QRAFT

AI-Powered Global 60/40 Tilt
Portfolio Monthly Update

Asset Class	AI Tilting vs Benchmark*	Macro & Market Environment
Equity	**+** Overweight	A generally encouraging earning's season saw US equities record a second consecutive session in the green to start 2024. The S&P 500 rose 5.34% to end the month of February (SPX, Morningstar).
Fixed Income	**–** Underweight	Inflation data remained stubborn in the latest report by the Labor Department, pushing the prospect of interest rate cuts further down the line. Target rate remains 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	↗ Increased	Short-term treasury yields edged slightly upwards, but longer duration treasuries lagged as inflation remained resilient. Year-on-year headline inflation was strong than expected at 3.1% in January, and treasury bonds saw a mixed showing in response (SHV +0.39%, IEF -2.08%, TLT -2.26%).
Intermediate Treasury	↘ Decreased	Qraft's proprietary AI engine maintains an underweight position towards fixed income, and increased its allocation to Short term treasury bonds while reducing allocation to Intermediate and Long term treasury.
Long Term Treasury	↘ Decreased	
U.S. Equity	↗ Increased	The S&P 500 climbed to record highs in February, rising 5.34% as the "Magnificent 7" continued to lead the market (despite the notable exceptions of Apple and Tesla). Other U.S. indexes followed suit, with the Dow rising +2.22% and the NASDAQ returning 5.29% (SPX, DJI, NDX, Morningstar). Performances were similarly promising in global markets - Developed and Emerging markets both saw gains of +2.74 and +3.48 respectively (VEA, VWO, Morningstar).
Developed Market Equity	↘ Decreased	
Emerging Market Equity	↗ Increased	In March, Qraft's AI model maintains an overweight position on equities and predicts increased allocation to U.S. and Emerging Markets while decreasing holdings in Developed Market equity.

Source: Qraft Technologies, Morningstar