

**Quarterly Model Portfolio Commentary**

Global equity markets posted strong returns in Q1 of 2024. Unlike the market rally in Q4, which occurred under the backdrop of a dovish pivot by the Federal Reserve, equity indexes both in the U.S. and around the world notched significant quarterly gains despite a more hawkish Fed stance. Q4 2023 GDP grew 3.4%<sup>1</sup> against previous the consensus of 2% with domestic consumer spending being a major tailwind, but the latest available employment data (275,000 increase in nonfarm payrolls)<sup>2</sup> and core PCE index (up 2.8% year-on-year)<sup>3</sup> suggests that while the U.S. economy is showing signs of resilience, inflation may remain a lingering concern for monetary policymakers. The S&P 500 and the Nasdaq 100 both recorded record highs in Q1 for the first time in over 2 years<sup>4</sup>, and global equity markets have also surged with Japan's TOPIX 500 (+18.7% in Q1) leading international markets<sup>5</sup>. After driving the majority of the S&P's gains last year, the "Magnificent Seven" stocks saw mixed results in the first quarter; Nvidia remained the standout performer after a stellar performance during earnings season, but Apple and Tesla finished lower in Q1<sup>6</sup>. For fixed income investors, the first quarter was a challenging one; 10-year Treasury Yield climbed above 4.3% near the end of March and the Bloomberg Aggregate Bonds Index declined -0.74%<sup>7</sup>. Overall, equity markets began 2024 with a strong showing with the S&P 500 rising 10.6%, the NASDAQ 100 climbing 8.7%, and the Dow gaining 5.5% to end the quarter<sup>8</sup>.

For the quarter, Qraft AI-Powered All-Weather Tilt model portfolio had a return of 3.24%, which was lower than the benchmark return of 4.69%. The portfolio's return can be broken down into three asset classes: equity, fixed income, and commodity. The portfolio maintained an overweight position on fixed income and commodities and an underweight on equities relative to the benchmark. The equity component had a return of 10.01%, the fixed income component had a return of -2.41%, and the commodity component had a return of 10.18%, resulting in an active return of +0.03%, -1.92%, and +0.51% respectively. March was the highest performing month with a 2.06% return owing much to the strong performance from commodities, while January suffered lagging returns at -0.48%.

Qraft AI-Powered All-Weather Tilt 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 using Qraft's AI-driven model to overweight or underweight equities, fixed income, and commodities by as much as  $\pm 30\%$ . 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 each asset class. Qraft's AI 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 All-Weather Tilt model portfolio.

<sup>1</sup>Gross Domestic Product, Bureau of Economic Analysis, February 28 2024 <sup>2</sup>Employment Situation Summary - 2024 M02 Results, Department of Labor Statistics, March 8 2024

<sup>3</sup>Personal Consumption Expenditures Price Index, Excluding Food and Energy, Bureau of Economic Analysis, March 29 2024 <sup>4</sup>S&P 500, NASDAQ 100, Morningstar, March 31 2024

<sup>5</sup>TOPIX 500, Morningstar, March 31 2024 <sup>6</sup>\$NVDA, \$AAPL, \$TSLA, Morningstar, March 31 2024 <sup>7</sup>10-year Treasury Yield, Bloomberg, March 31 2024 <sup>8</sup>Dow Jones Industrial Average. Morningstar, March 31 2024

## Trailing Returns

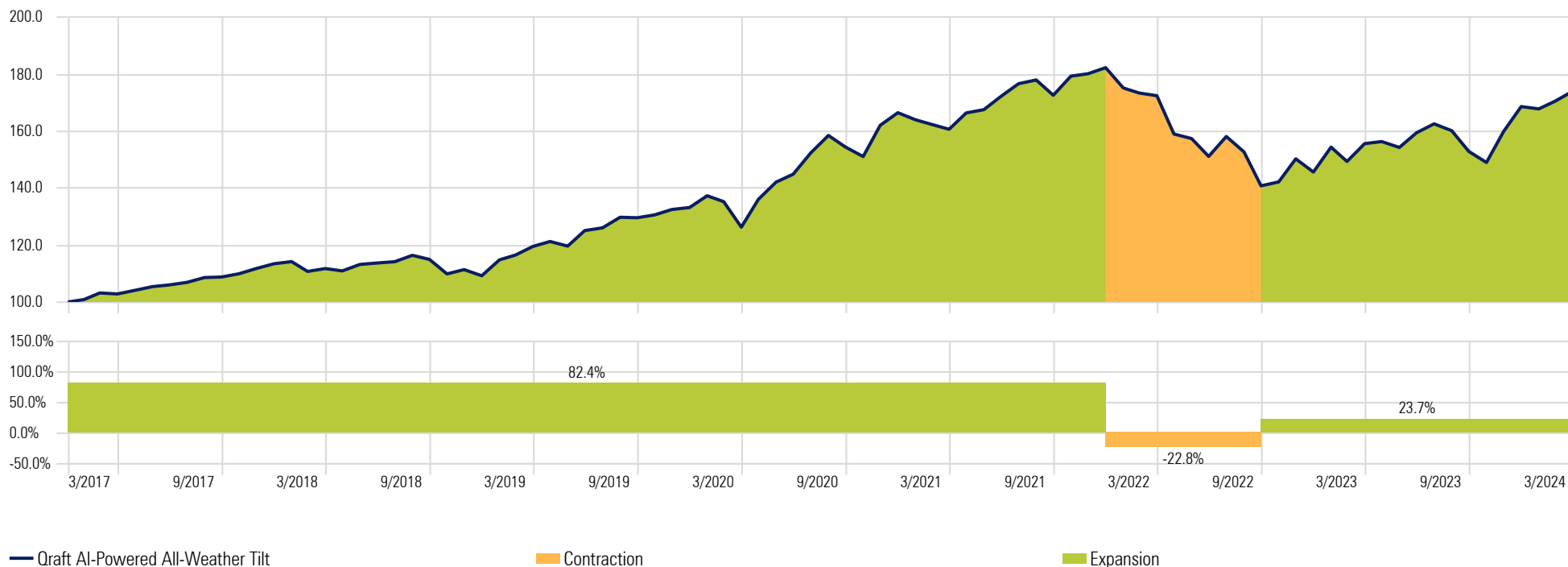
Data Point: Return Calculation Benchmark: iShares Core Growth Allocation ETF

	1 Month	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
Qraft AI-Powered All-Weather Tilt	2.06	3.24	13.89	3.24	11.88	8.36	45.74
iShares Core Growth Allocation ETF	2.43	4.69	14.38	4.69	14.32	10.79	39.04

## Investment Growth

Time Period: 1/4/2017 to 3/31/2024

Define drawdown as decline by 10% or more



### Monthly Returns - Qraft AI-Powered All-Weather Tilt

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	-0.48	1.64	2.06										3.24
2023	6.01	-3.26	4.20	0.47	-1.32	3.33	1.98	-1.49	-4.55	-2.55	7.30	5.50	15.81
2022	-3.92	-1.01	-0.54	-7.82	-1.00	-3.99	4.63	-3.42	-7.82	0.98	5.71	-3.10	-20.13
2021	-1.50	-0.98	-1.06	3.57	0.69	2.78	2.60	0.75	-3.03	3.90	0.46	1.19	9.52
2020	3.11	-1.51	-6.64	7.77	4.44	1.95	5.18	4.02	-2.58	-2.16	7.27	2.73	25.04
2019	5.11	1.47	2.61	1.46	-1.34	4.57	0.75	2.97	-0.14	0.79	1.44	0.52	21.97
2018	0.66	-3.02	0.91	-0.73	2.04	0.44	0.40	1.97	-1.22	-4.44	1.36	-1.93	-3.72
2017	—	2.31	-0.33	1.20	1.27	0.59	0.84	1.58	0.18	1.07	1.66	1.50	—

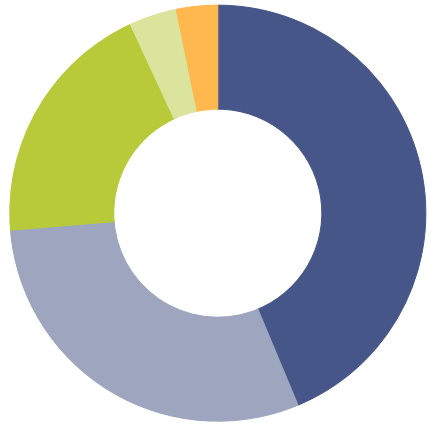
### Monthly Returns - iShares Core Growth Allocation ETF

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	0.18	2.02	2.43										4.69
2023	5.81	-2.93	2.74	1.17	-1.22	3.47	2.13	-1.93	-3.49	-2.25	6.97	4.49	15.24
2022	-3.45	-2.22	0.16	-6.17	0.64	-5.67	5.23	-3.71	-7.18	3.41	6.75	-3.12	-15.30
2021	-0.44	1.17	1.77	2.79	1.13	0.86	0.90	1.33	-2.86	3.06	-1.35	2.40	11.14
2020	-0.33	-4.24	-9.16	6.37	3.53	2.05	3.59	3.35	-1.87	-1.47	7.39	3.03	11.60
2019	5.12	1.61	1.52	2.11	-3.06	4.24	0.09	-0.18	1.14	1.79	1.22	2.11	18.96
2018	2.99	-3.16	-0.40	-0.11	0.41	-0.38	1.94	0.62	0.02	-4.95	1.12	-3.79	-5.84
2017	1.60	1.99	0.93	1.33	1.59	0.39	1.81	0.48	1.15	1.41	1.15	1.01	15.88

Source: Morningstar Direct

**Portfolio Holdings - Craft AI-Powered All-Weather Tilt**

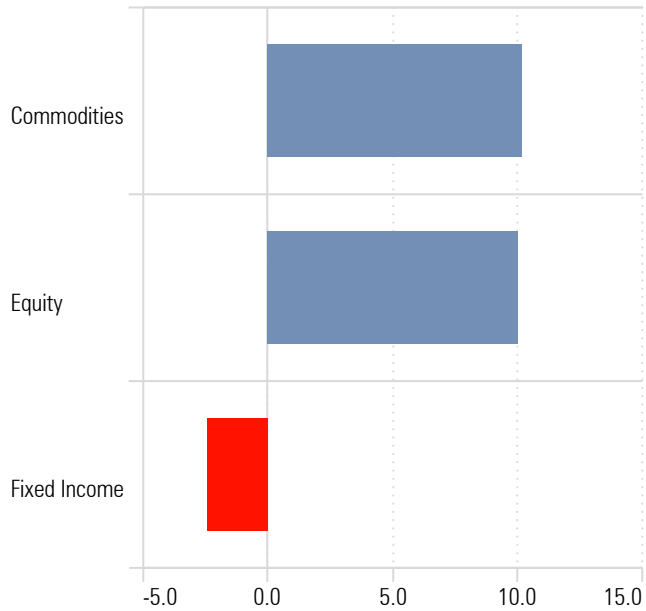
Portfolio Date: 1/31/2024



	%
• iShares 20+ Year Treasury Bond ETF	43.7
• Vanguard Total Stock Market ETF	30.0
• iShares 3-7 Year Treasury Bond ETF	19.4
• SPDR® Gold Shares	3.7
• iShares S&P GSCI Commodity-Indexed Trust	3.2
<b>Total</b>	<b>100.0</b>

**Return**

Time Period: 1/1/2024 to 3/31/2024



**Portfolio Holdings - Craft AI-Powered All-Weather Tilt**

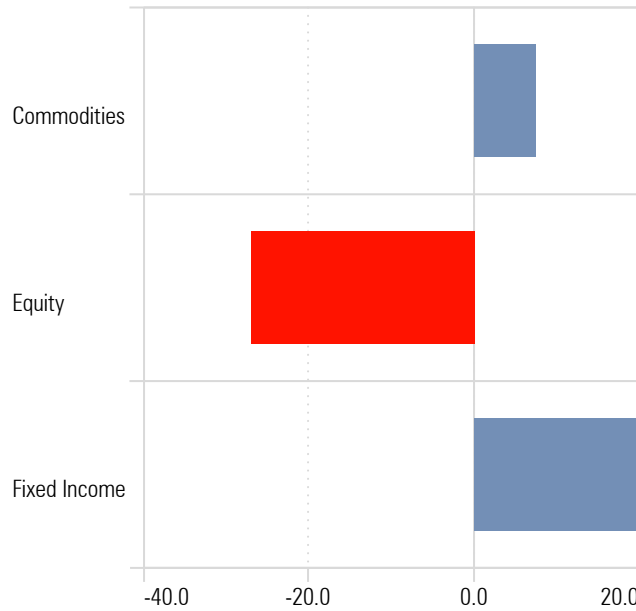
Portfolio Date: 2/29/2024



	%
• Vanguard Total Stock Market ETF	44.9
• iShares 20+ Year Treasury Bond ETF	27.3
• iShares 3-7 Year Treasury Bond ETF	21.7
• iShares S&P GSCI Commodity-Indexed Trust	3.5
• SPDR® Gold Shares	2.6
<b>Total</b>	<b>100.0</b>

**Relative Weights**

Time Period: 1/1/2024 to 3/31/2024



**Portfolio Holdings - Craft AI-Powered All-Weather Tilt**

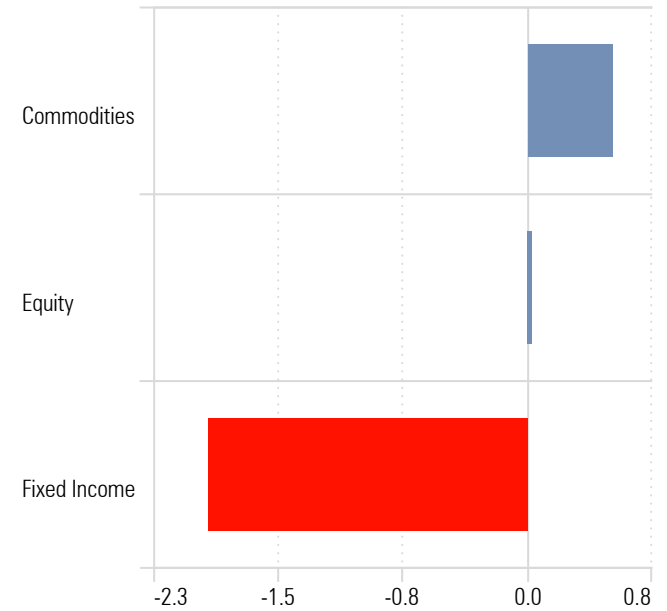
Portfolio Date: 3/31/2024



	%
• iShares 20+ Year Treasury Bond ETF	37.2
• Vanguard Total Stock Market ETF	30.0
• iShares 3-7 Year Treasury Bond ETF	23.5
• SPDR® Gold Shares	6.8
• iShares S&P GSCI Commodity-Indexed Trust	2.5
<b>Total</b>	<b>100.0</b>

**Active Return**

Time Period: 1/1/2024 to 3/31/2024



## Disclaimer

Qraft makes no representation or warranty as to the actual performance of the trades executed on behalf of the investor through AI-Powered Signal. Qraft presents strategies, not advices, developed and selected by a proprietary artificial intelligence selection model with data and information supplied by third parties. Some of such strategies operate with leverage due to the use of margin products and a high degree of discretion and exposures towards single securities and asset classes, and as such AI-Powered Signal may entail significant risks.

All investments entail risks and may result in both profits and losses. In particular, investments in leveraged products, including (but not limited to) foreign exchange, derivatives, and commodities can be very speculative and profits and losses may fluctuate both violently and rapidly. Speculative trading is not suitable for all investors and all investors should carefully consider their financial situation and seek independent financial advice in order to understand the risks involved and ensure their suitability prior to making any investment, divestment or entering into any transaction.

Past performance is not indicative of future performance and should not be the sole factor of consideration when selecting a portfolio or product to invest in. The price of the investments may fluctuate and the investor's income is not fixed and the investor may not recover the amounts invested. The value of investments involving exposure to foreign currencies may be affected by exchange rate movements.

Qraft shall not be liable for (i) any loss which the investor may incur as a consequence of the trading and any transactions undertaken by Qraft in accordance with the power of attorney or similar authorizations and the AI-Powered Signal terms and conditions (the "Terms"); (ii) any loss suffered or incurred by the investor as a result of or in connection with Qraft's provision of AI-Powered Signal under the Terms; (iii) any loss due to actions taken by Qraft according to its rights under the Terms; (iv) any consequential or other indirect loss (including loss of profit and loss of goodwill) suffered or incurred by the investor whether arising from Qraft's negligence or otherwise; or (v) any loss exceeding Qraft's revenue on the investment account(s) of the investor for any 12 month period prior to the investor raising a claim against Qraft.

©2024 Morningstar. All Rights Reserved. The information, data, analyses, and opinions contained herein: (1) are proprietary to Morningstar, Inc., and its affiliates (collectively, "Morningstar") and/or their content providers; (2) may not be copied or redistributed; (3) are provided solely for informational purposes and therefore are not an offer to buy or sell a security; and (4) are not warranted to be accurate, complete, or timely.

For certain types of investment vehicles (e.g., separate accounts), Morningstar depends on the investment vehicle itself to provide Morningstar with accurate and complete data. To the extent that one or more of these investment vehicles do not provide Morningstar with data or these data are deficient in any way, the data and statistics provided by Morningstar may be compromised. In addition, because the data contained in Morningstar's database are primarily backward looking (i.e., they're comprised of historical performance statistics), neither the data nor Morningstar's analysis of them can be relied upon to predict or assess future performance—whether of an individual investment, any particular industry segment or the totality of all strategies or investment vehicles in the industry.

Unless otherwise specified, the data contained herein represent composite data for those reporting vehicles comprising the applicable industry segment or the industry as a whole (to the extent included in Morningstar's database). Please note that, as a general matter, any return or related statistics that are based upon a limited number of data points are considered statistically suspect and, therefore, may be of limited value.

Morningstar is not providing investment advice or acting as an investment advisor to anyone in any jurisdiction with respect to any information, data, analyses or opinions contained herein. All such information, data, analyses and opinions are subject to change without notice. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of the content of this report or any information contained in or derived from it.

"Morningstar" and the Morningstar logo are registered marks of Morningstar, Inc. All other marks are the property of their respective owners.