

Press Release

Solactive and Qraft Technologies Join Forces for the First Time to Launch Groundbreaking AI-Driven Long Short Strategy Index

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FRANKFURT AM MAIN – Artificial Intelligence has permeated every aspect of our daily lives, and now it is reshaping the landscape of investment strategies. AI-powered indices, harnessing the extraordinary capabilities of AI in pattern recognition and prediction, are at the forefront of this revolution. In the lead of the trend, Solactive has teamed up with Qraft Technologies for the first time to introduce the Solactive Qraft AI-Generated US Equities Long Short Select Index SOLQUSLS, which combines a Quantitative-based Factor Model with an AI-based Strategy Factory model.

Relying upon macroeconomic indicators, price data, and technical signals, the **SOLQUSLS** index marks a significant step forward in the inclusion of AI in investment strategies. The index is a **first-of-its-kind** as an AI-driven long/short investment strategy. It utilizes AI prediction technology to analyze equity markets and generate investment recommendations in a fully automated process monitored closely by industry experts.

The index combines long and short exposures in securities selected from the Solactive US 1000 index. These selections are based on the projection of the price appreciation opportunities (long exposure) or price depreciation opportunities (short exposure) according to Qraft's Model. The **Solactive Qraft AI-Generated US Equities Long Short Select Index** also implements foreign exchange (FX) hedging and an adjustment factor.

Qraft's AI-based Strategy Factor model employs a transformer model with self-attention mechanism for time-series deep learning to forecast future stock performance. A wide range of meticulously curated datasets, including real-time macroeconomic factor and financial data, are used to train the AI model continuously.

Timo Pfeiffer, Chief Markets Officer at Solactive, commented: "Artificial intelligence has increasingly dominated discussions in recent years, making its integration into index strategies an inevitable next step. We are very pleased about this collaboration with Qraft and their pioneering AI forecasting models to deliver this innovative index approach to the market. Additionally, long-short strategies have gained popularity because they offer the potential for consistent returns and risk management in various market conditions. Developing an AI-powered index that tracks such a strategy can help us meet the growing demand from investors who are seeking alternative investment options, but in an innovative way."

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Francis Geeseok Oh, APAC CEO at Qraft Technologies, said: "Qraft Technologies was established with the vision of innovating the asset management industry with Artificial Intelligence. Today, we are very pleased to take an important step towards realizing that vision by partnering with Solactive and launching the Solactive Qraft AI-Generated US Equities Long Short Select Index. This groundbreaking hedge fund-like long-short index is designed to leverage the extraordinary capabilities of AI in pattern recognition and prediction to reshape investment strategies, without human intervention and emotions. We believe the Index will democratize access to alpha-generative strategies that were previously only available to a select few, and that our collaboration with Solactive will allow a broader audience to experience the transformative impact of AI."

For more information, please visit:

<http://www.solactive.com>

<https://graftec.com>

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Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt and, with offices in Hong Kong, Toronto, Berlin, Dresden, and Amsterdam, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 300 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 26,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at January 2023, Solactive served approximately 500 clients across the world, with approximately US\$300 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

About Qraft Technologies

Qraft is a fintech company aiming to drive growth in the asset management industry through its innovations in artificial intelligence (AI) and investing. Qraft offers a variety of AI-powered investment solutions, including a security selection engine, asset allocation engine, robo-advisory solution and an AI order-execution system.

From data processing to alpha research and portfolio execution, Qraft has an established track record in developing cutting-edge AI solutions that have been adopted by over 20 financial institutions worldwide. In 2022, Qraft received a US\$146 million investment from SoftBank Group, entering into a strategic partnership to accelerate AI in the asset management industry.

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