QRAFT

AI-Powered Dynamic Bitcoin-Cash
Portfolio Monthly Update

Strategy Description

Qraft AI-Powered Dynamic Bitcoin-Cash model portfolio seeks to tackle the inherent challenge of Bitcoin's high volatility for investors. The strategy aims to capture the upside potential of Bitcoin while mitigating downside risk during any significant market downturns. Leveraging Qraft's proprietary AI technology, it dynamically adjusts the allocation between Bitcoin and cash/cash equivalents, ensuring protection against substantial losses while optimizing risk-adjusted returns.. Qraft's proprietary AI engine utilizes a deep neural network to actively generate signals by analyzing macro variables such as interest rates and economic growth, among others, and their impact on market exposures. Qraft's AI engine is constantly evolving based on new market trends and optimization of risk-adjusted returns, which may result in weekly rebalancing for the Qraft AI-Powered Dynamic Bitcoin-Cash model portfolio.

Risk Signal	Beta Exposure	Macro & Market Environment
AI Risk Indicator	March: **Risk On**	The Dynamic Bitcoin-Cash portfolio assesses market risk using Qraft's proprietary AI risk signal. The strategy dynamically adjusts beta exposure in order to navigate turbulent market conditions. March AI Risk Indicator: Risk On. Qraft's risk indicator detects limited signs of systematic risk and adopts a risk on approach.

Asset Class	AI Tilting	Macro & Market Environment
Bitcoin	**+** Overweight	Bitcoin's historic rally showed no signs of slowing as we head into March. Barring a small wobble in January, the world's largest cryptocurrency has made up lost ground during the 2022 crisis and continues to climb to record highs northward of $70,000. Following the landmark Grayscale court victory and the approval of spot Bitcoin Exchange Traded Funds (ETFs) in the U.S., the cryptocurrency has undergone what many see as a marked shift in institutional investor attitude. Crypto bulls will point to the $30 billion in assets that the top spot Bitcoin ETFs share as an indication that the asset class has left its days of wild price swings behind.
Cash/ Cash Equivalents	**–** Underweight	However, detractors will point to the inherent difficulty of applying conventional valuation methods on Bitcoin, as well as the polarizing response towards the asset class among regulatory authorities worldwide. Add to the consideration that the U.S. faces murky macroeconomic conditions and a volatile political environment ahead, there remains plenty of cause for caution for investors in cryptocurrencies and traditional assets alike. After allocating to Cash/ Cash equivalents in January, the Dynamic Bitcoin-Cash strategy remained overweight on Bitcoin throughout the February and March rebalances.

Source: Qraft Technologies, Morningstar