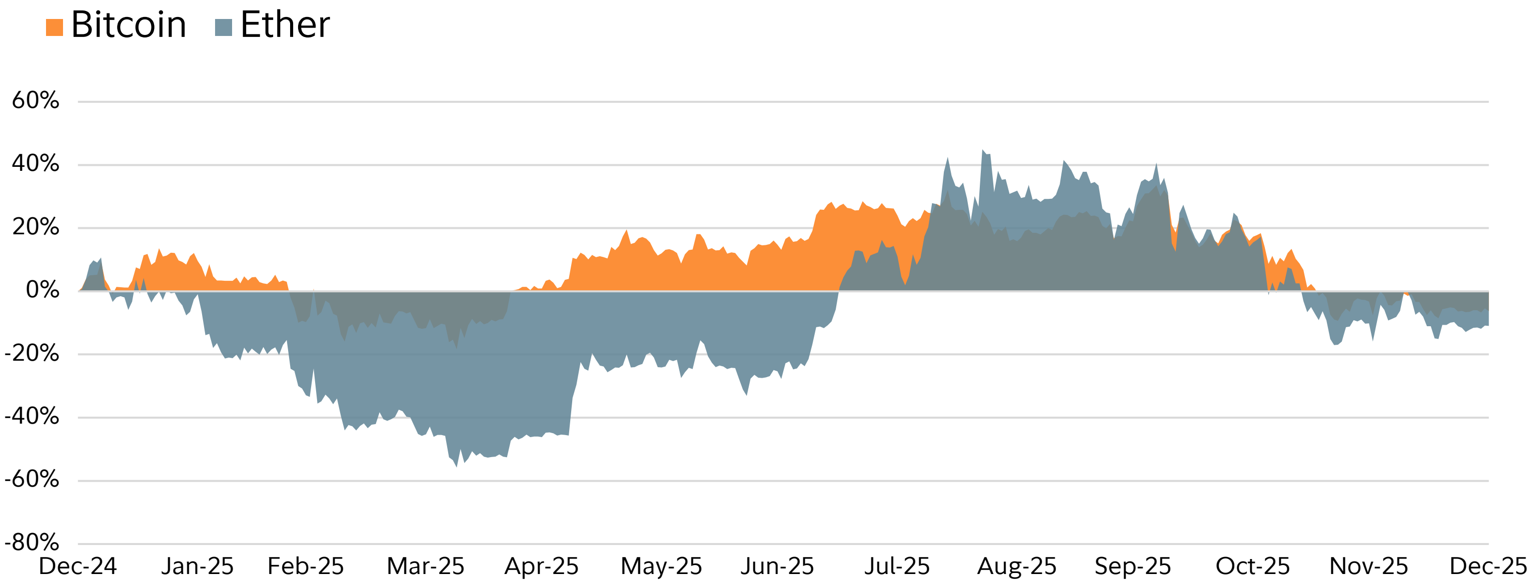
# Performance AS OF 12/31/2025



## BITCOIN AND ETHER RELATIVE RETURNS 1-YEAR



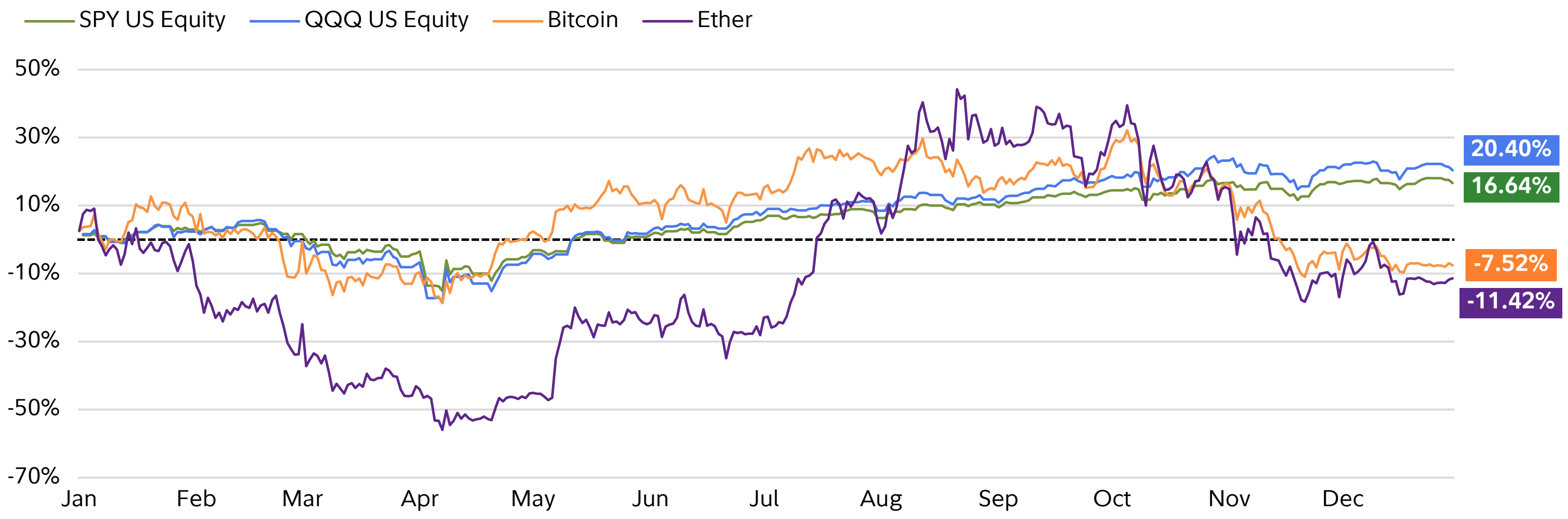

## HISTORICAL ASSET PERFORMANCE

| Asset | 1-Month | 3-Month | 1-year | 2025 | Closing Price December 2025 | Closing Price November 2025 |
|---|---|---|---|---|---|---|
| **Bitcoin** | -3.20% | -23.29% | -6.32% | -6.32% | $87,498 | $90,386 |
| **Ether** | -0.85% | -28.44% | -10.39% | -10.39% | $2,967 | $2,992 |

Access previous publications of this report from Fidelity's digital asset strategists.

Source: Coin Metrics, as of 12/31/2025.
**Past performance is no guarantee of future results.**
Intended for investment professionals.

## WHAT HAPPENED TO DIGITAL ASSETS IN 2025?




- Investors were left disappointed with the digital asset returns in 2025. With a more supportive U.S. regulatory apparatus, ETP approvals and market conditions which were generally supportive for other risk assets. The question is, what caused assets like bitcoin and ether to lag U.S. equities?
- The Q4 2025 investment strategy monthly reports discussed several factors which served as headwinds: market expectations of another four-year cycle driven by bitcoin's halving; markets becoming more skeptical of digital asset treasury companies; long-term holders of bitcoin selling some of their position to become more diversified; and the October 10th liquidation event.
- In looking at the full picture of performance in 2025, early October clearly stands out as an inflection point on the chart of when bitcoin and ether's performance diverged from U.S. equities and risk assets more broadly.
- Whether all of the aforementioned headwinds are completely behind the market is impossible to say. However, it would be encouraging to see digital assets break out of their historical four-year pattern of returns in 2026.

Source: Bloomberg, as of 12/31/2025.
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## WILL BITCOIN'S FOUR-YEAR CYCLES CONTINUE?

| Year | Bitcoin returns | Year | Bitcoin returns | Year | Bitcoin returns | Year | Bitcoin returns |
|---|---|---|---|---|---|---|---|
| 2011 | 1474% | 2015 | 34% | 2019 | 94% | 2023 | 156% |
| **2012** | **186%** | **2016** | **125%** | **2020** | **304%** | **2024*** | **121%*** |
| 2013 | 5303% | 2017 | 1337% | 2021 | 59% | 2025 | -6% |
| 2014 | -56% | 2018 | -73% | 2022 | -64% | 2026 | - |

- Bitcoin historically has operated in four-year cycles, revolving around the network's supply side halving schedule. In 2025, the year after bitcoins first historical halving, bitcoin recorded a negative price return. The -6% calendar move is also the smallest price move in either direction for bitcoin in a calendar year by a significant margin.
- **Arguments that bitcoin has broken out of the four-year cycle:** There are only three prior data points confirming these four-year patterns. The launch of bitcoin ETPs and related hedging instruments have altered bitcoin's market structure. Lastly, over 95% of the 21 million bitcoins to exist are already in circulation, making the marginal reduction in issuance from the halvings less relevant compared to the marginal supply of bitcoins made available for sale by existing holders.
- **Arguments that the four-year cycle still matters:** Bitcoin may have finished 2025 with a positive return if not for the unique October 10 liquidation crises (covered in the December version of this report and the prior slide). Investor behavior is often psychological, and many early adopters of bitcoin may still subscribe to the halving cycle thesis.
- A key theme of 2026 will be whether the four-year cycle still matters for bitcoin and digital asset markets. Breaking out of the four-year cycle pattern should improve bitcoin's viability amongst mainstream investors.

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* Approval of spot bitcoin ETPs in January 2024.
Source: Coin Metrics, as of 12/31/2025. Bold indicates year of bitcoin halving. **Past performance is no guarantee of future results.**
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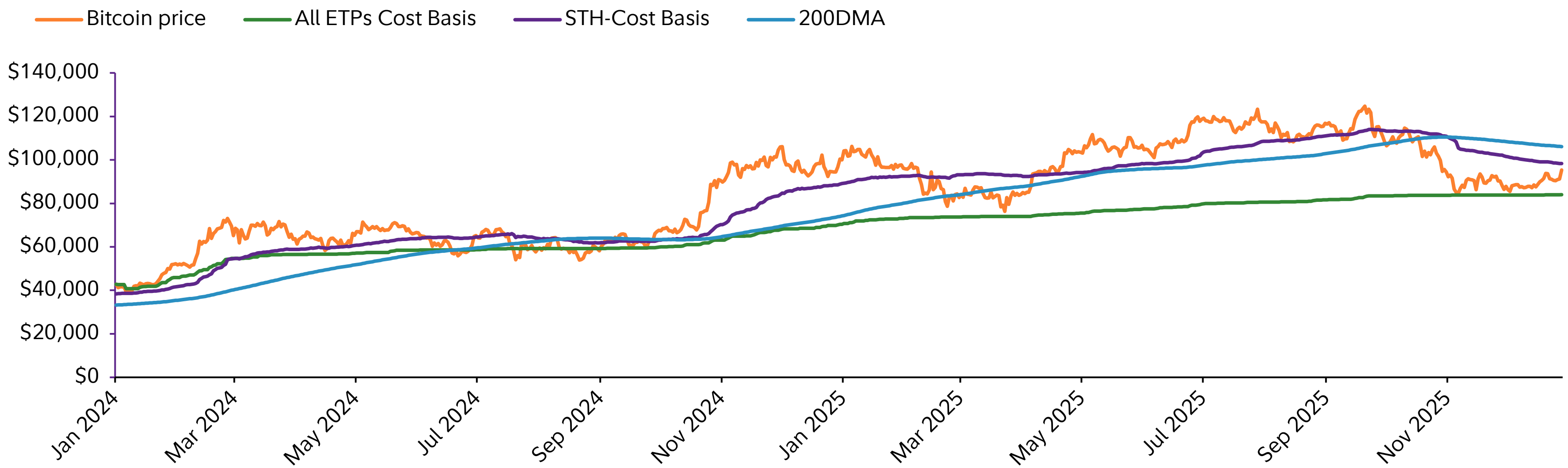
## BITCOIN'S SET UP IN JANUARY 2026




- January 2026 marks the two-year anniversary of the bitcoin ETPs. With two years of data, it can be useful to take a snapshot of where the market stands today, while also appreciating the limitations of technical analysis. Let's define a few terms in this chart.
- **All ETPs Cost Basis:** Refers to the average purchase price of the bitcoin held within the entire bitcoin ETP category. It is measured by calculating the average cost at which the ETP's bitcoin deposits or holdings were acquired.
- **Short-Term Holder Average Cost Basis (STH Cost Basis):** This measurement represents the average price at which short-term holders, often less than 155 days, acquired their bitcoin, which is observed by the movement of bitcoin between addresses on chain.
- For bitcoin to graduate out of the four-year cycle phase it would be encouraging to see the **All ETPs Cost Basis** continue trending upward and serving as a support level for the bitcoin price. For bitcoin to potentially reach new all-time highs in 2026, it will eventually need to break through both the **Short-Term Holder Cost Basis** and the **200-Day Moving Average** which tends to serve as resistance to upward price movements.

| *Current data points for the metrics displayed above* | Date | 200DMA | STH-Cost Basis | BTC: Price | ALL ETFs Cost Basis |
|---|---|---|---|---|---|
| | 1/13/2026 | $106,137 | $98,351 | $95,336 | $83,994 |

Source: Glassnode, as of 1/13/2026. **Past performance is no guarantee of future results.**
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# Digital Asset Strategist Outlook AS OF 12/31/2025

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## Long Term Outlook

### Aspiring Store of Value & Macro Asset

Bitcoin is an emerging asset/technology which possesses a unique set of properties, combining the adoption curve of a disruptive technology with characteristics of a commodity (non-sovereign, fixed supply).

### Digitization of Financial Ecosystem

Blockchain networks and technology are enabling more efficient and quicker ways of settling transactions through technologies such as stablecoins.

### Generational Adoption Trends

Millennial and Gen Z investors report a native preference for interacting with and owning digital assets, according to Bank of America's survey of HNW investors. Cryptocurrency, on average, makes up 14% of portfolios of 21–43 year-old HNW investors.*

- The approval of spot bitcoin ETPs in 2024 brought a **reduction in the complexity around "how" to invest in bitcoin** for many investor segments and saw bitcoin break the psychological milestone of $100K. In 2025, investors in digital assets were disappointed by bitcoin's returns compared to other asset classes. **Beneath the surface of price there is growing evidence of a change in cohort of bitcoin ownership, particularly with the approval of bitcoin ETPs across large wealth management platforms.** Simultaneously, these products and their related derivatives are leading to a change in bitcoin's market structure.
- Historically, bitcoin and digital asset markets have followed four-year cycles, which many investors have concluded are predicated by the bitcoin halving events. **As the market cap of this asset class has grown, different factors could impact bitcoin's price going forward.** In 2025, bitcoin experienced the smallest price move in either direction over a calendar year by a significant margin. **Will 2026 be the year that permanently breaks the previously observed four-year cycles?**
- The GENIUS Act becoming law, more companies holding ether in their treasuries, and rising investment into ether ETPs have all helped boost ether's price**. As a result, ether hit a new all-time high in August 2025—its first since 2021**. Although ether ETPs haven't grown as quickly as bitcoin ETPs, there's still room for them to catch up in 2026.
- **Digital asset markets will shift their attention to the market structure bill moving through the U.S. Congress.** We will also monitor traditional financial institutions choosing to integrate stablecoins into their business or potentially creating their own stablecoins to improve their payments UX.
- Bitcoin and digital assets broadly experienced a disappointing Q4 2025 following the October 10, 2025, liquidation event. Equities and precious metals, however, continued to show positive price performance through the end of the year. While the macro backdrop that favors an asset with bitcoin's attributes remains intact, market participants will be watching to see whether bitcoin can stay above the **All ETPs cost basis** and potentially break above the **short-term average holder cost basis** and the **200-day moving average (200 DMA).** Doing so would further support the view that bitcoin has broken out of its historical four-year cycle patterns.

*The 2024 Bank of America Private Bank Study of Wealth Americans consisted of an online survey fielded January–February 2024 with 1,007 U.S. high-net-worth respondents.
**Past performance is no guarantee of future results.** Views presented are as of 12/31/2025. Statements and opinions are subject to change at any time, based on markets and other conditions.
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Spot crypto ETPs (are for investors with a high risk tolerance and invest in a single cryptocurrency, which are highly volatile and could become illiquid. Investors could lose their entire investment.

**Spot crypto ETPs are not investment companies registered under the Investment Company Act of 1940 (the "1940 Act") nor are they commodity pools under the Commodity Exchange Act of 1936 (the "CEA"). As a result, shareholders of spot crypto ETPs do not have the protections associated with ownership of shares in a registered investment company nor are shareholders afforded the protections of investing in an CEA-regulated instrument or commodity pool.**

**Digital assets are highly volatile, and their market movements are very difficult to predict. Various market forces may impact their value including, but not limited to, supply and demand, investors' faith and their willingness to purchase it using traditional currencies, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates, an evolving legislative and regulatory environment in the U.S. and abroad, and other economic trends. Investors also face other risks, including significant and negative price swings, flash crashes, and fraud and cybersecurity risks. Digital assets may also be more susceptible to market manipulation than securities. Digital assets are not insured by the Federal Deposit Insurance Corporation (FDIC) or protected by the Securities Investor Protection Corporation (SIPC).**

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# Important Information



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