



AES Insights - Asset-Specific Method Analysis

Bitcoin (BTC)

DESCRIPTION

Bitcoin (BTC) is the first decentralized cryptocurrency and was designed as an alternative, non-state monetary system. The network is based on an open and transparent rule set and enables the direct transfer of value without a central intermediary.

Within the cryptocurrency market, Bitcoin primarily serves as a digital store of value and a reference asset. Unlike many other crypto projects, the focus is not on functional extensions or complex smart-contract logic, but on robustness, security, and scarcity.

Key characteristics:

- Limited supply (maximum of 21 million BTC)
- High network security through proof-of-work
- Global liquidity and deep market depth
- High volatility alongside long-term market acceptance
- No central control or governance authority

Within the crypto market, Bitcoin frequently functions as a baseline asset against which the volatility, liquidity, and market sentiment of other assets are measured.

NEWS & MARKET ENVIRONMENT

The following points are intended solely to provide a temporal classification of the market environment and do not constitute a forecast or call to action.

October 2025

Macroeconomic and market environment

In October 2025, Bitcoin remained positioned between monetary policy expectations, ETF inflows, and macroeconomic uncertainty. Discussions around interest rates, public debt, and geopolitical risks influenced overall risk appetite.

Market reaction

During this period, Bitcoin exhibited elevated volatility without forming a clear directional trend. Directional shifts occurred frequently and were largely driven by news-related impulses.

November 2025

Institutional perception

In November, institutional participants once again moved into focus. Reports on long-term allocation strategies, ETF flows, and strategic Bitcoin reserves shaped market narratives.

Price and sentiment

Despite positive narratives, overall market behavior remained fragmented. Upward movements were repeatedly met with profit-taking, reflecting a fragile and tactically driven market structure.

December 2025

Year-end dynamics

Toward the end of the year, retrospective market commentary increased. Bitcoin was increasingly viewed in a historical context—as an asset with high volatility but exceptional long-term performance.

Classification

Coverage shifted away from short-term price targets and toward structural attributes such as scarcity, network effects, and Bitcoin's role within the global financial system.

AES interpretation: News increases amplitude, but not sustainable direction.

PRICE MOVEMENT

Period: 01 October 2025 – 31 December 2025

Overall movement characteristics

During the observed period, Bitcoin exhibited an amplitude-driven and intermittently trendless price structure. The market was characterized by pronounced price swings without establishing a stable direction across the three-month timeframe. Upward impulses were repeatedly offset by corrections, while declines were cushioned by counter-movements.

October 2025 – Dynamic expansion phase

At the beginning of the period, Bitcoin entered an impulsive upward phase. The price shifted from a lower zone around **USD 85,000–90,000** into significantly higher price levels.

Over the course of the month, the trading range expanded to **above USD 105,000**. The movement was accelerated, accompanied by high volatility and only brief interim corrections.

November 2025 – Correction and transition

In November, a pronounced correction phase emerged. The price moved back into a broader range between approximately **USD 90,000 and 100,000**, accompanied by increasing uncertainty.

New highs failed to materialize. Instead, larger fluctuations dominated, signaling a transition from expansion to consolidation.

December 2025 – Sideways phase with elevated volatility

In December, price action was largely direction-neutral. Bitcoin oscillated within a wide range of approximately **USD 80,000–95,000**.

Short-term swings were amplified by reduced year-end liquidity and portfolio adjustments, without forming a new directional trend.

Summary AES classification

Across the full period, the observed price structure can be described as:

- high volatility
- broad price ranges
- lack of sustained trend stability
- clearly identifiable phases (Expansion → Correction → Sideways)

Price movement therefore provides fluctuation, not orientation. Orientation emerges only through **time, objective, and inventory**.

AES – CLASSIFICATION OF THE OBSERVED PERIOD

Observation period: 24 November 2021 – 31 December 2025 (trading days, daily evaluation)



Methodological note

The displayed inventory development is based on a rule-based AES process with fixed intervals and predefined position sizes. No retroactive adjustments or optimizations were applied.

Point-in-time comparison of key metrics (AES vs. Buy & Hold)

Date	2025-10-31	2025-11-30	2025-12-31
Period	1.438 days	1.468 days	1.499 days
Price Development	87,38%	53,90%	46,83%
Average Volatility	2,68%	2,70%	2,72%
Inventory Development	72,40%	98,44%	104,86%
Value Development	223,06%	205,45%	200,82%
Value Development (Buy & Hold)	87,38%	53,90%	46,83%
Relative Value Difference (AES vs. Buy & Hold)	+ 135,68%	+ 151,55%	+ 153,99%

The table compares selected metrics at defined points in time within the same market environment. (Volatility calculated as a rolling daily average.)

This example serves solely as a methodological illustration and does not constitute an assessment of the asset or a statement about future developments.

OBJECTIVE, TIME, AND RETURN WITHIN THE AES FRAMEWORK

Reference framework

- Time horizon: 8 years
- Target return: 12% p.a. net ($\approx 16.67\%$ p.a. gross assuming 28% capital gains tax)
- Derived target inventory growth: 52.07%
- Achieved actual inventory growth: 104.86%

The following information serves solely to classify progress within the defined target framework.

Starting point: the defined objective

Within the AES framework, target return and time horizon are defined in advance. This definition does not serve to forecast the market, but to structure the process.

The objective does not describe an expected price path, but a desired state at a defined point in time. Return is treated as a reference parameter, not a promise.

Translating the objective into inventory

Within AES, the return objective is not translated into price assumptions, but into a required target inventory.

This target inventory is derived from the current market price and adjusts dynamically. Price remains an external, uncontrollable variable—inventory becomes the primary measurement variable.

In this way, a value-based objective is converted into an inventory-based orientation.

Time as a structuring element

Within AES, time does not function as a source of uncertainty, but as a structuring element.

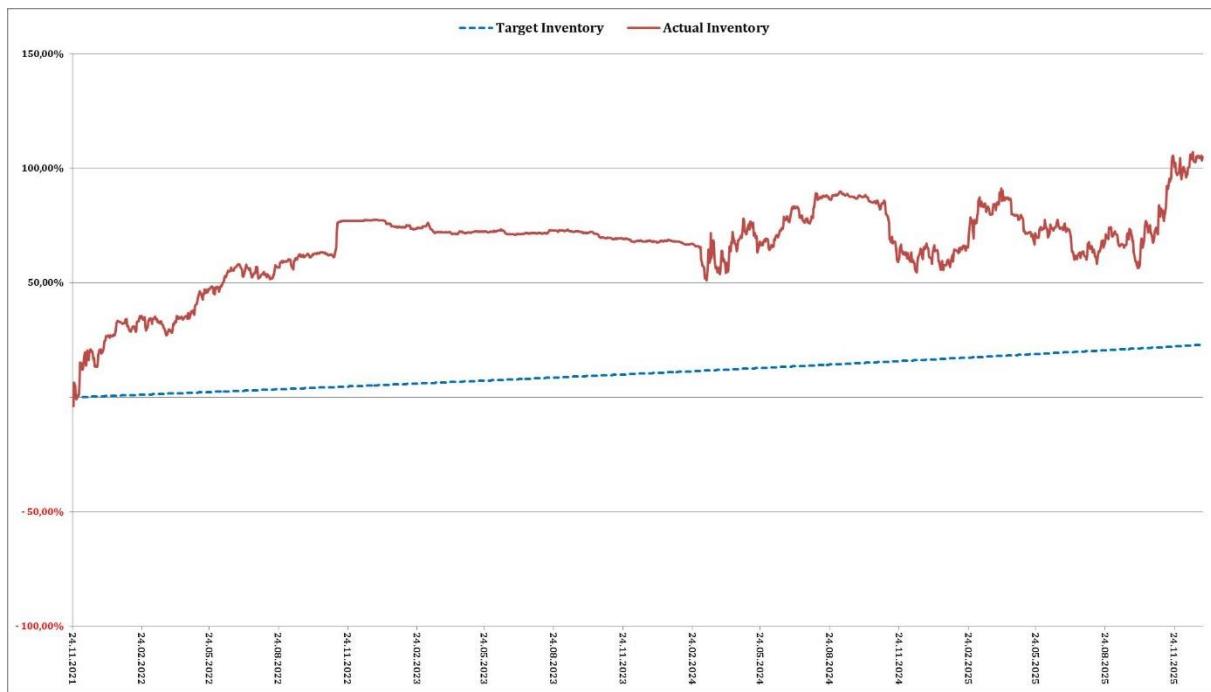
At any point in time, it is possible to determine the inventory required at the current price in order to reach the defined objective within the remaining time horizon.

This can be compared to the actual inventory built. The deviation between target and actual inventory allows for a factual classification:

- ahead of target
- on plan
- behind the target path

Progress is therefore not measured against the market, but against the relationship between objective, time, and inventory.

TARGET AND ACTUAL INVENTORY OVER TIME (AES TARGET PATH)



Impact on decision pressure

Through the continuous comparison of planned and achieved inventory, a calm and verifiable process emerges.

Decisions are not triggered by short-term market movements, but by deviations from the individual target path.

Market movement remains necessary—the emotional reaction to it is structurally reduced.

In this way, calmness and stress reduction emerge without eliminating the productive tension inherent in markets.

CLASSIFICATION

This presentation does not imply any entitlement to returns and does not constitute a forecast of future market developments. It serves solely to provide a methodological classification of progress over time within a rule-based, inventory-oriented process.

BRIEF EXPLANATION OF THE AES METHOD

Within the Alpha Expanse Strategy (AES), no additional capital is allocated to the observed asset. Inventory development arises exclusively through reallocations within the same asset.

These reallocations follow a clearly defined rule set. Reallocation points emerge either from statistical probability assumptions or from actual price movement, without any price forecasting.

The market is neither predicted nor evaluated. Price movements function solely as triggers, not as objectives or expectations.

Volatility is therefore not avoided, but structurally utilized. The effect of the strategy does not result from market timing or external inflows, but from discipline, repetition, and time within a consistent process.