

CashCalc Specification Sheets (Client Facing)

Average Growth Calculator

Overview

The Average Growth Calculator is used for showing the client the average growth rate that they would gain from multiple investments having different growth rates. This calculator takes the Name of the Investment, the Amount Invested and the Growth Rate in order to calculate the average growth rate.

Assumptions

Below is a list of all assumptions made in order to perform the calculation:

- Figures are rounded up to the nearest 2 decimal places
- Growth is assumed to be linear

Calculations Breakdown

The calculations require two parameters in order to calculate the given output, these being:

- Amount Invested
- Growth %

The Average Growth Calculator uses these values to calculate the Percentage Holding of each investment and then uses that to calculate the Average Growth Rate across all of the client's investments. Following are the calculations performed in this process:

$$\text{Percentage Holding} = \frac{\text{Amount Invested}}{\text{Total Amount Invested}} \times 100$$

To calculate the average growth, a total is taken from adding up the products of the following calculation, which is run on every investment:

$$\text{Average Growth Rate}_n = \text{Growth Rate}_n \times \text{Percentage Holding}_n$$

A PDF report can be created from this calculator which contains detailed information about the relevant client's details and the outputs of the calculations performed.