Investment Strategy Monthly

July 2026

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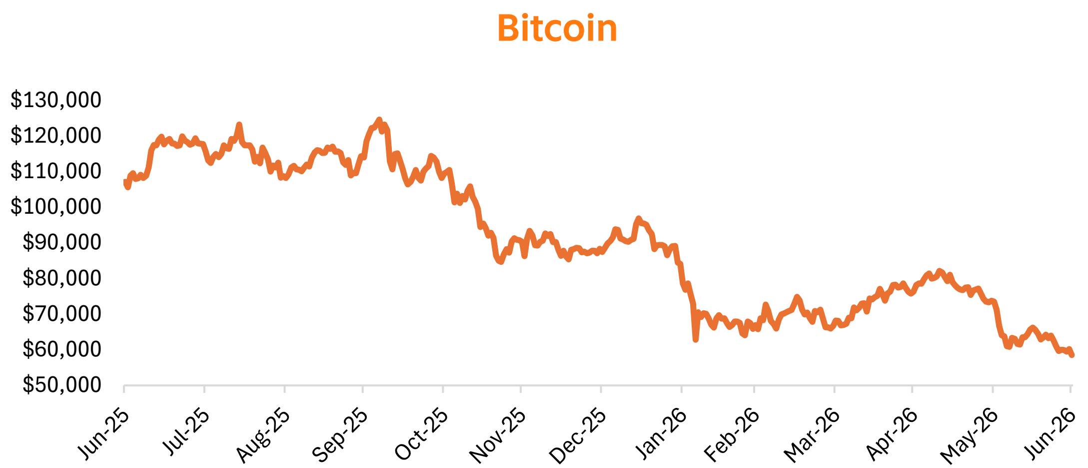
Performance

Investment Strategy Monthly, July 2026, as of 6/30/2026



Historical Asset Performance

Asset	1-Month	3-Month	YTD	1-year	2025	Closing Price June 2026	Closing Price May 2026
Bitcoin	-20.45%	-14.20%	-33.11%	-45.39%	-6.27%	$58,526	$73,568
Ether	-21.66%	-25.38%	-47.09%	-36.85%	-10.91%	$1,570	$2,004
Solana	-10.64%	-11.45%	-40.90%	-52.42%	-34.09%	$74	$82

Source: Coin Metrics, as of 6/30/2026. • **Past performance is no guarantee of future results.**

 Intended for investment professionals.

Market commentary

Investment Strategy Monthly, July 2026, as of 6/30/2026

Digital Assets Legislative Update

Overview

- **The CLARITY Act** seeks to establish a comprehensive federal framework for digital assets in the United States by creating statutory rules of the road and ending jurisdictional confusion between the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC). Provisions include:
    - Clear statutory lines between securities and commodities in digital asset markets by assigning oversight to the SEC and CFTC. Digital assets that represent investment contracts or capital-raising arrangements will fall under SEC jurisdiction, while "digital commodities" (e.g., decentralized, blockchain-native assets like Bitcoin) are placed under CFTC oversight for spot market trading.
    - Compromise rewards language that allows rewards to be paid on stablecoin activity, but not idle balances. This was originally a major roadblock, but Senators Thom Tillis (R-NC) and Angela Alsobrooks (D-MD), working with the White House, reached an agreement on this language.
- There is a separate bill, the **DCIA** which is focused on regulating digital commodity intermediaries under the CFTC. Provisions include:
    - Giving the CFTC authority over spot and cash market transactions in "digital commodities" conducted through registered intermediaries. It establishes a new regulatory framework for Digital Commodity Exchanges (DCEs), Digital Commodity Brokers (DCBs), and Digital Commodity Dealers.
    - Defining a digital commodity as a fungible blockchain based asset that can be owned and transferred without an intermediary. The definition aligns with concepts in the CLARITY Act and includes many decentralized crypto assets, while excluding securities, derivatives, bank deposits, and other traditional financial instruments.
    - A registration framework for crypto intermediaries.
- As noted in a prior version of this report, the CLARITY Act passed out of the Senate Banking Committee with bipartisan support in May 2026. The House already passed a different version of the CLARITY Act in July 2025. The Senate Banking Committee vote was bipartisan—which is notable since the final vote on the Senate floor will require at least seven Senate Democratic "yes" votes for final passage. However, some Democratic Senators that voted yes in the Senate Banking Committee indicated that they would not vote yes on the final bill without changes. Those changes have not been agreed to yet.
- On a separate track is the Senate Agriculture Committee's Digital Commodity Intermediaries Act (DCIA), which passed the Senate Agriculture Committee on a partisan basis in January.

Outlook for Potential Passage

- Procedurally, the Ag bill (DCIA), and CLARITY need to be merged before final passage in the Senate. After that, the bill will need to head back to the House to be voted on by the full House and then sent to the President's desk for enactment into law.
- The House of Representatives is scheduled to break for summer recess at the end of July and the Senate in early August. Proponents of the bill will want to see resolution of the aforementioned issues and movement to a floor vote before these recess dates. Passing CLARITY becomes more challenging after these dates. Many proponents of the bill in Congress have publicly expressed skepticism about passing the bill the closer we get to the midterms, with longer odds afterwards if there is a change in control.
- The House Financial Services' Digital Assets Subcommittee is holding a field hearing Friday, July 17 to apply pressure on the Senate ahead of recess.
- In the meantime, and even if this legislation fails to pass, the SEC and CFTC are moving ahead with market structure clarity of their own, acting under the assumption that they have the full authority to write many of the industry's sought after changes into regulations.

Market commentary

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Bitcoin Cycle Comparisons

Halving Cycle	Cycle Halving		Cycle Peak			Cycle Trough			
	Halving Date	Halving Price	Cycle Peak Date	Cycle Peak Price	Duration (Halving to Peak)	Cycle Trough Date	Cycle Trough Price	Drawdown from Peak	Duration (Peak to Trough)
1	11/28/2012	$12.35	11/29/2013	$1,137.00	366	1/14/2015	$183.07	−83.9%	411
2	7/9/2016	$650.39	12/17/2017	$19,041.63	526	12/14/2018	$3,156.89	−83.4%	363
3	5/11/2020	$8,636.21	11/9/2021	$67,734.04	547	11/21/2022	$15,631.95	−76.9%	376
4*	4/19/2024	$64,071.26	10/6/2025	$125,260.81	535	6/30/2026	$58,642.15	−53.2%	267

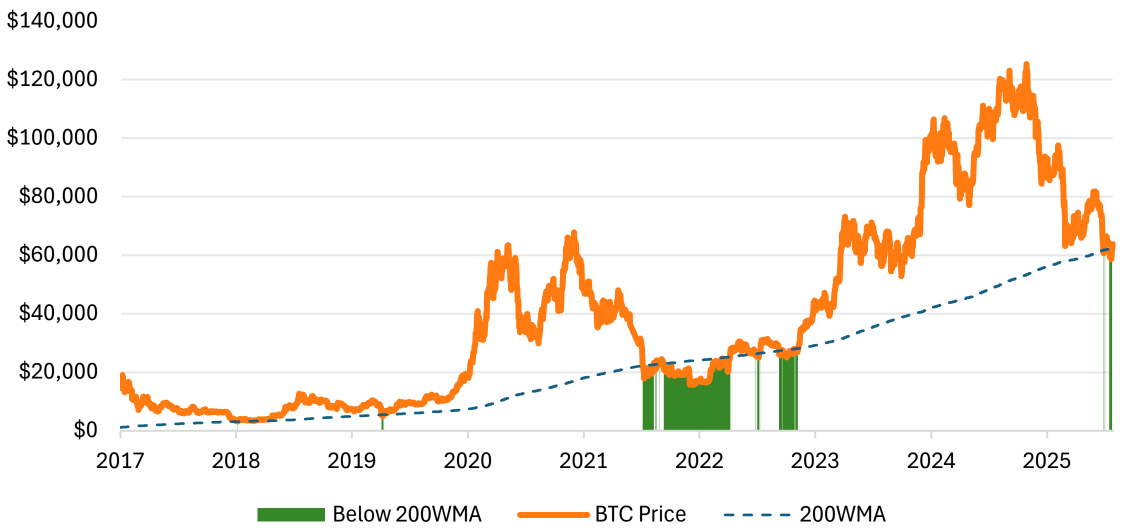
- A bitcoin halving is an event that occurs every four years (or 210,000 blocks), where the marginal rate of bitcoin issuance by the network is reduced by 50%. The halving functions as a built-in mechanism that limits the total number of bitcoin in circulation while also ensuring the asset's scarcity by capping its maximum supply over time.
- Bitcoin's price has had a directionally consistent cyclical relationship with how it has traded around these halving events. We can observe this dynamic in two different timeframes per cycle; 1) halving date to cycle peak and 2) cycle peak to cycle trough.
- In the January version of this report, we debated whether bitcoin's halving cycle trading dynamic would repeat. While there is a very small sample size of observations, bitcoin is a retail first asset with a somewhat concentrated ownership base. If enough of these investors subscribe to this cycle framework, it can ultimately be a real psychological trading influence. We can now conclude that bitcoin halving cycles still have an impact on price, with cycle four having a 535-day halving date to cycle peak duration. This timeframe fell right in the middle of the two previous cycles.
- Looking ahead, most current and prospective investors are focused on what comes next, including whether bitcoin has already reached its price bottom and, if not, when it may do so.
- One way we can evaluate this is the duration of previous drawdowns, from cycle peak to trough. The average of the previous three cycles has been 383 days. If this range were to repeat, we would be looking at the October 2026 timeframe for a bottom to be in.
- Another perspective would be comparing the severity of the drawdown from peak in one cycle to the next. At the most recent lows of ~$58.6k on 6/30/26, this cycle has had a maximum drawdown of -53.2%. This is meaningfully shallower than previous cycles.
- Investors may expect that as bitcoin matures (in market cap, time since inception, improved accessibility, and more) that its drawdowns would moderate. This relationship of moderating cycle drawdowns that has occurred has been accompanied by lower upside returns as a trade off.
- While we cannot conclude with certainty that this cycle low is in, potential investors may view this price range as a more compelling entry point for an allocation.

Source: Bloomberg as of 7/6/26. *Halving Cycle 4 is in progress until the next halving (estimated to be in April 2028) • **Past performance is no guarantee of future results**.

Market commentary

Investment Strategy Monthly, July 2026, as of 7/8/2026

Bitcoin's Price Below the 200-Week Moving Average (200WMA)



Bitcoin Investment Strategies since 12/10/2017			
Strategy	**Days**	**% of All Days**	**Return Multiple**
Buy Every Day (DCA)	3,133	100%	3.90x
Buy Only Below 200WMA	335	11%	3.09x
Buy Only at New All-Time High	71	2%	1.34x

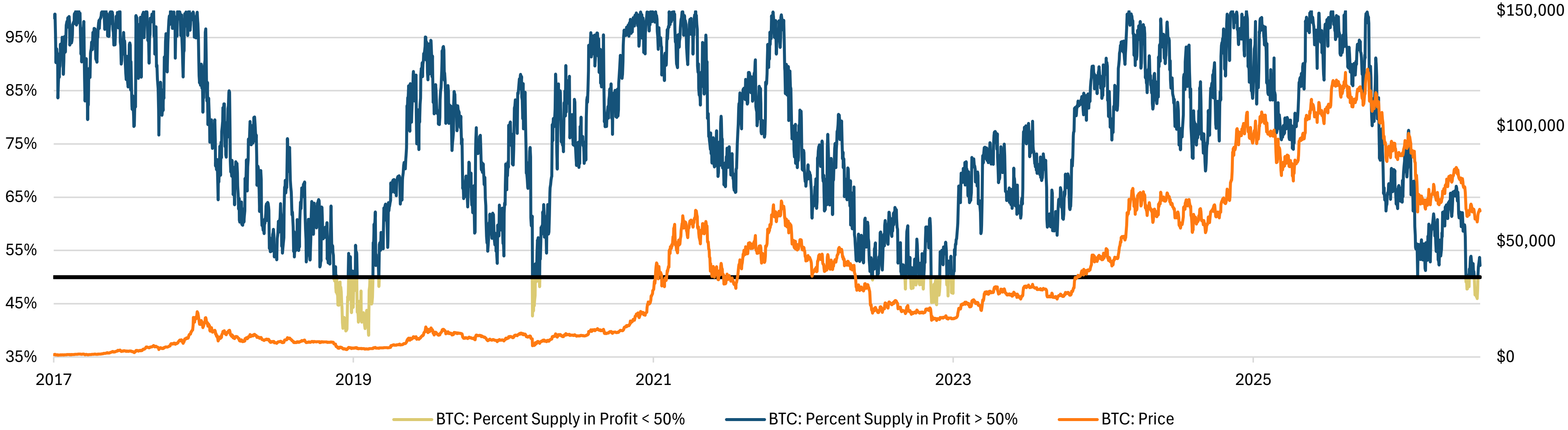
- The history of bitcoin's price action has been filled with volatility. On the prior slide we discussed how the boom/bust nature of its cycles can be explained by certain patterns around the halving. Despite that, for the average investor this has primarily resulted in skepticism of bitcoin and believing it is a speculative investment.
- While we won't address the "why" of bitcoin on this one slide, we will attempt to add context to the "when".
- Given this volatility profile of bitcoin, it gains the most attention in mainstream media when it is making new all-time highs or in a significant drawdown. Behavioral finance would tell us this leads to poor investor decision making. Buying the top of the market because they don't want to miss out and selling the bottom of the market as they panic when prices are meaningfully lower.
- The analysis above looks at bitcoin's price vs. the 200-week moving average since December 2017 (when bitcoin futures launched and investors would consider the market more institutional).
- It is important to note that the 200-week moving average does not guarantee the timing of a bottom in bitcoin price. For example, in 2018-2020, bitcoin only spent 7 days below the 200WMA. In comparison, it traded under this level for over 300 days in 2022-2023. Regardless, this technical support level may provide a useful entry point for investors establishing a position.
- Bitcoin has now traded below its 200WMA for 12 days in 2026. Investing below this level has generated a meaningfully better return profile than those who wait for new all-time highs to gain confidence to invest in the asset.

Source: Bloomberg as of 7/8/26. • **Past performance is no guarantee of future results.**

Market commentary

Investment Strategy Monthly, July 2026, as of 7/07/2026

Percentage of Bitcoin Supply Held in Profit



- The percentage of supply in profit measures the share of existing bitcoins whose price at the time they last moved was lower than the current price.
- Following bitcoin's most recent drawdown, which began in October 2025, this measure fell below 50%, indicating that, by this metric, the majority of bitcoin is being held at a loss. This is the first time the measure has fallen below 50% since 2022.
- While it may seem counterintuitive, this has served as a bottom formation signal during the poor performance stretches for bitcoin in 2018 and 2022, respectively.
- As a greater percentage of bitcoin is held at a loss, fewer investors are likely to take profits during periods of volatility than was the case in October 2025 or February 2026.
- Historically, bitcoin has developed a cohort of long-term holders who have weathered drawdowns more severe than the decline since October 2025 and have continued accumulating during such periods.
- In addition to bitcoin trading below its 200WMA, the majority of supply being held at a loss is another data point to lend confidence that the bottom formation process is underway but will likely take time.

Source: Glassnode as of 7/07/2026. • **Past performance is no guarantee of future results**.

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Market commentary

Investment Strategy Monthly, July 2026, as of 7/6/2026

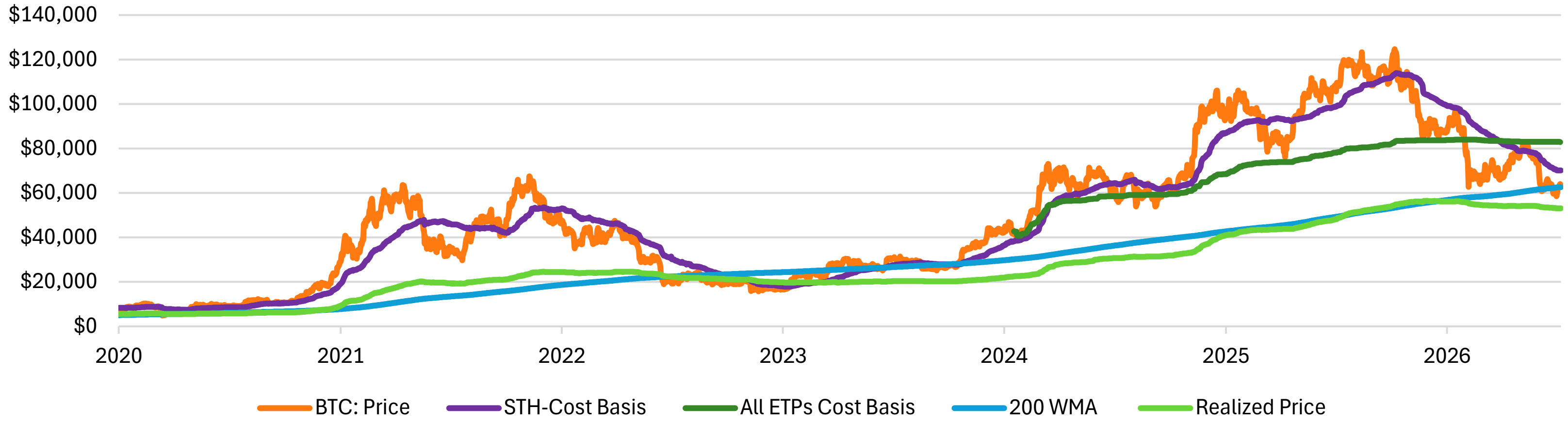
STH Cost Basis

This measurement represents the average price at which short-term holders, often less than 155 days, acquired their bitcoin, as measured by the movement of bitcoin between addresses on-chain.

Realized Price

Reflects the average on-chain acquisition price for the entire coin supply.

Bitcoin's Setup in July 2026



- In June of 2026, bitcoin traded below its 200MWA after a second failed attempt to break above the STH cost basis in May.
- Readers of the June report will note that the key technical metrics tracked in the ribbon at the bottom of this slide have changed very little. This stability reflects the presence of buyers who stepped in to accumulate bitcoin as it fell below the 200WMA. In addition, the severity and momentum of bitcoin's drawdowns have moderated relative to the declines observed in October 2025, November 2025, and February 2026, which may be indicative of increasing seller exhaustion.
- Another noteworthy datapoint is the decline in bitcoin's STH cost basis. Based on closing prices on 07/06/2026, bitcoin sits about 9.8% below this crucial indicator despite bitcoin's nearly 20% sell off in June.
- While historical precedents suggest that periods when bitcoin trades below its 200WMA and a majority of supply is held at a loss can present attractive accumulation opportunities, patience remains critical. During 2022 and 2023, bitcoin spent nearly an entire calendar year trading below the 200WMA and also traded below its realized price for an extended period.
- This speaks to the importance of diversification, having a plan, and level setting expectations. Ultimately, a catalyst will need to emerge in order for bitcoin's price to clear these crucial cost basis levels that have served as resistance and flip them into support.
- Looking ahead, investors will be watching bitcoin's behavior around the 200WMA, with attention shifting to the realized price level if negative headlines pressure the market. Potential catalysts include the CLARITY Act, lower real interest rates, and a cooling of the AI driven equity market rally.

Current data points for the metrics displayed above:

Date	BTC: Price	STH Cost Basis	ALL ETPs Cost Basis	200WMA	Realized Price
07/06/2026	$63,294	$70,212	$82,946	$62,660	$53,104

Source: Glassnode, as of 7/06/26. • **Past performance is no guarantee of future results.**

Digital Asset Strategist outlook

Investment Strategy Monthly, July 2026, as of 6/30/2026

Brian Abely, CFA
Digital Asset Strategist

Ryan Lessard
Digital Asset Strategist

- The approval of spot bitcoin ETPs in 2024 brought a **reduction in the complexity around "how" to invest in bitcoin** for many investor segments, especially with bitcoin breaking 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 impacting 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.
- **Digital asset markets have shifted their attention to the market structure bill (CLARITY Act) moving through the U.S. Congress. The bill was advanced by the Senate Banking Committee and now awaits a full U.S. Senate vote.** This bill hopes to clarify issues such as regulatory oversight, classification of digital assets, registration rules for businesses and more.
- We will also monitor traditional financial institutions choosing to participate in **tokenization and stablecoin adoption.** These two topics are becoming key initiatives across the traditional finance landscape, with the activity primarily **settling on blockchain networks like Ethereum and Solana**.
- Bitcoin and digital assets broadly experienced a disappointing fourth quarter of 2025 following the October 2025 liquidation event. This weakness continued through the first half of 2026, as **bitcoin subsequently fell below the ETP holder cost basis, which had served as a key area of support throughout 2024 and 2025**. In June 2026, bitcoin traded below its **200-Week Moving Average,** a level that has historically represented an attractive entry point for long term investors. Investors are now watching to see whether bitcoin can establish a bottom in the range between the realized price and the 200-Week Moving Average. Potential catalysts for the remainder of the summer include passage of the CLARITY Act, new leadership at the Federal Reserve providing clearer guidance on interest rates, and signs of fatigue in the equity market's AI driven rally.

Long Term Outlook

Aspiring Store of Value & Macro Asset	Digitization of Financial Ecosystem	Generational Adoption Trends
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).	Blockchain networks and technology are enabling more efficient and quicker ways of settling transactions through technologies such as stablecoins and tokenized real-world assets.	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 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 6/30/2026. 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).

The performance of each fund or funds will not reflect the specific return an investor would realize if the investor actually purchased cryptocurrency. Investors in either fund will not have any rights that cryptocurrency holders have and will not have the right to receive any redemption proceeds in the underlying cryptocurrency.

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