

BONUS RESOURCE 4

Bonus Chapter Preview

From the Next Book: Bitcoin Accumulation Strategy

Chapter Preview: The Position-Sizing Problem

WHAT THIS CHAPTER IS ABOUT

You now have a setup that can protect Bitcoin safely over decades. The next question — the one this book deliberately left for a later conversation — is how much Bitcoin you should hold, and how you should build that position over time. This preview is the opening of that conversation.

There is a moment, usually a few months after a Bitcoin holder has sorted out their security, when the question shifts.

The hardware wallet is set up. The seed phrase is stamped in steel. The backup is in two locations, tested once, documented in a letter of instruction that sits in a filing cabinet alongside a completed security plan. The annual review date is in the calendar.

And then the question arrives: now what?

Not "how do I protect what I have" — that question is answered. The new question is: "how much should I have, and how do I build it deliberately over time?"

This is the question most Bitcoin books refuse to answer honestly.

The Answer Nobody Wants to Give

Position sizing in Bitcoin is uncomfortable because it collides with two equally powerful instincts: the fear of missing out if you hold too little, and the fear of catastrophic loss if you hold too much.

Most financial advice sidesteps the tension by defaulting to a percentage: allocate two to five percent of your portfolio to Bitcoin as a "hedge." This advice is technically defensible and practically useless. It is calibrated to managing career risk for a financial advisor, not to producing good outcomes for an individual investor.

The honest answer is that position sizing in Bitcoin depends on three variables that are specific to you and nobody else: your time horizon, your need for liquidity, and what you are willing to see happen to your net worth in the worst 12-month period without being forced to sell.

That third variable is the one people consistently lie to themselves about.

The Volatility You Don't Anticipate

Bitcoin has declined more than seventy percent from its peak on multiple occasions. In 2018, it fell from approximately \$20,000 to approximately \$3,200 over twelve months. In 2022, it fell from approximately \$69,000 to approximately \$15,500 over the same period.

Both of those declines recovered. Both of them also caused people who had allocated more than they could genuinely hold through the drawdown to sell near the bottom — converting a temporary paper loss into a permanent real one.

The single most important question in Bitcoin position sizing is not "how much will it be worth?" It is "how much can I hold through a seventy percent drawdown without my financial or emotional situation forcing my hand?"

The answer to that question sets your ceiling. Everything above it is a position you cannot actually hold — which means it is not a position in any meaningful sense, only a bet you intend to exit at the wrong time.

What Dollar-Cost Averaging Actually Does

Dollar-cost averaging — buying a fixed dollar amount of Bitcoin at regular intervals regardless of price — is the most widely recommended accumulation strategy for individual holders, and it deserves that recommendation.

But most people who recommend it do not explain precisely what it does and does not solve.

What it solves: the problem of trying to time a market that has no reliable short-term predictability. By spreading purchases over time, you avoid the concentration of exposure at a single price point. A regular buying schedule removes the decision each time — which removes the opportunity for emotion to override the plan.

What it does not solve: the position-sizing problem. Dollar-cost averaging tells you how to buy. It does not tell you how much to commit over time. A well-executed DCA strategy into an oversized position still produces a position you cannot hold.

The framework in the next book starts where this preview ends: with a method for calculating the position size you can genuinely hold through a full cycle, before you decide how frequently to buy into it.

The Security Foundation Makes It Possible

Here is the connection between this book and what comes next.

Accumulation without secure storage is an exercise in building something you can lose. Every satoshi you accumulate above what is properly backed up, tested, and documented exists in a state of fragility — one house fire, one failed device, one missed inheritance step away from disappearing.

You have built the foundation. The vault exists. It is fireproof, tested, and documented for the people who matter to you.

What you put in it — how much, on what schedule, across what time horizon — is the question that comes next.

WHAT'S IN BITCOIN ACCUMULATION STRATEGY:

The position-sizing framework: how to calculate a holding size matched to your actual risk tolerance

Dollar-cost averaging in practice: frequency, amount, and how to automate it correctly

Tax efficiency: how accumulation decisions affect your tax position across different regimes

Rebalancing and thresholds: when and whether to take profit, and how to make that decision systematically

The 10-year mindset: how long-term holders think about volatility, drawdowns, and conviction

Bitcoin Accumulation Strategy

Available now wherever books are sold.