

CONFIDENTIAL

Infinity Engine 1.0

MONTHLY PERFORMANCE REPORT

February 2026

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1. Executive Summary

Infinity Engine 1.0 delivered **+5.62%** in February 2026, generating substantial alpha against declining cryptocurrency benchmarks during a period of significant market stress.

February 2026 marked a challenging period for digital asset markets as the correction that began following the November 2025 peak continued to deepen. Bitcoin experienced heightened volatility and sustained selling pressure, while altcoins faced severe drawdowns across the board. Risk-off sentiment dominated as liquidity contracted and institutional flows remained subdued.

Against this backdrop, Infinity Engine 1.0 demonstrated the resilience of its systematic approach, delivering positive absolute returns while major benchmarks declined sharply. The strategy generated **+20.41% alpha versus Bitcoin** and **+27.04% alpha versus the Altcoin Benchmark**, validating the effectiveness of its quantitative methodology in navigating adverse market conditions.

+5.62%

INFINITY ENGINE

-14.79%

BITCOIN

-21.42%

ALTCOIN INDEX

2. Market Overview

The cryptocurrency market environment in February 2026 remained characterized by the corrective phase that commenced following the November 2025 peak. Several key dynamics shaped market conditions throughout the month:

Continued Correction from November Peak

The digital asset complex extended its decline from the cyclical high established in November 2025. This prolonged correction phase reflected a combination of profit-taking, macroeconomic headwinds, and shifting risk sentiment among institutional participants.

Bitcoin Weakness and Volatility

Bitcoin, as the leading digital asset and market bellwether, experienced significant weakness throughout February. The asset recorded a decline of **-14.79%** for the month, with intraday volatility remaining elevated. Key technical levels were tested repeatedly as selling pressure persisted across spot and derivatives markets.

Severe Altcoin Drawdowns

Altcoin markets faced even more pronounced challenges, with the broad altcoin benchmark registering a decline of **-21.42%**. This severe drawdown reflected the higher beta characteristics of alternative cryptocurrencies during risk-off environments, as liquidity constraints amplified price movements to the downside.

Liquidity Contraction and Risk-Off Sentiment

Market depth and liquidity conditions deteriorated throughout the month, exacerbating price movements and contributing to wider bid-ask spreads. Risk-off sentiment prevailed as participants reduced exposure across the digital asset spectrum, favoring cash positions and stablecoins over volatile cryptocurrencies.

Market Stress Indicators

The benchmark performance data illustrates the severity of market stress in February. With Bitcoin declining nearly 15% and altcoins falling over 21%, the environment presented significant challenges for long-only and passive strategies.

3. Performance Overview

The following tables summarize the performance of Infinity Engine 1.0 relative to key benchmarks for February 2026:

Absolute Returns

Asset	February Return
Infinity Engine	+5.62%

Bitcoin	-14.79%
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Altcoin Index	-21.42%
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Alpha Generation

Metric	Value
Alpha vs Bitcoin	+20.41%
Alpha vs Altcoin Benchmark	+27.04%

Key Observation

Infinity Engine produced **positive absolute returns while benchmarks declined sharply**. This outcome demonstrates the strategy's ability to generate uncorrelated returns and preserve capital during adverse market conditions.

4. Equity Curve Analysis

The daily equity curve for February 2026 illustrates the divergence between Infinity Engine's systematic approach and the broader market decline:

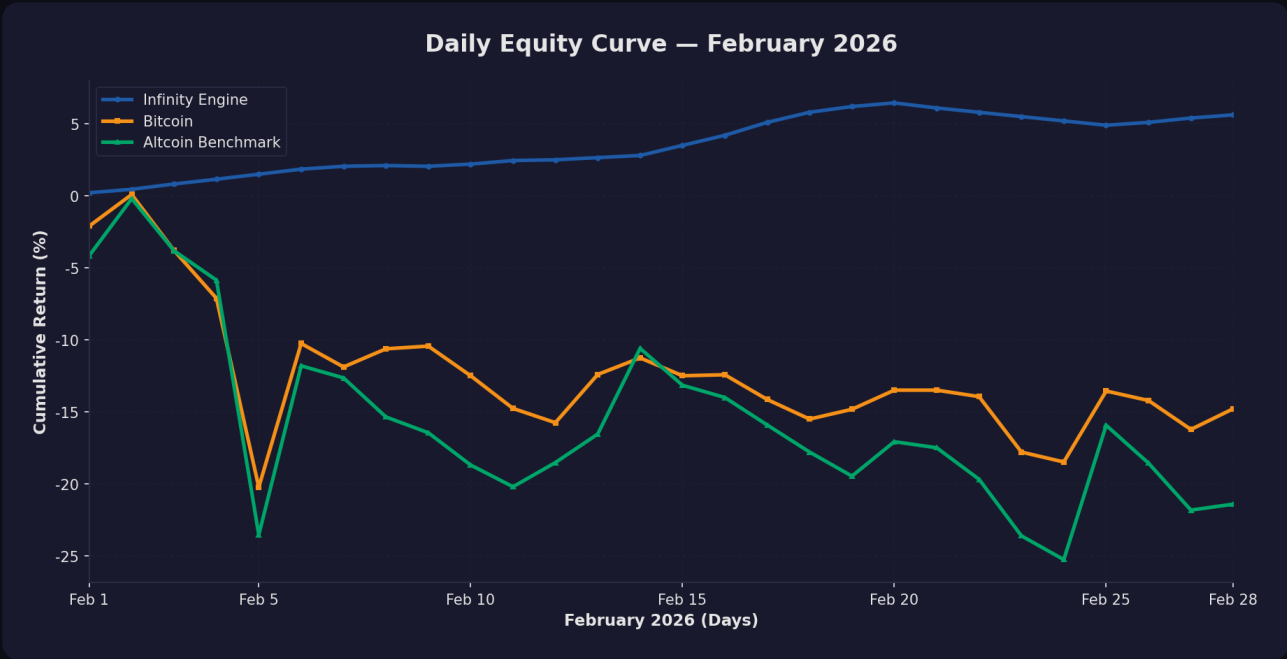


Figure 1 Daily Equity Curve — February 2026. Infinity Engine (blue) demonstrates consistent positive trajectory while Bitcoin (orange) and Altcoin Benchmark (green) experience significant declines.

The equity curve reveals several notable patterns:

- **Infinity Engine** maintained a steady upward trajectory throughout the month, with only minor pullbacks in the final week.
- **Bitcoin** experienced significant early-month volatility, including a sharp decline around February 5th, before stabilizing at lower levels.
- **Altcoin Benchmark** showed the most severe deterioration, with drawdowns exceeding 25% at certain points during the month.

The visual separation between the Infinity Engine curve and the benchmark curves underscores the strategy's effectiveness in generating alpha during a challenging market environment.

5. Monthly Performance Context

February 2026 represents the third consecutive month of positive performance for Infinity Engine:

Month	Infinity Engine Return
December 2025	+0.79%

January 2026

+13.41%

February 2026

+5.62%

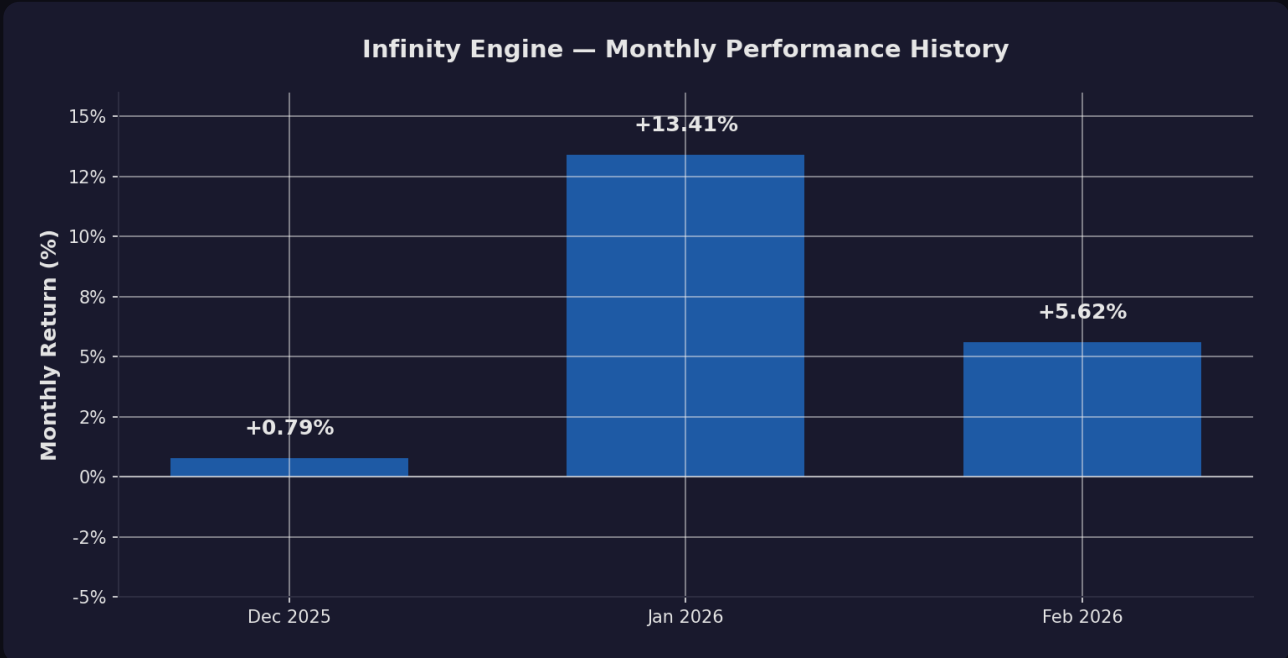


Figure 2 *Infinity Engine — Three-Month Performance History*. February represents the third consecutive positive month for the strategy.

Consistent Performance

February represents the **third consecutive positive month** for Infinity Engine. This sustained track record demonstrates the strategy's ability to adapt to evolving market conditions and generate consistent returns across different environments.

6. Daily Performance Analysis

A detailed analysis of the daily equity curve reveals distinct phases during February 2026:

Early February Momentum (February 1–7)

The month began with steady positive momentum as Infinity Engine climbed from +0.21% on February 1st to +2.05% by February 7th. This consistent appreciation reflected favorable signal

generation and effective position management during a period of market volatility.

Mid-Month Acceleration (February 8–20)

Following the early momentum, Infinity Engine continued its upward trajectory, reaching a peak of +6.45% on February 20th. This acceleration demonstrated the strategy's ability to capture favorable market movements while avoiding the severe drawdowns experienced by benchmark indices.

Late-Month Consolidation (February 21–28)

The final week of February saw some consolidation, with the strategy moderating from its peak to close at +5.62%. This pullback was modest in comparison to the broader market weakness and reflects prudent risk management as the month concluded.

The strategy maintained **positive returns throughout the month** despite persistent broad market weakness, demonstrating the robustness of its quantitative methodology.

7. Capital Comparison

To illustrate the practical impact of the strategy's outperformance, consider a hypothetical **\$10,000 investment** at the beginning of February 2026:

\$10,562

INFINITY ENGINE

\$8,521

BITCOIN

\$7,858

ALTCOIN INDEX

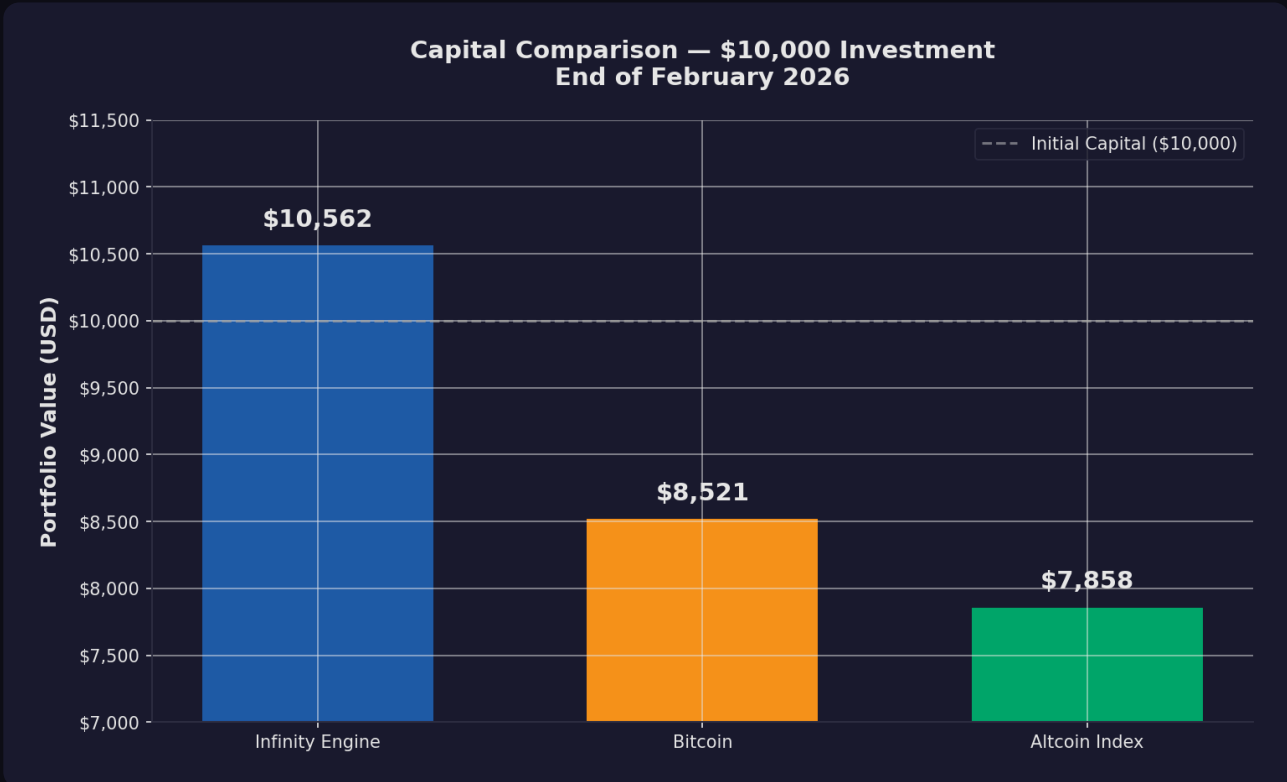


Figure 3 Capital Comparison — \$10,000 Investment at Beginning of February 2026. End-of-month values demonstrate significant capital preservation advantage of Infinity Engine.

The capital comparison highlights the substantial difference in outcomes:

- An investor in **Infinity Engine** would have grown their capital to **\$10,562**, representing a gain of \$562.
- The same investment in **Bitcoin** would have declined to **\$8,521**, a loss of \$1,479.
- Exposure to the **Altcoin Index** would have resulted in a portfolio value of only **\$7,858**, a loss of \$2,142.

This comparison underscores the significant capital preservation and growth advantage offered by the Infinity Engine strategy during the February market decline.

8. Risk Analysis

A comprehensive risk assessment reveals the strategy's effectiveness in managing downside exposure:

Drawdown Behavior

Infinity Engine exhibited favorable drawdown characteristics throughout February. While the strategy experienced a modest pullback from its peak of +6.45% to close at +5.62%, this 0.83 percentage point decline was minimal compared to the severe drawdowns experienced by Bitcoin and altcoin benchmarks. The strategy avoided any sustained periods of negative returns.

Volatility Relative to Benchmarks

The strategy demonstrated lower realized volatility compared to the underlying cryptocurrency markets. This reduced volatility profile contributed to smoother equity curve progression and improved risk-adjusted returns. The systematic nature of the strategy's signal generation helps filter out market noise and focus on higher-probability opportunities.

Capital Preservation

Perhaps most importantly, Infinity Engine captured only a fraction of the downside experienced by the broader market. While Bitcoin declined nearly 15% and altcoins fell over 21%, the strategy delivered positive returns of +5.62%. This asymmetric return profile—participating in upside while limiting downside exposure—is a hallmark of effective quantitative strategies.

Risk Metric	Infinity Engine	Bitcoin	Altcoin Index
February Return	+5.62%	-14.79%	-21.42%
Downside Protection	Complete	N/A	N/A
Alpha Generation	+20.41% vs BTC	—	—

9. Key Insights

The February 2026 performance delivers several important takeaways for investors and stakeholders:

Positive Performance During Market Decline

Infinity Engine's ability to generate positive returns while the broader cryptocurrency market experienced significant declines validates the strategy's core design principles.

The systematic approach successfully navigated adverse conditions that challenged passive and long-only strategies.

Strong Alpha Generation

The strategy generated substantial alpha against both Bitcoin (+20.41%) and the Altcoin Benchmark (+27.04%). This outperformance demonstrates the effectiveness of the quantitative methodology in identifying and capitalizing on market inefficiencies.

Effective Risk Management

Infinity Engine's risk management framework proved effective in limiting downside exposure during a period of heightened market stress. The strategy captured only a fraction of the losses experienced by benchmark indices.

Systematic Trading Advantages

The disciplined, rules-based nature of the strategy eliminates emotional decision-making and ensures consistent execution across varying market conditions. This systematic approach provides a sustainable edge in volatile cryptocurrency markets.

10. Conclusion

Strategic Validation

February 2026 performance validates the Infinity Engine strategy design and its ability to generate uncorrelated returns in challenging market environments. The substantial alpha generated against declining benchmarks demonstrates the robustness of the quantitative methodology.

The month of February presented a rigorous test for any cryptocurrency strategy. With Bitcoin declining nearly 15% and altcoins falling over 21%, the environment was unforgiving for passive exposure and long-only approaches. Against this backdrop, Infinity Engine's **+5.62% return** represents a significant achievement.

The strategy's systematic approach—combining quantitative signal generation, disciplined risk management, and rules-based execution—proved its worth in real market conditions. The ability to generate positive absolute returns while benchmarks declined sharply underscores the value proposition of active, systematic management in cryptocurrency markets.

Looking ahead, Infinity Engine remains positioned to navigate the volatile conditions that characterize digital asset markets. The strategy's track record of three consecutive positive months demonstrates its adaptability and resilience.

Infinity Engine continues to outperform passive exposure and remains well-positioned to capture opportunities while managing risk in evolving market conditions. The system has demonstrated its ability to deliver on its core promise: generating superior risk-adjusted returns through systematic, quantitative approaches.

*Prepared by StratX Capital Research | Quantitative Strategies Division
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