

Portfolio: **Qraft AI-Powered Golden Butterfly Tilt**

Benchmark: **iShares Core 60/40 Balanced Allc ETF**

1/1/2025 to 3/31/2025

As of 3/31/2025

## Quarterly Model Portfolio Commentary

The first quarter of 2025 was marked by significant turbulence in the US equity market. The S&P 500 experienced its worst quarterly performance since Q3 2022, declining by 4.3% due to heightened volatility and economic uncertainty<sup>1</sup>. This downturn was largely driven by trade policy uncertainties, particularly the Trump administration's introduction of tariffs on various imports, which intensified fears of a global trade war. The Nasdaq Composite suffered an even sharper decline of 8.1%<sup>2</sup>, reflecting substantial pressure on technology stocks like Tesla and NVIDIA. Despite these challenges, eight of eleven large-cap sectors remained positive year-to-date, with the energy sector outperforming due to rising oil prices<sup>3</sup>. Outside of the US, the Stoxx Europe 600 (+3.4%)<sup>4</sup> and the MSCI Emerging Markets Index (+2.1%)<sup>5</sup> both recorded gains for the quarter.

In contrast to the equity market, fixed income assets provided a safe haven for investors during Q1 2025. The 10-year U.S. Treasury yield, which ended 2024 around 4.25-4.5% following the Fed's December rate cut, fluctuated but ultimately trended downward, finishing March near 4.0-4.1%<sup>6</sup>. The Morningstar US Core Bond Index gained 2.8% during the quarter<sup>7</sup>, while longer-term Treasuries, such as the iShares 20+ Year Treasury Bond ETF, returned 4.7%<sup>8</sup>. Credit spreads widened modestly, reflecting increased caution among investors due to economic uncertainty and potential recession risks.

For the quarter, Qraft AI-Powered Golden Butterfly Tilt model portfolio had a return of -0.75%, which was lower than the benchmark return of +0.48%. 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 -6.87%, the fixed income component had a return of +2.34%, and the commodity component had a return of +19.2%, resulting in an active return of -3.19, -0.20%, and +2.14% respectively. January was the highest performing month with a +2.09% return, while March had lagging returns at -2.08%.

Qraft AI-Powered Golden Butterfly 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 gold by as much as  $\pm 25\%$ . 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 Golden Butterfly Tilt model portfolio.

<sup>1</sup> S&P 500, Morningstar, Mar 2025 <sup>2</sup> Nasdaq 100, Morningstar, Mar 2025 <sup>3</sup> S&P 500 Energy Index, Morningstar, Mar 2025 <sup>4</sup> iShares STOXX Europe 600, Morningstar, Mar 2025 <sup>5</sup> MSCI Emerging Market Index, Morningstar, Mar 2025 <sup>6</sup> United States 10 Year Treasury Bond Note Yield, Trading Economics, Mar 2025 <sup>7</sup> S&P US Aggregate Bond Index, Morningstar, Mar 2025 <sup>8</sup> iShares 20+ Year Treasury Bond ETF, Morningstar, Mar 2025

## Trailing Returns

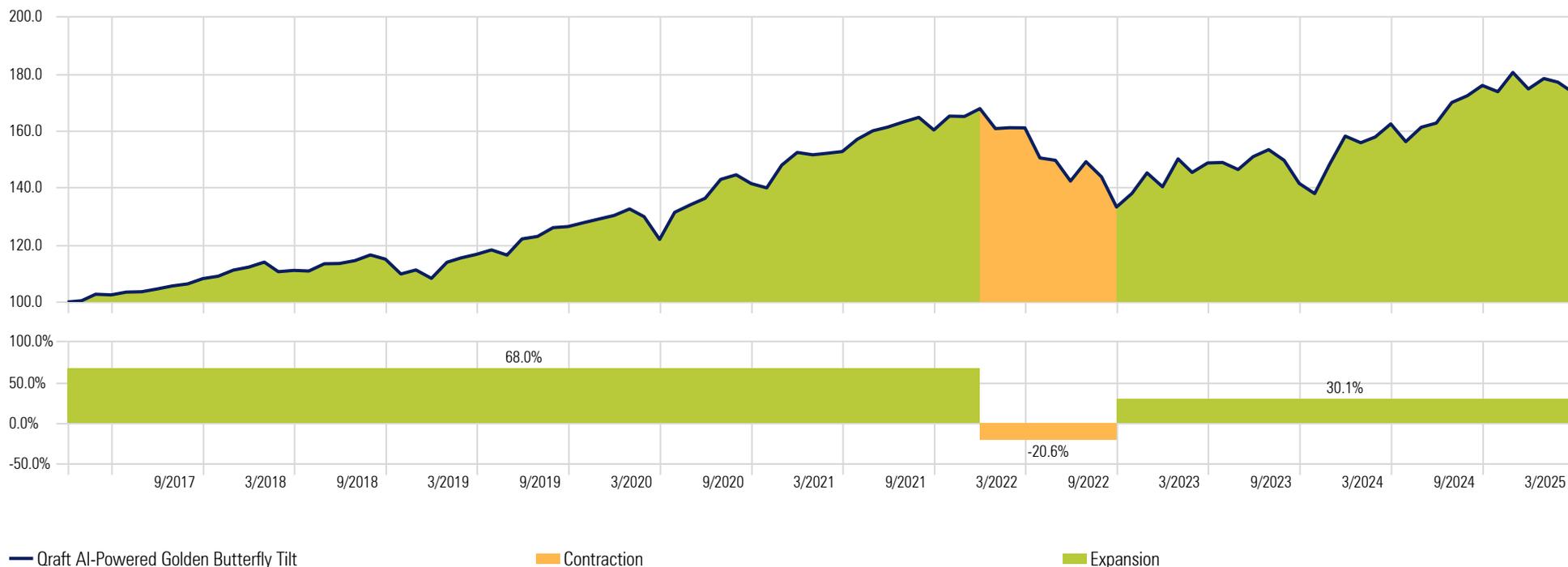
Data Point: Return Calculation Benchmark: iShares Core 60/40 Balanced Allc ETF

	1 Month	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
Qraft AI-Powered Golden Butterfly Tilt	-2.08	-0.75	-1.44	-0.75	6.75	7.67	42.28
iShares Core 60/40 Balanced Allc ETF	-2.09	0.48	-1.39	0.48	6.16	14.74	55.21

## Investment Growth

Time Period: 1/4/2017 to 3/31/2025

Define drawdown as decline by 10% or more



### Monthly Returns - Qraft AI-Powered Golden Butterfly Tilt

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	2.09	-0.71	-2.08										-0.75
2024	-1.47	1.30	2.90	-3.83	3.23	0.91	4.44	1.39	2.10	-1.25	3.89	-3.21	10.47
2023	6.98	-3.18	2.29	0.11	-1.66	3.09	1.63	-2.45	-5.41	-2.54	7.52	6.63	12.68
2022	-4.18	0.20	-0.04	-6.55	-0.55	-4.87	4.78	-3.57	-7.37	3.61	5.20	-3.36	-16.36
2021	-0.55	0.34	0.41	2.82	1.89	0.82	1.11	1.00	-2.70	3.04	-0.07	1.67	10.09
2020	1.76	-2.05	-6.15	7.80	1.99	1.74	4.87	1.12	-2.13	-1.07	5.71	3.03	17.00
2019	5.21	1.35	1.09	1.34	-1.54	4.88	0.71	2.51	0.30	1.08	0.98	1.00	20.41
2018	1.56	-2.95	0.41	-0.19	2.29	0.08	0.88	1.75	-1.28	-4.52	1.29	-2.66	-3.52
2017	—	2.27	-0.23	0.96	0.12	0.92	1.03	0.69	1.73	0.80	1.95	0.96	—

### Monthly Returns - iShares Core 60/40 Balanced Allc ETF

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	2.06	0.55	-2.09										0.48
2024	0.18	2.02	2.43	-3.02	3.44	1.25	2.08	1.97	1.82	-2.25	2.69	-2.23	10.61
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

**Portfolio Holdings - Qraft AI-Powered Golden Butterfly Tilt**

Portfolio Date: 1/31/2025



	%
• iShares 20+ Year Treasury Bond ETF	30.0
• Vanguard Total Stock Market ETF	30.0
• iShares 1-3 Year Treasury Bond ETF	18.3
• SPDR® Gold Shares	11.7
• iShares S&P Small-Cap 600 Value ETF	10.0
<b>Total</b>	<b>100.0</b>

**Portfolio Holdings - Qraft AI-Powered Golden Butterfly Tilt**

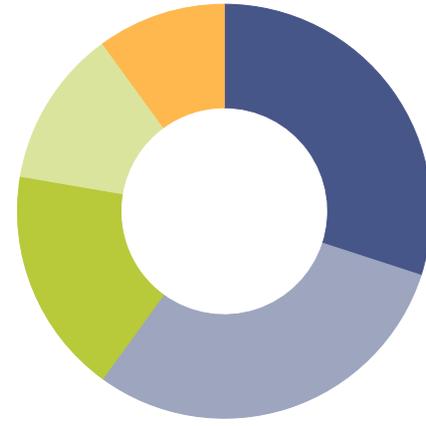
Portfolio Date: 2/28/2025



	%
• Vanguard Total Stock Market ETF	29.9
• iShares S&P Small-Cap 600 Value ETF	28.8
• iShares 1-3 Year Treasury Bond ETF	17.7
• SPDR® Gold Shares	13.6
• iShares 20+ Year Treasury Bond ETF	10.0
<b>Total</b>	<b>100.0</b>

**Portfolio Holdings - Qraft AI-Powered Golden Butterfly Tilt**

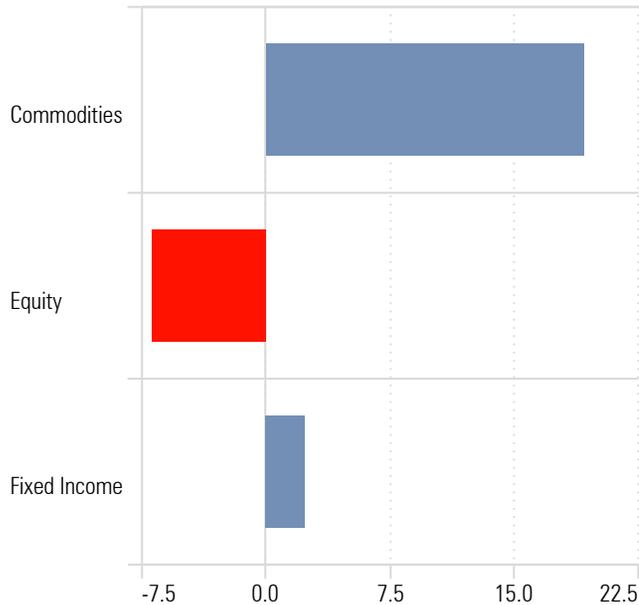
Portfolio Date: 3/31/2025



	%
• iShares 20+ Year Treasury Bond ETF	30.0
• Vanguard Total Stock Market ETF	30.0
• iShares 1-3 Year Treasury Bond ETF	17.7
• SPDR® Gold Shares	12.3
• iShares S&P Small-Cap 600 Value ETF	10.0
<b>Total</b>	<b>100.0</b>

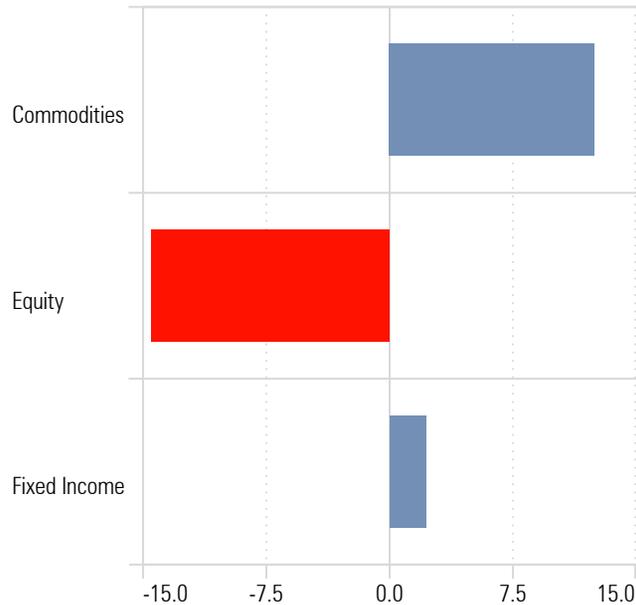
**Return**

Time Period: 1/1/2025 to 3/31/2025



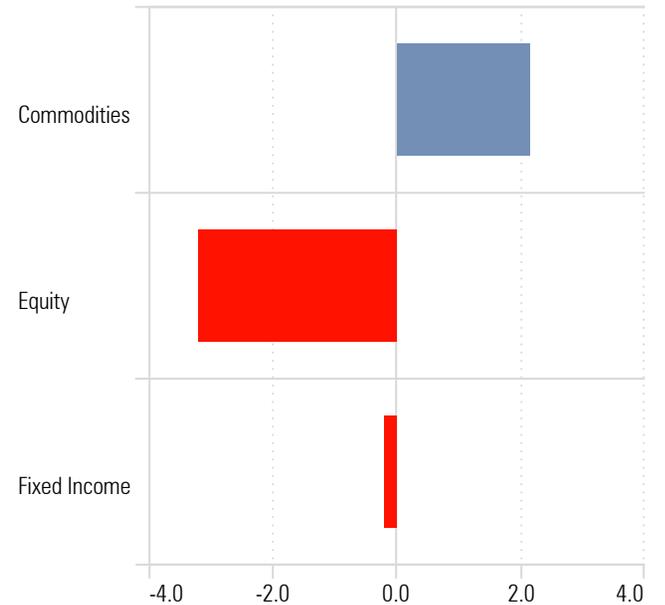
**Relative Weights**

Time Period: 1/1/2025 to 3/31/2025



**Active Return**

Time Period: 1/1/2025 to 3/31/2025



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