

Portfolio: **Qraft AI-Powered US Factor Rotation**

Benchmark: **SPDR® S&P 500® ETF Trust**

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 uncertainty¹. 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%², 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 prices³. Outside of the US, the Stoxx Europe 600 (+3.4%)⁴ and the MSCI Emerging Markets Index (+2.1%)⁵ 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%⁶. The Morningstar US Core Bond Index gained 2.8% during the quarter⁷, while longer-term Treasuries, such as the iShares 20+ Year Treasury Bond ETF, returned 4.7%⁸. Credit spreads widened modestly, reflecting increased caution among investors due to economic uncertainty and potential recession risks.

For the quarter, Qraft AI-Powered US Factor Rotation model portfolio had a return of -5.79%, which was lower than the benchmark return of -5.63%. The portfolio's holdings comprise of an equities and a cash component. The portfolio maintained an overweight position on cash relative to the benchmark, averaging an allocation of 2.9% towards cash throughout the quarter. The growth component had a return of -12.09%, the value component had a return of +3.54%, and the blend component had a return of -3.62%, resulting in an active return of -3.48%, +1.89%, and +0.05% respectively. January was the highest performing month with a +2.75% return, while March saw lagging returns at -5.79%.

Qraft AI-Powered US Factor Rotation model portfolio seeks to exceed the return of the S&P 500 over time by rotating among a range of equity factor exposures (such as momentum, value, growth, low risk, and quality) and cash. The strategy aims to provide active exposure to a diversified basket of broad-based and factor ETFs and leverage Qraft's proprietary regime detection model that can dynamically increase its cash level up to 50% in an attempt to reduce market drawdowns. 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 factor exposures. 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 US Factor Rotation model portfolio.

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

Trailing Returns

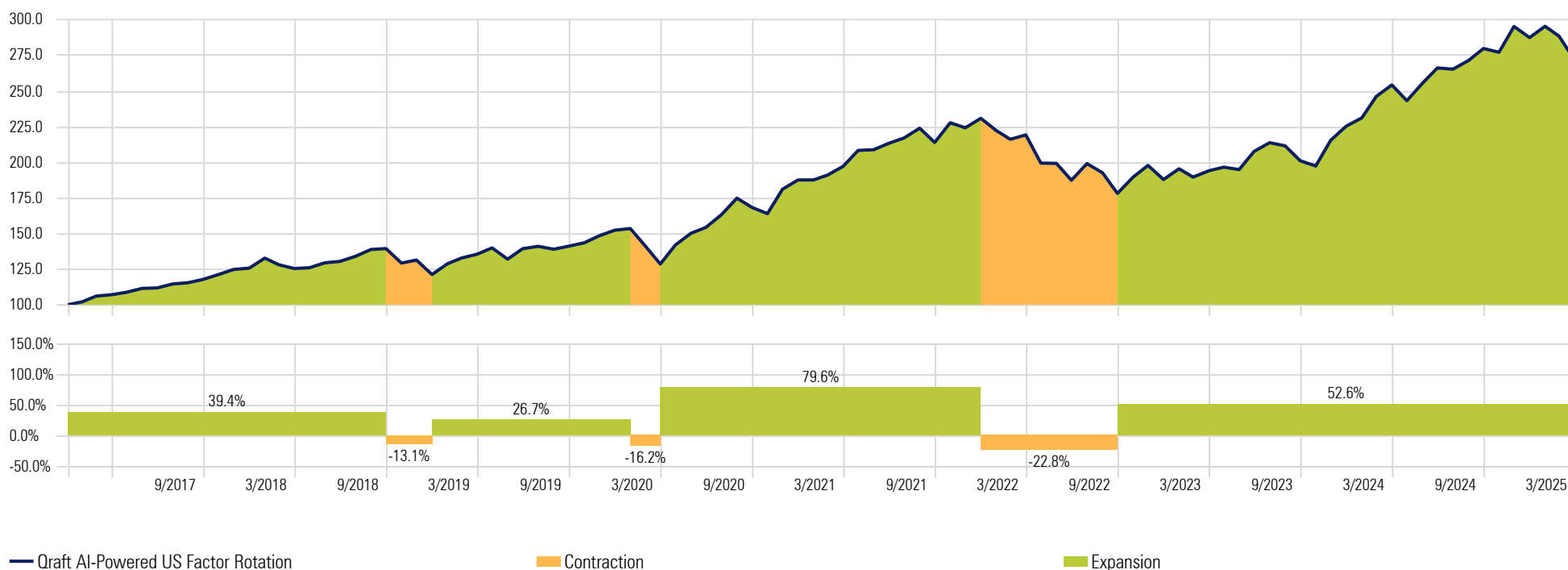
Data Point: Return Calculation Benchmark: SPDR® S&P 500® ETF Trust

	1 Month	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
Qraft AI-Powered US Factor Rotation	-5.79	-5.48	-2.88	-5.48	6.89	24.00	111.53
SPDR® S&P 500® ETF Trust	-5.63	-4.28	-2.00	-4.28	8.14	29.40	133.43

Investment Growth

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

Define drawdown as decline by 10% or more



Monthly Returns - Qraft AI-Powered US Factor Rotation

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	2.75	-2.36	-5.79										-5.48
2024	2.56	6.55	3.27	-4.36	5.03	4.22	-0.32	2.28	3.12	-0.94	6.53	-2.63	27.60
2023	4.01	-3.00	2.31	1.34	-0.85	6.56	2.94	-1.06	-4.94	-1.83	9.18	4.59	19.96
2022	-3.73	-2.76	1.44	-9.05	-0.08	-5.96	6.24	-3.23	-7.53	6.38	4.38	-5.01	-18.61
2021	0.01	1.83	3.19	5.69	0.23	2.15	1.79	3.15	-4.47	6.46	-1.56	2.97	23.09
2020	0.78	-7.74	-9.22	10.37	5.79	2.79	5.77	7.13	-3.73	-2.60	10.49	3.59	23.19
2019	6.27	3.11	2.02	3.27	-5.65	5.57	1.21	-1.45	1.53	1.69	3.44	2.64	25.70
2018	5.63	-3.53	-2.08	0.43	2.75	0.77	2.72	3.60	0.46	-7.31	1.64	-7.74	-3.57
2017	—	3.96	0.93	1.62	2.50	0.30	2.47	0.79	2.01	2.95	2.92	0.71	—

Monthly Returns - SPDR® S&P 500® ETF Trust

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	2.78	-1.31	-5.63										-4.28
2024	1.67	5.33	3.21	-4.09	4.94	3.57	1.21	2.41	2.12	-0.91	5.85	-2.39	24.87
2023	6.27	-2.44	3.67	1.55	0.43	6.58	3.20	-1.60	-4.77	-2.11	9.11	4.52	26.14
2022	-5.18	-3.00	3.70	-8.72	0.17	-8.22	9.21	-4.07	-9.21	8.08	5.56	-5.74	-18.14
2021	-1.02	2.75	4.37	5.33	0.69	2.33	2.37	3.03	-4.65	6.99	-0.70	4.47	28.59
2020	-0.05	-8.21	-12.26	12.80	4.74	1.97	5.63	7.17	-3.79	-2.66	10.93	3.83	18.40
2019	7.99	3.20	1.93	4.04	-6.34	7.01	1.43	-1.59	1.86	2.15	3.62	3.00	31.29
2018	5.71	-3.69	-2.55	0.38	2.40	0.60	3.70	3.24	0.56	-6.84	2.03	-8.98	-4.45
2017	1.89	3.96	0.10	1.02	1.40	0.61	2.05	0.30	2.06	2.32	3.05	1.10	21.69

Source: Morningstar Direct

Portfolio Holdings - Qraft AI-Powered US Factor Rotation

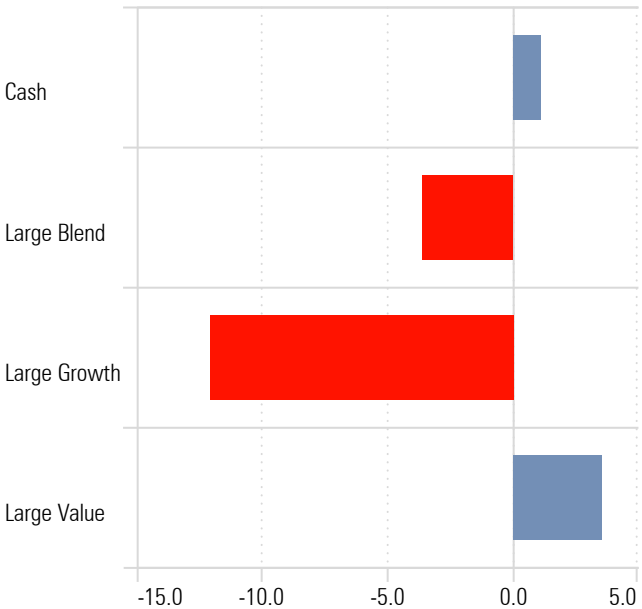
Portfolio Date: 1/31/2025



	%
• Invesco S&P 500® High Div Low Vol ETF	29.3
• Vanguard Growth ETF	24.6
• QRAFT AI-Enhanced US Large Cap ETF	21.4
• Vanguard Value ETF	15.7
• QRAFT AI-Enhanced US Large Cap Mmntm ETF	8.9
• Cash	0.1
Total	100.0

Return

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



Portfolio Holdings - Qraft AI-Powered US Factor Rotation

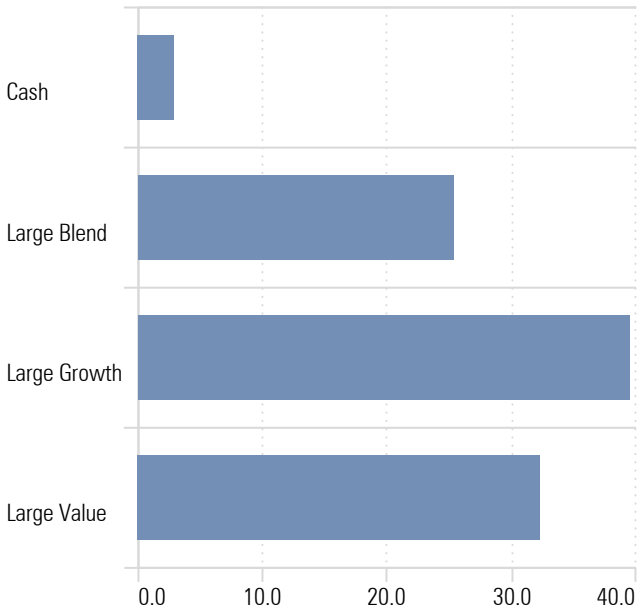
Portfolio Date: 2/28/2025



	%
• Vanguard Growth ETF	30.0
• QRAFT AI-Enhanced US Large Cap ETF	26.5
• QRAFT AI-Enhanced US Large Cap Mmntm ETF	17.9
• Vanguard Value ETF	13.0
• Invesco S&P 500® High Div Low Vol ETF	12.5
• Cash	0.1
Total	100.0

Weights

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



Portfolio Holdings - Qraft AI-Powered US Factor Rotation

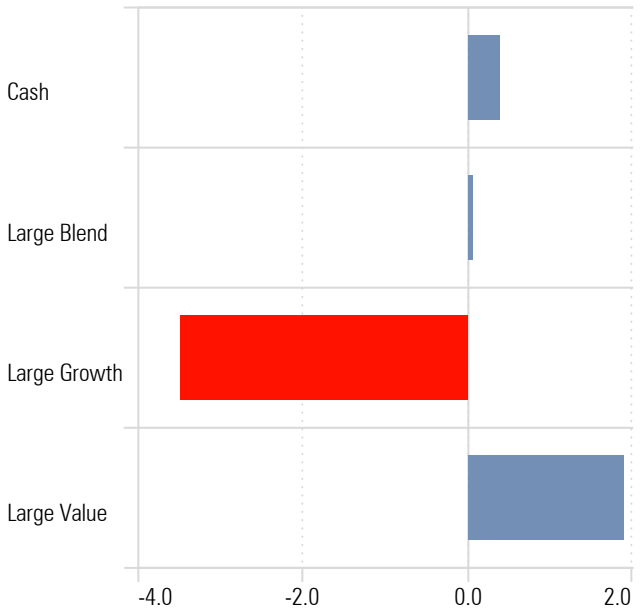
Portfolio Date: 3/31/2025



	%
• Vanguard Growth ETF	30.0
• QRAFT AI-Enhanced US Large Cap ETF	28.4
• Invesco S&P 500® High Div Low Vol ETF	19.1
• Cash	9.1
• QRAFT AI-Enhanced US Large Cap Mmntm ETF	7.1
• Vanguard Value ETF	6.3
Total	100.0

Active Return

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



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