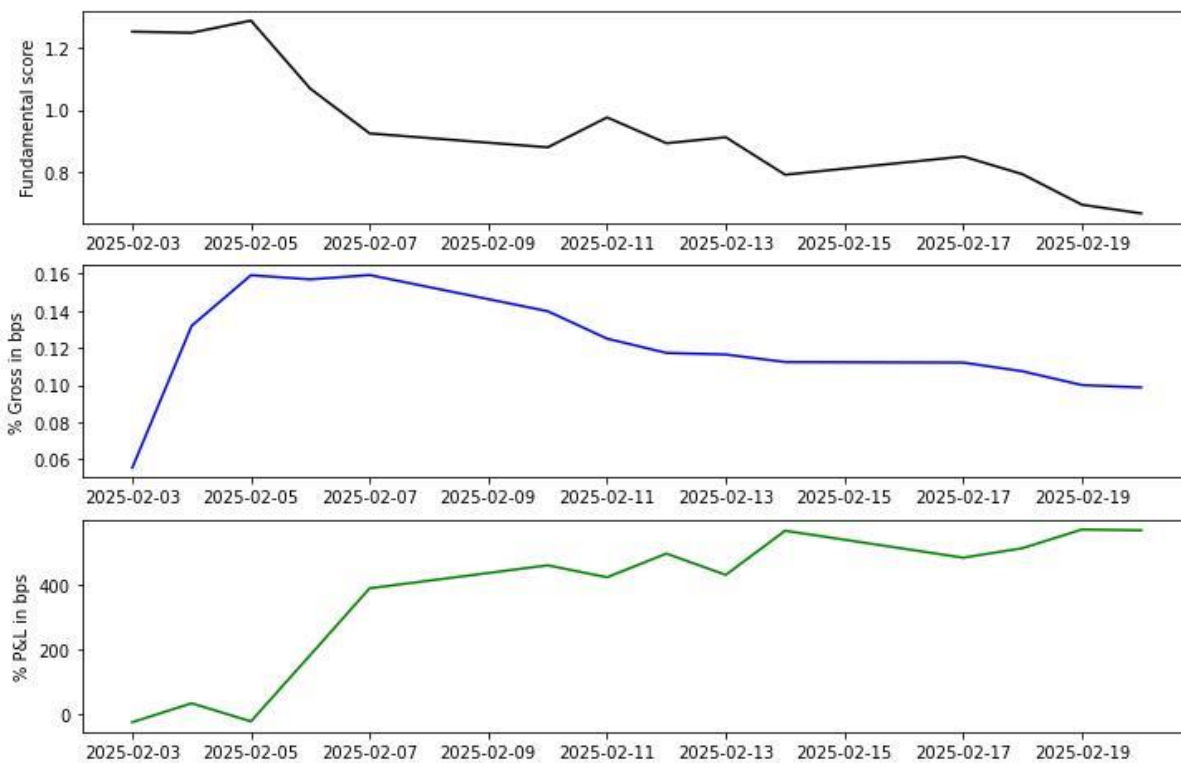




Alpha Insights: Rich opportunity set for Alpha in EU Defence and Cement subsectors supports February MTD performance of strategy (+3.68%)

Earlier this month, our proprietary investment models flagged two sectors (EU Cement and Defence) in which intra-sector pair trade opportunities measured by their fundamental scores reached very attractive risk/reward levels. This approach to screening and analysing our core universe of 100+ global sub-sectors is central to our investment process and our ability to exploit dislocations in a timely manner. When our model flags such alpha opportunities (as per EU cement sector chart below) our portfolio allocation (gross exposure) to these sub-sectors is increased. These groups have subsequently added notable performance MTD for the strategy. Gross performance of strategy MTD as of 21st February sits at +3.68% through February 21st.

Cement EU



Source: Sandbar Asset Management

While this screening and sizing process is quantitative (and thus objective), based on our extensive proprietary data sets, the fact that these sectors would be in focus makes fundamental sense. Both EU Defence and Cement companies possess perhaps the most obvious exposures to potential outcomes of the Ukraine war (now in its third year).

In fact, EU defence companies have been some of the biggest beneficiaries of the election of US President Trump in November, given aggressive rhetoric towards EU / NATO partners stepping up their defence spending contributions materially. While this has driven increased expectations around EU defence budgets, what is most interesting for our strategy is that fact that from an intra-sector perspective, not all companies will benefit equally. Put simply, our models are picking up on the fact that despite the general directional appetite for the space, there will be clear relative winners and losers in this environment, providing opportunity for our strategy to exploit the current dislocations.

With respect to EU Cement, this sector sits very much front and centre of potential impact from any peace plan. This is where macro intersects the micro, as Cement names are both highly sensitive to (1) lower energy prices and input costs (given the energy intensity to produce cement), and (2) their potential role in rebuilding Ukraine (given exposure to the region/adjacent markets). Directional appetite for exposure to a theme like peace in Ukraine from macro funds and top-down generalists is captured well in the YTD performance of the many rebuild Ukraine baskets constructed by banks. For our strategy, our investment process works differently, identifying fundamental dislocations in real-time and sizing up exposure to mispriced relative winners and losers amid the excitement and euphoria.

**#Sandbar_am #marketneutral #alpha #volatility #stockpicking #hedgefund
#marketinsights #fundamentalanalysis**

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PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

ADDITIONAL RIDERS

Indices:

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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.

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