QUARTERLY INVESTOR REPORT

SOVEREIGN
PROSPERITY

Sovereign Prosperity Fund

Q2 2026 Investor Report

QUARTER ENDED JUNE 30, 2026

BUILDING WEALTH THROUGH DISCIPLINE

01 — EXECUTIVE SUMMARY

A Quarter Built on Discipline, Not Excitement

Real wealth isn't built in a moment of excitement. It's built through discipline, consistency, and the slow, compounding math of time.

That principle is the clearest takeaway from Q2 2026. We closed the quarter with a net return of **+6.46%** to investors, after all performance fees, and a maximum drawdown of **10.21%** - delivered in one of the more volatile macro environments we've traded through this year. These are results from live trading on the professional side of the global currency markets, not backtests or simulations.

+6.46%	10.21%	Forex
NET RETURN, Q2 2026	MAXIMUM DRAWDOWN	PROFESSIONAL STRATEGY

What matters most here isn't the headline figure - it's what the quarter reflects about how Sovereign Prosperity is built to perform: consistent returns, disciplined risk management, and capital growth measured in years, not weeks.

We aren't chasing unsustainable short-term gains. We're compounding capital deliberately, one year at a time, and that distinction matters. In a market crowded with unrealistic promises and social-media trading claims, staying grounded in reality is itself an advantage. A month of +100% isn't investing - it's speculation. Our goal is different: to build wealth responsibly, through disciplined execution and patience.

BEFORE YOU READ FURTHER

This report contains performance figures, projections, and comparisons intended to give context on our strategy. None of it is a guarantee of future results. We've flagged the key limitations throughout, and set out the full risk disclosures on page 10 - please read them alongside the numbers.

The Numbers Behind the Quarter

METRIC	RESULT
Net Return	**+6.46%**
Maximum Drawdown	10.21%
Strategy	Professional Forex Trading
Fees	Net of Performance Fees

On its own, +6.46% for a single quarter might not turn heads - especially against a backdrop of aggressive marketing and inflated return expectations elsewhere in the industry. But context changes the picture.

Multiplying the quarterly return by four gives a simple annualised reference figure: **25.84%**. Very few investment vehicles consistently combine strong returns, disciplined risk management, and controlled drawdowns all at once - and that combination, not any single number in isolation, is what we're optimising for.

> **HOW WE CALCULATE THE ANNUALISED FIGURE**
>
> 25.84% is Q2's 6.46% return multiplied by four. It's a simple, uncompounded projection - not an audited annual return, and not a forecast. One profitable quarter doesn't reliably predict the next three. Actual full-year performance may be higher, lower, or negative.

Returns alone tell you very little if excessive risk was required to produce them. Protecting capital remains just as important to us as growing it, and that's the lens we'd encourage you to view every figure in this report through.

03 — CONTEXT

How This Compares

Investors often underestimate what genuinely strong performance looks like, largely because expectations get shaped by marketing rather than reality. Here's some context for the quarter above.

FUND / STRATEGY	ANNUAL RETURN	MAX DRAWDOWN
Sovereign Prosperity (annualised Q2)	**25.84%**	**10.21%**
Vanguard Balanced Index Fund	~8-10%	15-35%
S&P 500 (historical average)	~10%	30-55%
Average Hedge Fund	~8-12%	10-25%
Top-Performing Hedge Funds	15-25%	10-20%

READING THIS TABLE FAIRLY

The benchmark figures are long-run historical averages spanning many years and market cycles. Our figure is one quarter, annualised by simple multiplication. These vehicles also differ in regulation, liquidity, and structure - a diversified index fund and an actively traded forex strategy don't carry the same risk profile, and this table isn't a claim that they're interchangeable. We include it purely for context.

Most traditional investment products are built for slow, steady growth tied closely to broad market cycles. Over long stretches, that has real costs: once you account for inflation, taxes, and fees, an 8-10% headline return often compounds into meaningfully less real wealth than investors expect. Closing that gap is part of what Sovereign Prosperity is designed to do - though, like any actively managed strategy, ours carries its own risks, which we detail on page 10.

What Moved the Markets in Q2

Q2 2026 was shaped by significant global volatility. Several geopolitical and macroeconomic currents ran through currency markets over the quarter - here's what stood out.

Middle East Conflict & Energy Volatility

The Iran conflict disrupted energy markets and raised global uncertainty, sending oil prices swinging sharply and shifting inflation expectations and risk sentiment worldwide. The knock-on effects reached commodity-linked currencies, safe-haven flows, and USD positioning alike.

US Dollar Strength

The dollar remained one of the strongest major currencies heading into the second half of 2026, creating strong directional opportunities across multiple currency pairs.

Elevated Cross-Market Volatility

Inflation concerns, shifting interest rate expectations, geopolitical developments, and changing capital flows kept global markets on edge throughout the quarter. For forex specifically, that turbulence created an environment rich with opportunity - and, it's worth saying plainly, with risk.

05 — STRATEGY

Why Currency Markets

Most investors know their way around stocks, bonds, and real estate. Far fewer understand professional forex trading - and that gap is part of where our advantage comes from.

The foreign exchange market is the largest financial market in the world, with daily trading volume in the trillions of dollars. Compared to traditional markets, it offers a few structural advantages: deep liquidity, high efficiency, strong volatility, and frequent opportunities in both rising and falling environments. Critically, forex doesn't depend on long-term equity market growth - opportunities exist whether stock markets are climbing, falling, or going nowhere at all.

At Sovereign Prosperity, we operate with a consistent, technically driven framework built on our professional read of how currency markets behave. We don't chase headlines, and we don't reinvent our approach every quarter. We focus on disciplined execution and consistency - that's the core of our advantage.

THE OTHER SIDE OF THE COIN

The same liquidity and volatility that create opportunity in forex also create risk. Currency trading, particularly when leveraged, can produce losses as quickly as gains. It's an active market, not a passive one, and it isn't suited to every investor's risk tolerance or time horizon.

06 — PHILOSOPHY

Why Real Wealth Creation Is Boring

This might sound counterintuitive, but it's true: sustainable wealth creation is usually boring - not because it lacks sophistication, but because it avoids chaos.

The most successful investors in history didn't build their wealth through emotional decision-making or unrealistic expectations. They built it through discipline, patience, consistency, and compounding. A strategy that delivers steady returns with controlled drawdowns is worth far more, over time, than one that produces explosive gains followed by catastrophic losses.

That's why professional investors focus so heavily on risk-adjusted returns. A headline return means very little if excessive risk was required to generate it. At Sovereign Prosperity, protecting capital remains just as important as growing it - and we'd rather deliver a good quarter we can repeat than a great one we can't.

07 — ILLUSTRATION

What Compounding Can Look Like

The real power of a strong annual return shows up over time, once profits are consistently reinvested. The examples below illustrate that math.

READ THIS BEFORE THE NUMBERS BELOW

The figures on this page are a hypothetical illustration, not a projection or a promise. They assume a constant 25.84% annual return, sustained without interruption, for 10 to 20 years straight. No investment - including this strategy - can guarantee a consistent return year after year. Real returns fluctuate, some years may be flat or negative, and actual outcomes will differ from the amounts shown, potentially by a wide margin.

$25,000	$100,000	$500,000
STARTING CAPITAL	STARTING CAPITAL	STARTING CAPITAL
→ ≈ $249,000 after 10 years*	→ ≈ $3,145,000 after 15 years*	→ ≈ $49,700,000 after 20 years*

*Hypothetical, assuming an uninterrupted 25.84% annual return with full reinvestment. Not a guarantee or forecast.

Compounding rewards time, not urgency. None of these outcomes happen overnight - they happen, if they happen at all, over years of consistent, disciplined execution.

$100,000 Growth Comparison Over 10 Years

The table below illustrates the hypothetical difference between compounding at Sovereign Prosperity's annualised Q2 rate versus a traditional 10% annual return.

YEAR	SOVEREIGN PROSPERITY (25.84%)	TRADITIONAL PORTFOLIO (10%)
0	$100,000	$100,000
1	$125,840	$110,000
3	$199,287	$133,100
5	$315,609	$161,051
7	$500,222	$194,872
10	**$996,363**	**$259,374**

SAME CAVEAT APPLIES HERE

This table assumes an uninterrupted 25.84% annual return for Sovereign Prosperity and a steady 10% for the traditional comparison - neither is guaranteed, and neither reflects how real returns actually move year to year. Small differences in assumed rates compound into very large differences on paper; they aren't a substitute for a track record.

08 — RISK DISCLOSURES

What You Should Know Before Investing

We believe transparency builds trust, and that means being clear-eyed about what to expect. Not every quarter will look like Q2. Some may outperform it. Others may be flat, or include drawdowns. That's normal - professional investing isn't linear, and there will always be cycles. Anyone promising guaranteed high monthly returns with minimal risk is selling fantasy. Real investing requires realism, and our commitment is to pursue superior long-term, risk-adjusted returns through discipline and professional execution - not to promise outcomes we can't control.

IMPORTANT DISCLOSURES

- **Past performance is not indicative of future results.** Q2 2026 should not be read as a typical or guaranteed quarterly outcome.
- **Forex trading carries a high degree of risk**, particularly when leveraged, including the potential loss of some or all invested capital.
- **The annualised and compounded figures in this report are illustrative calculations** based on a single quarter's result - not audited multi-year track records or guarantees of future performance.
- **Comparisons to Vanguard, the S&P 500, and hedge fund averages are provided for general context only.** These are different types of vehicles, with different regulatory status, liquidity, and risk characteristics, and are not directly interchangeable with this strategy.
- **Drawdown figures reflect historical performance for the period stated** and do not limit the potential size of future drawdowns.
- **This report is for informational purposes only**, intended solely for existing investors, and does not constitute investment, legal, or tax advice, nor an offer or solicitation to invest in any jurisdiction where such an offer would be unlawful. Prospective investors should consult independent financial, legal, and tax advisors before making any investment decision.

09 — CLOSING

Consistency, Compounded

Sovereign Prosperity was built around a simple philosophy: traditional investing is often too slow, and speculative trading is often too reckless. We believe there's a better path in between - one built on professional execution, disciplined risk management, intelligent compounding, and long-term thinking.

Q2 2026 represents another step in that direction. Thank you for your continued trust. We remain committed to growing capital responsibly and intelligently, quarter after quarter, year after year - because wealth isn't built in a moment. It's built through consistency.

Sovereign Prosperity
Building Wealth Through Discipline

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