

STRATX CAPITAL RESEARCH

Infinity Engine 1.0

Q1 2026 Performance Report

Period: 1 January 2026 – 31 March 2026

Prepared by

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1. Executive Summary

Infinity Engine 1.0 delivered exceptional performance during Q1 2026, generating positive absolute returns while both benchmark assets experienced significant declines. The quarter demonstrated the strategy's ability to navigate volatile market conditions and capture alpha in both rising and falling markets.

The first quarter of 2026 presented a challenging environment for cryptocurrency investors. While the altcoin market experienced extreme volatility with drawdowns exceeding 60%, and Bitcoin declined nearly 24%, Infinity Engine maintained a positive trajectory through disciplined risk management and systematic trading.

STRATEGY RETURN

+11.28%

BITCOIN RETURN

-23.59%

ALTCOIN RETURN

-47.97%

Alpha Generated: +34.87% vs Bitcoin | +59.25% vs Altcoin Benchmark

The strategy's outperformance was driven by strong gains in January (+13.41%) and February (+5.62%), which more than offset the March correction (-7.10%). This performance pattern highlights the strategy's ability to capture upside during favorable market conditions while maintaining disciplined risk controls during drawdown periods.

2. Market Context

Q1 2026 was characterized by extreme volatility and significant divergence between the strategy and benchmark assets:

2.1 Bitcoin's Continued Decline

Bitcoin extended its bearish trend from late 2025, declining 23.59% during Q1. The cryptocurrency faced persistent selling pressure, with prices falling from \$88,732 at the start of January to \$67,800 by the end of March. Despite brief relief rallies in March, the overall trajectory remained negative.

2.2 Altcoin Market Stress

The altcoin market experienced even more severe conditions:

- **Maximum drawdown** of -62.45% during the quarter
- **Continuous monthly declines** in January (-21.70%), February (-21.42%), and March (-15.43%)
- **Extreme volatility** with annualized volatility reaching 97.44%
- Capital flight from riskier altcoins to more established cryptocurrencies

2.3 Market Environment Summary

The quarter represented a classic risk-off environment where speculative assets faced significant pressure. Infinity Engine's systematic approach enabled it to navigate these turbulent conditions effectively, avoiding the severe drawdowns experienced by passive benchmark exposure while still capturing meaningful upside during favorable periods.

3. Performance Overview

3.1 Returns Summary

The following table summarizes Q1 2026 performance for Infinity Engine 1.0 compared to benchmark assets:

Asset	Q1 2026 Return	Portfolio Value (\$10,000)
Infinity Engine 1.0	+11.28%	\$11,128
Bitcoin (BTC)	-23.59%	\$7,641
Altcoin Benchmark Index	-47.97%	\$5,203

3.2 Alpha Generation

Infinity Engine 1.0 generated substantial alpha across both benchmark assets:

Metric	Value
Alpha vs Bitcoin	+34.87%
Alpha vs Altcoin Benchmark	+59.25%
Additional Capital vs BTC	\$3,487
Additional Capital vs Altcoins	\$5,925

4. Growth of \$10,000

The following chart illustrates the growth of a \$10,000 investment in Infinity Engine 1.0 compared to equivalent investments in Bitcoin and the Altcoin Benchmark Index during Q1 2026:



Figure 1: Growth of \$10,000 - Q1 2026 (Jan 1 – Mar 31)

Key observations from the equity curve:

- **January Strong Start:** The strategy delivered an impressive +13.41% return in January, significantly outperforming Bitcoin (-11.39%) and altcoins (-21.70%).
- **February Continuation:** Positive momentum continued with a +5.62% gain, bringing year-to-date returns to +19.78% by month-end.
- **March Correction:** A controlled drawdown of -7.10% in March reduced quarterly gains but preserved the majority of profits.
- **Benchmark Underperformance:** Both Bitcoin and altcoins experienced severe and sustained declines throughout the quarter, with altcoins losing nearly half their value.

5. Daily Equity Curve Analysis

The daily equity curve provides detailed insight into the strategy's performance trajectory:

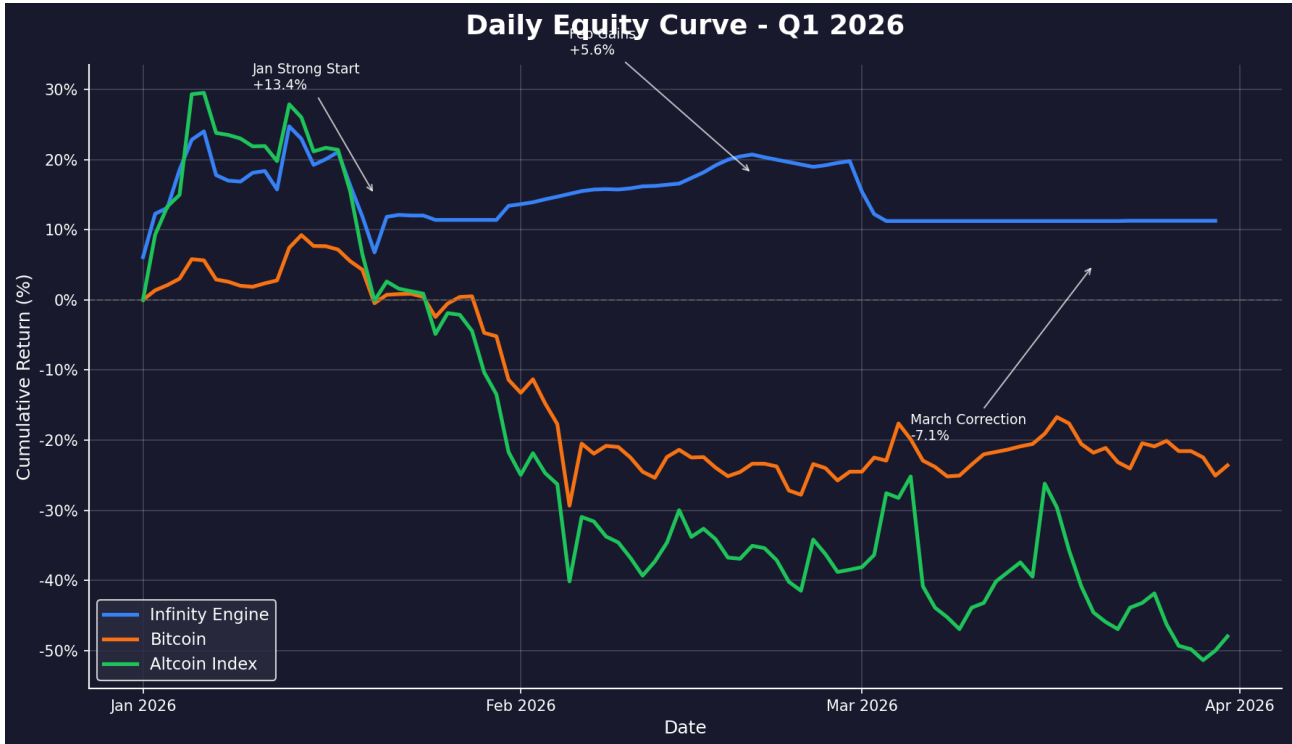


Figure 2: Daily Equity Curve - Q1 2026 Cumulative Returns

5.1 Phase Analysis

January: Strong Performance

The quarter began with exceptional performance, as the strategy captured +13.41% in January alone. This was achieved while Bitcoin declined -11.39% and altcoins fell -21.70%, demonstrating the strategy's ability to generate absolute returns in adverse market conditions.

February: Continued Gains

February built on January's success with an additional +5.62% return. The strategy maintained its positive trajectory while benchmarks continued their decline, further widening the performance gap.

March: Controlled Correction

March saw a -7.10% correction for the strategy, which was a controlled drawdown relative to the extreme volatility in altcoin markets. The strategy maintained discipline during this period, preserving the majority of Q1 gains.

6. Monthly Performance

The following table presents month-by-month performance for Q1 2026:

Month	Infinity Engine	Bitcoin	Altcoin Index
January 2026	+13.41%	-11.39%	-21.70%
February 2026	+5.62%	-14.79%	-21.42%
March 2026	-7.10%	+1.20%	-15.43%
Q1 2026 Total	+11.28%	-23.59%	-47.97%

Key Achievement: Infinity Engine delivered positive returns in two of three months during Q1, while both benchmark assets experienced negative returns in every month except Bitcoin's modest +1.20% gain in March.

7. Risk Metrics

The following risk metrics demonstrate Infinity Engine's superior risk-adjusted performance during Q1 2026:

Risk Metric	Infinity Engine	Bitcoin	Altcoin Index
Maximum Drawdown	-14.41%	-35.31%	-62.45%
Annualized Volatility	28.40%	48.55%	97.44%
Downside Capture (vs Altcoins)	~23%	57%	100%
Sharpe Ratio (Est.)	0.40	-0.49	-0.49

7.1 Maximum Drawdown Analysis

Infinity Engine's maximum drawdown of -14.41% represents only 23% of the Altcoin Index's maximum drawdown (-62.45%) and 41% of Bitcoin's maximum drawdown (-35.31%). This exceptional downside protection was critical to preserving capital during the quarter's most challenging periods.

7.2 Volatility Profile

The strategy's annualized volatility of 28.40% is significantly lower than Bitcoin (48.55%) and less than one-third of the Altcoin Index (97.44%). This lower volatility profile translates to a more stable investment experience and better risk-adjusted returns.

7.3 Downside Capture

With a downside capture ratio of approximately 23% relative to the Altcoin Index, Infinity Engine captured less than a quarter of the downside experienced by the broader altcoin market, while generating positive absolute returns.

8. Capital Preservation Analysis

The following visualization illustrates the capital preservation effectiveness of Infinity Engine 1.0 during Q1 2026:

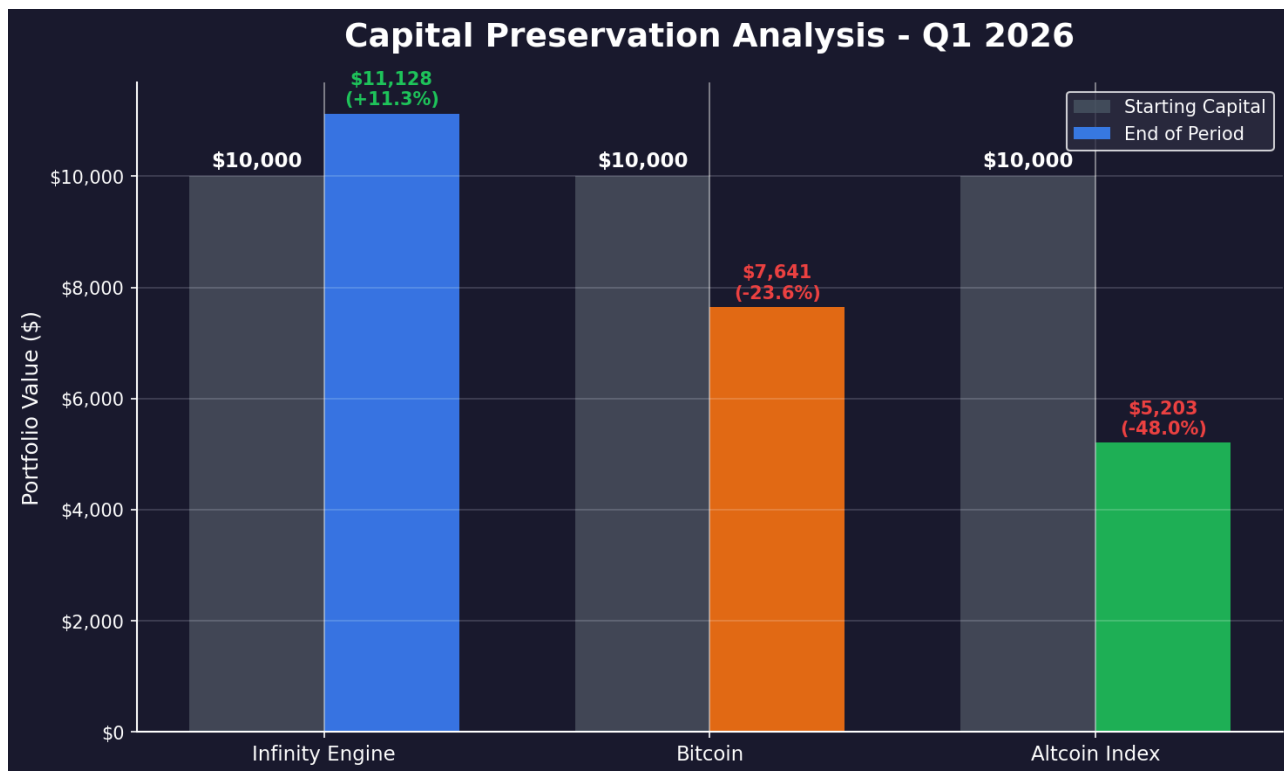


Figure 3: Capital Preservation Analysis - Q1 2026

Asset	Starting Capital	End Value	Capital Change
Infinity Engine 1.0	\$10,000	\$11,128	+\$1,128 (+11.3%)
Bitcoin	\$10,000	\$7,641	-\$2,359 (-23.6%)
Altcoin Index	\$10,000	\$5,203	-\$4,797 (-48.0%)

During a quarter marked by significant market stress, Infinity Engine not only preserved capital but grew it by 11.3%, while Bitcoin investors lost 23.6% and altcoin investors lost 48.0% of their capital.

9. Key Insights

- **Positive Absolute Returns:** Infinity Engine delivered +11.28% in Q1 2026, achieving positive absolute returns while benchmarks declined significantly.
- **Exceptional Downside Protection:** The strategy's maximum drawdown of -14.41% was less than half of Bitcoin's drawdown and less than a quarter of the Altcoin Index's drawdown.
- **Strong Alpha Generation:** The strategy generated +34.87% alpha versus Bitcoin and +59.25% alpha versus the Altcoin Benchmark, demonstrating consistent outperformance.
- **Controlled Volatility:** With annualized volatility of 28.40%, the strategy provided a much smoother investment experience compared to the extreme volatility of altcoins (97.44%).
- **Disciplined Risk Management:** The March correction of -7.10% was controlled and preserved the majority of Q1 gains, showcasing the strategy's risk management discipline.
- **Consistent Outperformance:** The strategy outperformed both benchmarks in every month of Q1, with particularly strong showings in January (+13.41%) and February (+5.62%).

10. Conclusion

Q1 2026 demonstrated Infinity Engine 1.0's ability to generate positive absolute returns in challenging market conditions. While the broader cryptocurrency market experienced significant stress, with Bitcoin declining 23.59% and altcoins falling 47.97%, the strategy delivered a solid +11.28% return.

The quarter's performance validates the strategy's core value proposition: generating alpha while providing robust downside protection. Key achievements include:

- Positive absolute returns of +11.28% in a bear market environment
- Alpha generation of +34.87% versus Bitcoin and +59.25% versus altcoins
- Maximum drawdown limited to -14.41% versus -62.45% for altcoins
- Lower volatility profile (28.40%) compared to benchmarks
- Capital growth of \$1,128 on a \$10,000 investment

The strategy's systematic approach to risk management and disciplined execution enabled it to navigate one of the most challenging quarters in recent cryptocurrency market history. As markets continue to evolve, Infinity Engine 1.0 remains well-positioned to deliver superior risk-adjusted returns for investors seeking crypto exposure with managed downside risk.

Disclaimer: Past performance is not indicative of future results. Cryptocurrency investments carry significant risk, including the potential loss of capital. This report is for informational purposes only and does not constitute investment advice.