

Q1 2026 Performance Report

January – March 2026



Comprehensive Analysis Q1 2026

Executive Summary

Q1 2026 was a challenging period for the cryptocurrency market, often characterized as a “Crypto Winter” or one of the harshest quarters in recent years. Bitcoin experienced a significant drawdown, falling approximately 25% from its October 2025 all-time high of 126,000, and ending the quarter between 65,000 and 70,000. Ethereum also saw a substantial decline of approximately 47%. In contrast, the Geco Capital Digital Large Cap Fund (GCLCF) demonstrated remarkable resilience, with its unit value declining by only 4.26%, from €47.00 at the start of the quarter to €45.00 by quarter-end. This performance highlights the effectiveness of GCLCF’s diversified strategy and active management in preserving capital during volatile market conditions.

The “Crypto Winter” of Q1 2026

The first quarter of 2026 was marked by a severe downturn in the cryptocurrency market, extending the bear market sentiment that began in Q4 2025. The lingering effects of the “Tariff Shock” in October 2025, which led to a \$19 billion liquidation event, continued to weigh on investor confidence. Macroeconomic pressures and a general risk-off sentiment contributed to the widespread decline across major digital assets. Bitcoin, after reaching an intra-quarter peak of around \$95,000 in February, saw its value plummet, ending the quarter significantly lower. The Fear & Greed Index remained in “Extreme Fear” for 46 consecutive days, indicating deep market distress.

Sector Analysis: DeFi, NFTs, and AI

During Q1 2026, the decentralized finance (DeFi) sector experienced continued contraction as liquidity dried up and investor confidence waned. Non-fungible tokens (NFTs) also faced significant challenges, with trading volumes and floor prices declining across many collections. The AI-Crypto narrative, while still evolving, saw a shift from speculative tokens to projects focusing on verifiable compute, storage, and data resources for AI development. However, the overall market downturn overshadowed these developments, leading to a challenging environment for most projects within these sectors.

Regulatory and Institutional Landscape

Regulatory developments continued to shape the institutional landscape in Q1 2026. The anticipated passage of the CLARITY Act in the US and the full enforcement of MiCA in Europe were key themes. These regulatory frameworks are expected to provide greater clarity and reduce barriers to entry for institutional capital, fostering a more stable and less volatile market environment in the long term. Despite the market downturn, the ongoing progress in regulatory clarity signaled a maturing industry poised for greater institutional integration.

Comparative Performance Analysis

The performance of the Geco Capital GCLCF in Q1 2026 stood in stark contrast to the broader market. While Bitcoin (BTC) experienced a decline of over 25% and Ethereum (ETH) fell by approximately 47%, the GCLCF limited its losses to just 4.26%. This significant capital preservation can be attributed to the fund's diversified nature, active management, and disciplined risk management strategies. The GCLCF's ability to navigate such a harsh market with minimal impact underscores its robust portfolio construction, which includes a mix of large-cap digital assets and strategic allocations to stablecoin-yielding assets.

Asset	Start of Q1 2026 (approx.)	End of Q1 2026 (approx.)	Quarterly Performance
Bitcoin (BTC)	\$88,500	65,000-70,000	-25%+
Ethereum (ETH)	N/A	N/A	-47%+
GCLCF (Unit Value)	€47.00	€45.00	-4.26%

Q2 2026 Outlook: Toward a Cautious Recovery

Looking ahead to Q2 2026, the cryptocurrency market is expected to enter a phase of cautious recovery. While the "Crypto Winter" of Q1 has cleared much of the speculative excess, volatility may persist. Institutional integration and regulatory clarity will continue to be key drivers. The focus will likely remain on utility-driven projects and the development of more sophisticated risk management tools. The GCLCF, with its proven resilience, is well-positioned to capitalize on any market recovery while continuing to protect investor capital.