



## Insights August 2025: Quantum Leap

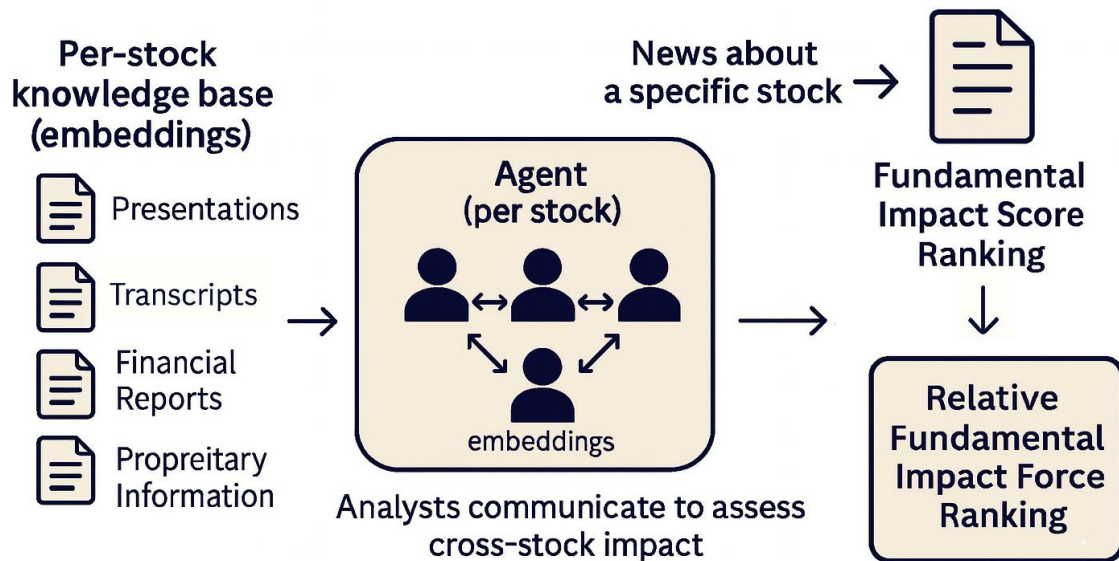
As we have written about in recent months, Sandbar Asset Management has strategically evolved its investment process, further integrating advanced quantitative tools including AI to bolster its market-neutral equity strategy. These tools have been in development over the last 24 months as we have rolled out enhancements within the investment process. As highlighted, this evolution is focused on data-driven decision-making, automating key processes, and enhancing the focus of our investment team.

The integration of these quantitative tools has directly translated into strong performance metrics. Our Q2 and H1 reporting season performance confirms the positive impact, with the enhancements contributing to a year-to-date performance of 10.96% and an August month-to-date performance of 1.61%. This success is attributed to several key factors:

- **Enhanced Analysis:** AI tools have expanded our analytical capabilities. By automating the collection and processing of vast amounts of fundamental data, we can identify asymmetric information and market dislocations with greater speed and accuracy. Our enhanced analysis leverages an AI Fundamental Analyst Agent, dedicated to single-stock analysis, continuously trained on a comprehensive knowledge base, and designed to produce a Relative Fundamental Impact Score, enabling faster identification of asymmetric information by quantifying fundamental effects and filtering market noise.
- **Improved Risk Management:** The proprietary Tidal software systematically monitors and manages risk. Quantified risk/reward position sizing, real-time factor risk model and correlation analysis, and Z-score-based pairs stop-loss mechanisms, provide robust risk mitigation strategies.
- **Efficiency Gains:** Automating repetitive tasks frees up our investment team to focus on areas requiring their expertise. This shift ensures that human capital is allocated to value-added activities, such as in-depth fundamental analysis and identifying stock catalysts. The improved division of labour and focus on high-value tasks ultimately support differentiated investment ideas, and alpha generation.
- **Discipline and Scalability:** Through these enhancements, we've successfully embedded increased consistency, scalability, and discipline into our investment and risk management processes.

By continuing to invest in and leveraging these quantitative tools including AI, Sandbar is well positioned to deliver consistent, decorrelated returns for investors while maintaining a disciplined approach to risk management.

# AI Fundamental Analyst Agent



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The investment performance displayed represents the results of Sandbar Strategy Performance data for this time period. The performance data represents unaudited performance and presented gross of all fees. The Strategy may incur expenses that had not been previously applicable and such expenses may impact the Strategies performance. The performance results presented herein assume the reinvestment of all principal, dividends, interest and profits in the Strategy.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

## ADDITIONAL RIDERS

Indices:

The MSCI World Index, which is part of The Modern Index Strategy, is a broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and MSCI World Index does not offer exposure to emerging markets. For further information on the index, please see [www.msci.com/world](http://www.msci.com/world).

Equity Market Neutral strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. These can include both Factor-based and Statistical Arbitrage/Trading strategies. Factor-based investment strategies include strategies in which the investment thesis is predicated on the systematic analysis of common relationships between securities. In many but not all cases, portfolios are constructed to be neutral to one or multiple variables, such as broader equity markets in dollar or beta terms, and leverage is frequently employed to enhance the return profile of the positions identified. Statistical Arbitrage/Trading strategies consist of strategies in which the investment thesis is predicated on exploiting pricing anomalies which may occur as a function of expected mean reversion inherent in security prices; high frequency techniques may be employed and trading strategies may also be employed on the basis of technical analysis or opportunistically to exploit new information the investment manager believes has not been fully, completely or accurately discounted into current security prices. Equity Market Neutral Strategies typically maintain characteristic net equity market exposure no greater than 10% long or short.

The Indices are presented as Sandbar feel that they serve as a useful point of comparison with aspects of the Fund's portfolio management and composition. The Fund's portfolio will not replicate any Index and no guarantee is given that performance will match the Indices; it is not possible to invest in any index.

There are significant differences between the Strategies investments and the Indices. For instance, the Fund may use short sales and leverage and may invest in securities that have a greater degree of risk and volatility, as well as less liquidity, than those securities contained in the Indices. Moreover, the Indices are not subject to any of the management fees or expenses that the Strategy must pay. It should not be assumed that the Strategy will invest in any specific securities that comprise the Index, nor should it be understood to mean that there is a correlation between the Fund's returns and the Indices' performance. Each Index is included for informational purposes only.