







AI-Powered Global 60/40 Tilt Portfolio Monthly Update

Asset Class	AI Tilting vs Benchmark*	Macro & Market Environment
Equity	+ Overweight	The equities market continued to decline in September, as poor investor sentiment and soaring treasury yields led to the U.S. stock market finishing in the red for two consecutive months. The S&P 500 was down 4.87% to end the month, bringing YTD return to 11.68% (SPX, Morningstar).
Fixed Income	- Underweight	The Federal Reserve held interest rates steady in the September meeting, while also standing firm on its "higher for longer" stance. Chairman Powell hinted that a further rate hike before the end of the year may be on the cards, and investors expect fewer rate cuts next year.

* Global 60/40 Multi-Asset Allocation

Sub-asset Classes	AI Signal Change (MoM)	Macro & Market Environment
Short Term Treasury	 Decreased	Inflation remained stubborn according to the latest economic data. U.S. employment growth rose while the consumer price index rose 3.7% y/y in August, doing little to reassure investors that the FOMC would hold rates steady in the upcoming November meeting. 10-year treasury yield continued to climb to 16 year highs peaking at 4.85% in September -treasuries declined across the board (SHY -0.04%, IEF -3.11%, TLT -7.97%).
Intermediate Treasury	 Increased	Qraft's proprietary AI engine maintains an underweight position towards fixed income, and increased its allocation to Intermediate and Long term treasury bonds while reducing allocation to Short term bonds.
Long Term Treasury	 Increased	
U.S. Equity	 Increased	U.S. equities failed to arrest their slump from the previous month, with the Energy sector being the only one to record positive returns in September. For the month the S&P 500 dropped 4.87%, the Dow fell 3.50%, and the NASDAQ declined 5.81% (SPX, DJI, NDX, Morningstar). Outside of the U.S., markets didn't fare much better; Developed and Emerging markets both recorded losses (VEA -3.77%, VWO -2.04%, Morningstar).
Developed Market Equity	 Decreased	In September, our AI model maintains an overweight position on equities and predicts upside potential from U.S. markets while taking a slightly conservative stance on Developed and Emerging markets equity.
Emerging Market Equity	 Decreased	

Source: Qraft Technologies, Morningstar