



GRAFT  
AIETFs

# Monthly Portfolio Update

2024 February Monthly Holding Update

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## 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.**

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# About Qraft AI ETFs

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## **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.

## **LQAI** | LG-QRAFT AI-Powered U.S. Large Cap Core ETF

Active Investing, Driven by the Predictive Power of AI. The strategy aims to leverage a proprietary AI engine developed by LG AI Research and Qraft Technologies. The AI engine utilizes a deep neural network to actively generate signals to analyze relative strength conviction of individual stocks within the universe

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# QRFT

Qraft AI-Enhanced U.S. Large Cap ETF

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## **Sector Summary**

- The most significant sectors were Information Technology (39.6%) and Health Care (13.4%).
- The portion of Energy in the portfolio was reduced to around 4.3%, and it now accounts for 1.3%.

## **Factor Summary**

- The largest exposure in the portfolio this month was to the Quality (35.9%).
- The smallest allocation remained in the Size (4.7%).

## **Security Selection Update**

- Two new names, GOLDMAN SACHS GROUP INC (0.5%) and BLACKROCK INC (0.4%), were added to the portfolio.
- BANK OF AMERICA CORP, which accounted for 0.8% of the portfolio last month, was removed.

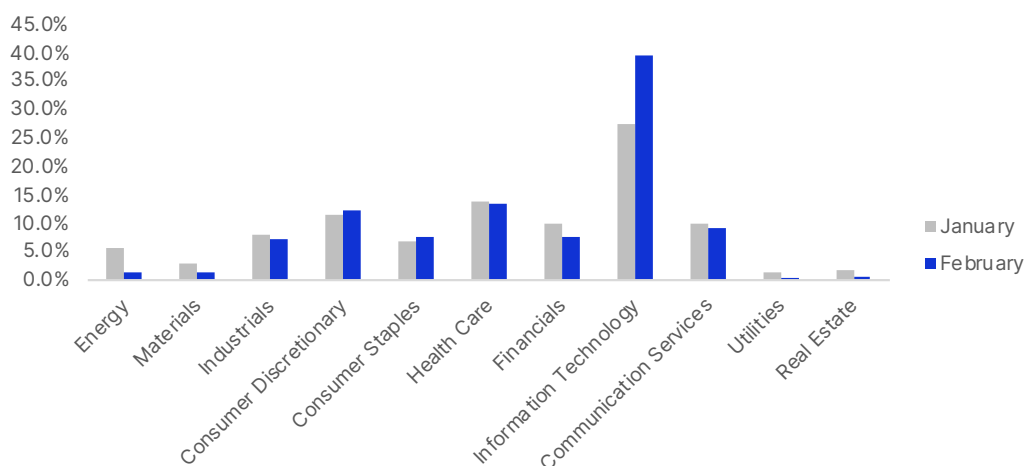
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## QRFT Rebalance Tables



Sector Exposure	February	January	Change
Energy	1.3%	5.5%	-4.3%
Materials	1.3%	3.0%	-1.7%
Industrials	7.2%	8.2%	-1.0%
Consumer Discretionary	12.4%	11.7%	0.7%
Consumer Staples	7.6%	7.0%	0.6%
Health Care	13.4%	14.0%	-0.6%
Financials	7.7%	10.1%	-2.4%
Information Technology	39.6%	27.4%	12.2%
Communication Services	9.2%	10.0%	-0.8%
Utilities	0.1%	1.3%	-1.2%
Real Estate	0.5%	1.9%	-1.5%

Source: Company Data; Data Available as of

2024.2.2

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## QRFT Rebalance Tables

February Top 10			January Top 10		
MSFT	MICROSOFT ORD	9.01%	MSFT	MICROSOFT CORP	4.72%
AAPL	APPLE ORD	8.78%	AMZN	AMAZON.COM INC	4.48%
AMZN	AMAZON.COM ORD	5.31%	GOOGL	ALPHABET INC-CL A	4.48%
GOOGL	ALPHABET INC-CL A	5.00%	AAPL	APPLE INC	4.27%
NVDA	NVIDIA ORD	4.84%	NVDA	NVIDIA CORP	4.24%
META	META PLATFORMS CL A ORD	3.74%	META	META PLATFORMS INC	2.43%
AVGO	BROADCOM ORD	2.04%	AVGO	BROADCOM INC	1.56%
UNH	UNITEDHEALTH GRP ORD	1.68%	LLY	LILLY (ELI) & CO	1.55%
WMT	WALMART ORD	1.63%	UNH	UNITEDHEALTH GROUP INC	1.33%
JNJ	Johnson & Johnson	1.34%	WMT	Walmart Inc.	1.26%

\* effective date:

2024.2.2

Significant Additions			Significant Removals		
GS	GOLDMAN SACHS GROUP INC	0.47%	BAC	BANK OF AMERICA CORP	0.77%
BLK	BLACKROCK INC	0.42%	DIS	WALT DISNEY CO/THE	0.51%
SCHW	SCHWAB (CHARLES) CORP	0.41%	CMCSA	COMCAST CORP	0.49%
BMO	BANK OF MONTREAL	0.25%	WFC	WELLS FARGO & CO	0.48%
PNC	PNC FINANCIAL SVCS GROUP INC	0.21%	VZ	VERIZON COMMUNICATIONS INC	0.47%

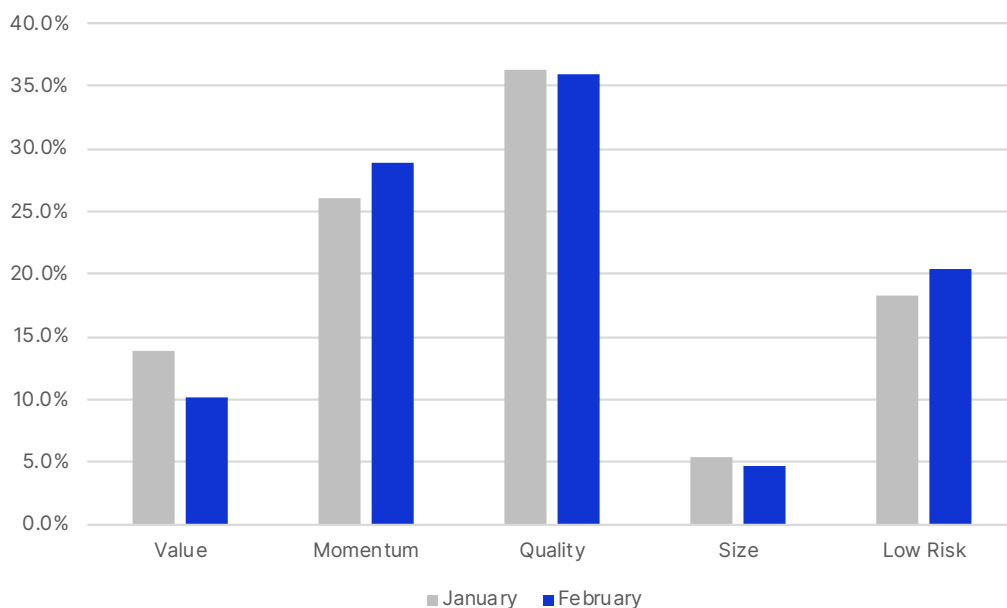
Source: Company Data as of

2024.2.2

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## QRFT Factor Exposure Change



Factor Exposure	February	January	Change
Value	10.2%	13.9%	-3.7%
Momentum	28.9%	26.1%	2.8%
Quality	35.9%	36.3%	-0.4%
Size	4.7%	5.4%	-0.8%
Low Risk	20.3%	18.3%	2.0%

Source: Company Data as of  
2024.2.2

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# AMOM

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

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## Sector Summary

- The Information Technology (50.0%) and Financials (16.1%) were the most significant sectors this month.
- AMOM has reduced the portion of Health Care to approximately - 2.7%, with the sector now accounting for 8.3% this month.

## Security Selection Update

- New additions to the portfolio include QUALCOMM ORD (1.8%) and DexCom Inc (1.7%).
- AMGEN INC, which accounted for 1.6% last month, has been removed from the portfolio.

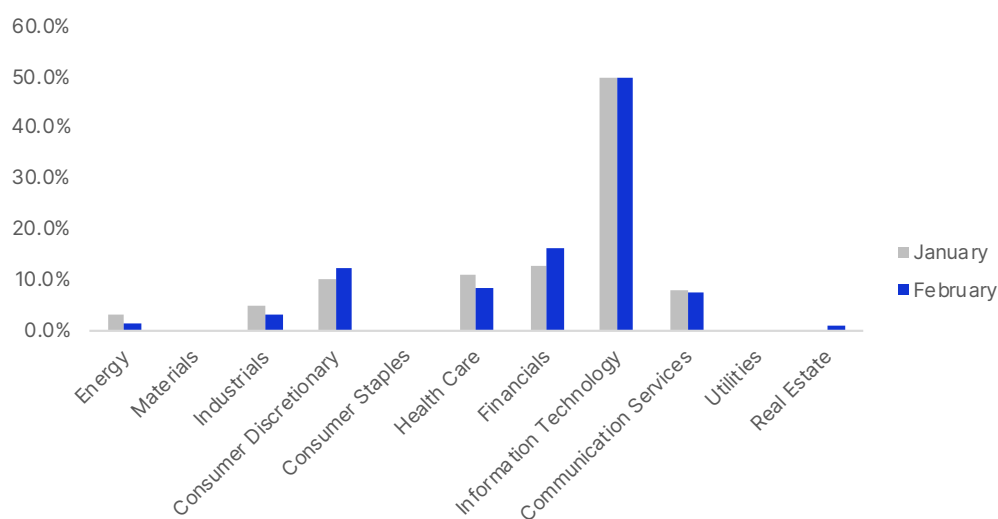
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## AMOM Sector Change



Sector Exposure	February	January	Change
Energy	1.4%	3.1%	-1.7%
Materials	0.0%	0.0%	0.0%
Industrials	3.2%	5.1%	-1.9%
Consumer Discretionary	12.3%	10.2%	2.1%
Consumer Staples	0.0%	0.0%	0.0%
Health Care	8.3%	11.0%	-2.7%
Financials	16.1%	12.7%	3.4%
Information Technology	50.0%	50.0%	0.0%
Communication Services	7.5%	7.9%	-0.4%
Utilities	0.0%	0.0%	0.0%
Real Estate	1.2%	0.0%	1.2%

Source: Company Data as of  
2024.2.2

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## AMOM Rebalance Tables

February Top 10			January Top 10		
AVGO	BROADCOM ORD	6.32%	MSFT	MICROSOFT CORP	9.02%
MSFT	MICROSOFT ORD	6.07%	NVDA	NVIDIA CORP	8.84%
AAPL	APPLE ORD	5.83%	AAPL	APPLE INC	5.24%
META	META PLATFORMS CL A ORD	5.63%	LLY	LILLY (ELI) & CO	5.07%
NVDA	NVIDIA ORD	4.49%	AVGO	BROADCOM INC	4.87%
AMD	ADVANCED MICRO DEVICES	4.10%	META	META PLATFORMS INC	4.00%
AMZN	AMAZON COM ORD	4.03%	AMZN	AMAZON.COM INC	3.53%
PANW	Palo Alto Networks Inc	2.43%	ADBE	ADOBE INC	3.40%
MA	MASTERCARD CL A ORD	2.41%	NFLX	NetFlix Inc	3.36%
ANET	Arista Networks Inc	2.38%	AMD	ADVANCED MICRO DEVICES	3.16%

\* effective date:

2024.2.2

Significant Additions			Significant Removals		
QCOM	QUALCOMM ORD	1.78%	AMGN	AMGEN INC	1.59%
DXCM	DexCom Inc	1.75%	GE	GENERAL ELECTRIC CO	1.44%
URI	UNITED RENTALS INC	1.29%	ETN	EATON CORP PLC	1.21%
PNC	PNC FINANCIAL SVCS GROUP INC	1.26%	UBS	UBS GROUP AG	1.20%
COF	CAPITAL ONE FINANCIAL CORP	1.21%	MPC	MARATHON PETROLEUM CORP	1.05%

Source: Company Data as of

2024.2.2

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# LQAI

LG-QRAFT AI-Powered U.S.Large Cap Core ETF

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*Disclaimer: QRFT and AMOM rebalance on the first working day of each month, whereas LQAI rebalances every four weeks. The most recent rebalancing date was January 29, 2024.*

## **Sector Summary**

- The two sectors that have the highest allocations are Information Technology (21.8%) and Financials (21.6%).

## **Security Selection Update**

- Following the latest rebalancing, the portfolio's two largest holdings are now META PLATFORMS CL A ORD (2.8%) and NetFlix Inc (2.7%).

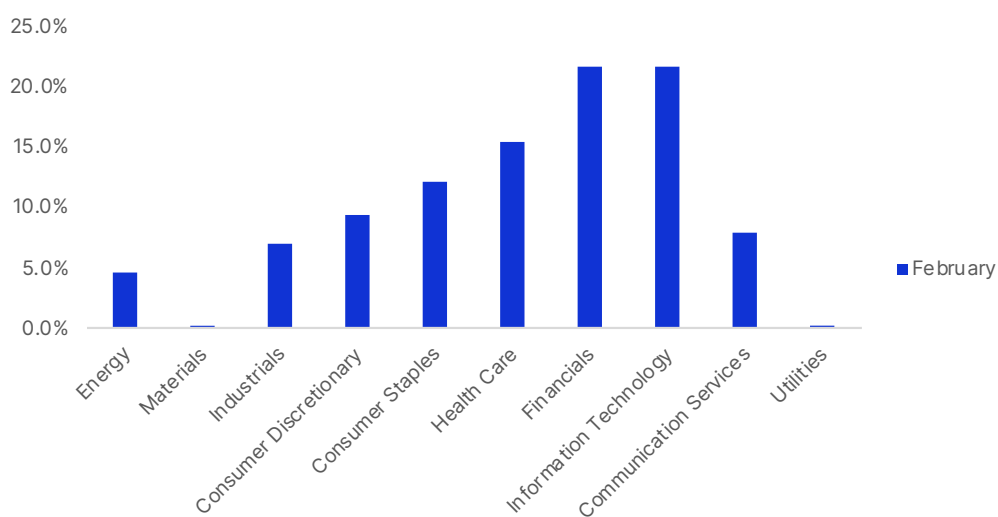
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## LQAI Sector Change



Sector Exposure	February
Energy	4.6%
Materials	0.1%
Industrials	6.9%
Consumer Discretionary	9.4%
Consumer Staples	12.1%
Health Care	15.4%
Financials	21.6%
Information Technology	21.8%
Communication Services	7.9%
Utilities	0.2%
Real Estate	0.0%

Source: Company Data; Data Available as of  
January 29, 2024

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## LQAI Rebalance Tables

February Top 10		
META	META PLATFORMS CL A ORD	2.79%
NFLX	NetFix Inc	2.72%
AMD	ADVANCED MICRO DEVICES	2.56%
NVDA	NVIDIA ORD	2.54%
AMZN	AMAZON COM ORD	2.45%
MSFT	MICROSOFT ORD	2.42%
COST	COSTCO WHOLESALE ORD	2.36%
FI	Fiserv Inc.	2.33%
CRM	SALESFORCE ORD	2.28%
ADBE	ADOBE ORD	2.27%

\* effective date:

2024.2.2

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### **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.**

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*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*

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### 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.

**LG QRAFT AI-Powered U.S. Large Cap Core ETF (LQAI):** Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies or the market as a whole. The securities of large-capitalization companies may also be relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. Large-capitalization companies may also be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes. The market price of an investment could decline, sometimes rapidly or unpredictably, due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic or political conditions throughout the world, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. In pursuing the Fund's investment objective, the Adviser consults a database generated by the LG-Qraft artificial intelligence system, which automatically evaluates and filters data according to parameters supporting a particular investment thesis. For the database, LG QRAFTAI selects and weights portfolios of companies in the Universe listed on the New York Stock Exchange and NASDAQ to provide a balanced exposure to a variety of factors affecting the U.S. market including, but not limited to, quality, size, value, momentum, and volatility. The Fund expects to hold 100 companies in its portfolio. While it is anticipated that the Adviser will purchase and sell securities based on recommendations by the U.S. Large Cap Core Database, the Adviser has full discretion over investment decisions for the Fund.

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