

# FAQ: Basket Ratio Calculation Methodology

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Applicable on all model portfolios hosted on [www.rupeerakshak.com](http://www.rupeerakshak.com)

## What does "weight" mean in a basket?

The weight refers to the proportion of your investment allocated to each stock, mutual fund, or bond in the basket.

For example, if a stock has 25% weight, then ₹2,500 out of your ₹10,000 investment will be allocated to that stock.

## How are weights assigned?

We use structured methods to assign weight depending on the objective of the basket. We have provision in our platform presently for Equal Weight and Market Cap Weight. But only Equal Weight is activated as Market Weight is hardly used. So, the widely used allocation method is Equal Weight.

- **Equal Weight** – Every security in the basket gets the same percentage.  
*Used for thematic or high-conviction ideas.*
- **Market Cap Weight** – Larger companies or funds receive higher weight.  
*Used in index-tracking or passive-style baskets.*

## Do the weights change over time?

Yes, weights can change due to:

- Periodic rebalancing (typically quarterly)
- Major market movements
- Change in fundamentals, risk scores, or strategy
- Regulatory or macroeconomic changes

**You will be notified** when a rebalance is done for a basket you've subscribed to.

## Can I change the weights myself?

No.

Our baskets are **model portfolios** based on Finmo's research methodology.

You may choose whether to invest or not, but the basket composition and weight ratios are fixed as per our research logic.

## Are returns shown based on these weights?

Yes.

Any performance metric shown (like XIRR or CAGR) assumes investment based on the defined weights of the basket over a period.

Returns are back-tested or model-based and actual results may vary depending on timing, execution, and investor actions.

## Where can I see the basket details?

Each basket card or detail page includes:

- List of securities (stocks/funds/bonds)
- Weight (%) assigned to each
- Asset allocation summary (e.g., Equity 80%, Bonds 20%)
- Weighting method used
- Last updated date
- Estimated historical performance (if applicable)

## Transparency Note

- RupeeRakshak does **not receive any commissions** or referral income from any product or platform.
- Advice is 100% fee-only and driven by your risk profile and Finmo's internal research.

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