HOW TO

INVEST

IN CRYPTO IN

2025

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Over the past couple of years, cryptocurrency investing has become a popular topic. No wonder, considering the fact that Bitcoin was crowned as the decade's best-performing investing asset. Getting started with crypto comes with many questions, and that's where this guide comes in.

The guide you are about to read will help you understand cryptocurrencies, teach you how to invest in them, and stay safe while doing so. Without further ado, let's get started.

Introduction to Cryptocurrencies

What is Crypto?

Most simply explained, cryptocurrencies are a form of digital money. Cryptocurrencies come in many shapes, but we need to explain the first cryptocurrency ever created, Bitcoin, to explain everything better.

What is Bitcoin?

Bitcoin was the first cryptocurrency created and released in January 2009 by someone under the pseudonym "Satoshi Nakamoto." Satoshi Nakamoto has released a whitepaper for the world's first decentralized electronic cash called Bitcoin that would allow people to send payments back and forth and across country borders without the involvement of third-party intermediaries such as banks.

Until today, Bitcoin still stands as the world's most famous and most valuable cryptocurrency.

Bitcoin's price is an indicator of the direction of the overall cryptocurrency market. Simply worded, Bitcoin is to cryptocurrency what S&P500 is to the stock market.

Since we mentioned that cryptocurrencies come in many shapes and forms, the following type on our list is altcoins.

What are Altcoins?

Altcoins is the name used for all the other cryptocurrency coins that are not Bitcoin. The most popular among them is Ethereum. Altcoins differ in many ways, including their technology, features, and price. Some of the additional more popular ones are Polkadot, Matic, Chainlink, etc.

What is Ethereum?

Ethereum is the second-largest cryptocurrency. Nowadays, it's widely considered that Bitcoin's primary purpose is to transfer and store value. Ethereum kicks this up a notch. On top of the transfer and store of value, it has created a platform that allows people to build open-ended decentralized software called decentralized applications or Dapps. An excellent example of a dapp is a decentralized exchange (DEX), something which we will mention later down the road.

Decentralized applications have been made possible by using Smart Contracts. Smart Contracts are pieces of programming code that self-execute when certain conditions are met.

The best example of them working is a vending machine analogy. If the money in the machine is equal to the price of a chocolate bar, then unlock and drop the chocolate bar. If not, keep the chocolate bar locked. If there is more money than the price of the chocolate bar, drop the chocolate bar and return the change. Smart Contracts are programs that replace third-party intermediaries, primarily humans, thus allowing us to build decentralized, censorship-resistant software on Ethereum.

What are Stablecoins?

To use cryptocurrencies as a traditional means of payment in everyday life, we need far more price stability than what regular cryptocurrencies can currently offer. This is where stablecoins come into play. Stablecoins are crypto coins pegged 1 for 1 with a particular fiat currency like USD or EUR. That means you can deposit $300 and exchange them for 300 tokens of a specific stable coin. The most popular stable coin to date is called USD Tether (USDT). It's one of the stablecoins that follow the value of USD. Stablecoins are essential for keeping the crypto-economy stable because they enable cross-border transactions while maintaining price stability.

Why are Cryptocurrencies the Future?

Many people say that the arrival of cryptocurrencies and blockchain technology will change the world, similar to the Internet in the 90s. As a matter of fact, it has already started. To illustrate this better, we need to take a short walk through the history of the Internet. In the early stages of the Internet, users could only consume content and not much more than that, and we called that phase Web 1.0. An example of that is a blog, which you can only read, and that is it.

Then with the arrival of social media, we have transitioned to user-generated content, which allowed people to interact with websites, create and share content online and have their web pages. This was called and still is Web 2.0.

Finally, we have a new revolution with cryptocurrencies and the blockchain called Web 3.0. The main idea of Web 3.0 revolves around decentralization, freedom of speech, and giving users complete ownership of their data. This means that companies like Google or Facebook cannot store your data on their servers without or share it without your permission, giving you complete privacy on the Internet, which is censorship-free.

Alongside the fight over data control and censorship, cryptocurrency and the blockchain offer better technological solutions to many world's industries, such as banking, by providing faster and cheaper transactions between individuals and companies without the involvement of third parties. Prime examples are that nobody can stop you from using crypto and blockchain transactions, and nobody can decide to block your bank account one day because you are your bank and 100% owner of your money. Then we have cross-border transactions available 24\7 and much cheaper than standard bank transactions. These are just a couple of many advantages.

Why is Crypto so Hot Right Now?

Cryptocurrency has been the major talking point over the last few years, mainly tied to how people are making crazy returns on their invested money or using different kinds of financial applications that offer much better savings and investment rates than the traditional banking system.

Cryptocurrency Investment Returns

Cryptocurrency has the potential for high percentage returns. The best way to explain this is to look at Bitcoin.

Over the past ten years, Bitcoin has beaten the returns of all other asset classes more than ten times. Bitcoin has averaged a yearly return of 230%, ten times more than any other asset class. Compare that to the S&P500, for example, which has averaged 13.6% during the same 10-year period.

If you invested $100 in BTC in 2010, you would have over $15 million today, compared to the Real Estate Fund, where you would only have $243.

Why are These Returns so Great?

As we speak, Bitcoin has currently produced more than 100,000 millionaires. We are not talking about high net worth individuals and institutional investors here. We are talking about regular people who started their investing journey with Bitcoin, constantly putting in small amounts of money and becoming millionaires within this decade. With such significant returns, it finally made sense for people with small savings to start investing.

One disclaimer is that this is a pure look at the statistics of cryptocurrencies so far, and please do not take this as a piece of financial advice.

Cryptocurrency Investment Risks

We have covered how great returns crypto has, but what about the risks?

Cryptocurrency is labeled as one of the riskiest asset classes for several reasons. People are still skeptical about it since the first people to accept any innovation related to money are usually criminals. In the early days of crypto, a high percentage of transactions were used for illegal activities, such as buying guns, drugs, and other things on the Dark web. Meanwhile, the rate of such transactions has dropped to 0.15% and continues to decline. For comparison's sake, the UN estimates that $1.6 trillion of fiat cash is laundered each year, almost 2.7% of the global GDP.

Companies such as Chainalysis, which monitor all cryptocurrency transactions, have emerged. As blockchain is transparent, they can trace transactions back in time and see if they came from wallets somehow connected to the Dark web.

Volatility: Cryptocurrencies can be very volatile. Cryptocurrencies can lose 20% of their value on a bad day, but they can gain that much on a good day. This kind of volatility often scares many people. However, when looking at Bitcoin, for example, according to risk-adjusted returns, Bitcoin is a better investment than any other asset class in the long term.

Regulations: One risk that often can scare investors, new and old, is that cryptocurrency is still unregulated in many countries. Despite being accepted by major companies such as Paypal and many other companies, even some countries such as El Salvador, it faces stricter regulations. Although things are changing quickly, we now have a BTC Spot ETF approved in the U.S., which has become the fastest ever to reach $10 billion in assets and is led by major financial institutions such as BlackRock and Grayscale. Additionally, there is a new regulatory framework in the EU called the Markets in Crypto-Assets Regulation (MiCA), which establishes a comprehensive legal framework for regulating virtual assets within the European Union. Many improvements are made and crypto is becoming more regulated and mainstream.

Scams: The most significant risk of cryptocurrency are scams. Using the tips below, you can minimize your chances of getting scammed, especially by doing detailed research about everything you invest in.

How to Manage Risk of Crypto Investing

Do not Invest Money you Can't Afford to Lose

This goes without saying, but the best for your wellbeing or overall calmness when investing in a currently speculative asset like crypto is only to invest money that you do not care if it disappears the next day. Some people tend to borrow money to invest in crypto, hoping to make great returns, but then they do not profit and end up losing everything and just creating a bigger headache for themselves than needed.

Don't Invest Blindly

When investing in cryptocurrencies, the best way to be 100% sure that it is a quality asset is to do your own research about it. That means to explore who created it, what the future roadmap is, project economics, etc.

Diversify Your Investments

As Warren Buffet would say, never put all of your eggs in one basket. This means that you should diversify your portfolio into more than one coin/project.

If you diversify your crypto portfolio, you protect yourself if something goes wrong. If, for example, one project in your portfolio starts losing value, that means that you won't lose all of your money but rather only a small portion of it since you are diversified in more projects.

Have an Exit Strategy

Always have a goal for why you are investing. This will help you fight off greed and potential losses in the future. Knowing how much return you want to make and when you need the money will make it easier to track and monitor your portfolio instead of just investing and risking losing everything because of greed.

How To Retire With Crypto

Even though cryptocurrency is volatile, it has returned a positive high yearly return almost every year. One of the most popular strategies that could possibly help you retire with cryptocurrencies while not investing much money is dollar-cost averaging.

Dollar-cost averaging is investing a small amount of money every month, week, or day into a particular asset and letting it stay there for a long time. By doing this, you are buying both highs and lows of the market, and that way, sometimes you will lose in the short term, but in the long run, you could benefit and protect your investment as you are not investing when the price is high but rather spreading over a long period of time.

This is also based on the stats that the most profitable portfolios are from users who lost their wallets, and crypto has just been sitting there and gaining value.

As we saw earlier, people could have become millionaires by investing $100 just once and letting it stay there for ten years. Imagine if you invested $100 monthly and included compounding by staking your crypto.

How to Buy Crypto?

Types of Platforms Where You Can Buy Crypto

To buy crypto, you need to visit an exchange, where you can buy cryptocurrencies. Two main types of exchanges are centralized exchanges and decentralized exchanges.

What are Centralized Exchanges?

Centralized Exchanges (CEX) are websites\platforms where you can purchase cryptocurrencies that humans operate. They are popular with people since you can buy cryptocurrencies with debit\credit cards and are generally user-friendly. The transactions happen off-chain, making them pretty fast.

What are Decentralized Exchanges?

Decentralized Exchanges are platforms/applications created on a blockchain network, and they are also a place where you can buy crypto. The main difference is that they are not operated by humans and instead are operated by Smart Contracts and require users to purchase crypto with some other crypto such as stablecoins.

CEXes and DEXes are usually complicated with many different chart and order types. Our recommendation for new people entering crypto is to use a broker app such as Veli. Veli has been stripped of all the complicated features and has a much more intuitive interface which is a lot more beginner and user-friendly.

Where to Store Your Crypto?

Once you have bought your crypto, you need a wallet to store it. You have a couple of options for this — Hot wallets, Cold wallets, and Cryptocurrency Exchange wallets.

Hot Wallets

Hot Wallets are essentially software wallets. You can either use them as browser extensions (e.g., Metamask) or download them on your computer or phone (e.g., Exodus). These wallets give you complete control over your crypto and keys but are connected to the Internet, so they are at risk of getting hacked.

Cold Wallets

Cold Wallets are hardware wallets. These are physical devices that you plug into your computer when you want to use them and transact with your crypto. Popular examples of these are Ledger and Trezor wallets. They are not connected to the Internet like Hot Wallets, so the risk of getting hacked is minimal. They, too, give you complete control over your crypto and keys.

Crypto Exchange Wallets

Crypto Exchange Wallets fall into the category of Hot Wallets, but they are more secure. When you buy crypto on an exchange, you can leave it in the exchange's wallet. The difference between these and regular Hot Wallets is that Crypto Exchange usually controls the keys of those wallets, and if the exchange is not secured correctly, there are risks of them getting hacked. However, most crypto exchanges keep funds in cold wallets, and only a tiny portion required for daily liquidity is kept in hot wallets. Thus, the risk of losing funds kept on an exchange or broker app has been greatly reduced.

Wait, What are Keys?

Every wallet has a pair of public and private keys. You can consider these as the most crucial security layer of a crypto wallet. A public key is something everyone can see, and the address where people can send crypto to your wallet is created from the public key. On the other hand, a private key is something only you can see, and it acts as a signature for all your transactions, meaning that when you send money, the transaction is signed by a private key and approved by you. If you lose your private keys, you can lose all your money.

How to Decide on What Crypto to Invest In?

When investing in cryptocurrencies, it is of the utmost importance to do your own research about anything project-related to know your money is safe when you invest it.

We here at Veli app have prepared a research checklist for you to use whenever you research a new project, which you can access on this link.

Below this, we have explained every item from the checklist in the sense of what you need to look for and what websites and tools you should use to get the most precise information.

Start With a Google Search

The best way to start is to google about the project itself and see what comes up. Read the top 5 articles, check their website, see who is behind the project, check out what is being discussed on youtube, check for their Reddit and other social media communities, etc.

If the website looks off, there is no team on the website or any information about the company behind it, and people on the internet are saying that it is a scam, it is probably a scam, so you should stay away from it.

What is it?

Find the core information about the project. What is it? What does it do? What problem does it solve? These are all excellent core questions to find out when starting the research.

What is Unique about it?

What does this project do that separates it from the crowd? For example, Bitcoin was the world's first crypto, and Ethereum was the world's first programmable blockchain. Look for similar unique information about the project you are interested in.

Research its Native Token

All the relevant information can be found on websites like Coin Market Cap, Messari.io, Google Searches, Whitepaper of the project, etc.

Team Behind the Project

See who founded the project. Research about them. Do they have a history of successful companies or achievements? What else have they created? Have they been in the industry for a long time? Search their social media profiles, such as Linkedin, or check out their Wikipedia page if they have one. The team behind the project can give you at least 50% knowledge of whether the project will succeed or fail.

The Roadmap

Check out the long-term future of the project. Where is it headed? What are they building? Do they have a history of achieving milestones? Are they planning a big update? Updates usually increase the value of the coin the most since it brings a lot of hype. The best places to see this are their website, Telegram groups, Youtube, Twitter, whitepaper, etc.

Backers

Find out who backed and invested in the project during its early stages. Are they still supporting them, did someone new join, and how credible are the investors that backed and invested in the project? Good places to start looking are Google, Crunchbase.com, Icodrops.com, Cyperhunter.com, etc.

Tokenomics

Research all about the economy of the native token. What is the price, how did the ICO go, how many tokens are there, how were tokens allocated initially, how many tokens are unlocked and when, and what is the price history? This is all information you should know. Visit websites such as Coin Market Cap, Goingecko, Tradingview, and the project's Official Website to find out more information.

One additional piece of information is knowing how coins are sorted by market cap. We have Large Cap coins over $10B in market cap value. Then we have Mid Cap coins whose market cap is more or equal to $200M, and lastly, we have Small Cap coins whose market cap value is less than $200M. Smaller coins can have greater returns but, at the same time, can have more significant losses as well.

Where Can You Buy It?

See where the token can be bought. If it is listed on many major cryptocurrency exchanges, it is likely a popular crypto project with a future in front of it.

Competition

It is always a good idea to research the competition of the project you want to invest in. How does it fare against them? Maybe the other project is a better investment? Can the competition slow it down somehow? Are there other projects from different categories like DeFi that can slow its growth or overtake it? Google, CoinMarketCap, Blogs, and Reddit are just some of the places you can start researching.

Potential Risks

What are the potential risks for the project? Can it fail? Did they have some bad history, or did bad stuff happen to them? How can the future impact it? Did they have problems with hacks or someone from the founding team leaving? All this information can be derived from all the previous factors and additional reports and information found on Google.

Conclusion

When you finish your research, sum up all the information on a paper. If you feel confident about the project and see where it's headed in the future, that is it.

Veli App Coin Guides

Since our mission here at Veli App is to make crypto investing simple for you, we decided that we could also give you a helping hand with research as well. If you do not want to spend days on research and just want to read all the essential information about the most popular cryptocurrencies, head over to the Veli website, where you can read our Coin Guides, written by our research experts.

How to Manage Your Portfolio?

How to Set Goals and Achieve Them

The most important thing when starting your investing journey is determining your goals. Do you want to retire investing? Do you want to earn passive income? Are you looking for profits in the short term? What sum of money are you comfortable losing? These are all the questions you should be asking yourself before you start investing.

Once you determine your goals, you can create your portfolio and maintain it to ensure your goals are met.

General Cryptocurrency Investing Tips

Cryptocurrency has gotten pretty popular over the last few years, so among the community and professional investors, a few tips and rules are pretty standard, and it's recommended for every future investor to know. These are:

- Start with small amounts until you learn how the market performs and until you get a feeling for the market. Then you can start investing more if you want when you have more confidence in yourself and your knowledge.

- Don’t panic, and keep your emotions in check. If you see the price dropping, do not sell right away. Do some research first. See what is happening and what the community is talking about. Be calm, and set stop losses on open positions for additional protection.

Also, avoid being influenced by FOMO (Fear of Missing Out). There were many opportunities, and there will be plenty more in the future.

- Do not be afraid to take your profits. If the profits align with your goals, then take them. Do not be greedy. Many people get emotionally attached to tokens that performed well and did not want to sell them once the price starts dropping. That's why it's essential to set goals and stick to them.

- Avoid pump and dump coin groups that promise quick profits. Usually, only the owners of those groups and projects make money, while the majority invested ends up losing. Always do your research before investing and invest in quality projects to maximize your chance of success.

Bull and Bear Markets

Before you start investing, you need to know that Bull and Bear market trends in the crypto industry are happening more often than in the traditional financial markets. That is because crypto is relatively new and still gaining popularity despite its 10+ year existence.

For those unfamiliar, a Bull run is when the market is going up in value and prices are increasing, and Bear markets are when the market is going down in value and prices are going down over a certain period of time.

Cryptocurrencies are very volatile, and even during a bull market, the market corrections can be severe and reach 50% price drop-offs before continuing to rise again. So always be sure to check the current state of the market and have an exit strategy planned out in case the market is not performing as expected.

Building Your Portfolio

Once you have chosen your goals, you can build your portfolio by investing in strategies that fit your risk profile and your investment goals.

Let's assume that you are a long-term investor, for example. This means that an excellent way to start investing is to go strategic.

Strategic investing means regularly investing in very carefully chosen assets that will bring long-term value. The only strategy adjusting you will do is if your investment goals or risk level change.

One popular strategy for long-term investing is Dollar Cost Averaging, which we mentioned in the “How to Retire with Crypto” chapter.

Another popular strategy for generating returns is called Staking. Staking your crypto means delegating your coins to a pool that secures the blockchain network of that particular cryptocurrency. You get a cut from all the fees collected by your pool, and for some cryptos, that can be between 5-15% yearly on the value of the crypto you staked. This is a good way of generating passive income, and if you leave your funds longer in the pool, your earnings get compounded.

If you, however, have a goal to take short-term profits, you can go with:

- Swing Trading: Profiting from short-term market movements by investing in larger coins.
- Trend Investing: Trying to catch the current trends and identify the relevant cryptocurrencies in a currently hot sector.

A great example of these trends where people managed to profit are DeFi coins, Play to Earn Games coins, NFTs, and the Metaverse, and now within the new hot sectors like AI, DePin and RWA. In this case, there will be a lot of rebalancing since the crypto market can be very volatile, and positions need to be entered and exited quickly.

Monitoring Your Portfolio

Monitoring your portfolio is also essential when investing. You should consider downloading a portfolio monitoring app and enabling notifications, especially if you are investing across multiple platforms. But as much as everything is portfolio-related, monitoring goes closely with your goals.

If you are a long-term investor, you probably do not need to check your portfolio every day but rather just a couple of times weekly or monthly.

On the other hand, if you are a short-term investor, you should regularly check your portfolio in case of the need to rebalance and enter or close positions.

Some of the tools you can use for tracking your portfolio that are useful in the crypto industry are:

- Coin Market Cap
- GoinGecko
- Tradingview
- Blockfolio
- Delta
- Monitoring the prices on your exchange and wallet.

However, suppose you want to avoid the hassle of using multiple tools to track your investments. In that case, we highly recommend using one platform to invest and store your cryptocurrencies, such as Veli App.

How to Decide When to Rebalance the Portfolio

Rebalancing your portfolio is one of the things that will always keep you on the way toward your investing goals. People usually do not pay attention to this and end up losing money. Some indicators that signal to you that it is time to reevaluate your portfolio are:

- Your current financial situation
- Your risk tolerance
- Your future needs

The recommendation is to consider all of the three factors, and that way, you will always have peace of mind while you make progress with your investments.

Alternative Options

There are, of course, alternative options when it comes to your portfolio management and investing strategies.

The first and most famous option is hiring your personal portfolio manager or financial advisor. Many people today do this, usually wealthier ones or the ones who just do not want to overburden their heads with all the information about investing.

Portfolio managers regularly monitor the markets and react to any changes. There are active and passive strategies.

Passive ones follow specific mathematical rules. For example, 4% is invested in each of the top 25 cryptocurrencies every month. Active strategies follow particular guiding principles that the portfolio manager has set, but he does not rebalance the portfolio based on fixed mathematical rules but is somewhat discretionary, based on trading indicators, predictions, etc.

Portfolio managers and financial advisors have usually been available to only the select 1% throughout the history of investing. We here at Veli have decided to change that and offer you professional advice with mentorship calls and provide you with the best automated active and passive strategies for investing, hand-picked by the best portfolio managers out there.

Closing Thoughts

Congratulations! You have finished the complete guide and should now understand all the essential things related to cryptocurrency investing.

However, before we close off this guide and go off to the sunset, we want you to know a couple of things.

This guide has been written with love for everyone who wants to enter the exciting world of crypto by all of the people at Veli who were thinking the same thing a couple of years ago when we wanted to enter and did not know where to start.

Finally, all the information in this book about different strategies and profits serves as an example of how rewarding yet challenging this industry can be. So please do not consider any of the information as a piece of financial advice. If you are not sure what to do, you can book a call with an expert on our Veli App, coming soon to app stores. Farewell!