



GRAFT  
AIETFs

# Monthly Portfolio Update

2023 March 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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# March Overview

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In February, reports continued to show slowing inflation, although the consumer price index (CPI) came in slightly higher than expected. Markets seemed to interpret this as increasing the need for higher interest rates for a longer period, and indeed, Fed Chairman Jerome Powell later warned that the process of disinflation has a long road ahead and further rate hikes are likely needed. This, combined with cautious outlooks from a handful of large US retailers, contributed to the S&P 500 ending the month down 2.61%.

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 March rebalance, QRFT significantly reduced allocation to the Consumer Discretionary and Industrials sectors and added to Information Technology and Health Care names. AMOM reduced allocations to the Consumer Discretionary and Materials sectors in favor of adding to Industrials and Health Care names. NVQ significantly reduced allocations to Industrials, Information Technology, and Health Care in favor of increasing the allocation to Financial names.

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# QRFT

Qraft AI-Enhanced U.S. Large Cap ETF

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## **Sector Summary**

- QRFT added to Information Technology (+6.9% to 28.4% of the portfolio) and Health Care (+3.6% to 18.3% of the portfolio).
- Reduced allocations to Consumer Discretionary (-5.2% to 8.6% of the portfolio) and Industrials (-2.7% to 16.6% of the portfolio).

## **Factor Summary**

- QRFT maintains a balance of factor exposures, with the largest allocations to Quality (33.2%), Momentum (21.1%), Low Risk (20.1%), and Value (18.1%).
- The portfolio's exposure to the Size factor remains the smallest allocation (7.5%).

## **Security Selection Update**

- Among new names added to the portfolio were EMCOR Group (EME, 0.9% of the portfolio) and Ubiquiti (UI, 0.9% of the portfolio).
- Among names removed from the portfolio were Wesco Intl (WCC, previously 0.9% of the portfolio) and CACI Intl (CACI, previously 0.8% of the portfolio).

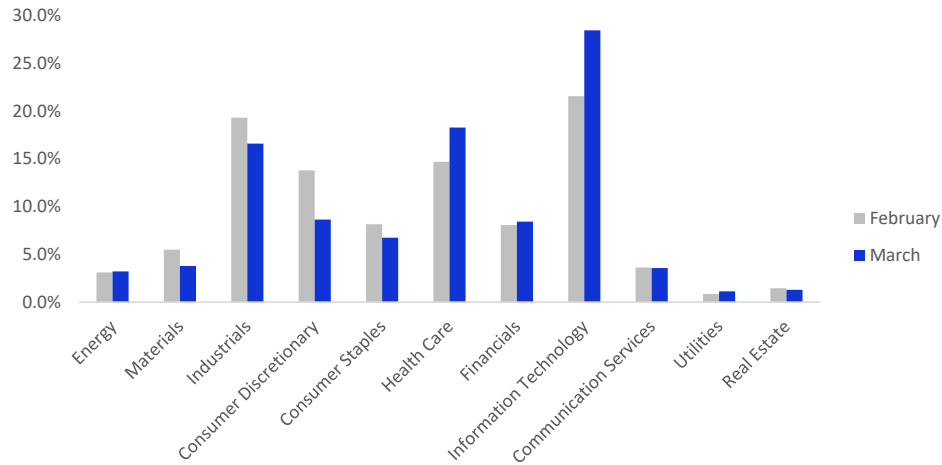
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## QRFT Rebalance Tables



Sector Exposure	March	February	Change
Energy	3.2%	3.1%	0.1%
Materials	3.8%	5.5%	-1.7%
Industrials	16.6%	19.3%	-2.7%
Consumer Discretionary	8.6%	13.8%	-5.2%
Consumer Staples	6.7%	8.2%	-1.4%
Health Care	18.3%	14.7%	3.6%
Financials	8.4%	8.1%	0.3%
Information Technology	28.4%	21.5%	6.9%
Communication Services	3.6%	3.6%	-0.1%
Utilities	1.1%	0.9%	0.3%
Real Estate	1.3%	1.4%	-0.2%

Source: Company Data; Data Available as of

3/2/2023

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## QRFT Rebalance Tables

March Top 10			February Top 10		
MSFT	MICROSOFT CORP	3.2%	AAPL	APPLE ORD	3.0%
AAPL	APPLE ORD	3.0%	MSFT	MICROSOFT ORD	2.4%
HUM	HUMANA INC	2.0%	LULU	LULULEMON ATHLETICA INC	2.0%
UNH	UNITEDHEALTH GROUP INC	1.9%	HUM	HUMANA INC	1.7%
COST	Costco Wholesale Corp	1.7%	UNH	UNITEDHEALTH GROUP INC	1.6%
BAH	BOOZ ALLEN HAMILTON	1.7%	COST	Costco Wholesale Corp	1.5%
LULU	LULULEMON ATHLETICA INC	1.4%	CTSH	COGNIZANT TECH SOLUTIONS	1.5%
GOOGL	ALPHABET INC-CL A	1.4%	GOOGL	ALPHABET INC-CL A	1.4%
EXPD	Expeditors Intl of WA Inc	1.3%	BAH	BOOZ ALLEN HAMILTON	1.4%
SPGI	S&P GLOBAL ORD	1.3%	CHRW	C H ROBINSON WORLDWIDE	1.3%

\* effective date:  
3/2/2023

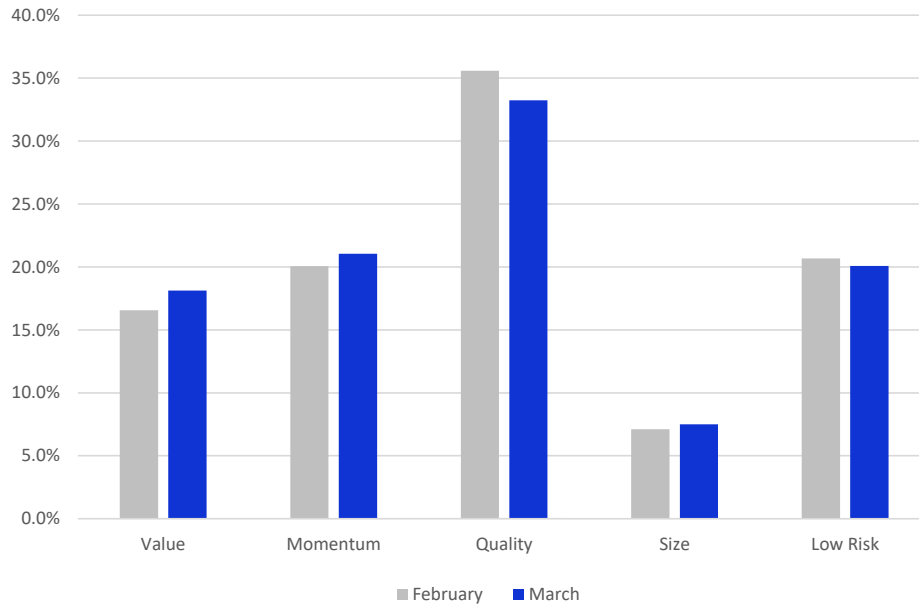
Significant Additions			Significant Removals		
EME	EMCOR GROUP INC	0.9%	WCC	WESCO INTL INC	0.9%
UI	UBIQUITI INC	0.9%	CACI	CACI INTL INC -CL A	0.8%
VEEV	VEEVA SYSTEMS INC	0.8%	PHM	PULTEGROUP INC	0.8%
DCI	DONALDSON CO INC	0.7%	MTZ	MASTEC INC	0.8%
MPWR	MONOLITHIC POWER SYSTEMS	0.6%	PWR	QUANTA SERVICES INC	0.8%

Source: Company Data as of  
3/2/2023

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## QRFT Factor Exposure Change



Factor Exposure	March	February	Change
Value	18.1%	16.6%	1.5%
Momentum	21.1%	20.1%	1.0%
Quality	33.2%	35.6%	-2.4%
Size	7.5%	7.1%	0.4%
Low Risk	20.1%	20.7%	-0.6%

Source: Company Data as of  
3/2/2023

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# AMOM

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

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## **Sector Summary**

- AMOM added to Industrials (+5.6% to 21.8% of the portfolio) and Health Care (+5.3% to 10.5% of the portfolio).
- Reduced allocation to Consumer Discretionary (-10.8% to 28.2% of the portfolio) and Materials (-2.5% to 5.0% of the portfolio).

## **Security Selection Update**

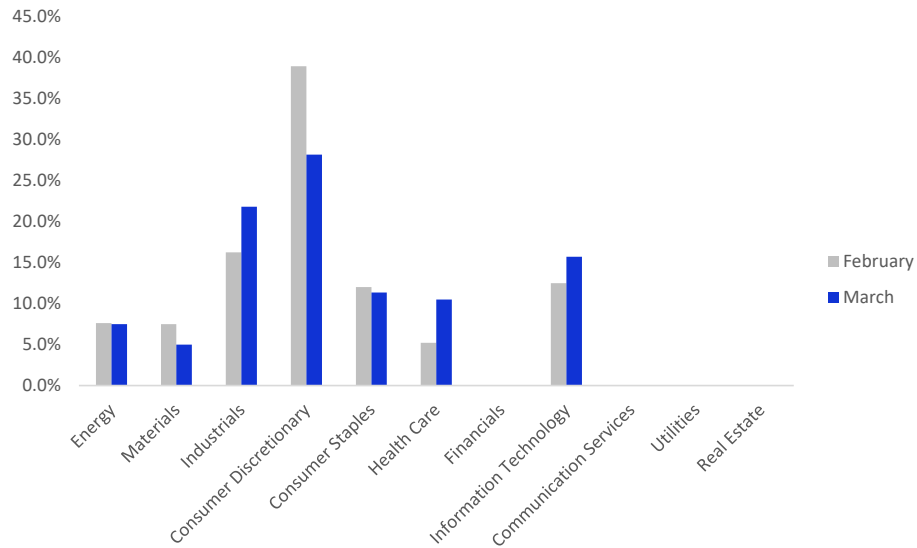
- Among new names added to the portfolio were The Home Depot (HD, 7.8% of the portfolio), Lowe's Cos (LOW, 3.7% of the portfolio), and Generon Pharmaceuticals (REGN, 2.8% of the portfolio).
- Among names removed from the portfolio were TJX Cos (TJX, previously 4.0% of the portfolio), AutoZone (AZO, previously 2.3% of the portfolio), and Sysco Corp (SYY, previously 2.2% of the portfolio).

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## AMOM Sector Change



Sector Exposure	March	February	Change
Energy	7.5%	7.6%	-0.1%
Materials	5.0%	7.5%	-2.5%
Industrials	21.8%	16.3%	5.6%
Consumer Discretionary	28.2%	39.0%	-10.8%
Consumer Staples	11.3%	12.0%	-0.7%
Health Care	10.5%	5.2%	5.3%
Financials	0.0%	0.0%	0.0%
Information Technology	15.7%	12.5%	3.2%
Communication Services	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	0.0%
Real Estate	0.0%	0.0%	0.0%

Source: Company Data as of  
3/2/2023

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## AMOM Rebalance Tables

March Top 10			February Top 10		
WMT	WALMART ORD	7.8%	WMT	WALMART ORD	7.8%
HD	HOME DEPOT ORD	7.8%	BKNG	BOOKING HOLDINGS ORD	4.8%
LOW	LOWE'S COS INC	3.7%	TJX	TJX COS INC (THE)	4.0%
BKNG	BOOKING HOLDINGS ORD	3.5%	MPWR	MONOLITHIC POWER SYSTEMS	3.2%
REGN	REGENERON PHARMA	2.8%	MPC	MARATHON PETROLEUM	2.9%
VRTX	VERTEX PHARMA	2.7%	LULU	LULULEMON ATHLETICA INC	2.8%
KLAC	KLA Corporation	2.4%	NUE	NUCOR CORP	2.8%
MPC	MARATHON PETROLEUM	2.4%	IDXX	IDEXX LABORATORIES	2.6%
MNST	MONSTER BEVERAGE CORP	2.2%	VLO	VALERO ENERGY CORP	2.6%
VLO	VALERO ENERGY CORP	2.2%	ENPH	ENPHASE ENERGY INC	2.6%

\* effective date:

3/2/2023

Significant Additions			Significant Removals		
HD	HOME DEPOT ORD	7.8%	TJX	TJX COS INC (THE)	4.0%
LOW	LOWE'S COS INC	3.7%	AZO	AUTOZONE INC	2.3%
REGN	REGENERON PHARMA	2.8%	SYU	SYSCO CORP	2.2%
VRTX	VERTEX PHARMA	2.7%	ULTA	ULTA BEAUTY INC	2.0%
KLAC	KLA Corporation	2.4%	WING	WINGSTOP INC	2.0%

Source: Company Data as of

3/2/2023

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# NVQ

Qraft AI-Enhanced U.S. Next Value ETF

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### **Sector Summary**

- NVQ added to Financials (+13.1% to 35.5% of the portfolio).
- Reduced allocation to Industrials (-3.2% to 8.7% of the portfolio), Information Technology (-2.9% to 5.8% of the portfolio), and Health Care (-2.9% to 17.0% of the portfolio).

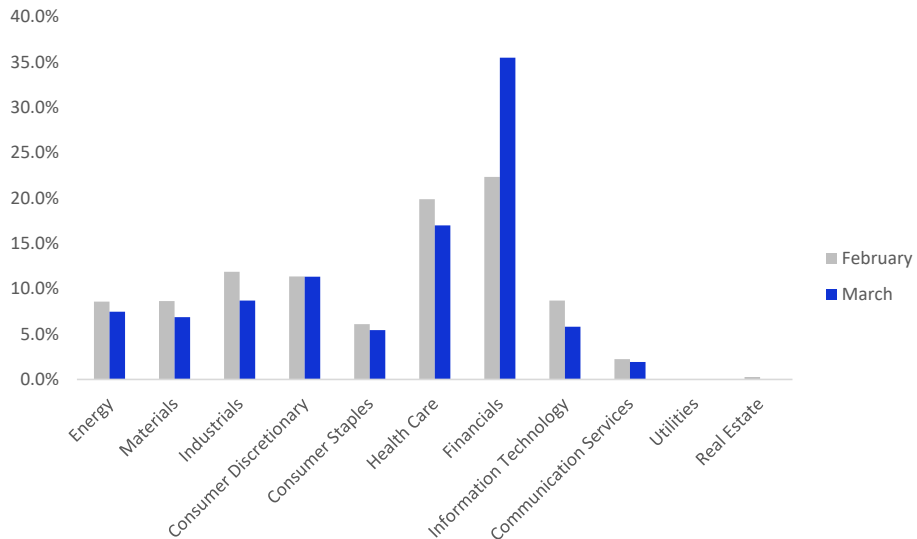
### **Security Selection Update**

- Among new names added to the portfolio were American International Group (AIG, 3.9% of the portfolio), Citizens Financial Group (CFG, 2.3% of the portfolio), and Regions Financial Group (RF, 2.1% of the portfolio).
- Among names removed from the portfolio were Vishay Intertechnology (VSH, previously 1.6% of the portfolio), Bio-Rad Laboratories (BIO, previously 1.2% of the portfolio), and MOOG Inc (MOG/A, previously 0.8% of the portfolio).

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## NVQ Sector Change



Sector Exposure	March	February	Change
Energy	7.5%	8.6%	-1.1%
Materials	6.9%	8.7%	-1.8%
Industrials	8.7%	11.9%	-3.2%
Consumer Discretionary	11.3%	11.4%	0.0%
Consumer Staples	5.5%	6.1%	-0.6%
Health Care	17.0%	19.9%	-2.9%
Financials	35.5%	22.3%	13.1%
Information Technology	5.8%	8.7%	-2.9%
Communication Services	1.9%	2.3%	-0.3%
Utilities	0.0%	0.0%	0.0%
Real Estate	0.0%	0.3%	-0.3%

Source: Company Data; Data Available as of

3/2/2023

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## NVQ Rebalance Tables

March Top 10			February Top 10		
CVS	CVS HEALTH ORD	7.8%	CVS	CVS HEALTH ORD	7.7%
CI	Cigna Group	6.5%	CI	Cigna Group	7.1%
MET	METLIFE INC	4.6%	MET	METLIFE INC	4.8%
AIG	AMERICAN INTERNATL GROUP	3.9%	PRU	PRUDENTIAL FINANCIAL INC	3.9%
PRU	PRUDENTIAL FINANCIAL INC	3.6%	MPC	MARATHON PETROLEUM	3.9%
MPC	MARATHON PETROLEUM CORP	3.5%	ET	ENERGY TRANSFER LP	2.9%
ET	ENERGY TRANSFER LP	2.8%	WBA	WALGREENS BOOTS ALLIANCE	2.7%
WBA	WALGREENS BOOTS ALLIANCE	2.5%	CNC	CENTENE CORP	2.6%
IVZ	INVESCO LTD	2.3%	ARW	ARROW ELECTRONICS INC	2.4%
CFG	CITIZENS FINANCIAL GROUP INC	2.3%	SNX	TD SYNEX CORPORATION	2.3%

\* effective date:  
3/2/2023

Significant Additions			Significant Removals		
AIG	AMERICAN INTERNATL GROUP	3.9%	VSH	VISHAY INTERTECHNOLOGY	1.6%
CFG	CITIZENS FINANCIAL GROUP INC	2.3%	BIO	BIO-RAD LABORATORIES INC	1.2%
RF	REGIONS FINANCIAL CORP	2.1%	MOG/A	MOOG INC-CLASS A	0.8%
L	LOEWS CORP	1.7%	FLS	FLOWSERVE CORP	0.8%
BPOP	POPULAR INC	0.9%	IOSP	INNOSPEC INC	0.5%

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3/2/2023

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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.

**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.

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