Four calculations to keep close

A quick reference for the worked examples. These relationships describe stated inputs; they do not establish suitability, forecast returns or guarantee execution.

Position size with fixed estimated costs

Whole shares = floor((planned loss budget minus total estimated costs) / absolute difference between entry and assumed exit).

Example: $100 budget, $0 costs and $2 per share risk allow 50 shares. A worse fill or costs can increase the loss. This simple form describes a fully funded stock position in one currency.

Loss and recovery

Required gain on the remaining balance = loss percentage / (100 minus loss percentage) x 100.

A 20% loss leaves $80 from $100. A 25% gain on $80 restores $100. This arithmetic says nothing about whether or when recovery will occur.

Weighted fund fee

Portfolio fund expense rate = sum of each allocation weight x its fund expense rate.

Express each weight as a fraction of the total. A 60% allocation at 0.20% and a 40% allocation at 0.50% produce 0.32%. Account, advice, trading and tax costs are separate.

Allocation drift

Percentage-point drift = current percentage weight minus target percentage weight.

From 50% to 55% is 5 percentage points. The relative increase is (55 / 50 minus 1) x 100 = 10%. New cash changes total portfolio value and therefore changes the weights.

Methods: Market Master worked examples. Definitions and background: Investor.gov expense-ratio glossary and stop-order investor bulletin. Read the complete guides for inputs and limitations.