between tabs
- Pinch to zoom on charts for detailed analysis
- Tap and hold for additional information on data points
- Larger touch targets for buttons and controls
- Bottom-aligned controls for easier thumb access

The mobile version provides identical functionality to the desktop version, ensuring you can perform comprehensive analysis regardless of which device you're using.

11. Frequently Asked Questions

Q: How many trades should I simulate to get accurate results?

A: For statistical significance, we recommend simulating at least 30 trades, but 100+ trades will provide more reliable metrics. The simulator allows you to view results over 1-month, 3-month, and 6-month periods to see how performance evolves over time.

Q: How does the Risk of Ruin score work?

A: Risk of Ruin calculates the probability of your account declining to a point where trading becomes unviable. It considers your win rate, reward-risk ratio, and position sizing. A score below 5% is considered good, while scores above 20% indicate dangerous risk levels. When Risk of Ruin is 0%, it means the probability is extremely low based on your parameters.

Q: What's the most important parameter to optimize?

A: Position sizing (Risk Per Trade) is generally the most impactful parameter to optimize. Even strategies with modest win rates can be viable with proper position sizing, while excellent strategies can fail with excessive risk per trade.

Q: How accurate is the Monte Carlo simulation?

A: The Monte Carlo simulation runs hundreds of randomized tests to provide statistical confidence intervals. While no simulation can predict the future with certainty, Monte Carlo analysis gives you a much more reliable understanding of the possible range of outcomes compared to a single simulation path.

Q: Can I use the simulator on my mobile device?

A: Yes, the Trading Strategy Simulator is fully optimized for mobile devices with a responsive design, touch-friendly controls, and all the same features available on desktop. The interface automatically adapts to your screen size for the best experience.

Q: How do I access the audio guide?

A: Click the headphones icon in the header to open the Audio Guide dialog. You'll find a player that allows you to listen to the full 24-minute guide directly in your browser. You can play, pause, and skip to different parts of the guide as needed.

Q: What's the difference between the different time period tabs?

A: The 1 Month, 3 Months, and 6 Months tabs show simulations over different time periods using your parameters. This helps you understand how your strategy performs over different time horizons. The Report Card tab provides an overall assessment with grades and recommendations.

12. Disclaimer

GENERAL DISCLOSURE

Trade With the Pros LLC ("TWP") is a financial education provider dedicated to helping customers build the skills and proficiency necessary for retail trading and investing in the financial markets. TWP is not a Broker-Dealer, Investment Adviser, or any other type of business subject to regulation by the U.S. Securities and Exchange Commission (SEC), Commodity Futures Trading Commission (CFTC), state securities regulators, or any self-regulatory organization (such as FINRA). TWP does not accept customer funds for trading or investing, nor does it execute trades on behalf of customers.

The programs and content distributed by TWP are strictly for informational and educational purposes only. Nothing provided by TWP should be considered personalized investment advice, a recommendation to buy, sell, or hold any investment, an offer (or solicitation of an offer) to buy or sell any investment, or the provision of any other kind of advice that would require TWP to register as a broker-dealer, investment adviser, or similar entity. No one associated with TWP is authorized to make any representation to the contrary.

TWP provides general information that customers may use to inform their own investment decisions. However, each customer is solely responsible for carefully considering such information and evaluating how it may relate to their own decision to buy, sell, or hold any investment. All investment decisions must be based on each customer's individual and independent evaluation of their financial circumstances, investment objectives, risk tolerance, liquidity needs, family commitments, and other factors-not in reliance on any information obtained from TWP.

Statements by any person (whether identified as associated with TWP or any other entity) represent the opinions of that person only and do not necessarily reflect the opinions of TWP or any other person associated with TWP. TWP staff, instructors, or contributors may hold or intend to hold positions in securities or strategies discussed in TWP content. Any material financial interests or conflicts of interest will be disclosed where relevant.

Although TWP strives to provide accurate and reliable information from sources believed to be reliable, TWP makes no guarantees as to the accuracy, completeness, timeliness, or correctness of any such information. TWP makes no guarantee or promise, express or implied, that anyone will profit from or avoid losses by using information disseminated through TWP.

All investments are subject to risk of loss. Customers should consult with their own financial advisors, attorneys, accountants, or other qualified professionals prior to making any investment decision.

RISK DISCLOSURE

Investing and trading in financial markets involves substantial risk, including the possible loss of your entire investment. The risk of loss in trading equities, options, forex, and/or futures can be significant. You should carefully consider whether such trading is suitable for you in light of your financial condition and personal circumstances.

The high degree of leverage that is often obtainable in options and futures trading may work for you as well as against you and can lead to large losses that may exceed your initial investment. Past performance is not indicative of future results. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown in any TWP materials.

HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR LOSSES SIMILAR TO THOSE SHOWN.

TESTIMONIAL DISCLOSURE

Testimonials appearing on TWP's platforms are provided by actual subscribers to TWP services. These testimonials reflect the individual experiences of those who have used our services. However, the results described are not necessarily typical, and may not be representative of the experience of other users.

No guarantee of results: The testimonials do not guarantee that current or future customers will achieve similar outcomes. Most users should not expect to achieve the results described in these testimonials.

No compensation was paid to individuals providing testimonials for their statements. All testimonials are voluntarily submitted and reflect the honest opinions and experiences of the individuals.

ADDITIONAL DISCLOSURES

Conflicts of Interest: TWP staff, instructors, or contributors may have financial interests in securities or strategies discussed in TWP content. Where material, such interests will be disclosed.

No Guarantee of Results: TWP does not guarantee any specific outcome or profit. All trading and investment decisions are made at your own risk.

Data Privacy: TWP is committed to protecting your privacy. Any personal information collected is handled in accordance with our Privacy Policy and applicable data protection laws. We do not sell or share your information with third parties except as required by law or for the provision of our services.

Accessibility: These disclosures are provided at the point of registration, prior to purchase, and are accessible at all times via our website and in all educational materials.

CUSTOMER RESPONSIBILITY

You are solely responsible for your investment decisions. All information provided by TWP is general in nature and is not tailored to the investment needs of any specific individual. You should consult with your own financial, legal, tax, or other qualified advisors before making any investment or trading decision.

ONGOING REVIEW

TWP reviews and updates these disclosures at least annually to ensure compliance with current laws, regulations, and best practices. Staff and contributors are regularly trained on compliance requirements and the importance of transparency in all educational content.