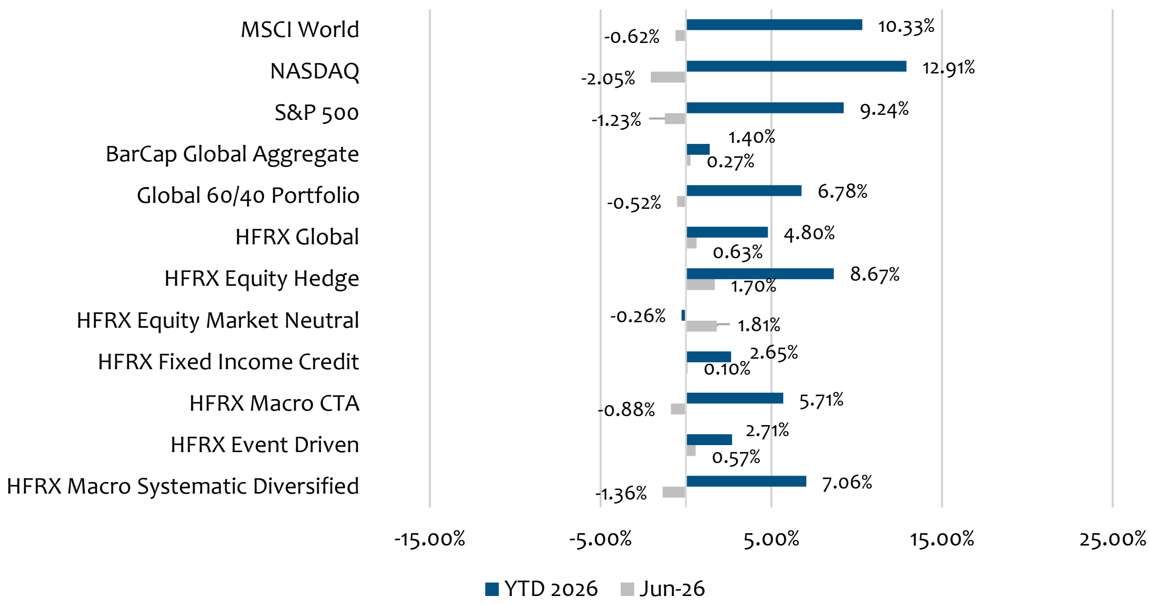
AQUIS Hedge Funds Solutions – June 2026 Comments

Performance of Traditional Indices and Hedge Fund Strategies



Source: Bloomberg, AQUIS Capital, data as of June 30th, 2026, in USD

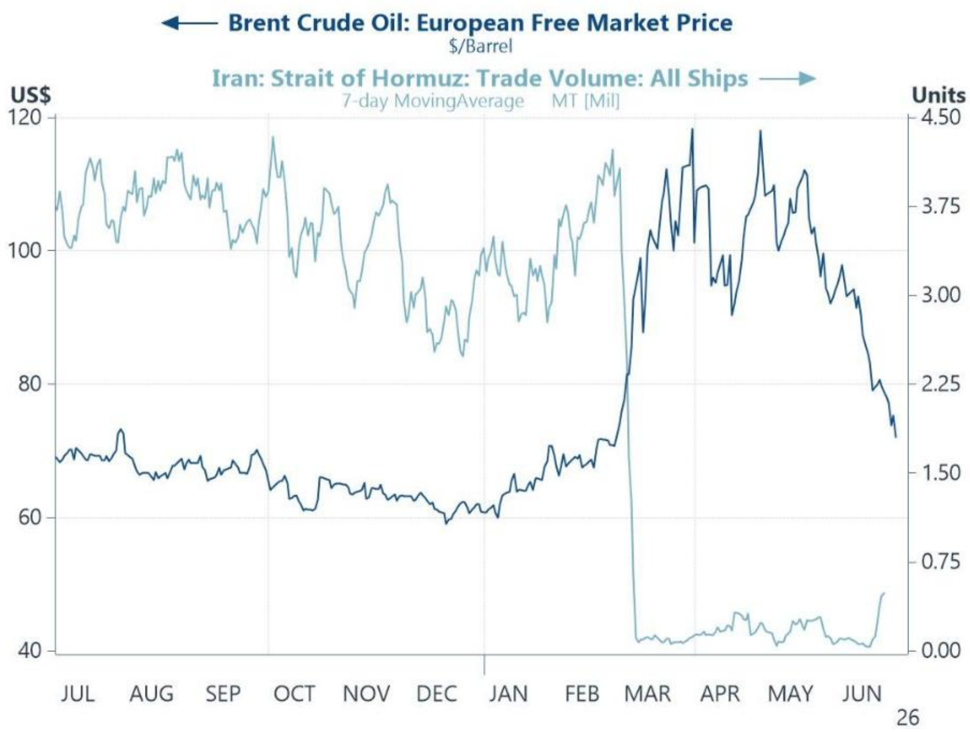
AltAlpha Abacorum Fund: +1.00% in USD Class A, YTD 2026: +4.71%

AltAlpha Abacorum Fund delivered +1.00% in June, amid a mixed environment for risky assets. Equity were broadly negative with significant sector dispersion, while fixed income advanced only marginally amid a sharp decline in oil prices following easing U.S.-Iran tensions, a hawkish shift in central bank expectations, and a correction in crowded AI-related equities. Main positive portfolio contribution came from Equity Long/Short managers, as dispersion and positioning dynamics dominated over broad market direction, but Event Driven, Relative Value, and Multi-Strategies all performed in line, while Macro strategies continued to underperform. Performance was supported by managers able to dynamically adjust exposures and successfully trade crowded AI and semiconductor names, monetise sector rotation and capture tactical opportunities across IPO flows and changes in retail positioning, especially from Asian markets. We continued to implement changes during the month and the portfolio started July almost fully invested with 22 positions.

Global markets in June were driven by three main forces: the sharp decline in oil prices following easing U.S.-Iran tensions, a hawkish shift in central bank expectations, and a correction in crowded AI-related equities. Oil prices fell materially as the geopolitical risk premium unwound and expectations for additional supply improved, easing headline inflation and supporting consumer sentiment. While shipping flows through the Strait of Hormuz recovered, they remained below pre-conflict levels, indicating that geopolitical risks had moderated but not fully dissipated. Despite this disinflationary impulse, financial conditions did not ease meaningfully. The historical relationship between oil prices and U.S. two-year yields broke down, as the Federal Reserve maintained a hawkish stance focused on persistent core inflation rather than energy-driven price dynamics. As a result, front-end rates remained elevated, reinforcing a higher-for-longer policy regime and limiting the extent of the market's relief rally. Against this backdrop, regional divergence remained pronounced. The U.S. continued to outperform, supported by resilient consumption, a strong labour market and AI-driven capital expenditure, while Europe and China lagged due to weaker industrial activity and softer domestic demand. Beneath relatively stable index-level performance, market conditions became more fragile, with a broad unwinding of crowded positions across both commodities and technology increasing dispersion and volatility. This unwinding was not solely macro-driven, but also reflected a repositioning away from trades that had become consensus, particularly across commodities and technology-heavy equity exposures.

Investor appetite for hedge fund strategies also remained strong, supported by improving performance across a broad range of equity and event-driven managers, reinforcing the attractiveness of active and differentiated sources of return in an increasingly dispersion-driven market environment.

Brent Crude Oil Price and Strait of Hormuz Shipping Volume



Source: ICE, IMF/Haver.

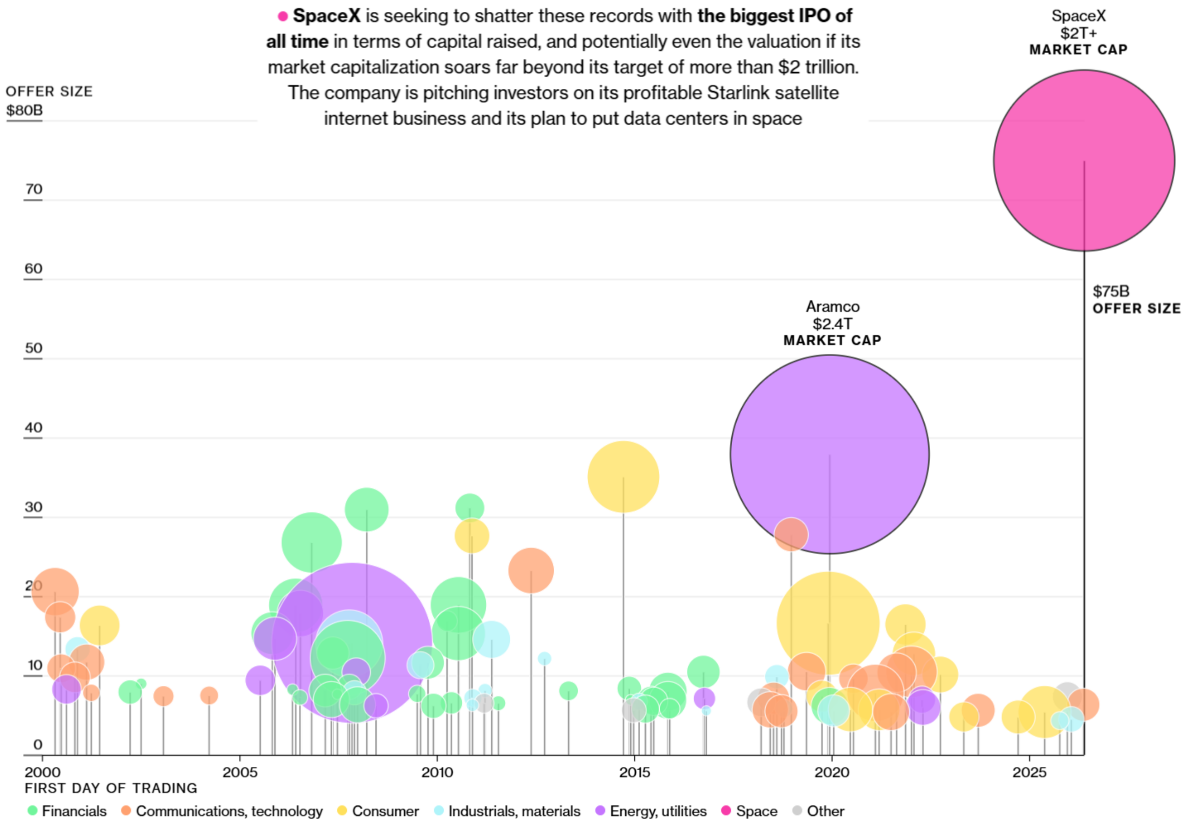
Equity Long/Short Hedge funds shifted from net buyers to net sellers of U.S. equities during the month, primarily through increased short positioning rather than outright de-risking. Sector rotation accelerated, with selling concentrated in technology and industrials, while financials, materials and energy attracted inflows. The correction in AI and semiconductor equities was global, with particularly sharp reversals in Asia following a strong prior rally. This shift in sentiment was also evident among the Magnificent Seven, which materially underperformed the broader market during June as investors reduced exposure to crowded mega-cap technology positions and rotated toward other beneficiaries of the AI buildout.

June also saw the historic IPO of SpaceX, which quickly became one of the most significant liquidity events of the year and a focal point for both institutional and retail investors. The strong post-listing performance triggered substantial repositioning across ETFs, derivatives and passive allocation vehicles, while demand was further amplified through leveraged ETFs and IPO-arbitrage strategies. More broadly, the transaction highlighted how large IPOs can temporarily reshape portfolio allocations and market liquidity, while competing for investor capital with existing allocations to crowded growth sectors such as the Magnificent Seven. One of our US-focused Equity Long/Short managers also successfully participated in the SpaceX IPO, opportunistically capturing the strong retail demand and momentum-driven trading activity that followed the listing while maintaining valuation discipline around the longer-term fundamentals.

In Korea, one of the most extreme examples of this dynamic, the market experienced outsized volatility with double-digit declines driven by a combination of foreign outflows, forced liquidation from margin accounts, and rebalancing flows from leveraged ETFs tied to semiconductor names. Elevated retail participation and record margin debt amplified the move, highlighting how positioning and leverage, rather than fundamentals alone, can drive sharp dislocations in crowded markets. However, the sell-off did not invalidate the structural AI investment cycle. Rather than abandoning the AI theme altogether, investors increasingly rotated within the ecosystem, favouring semiconductor and memory companies benefiting directly from infrastructure spending while becoming more cautious on the largest hyperscalers funding that investment.

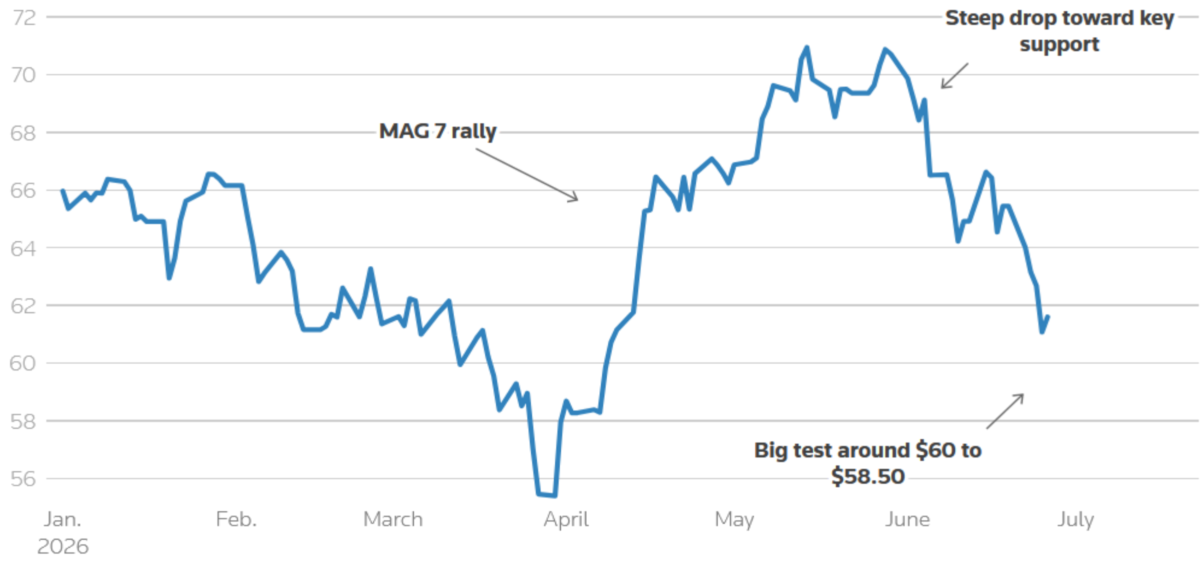
Demand for AI infrastructure remains robust, with strength concentrated in high-performance chips such as GPUs and advanced memory, while weakness is more evident in legacy segments tied to consumer electronics and industrial demand. Investor focus also shifted toward the return on investment of AI-related capital expenditure, as concerns emerged that the scale of spending by hyperscalers may not yet be matched by a commensurate increase in profitability. This shift created a more favourable environment for fundamental stock picking. Managers with disciplined positioning, diversified long books and effective short exposure to crowded or over-extended names were better placed, while strategies reliant on continued momentum in AI-linked equities faced more volatile outcomes. At the same time, lower oil prices supported rotation into cyclicals and domestically oriented sectors, further increasing cross-sector dispersion.

How SpaceX's IPO compares against the top 100 listings globally since 2000



Source: Bloomberg.

MAG 7 Approach Crucial Juncture After Recent Fall: Magnificent Seven ETF



Source: LSEG, Burton Frierson.

Relative Value strategies benefited from a more balanced but still complex rates environment. Lower oil prices, which fell over 20% in June, helped moderate inflation expectations and supported longer-dated bonds, while front-end yields remained anchored by the Fed's hawkish stance. The decoupling between oil and short-term yields created opportunities along the curve, particularly between policy-sensitive front-end rates and inflation-sensitive longer maturities.

Credit markets remained stable, with spreads relatively tight, limiting directional opportunities and favouring more selective positioning. In this context, alpha generation was driven by issuer selection, capital structure trades and relative value across credit segments, rather than broad exposure to risk premia. Elevated short-term yields continued to support short-duration strategies, although sensitivity to macro data and policy expectations remained high.

Global Macro and CTA strategies faced a more challenging environment defined by reversals, crowding and rapidly shifting catalysts, which explains the lagging performance of the broader strategy overall. Oil was the dominant macro theme, with hedge funds increasing bearish exposure ahead of easing geopolitical tensions and the expected return of supply. This positioning extended into a broader liquidation across commodities, where previously crowded long exposures were reduced significantly. Positioning data showed a substantial build-up in gross short positions across both WTI and Brent, as investors anticipated a surge in Middle Eastern supply alongside weaker demand from major importers such as China.

While this liquidation accelerated price declines, it also introduced instability, increasing the likelihood of sharp countertrend moves and reducing trend persistence. As a result, systematic strategies struggled with inconsistent signals across commodities, rates and equities, while discretionary macro managers were better positioned to capture shorter-term cross-asset dislocations. One of our Global Macro managers responded to this changing backdrop by reducing overall portfolio risk, increasing emphasis on developed-market rates and FX opportunities while reducing concentration in certain credit exposures. The portfolio became increasingly focused on directional currency themes and policy divergence trades, reflecting the shift from geopolitical uncertainty toward relative growth and monetary policy expectations as the primary market drivers.

At the same time, positioning dynamics reinforced market fragility, with the dollar strength becoming a key "pain trade", as investors have already increased bullish exposure following the Fed's June meeting, leaving the currency vulnerable to a more abrupt and self-reinforcing upside move should policy tighten further than currently priced. A similar dynamic is visible in rates markets, where the sharp rise in front-end yields has led to widespread positioning for continued curve flattening, creating asymmetric risk of a reversal toward steepening if growth weakens and policy expectations shift.

At the same time, some hedge funds began to selectively re-enter pre-war positioning across assets, including favouring short-duration bonds, selectively adding exposure to Asian currencies and identifying opportunities in previously underperforming regional equities following the easing in energy-related pressure.

One notable feature of June that extended beyond commodities was the sharp decline in precious metals and broader commodity benchmarks, as investors unwound defensive and inflation-sensitive positioning following the collapse in oil prices and easing geopolitical concerns. This reinforced the broader trend of capital rotating from scarcity-driven trades toward growth-sensitive opportunities.

Hedge Funds Have Ramped Up Bullish Bets on Dollar

Source: Bloomberg, CFTC.

Event Driven strategies operated in a supportive but selective environment. Lower oil prices and resilient U.S. growth supported sentiment, while the rotation away from technology concentration increased dispersion and the opportunity set for corporate events. At the same time, higher-for-longer interest rates continued to shape deal dynamics, keeping financing costs elevated and reinforcing the importance of disciplined underwriting.

Regional divergence also became more pronounced, with U.S. activity continuing to surprise to the upside on resilient consumption and labour market strength, while Europe and China saw weakening data momentum, reflecting softer industrial activity and fragile domestic demand. In this environment, performance remained driven by idiosyncratic situations with clear catalysts and downside protection, rather than broad spread compression. Opportunities in restructuring, capital allocation and selective M&A remained attractive, provided financing structures were robust.

Abacorum Fund – Portfolio Outlook and Positioning

Hedge Funds Outlook - Why Hedge Funds Are Attractive Right Now

1. A Renewed Wave of Investor Confidence: The hedge fund industry enters 2026 with notably strong momentum. Investor sentiment toward the asset class has strengthened considerably, reflecting a broad sense that hedge funds have delivered what they were expected to achieve, and in many cases, more. Over the past few years, many allocators have seen their hedge fund exposures meet or exceed return expectations, reinforcing confidence in the role of active, risk-managed strategies. As a result, hedge funds have become one of the most preferred destinations for capital compared with other traditional or alternative investments. Interest in competing asset classes has softened, while demand for hedge fund allocations continues to expand.

2. Why the Environment Is Turning Supportive Again: After years where unusually accommodative monetary policy and passive market dynamics limited the payoff to active management, conditions have shifted. Economic signals are mixed, forward-looking indicators have softened, and equity valuations in some segments look stretched. At the same time, markets display a pronounced split between large companies driving index gains and smaller companies facing more challenges. This uneven backdrop makes stock selection and tactical positioning more valuable. Interest rates have normalized, market volatility sits above pre-pandemic norms, and dispersion across securities has widened. Markets have also become more reactive to new information, creating opportunities for managers who can move quickly and rely on research depth and advanced technology.

3. How Hedge Funds Performed in Recent Years: Hedge funds have delivered competitive returns relative to cash and broad equity benchmarks in recent years, while maintaining lower sensitivity to overall market moves. The industry's performance in 2025 reinforced the idea that hedge funds offer attractive and consistent sources of alpha even in complex environments. Flows into hedge funds have risen, driven by the need for diversification, liquidity, and return sources that do not depend solely on broad market direction.

4. Outlook for 2026: Several factors support a constructive outlook for hedge funds:

- Macro uncertainty plays to their strengths, as diverging central bank policies create opportunities across rates, currencies, and macro themes.
- The need for diversification is higher as investors question the benefits of concentrated exposures.
- Elevated dispersion and idiosyncratic events reward active approaches.
- Liquidity and flexibility have become more important as private markets experience slower cycles.

5. Conclusion: For the first time in many years, the market environment is structurally aligned with the strengths of active, flexible hedge fund strategies. Performance trends, improving dispersion, macro uncertainty, and evolving investor preferences all point toward a supportive setting for hedge fund allocations in 2026.

Portfolio Positioning

The Fund is positioned with a diversified portfolio across multiple hedge fund strategies and geographies. A meaningful share is allocated to established managers with over USD 1 billion in AuM. The portfolio also offers access to soft-closed and hard-closed funds, reflecting a focus on capacity-constrained, niche managers. Diversification is maintained through investments in approximately 15–20 underlying funds.

Selected Opportunity Sets in the Abacorum Fund

Long/Short Equity: Wide valuation dispersions and improving sector fundamentals continue to support selective equity positioning. Cyclicals benefiting from stronger macro data, along with structural winners from technological and industrial transitions, offer compelling long opportunities. Meanwhile, pockets of retail-driven excess and fragile business models create attractive shorts. Elevated single-stock volatility enhances the opportunity set for managers with disciplined risk control and differentiated research, supporting alpha from both fundamental and factor-aware stock selection.

Event Driven: The pickup in global M&A, supported by stronger balance sheets, favorable financing, and renewed consolidation, is expanding opportunities across announcement and pre-announcement trades. Improving governance in regions such as Asia and parts of Europe is driving restructurings, spin-offs, asset sales and capital-return initiatives. These trends strengthen the backdrop for catalyst-driven investments, with spreads aided by rising deal certainty and clearer regulatory paths. Managers skilled in cross-border, contested, or complex transactions are well positioned.

Global Macro: Diverging monetary policies, uneven disinflation, and differentiated growth trends continue to favor discretionary macro strategies. Central bank tradeoffs between inflation control and political or fiscal pressures create opportunities across rates, FX and commodities. Ongoing currency adjustments, energy-supply uncertainties, and varied geopolitical sensitivities sustain tradable ranges for tactical positioning. The environment rewards managers able to rotate quickly and combine top-down views with timely catalysts.

Relative Value: Dislocations between implied and realized volatility, along with regional and sector divergences, are creating appealing relative-value setups. Increased convertible-bond issuance, driven by corporate funding needs and attractive issuance terms, broadens opportunities in convertible arbitrage. With higher dispersion and frequent factor rotations, relative-value strategies can monetize micro-level mispricing while maintaining diversified risk.