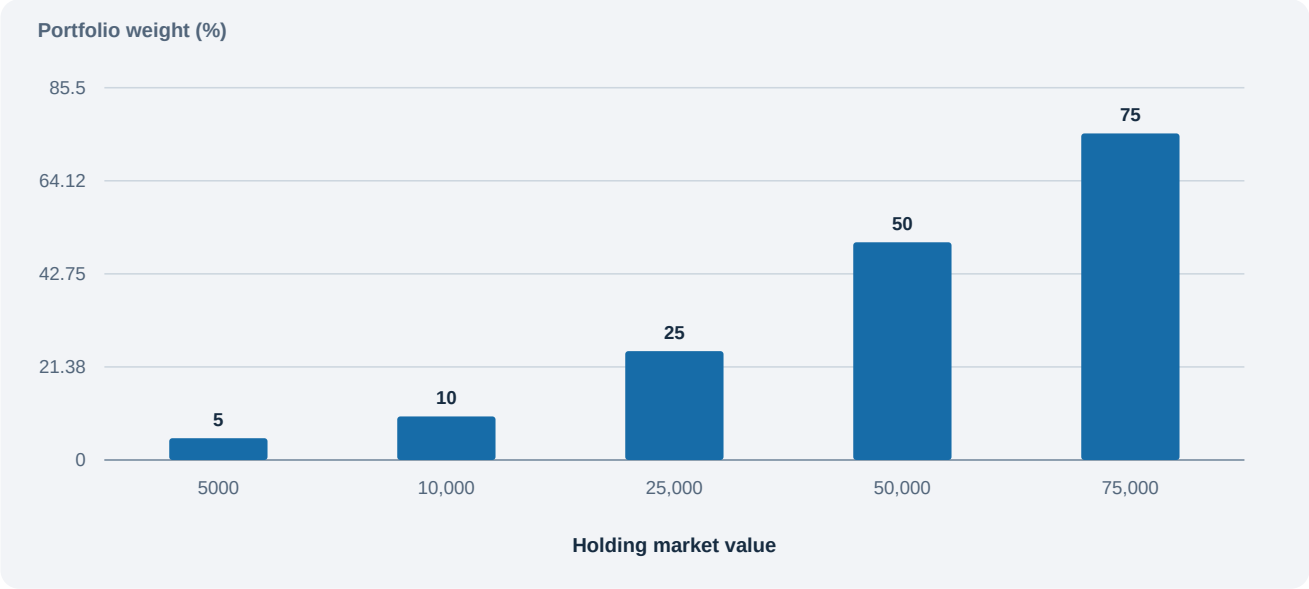
Weight of a portfolio holding

Portfolio arithmetic | Original synthetic example | Edition 2026-11-26

A holding's market value divided by total portfolio value measures its current weight. Price changes can alter weights even when no trades occur.

FORMULA Holding weight = holding market value / portfolio market value

SCENARIO 01: Total portfolio market value 100000



WORKED EXAMPLE

A 25,000 holding is 25% of total 100000. All values must use the same valuation time.

COMMON MISTAKE

Using purchase cost for one asset and current value for the rest mixes incompatible measurement dates.

BEFORE YOU USE THE CALCULATION

1. Use synchronized valuations.
2. Include cash in the total if policy requires it.
3. Check all weights reconcile to the total.

COMPARE TWO MORE INPUT SETS

Scenario 05: Total portfolio market value 200000. A 25,000 holding is 12.5% of total 200000. All values must use the same valuation time.

Scenario 10: Total portfolio market value 325000. A 25,000 holding is 7.69% of total 325000. All values must use the same valuation time.

Synthetic values are not historical market data. Educational material; trading can result in substantial losses.