ADVANCED ALPHA ADVISERS

ART Strategy

Advanced Alpha Advisers

August 2025

Disclaimer

The risk of loss in trading commodity futures and options contracts can be substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. Past performance is not necessarily indicative of future results. Advanced Alpha Advisers does not guarantee the accuracy of the data presented in this document.

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ART

Adjusted Risk Technology

ART is a fully systematic futures trading strategy built to identify and follow short-term trends across multiple asset classes.

Powered by machine learning, it is market neutral but tends to perform best during steep market selloffs.

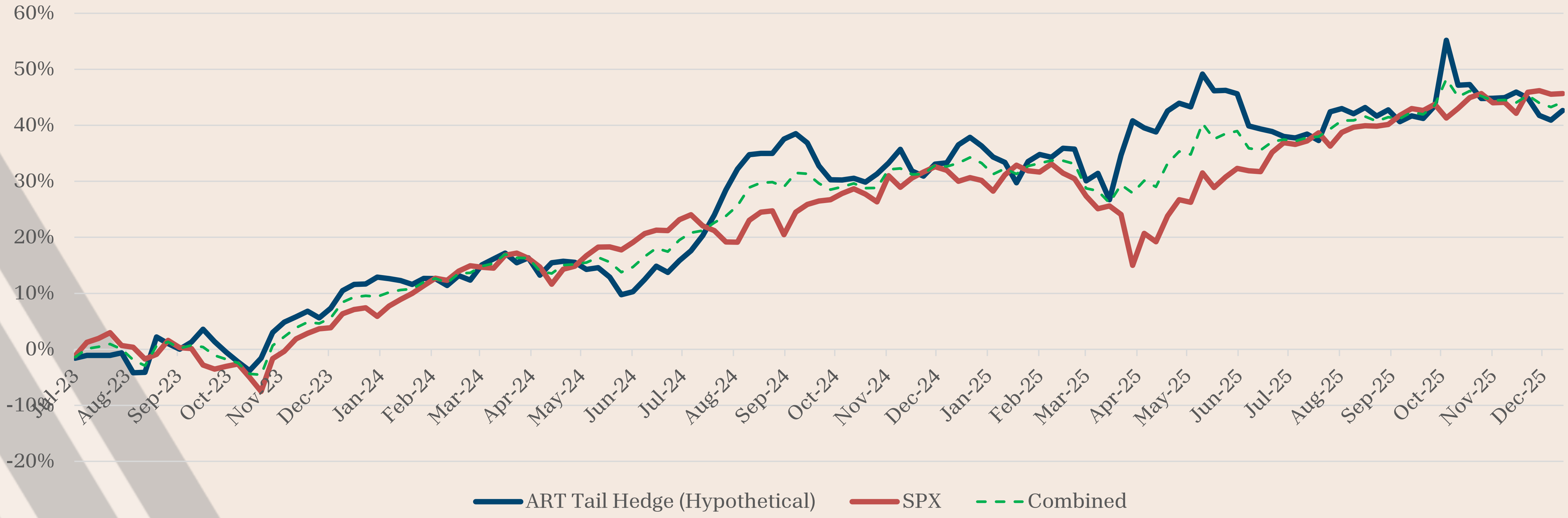
ART is suitable for QEP investors who are looking for:

1. Proven source of alpha with strong risk management

2. Equity tail hedge that usually performs well in market downturns

ART as a Tail Hedge

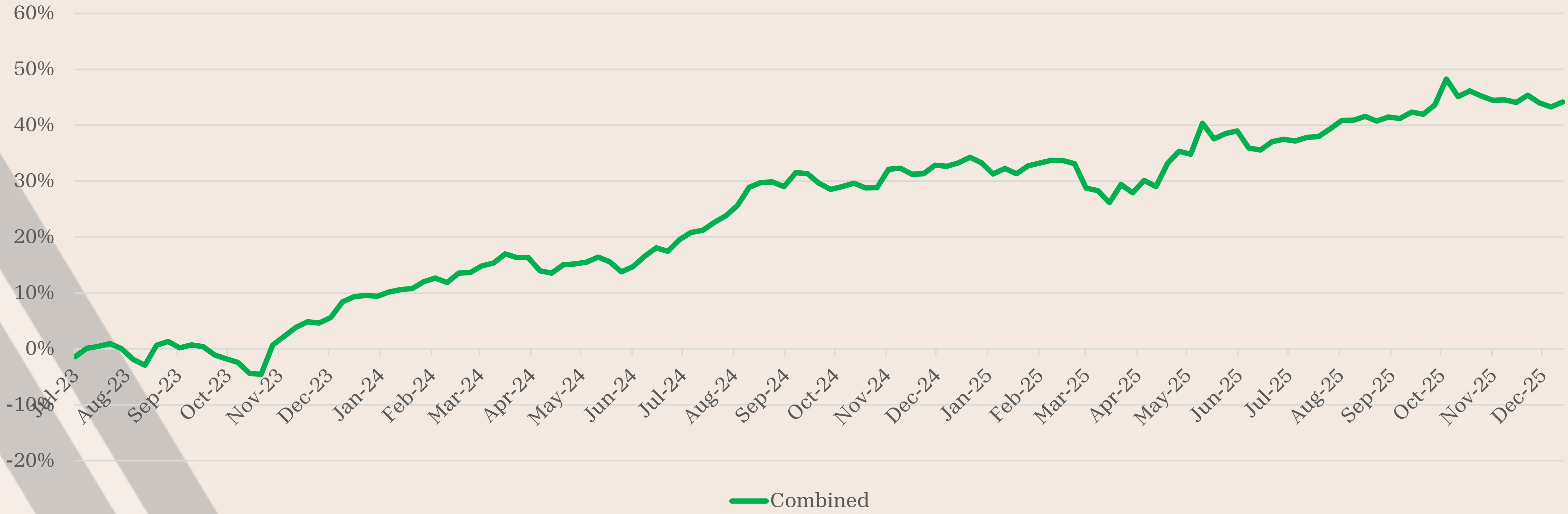
The ART Tail Hedge Strategy is currently trading live as part of a broader futures and options strategy. The below shows the hypothetical weekly performance of just the futures portion, after fees, vs the SPX since launch.



This hypothetical data was extracted from a fund sub-advised by AAA. This fund includes both futures and options. The ART Tail Protection Strategy has not traded as a standalone account. This data is presented net of fees. Trading futures involves substantial risk of loss and is not suitable for all investors. Past performance is not indicative of future results.

ART as a Tail Hedge

This is a portfolio of SPX and ART Tail Hedge (Hypothetical) with 50/50 weighting. **This portfolio has 32% less volatility than the SPX and a max drawdown of 8% relative to 18% for the SPX.**



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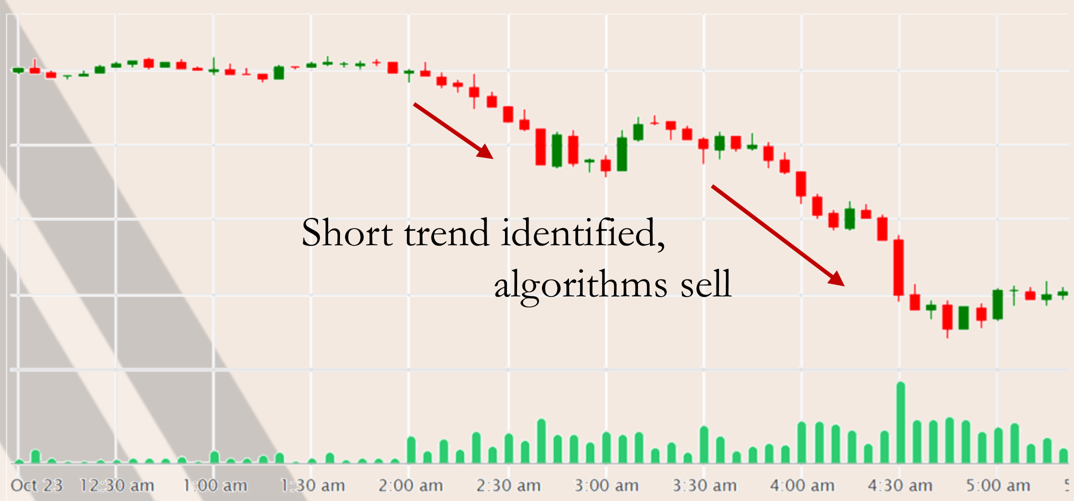
ART is suited to sharp selloffs

Trend Following Algorithms

ART is constructed from algorithms that automatically buy futures contracts when they recognize a pattern of rising prices and sell when they recognize a pattern of falling prices. These algorithms have a short-term holding period; in equities the typical trade will last no more than one day.



Short Term

Having a short time horizon means the strategy reacts quickly to changes in market direction. In a crisis scenario when the market suddenly drops, even if the strategy was long beforehand it will quickly switch to net short.

Escalator up but elevator down…

It is often observed that when markets selloff, they tend to trend. This creates clear trending patterns that our strategy can follow and profit from.

Market Neutral

ART can generate profits in both rising and falling markets, what matters is the existence of clear intraday trends.

Good Conditions

Clear trending patterns, strong directional price movements intraday.

Bad Conditions

Choppy or directionless price action, frequent 'V' shaped patterns, intraday mean reversion.

Risk Management

Market Risk

Strategy suffers in sawtoothing markets with repeated sharp reversals.

Mitigants

- Optimized entry and exit points based on robust training model.
- Automatically reduce exposure if sharp reversals repeat over short time periods.

Volatility Risk

A sudden price dislocation can cause losses if the model is positioned incorrectly.

Mitigants

- Automatically close and, if necessary, reverse position within 5 minutes.
- Strategy will de-lever in the event of an extreme volatility spike.

Operational Risk

A loss of connectivity, market data or a server malfunction can impact trading ability.

Mitigants

- Multiple sources of data and market connection options plus manual override.
- Algos are hosted on AWS servers with excellent up-time and inbuilt redundancy.

Why we built a short-term, trend following model

(when long term models are so much easier!)

Our Story

Part 1

Our research team is made up of experts in Machine Learning. They know the importance of having big datasets when building models.

Part 2

Shorter term models are built on bigger datasets because there are more historical observations available. This leads to more statistically robust signals.

Part 3

They realized therefore that if trends do exist in prices, it's the shorter-term trends that can be more conclusively proven and more accurately modelled.

ART Strategy

based on
15 Years
of research and live trading

3,000+
proprietary signal functions

near
~0.0
correlation with equity markets

realized Sharpe of
0.70
over 15 years

Past performance is not necessarily indicative of future results. There is always a risk of loss.

Our Team

Konstantin Rybakov

Head of Quantitative Strategy

- 11 years' experience building quantitative, short-term, trading models.
- Master's degree in Applied Mathematics and Physics from the Moscow Institute of Physics and Technology and Computer Science Award from the Yandex School of Data Analysis. Published papers in Machine Learning.
- Loves tennis, jogging and jumping into freezing rivers.

James Montlake

Portfolio Manager

- Responsible for developing products, rollout, execution and business development.
- Experienced options trader and commodity swaps broker, having previously run a UK Government project to set up an OTC swaps market for tea producers.
- Interests include snowboarding, guitar and craft tea.

Dennis Rivera

Company Director

- Responsible for business operations, distribution and regulatory compliance.
- Founded Advanced Alpha Advisers. Respected CTA advisor, experienced futures trader and previously member of the New York Cotton Exchange.
- Interests include Formula 1, baseball and two beautiful grandchildren.

Ecosystem

MAREX

Broker

NAV

Fund Administrator

RICHEY MAY & CO

Auditor

Ogier

Legal Counsel

NFA

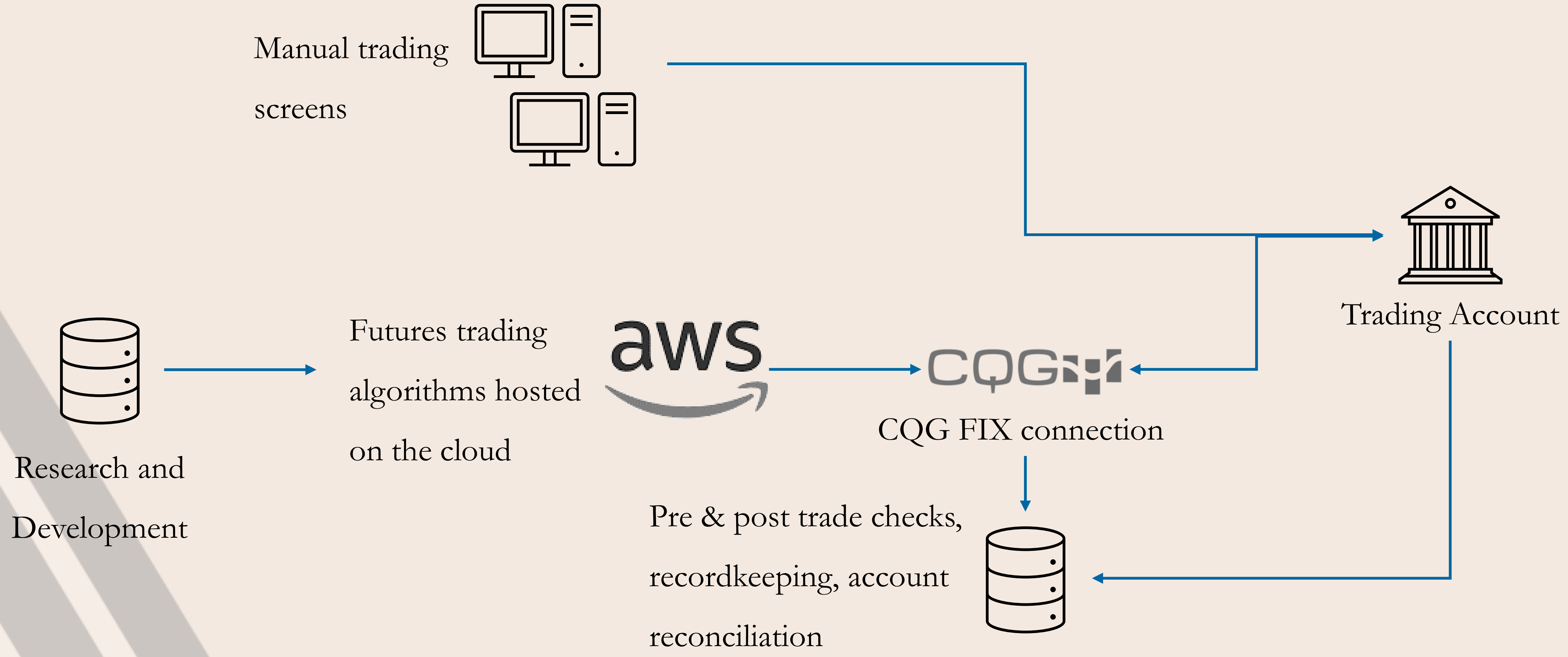
Regulator

Compliance Supervisors

Compliance Advisors

Co-investors, Support Team,
Client Advisors

Systems Architecture



Advisory Board

Eric Golberg

Manager of Hedge Fund Team at Nippon Life

Ulf Nofelt

Investment Advisor to large Commercial and Financial Institutions

David Rondeau

Managing Director at Large Family Office

https://www.advancedalphaadvisers.com/advisory-board/

Due Diligence

We are happy to provide upon request…

- Daily returns and performance attribution
- Due Diligence Questionnaire
- References or testimonials from existing investors

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Quantitative Solutions

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