SIGNAL PILOT EDUCATION

Position Sizing Calculator Template

Signal Pilot Education — companion to Lesson 20: Position Sizing.

Work top to bottom. Every line is arithmetic on numbers you supply; nothing here decides whether to take a trade.

> **Educational only.** Trading involves substantial risk of loss. Not financial advice. Past performance does not guarantee future results.

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1. Size for a single trade

Step	Formula	Your value
A. Account size	—	
B. Risk per trade (%)	your rule, decided in advance	
C. Cash at risk	A × B	
D. Entry price	—	
E. Invalidation price	—	
F. Risk per unit	|	D − E|
G. Position size	C ÷ F	
H. Position value	G × D	
I. Position as % of account	H ÷ A	
J. Invalidation distance (%)	F ÷ D	

Reading the output

- If **I** exceeds 100%, the position needs leverage. That is a financing decision, not a sizing one — resolve it before continuing.
- If **J** is very small, the invalidation may sit inside normal noise for the symbol, and the size will look flatteringly large. Compare **F** against a volatility measure such as ATR before accepting it.
- **C never changes to fit the trade.** If the size looks wrong, the invalidation level is what gets re-examined.

2. Risk / reward, before entry

Step	Formula	Your value
K. Objective level	—	
L. Distance to objective	\	K − D\
M. Reward-to-risk	L ÷ F	

Record **M** for every trade you take, and for the ones you skip. The distribution of M across your journal is more informative than any single value.

3. Portfolio heat

Heat is total risk live at once, not the size of any one position.

Open position	Cash at risk	% of account
1		
2		
3		
4		
5		
Total heat		

Check	Your rule	Current	OK?
Maximum total heat			
Maximum heat in one symbol			
Maximum heat in one correlated group			

Write the caps down before you need them. A cap you set mid-drawdown is not a cap.

4. Correlation check

Two positions that move together are closer to one position than to two.

Group	Positions	Combined risk	Treated as
Crypto majors			
USD-sensitive			
Index / equity beta			
Metals			

Use the correlation matrix workbook to fill this in from your own return history rather than by assumption. Correlations are unstable, and they tend to converge toward 1 exactly when diversification is supposed to help.

5. Sizing log

Date	Symbol	Account	Risk %	Cash at risk	Units	Heat after	Notes

Reconcile this log against your journal monthly. Where the sizes disagree with the rule, the gap is the finding.