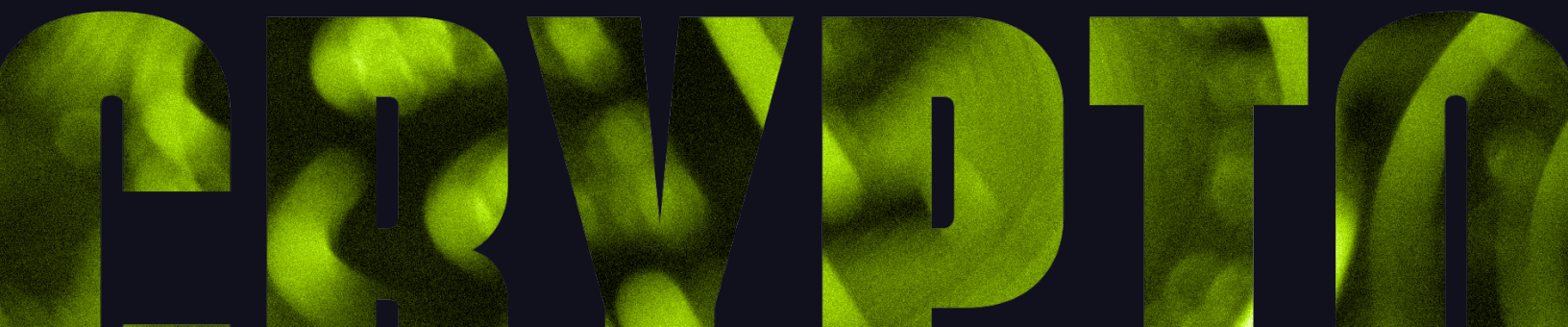
RV
CRYPTO ACADEMY

KNOWLEDGE DROPS

Crypto Academy Sessions,

Episode 3 — How to Trade Majors



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We hope you enjoyed Crypto Academy Sessions Ep. 3. As you move through your financial learning journey in the Crypto Academy, think of these reports and all the other Academy extras as Cliff's Notes. These reports are not meant to replace any of the episodes — they're here to help make things easier.

These reports were populated by the AI-powered RV bot on the new Real Vision platform.

Enjoy.

An expert crypto trader and Web3 entrepreneur, Michael "Mando" Anderson sat down to share how he approaches crypto portfolio construction, how he trades large-cap cryptocurrencies, and why most investors should anchor their portfolios with BTC and ETH.

A former high-yield credit trader with a keen eye for how macro, sentiment, and market structure drive prices in crypto, Mando unpacks the large-cap complex to help you navigate what can be a very intimidating marketplace. Here are the knowledge drops:

1. **There are only 2 major coins remaining in crypto: BTC and ETH.** BTC and ETH have outperformed every altcoin through successive cycles, and that is generally expected to continue. Understanding how to trade these two cryptocurrencies will help protect your portfolio and allow you the freedom to trade some of the riskier altcoins or memecoins with your large-cap profits. According to Mando, "at least 50% of your crypto portfolio" should be allotted to BTC and ETH.

2. **The BTC-to-ETH ratio is one of the most important dynamics to understand in crypto.** Depending on macro forces, the dominant narratives that drive investor sentiment and price action often shift between favoring BTC or ETH. This year, bitcoin has outperformed ETH as the idea of BTC as a "digital gold" is attractive in a high interest rate environment. But during the bull cycle of 2020 and 2021, ETH's strong correlation with the technology sector led to massive outperformance.

3. **For many investors, focusing on fundamental drivers provides a safer, more lucrative way to catch long-term trends.** Along with the macro environment, Mando studies crypto fundamentals like on-chain metrics, daily active users, and use cases of NFTs. This helps him gain insights into market sentiment and narrative shifts that will drive intermediate and long-term trends.

4. **Following a consistent, rules-based system for position-sizing is an important aspect of risk management in crypto.** For his part, Mando typically uses the "rule of 3." For ETH, he sells one-third of his position when the trade has increased 40%, and another third when the position is up 100%. "I generally keep the final third always invested," says Mando. "That's the moon bag if things do get crazy."

5. **Technical analysis should be the complement to your trading strategy, not the main strategy itself.** There is no shortage of technical indicators in crypto, but, Mando contends that relying on them will usually lead to paralysis by analysis, especially for retail traders. Plus, in the crypto market, filled with AI-based algorithms and sophisticated participants, competing as a novice technical analyst can be challenging. Instead, it's best to use technical analysis as a supplement to decide when to scale in and out of long-term trades.

6. **There's no way around it: crypto investors must be prepared for volatility.** "We have to accept that in any given year, you'll get at least 1 or 2 major dips in BTC and ETH," says Mando. "Even in the bullish years, you'll see 20, 30, or 40% selloffs… So it's always ideal to have reserve capital ready to be able to buy the dip. You never want to be under water and fully invested."