

DRAI

Draco Evolution AI ETF

Fund Description

DRAI is an actively managed, fund-of-funds, investing in diverse asset classes such as US equities, gold, bonds, and currencies. The portfolio may include inverse and leveraged exposure. The fund aims for capital appreciation using AI for short-term market predictions and a macroeconomic model for long-term outlooks to balance risk and return.

FactSet Analyst Report

DRAI aims for long-term capital appreciation by holding 10-20 ETF positions across a variety of asset classes including US equities, gold, fixed-income securities, and more. The fund uses an AI model trained on historical pricing data to predict short-term market trends and volatility, which influences 70% of its asset selections. This is complemented by a macroeconomic model analyzing data like unemployment insurance applications and interest rate spreads to inform long-term outlooks. Combined, they make up the funds proprietary AI system called the Draco Model. In bearish markets, DRAI leans towards US treasury bonds and inverse ETFs, in bullish markets, it favors US equities and leveraged ETFs. The fund continually rebalances based on daily market conditions and has mechanisms to provide downside protection but may experience increased volatility due to leveraged investments. The Funds sub-adviser has the discretion to override the AI model in extreme circumstances.

