

## AI-Powered Global 60/40 Tilt Portfolio Monthly Update

Asset Class	AI Tilting vs Benchmark*	Macro & Market Environment
Equity	- Underweight	Despite a strong start to the year, stocks retreated in February amid surging employment and a stall in inflation's decline. Investors are now grappling with new scenarios for how high the Fed will raise interest rates.
Fixed Income	+ Overweight	In line with market expectations, the Federal Open Market Committee (FOMC) boosted the federal fund rate by 0.25 percentage points with the target range now 4.5%-4.75%, their highest levels since October 2007.

\* Global 60/40 Multi-Asset Allocation

Sub-asset Classes	AI Signal Change (MoM)	Macro & Market Environment
Short Term Treasury	 Increased	With the expected terminal levels of the Fed's policy rate continuing to rise, government bonds represent an attractive option. 2-year yields recorded their highest one-month gain since September and advanced 58.8 basis points. Amid a challenging macro environment, Qraft's proprietary AI engine reduced duration risk by increasing allocation to Short Term Treasury Bonds in February and maintained that positioning in the March rebalance.
Intermediate Treasury	 Decreased	
Long Term Treasury	 Decreased	
US Equity	 Increased	True to Qraft's AI engine prediction last month, the rally in the US equity market did not continue past January. Stocks ended the month of February with losses: the S&P 500 fell 3.62%, the Dow slid 4.21%, and the NASDAQ shed 3.05%. Looking forward, our AI model predicts upside potential from US equities and emerging markets equities, while taking a slightly conservative stance on developed market equity.
Developed Market Equity	 Decreased	
Emerging Market Equity	 Increased	

(Source: Qraft Technologies)