

# PAMM operations example 1 – 3

## PAMM TRADER



- Invests self-capital 1000 USD
- Performance fee 20%
- Trading interval – week
- Share of account: 0.33 (33.3%)

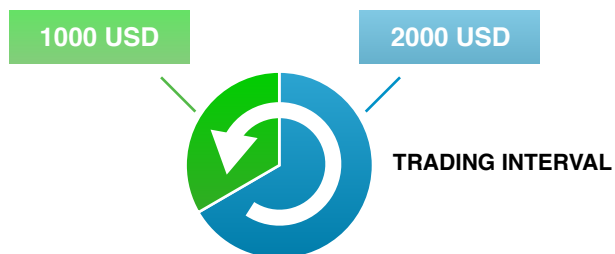
## PAMM INVESTOR



- Invests 2000 USD
- Share of account: 0.66 (66.6%)

2

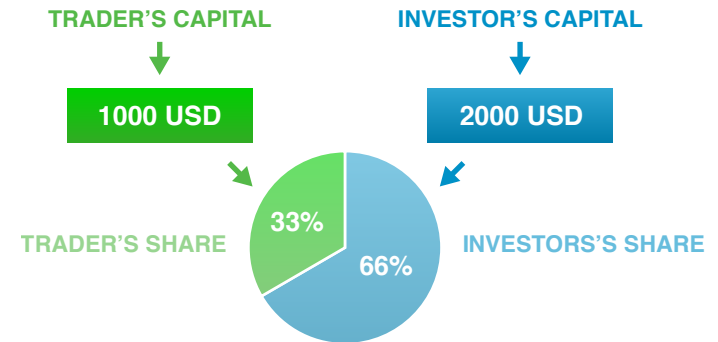
FOREX TRADING



TOTAL PAMM CAPITAL 3000 USD

1

DEPOSIT

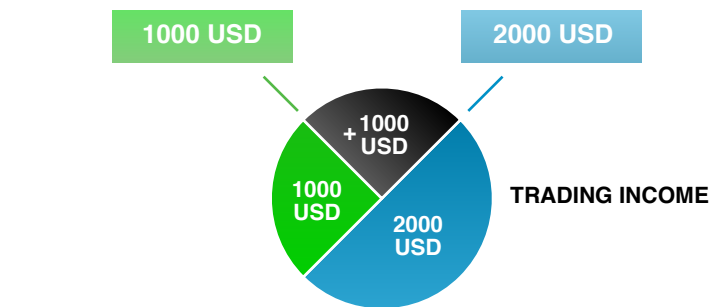


TOTAL PAMM CAPITAL 3000 USD

PAMM Trader has total capital for trading 3000 USD

3

INCOME



TOTAL PAMM CAPITAL 4000 USD

EQUITY = 2000 (investor) + 1000 (trader) + 1000 (income) = 4000 USD

TRADER'S INCOME  
FROM TRADING

income = trading profit × share of account

1000 × 0.33 = 333.33 USD

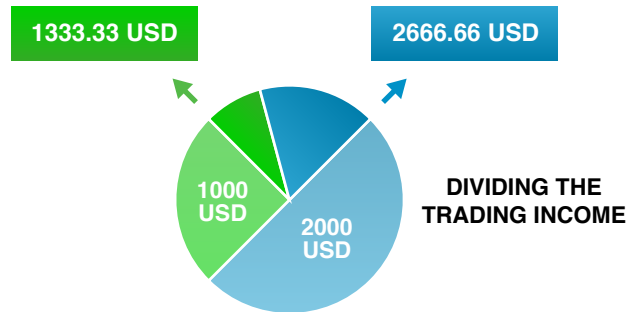
INVESTOR'S INCOME  
FROM TRADING

income = trading profit × share of account

1000 × 0.66 = 666.66 USD

## 4

DIVIDING THE INCOME

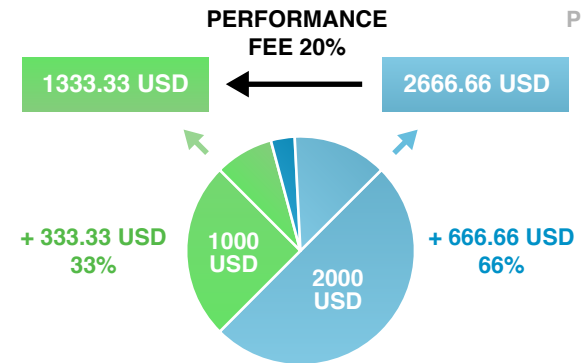


EQUITY INCREASED BY THE SUM OF INCOME

1333.33 USD (green) and 2666.66 USD (blue)

## 5

CALCULATING THE PERFORMANCE FEE



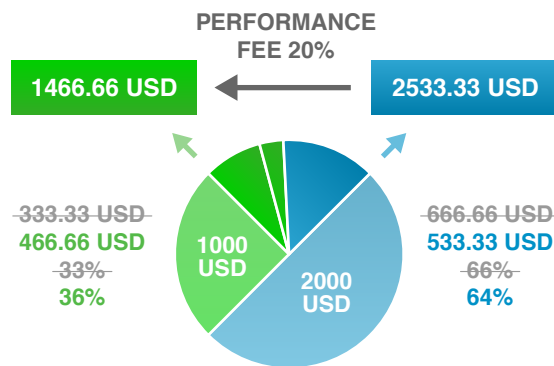
**TRADER'S INCOME FROM PERFORMANCE FEE**

investors income from trading × performance fee percentage

$$666.66 \times 20\% = 133.33 \text{ USD}$$

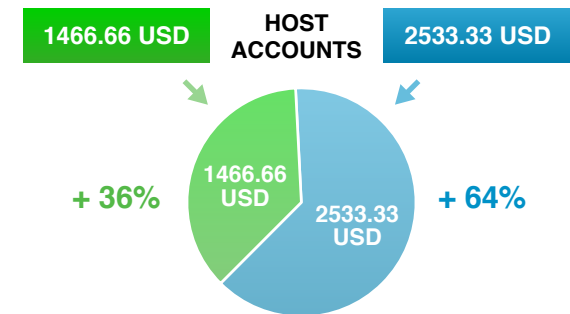
## 6

CORRECTING INVESTOR'S AND TRADER'S SHARES



## 7

START OF NEXT TRADING PERIOD



**TOTAL PAMM CAPITAL 3999.99 USD**

Shares in PAMM account have been updated accordingly

**TRADER: TOTAL INCOME AFTER WEEK**

Trading income + performance fee  
333.33 + 133.33 = 466.66 USD

**Trader's balance =**  
1000 + 466.66 = 1466.66 USD

**INVESTOR: TOTAL INCOME AFTER WEEK**

trading income – performance fee  
666.66 – 133.33 = 533.33 USD

**Highwatermark =**  
2000 + 533.33 = 2533.33 USD