

AI-Powered Dynamic Global Momentum



Portfolio Monthly Update

Strategy Description

Qraft AI-Powered Global Momentum model portfolio seeks to exceed the return of a static 60% equities and 40% fixed income portfolio over time. The strategy aims to achieve this objective by providing active exposure to a diversified basket of multi-asset ETFs based on Qraft's proprietary global momentum signal. Qraft's engine is constantly evolving based on new market trends and optimization of risk-adjusted returns, which may result in monthly rebalancing for the Qraft AI-Powered Global Momentum model portfolio

Asset Classes	AI Tilting vs Benchmark	Macro & Market Environment
Equities	– Underweight	February was marked with growing inflationary concerns and a faltering US equities market that failed to sustain its rally past January. The DOW, S&P, and NASDAQ all recorded losses for the month.
Fixed Income	– Underweight	As market expectations on the Federal Reserve's monetary stance grows increasingly hawkish, investors are coming to the realisation that rates may be higher for longer.
Commodities	+ Overweight	In the face of volatility across markets, Qraft's AI engine maintains its positioning: underweight equities and fixed income while tilting towards commodities and US currency.
Currency	+ Overweight	

* Global 60/40 Multi-Asset Allocation

Sub-asset Classes	AI Signal Change (MoM)	Commentary
Short Term Treasury	 Increased	As the Federal Reserve continues to raise interest rates amidst persistent inflation, intermediate-to-long term treasury bonds are exposed to higher levels of duration risk. Long term bonds in particular are becoming increasingly unattractive as investors assess the impact of the FED's rate hikes. Qraft's AI model increased allocation significantly towards Short Term US Treasury Bill, while maintaining low weighting on Long Term Treasury.
US Dollar Bullish Fund	 Increased	While demand for Long Term Bonds lagged amid the FED's aggressive rate hikes, higher interest rate levels have historically led to a stronger dollar. The dollar has also shown signs of upward momentum to end the month, its recent rebound coinciding with the February release of CPI data by the Bureau of Labour Statistics. Qraft's proprietary AI engine assumed an overweight position on US Dollar Fund to capture its significant upside potential and its diversification benefits amid challenging markets.

(Source: Qraft Technologies)