







AI-Powered Global 60/40 Tilt Portfolio Monthly Update

Asset Class	AI Tilting vs Benchmark*	Macro & Market Environment
Equity	+ Overweight	October saw a third consecutive month of losses in the equities market, with investors continuing to take a conservative stance amidst high interest rates and the ongoing geopolitical conflict in the Middle East. The S&P 500 was down 2.1% to end the month, bringing YTD return to 10.6% (SPX, Morningstar).
Fixed Income	- Underweight	The Federal Reserve maintained its higher for longer rhetoric throughout October - investors now look towards the FOMC's next meeting on November 1. 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	Long-term treasury yields continued to soar, with the U.S. 10-year treasury yield peaking above 5% for the first time since 2007. Robust consumer spending drove U.S. GDP to grow 4.9% annualized, surpassing previous estimates of 4.3%. Treasury bonds saw mixed results for the month (SHY +0.3%, IEF -1.9%, TLT -5.4%). Graft'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 bonds.
Intermediate Treasury	 Decreased	
Long Term Treasury	 Decreased	
U.S. Equity	 Decreased	U.S. equities failed to arrest their slump from the second month in a row, with the Utilities and Technology sectors being the only ones to end October in the green. For the month the S&P 500 dropped 2.1%, the Dow fell 1.3%, and the NASDAQ declined 2.8% (SPX, DJI, NDX, Morningstar). Developed and Emerging markets both recorded losses (VEA -3.5%, VWO -3.4%, Morningstar).
Developed Market Equity	 Increased	In October, 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