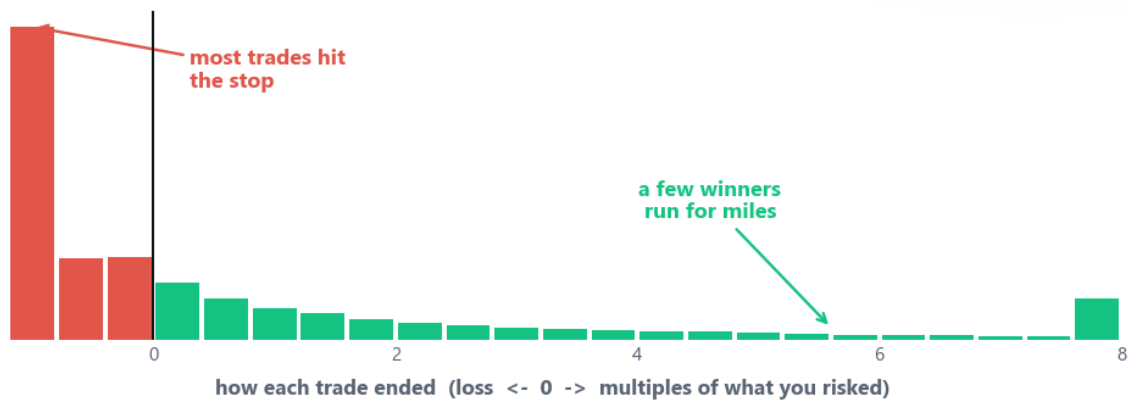


THE RISK-REWARD CHEAT-SHEET

What is the perfect risk to reward? Settled with 480,000 simulations. Why it is a myth, what actually decides if you profit, and the one table that tells you if your system even works.

480,000 SIMULATED TRADES, EVERY OUTCOME

how every simulated trade ended. a wall of small losses, and a long tail of runners. that tail is the whole game.



FREE GUIDE



Bitcoin Jae
@bitcoin.daily

THE WRONG QUESTION, AND THE RIGHT ONE

Everyone hunts for the perfect risk to reward. 1 to 1, 1 to 2, 1 to 3. It is the wrong question.

I ran **480,000 simulations** on 15 years of price action, the same trades at every ratio from 1 to 0.5 out to 1 to 5. Every single one made money, within a couple percent of each other. Because your reward is chained to something you do not control, **your win rate**.

So the ratio is not a profit dial. It is a win-rate dial. The real question was never which ratio is best. It is whether your win rate can clear the **break-even line** for the ratio you pick. This guide settles both, and hands you the cheat sheet.

A BIGGER REWARD ALWAYS COSTS YOU WINS

Raise your target and the market quietly lowers your win rate to pay for it.



At **1 to 1** you won 61% of the time. Push out to **1 to 5** and you won just 39%. The money barely moved, a tight band from +0.7% to +3.1%. The win rate fell off a cliff, **71% down to 39%**.

You cannot have a high reward and a high win rate. Pick one. That is the trade every ratio quietly makes for you, whether you know it or not.

SO WHAT ARE YOU **ACTUALLY CHOOSING?**

Not your profit. How often you win, and how the whole thing feels.

A low ratio like **1 to 1** gives you a high hit rate and small, frequent wins. It feels steady and good. A high ratio like **1 to 3** gives you a 44% win rate and rarer, bigger wins. It feels like a grind punctuated by paydays.

Same trades. Same risk. About the same money at the end. The only thing that changed was the texture of the ride.

THE HONEST READ

Risk to reward is a personality choice, not a profit hack. Pick the rhythm you can actually execute without second-guessing it in the middle of a drawdown.

THE HIGH-REWARD TRAP

A big ratio looks like free money. At 1 to 5 you only need to win 17% to break even. Do not fall for it.

Yes, the break-even is low. But your **actual** win rate falls just as fast. At 1 to 5 you will win under **40%** of the time, and that means long, brutal losing streaks.

The math on a big ratio only works if you can survive the drought to collect the rare paydays. Most people cannot. They abandon the system in the middle of a losing streak, right before it pays.

THE TRAP IN ONE LINE

A ratio you cannot hold through a losing streak is worthless, no matter how good the math looks on paper.

THE ONLY RULE THAT MATTERS

Forget the perfect ratio. Every ratio has a break-even win rate you must beat.



Clear the red line and you have an edge. Miss it and you are gambling, no matter how good the ratio sounds. This one relationship decides whether a system is profitable or a slow bleed.

Notice the real strategy sits **above** the line at every ratio. That green gap is the edge. Your only job is to know your own gap.

THE CHEAT SHEET

The exact win rate you must beat at every ratio. Screenshot it. Check it before every trade.

RISK : REWARD	BREAK-EVEN WIN RATE	SAFE WITH AN EDGE
1 : 0.5	67%	72% and up
1 : 1	50%	55% and up
1 : 1.5	40%	45% and up
1 : 2	33%	40% and up
1 : 3	25%	32% and up
1 : 5	17%	25% and up
1 : 10	9%	17% and up

The middle column is pure math. Break-even win rate equals 1 divided by 1 plus the reward. The right column adds a cushion for fees, slippage and variance.

HOW TO READ IT

Find your real win rate. If it clears the right column for your ratio, your edge is real. If it sits between the two columns, you are barely breaking even. Below the red column, you are paying the market to trade.

HOW TO USE THE CHEAT SHEET

Four steps, run before you commit to any ratio.

- 1 Find your real win rate.** Pull your last 50 trades and count the winners. Not what you hope, what actually happened.
- 2 Find your ratio on the sheet.** Line it up against the break-even win rate that ratio demands.
- 3 Check the gap.** Your real win rate must sit in the green column, safely above the break-even, not just barely over the red line. That cushion is what survives a bad month.
- 4 If it does not clear, change one thing, not both.** Either pull your target in to a ratio your win rate can support, or fix the entry that is dragging your win rate down. Never chase a bigger reward to rescue a weak win rate.

THE WHOLE GUIDE IN ONE LINE

Match the reward to your win rate. Never force a win rate to fit a reward you wish you had.

THIS IS PART 2 OF 3

You have now seen the stop and the reward are not the secret everyone thinks. Part 3 is the one that ties it all together, the single thing that decides whether you survive at all. I test the trading rules nobody actually checks, every day, with data.



YouTube

Deep breakdowns, every claim checked against the data
[bitcoindailytv](#)



Instagram

The daily read, and the rest of this series
[@Bitcoin.daily](#)



Discord (7-day free trial)

Trade alongside me and the community, live
[bitcoindaily.vip](#)



X / Twitter

More data threads like this one
[@BitcoinxDaily](#)



Bitcoin Jae

[@bitcoin.daily](#) · Educational, not financial advice

