He Kept Passing Challenges | Changing Lives Ep .9

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SOURCE: https://www.youtube.com/watch?v=MEwF912t1zs
GENERATED: 8/22/2026

HE KEPT PASSING CHALLENGES | CHANGING LIVES EP. 9 — FUNDEDNEXT

1. EXECUTIVE SUMMARY

Michael "Tom" Teodoro, a Filipino IT professional turned prop trader, shares how he overcame repeated payout failures, psychological pressure, and personal loss to eventually earn a $40,000 reward from FundedNext. His journey emphasizes that passing challenges is not enough — managing the psychological side of trading is the true barrier to consistent profitability. A deliberate 6–7 month break from live trading, combined with deep academic study of quantitative finance and market structure, was the turning point that allowed him to trade without pressure and finally achieve life-changing results.

2. KEY CONCEPTS

[0:08] Opportunity recognition: Opportunities exist everywhere, but only a few people develop the awareness to see and act on them.
[1:53] Side hustle discipline: Managing multiple income streams in college built the financial discipline and goal-setting mindset that later translated into trading.
[2:05] Discipline through adversity: Early hustle experiences taught the importance of having a clear goal and staying disciplined under financial pressure.
[5:52] Study intensity: Spending 14–16 hours per day studying charts and market structure is what builds genuine edge and pattern recognition.
[6:11] Algorithm-based market understanding: The market moves based on algorithmic logic, not just candlestick patterns visible to retail traders.
[6:30] Academic approach to learning: Sorting through available information with an academic mindset — seeing both sides of an argument — is more effective than following clickbait trading content.
[7:04] Quantitative finance: Studying quant finance helps traders understand the deeper mechanics of financial markets and the broader economy, separating them from common retail traders.
[8:00] Challenge vs. live account gap: Passing evaluation challenges consistently is a different skill set from sustaining profitability and extracting payouts on a live funded account.
[8:16] Psychological wall: A mental barrier exists between passing challenges and successfully converting funded account performance into consistent rewards.
[8:30] Deliberate break as strategy: A planned 6–7 month pause from live trading was used intentionally to reset psychology and eliminate performance pressure.
[8:39] Trading without pressure: The ability to view the market without emotional or financial pressure is a prerequisite for consistent execution.
[8:44] Demo account benefit: Demo trading during the break period allows skill-building and strategy refinement without psychological stakes.
[8:51] Life-changing vs. mind-changing: A large payout is not just financially transformative — it reshapes the trader's psychological relationship with risk, discipline, and ambition.

3. TRADING STRATEGIES MENTIONED

Strategy: Market Structure + Algorithmic Execution

- Entry rules: Identify market structure shifts and wait for algorithmically aligned setups; avoid entries driven by raw candlestick emotion
- Exit rules: Not explicitly detailed in the video
- Risk management: Not explicitly detailed; implied through discipline, goal-setting, and avoiding overtrading during psychological pressure
- Example given: Tom spent 14–16 hours daily studying chart movement to understand how market structure and proper execution align with algorithmic behavior

Strategy: Psychological Reset / Planned Trading Break

- Entry rules (to the break): When payout results are not matching challenge performance, recognize a psychological wall is present and step back intentionally
- Exit rules (ending the break): Return to live trading only when the market can be viewed without pressure
- Risk management: Use demo accounts during the break to maintain skill without financial risk
- Example given: Tom took a 6–7 month break, trading only on demo, before returning to funded account trading and achieving consistent payouts

4. ACTIONABLE TAKEAWAYS

- Study charts for extended sessions (aim for deep, focused hours rather than passive screen time) to internalize market structure
- Take an academic approach to trading education — seek resources that explain both sides of a concept, not just clickbait thumbnails
- Study quantitative finance to understand why markets move, not just how they look on a chart
- If you are passing challenges but failing to generate payouts on live accounts, identify the psychological wall before continuing
- Plan a deliberate demo-only break (weeks or months) when performance pressure is affecting your execution
- Use demo accounts during breaks to refine strategy without financial stakes
- Set a concrete, personal goal (like buying a vehicle for a family business) to anchor your trading motivation
- Do not rely on copy trading — build your own understanding of the market step by step
- Choose a prop firm with a strong track record of fast, reliable payouts to reduce external stress on your trading psychology
- Develop discipline through non-trading pursuits (side hustles, work ethic, structured routines) that reinforce goal-oriented behavior

5. IMPORTANT TIMESTAMPS

[0:00] Michael opens with the personal promise he made in college to buy his mother a vehicle for the family business.
[1:00] He describes his father's death from cancer in 2013 and the lasting instruction to care for his siblings.
[1:51] He explains how college side hustles partially funded his tuition and built his trading discipline.
[2:25] He formally commits to buying his mother a service vehicle, connecting personal motivation to trading goals.
[3:33] He describes meeting Sir Alex, a German national, and learning high-quality work ethics involving integrity, hard work, and commitment.
[4:39] He recounts returning to Canada after the pandemic and restarting his trading journey there.
[5:01] He introduces Frank, his college business partner who introduced him to crypto and later passed away in 2022.
[5:42] He honors Frank's memory by carrying forward an openness to opportunity and risk.
[5:52] He describes his 14–16 hour daily study sessions in 2025, including sacrificing sleep to study chart movement.
[6:11] He explains his skepticism of clickbait trading content and preference for academic, balanced learning resources.
[7:04] He introduces quantitative finance as the discipline that separated him from common retail traders.
[7:29] He explains why he chose FundedNext — fast payouts and a reputation for integrity around their rules.
[8:00] He acknowledges he could pass challenges and get live accounts but was not converting them into payouts.
[8:16] He identifies the psychological wall as the key obstacle and describes how to overcome it through confidence and discipline.
[8:30] He explains the 6–7 month break was a deliberate plan to trade without pressure.
[8:51] He reflects on the $40,000 reward as life-changing and mind-changing, elevating his psychological approach to trading.
[9:04] He expresses gratitude for the consistency of rewards from FundedNext in 2025.
[9:23] His wife Pamela shares her initial concern when he left his stable job for trading.
[10:18] Pamela confirms the $40,000 arrival and its impact on their family's security and their son's future.
[10:35] Pamela describes watching her husband buy the pickup truck for his mother as a moment of pride.
[11:03] Student King Joshua Santiago shares how Tom's mentorship improved his market understanding, discipline, and vision for the future.
[12:05] King Joshua warns against relying on copy trading, calling trading a serious profession that must be pursued step by step.
[12:15] King Joshua imagines Tom's late father being proud of the truck now serving the family business.

6. VOCABULARY/TERMS DEFINED

Market Structure: The framework of highs, lows, trends, and turning points on a price chart that defines the overall direction and behavior of a market.

Algorithmic Trading / Algorithm-Based Market: The idea that price movement is largely driven by automated, institutional algorithms rather than the emotional reactions of retail traders looking at candlestick patterns.

Quantitative Finance: An academic discipline applying mathematical models, statistics, and financial theory to understand and predict market behavior — used here to build a deeper edge beyond surface-level chart reading.

Funded Account / Live Account: A trading account provided by a prop firm (here, FundedNext) with real capital after a trader passes an evaluation challenge.

Evaluation / Challenge Phase: A timed assessment in which a trader must meet specific profit targets and stay within drawdown rules to qualify for a funded account.

Psychological Wall: A mental barrier that prevents a trader who can pass evaluations from sustaining profitable performance under the pressure of real money and payout expectations.

Copy Trading: A passive approach where a trader automatically replicates the trades of another trader, without developing independent market understanding — cautioned against in this video.

Demo Account: A simulated trading account using virtual funds, used here as a pressure-free environment for skill development during a deliberate break from live trading.

Prop Firm (Proprietary Trading Firm): A company (such as FundedNext) that provides traders with capital in exchange for a share of profits, after the trader passes a qualification challenge.

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7. QUOTES & INSIGHTS

> *"Opportunities are available in this world, but only few people can actually see it."*
> *— Michael Tom, honoring the memory of his late friend Frank*

> *"It was difficult, but you can overcome it if you build your confidence, your discipline, and the way you approach the market."*
> *— Michael Tom, on breaking through the psychological wall*

> *"You have to see the market without the pressure."*
> *— Michael Tom, identifying the single most important mindset shift for consistent trading*

> *"The $40,000 reward was life-changing, but not only life-changing — it is also mind-changing."*
> *— Michael Tom, on how a large payout reshapes psychological approach, not just finances*

> *"I do not actually fall into those type of audience because I think an academically approached is for me an effective way to learn because not only I can see both sides, but they can explain better what I'm trying to learn."*
> *— Michael Tom, on filtering out clickbait trading content in favor of rigorous learning*

> *"If you want to do trading, you have to do this seriously. It's an opportunity. It's a profession. And you have to do it step by step because it could change your life."*
> *— King Joshua Santiago, student mentored by Michael Tom*

> *"One thing I just did for him is I do not disturb him."*
> *— Pamela Teodoro, on how she supported her husband during his 6–7 month trading break — a quiet but powerful form of partnership*

> ***Key Insight — The Challenge-Payout Gap:*** *Passing prop firm challenges and actually generating consistent payouts are two entirely different psychological tasks. Tom's story makes clear that technical skill gets you through the evaluation, but emotional and psychological management determines whether you can perform under the weight of real expectations.*

> ***Key Insight — Purposeful Motivation:*** *Attaching trading goals to a concrete, emotionally meaningful outcome (buying a vehicle for a widowed mother running a small business) creates a motivational anchor that sustains effort through long periods of difficulty.*