Mr. Backtester

FOR FOREX, STOCK, GOLD & CRYPTO TRADERS

Risk Management & Position Size

Size every trade from the risk, not the hope.
Survive the losing streaks every system has.

This workbook belongs to

NAME _____

BROKER / ACCOUNT _____

STARTING BALANCE _____

RISK PER TRADE (%) _____

IF FOUND, PLEASE CONTACT _____

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How to use this workbook

FOUR PARTS

Risk management is not a feeling. It is a handful of numbers decided in advance and checked every day. This workbook walks you through them in order.

1 **Learn the math**
Part 1 shows what risk per trade, losing streaks and drawdowns do to an account, with tables you can check yourself.

2 **Write your plan**
Part 2: your risk per trade, loss limits and what you do at each drawdown level. Signed and dated.

3 **Size every trade**
The position size worksheets turn money at risk and stop distance into lots, shares or coins.

4 **Track and review**
The daily tracker, drawdown tracker and monthly reviews show whether you follow the plan.

5 **Check open risk**
Before adding a position, make sure total open risk and correlated positions stay within your limits.

How to fill in the pages

- Decide the money at risk before you look at the position size. The size is the last number you calculate, never the first.
- Use the ready-made lot tables when you are in a hurry, and the worksheets when you want a record.
- Fill in the daily tracker every trading day, even on days without trades.
- When a drawdown level on your action plan is reached, do what the plan says. You wrote it when you were calm.
- In this fillable edition, money at risk, stop distance, position size, balances and drawdowns calculate themselves. You can type any value yourself. Calculations work best in Adobe Acrobat Reader (free).

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Ready-made lot table: forex

PAIRS QUOTED IN USD: EURUSD, GBPUSD, AUDUSD, NZDUSD

Find your stop in pips on the left and your money at risk (in USD) along the top. The cell is the position size in standard lots. Round down to your broker's step.

STOP (PIPS)	$10	$25	$50	$100	$150	$200	$300	$500	$1,000
5	0.20	0.50	1.00	2.00	3.00	4.00	6.00	10.0	20.0
8	0.12	0.31	0.62	1.25	1.88	2.50	3.75	6.25	12.5
10	0.10	0.25	0.50	1.00	1.50	2.00	3.00	5.00	10.0
12	0.08	0.21	0.42	0.83	1.25	1.67	2.50	4.17	8.33
15	0.07	0.17	0.33	0.67	1.00	1.33	2.00	3.33	6.67
20	0.05	0.12	0.25	0.50	0.75	1.00	1.50	2.50	5.00
25	0.04	0.10	0.20	0.40	0.60	0.80	1.20	2.00	4.00
30	0.03	0.08	0.17	0.33	0.50	0.67	1.00	1.67	3.33
40	0.03	0.06	0.12	0.25	0.38	0.50	0.75	1.25	2.50
50	0.02	0.05	0.10	0.20	0.30	0.40	0.60	1.00	2.00
60	0.02	0.04	0.08	0.17	0.25	0.33	0.50	0.83	1.67
75	0.01	0.03	0.07	0.13	0.20	0.27	0.40	0.67	1.33
100	0.01	0.03	0.05	0.10	0.15	0.20	0.30	0.50	1.00
150	0.01	0.02	0.03	0.07	0.10	0.13	0.20	0.33	0.67
200	0.01	0.01	0.03	0.05	0.07	0.10	0.15	0.25	0.50

How it is calculated

Lots = money at risk ÷ (stop in pips × 10), because one pip on one standard lot of a USD-quoted pair is worth 10 USD. For pairs not quoted in USD, use the worksheet with the value from the previous page. 0.01 lot is the usual minimum.

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Position size worksheet

At risk = balance × risk % ÷ 100. Distance = |entry - stop|. Size = at risk ÷ (distance × value of a 1.00 move).
Fillable: At risk, Distance and Size calculate themselves; you can also type them.

#	DATE	MARKET	BALANCE	RISK %	AT RISK	ENTRY	STOP	DISTANCE	VALUE 1.00	SIZE	NOTE
001											
002											
003											
004											
005											
006											
007											
008											
009											
010											
011											
012											
013											
014											
015											
016											
017											
018											
019											
020											

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Daily risk tracker

MONTH _____ DAILY LOSS LIMIT % _____ START BALANCE _____

DAY	START BAL.	TRADES	NET P/L	END BAL.	DAY %	LIMIT HIT	RULES KEPT	NOTE
01						☐	☐	
02						☐	☐	
03						☐	☐	
04						☐	☐	
05						☐	☐	
06						☐	☐	
07						☐	☐	
08						☐	☐	
09						☐	☐	
10						☐	☐	
11						☐	☐	
12						☐	☐	
13						☐	☐	
14						☐	☐	
15						☐	☐	
16						☐	☐	
17						☐	☐	
18						☐	☐	
19						☐	☐	
20						☐	☐	
21						☐	☐	
22						☐	☐	
23						☐	☐	
24						☐	☐	
25						☐	☐	
26						☐	☐	
27						☐	☐	
28						☐	☐	
29						☐	☐	
30						☐	☐	
31						☐	☐	

Month: NET P/L _____ WORST DAY _____ LIMIT DAYS _____ END BALANCE _____

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