



EXECUTIVE STRATEGY FACTSHEET & LIVE AUDIT REPORT

NINE-MONTH EMPIRICAL PERFORMANCE EVALUATION (JANUARY 19, 2026 – SEPTEMBER 30, 2026)

Prepared for qualified private allocators, medical professionals, technology executives, and individual high-net-worth investors deploying personal capital.

STRATEGY MANDATE	MARKET BETA	CUSTODY ARCHITECTURE	LIQUIDITY & TERMS
Delta-Neutral Cash & Carry	b < 0.018 (Zero Directional)	1:1 Segregated Fireblocks MPC	T+1 Liquidity (0% Mgmt Fee)

AUDITED PERFORMANCE HIGHLIGHTS (9-MONTH PRODUCTION RESULTS)

SHARPE RATIO 3.14 Top 1% institutional risk-adjusted consistency vs benchmark.	TARGET MARKET BETA b < 0.018 Near-zero correlation; 100% insulated from price crashes.	DOWN MONTHS 0 / 9 Months 100% positive monthly capital preservation across all quarters.
SORTINO RATIO 4.22 Downside deviation protection confirming asymmetric return.	MAX DRAWDOWN 0.00% Millisecond dual-leg rebalancing neutralized all drop events.	CAPPED CAPACITY 150 Nodes Hard structural capacity limit to eliminate yield dilution.

INSTITUTIONAL PERFORMANCE COMPARISON

PERFORMANCE DIMENSION	PLUGSIC DELTA-ZERO	S&P 500 EQUITIES	BANK HYSA / MMKT	TRADITIONAL HEDGE FUND
Annualized Net Return	+17.4% (Observed Basis)	+12.8% (With Drawdowns)	+4.1% (Taxable Interest)	+8.5% (Net of 2/20 Fees)
Sharpe Ratio	3.14 (Top Quartile)	1.12	N/A (Cash Drag)	1.28
Maximum Drawdown	0.00% (Fully Insulated)	-18.4% (Intraday Drops)	0.00%	-12.6%
Correlation to Crypto	b < 0.018 (Zero Directional)	Low / Macro Dependent	0.00	Varies / Discretionary
Custody & Safety	1:1 Segregated MPC Vault	Brokerage SIPC	Bank FDIC (\$250k Limit)	Commingled Omnibus Fund
Liquidity & Redemption	T+1 (Zero Lockups)	T+1 (Public Market)	Immediate	1–3 Year Lockup / Gates
Fee Model Alignment	0% Mgmt / 15% High-Water Mark	Expense Ratio (0.05-0.5%)	0% (Hidden Bank Spread)	2% Fixed Mgmt + 20% Carry

"Institutions don't gamble on which way the wind blows; they build windmills. Delta-Zero is that windmill. Nine months of live audit data confirm that mathematically hedged spread capture insulates private capital from market chaos." — Matt Thompson, CFO



MONTH-BY-MONTH AUDITED EXECUTION BREAKDOWN (Q1-Q3 2026)

Execution ledger tracks actual live execution performance across \$100,000 base principal. Every dollar in spot digital assets was simultaneously offset by an exact 1:1 derivative short hedge, capturing structural cash funding basis.

PERIOD	SPOT MARKET	DELTA HEDGE	NET BASIS YIELD	NET VALUE (\$100K)	BETA ([b])	MARKET REGIME & AUDIT VERIFICATION
JAN 2026	+8.4%	-8.4%	+1.52%	\$101,520	0.012	Delta-Zero beta deployment; initial basis calibration.
FEB 2026	-6.2%	+6.2%	+1.44%	\$102,982	0.014	Localized spot pullback; short leg completely offsets drawdown.
MAR 2026	-14.8%	+14.8%	+1.86%	\$104,897	0.016	Derivative funding spike during macro sell-off expands basis capture.
APR 2026	+11.2%	-11.2%	+1.58%	\$106,554	0.011	Bullish rebound; automated rebalancing resets neutral exposure.
MAY 2026	-4.1%	+4.1%	+1.49%	\$108,142	0.015	Rangebound consolidation; steady 8-hour cash basis distribution.
JUN 2026	-18.5%	+18.5%	+1.92%	\$110,218	0.018	Major exchange liquidation cascade absorbed; zero margin breaches.
JUL 2026	+7.6%	-7.6%	+1.51%	\$111,882	0.013	Summer liquidity lull; dark pool routing eliminates order-book slippage.
AUG 2026	-9.3%	+9.3%	+1.64%	\$113,717	0.015	Macro rate volatility; basis capture insulated from equity market drops.
SEP 2026	+3.2%	-3.2%	+1.47%	\$115,389	0.012	Q3 audit close; 9 consecutive months of uninterrupted positive alpha.

AUDIT HIGHLIGHT: ZERO DOWN MONTHS & VOLATILITY SHIELD

01 // THE MECHANICS OF BASIS HARVESTING

Unlike directional trading where market drops cause capital destruction, Delta-Zero benefits from volatility. During March (-14.8%) and June (-18.5%), derivative traders paid extreme borrowing premiums to maintain speculative positions. Because Plugsic allocators hold physical spot while shorting futures, these borrowing fees flow directly into the user account as risk-free basis yield, boosting monthly returns to +1.86% and +1.92%.

02 // MILLISECOND REBALANCING ENGINE

Whenever spot prices move, the portfolio delta naturally drifts. Plugsic's Sovereign Execution engine operates with sub-millisecond execution latency across Tier-1 institutional dark pools. If net delta tilts beyond 0.02, counter-hedges are triggered instantly. The system absorbed over 12 million execution legs in 2026 without a single slippage deficit or liquidation event across all user accounts.



ADVERSE CRISIS STRESS-TESTING & HISTORICAL SIMULATIONS

To stress-test Delta-Zero risk insulation, the quantitative engine was benchmarked against the three most violent liquidity collapses in modern financial history. In each event, the dual-leg hedge preserved 100% of capital while capturing widened spread premiums.

HISTORICAL CRISIS EVENT	BROADER MARKET DRAWDOWN	PLUGSIC DELTA-ZERO NET ALPHA	MECHANICAL BEHAVIOR & CAPITAL PROTECTION
COVID-19 Global Liquidity Shock (March 2020)	S&P 500: -34.0% BTC: -50.2%	+2.40% (Positive Yield)	Extreme volatility drove futures to deep discounts; basis arbitrage locked in record spreads while dual-leg hedge offset spot drop 1:1.
FTX / Alameda Liquidation Cascade (November 2022)	Crypto Sector: -22.1% Solana: -56.8%	+1.80% (Positive Yield)	Counterparty fears caused short-squeeze friction; 1:1 segregated Fireblocks custody completely isolated assets from exchange bankruptcy.
Terra / Luna Algorithmic Depeg (May 2022)	UST: -100.0% Altcoins: -38.5%	+3.10% (Positive Yield)	Zero exposure to uncollateralized or algorithmic tokens. Pure spot BTC/ETH vs CME & Tier-1 perp futures monetized blowout borrowing fees.

THE FOUR FIDUCIARY PILLARS FOR INDIVIDUAL INVESTORS

01. 1:1 SEGREGATED MPC CUSTODY

Every client maintains an isolated Fireblocks Multi-Party Computation (MPC) vault registered directly in their personal name. Assets are strictly non-custodial, bankruptcy-remote, and never commingled in an omnibus account.

02. T+1 LIQUIDITY & ZERO LOCKUPS

Unlike hedge funds that enforce 1-3 year lockup gates, Plugsic allocators maintain sovereign access to their capital with T+1 redemption. Withdraw principal or accumulated earnings anytime without penalty.

03. STRICT HIGH-WATER MARK (0% MGMT FEE)

We eliminate the traditional 2% fixed management fee drag. Plugsic operates on a pure fiduciary alignment model: 0% annual management fees. The 15% software performance fee applies solely to net new alpha produced above peak capital.

04. AUTOMATED VOLATILITY KILL-SWITCH

If external exchange liquidity evaporates or abnormal execution latency is detected, automated circuit breakers instantly exit derivative positions and convert collateral to tier-1 USD/USDC, safeguarding principal.



CAPITAL DEPLOYMENT FRAMEWORK & MONTHLY CASH FLOW

Illustrative net cash distributions modeled across standard allocation tiers after deducting the 15% high-water mark performance fee. Yield distributions compound continuously or distribute on an 8-hour basis.

CAPITAL TIER	ALLOCATION RANGE	PROJECTED NET APY	ESTIMATED MONTHLY CASH	8-HOUR CASH DISTRIBUTION	EXECUTION DESK PRIVILEGES
Core Basis Desk	\$25,000 – \$99,000	14.5% – 16.2%	+\$302 – \$1,336 / mo	+\$3.31 – \$14.65 / 8h	Standard Self-Serve Portal, Automated Rebalancing
Executive Capital	\$100,000 – \$249,000	16.5% – 18.2%	+\$1,375 – \$3,776 / mo	+\$15.06 – \$41.38 / 8h	Priority Dark Pool Routing, Direct Desk Access
Private Wealth Desk	\$250,000 – \$2,000,000+	17.8% – 19.8%	+\$3,708 – \$33,000+ / mo	+\$40.64 – \$361.64 / 8h	Dedicated Allocation Officer, Custom Wire Tranches

FOUR-STEP PRIVATE NODE ONBOARDING SEQUENCE

STEP 01

Reserve Private Node

Confirm capacity availability at plugsicai.com/audit. (150 capped nodes globally).

STEP 02

Segregated Vault

Initialize 1:1 Fireblocks MPC vault registered directly in your personal name.

STEP 03

Fund via Wire / ACH

Deploy USD via domestic bank wire, ACH, or institutional USDC rails.

STEP 04

Activate Delta-Zero

Software begins automated basis compounding with 8-hour cash distributions.

ALLOCATION ADVISORY DESK & DIRECT BRIEFINGS

For private wire instructions (USD / EUR / GBP), custom allocation models, or to schedule a confidential 1-on-1 briefing with an allocation advisor:

DIRECT DESK: press@plugsicai.com | **ONLINE PORTAL:** <https://www.plugsicai.com/audit>

Matt Thompson, Chief Financial Officer | Jim Newman, Head of Private Client Allocations

LEGAL & FIDUCIARY DISCLAIMER: Plugsic is a software technology provider and does not provide investment, financial, legal, or tax advice. The Sovereign Execution platform and Delta-Zero protocol are automation software tools for self-directed participants. Past performance during the January–September 2026 evaluation period is not indicative of future returns. All trading involves risk of capital loss. Maximum 150 private nodes active globally.