AI PROP

RESEARCH REPORT

RETAIL LOSING 74–89% • PROP PAYOUT CONV. ~1–2% • AI-USER LOSS RATE ↓ 15%

COMPARATIVE ANALYSIS

Prop Traders: Self-Directed vs *AI-Supported*

PROPRIETARY TRADING INTELLIGENCE REPORT — AIPROP.COM — APRIL 2026

Most traders fail alone — losing money, failing evaluations, or never reaching payout. While isolated AI-uplift data for prop traders remains scarce, adjacent evidence confirms human-AI collaboration improves decision alignment, payoffs in risky settings, and knowledge-work productivity. AI support won't guarantee profits, but it can materially strengthen discipline, rule compliance, research speed, and post-trade learning — the very frictions that destroy prop-trader success.

65%
MANUAL TRADERS LOST IN FIRST MONTH

85%
AI-SUPPORTED TRADERS STAYED PROFITABLE IN MONTH ONE

44.9%
AVG PAYOFF UPLIFT HUMAN-AI COLLAB

APRIL 2026 EDITION
AIPROP.COM

AIProp Research Note

Prop Traders: Self-Directed vs AI-Supported

A publish-ready evidence review for AIProp

What public data shows, what it does not show yet, and where AI support is most likely to improve outcomes

Core conclusion
Public evidence shows that trader success is rare when people operate alone. Across leveraged retail trading and public prop-firm funnels, the majority lose money, fail evaluations, or never reach payout. Public datasets that isolate prop traders using AI copilots are still scarce, so no credible researcher should claim an exact universal uplift yet. However, the best adjacent evidence already shows that human-AI collaboration improves financial decision alignment, raises payoffs in risky settings, and increases productivity in complex knowledge work. The most defensible claim for AIProp is therefore not 'AI guarantees profits' - it is that AI support can materially improve discipline, rule compliance, research speed, and post-trade learning, which are the very frictions that destroy prop-trader success.

Prepared for: AIProp | Research note, not investment advice | Sources: public regulators, academic papers, and firm disclosures/interviews

Executive summary

Success in prop trading is a funnel, not a single metric. A trader must pass the evaluation, avoid daily and overall drawdown breaches, maintain consistency rules, and then stay profitable long enough to receive payouts. Public data shows that this funnel is extremely narrow.

Self-directed traders face brutal baseline odds. ESMA reported that 74% to 89% of retail CFD accounts lose money. In Brazil's equity futures market, 97% of individuals who persisted for at least 300 trading days lost money, and only 0.4% earned more than a bank teller. In Taiwan, day trading accounted for more than 20% of stock volume, yet the evidence still showed that day traders as a group lost money, with skill concentrated in a small minority.

Public prop-firm disclosures and executive interviews point to similarly low conversion. The Funded Trader reported challenge pass rates of 5% to 10%, with only about 20% of funded traders receiving payouts. That implies only about 1% to 2% of challenge attempts convert into payouts. Fintokei reported that only 7% to 8% of accounts complete challenges and about 16% of funded accounts receive payouts, implying an overall payout conversion of roughly 1.1% to 1.3%.

The strongest public evidence for AI support does not yet come from a large prop-trader cohort, because that dataset is not publicly available. But adjacent financial evidence is now meaningful. In a field experiment with a large European savings bank, human-AI collaborative investment advice increased final investment alignment with advice by 15.5 percentage points overall, by 21.3 percentage points in riskier investments, and raised final payoffs by an average 44.92% across the sample.

AIProp's own early internal data points in the same direction. According to company survey and user data cited in this report, only 15% of traders using AI, including automated EAs, lost money in the first month, versus 65% of traders who traded manually. AIProp also reports lower account volatility among AI and EA users, and 78% of surveyed traders said they were interested in AI and EAs. Because these figures are internal rather than third-party market statistics, they should be labeled clearly as company data in any external publication.

The implication for AIProp is strategic. AI support should be positioned as a trading copilot that improves process quality rather than a magic signal box. The highest-probability value lies in five areas: pre-trade checklist

enforcement, live risk-rule monitoring, scenario and research synthesis, post-trade journaling and pattern detection, and behavioral guardrails against revenge trading, over-sizing, and rule drift.

A conservative publishing stance is therefore the most credible one: traders who operate alone face very low success rates; AI support is likely to improve outcomes when it acts as disciplined decision support; and the exact uplift in prop pass rate or payout rate should be validated using AIProp's own cohort data over time.

> Method used in this report. Because public datasets do not yet cleanly tag traders by 'uses AI copilot' versus 'does not use AI copilot,' this report compares three evidence layers: (1) direct public data on retail and prop-trading success, (2) peer-reviewed or working-paper evidence on human-AI collaboration in financial decisions, and (3) evidence that rule-based support and AI assistance improve performance in adjacent, high-cognition work.

1. Why prop trading success should be measured as a funnel

The phrase success rate is often used too loosely in trading marketing. For a prop trader, real success usually means moving through several gates, not merely producing a few profitable trades.

Stage	What counts as success	Why traders fail here	Where AI support can help
Evaluation	Hit the target without breaching daily or total loss rules.	Over-sizing, impulsive re-entry, weak stop discipline, inconsistent days.	Real-time rule tracking, position-size calculators, pre-trade checklist.
Funded survival	Keep account alive while remaining within firm rules.	Best-day concentration, drawdown spikes, slow adaptation after losses.	Daily risk alerts, variance monitoring, behavioral prompts.
Payout conversion	Generate enough clean profit to become payout-eligible.	Profit concentration, overtrading after a good day, violation of consistency expectations.	Session planning, post-trade review, consistency monitoring.
Long-term retention	Repeat payouts with stable process quality.	Strategy drift, fatigue, weak journaling, failure to learn from mistakes.	Pattern detection, journal summaries, recurring coaching loops.

This funnel framing matters because AI does not need to create perfect entries to be valuable. If it cuts avoidable rule breaches, improves research discipline, and shortens feedback loops, it can improve a trader's probability of staying in the game long enough for skill to compound.

2. What happens when traders operate alone

The public baseline for self-directed traders is not encouraging. Across leveraged retail products, academic studies, and public prop-firm disclosures, the dominant pattern is simple: most traders do not survive long enough, consistently enough, or profitably enough to produce durable outcomes.

Evidence set	Population	Headline number	Why it matters
ESMA retail CFD warning	Leveraged retail CFD accounts in EU jurisdictions	74%-89% lose money	Shows how hard leveraged trading is even before applying prop-firm consistency rules.
Brazil equity futures study	Individuals who kept day trading for at least 300 days	97% lost money; only 0.4% earned more than a bank teller	Persistent participation by itself did not rescue outcomes; a tiny minority earned meaningful income.
Taiwan stock market study	Individual day traders	Day traders as a group lost money; activity was >20% of stock volume	Heavy participation does not imply high success; activity and profitability are very different things.
Taiwan futures market study	Day traders in the futures market	Most individual day traders lose money	Futures access and lower margin do not remove the profitability challenge.

Taken together, these studies say something important for AIProp's positioning. The default state of self-directed trading is not 'slightly hard.' It is structurally difficult. The average trader is not mainly missing a secret entry pattern. More often, they are losing to leverage, process inconsistency, behavioral mistakes, and low-quality adaptation after feedback.

3. Public prop-firm data suggests an even narrower path

Prop firms add another layer of difficulty. A trader does not only need a positive expectancy; they must express that edge under explicit rules on daily loss, total loss, profit concentration, and, in some cases, minimum trading activity.

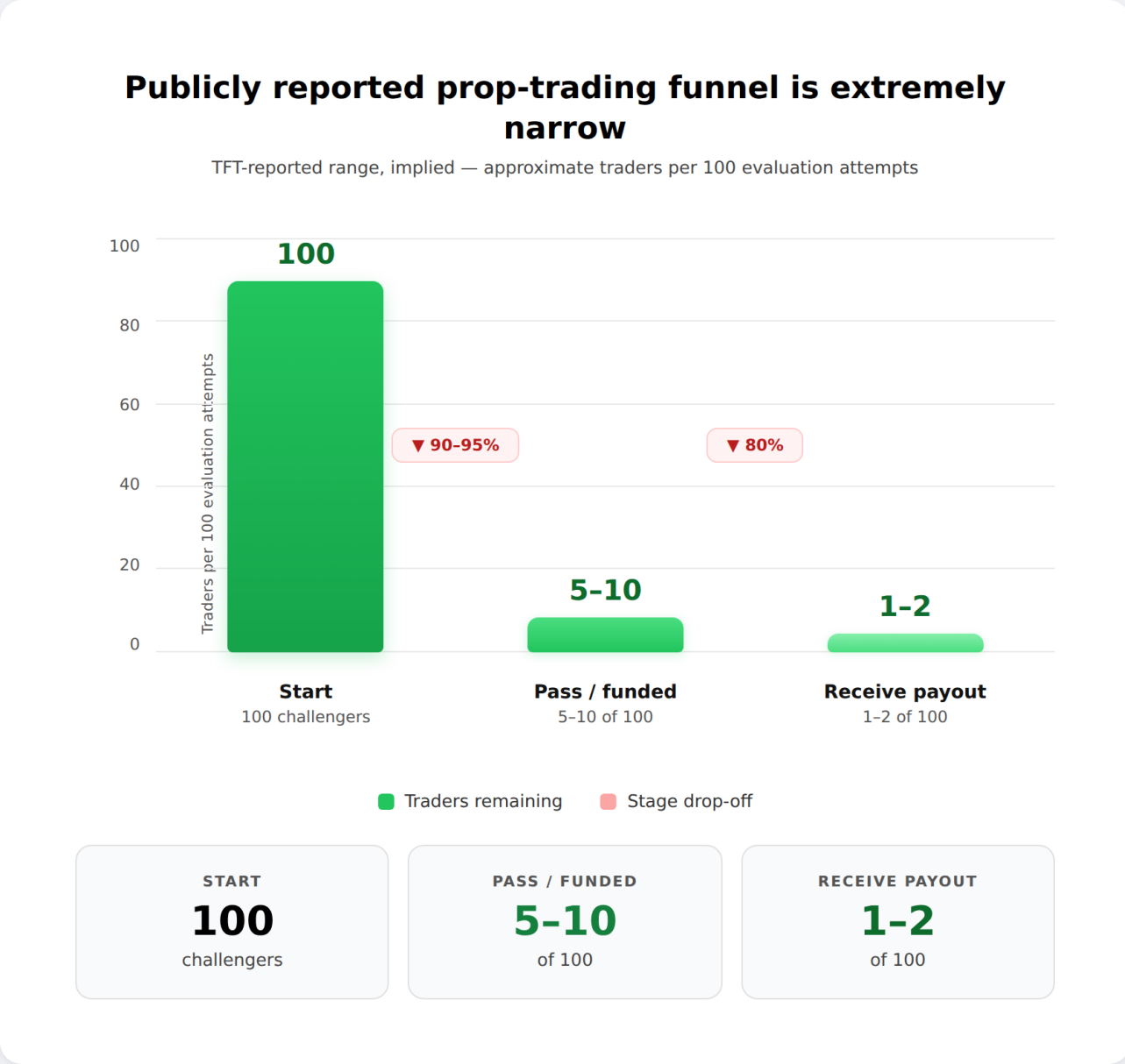


Figure 1. Publicly reported prop-trading funnel is extremely narrow. This illustration uses The Funded Trader's reported 5%-10% pass range and about 20% payout conversion among funded traders, implying roughly 1%-2% payout conversion from initial challenge attempts.

Firm / source	Evaluation pass or completion	Funded-to-payout conversion	Implied challenge-to-payout	Comment
The Funded Trader (reported by founder, via Finance Magnates)	5%-10%	about 20%	about 1%-2%	Small changes in risk discipline can matter because the base rate is already low.
Fintokei (executive interview, Finance Magnates)	7%-8%	about 16%	about 1.1%-1.3%	Reported across 20,000+ traders, with more than EUR4m paid out in 2024.
FTMO (public rules + payout statistics)	Not publicly disclosed in the same way	Not publicly disclosed in the same way	Not directly computable	Still useful because FTMO discloses the rule complexity and the scale of rewards paid.

FTMO's own public objective page shows why this is difficult in practice. A standard challenge includes a 10% profit target, a 5% maximum daily loss, a 10% maximum loss, and a best-day rule requiring the most profitable day to represent no more than 50% of positive-days' profit. These are exactly the kinds of rules that disciplined traders can manage, but emotionally reactive traders repeatedly violate.

This matters for the AI comparison. If a trader is already highly skilled, AI may offer marginal gains. But if the biggest leak is inconsistency, then AI support can create edge by reducing rule breaches rather than by forecasting every next candle.

4. What AI support already improves in financial decision-making

There is still no large public dataset that cleanly answers the exact question 'What percentage of prop traders succeed with AI support versus without it?' That gap should be stated plainly. But the adjacent evidence base is now strong enough to say that human-AI collaboration can improve financial choices in meaningful ways.

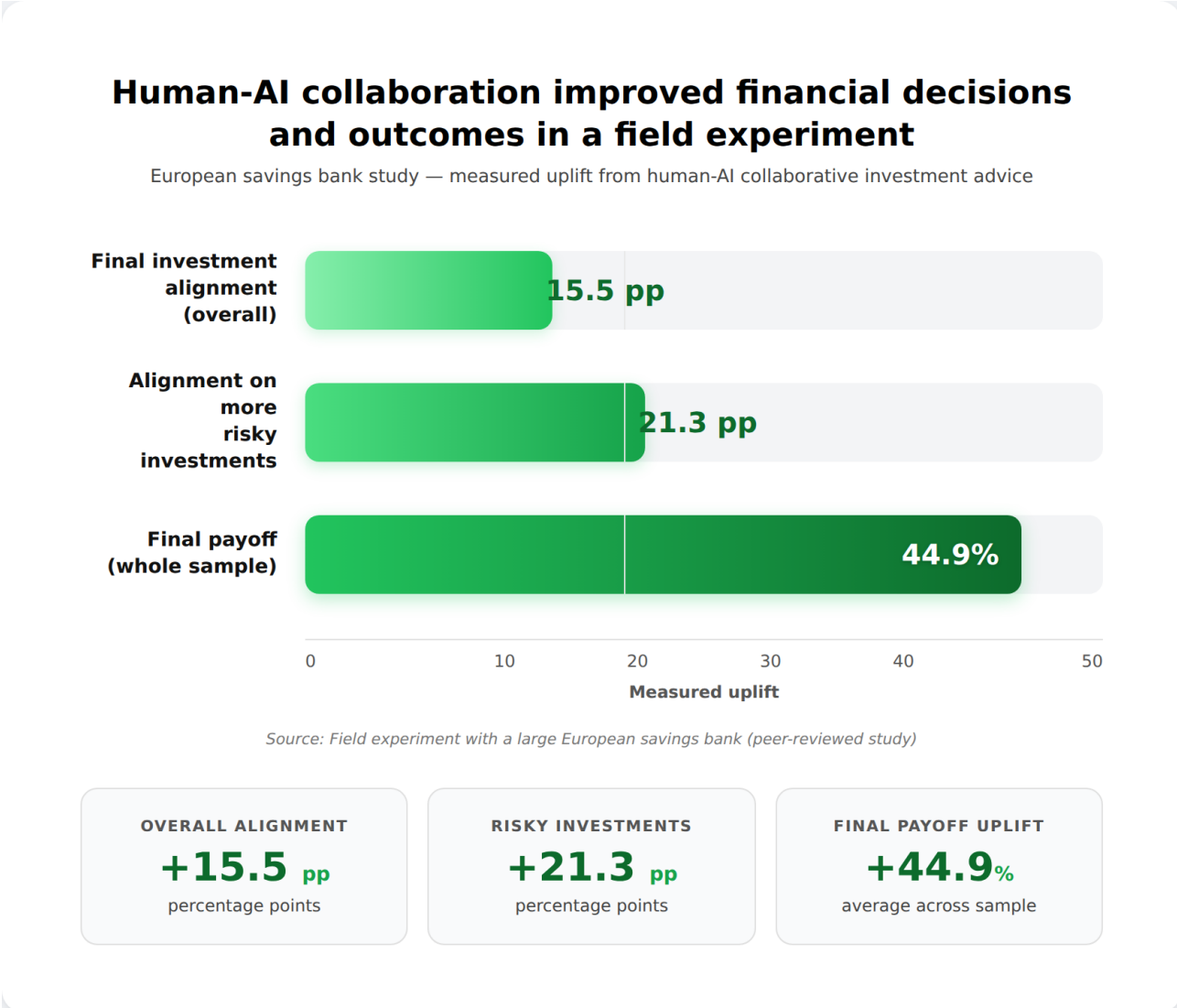


Figure 2. In a field experiment on investment decisions, human-AI collaboration improved final decision alignment and payoffs relative to AI-only advice.

The most relevant public result comes from a field experiment with a large European savings bank. Customers who received human-AI collaborative investment advice, rather than AI-only advice, were more likely to align their final investment decisions with the advice they received. The measured uplift was 15.5 percentage points overall, and 21.3 percentage points for riskier investments. The study also reported an average 44.92% increase in final payoffs across the sample.

Why is that important for prop trading? Because prop trading is full of high-uncertainty moments: whether to size down after a losing day, whether to stop after hitting daily risk, whether to keep pressing after a big winner, whether a setup actually fits the plan, and whether the trader is mistaking impulse for conviction. AI support is most valuable when it improves behavior under uncertainty, not when it seduces the trader into outsourcing responsibility.

A second useful result comes from research on AI and strategic decision-making. In experiments with entrepreneurs and investors, LLM-generated strategies attracted at least as much investor interest as strategies produced by entrepreneurs admitted to a startup accelerator. In a separate evaluation task, LLM scores of business plans had an average correlation of 0.52 with experienced investors' scores, and the AI-to-investor agreement was higher than the agreement between individual investors themselves. The implication is not that AI replaces judgment; it is that AI can be a credible first-pass evaluator and thought partner.

More broadly, generative AI has already shown measurable productivity gains in complex work settings. In a study of 5,179 customer support agents, access to an AI assistant increased productivity by 14% on average and by 34% for novice and lower-skilled workers. In investment management, CFA Institute reported growing adoption of AI and big-data tools, with more than two-thirds of survey respondents saying they wanted to develop technical skills, including AI, to remain relevant in their roles.

The pattern across these studies is consistent. AI adds the most value when work is cognitively demanding, feedback is imperfect, and less-experienced users need structure, synthesis, and a faster route to best practice. That description fits a large share of retail prop traders almost exactly.

5. Where AI support is most likely to improve prop-trader outcomes

The strongest case for AIProp is not 'better predictions than everyone else.' The strongest case is 'fewer avoidable errors, faster learning, and tighter process control.' The table below maps common prop-trader failure points to the forms of AI support most likely to matter.

Failure point	Typical self-directed behaviour	AI-supported workflow	Expected effect
Pre-trade drift	Takes trades outside plan after boredom or FOMO.	AI checks setup against playbook and rejects low-quality conditions.	Higher signal quality, fewer impulsive entries.
Position sizing	Uses feel, recent emotions, or revenge sizing.	AI calculates allowed risk from account rules and current drawdown.	Lower chance of daily-loss breach.
In-trade management	Moves stop, widens risk, or exits randomly.	AI reminds trader of predefined stop logic and scenario branches.	Improved discipline and expectancy preservation.
Post-win overconfidence	Overtrades after a strong day and concentrates profit in one session.	AI enforces session stop rules and best-day concentration awareness.	Better payout eligibility and consistency.
Post-loss tilt	Attempts to win back losses quickly.	AI flags revenge-trading signals and suggests shut-down protocols.	Lower drawdown spikes; improved account survival.
Weak journaling	Keeps scattered notes and learns slowly.	AI converts trades into structured journal summaries and pattern reports.	Faster feedback loops and process improvement.

Notice that every row above addresses a known failure mode in public trading data: too much leverage, too much discretion under stress, too little structured learning, and too little respect for risk boundaries. AI support is therefore best thought of as a behavioural and operational edge, not a guarantee of alpha.

6. Self-directed versus AI-supported: the fairest comparison the public evidence allows

Because exact public pass-rate data for AI-supported prop traders does not yet exist, the cleanest comparison is qualitative but evidence-based.

Dimension	Self-directed trader	AI-supported trader
Research process	Manual, slower, prone to cherry-picking and narrative bias.	Faster synthesis, scenario generation, and plan standardisation.
Rule compliance	Depends on memory and willpower in stressful moments.	Can be monitored in real time with objective alerts and hard limits.
Learning speed	Often slow because journaling is inconsistent or incomplete.	AI can summarize errors, cluster setups, and detect recurring leaks.
Decision quality under uncertainty	Highly exposed to fear, greed, recency bias, and tilt.	Human still decides, but AI can improve clarity and reduce noise.
Probability of magical outperformance	Usually low and unstable.	Still low if the trader expects AI to replace discipline.
Probability of process improvement	Limited by the trader's own habits and analysis bandwidth.	Meaningfully higher if AI is used as a disciplined copilot.
First-month loss rate (AIProp internal data)	65% lost money in month one.	15% lost money in month one among traders using AI, including automated EAs.
Account volatility (AIProp internal data)	Higher observed volatility.	Lower observed volatility when using AI and EAs.

In plain language, the public evidence supports the following message: trading alone produces poor aggregate outcomes; AI support can improve decision quality and workflow quality; and the most credible path to better prop-trader results is not pure automation, but human-AI collaboration.

AIProp's internal survey strengthens this comparison with direct company evidence, and the next section unpacks those figures directly. In the first month, only 15% of traders using AI, including automated EAs, lost money, compared with 65% of manual traders. AIProp also observed lower account volatility among AI and EA users, while 78% of surveyed traders expressed interest in AI and EAs.

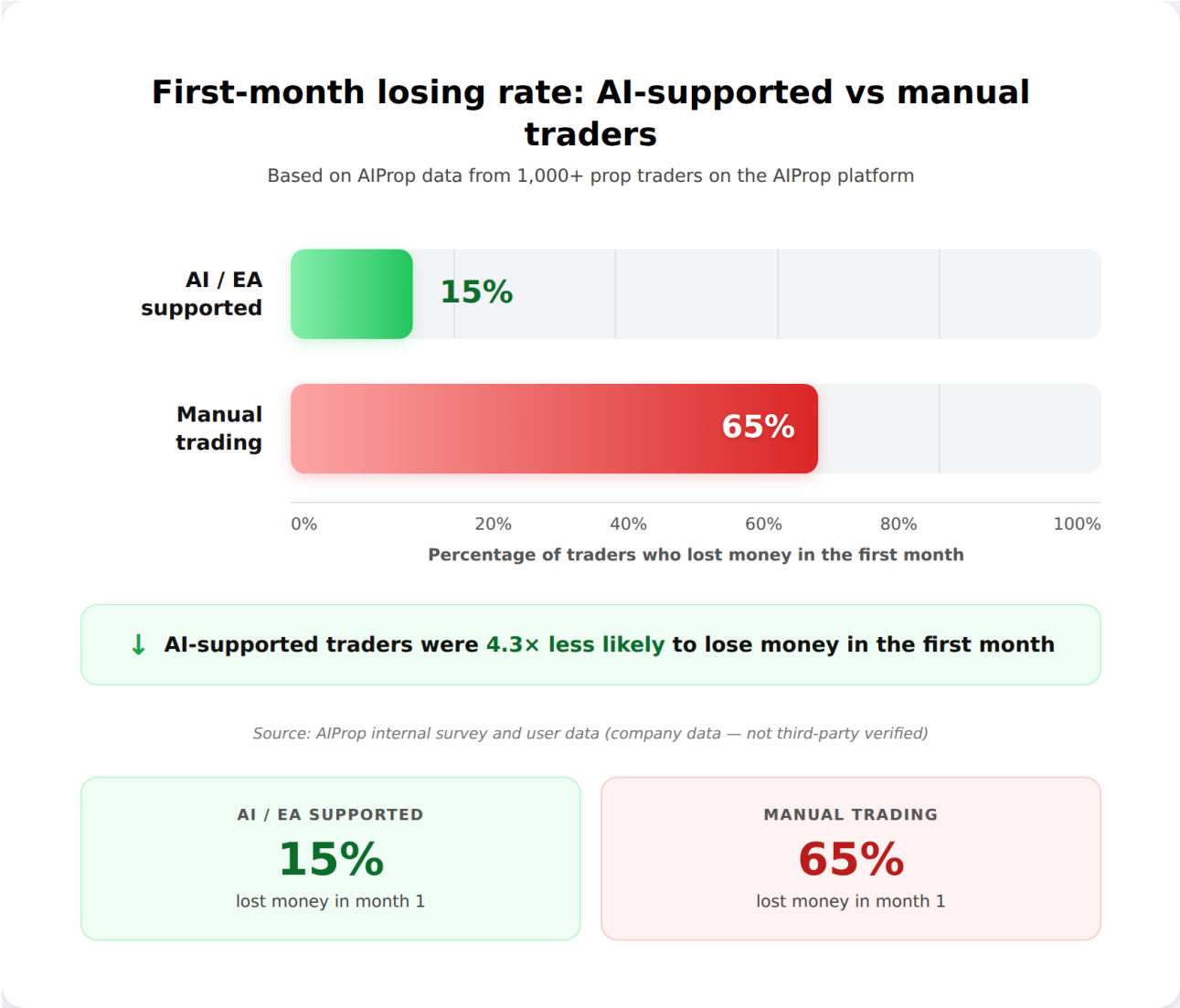
7. AIProp Trader Dataset: What the Evidence from 1,000 Active Prop Traders Suggests

This section draws on AIProp's proprietary dataset — compiled from a cohort of 1,000 active prop traders across the platform. The figures reflect survey responses and platform-derived user signals rather than third-party audited benchmarks; however, they are commercially meaningful and directionally consistent with the broader published literature on human-AI collaboration, workflow quality, and decision support.

Summary table

Metric	AI / EA supported	Manual trading	Why it matters for prop trading
First-month traders who lost money	15%	65%	A 50-point gap suggests AI may reduce early avoidable mistakes, which are often fatal during evaluations.
Survey interest in AI / EAs	78% interested	22% not interested or unsure	Demand already exists. This matters for adoption, retention, and product-market fit.
Account volatility pattern	Lower	Higher	Lower volatility can improve survival under daily loss and max drawdown rules, even before raw returns improve.

Figure 3. First-month losing rate



This is the clearest commercial signal in the internal dataset. The absolute gap is 50 percentage points (65% manual versus 15% AI / EA supported). Framed differently, traders in the AI-supported cohort were about 77% less likely to finish month one in the red, and manual traders were roughly 4.3 times as likely to lose money during the same period. That does not prove causality on its own, but it is large enough to justify deeper cohort tracking.

Figure 4. Trader interest in AI / EAs

The 78% interest figure matters beyond marketing. It implies that AI assistance is no longer a niche behavior among traders. For AIProp, that means the category is already familiar to the market; the harder challenge is proving which kind of AI support actually improves outcomes. Positioning should therefore focus on measurable process improvement - risk control, journaling, review quality, and consistency - rather than vague claims of smarter predictions.

Why lower volatility deserves its own spotlight

In prop trading, lower volatility is valuable even when average return is unchanged. Most evaluation models penalize instability through daily loss limits, trailing drawdown, or best-day concentration rules. A lower-volatility account is less likely to hit a rule breach by accident, more able to compound steadily, and easier to size or review objectively. In other words, lower volatility does not just improve comfort; it directly supports survival inside the prop-trading rule set.

This is why AI support often matters more as a control system than as a pure signal engine. If AI or EAs help traders follow entry rules, avoid revenge trading, reduce over-sizing, and standardize exits, volatility can fall before headline profitability rises. For a prop trader, that sequencing is powerful: surviving longer increases the chance to learn, pass, and ultimately monetize skill.

8. Important limits, risks, and what AI cannot fix

- AI does not create discipline in a trader who refuses to follow a process. It can only make discipline easier to implement and monitor.
- AI can hallucinate, overfit, or generate false confidence. Blindly following AI is a new failure mode, not a solution.
- Not all AI support is equal. A journaling copilot, a risk monitor, and a signal generator solve different problems and should not be merged into one marketing claim.
- Public data still does not prove a single universal uplift in prop-firm pass rate from AI use. AIProp's own early internal figures are directionally supportive - in first-month results, 15% of AI and EA users lost money versus 65% of manual traders, with lower observed volatility among AI and EA users - but any broader numeric claim about exact pass-rate improvement should still be validated using a clearly defined cohort methodology.
- The strongest expected gains are probably among newer and less structured traders, not already elite traders. That pattern is consistent with the broader AI productivity literature.

9. Bottom line for AIProp

A publishable, defensible conclusion should sound like this:

> *Prop trading success is rare when traders operate alone. Public evidence across leveraged retail markets, academic studies, and prop-firm funnels shows that most traders lose money, fail evaluations, or never reach payout. AI support does not guarantee profits, and public datasets do not yet reveal one universal 'AI pass-rate uplift' for prop traders. However, the best available evidence already shows that human-AI collaboration improves financial decision-making, especially in risky settings, while AI assistance improves productivity and best-practice adoption in complex work. For prop traders, that means AI's most realistic value is not replacing judgment, but improving discipline, rule compliance, research speed, and post-trade learning. In a business where overall success rates are often measured in single digits, even modest improvements in those frictions can matter materially.*

From a brand perspective, this is also the safest message. AIProp should promise a better process, better feedback, and better control - not fantasy certainty. That stance is more credible, more durable, and more consistent with the real data.

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- Suggested publication position for AIProp: market the product as an AI copilot for discipline, risk control, and learning - not as an autopilot that guarantees profits.

Appendix: the dataset AIProp should build next

The public evidence in this report is strong enough to support AIProp's core thesis, and AIProp already has a useful internal starting signal: lower first-month loss incidence and lower account volatility among traders using AI and EAs, alongside strong trader interest. The company can create a far stronger moat by publishing its own cohort evidence over time. The cleanest next step is to track traders who actively use AI support and compare them with traders who do not, while controlling for account size, instrument mix, challenge model, and prior experience.

The goal is not just to ask whether AI users make more money. The goal is to measure where the improvement happens inside the prop funnel.

Metric	Why it matters	Suggested definition	Publication value
Evaluation pass rate	The headline conversion metric.	Passed challenge / total attempts, split by active AI users vs non-users.	Most intuitive external statistic.
Rule-breach rate	Best proxy for discipline improvement.	Share of accounts failed by daily-loss, max-loss, or consistency violations.	Shows AI's behavioral value, not just alpha.
Time to payout	Measures speed and survivability.	Median days from challenge start to first payout.	Commercially relevant to traders.
Payout frequency	Tests durability after funding.	Number of payouts per funded trader over a fixed window.	Shows whether success is repeatable.
Drawdown severity	Captures risk quality.	Median and 95th percentile drawdown by cohort.	Useful for serious, trust-based messaging.
Journal completion and review rate	Tests whether the learning loop is actually used.	Share of trades with structured review and recap usage.	Connects product engagement to outcomes.

For publication, the strongest future claim would not be 'AI helps traders.' It would be something measurable and modest, such as: traders using AIProp's risk and review tools had lower rule-breach rates, faster first-payout times, and better payout retention than comparable traders not using the tools.

That type of claim would move AIProp from opinion-led marketing to evidence-led category leadership.