How is the Performance Fee calculated?

WB Copy Trading · https://windsorbrokers-chn.com/knowledge-base/wb-copy-trading/how-is-the-performance-fee-calculated/

A Performance Fee is a percentage of a profitable trading result of a Follower's subscription, which is paid to the Provider. The fee is only earned when the profit of the Follower's subscription surpasses the most recent High Water Mark (HWM), which is the maximum recorded level or value of profit that was last achieved by the Follower's subscription.

Profit, and therefore the Performance Fee, are calculated on a Weekly Trading Interval. The calculation can be determined by the difference between the current equity, and the equity of the previous week. Equity is your account balance plus the floating profit (or loss) of all your open positions.

The Performance Fee % is determined by the Provider based on the offer they want followers to subscribe to, but the formula is always the same: Performance fee = Subscription's Profit x Fee %

For example:
Performance Fee = 10%
Week 1 PnL = $400 → $40 Performance fee
Week 2 PnL = -$200 → No Fee ($400 - $200 = $200 < $400 HWM)
Week 3 PnL = $300 → $10 Performance fee ($400 - $200 + $300 = $500; $500 - $400 = $100)