QRAFT

AI-Powered Global 60/40 Tilt
Portfolio Monthly Update

Asset Class	AI Tilting vs Benchmark*	Macro & Market Environment
Equity	**+** Overweight	Buoyed by continued momentum from the Technology sector as well as gains from Consumer Staples and Communication Services sectors, US markets continued its strong performance from March. The S&P climbed in April bringing its YTD return to 8.59% (SPX, Morningstar).
Fixed Income	**−** Underweight	In the wake of the Federal Open Market Committee's meeting in early May, target rate stands at 5.00% - 5.25% - in line with market expectations. Many believe we are nearing the end of the current rate hiking cycle, with some speculating rate cuts by the end of the year.

* Global 60/40 Multi-Asset Allocation

Sub-asset Classes	AI Signal Change (MoM)	Macro & Market Environment
Short Term Treasury	↗ Increased	Following cooling inflationary concerns and increasingly dovish rhetoric from the Federal Reserve, government bond yields showed signs of stablizing. Short Term and Long Term Treasury Bond returns rose slightly for the month of April, climbing 32 bps and 41 bps respectively (Apr 3- Apr 28, Morningstar). Qraft's proprietry AI engine maintains an underweight position towards fixed income, increasing allocation to Short Term Treasury bonds while reducing allocation to Intermediate and Long Term bonds.
Intermediate Treasury	↘ Decreased	
Long Term Treasury	↘ Decreased	
US Equity	↘ Decreased	Aligning with Qraft's AI engine prediction, markets continued its upward momentum last month and ended April with postiive returns. For the month the S&P500 rose 1.46%, the Dow returned 2.48%, and the NASDAQ climbed 0.49% (SPX, IDJI, NDX, Apr 3- Apr 28, Morningstar) . Looking forward, our AI model maintains an overweight position on equities, favoring Developed and Emerging markets equity while taking a slightly conservative stance on US equity.
Developed Market Equity	↗ Increased	
Emerging Market Equity	↗ Increased	

(Source: Qraft Technologies)