

AI-Powered Global 60/40 Tilt Portfolio Monthly Update

Asset Class	AI Tilting vs Benchmark*	Macro & Market Environment
Equity	+ Overweight	The stock market rebounded in November after three consecutive months of losses. The S&P 500 soared 8.9% to end the month, bringing YTD return to 20.68% (SPX, Morningstar).
Fixed Income	- Underweight	Favourable inflation and labour market data gave investors cause for optimism that we may soon see the end of the high rate environment. The Federal Reserve maintained target rate at 5.25% to 5.5%.

* Global 60/40 Multi-Asset Allocation

Sub-asset Classes	AI Signal Change (MoM)	Macro & Market Environment
Short Term Treasury	 Decreased	After rising to 15 year highs in October, long-term treasury yields dropped sharply in November amid mounting signs that the Federal Reserve is managing to tame inflation. Year-on-year headline inflation fell to 3.2% in October, and market sentiment generally points towards a rate cut in H1 2024. Treasury bonds saw positive results for the month (SHY +1.05%, IEF +4.55%, TLT +9.92%).
Intermediate Treasury	 Decreased	Graft's proprietary AI engine maintains an underweight position towards fixed income, and increased its allocation to Long term treasury bonds while reducing allocation to Short and Intermediate term bonds.
Long Term Treasury	 Increased	
U.S. Equity	 Decreased	November saw a historic performance from the S&P 500, with the US Large-cap Index recording a +8.9% return - its best month in a year-and-a-half and the best November since the 1980s. Other US indexes followed suit, with the Dow rising +8.77% and the NASDAQ returning 10.67% (SPX, DJI, NDX, Morningstar). Market performance was similarly rosey around the world - Developed and Emerging markets both saw gains of +8.81 and +7.09 respectively (VEA, VWO, Morningstar).
Developed Market Equity	 Increased	In November, our AI model maintains an overweight position on equities and predicts increased allocation to Developed and Emerging Markets while decreasing holdings in U.S. stocks.
Emerging Market Equity	 Increased	

Source: Graft Technologies, Morningstar