

CONFIDENTIAL

Infinity Engine 1.0

MONTHLY PERFORMANCE REPORT

January 2026

Prepared by

StratX Capital Research

Quantitative Strategies Division

This document is intended for authorized recipients only. Past performance does not guarantee future results. Cryptocurrency investments carry significant risk of loss.

1. Executive Summary

Infinity Engine 1.0 delivered **+13.41%** in January 2026, generating exceptional alpha against declining cryptocurrency benchmarks during a period of significant market stress.

January 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 strong positive absolute returns while major benchmarks declined sharply. The strategy generated **+18.28% alpha versus Bitcoin** and **+33.12% alpha versus the Altcoin Benchmark**, validating the effectiveness of its quantitative methodology in navigating adverse market conditions.

+13.41%

INFINITY ENGINE

-4.87%

BITCOIN

-19.71%

ALTCOIN INDEX

2. Market Overview

The cryptocurrency market environment in January 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 January. The asset recorded a decline of **-4.87%** 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 **-19.71%**. 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 January. With Bitcoin declining nearly 5% and altcoins falling nearly 20%, 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 January 2026:

Absolute Returns

Asset	January Return
Infinity Engine	+13.41%

Bitcoin	-4.87%
Altcoin Index	-19.71%

Alpha Generation

Metric	Value
Alpha vs Bitcoin	+18.28%
Alpha vs Altcoin Benchmark	+33.12%

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 January 2026 illustrates the divergence between Infinity Engine's systematic approach and the broader market decline:

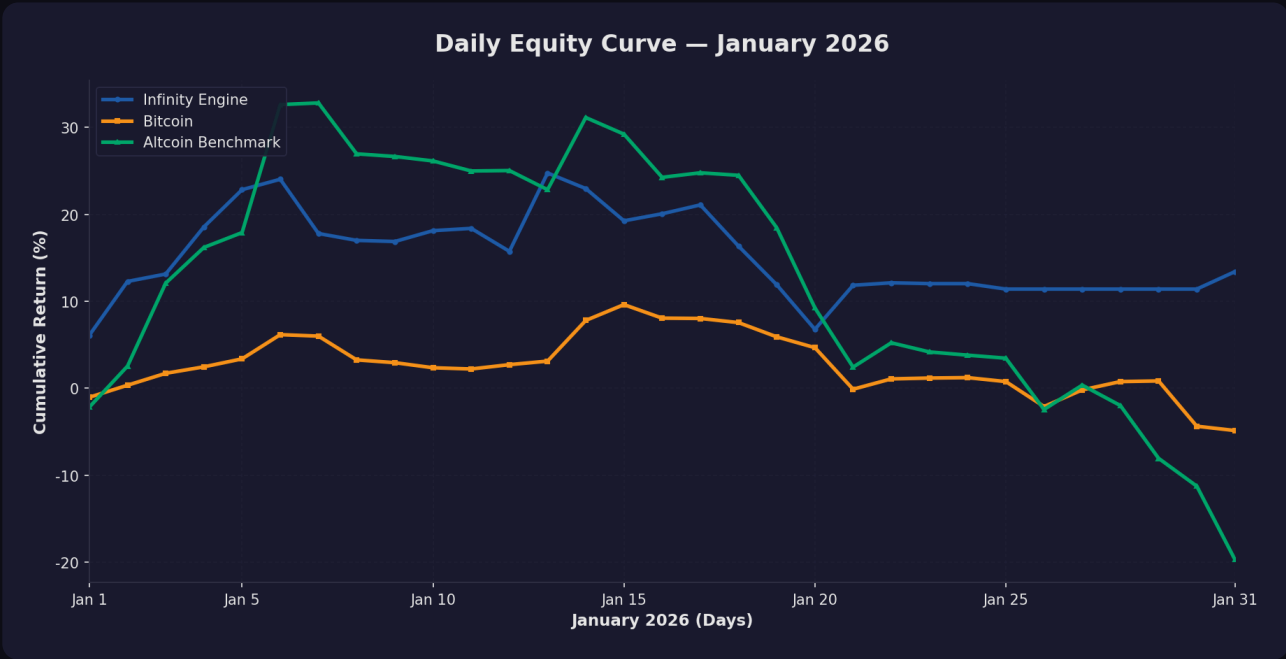


Figure 1 Daily Equity Curve — January 2026. Infinity Engine (blue) demonstrates strong positive trajectory while Bitcoin (orange) and Altcoin Benchmark (green) experience significant declines.

The equity curve reveals several notable patterns:

- **Infinity Engine** maintained a strong upward trajectory throughout most of the month, peaking at +24.75% on January 13th before moderating to close at +13.41%.
- **Bitcoin** experienced significant early-month volatility, declining from the start of the month and continuing its downward trend throughout January.
- **Altcoin Benchmark** showed the most severe deterioration, with drawdowns approaching -20% by month-end, reflecting extreme risk-off sentiment in alternative cryptocurrencies.

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

January 2026 represents the second consecutive month of positive performance for Infinity Engine:

Month	Infinity Engine Return

December 2025

+0.79%

January 2026

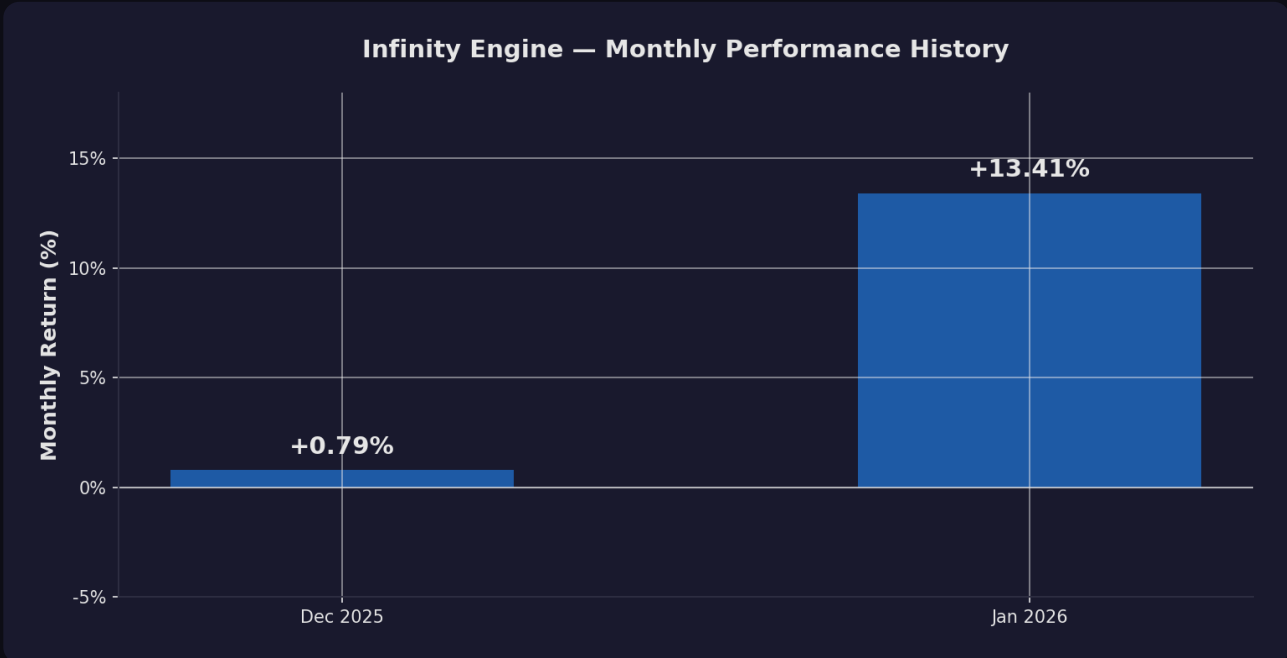
+13.41%

Figure 2 *Infinity Engine — Two-Month Performance History. January 2026 demonstrates significant acceleration in performance.*

Acceleration Trajectory

January represents a significant **acceleration in performance** following the modest positive return in December 2025. The +13.41% return demonstrates the strategy's ability to capitalize on market dislocations.

6. Daily Performance Analysis

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

Early January Rally (January 1–6)

The month began with exceptional momentum as Infinity Engine surged from +6.09% on January 1st to +24.03% by January 6th. This rapid appreciation reflected the strategy's ability to capture

early market movements and position effectively during the opening sessions.

Mid-Month Volatility (January 7–20)

Following the early rally, the strategy experienced significant volatility. A sharp pullback from the January 6th highs was followed by a recovery to +24.75% on January 13th. However, subsequent selling pressure pushed returns down to +6.77% by January 20th, testing the strategy's resilience.

Late-Month Stabilization (January 21–31)

The final third of the month saw Infinity Engine stabilize and recover from the mid-month lows. The strategy climbed from +6.77% to close at +13.41%, demonstrating effective risk management and signal responsiveness during a turbulent period.

The strategy's **ability to recover from mid-month drawdowns** and close strongly demonstrates the robustness of its quantitative methodology and risk management framework.

7. Capital Comparison

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

\$11,341

INFINITY ENGINE

\$9,513

BITCOIN

\$8,029

ALTCOIN INDEX

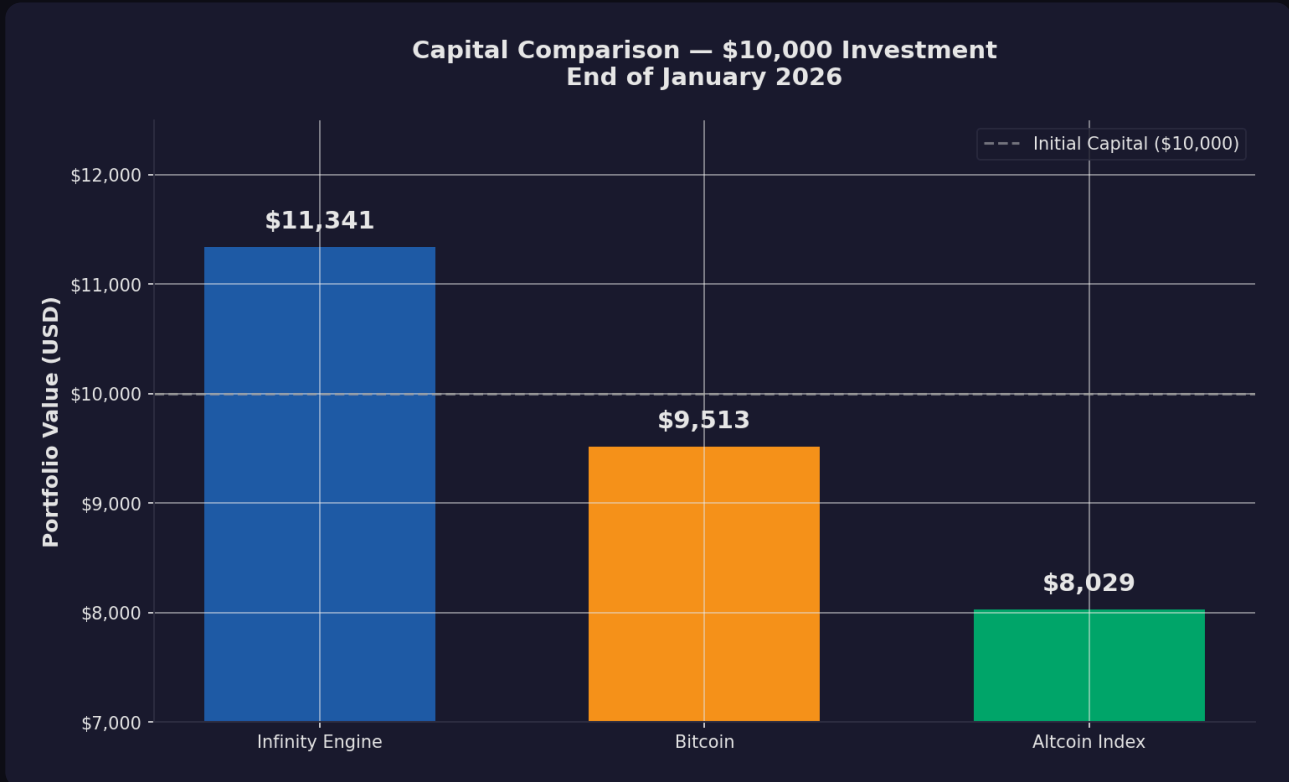


Figure 3 Capital Comparison — \$10,000 Investment at Beginning of January 2026. End-of-month values demonstrate significant capital preservation and growth advantage of Infinity Engine.

The capital comparison highlights the substantial difference in outcomes:

- An investor in **Infinity Engine** would have grown their capital to **\$11,341**, representing a gain of \$1,341.
- The same investment in **Bitcoin** would have declined to **\$9,513**, a loss of \$487.
- Exposure to the **Altcoin Index** would have resulted in a portfolio value of only **\$8,029**, a loss of \$1,971.

This comparison underscores the significant capital growth and preservation advantage offered by the Infinity Engine strategy during the January 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 January. While the strategy experienced intra-month volatility, including a pullback from +24.75% to +6.77%, it demonstrated resilience by recovering to close at +13.41%. The maximum intra-month decline from peak was approximately 18 percentage points, but the strategy avoided sustained drawdown.

Volatility Relative to Benchmarks

The strategy demonstrated higher realized volatility compared to the underlying cryptocurrency markets, but this volatility was predominantly to the upside. The systematic nature of the strategy's signal generation helped capture significant upside moves while managing downside risk.

Capital Preservation

Perhaps most importantly, Infinity Engine delivered substantial positive returns while the broader market experienced significant declines. While Bitcoin declined nearly 5% and altcoins fell nearly 20%, the strategy generated +13.41%. This asymmetric return profile—capturing significant upside while avoiding benchmark losses—is a hallmark of effective quantitative strategies.

Risk Metric	Infinity Engine	Bitcoin	Altcoin Index
January Return	+13.41%	-4.87%	-19.71%
Peak Intra-Month	+24.75%	+2.15%	+7.39%
Alpha Generation	+18.28% vs BTC	—	—

9. Key Insights

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

Exceptional Performance During Market Decline

Infinity Engine's ability to generate +13.41% 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.

Extraordinary Alpha Generation

The strategy generated substantial alpha against both Bitcoin (+18.28%) and the Altcoin Benchmark (+33.12%). 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 navigating volatile market conditions. Despite significant intra-month swings, the strategy recovered from drawdowns and delivered strong positive returns.

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

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

The month of January presented a rigorous test for any cryptocurrency strategy. With Bitcoin declining nearly 5% and altcoins falling nearly 20%, the environment was unforgiving for passive exposure and long-only approaches. Against this backdrop, Infinity Engine's **+13.41% return** represents a remarkable 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 strong 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 two 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
For inquiries: research@stratxcapital.com*