

TO THE LIMITED PARTNERS

April 15, 2026

First-Quarter Review — Q1 2026

PERFORMANCE, POSITIONING, AND COMMENTARY

THE FUND OPENED THE YEAR WITH THREE CONSECUTIVE MONTHS OF POSITIVE PERFORMANCE, APPLYING THE long/short framework employed by the predecessor vehicle, WHCG, LP, across 2023–2025. The opening quarter offered a useful test of that framework: a January advance, a sharp February correction in the broader market, and a March that settled into chop.

Q1 TOTAL RETURN	JANUARY
+12.84%	+7.11%
FEBRUARY	MARCH
+3.96%	+1.77%

The quarter's result is best read in context. Bitcoin retraced 11.80 percent over the same three months, and traditional risk assets weakened in sympathy; the S&P 500 closed the quarter down 4.60 percent. The Fund's positioning produced a return exceeding Bitcoin by roughly 24.6 percentage points, recorded without a single monthly drawdown.

Positioning was directional rather than market-neutral. The portfolio entered January with a constructive long bias and captured the first leg of the Bitcoin advance through mid-month. As price action deteriorated into late January, exposure was reduced and subsequently inverted, with short positions established ahead of the February correction. March brought a tactical reduction in gross exposure, reflecting our view that the regime had become less directional. In such conditions the objective is capital preservation, not pursuit, and the quarter closed accordingly.

The second quarter has opened with a similar character to early Q1 — rangebound prices, compressed volatility, and a reduced opportunity set for directional positioning. We expect to remain modestly exposed until a clearer regime asserts itself. Investor inflows during Q1 tracked our pacing expectations, and we continue to onboard new limited partners under Reg D 506(b) on a relationship basis only.

We remain available for direct conversation with limited partners and qualified prospects. Detailed performance attribution, monthly benchmarks, and position-level results are provided on the following page.

Respectfully,

Paradigm Reserves Capital, LLC

GENERAL PARTNER — PARADIGM FUND SERIES 1, LP

Performance figures reflect WHCG, LP (the predecessor fund) and not Paradigm Fund Series 1, LP, which has no operating history. Manager-reported and unaudited. Past performance is not indicative of future results. This document is qualified in its entirety by the Private Placement Memorandum.

PERFORMANCE SUMMARY

Quarterly Returns — Benchmarked

Comparative returns for Q1 2026 (January 1 – March 31, 2026). Figures gross of fees unless noted.

BENCHMARK	JAN	FEB	MAR	Q1 2026
Paradigm Fund S1	+7.11%	+3.96%	+1.77%	+12.84%
Bitcoin (BTC)	—	—	—	-11.80%
S&P 500 (SPX)	—	—	—	-4.60%
Spread — Paradigm vs. Bitcoin				+24.64 pts

STRATEGY NOTES

Positioning Through Q1

- Constructive long bias captured the January advance.
- Inverted to short ahead of the February correction.
- March: reduced gross exposure into chop; positive close maintained.
- Zero monthly drawdowns; capital preservation discipline intact.

RISK POSTURE

At a Glance

Directional, not market-neutral. Maximum gross exposure of 1.5× capital; the portfolio operated below that limit throughout the quarter. Concentration in liquid majors, with selective tactical allocations sized to risk.

NOTABLE TRADES — WHCG, LP (PREDECESSOR)

Position-Level Highlights

Six representative closed positions during Q1 2026. Predecessor fund record; presented for illustrative purposes only.

DATE	ASSET	POSITION	RETURN	REALIZED P&L
Jan 6 – Jan 18	Bitcoin (BTC)	Long, cross-margin	+47.47%	+\$1,176,627
Feb 2 – Feb 3	Bitcoin (BTC)	Short	+102.40%	+\$880,187
Jan 10 – Jan 13	Zcash (ZEC)	Long	+55.18%	+\$27,805
Feb 3	Bitcoin (BTC)	Short	+38.02%	+\$43,087
Jan 13 – Jan 14	PUMP / USDT	Long	+25.94%	+\$18,957

DATE	ASSET	POSITION	RETURN	REALIZED P&L
Feb 1	Ethereum (ETH)	Short	+23.49%	+\$12,293

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