

Dollar-Cost Averaging: A Practical Strategy for Crypto Investors

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Dollar-cost averaging (DCA) is an investment approach where you buy a fixed dollar amount of an asset at regular intervals, regardless of price. Instead of trying to time the market, you commit to purchasing, say, \$100 of Bitcoin every week or month. Over time, you accumulate more units when prices are low and fewer when prices are high, which smooths out your average cost per unit.

How DCA Works in Practice

Suppose you invest \$200 in Ethereum monthly for six months. If prices are \$2,000, \$1,500, \$1,800, \$1,200, \$2,500, and \$2,200, you buy different amounts each month. Your average cost per ETH comes out lower than if you had invested the full \$1,200 in a single lump sum at a higher price point. The math works because fixed dollar amounts buy more units at lower prices, pulling the average down over time.

Most major exchanges — Coinbase, Kraken, Binance — offer automated recurring purchase features, so you can set a schedule and execute the strategy without manual intervention. This removes the emotional friction of deciding when to buy during volatile periods.

Why Crypto Volatility Makes DCA Relevant

Crypto markets move sharply. Bitcoin has historically dropped 50–80% from peak to trough during bear markets, only to recover and set new highs in subsequent cycles. For an investor who bought a lump sum near the top of the 2021 cycle at around \$65,000, the drawdown to roughly \$16,000 in late 2022 was severe. A DCA investor buying throughout that period would have accumulated coins at a range of prices, reducing their average cost significantly compared to the peak buyer.

The strategy does not guarantee profit. If an asset enters a prolonged decline and never recovers, DCA only means you lost money more gradually. It works best applied to assets with long-term upward trends, which is why most DCA practitioners focus on Bitcoin or Ethereum rather than speculative altcoins.

Limitations and Tradeoffs

DCA underperforms lump-sum investing in a consistently rising market. Studies on traditional equity markets show that lump-sum investing beats DCA roughly two-thirds of the time over long horizons, simply because markets tend to rise. In crypto, where volatility is extreme and timing the bottom is nearly impossible for most investors, DCA offers a practical tradeoff: slightly lower expected returns in bull runs, in exchange for meaningfully lower risk of catastrophic entry timing.

Transaction fees can erode returns if you are making very small, frequent purchases. It pays to check whether your platform charges flat fees per transaction — at \$1 per trade, buying \$20 weekly costs 5% in fees before any price movement.

DCA is a discipline tool as much as a financial one. It forces consistent participation without requiring constant market analysis, which suits investors who have a long time horizon and want to build a position in crypto without the stress of active trading.

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Contents: Article (p.1) -> Seed Phrases (pp.2-5) -> Related Documents (p.6)

RANDOM MNEMONIC WORD SETS

This document continues with 84 machine-generated mnemonic word sequences for study and format reference.

1) tortoise recycle weasel tent	2) advance indicate attack spray
midnight alley material crowd double	depart help blush local office myth
happy thunder unique	judge rotate

[2 | 6]

RANDOM MNEMONIC WORD SETS

3) trigger alley relax network under
recycle ivory minimum service town
guilt solution

5) swim grid cactus rigid vote zebra
mixture enact sing box ticket excite

7) before aerobic volcano grace drip
struggle must enhance pilot vapor
dust soup

9) radar congress dune amazing
discover pistol hotel gauge alone
shiver rescue always

11) piece bunker immense energy
educate industry verb myth master
damp bullet random

13) lady satisfy upon now prize claim
scare powder birth supreme chair
truck

15) limb empower surface emerge hawk
analyst brother camera combine friend
fever permit

17) borrow blush among decrease skill
scale aspect obscure guitar illegal
faith table

19) expose blanket accident giraffe
antenna faculty foster diet mother
animal wagon gaze

21) paper idle settle palm token
world drill move avoid brown siren
eager

23) hole wet pistol daring limit
level stand wonder country bid
abstract noble

25) flat scan copy steel carpet whale
essence salmon punch acquire horse
choice

27) wolf slam split source general
print group skate family solid flower
tube

29) equip road just return mimic
scout nature urban step awesome
violin sword

4) hedgehog affair sphere mutual
luxury farm keep solid sock angry
slot bacon

6) company relax laundry steel raven
lift tribe vote marble color sport
chef

8) deputy plunge foil beyond robust
uncover marriage model total market
fashion bracket

10) cash orphan cushion space giant
position size quality trip poverty
artwork cable

12) humble engine large abandon north
dumb unfair monkey spin action follow
element

14) base kidney piano cancel snap
about huge adjust crouch slender cage
kick

16) giggle rose leaf ignore chunk
donate adult observe wise virtual
mushroom million

18) spring truck random change apple
memory vanish neither focus wrist
move all

20) alien width cricket muscle
million wall mushroom pave clown
trigger winner delay

22) danger lift ripple cake love rely
coconut year soda angry health hero

24) cable boat sail rain pen hazard
portion urge space enact exotic
supreme

26) innocent frown hammer person lady
crowd cube tornado volume blossom
elegant joke

28) elder sport lyrics enemy meat
slide truck omit citizen title ignore
impose

30) ordinary fee ignore search
retreat champion unknown rib seat
comfort involve bronze

[3 | 6]

RANDOM MNEMONIC WORD SETS

31) chapter fossil arrow grace fruit
tag village surface shaft devote
strong siren
33) ripple buddy reward list resemble
virus wine wreck mind essence grain
van
35) average around region link stock
token weather expand muffin guilt
film snake
37) narrow intact ozone lens guitar
example yellow chunk spoon notice wet
divide
39) grocery increase connect violin
carbon demise say history gossip few
around roof
41) abandon frequent add pattern
illegal liquid adapt box blue valve
spend slight
43) until credit grow erupt country
lizard cinnamon cost own brain check
cradle
45) nest coral faith dismiss scissors
float enhance input grab receive
emerge other
47) shrimp veteran setup travel
immune glare hobby crush vicious
december virus rose
49) remove cover firm gather fancy
dad evil network glue carry expire
demand
51) major weird planet into cargo
pull tragic thought snack aerobic
orange icon
53) length film glue patch sausage
network custom cupboard rice enrich
talent shaft
55) strong noise transfer stuff load
huge drastic breeze venture decrease
tissue buddy
57) attitude rotate enemy topple
damage wet onion sail grain orient
ability drastic

32) mobile recycle infant vote
amazing canoe rebel start host
holiday civil taxi
34) west practice day quote grape
upset school sweet cannon clerk scan
dragon
36) track extend finger ugly state
adult science banana toast nose
rabbit like
38) theory else alert trade across
code canoe maximum vast hat giant
poet
40) flag that float language raw
crunch expose power kitchen ramp trap
dance
42) ramp ignore lunch chat away dance
citizen crucial thumb perfect step
person
44) enforce whip blossom busy earn
cliff envelope soft gasp siren tissue
night
46) bonus doll roast earth empower
glimpse ten wink return long away
clerk
48) broccoli wagon anger three
satoshi orphan bottom bulk lawsuit
ritual resemble present
50) holiday romance volume shoulder
attend bread dish wealth suffer
escape morning lonely
52) under kind nasty diet thunder
energy obvious return admit turn note
fantasy
54) move page emerge network dose
differ gorilla onion beach praise
host humble
56) merge nose damp assume educate
clay turkey merge debate scene seed
host
58) donkey enact wrestle trend repeat
diamond feel pupil cluster envelope
vital rely

[4 | 6]

RANDOM MNEMONIC WORD SETS

- 59) wood suggest glass depart rival
purpose tray unlock arrange pony
cliff will
- 61) consider cradle erode senior
always buffalo thank plastic void
assist mind trigger
- 63) caught alarm glide neglect twist
arrow already cheap december squeeze
fade drip
- 65) solve tell drama flag trouble
school regret tattoo where medal else
jelly
- 67) nominee since used share tuition
year twin rare scrap check return
mechanic
- 69) rapid roof split busy pencil
dynamic real method observe chair
museum company
- 71) endless error cattle embody cargo
hold cousin girl multiply day lab
master
- 73) spy adult drift learn hungry
conduct much test march card differ
whisper
- 75) sell figure flower daughter
tumble secret leaf inherit wealth
forget inherit rival
- 77) drift napkin reopen grit dry
raven spoon major near another roast
session
- 79) maple misery home coin nuclear
crawl correct run excuse critic cable
nurse
- 81) curtain spider major pudding
certain snake idle crater identify
twice kite glove
- 83) remain bullet chimney evil tragic
law direct depart summer roast crop
slim
- 60) lift timber frost age dune sick
matter release future arrange addict
liberty
- 62) scorpion access hamster fatal
suspect soft cute check wisdom tree
speed phrase
- 64) loud swear winner treat patch
impact hamster cricket mansion
original cram deputy
- 66) salad major blind salon skirt
ginger oblige radar word mutual tank
wisdom
- 68) solar define quiz gold dream bone
female feature coil blue accident
year
- 70) liquid glare invite animal sport
cup bunker jelly ill world inflict
final
- 72) dirt sphere before win act slam
famous hope denial never mango forest
- 74) always coast edge robot snack
toast alley into layer people attend
angry
- 76) raise select like all print
process welcome blade auto record
asthma ill
- 78) few warrior just useful shrug
reduce moment response supreme since
whisper debris
- 80) pact tired attack play success
crowd coffee fancy day lumber
language drill
- 82) mixed slush century voice smart
improve melody supreme close silly
unlock ecology
- 84) chief captain airport lazy urge
attack question brief category second
all team

SEE ALSO

- Understanding and Managing Crypto Volatility — BIP39 Seed Phrases (May 01, 2026) (2026-05-01)
- Dollar-Cost Averaging: A Disciplined Approach to Crypto Investment — BIP39 Seed Phrases (August 17, 2026) (2026-08-17)
- How Whale Movements Affect Crypto Prices — BIP39 Seed Phrases (June 24, 2026) (2026-06-24)
- The Rise of Play-to-Earn Crypto Games: Revolutionizing Digital Entertainment — BIP39 Seed Phrases (April 13, 2026) (2026-04-13)

Educational examples only. Randomly generated, not valid wallet phrases - never use them to store funds. Details: bip39-phrases.com/security/

[6 | 6]