Cointelegraph Research | BITCOINIRA

Bitcoin in Retirement

The use case for Bitcoin in an IRA

Cointelegraph Research Report

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This report was sponsored by BitcoinIRA, but produced by Cointelegraph Research as part of its Bitcoin Education Series. All research findings and editorial conclusions were independently developed by Cointelegraph Research.

Executive Summary

Traditional IRA portfolios are usually exposed to equities for growth, and bonds for stability. That model works when bonds reliably offset equity drawdowns, but it becomes weaker when stock-bond correlations rise during stress periods. Bitcoin can be introduced into these portfolios to serve as a complementary asset. It is more volatile compared to equities and bonds, but its long-term return profile makes it very relevant for investors with long time horizons.

Key Points

- **Bitcoin outperformed every major asset class over the past decade.** From 2015–2025, Bitcoin grew 27,227% (66.5% annualized) versus 304% for the S&P 500, 232% for gold, and 21% for aggregate bonds. Even a small allocation during this time would have meaningfully lifted retirement savings.

- **Low correlation to equities and bonds.** Based on daily returns, Bitcoin showed correlations of -0.009 with equities and -0.020 with bonds. During liquidity shocks, Bitcoin can sell off alongside risk assets, but historically it has added a return stream not mechanically tied to the two assets dominating most IRA portfolios.

- **A 5% allocation improved returns while containing downside.** In a 2015–2025 backtest, a traditional 60/40 equity-bond portfolio generated an 8.96% CAGR. A 57/38/5 equity-bond-Bitcoin portfolio generated a 16.39% CAGR, with higher volatility (25.58% vs. 11.16%) and a lower Sharpe ratio. This shows that Bitcoin increased absolute returns, while the small allocation size limited its effect on total portfolio drawdowns.

- **$1.65 trillion in dormant 401(k)s represents a significant rollover opportunity.** Crypto IRA rollovers let investors move forgotten retirement assets into tax-advantaged structures without triggering taxable events. This creates a practical path to Bitcoin exposure beyond annual contribution limits.

- **Custody infrastructure has matured.** Crypto IRA providers now offer regulated custodians, institutional cold storage, KYC controls, and rollover support. BitcoinIRA provides custodial insurance up to $250 million and supports 100+ digital assets inside tax-advantaged accounts.

BitcoinIRA is a platform that connects consumers to qualified custodians, digital wallets and cryptocurrency exchanges. The company is not a custodian, is not a digital wallet and is not an exchange. The information provided in this article is for educational purposes only. We encourage you to consult a qualified tax or investment advisor to determine whether BitcoinIRA makes sense for you

Introduction to IRAs

Individual Retirement Accounts (IRAs) were introduced in 1974 under the Employee Retirement Income Security Act (ERISA) to encourage retirement savings, particularly for workers without access to employer-sponsored pensions. Over time, IRAs evolved into a central pillar of US retirement strategy. The Internal Revenue Code recognizes several IRA arrangements, including Traditional IRAs, Roth IRAs, and employer-sponsored formats such as Simplified Employee Pensions (SEP-IRAs) and Savings Incentive Match Plans for Employees (SIMPLE IRAs) (*Table 1*).

While various types exist, the two primary forms (Traditional and Roth IRAs) are distinguished by their tax treatment of contributions and withdrawals. For Traditional IRAs, the interest and earnings generated within the account are not taxed until they are withdrawn. In the case of Roth IRAs, they are entirely tax-free for qualified withdrawals, since contributions were made with after-tax dollars.

Since the interest that accrues in an IRA is not taxed until withdrawal, your full return compounds year after year. That difference can be significant over time.

For example, an investor contributing $1,000/year from age 25 to 65, earning 10% annually, ends up with ~$309,815 after taxes in a Traditional IRA. The same contributions in a taxable account, where gains are taxed every year, grow to only ~$199,635. That's 55% less, simply because taxes interrupted compounding along the way. The advantage is even greater for high earners who expect to be in a lower tax bracket in retirement.

IRAs have traditionally held stocks, bonds, and real estate, but the rules now allow alternative assets too, including Bitcoin. For investors with long time horizons, adding a measured Bitcoin allocation to an IRA can offer meaningful diversification and a potential hedge against inflation and macroeconomic risk.

This report examines how Bitcoin, given its fixed supply, low historical correlation to traditional markets, and growing role as a macro hedge, can strengthen an IRA portfolio. It also covers portfolio simulations, how Crypto IRAs work, and how retirement-focused crypto custodians protect your assets.

Table 1: Types Of IRAs And Their Key Features

IRA Type	Who Can Contribute	Contribution Limits (2026)	Tax Treatment	Withdrawal Rules	Best For
Traditional IRA	Anyone with taxable earned income (subject to income limits for tax-deductible contributions if also covered by a workplace plan)	$7,500/year (<50); $8,600/year (50+)	Contributions may be tax-deductible; earnings grow tax-deferred until withdrawal	Withdrawals taxed as ordinary income; penalty-free after age 59½; required minimum distributions (RMDs) start at 73, or 75 if you're born after 1960	Individuals expecting to be in a lower tax bracket during retirement
Roth IRA	Anyone with taxable earned income and within IRS income limits	$7,500/year (<50); $8,600/year (50+)	Contributions made with after-tax dollars; qualified withdrawals (after age 59½ and 5-year rule) are tax-free	Contributions can be withdrawn at any time, tax and penalty-free; earnings withdrawn tax-free if qualified; no RMDs	Individuals expecting to be in the same or higher tax bracket during retirement
SEP IRA	Self-employed individuals and small business owners	Up to 25% of compensation or $72,000 (whichever is less)	Contributions are pre-tax; earnings grow tax-deferred	Withdrawals taxed as ordinary income; penalty-free after age 59½; RMDs apply	Self-employed and small business owners wanting high contribution limits
SIMPLE IRA	Small businesses with ≤100 employees	Employee: $17,000/year (<50); $21,000/year (50+); Employer: 3% match or 2% non-elective contribution	Contributions pre-tax; earnings tax-deferred	Withdrawals taxed as ordinary income; penalty-free after age 59½; 25% penalty if withdrawn within 2 years of participation	Small businesses wanting a low-cost retirement plan with employer contributions

Source: IRS, Cointelegraph Research

Your Retirement Portfolio Has a Hidden Flaw

The core principle of IRA portfolio design is to balance growth against risk over decades. Younger investors often favor more equities allocation for their growth potential, while older participants favor an increased allocation to fixed-income instruments to reduce portfolio volatility. It's a reasonable framework, but it has a structural flaw. Stocks and bonds can become more positively correlated during certain market regimes, reducing some of the diversification benefit investors traditionally expect from a 60/40 portfolio. Within an IRA, investors can generally rebalance among permitted investments without creating a taxable distribution.

This played out in 2008, in the COVID crash of 2020, and again during the US tariff shock, when equities dropped while bond yields rose simultaneously. Because bond prices move inversely to yields, the hedge that fixed income was supposed to provide simply disappeared.

Bitcoin behaved differently during that episode. It held its value while traditional markets sold off. To be clear, Bitcoin isn't immune to liquidity crises, but it doesn't respond to the same interest rate and credit pressures that drive stocks and bonds, which makes it a genuinely different portfolio component when conventional hedges fail.

Also, IRAs come with constraints such as contribution caps, early withdrawal penalties, and rules around what assets qualify. Within those limits, most investors default to high-growth stocks or long-duration bonds, which perform well in bull markets but amplify losses in downturns. These losses are then compounded because the aforementioned constraints prevent flexible reallocation. For these IRA accounts,
a small allocation to an uncorrelated asset with asymmetric upside potential is worth serious consideration.

Bitcoin Has Outperformed Everything

Bitcoin may seem like an unconventional retirement holding, but the performance data makes a compelling case. Over the past decade, it was the best-performing major asset (*Figure 1*).

From 2015 - 2025, Bitcoin produced a cumulative return of 27,227% (66.5% annualized). Whereas in the same time period, the S&P 500 delivered 304%, gold 232%, high-yield bonds 61%, emerging markets 79%, aggregate bonds 21%, and commodities 35%.

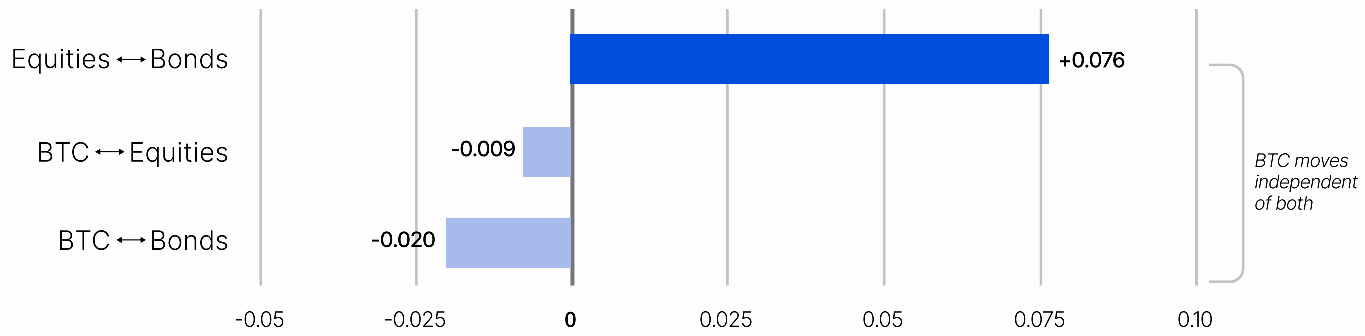
Figure 1: Bitcoin % Performance Compared With Other Select Major Asset Classes (2015 - 2025)

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Cumulative return	Annualized return
BTC 34%	BTC 124%	BTC 1,369%	AGG 0%	BTC 92%	BTC 303%	BTC 60%	CMT 16%	BTC 155%	BTC 121%	Gold 62%	BTC 27,227%	BTC 66.5%
SPX 1%	HY 14%	EM 37%	HY -2%	SPX 31%	Gold 24%	SPX 29%	Gold 0%	SPX 26%	Gold 26%	EM 35%	SPX 304%	SPX 13.5%
AGG 0%	CMT 13%	SPX 22%	Gold -3%	EM 18%	SPX 18%	CMT 27%	HY -11%	Gold 12%	SPX 25%	SPX 18%	Gold 232%	Gold 11.5%
HY -5%	SPX 12%	Gold 13%	SPX -4%	Gold 18%	EM 17%	HY 4%	AGG -13%	HY 11%	HY 8%	CMT 16%	EM 79%	EM 5.4%
Gold -10%	EM 11%	HY 6%	CMT -11%	HY 15%	AGG 7%	AGG -2%	SPX -18%	EM 9%	EM 6%	HY 8%	HY 61%	HY 4.4%
EM -16%	Gold 6%	CMT 4%	EM -15%	AGG 8%	HY 4%	EM -4%	EM -21%	AGG 5%	CMT 5%	AGG 6%	CMT 35%	CMT 2.8%
CMT -25%	AGG 2%	AGG 4%	BTC -74%	CMT 8%	CMT -3%	Gold -6%	BTC -64%	CMT -8%	AGG 2%	BTC -6%	AGG 21%	AGG 1.7%

Source: Cointelegraph Research, iShares

The correlation data on daily returns make this performance more interesting. From 2015 to 2020, equities and bonds had a correlation of -0.01, meaning bonds offset equity risk. Correlation between both, turned positive (0.17) during the 2021-2022 drawdown, but now sits at 0.076 as of 2025. Bitcoin exhibited uncorrelated exposure across the same period with correlations of -0.009 with equities and -0.02 with bonds (*Figure 2*).

Figure 2: Correlation Matrix Based On Daily % Returns



Source: Cointelegraph Research, iShares Core U.S Aggregate Bond ETF - AGG, CoinGecko

On an annual return basis, Bitcoin's correlation with stocks and bonds rises to around 0.31 and 0.29 respectively. In risk-on years it tends to rise with equities, and in broad deleveraging it can fall with them too. But its recovery profile is typically faster and steeper than either stocks or bonds.

A deeper case for adding Bitcoin to IRAs extends beyond its correlation profile. Unlike fiat currencies, Bitcoin has a finite supply, which is programmatically capped at 21 million coins. This scarcity model introduces a non-inflationary asset that exists entirely outside the reach of any central bank or government policy. The effective supply of Bitcoin might be even lower, and can be argued to be deflationary, as research estimates that between 2.3 million and 3.7 million coins (~11%-18%) have been permanently lost. For retirement savers worried about inflation eroding purchasing power over decades, Bitcoin functions as a macro hedge, similar to gold but more portable, divisible, and verifiable.

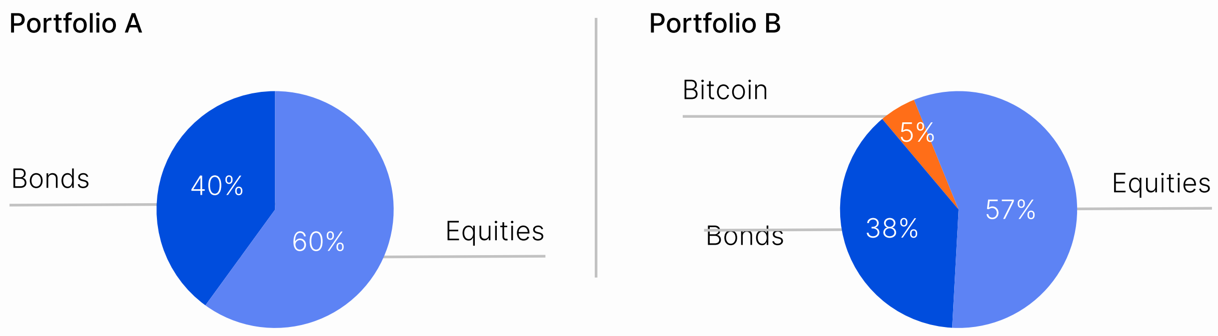
Perhaps most compelling is Bitcoin's asymmetric payoff profile. Despite repeated drawdowns exceeding 70%, Bitcoin has delivered outsized returns over multi-year periods. Analysts such as Jesse Myers have pointed out that Bitcoin has the potential to grow from roughly 0.2% of global wealth today to 5–7% in the coming decades. Michael Saylor has argued that such a shift would reprice Bitcoin into the tens of trillions in market capitalization. If Bitcoin continues to perform along historical lines, it could materially increase wealth outcomes for IRA investors who allocate even a small portion to their portfolio.

What 5% Bitcoin Does to a Retirement Portfolio

Theory is one thing. Numbers are another. To see what Bitcoin actually does to a retirement portfolio, consider two simple portfolios rebalanced annually from 2015 to 2025 (*Figure 3*):

- Portfolio A: 60% equities (S&P 500), 40% bonds
- Portfolio B: 57% equities, 38% bonds, 5% Bitcoin

Figure 3: Composition Of Two Hypothetical IRA Portfolios



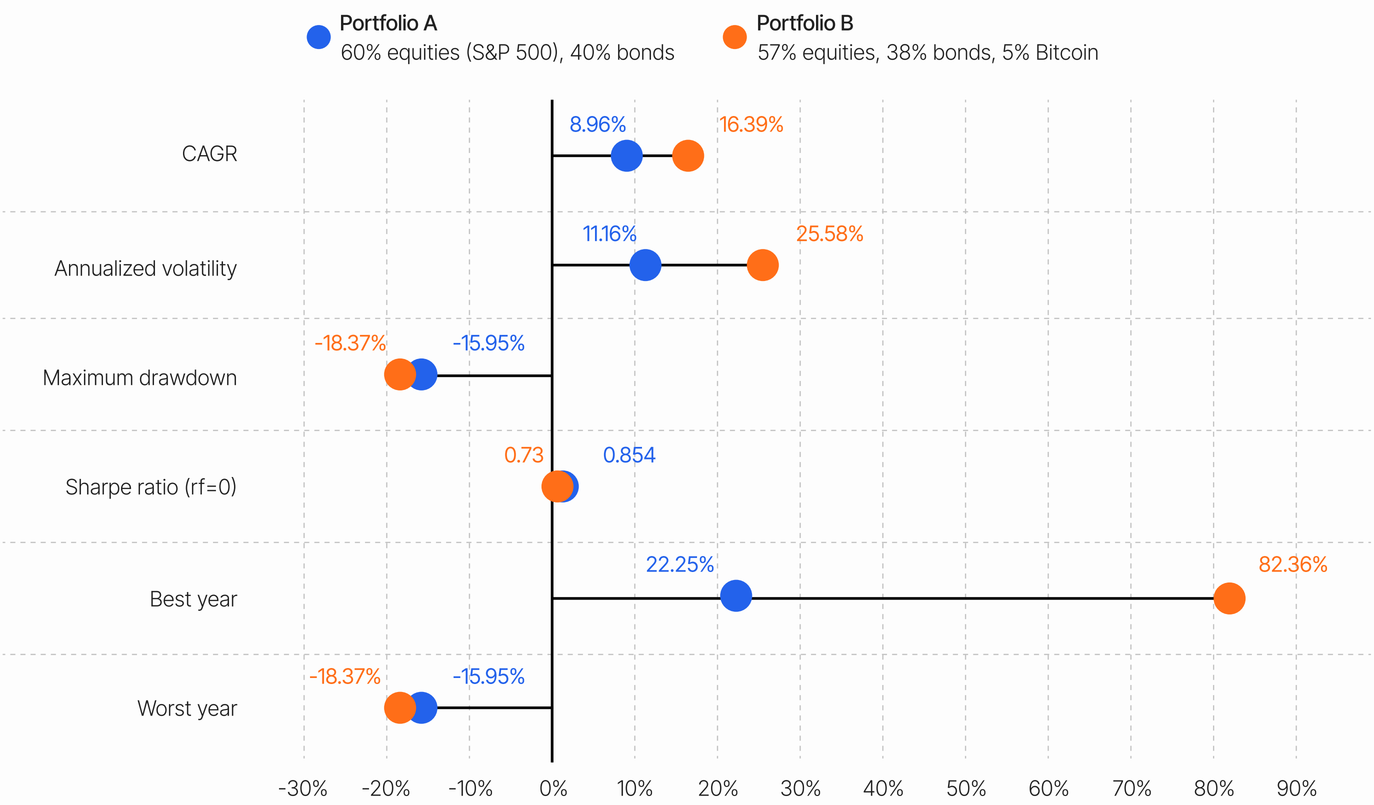
Source: Cointelegraph Research, iShares Core U.S Aggregate Bond ETF - AGG, CoinGecko

Over the time period, Portfolio B substantially outperformed Portfolio A. Portfolio B delivered returns of 16.39% annually versus 8.96% for Portfolio A. The stronger return came with materially higher volatility (25.58% versus 11.16%), and a slightly lower Sharpe ratio (0.730 versus 0.854).

The upside was dramatic. In 2017, when Bitcoin returned 1,369%, Portfolio B returned 82.36% compared to 22.25% for Portfolio A. A single 5% allocation drove nearly 68 percentage points of outperformance in one year.

The 5% allocation also limited the damage during Bitcoin's worst years. In 2018, when Bitcoin dropped 73.56%, Portfolio B declined only 6.11% compared to 2.56% for Portfolio A. The limited damage reflects the fact that 2018 was mainly a crypto-specific drawdown. In 2022, the result was different because Bitcoin's 64.27% decline occurred during a broader black swan-style macro selloff that also pressured equities and bonds. Portfolio B was down 18.37% versus 15.95% for Portfolio A (*Figure 4*).

Figure 4: Return and Risk-adjusted Comparisons of Portfolios A and B



Source: Cointelegraph Research, iShares Core U.S Aggregate Bond ETF - AGG, CoinGecko

More extensive financial scenarios, including Monte Carlo simulations across different market regimes and Bitcoin allocation levels, are provided in the Appendix. While these results show the benefits of a modest Bitcoin allocation, the effect of a full allocation is even more striking. As Chris Kline, Co-Founder of BitcoinIRA notes:

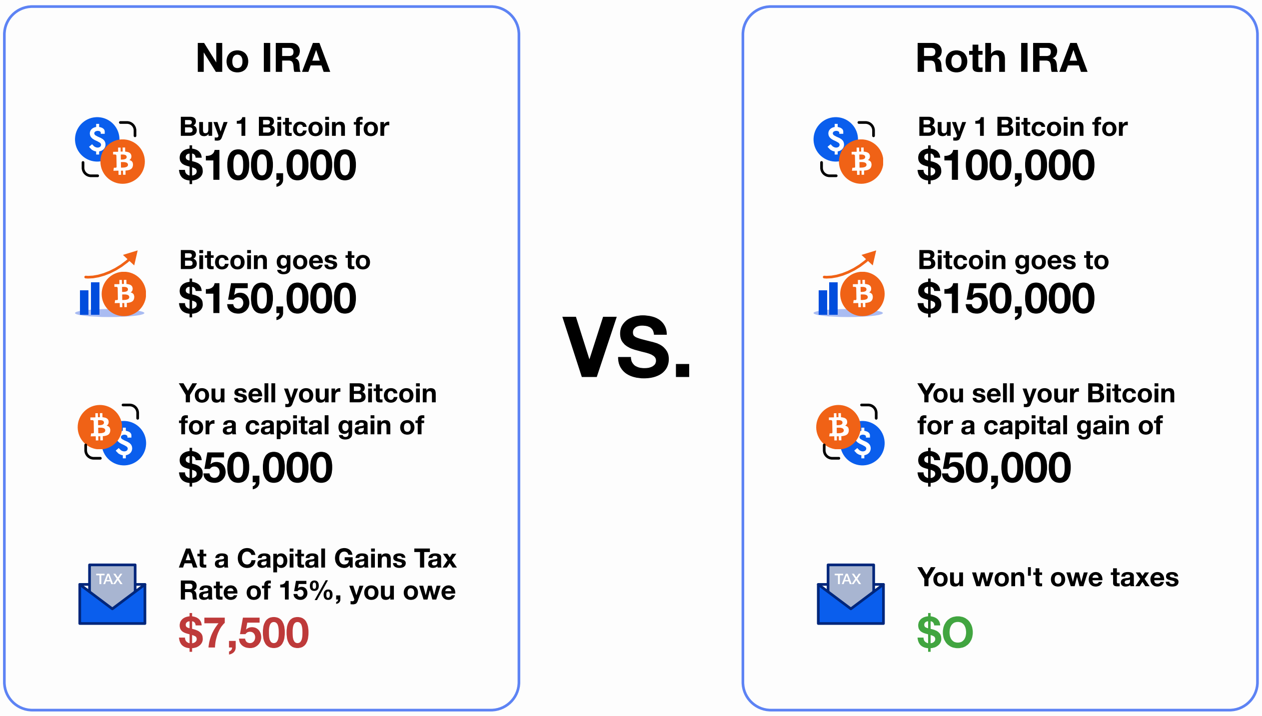
> *Bitcoin has shown the potential for substantial long-term growth, which is why some investors choose to hold it within a retirement account. The advantage of investing through an IRA is the ability to hold Bitcoin within a tax-advantaged structure, where gains can compound tax-deferred in a Traditional IRA or potentially tax-free through qualified Roth IRA withdrawals.*

Chris Kline
Co-Founder

How a Crypto IRA Protects Your Gains From Taxes

A Crypto IRA works the same way as a Traditional or Roth IRA, just with digital assets instead of stocks and bonds. The same tax advantages apply, and with a high-growth asset like Bitcoin, those advantages are substantial. Figure 5 illustrates the tax difference on a $50,000 Bitcoin gain held inside a Roth IRA versus a taxable account. Over decades of compounding, that difference adds up dramatically.

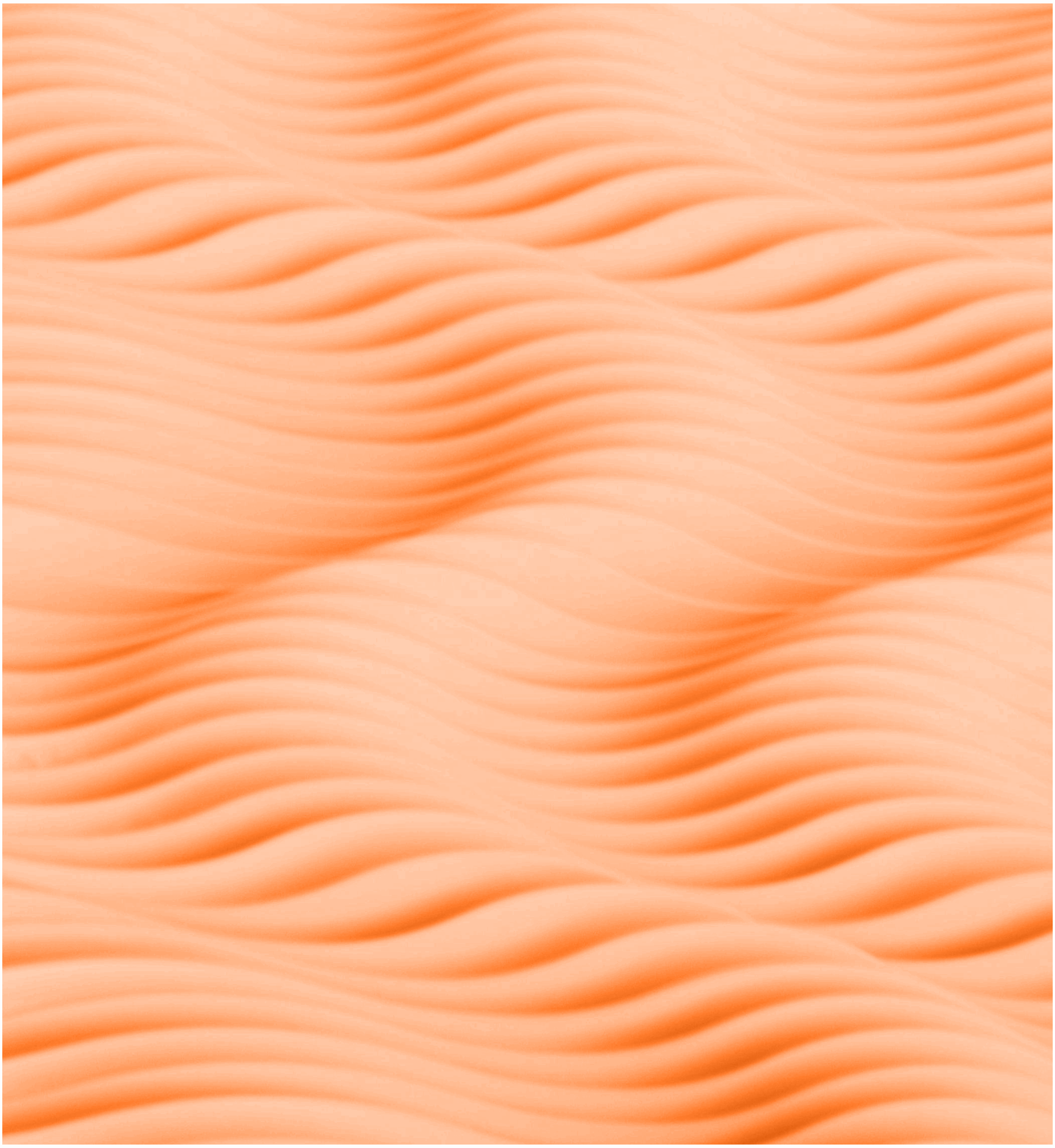
Figure 5: Crypto Capital Gains Savings



Source: Cointelegraph Research

Any individual with earned income can open a Crypto IRA within the standard annual contribution limits of $7,500 for those under 50 and $8,600 for those 50 and older in 2026. Traditional IRAs have no income restrictions for contributions, but Roth IRAs impose income caps, phasing out between $153,000 and $168,000 for single filers and $242,000 and $252,000 for joint filers in 2026.

You don't have to fund a Crypto IRA through new contributions alone. Rollovers from existing 401(k)s, 403(b)s, and other IRAs are typically tax-free when executed properly, and they allow you to move retirement savings you've already built into a crypto-enabled strategy without triggering penalties. This matters more than most people realize: an estimated $1.65 trillion sits forgotten in old 401(k) accounts from prior employers. A rollover is a practical way to put that dormant money back to work.



Opening a Crypto IRA: What to Expect

A Crypto IRA is a self-directed IRA held with a specialized provider that gives you access to Bitcoin and other digital assets inside a tax-advantaged account. The structure is IRS-compliant, meaning you get the same tax treatment as a Traditional or Roth IRA, with the added ability of the provider to hold the crypto directly rather than through a fund such as a Bitcoin ETF.

BitcoinIRA, founded in 2016, was the first dedicated Crypto IRA platform in the United States. It now serves tens of thousands of account holders, supports 100+ digital assets, provides custodial insurance coverage up to $250 million, and offers a streamlined rollover process for transferring existing retirement funds.

While Bitcoin remains the dominant holding, client allocations are diversifying. Internal data from BitcoinIRA shows that 83% of their clients hold BTC and 62% hold ETH, with growing positions in XRP, ADA, AAVE, AVAX, and ALGO.

Beyond buy-and-hold, many assets inside a Crypto IRA are eligible for staking, earning yields which compound inside the account without triggering taxable events, turning idle holdings into an additional growth engine.

Getting started is straightforward. You open an account through a custodian-backed provider, fund it either by rolling over an existing retirement account or making new contributions, then allocate across supported assets. The custodian handles secure storage and ongoing tax reporting, so you're not managing wallets or compliance requirements yourself.

Crypto IRA vs Crypto ETF?

With spot Bitcoin ETFs now available, retirement investors have two realistic paths to Bitcoin exposure inside a tax-advantaged account. Both offer IRA tax treatment. The differences come down to ownership, flexibility, and cost.

A Bitcoin ETF held inside a standard IRA is the simpler option. You buy shares through any existing brokerage IRA, pay a low annual expense ratio of typically 0.2% to 0.25%, and get straightforward price exposure to Bitcoin. Gains compound with the same tax treatment as any other IRA holding. You don't own Bitcoin directly, but for investors who want simple exposure without opening a new account, it's a clean solution.

A Crypto IRA goes further. You own Bitcoin directly rather than through a fund, which matters to investors who want actual asset ownership. You also get access to 100+ digital assets beyond Bitcoin, the ability to earn staking rewards of up to 12% annually on eligible holdings, and dedicated rollover support from existing 401(k)s and IRAs. The tradeoff is higher fees. Annual platform fees of 0.5% to 1% and transaction fees of 1% to 3% per trade, compared to the near-zero cost of an ETF.

The right choice comes down to what you need. If you want Bitcoin exposure inside an account you already have, at the lowest possible cost, the ETF is the more efficient path. If you want direct ownership, a broader range of crypto assets, or the ability to earn yield on your holdings, a Crypto IRA is built for that.

Staking rewards are not guaranteed. Estimated APYs are subject to change based on network conditions, fees, and compounding frequency. Eligible assets may vary at the custodian's discretion. Staked assets are subject to the terms of BitcoinIRA, the custodian, and applicable blockchain protocols. Clients should be aware that staking involves risks, including potential loss of principal, and is not suitable for all investors. Clients are encouraged to speak with a CPA, Investment, or Tax Advisor to see if staking is right for them.

Table 2: Crypto IRA Vs Bitcoin ETF

Comparison axis	Crypto ETF	Crypto IRA
Tax treatment	Tax-deferred or tax-free depending on IRA type	Tax-deferred or tax-free depending on IRA type
Account type	Standard brokerage IRA	Self-directed IRA
Asset breadth	Single asset (Bitcoin only)	100+ digital assets through BitcoinIRA
Yield / staking	No staking rewards	Staking on eligible assets
Custody / ownership	Fund share exposure via ETF custodian	Direct digital asset ownership via IRA custodian
Fees	0.2% to 0.25% annual expense ratio	0.5% to 1% annual platform fee, 1% to 3% per transaction
401(k) rollover support	Requires liquidation of rollover assets first	Native rollover support from eligible retirement accounts

Source: Investor.gov, IRS.gov

Your Bitcoin Is Safer Than You Think

Security is the question most people have before opening a Crypto IRA, and it's a fair one. This section will address the security question.

While assets in a Crypto IRA are natively digital, control of the private keys is governed by a regulated institutional custodian that holds it on your behalf. It uses the same infrastructure that large hedge funds and family offices rely on.

The private keys are stored in air-gapped cold storage hardware, with multisignature wallet structures that prevent any single point of compromise. There is also insurance coverage against theft or loss.

BitcoinIRA uses BitGo for institutional digital asset infrastructure, which carries custodial insurance coverage up to $250 million and maintains SOC 2 Type 2 compliance. This is an independent audit standard that verifies security controls, data handling, and operational integrity.

On the account side, access is protected by identity verification, two-factor authentication, and encrypted session handling. You never interact with a wallet directly. Transaction instructions go through multiple verification layers before anything moves.

The one honest caveat: custodial insurance typically covers theft or institutional failure, not investor error.

7 Things to Check Before Opening a Crypto IRA

When evaluating Crypto IRA providers, one should focus on certain criteria:

1. Custody counterparty: Who actually holds the assets, and under what regulatory framework? Regulated qualified custodians offer a materially different risk profile than proprietary or exchange-based custody.
2. Custodial insurance: What is the publicly disclosed insurance figure and what does it cover?
3. Asset selection: Is there a broader supported-asset list that enables diversified crypto allocations within a single IRA structure?
4. Staking support: Can yields be earned on holdings?
5. Rollover infrastructure: Dedicated rollover specialists and a documented process reduce execution risk on what is often the single largest funding event.
6. Track record and regulatory standing: Operational history matters. BitcoinIRA was founded in 2016 as the first dedicated Crypto IRA platform in the U.S.
7. Fee transparency: Setup, custodial, and per-transaction fees vary significantly across providers. Total cost of ownership should be modeled against expected holding period and contribution volume.

Research Conclusion: What The Data Shows

This report set out to test whether Bitcoin belongs in a retirement portfolio. The data supports five clear conclusions.

Bitcoin moves independently of stocks and bonds. Over 2015 to 2025, Bitcoin's daily correlation with equities was -0.009 and with bonds was -0.020. That independence matters most when stocks and bonds fall together and the traditional 60/40 portfolio fails to provide the protection it was designed to deliver.

A 1% to 10% allocation is the sweet spot. Small allocations consistently improved long-term returns while keeping downside contained. Above 10%, the volatility starts introducing tail risk that outweighs the benefit. Within the 0%-10% allocations tested, higher Bitcoin allocations increased expected upside while also widening the range of potential outcomes. These simulations do not establish an optimal allocation for individual investors.

Holding Bitcoin inside an IRA amplifies the advantage. Tax-deferred or tax-free compounding means more of your return stays invested for longer. For a high-growth asset held over decades, that structural benefit compounds significantly alongside the asset itself.

The infrastructure is ready. Regulated custodians, institutional cold storage, insurance coverage up to $250 million, and streamlined rollover processes mean crypto retirement investing is no longer an edge case. It's operationally viable for everyday investors.

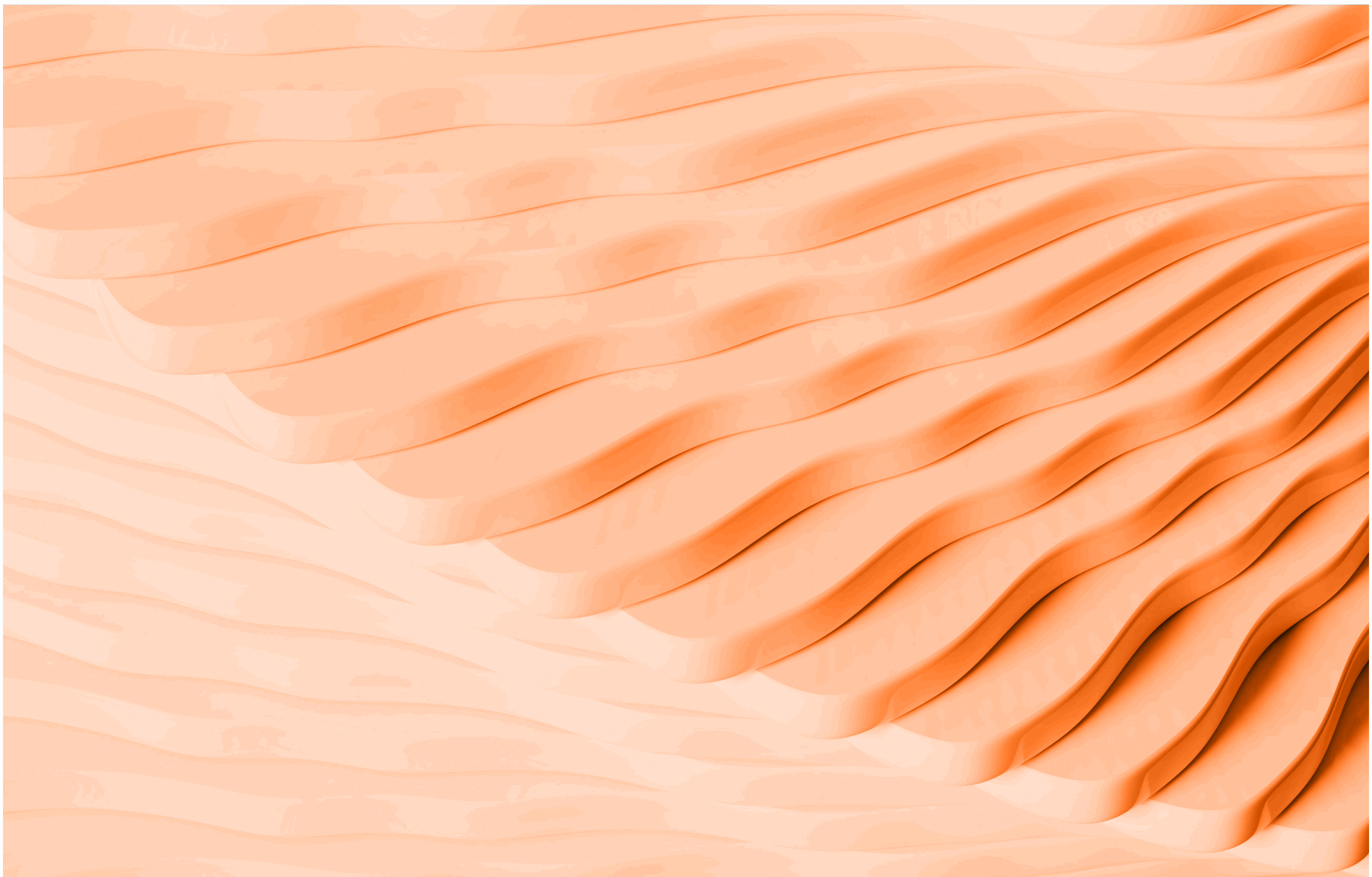
$1.65 trillion in forgotten 401(k)s represents a real opportunity. Rollovers allow investors to reclaim dormant retirement savings and redirect them into a tax-advantaged, growth-oriented structure without triggering taxable events. For many investors, this is the most practical path to meaningful Bitcoin exposure inside a retirement account.

Editorial Conclusion

As retirement planning adapts to the realities of a changing economic landscape, investors are rethinking what it means to build long-term wealth. Traditional IRA portfolios, which were once sufficient with a simple mix of stocks and bonds, now face challenges from rising inflation, monetary expansion, and tightening asset correlations.

In this context, Bitcoin offers not a replacement, but a strategic enhancement. It is a finite, asymmetric, and largely independently moving asset with a track record of outsized long-term returns that is now accessible inside the same tax-advantaged structure people are already using to save for retirement.

For anyone seeking to modernize their retirement portfolios, the data in this report has made a structural case. The tools exist to act on it. For investors considering Bitcoin within a retirement portfolio, the relevant questions are whether the asset fits their risk tolerance and time horizon and, if so, what level of exposure is appropriate.



This Report Is Sponsored by BitcoinIRA

BitcoinIRA – America's first and most trusted digital asset IRA platform.

Founded: 2016 – First dedicated Crypto IRA platform in the United States.

Platform Overview:

- 100+ digital assets supported
- $0 setup fee, $0 deposit fee
- 0.08% monthly platform fee on digital asset value ($20 minimum)
- 2% crypto transaction fee per buy/sell
- $1,000 account minimum
- 4.9/5 stars

Security & Custody:

- Digital Trust + BitGo institutional custody
- Custodial insurance coverage up to $250 million
- Cold storage with multisignature wallet architecture
- BitcoinIRA - SOC 2 Type 1 certified

Features:

- Staking supported on eligible assets (ETH, SOL, ADA, DOT)
- 24/7 self-trading platform with mobile app
- Direct 401(k) and IRA rollover support
- Live customer support
- Crypto Bundles
- Crypto Portfolio Rebalancing
- Crypto Lending (coming soon)

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BitcoinIRA is a platform that connects consumers to qualified custodians, digital wallets and cryptocurrency exchanges. The company is not a custodian, is not a digital wallet and is not an exchange. The information provided in this article is for educational purposes only. We encourage you to consult a qualified tax or investment advisor to determine whether BitcoinIRA makes sense for you.

Appendix

To stress-test these findings, thousands of simulated market scenarios were modeled across different economic conditions (market regimes). Each regime applied different assumptions for long-term expected returns (μ) and annual volatilities (σ) across equities, bonds, and Bitcoin (Table 4).

In these scenarios, higher-risk environments assumed proportionally higher returns and higher volatility across all asset classes. This approach provides a tractable framework but also simplifies reality: it does not model cases where assets decouple, e.g, a prolonged equity bear market with Bitcoin appreciation, or bond markets constrained by yield-curve control and heavy government intervention. The proportional scaling can be thought of as a factor k applied across asset classes to generate low, medium or high regimes.

Table 4: Long-Term Return And Volatility Assumptions For Monte Carlo Simulations

Regime	Equities μ	Bonds μ	BTC μ	Equities σ	Bonds σ	BTC σ
Low	7.0%	3.0%	35.0%	12%	6%	70%
Medium	9.0%	3.5%	45.0%	15%	7%	80%
High	11.0%	4.0%	55.0%	18%	8%	90%

Source: Cointelegraph Research

These regimes represent alternative market environments rather than investor personas. The low-return regime assumes muted returns and reduced volatility across all assets, consistent with a defensive stance or a prolonged low-growth economy. The mid-range regime reflects average market conditions, with moderate risk and return assumptions that align with a balanced outlook.
The high-return regime applies elevated return and volatility expectations, corresponding to periods of rapid expansion where growth opportunities carry higher risk.

Within each regime, the simulations tested four Bitcoin allocation scenarios—0%, 1%, 5%, and 10%—with the BTC sleeve always taken proportionally from the equity allocation so that the non-BTC portion retained a 60/40 equity-bond ratio (*Table 5*).

Table 5: Bitcoin Allocation Scenarios And Adjusted Portfolio Weights For Monte Carlo Simulations

Allocation Profiles	Equity Weight	Bond Weight	BTC Weight	Notes
1	60%	40%	0%	Traditional 60/40 equity-bond split
2	59%	40%	1%	BTC taken from equity sleeve
3	57%	38%	5%	Equity and bond weights are scaled proportionally to maintain a 60/40 ratio
4	54%	36%	10%	Larger BTC sleeve increases deviation from pure 60/40

Source: Cointelegraph Research

This structure means that each colored curve in the time-to-goal distribution charts represents one BTC allocation level tested inside the same risk environment not a change in the overall profile (*Table 6*).

Table 6: Methodology And Assumptions:

Parameter	Value
Horizon	30 years
Starting balance	$0
Annual contribution	$7,500 (monthly deposit of $625)
Rebalancing frequency	Monthly, to target allocation
Goal for time-to-goal metric	$1,000,000
Simulations per profile/allocation	2,000
Compounding method	Monthly, lognormal return model

Source: Cointelegraph Research

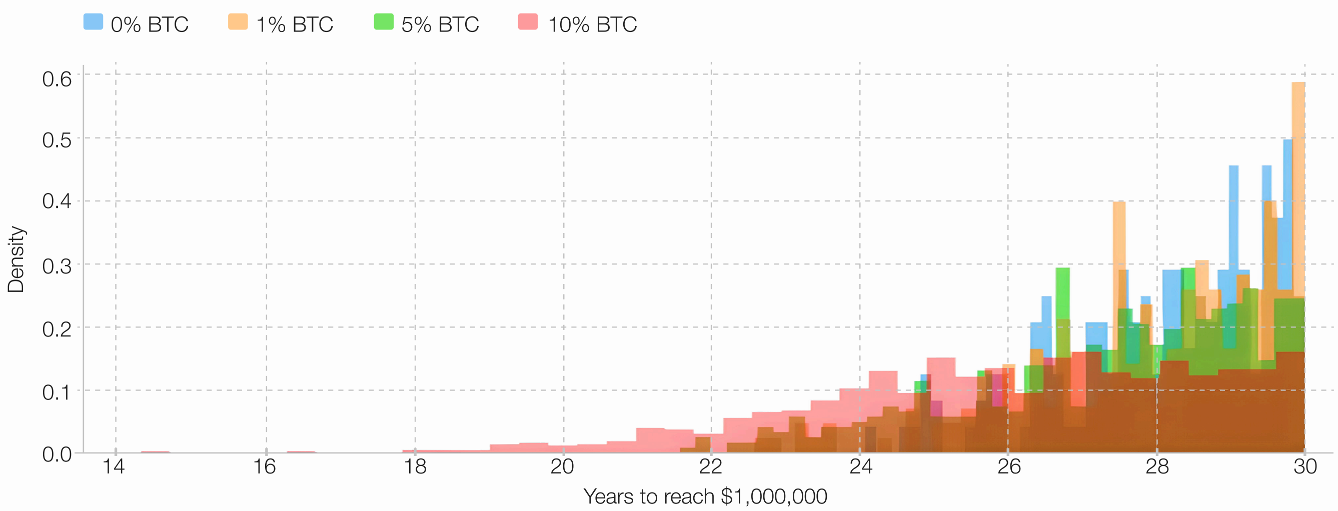
In these simulations, the impact of Bitcoin varied by risk profile. Under the low regime assumption set, adding Bitcoin shifted outcomes only modestly. Even at 10% allocation, the time-to-goal distribution shifted only slightly, with bond-heavy weighting dampening both the acceleration and the volatility introduced by Bitcoin (*Figure 6*). Gains were smaller, but drawdown risk remained contained.

Figure 6: Time-To-Goal Distribution For A Low Regime

Source: Cointelegraph Research, iShares Core U.S Aggregate Bond ETF - AGG, CoinGecko

For a medium regime assumption set, introducing Bitcoin delivered more meaningful differences. A 5% allocation increased the median 30-year ending balance by roughly $194,000 compared to the baseline 60/40 portfolio, and shortened the median time to reach $1 million by about 0.34 years (*Figure 7*).

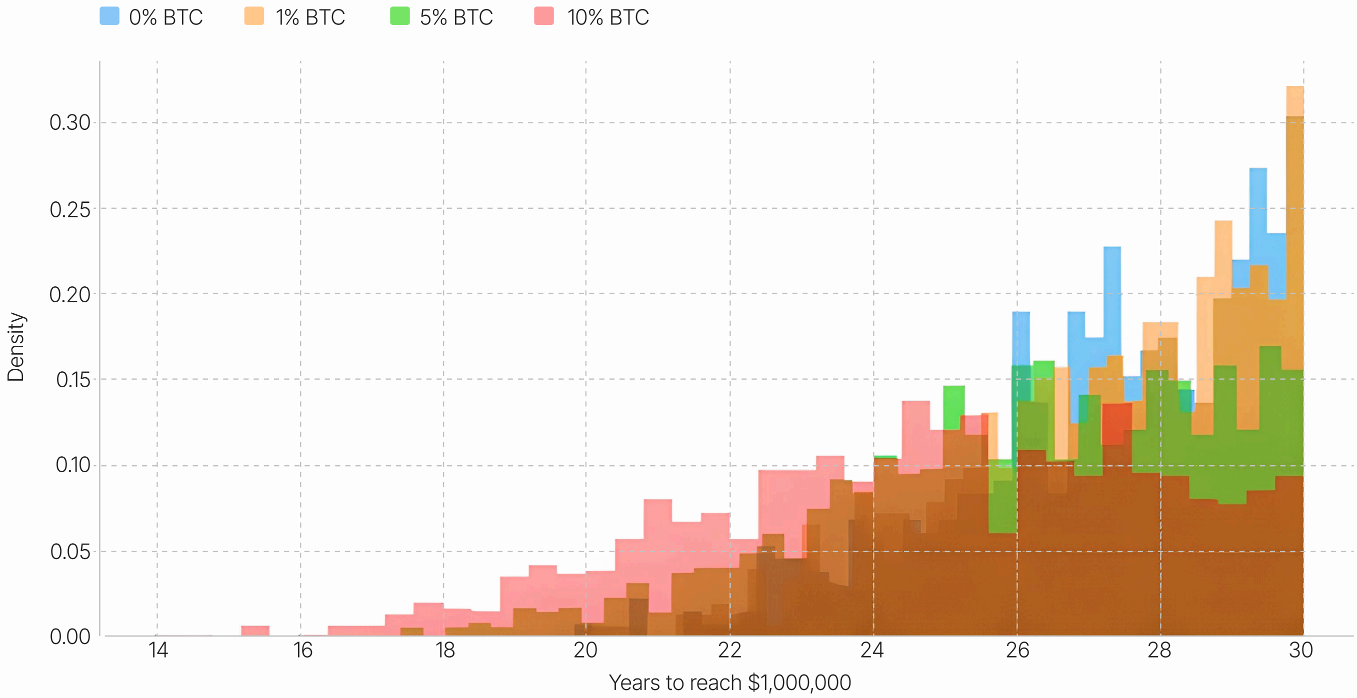
Figure 7: Time-To-Goal Distribution For A Medium Regime



Source: Cointelegraph Research, iShares Core U.S Aggregate Bond ETF - AGG, CoinGecko

Under the high regime assumption set, the role of Bitcoin became most pronounced. A 10% allocation accelerated the median time-to-goal by 1.42 years, but widened the outcome distribution. This meant increased upside potential but also deepened tail risk (*Figure 8*).

Figure 8: Time-To-Goal Distribution For A High Regime



Source: Cointelegraph Research, iShares Core U.S Aggregate Bond ETF - AGG, CoinGecko

These findings echo the structure explored in Traditional IRA investment literature. The long-term power of compounding and tax deferral magnifies the impact of early high-growth periods. It also challenges the conventional wisdom that volatility disqualifies Bitcoin from retirement accounts. Bitcoin's volatility, if absorbed within reasonable position limits, translates into optional asymmetry, not systemic risk. It redefines how a portfolio hedges against a future where legacy correlations no longer guarantee resilience.

The key lies in sizing. Allocations above 10% introduce unacceptable tail risk, while 1–5% allocations strike a balance between downside containment and meaningful upside exposure.

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