

STAKEHOLDER UPDATE

Market Update Strategy Hermes

The maximum-loss threshold has been reached. All remaining positions have been closed and the strategy is paused for a structured review.

–30%

Predefined maximum-loss threshold reached on the Hermes signal account, triggering closure of all open positions.

STRATEGY	DATE	STATUS	AUDIENCE
Hermes	22 June 2026	Paused • 7-day review	Stakeholders & Partners

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— MARKET UPDATE

Maximum-loss threshold reached

Today, Hermes closed all remaining open positions after its cumulative drawdown reached the strategy's predefined maximum-loss threshold of 30%.

It is important to distinguish the timing of today's position closures from the timing of the loss. The drawdown was not incurred in a single trading session. It accumulated progressively from late January 2026 onward, with a substantial portion already reflected in the strategy's unrealized P&L before today. Today's executions crystallized the remaining unrealized losses and reduced the portfolio's market exposure to zero.

IMPORTANT — NOTE FOR PARTNERS

The 30% maximum-loss threshold was reached on the Hermes **signal account**. Because client accounts copy this signal, the loss experienced by each client depends on when they began copying. Clients who joined earlier will broadly track the signal's full drawdown to the 30% stop; clients who joined more recently — after part of the decline had already taken place — may have experienced a different, and in many cases smaller, loss. Each client's actual outcome is determined by their own account and copy start date, and clients should refer to their broker statements for definitive figures.

— MARKET UPDATE

Market environment

AUD/CAD • 27 JAN—
22 JUN**+4.7%**AUD/NZD • 27 JAN—
22 JUN**+5.5%**GOLD (XAU/USD) • 30
JAN**−9.5%**GOLD VS. JANUARY
PEAK • MID-JUN**≈−25%**

The drawdown developed during an unusually unstable period for foreign-exchange and precious-metals markets. Since late January, GBP/USD has moved lower overall, while the Australian dollar has strengthened materially against both the Canadian and New Zealand dollars. Reserve Bank of Australia reference data indicate that AUD/CAD and AUD/NZD increased by approximately 4.7% and 5.5%, respectively, between 27 January and 22 June. Gold experienced an even more exceptional sequence of moves. XAU/USD reached a record high near \$5,595 on 29 January, reversed sharply during the same session and subsequently fell 9.5% on 30 January. By mid-June, gold was approximately 25% below its January peak as stronger U.S. interest-rate expectations and renewed dollar strength affected the market.

More recently, hawkish repricing of Federal Reserve policy expectations pushed the U.S. dollar index (DXY) to a one-year high and placed additional pressure on both sterling and gold. Commodity currencies also ceased behaving as a uniform risk group, with differences in domestic growth, interest-rate expectations and commodity exposure producing significant cross-currency divergence.

For Hermes, the challenge was not solely the final direction of these markets, but the sequence of sharp extensions, reversals and changing relationships between instruments. The largest negative contributions came from positions in GBP/USD, AUD/CAD, AUD/NZD and XAU/USD. As these exposures came under pressure concurrently, the expected diversification between several subsystems weakened and losses accumulated over successive holding cycles.

— RISK ACTION

Risk action and next steps

Once the defined 30% threshold was reached, the portfolio-level risk control directed the closure of all remaining positions. This safeguard prevented the system from maintaining exposure beyond its established maximum-loss boundary. No new positions will be initiated during the suspension period.

Hermes will now remain paused for seven calendar days. During this period, the market, execution and subsystem data collected throughout the incident will be incorporated into an adjusted strategy infrastructure. The review is focused on improving dynamic correlation assessment, subsystem concentration controls, allocation constraints, regime filtering and earlier portfolio-level de-risking when losses begin to become correlated. Following the seven-day pause, Hermes will restart using the adjusted and improved infrastructure. The priority at restart will be controlled risk deployment and improved portfolio resilience — not the rapid recovery of previous losses.

TODAY • 22 JUN	All positions closed. Portfolio market exposure reduced to zero; strategy suspended. No new positions during the pause.
7-DAY PAUSE	Structured review. Correlation assessment, subsystem concentration controls, allocation constraints, regime filtering and earlier portfolio-level de-risking.
AFTER 7 DAYS	Controlled restart. Strategy restarts on the adjusted infrastructure — prioritising risk control and resilience, not rapid recovery of losses.

Divitae Assets recognises the material nature of this drawdown and the concern it may cause. Divitae Assets remains committed to transparent reporting, disciplined risk governance and the continued development of the Hermes portfolio. While the planned adjustments are intended to improve robustness, they cannot eliminate market risk or guarantee future performance.

— DISCLOSURES

Important information

01 Important notice

This document is a stakeholder update provided for informational purposes only. It does not constitute investment advice, a recommendation, an offer, or a solicitation to subscribe for any financial instrument. The opinions expressed are based on our current understanding of the market and are subject to change without notice. Past performance is not a guarantee of future returns.

02 Risk warning

Trading in leveraged products, currencies, commodities and crypto-assets carries a high level of risk and may lead to the loss of all invested capital. The drawdown described in this update illustrates the material risk inherent in systematic strategies. The planned adjustments cannot eliminate market risk or guarantee future performance.

03 Signal account & client outcomes

The 30% maximum-loss threshold was reached on the Hermes signal account. Client accounts copy this signal, so each client's actual loss depends on their own account and copy start date and may differ from — and in many cases be smaller than — the signal's full drawdown. Clients should refer to their broker statements for definitive figures.

04 Maximum-loss control

Hermes operates a predefined portfolio-level maximum-loss threshold of 30%. When reached, the control directs the closure of all remaining positions to prevent exposure beyond the established boundary. This is a risk safeguard; it limits, but does not remove, the possibility of loss.

05 Independent verification

Performance results are subject to independent verification and transparent reporting by Alpha Performance Verification Services in alignment with the Global Investment Performance Standards (GIPS®). Divitae Assets is committed to uncompromising transparency toward its institutional partners as a fundamental pillar of trust.

06 Fund custody & eligibility

Divitae Assets does not hold client funds. Capital is held in segregation with reputable, regulated custody and execution providers chosen by the client. Investment opportunities are offered solely to verified, eligible investors and are subject to approval and completion of definitive offering documentation. Seek independent financial advice where necessary.

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