



GRAFT  
AIETFs

# Monthly Portfolio Update

2023 June Monthly Holding Update

Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people



## About Qraft Technologies

Founded in 2016, Qraft Technologies is on a mission to transform investing with artificial intelligence, or AI. Our team, comprised of data scientists and researchers, data engineers, and investment experts, develop and supervise investment solutions enabled by AI.

We believe investment processes powered by AI can lead to superior results over time by advancing the scope, speed, and scale of how data is analyzed and investment decisions are made. The name Qraft is an amalgamation of the words 'Quant' and 'Craft', conveying the purpose of the company in crafting quantitative solutions using our proprietary AI methods.

Qraft offers a full suite of AI-powered investment solutions for financial firms, from data handling (Kirin API) to Security Selection and Portfolio Construction (AI-Enhanced ETFs), to Asset Allocation and Model Management, to Trading Insights (AXE).

**Investing involves risks, including the potential for principal loss and there can be no guarantee that the strategies and processes promoted will be successful. Please see pages 14 and 15 regarding important risk information about the Qraft AI-Enhanced ETFs.**

Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people

# Macro Backdrop



---

May saw a rally in US large-cap technology stocks, led primarily by Apple, Meta, and chip-manufacturer Nvidia. Despite strong showings from the tech sector, US equities recorded mixed performances in May, with the NASDAQ rising 5.80%, the S&P500 returning 0.25%, and the Dow falling -3.49% for the month (@CCO, SPX, !DJI, Morningstar). Bond prices fell (IEF -1.44%, TLT -3.01%, Morningstar), with general market expectation leaning towards a pause in fiscal tightening in the June FOMC meeting and a rate cut in Q4 2023. US economic activity showed signs of promise as core retail sales grew 0.6% in April, unemployment rate moved lower to 3.4%, and inflation continued to slow as the consumer price index edged closer to 4.9% (y/y). Immediate recession concerns seem to have abated with Congress finally agreeing to a debt-ceiling suspension which will see non-defense government spending capped for the next two years, but overall investor sentiment remains cautious as troubled regional banks and rising geopolitical tensions reflect a challenging macroeconomic environment ahead.

Securities selected for inclusion in each ETF are those that our AI models have identified as having the greatest potential to drive alpha in the coming month, taking into consideration macroeconomic and market data as well as the strategy-specific parameters designed to manage risk and exposures.

In the June rebalance, QRFT increased allocation to Information Technology sector and significantly reduced allocations to the Industrials sector. AMOM capitalized on its significant investment into NVDA in May. NVQ reduced allocation to Financial and Communication Services sectors, in favor of Information Technology.

Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people

---

# About Qraft AI ETFs

---

---

## **QRFT** | Qraft AI-Enhanced U.S. Large Cap ETF

AI-enabled portfolio that dynamically shifts among proven factors. Optimized and actively managed by AI technology, the Qraft AI Enhanced U.S. Large-Cap ETF seeks long-term capital appreciation by dynamically shifting among five proven factors: quality, size, value, momentum and low volatility.

## **AMOM** | Qraft AI-Enhanced U.S. Large Cap Momentum ETF

AI-enabled portfolio investing in momentum stocks. Optimized and actively managed by AI technology, the Qraft AI-Enhanced U.S. Large Cap Momentum ETF seeks capital appreciation by investing in stocks that exhibit higher price momentum.

## **NVQ** | Qraft AI-Enhanced U.S. Next Value ETF

AI-enabled portfolio investing in value stocks. Optimized and actively managed by AI technology, Qraft AI Enhanced U.S. Next Level ETF seeks capital-appreciation by investing in value stocks adjusted for intangible assets, which may represent a significant portion of a company's net worth.

Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people

---

---

# QRFT

Qraft AI-Enhanced U.S. Large Cap ETF

---

---

## **Sector Summary**

- The most significant sectors were Information Technology (37.9%) and Health Care (20.3%).
- The portion of Industrials in the portfolio was reduced to around 15.1%, and it now accounts for 7.5%.

## **Factor Summary**

- The largest exposure in the portfolio this month was to the Quality (35.2%).
- The smallest allocation remained in the Size (7.3%).

## **Security Selection Update**

- Two new names, VEEVA SYSTEMS INC (2.2%) and QORVO INC (1.4%), were added to the portfolio.
- BUILDERS FIRSTSOURCE, which accounted for 1.3% of the portfolio last month, was removed.

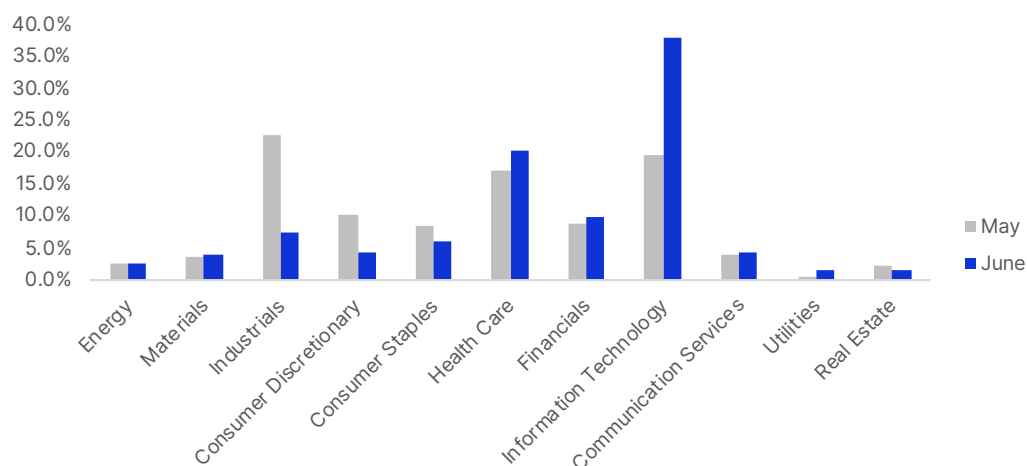
Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people

---

---

## QRFT Rebalance Tables



Sector Exposure	June	May	Change
Energy	2.5%	2.7%	-0.1%
Materials	4.1%	3.8%	0.3%
Industrials	7.5%	22.5%	-15.1%
Consumer Discretionary	4.3%	10.2%	-5.8%
Consumer Staples	5.9%	8.5%	-2.6%
Health Care	20.3%	17.0%	3.3%
Financials	10.0%	8.9%	1.1%
Information Technology	37.9%	19.5%	18.4%
Communication Services	4.2%	4.0%	0.3%
Utilities	1.7%	0.7%	1.0%
Real Estate	1.6%	2.4%	-0.7%

Source: Company Data; Data Available as of

2023.6.2

### Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people

## QRFT Rebalance Tables

June Top 10			May Top 10		
MSFT	MICROSOFT CORP	4.02%	AAPL	APPLE INC	3.57%
AAPL	APPLE INC	3.48%	MSFT	MICROSOFT CORP	3.11%
VEEV	VEEVA SYSTEMS INC	2.16%	UNH	UNITEDHEALTH GROUP INC	1.99%
GOOGL	ALPHABET INC-CL A	1.79%	GOOGL	ALPHABET INC-CL A	1.91%
QCOM	QUALCOMM INC	1.71%	COST	Costco Wholesale Corp	1.89%
AMZN	AMAZON.COM INC	1.53%	HUM	HUMANA ORD	1.85%
UNH	UNITEDHEALTH GROUP INC	1.53%	AMZN	AMAZON.COM INC	1.64%
AMAT	APPLIED MATERIALS INC	1.46%	BAH	BOOZ ALLEN HAMILTON HLDG CP	1.42%
BRK/B	BERKSHIRE HATHAWAY INC-CL B	1.44%	NVDA	NVIDIA CORP	1.32%
QRVO	QORVO INC	1.43%	BLDR	BUILDERS FIRSTSOURCE	1.30%

\* effective date:

2023.6.2

Significant Additions			Significant Removals		
VEEV	VEEVA SYSTEMS INC	2.16%	BLDR	BUILDERS FIRSTSOURCE	1.30%
QRVO	QORVO INC	1.43%	CHRW	C.H. ROBINSON WORLDWIDE INC	1.24%
DOX	AMDOCS	1.24%	POOL	POOL CORP	1.18%
MANH	MANHATTAN ASSOCIATES ORD	1.13%	CASY	CASEYS GENERAL STORES ORD	1.10%
SEIC	SEI INVESTMENTS CO	1.08%	MAS	MASCO CORP	1.05%

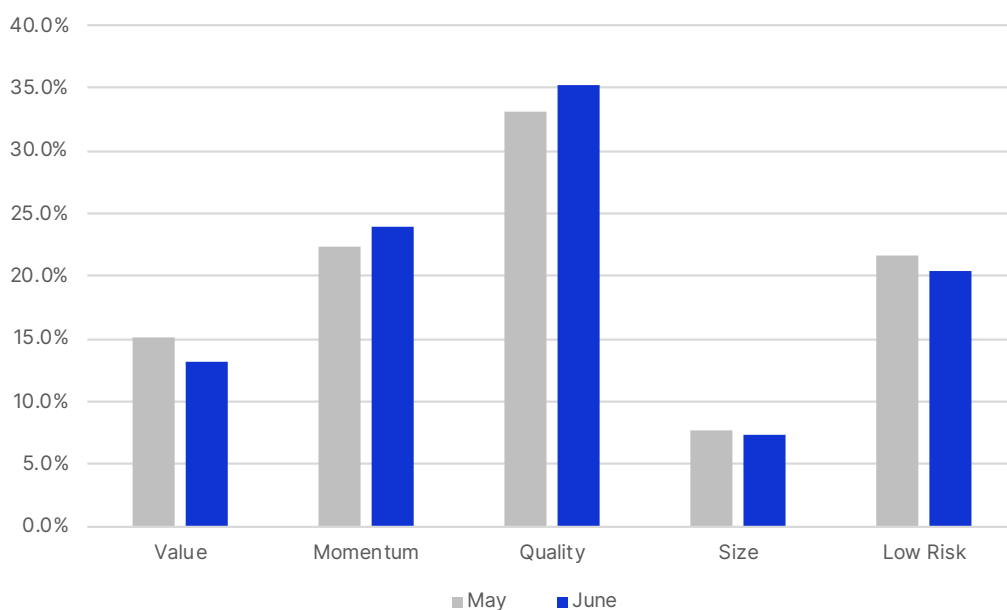
Source: Company Data as of

2023.6.2

Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people

## QRFT Factor Exposure Change



Factor Exposure	June	May	Change
Value	13.2%	15.0%	-1.8%
Momentum	24.0%	22.4%	1.5%
Quality	35.2%	33.1%	2.0%
Size	7.3%	7.7%	-0.4%
Low Risk	20.4%	21.7%	-1.3%

Source: Company Data as of  
2023.6.2

Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people



# AMOM

Qraft AI-Enhanced U.S. Large Cap Momentum ETF

---

## **Sector Summary**

- The Consumer Discretionary (37.0%) and Consumer Staples (19.4%) were the most significant sectors this month.
- AMOM has reduced the portion of Information Technology to approximately -5.1%, with the sector now accounting for 9.7% this month.

## **Security Selection Update**

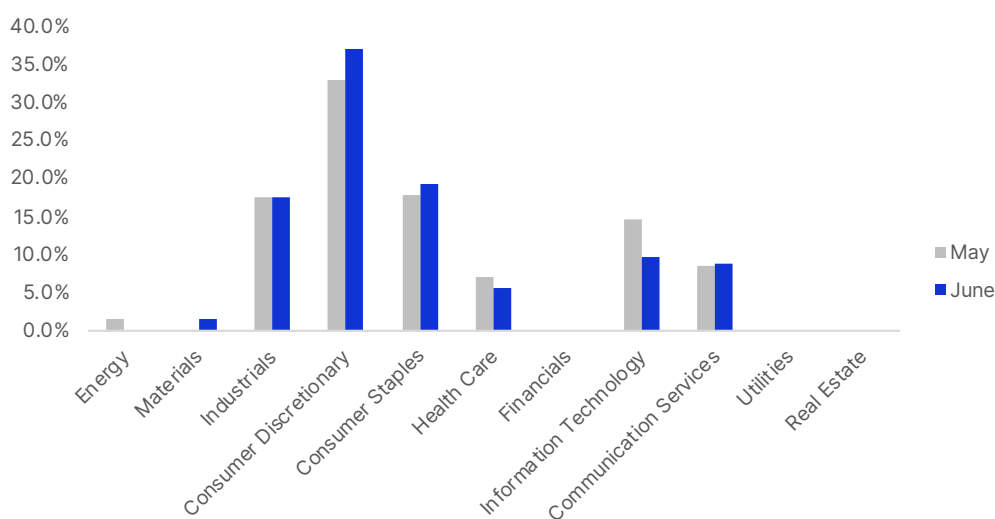
- New additions to the portfolio include AMAZON.COM INC (8.0%) and HERSHEY CO (2.9%).
- NVIDIA CORP, which accounted for 9.2% last month, has been removed from the portfolio.

Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people

---

## AMOM Sector Change



Sector Exposure	June	May	Change
Energy	0.0%	1.6%	-1.6%
Materials	1.7%	0.0%	1.7%
Industrials	17.6%	17.6%	0.0%
Consumer Discretionary	37.0%	32.9%	4.2%
Consumer Staples	19.4%	17.8%	1.6%
Health Care	5.8%	7.0%	-1.2%
Financials	0.0%	0.0%	0.0%
Information Technology	9.7%	14.7%	-5.1%
Communication Services	8.8%	8.4%	0.4%
Utilities	0.0%	0.0%	0.0%
Real Estate	0.0%	0.0%	0.0%

Source: Company Data as of  
2023.6.2

Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people

## AMOM Rebalance Tables

June Top 10			May Top 10		
AMZN	AMAZON.COM INC	8.01%	NVDA	NVIDIA CORP	9.21%
META	META PLATFORMS INC	6.68%	WMT	WALMART INC	7.51%
WMT	WALMART INC	6.58%	META	META PLATFORMS INC	7.40%
HD	HOME DEPOT ORD	4.61%	HD	HOME DEPOT ORD	5.01%
CL	Colgate-Palmolive Co	3.00%	CL	Colgate-Palmolive Co	3.08%
HSY	HERSHEY CO	2.87%	ORLY	O'REILLY AUTOMOTIVE INC	2.90%
AZO	AUTOZONE INC	2.66%	TJX	TJX COS INC (THE)	2.86%
ORLY	O'REILLY AUTOMOTIVE INC	2.65%	ADBE	ADOBE INC	2.81%
TJX	TJX COS INC (THE)	2.60%	LOW	LOWE'S COS INC	2.65%
ADBE	ADOBE INC	2.53%	AZO	AUTOZONE INC	2.58%

\* effective date:

2023.6.2

Significant Additions			Significant Removals		
AMZN	AMAZON.COM INC	8.01%	NVDA	NVIDIA CORP	9.21%
HSY	HERSHEY CO	2.87%	LW	LAMB WESTON HOLDINGS INC	2.43%
CLX	CLOROX ORD	2.44%	SBUX	Starbucks Corp	2.40%
RS	RELIANCE STEEL & ALUMINUM CO	1.68%	TTC	TORO CO	1.67%
CMG	CHIPOTLE MEXICAN GRILL INC	1.67%	DCI	DONALDSON CO INC	1.44%

Source: Company Data as of

2023.6.2

Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people



# NVQ

Qraft AI-Enhanced U.S. Next Value ETF

---

## **Sector Summary**

- The two most significant sectors this month were Information Technology (20.5%) and Industrials (17.3%).
- The allocation of Financials was reduced to around -13.9%, and it now accounts for 1.8% of the portfolio this month.

## **Security Selection Update**

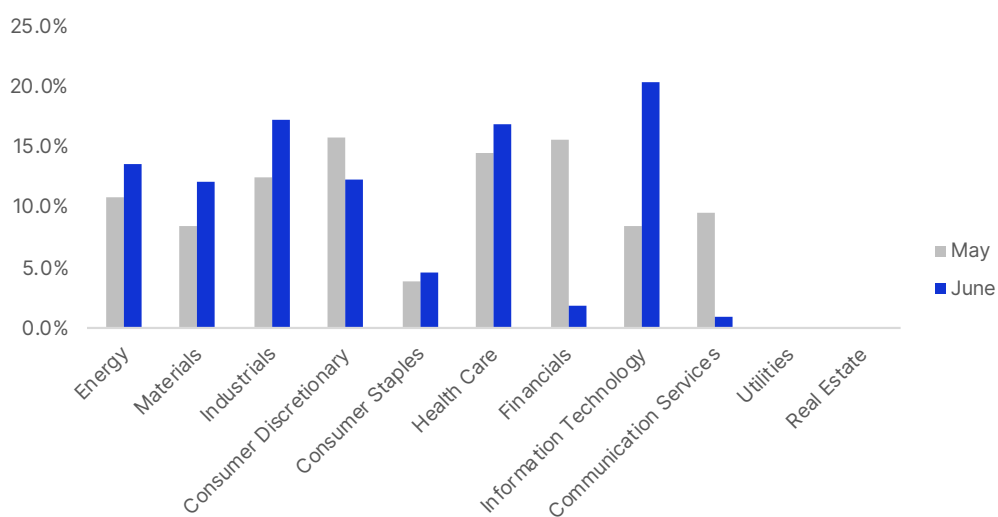
- EXXON MOBIL CORP (8.0%) and INTEL CORP (7.7%) were added as new names to the portfolio.
- VERIZON COMMUNICATIONS INC, which accounted for 7.6% of the portfolio last month, was removed.

Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people

---

## NVQ Sector Change



Sector Exposure	June	May	Change
Energy	13.6%	10.9%	2.7%
Materials	12.2%	8.6%	3.6%
Industrials	17.3%	12.6%	4.7%
Consumer Discretionary	12.3%	15.9%	-3.6%
Consumer Staples	4.5%	3.9%	0.6%
Health Care	17.0%	14.5%	2.5%
Financials	1.8%	15.7%	-13.9%
Information Technology	20.5%	8.5%	12.0%
Communication Services	0.8%	9.6%	-8.7%
Utilities	0.0%	0.0%	0.0%
Real Estate	0.0%	0.0%	0.0%

Source: Company Data; Data Available as of

2023.6.2

### Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people

## NVQ Rebalance Tables

June Top 10			May Top 10		
XOM	EXXON MOBIL CORP	7.96%	VZ	VERIZON COMMUNICATIONS INC	7.63%
INTC	INTEL CORP	7.65%	CVS	CVS HEALTH CORP	6.41%
CVS	CVS HEALTH CORP	5.05%	CI	CIGNA GROUP (THE)	5.20%
CI	CIGNA GROUP (THE)	4.14%	MET	METLIFE INC	3.30%
DD	DUPONT DE NEMOURS INC	2.96%	EOG	EOG RESOURCES INC	3.27%
ARW	ARROW ELECTRONICS INC	2.53%	ET	ENERGY TRANSFER LP	3.06%
EOG	EOG RESOURCES INC	2.27%	STT	STATE STREET CORP	2.90%
ZBH	ZIMMER BIOMET HOLDINGS INC	2.25%	ARW	ARROW ELECTRONICS ORD	2.60%
SNX	TD SYNnex CORPORATION	2.02%	MPC	MARATHON PETROLEUM CORP	2.52%
BWA	BORGWARNER INC	1.85%	SNX	TD SYNnex CORPORATION	2.48%

\* effective date:

2023.6.2

Significant Additions			Significant Removals		
XOM	EXXON MOBIL CORP	7.96%	VZ	VERIZON COMMUNICATIONS INC	7.63%
INTC	INTEL CORP	7.65%	MET	METLIFE INC	3.30%
DD	DUPONT DE NEMOURS INC	2.96%	ET	ENERGY TRANSFER LP	3.06%
ZBH	ZIMMER BIOMET HOLDINGS INC	2.25%	STT	STATE STREET CORP	2.90%
JNPR	JUNIPER NETWORKS INC	1.46%	IVZ	INVESCO LTD	2.41%

Source: Company Data as of

2023.6.2

Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people

### **Important Information**

Portfolio holdings are subject to change and should not be considered investment advice.

Investing involves risk including possible loss of principal. Diversification does not ensure profits or prevent losses.

*Artificial intelligence selection models are reliant upon data and information supplied by third parties that are utilized by such models. To the extent the models do not perform as designed or as intended, the strategy may not be successfully implemented. If the model or data are incorrect or incomplete, any decisions made in reliance thereon may lead to the inclusion or exclusion of securities that would have been excluded or included had the model or data been correct and complete. Service providers may experience disruptions that arise from human error, processing and communications error, counterparty or third-party errors, technology or systems failures, any of which may have an adverse impact. While it is anticipated the Adviser, Exchange Traded Concepts LLC, will purchase and sell securities based on recommendations of QRAFT AI, the Adviser has full discretion over investment decisions for the Fund.*

**Investors should consider the investment objectives, risks, charges, and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the Qraft ETFs, please call (855) 973-7880 or visit our website at [www.qraftaietf.com](http://www.qraftaietf.com). Read the prospectus or summary prospectus carefully before investing.**

Distributed by Foreside Fund Services, LLC

*Investing involves risk, including loss of principal. The Funds are subject to numerous risks including but not limited to: Equity Risk, Sector Risk, Large Cap Risk, Management Risk, and Trading Risk. The Funds rely heavily on a proprietary artificial intelligence selection model as well as data and information supplied by third parties that are utilized by such model. To the extent the model does not perform as designed or as intended, the Fund's strategy may not be successfully implemented, and the Funds may lose value. Additionally, the funds are non-diversified, which means that they may invest more of their assets in the securities of a single issuer or a smaller number of issuers than if they were a diversified fund. As a result, each Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than a fund that invests more widely. A new or smaller fund's performance may not represent how the fund is expected to or may perform in the long term if and when it becomes larger and has fully implemented its investment strategies. Read the prospectus for additional details regarding risks*

**Transforming Investing with Artificial Intelligence**

Powered by technology, enabled by people

### **Important Information**

**QRAFT AI-Enhanced U.S. Large Cap ETF (QRFT):** Companies in the health care sector are subject to extensive government regulation and their profitability can be significantly affected by restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure (including price discounting), limited product lines and an increased emphasis on the delivery of health care through outpatient services.

**QRAFT AI-Enhanced U.S. Large Cap Momentum ETF (AMOM):** The Fund is subject to the risk that market or economic factors impacting technology companies and companies that rely heavily on technology advances could have a major effect on the value of the Fund's investments. The value of stocks of technology companies and companies that rely heavily on technology is particularly vulnerable to rapid changes in technology product cycles, rapid product obsolescence, the loss of patent, copyright and trademark protections, government regulation and competition, both domestically and internationally, including competition from foreign competitors with lower production costs. Technology companies and companies that rely heavily on technology, especially those of smaller, less-seasoned companies, tend to be more volatile than the overall market.

**QRAFT AI-Enhanced U.S. Next Value ETF (NVQ):** The value approach to investing involves the risk that stocks may remain undervalued, undervaluation may become more severe, or perceived undervaluation may actually represent intrinsic value. Value stocks may underperform the overall equity market while the market concentrates on growth stocks. The small- and mid-capitalization companies in which the Fund invests may be more vulnerable to adverse business or economic events than larger, more established companies, and may underperform other segments of the market or the equity market as a whole. Securities of small- and mid-capitalization companies generally trade in lower volumes, are often more vulnerable to market volatility, and are subject to greater and more unpredictable price changes than larger capitalization stocks or the stock market as a whole.

Transforming Investing with Artificial Intelligence

Powered by technology, enabled by people