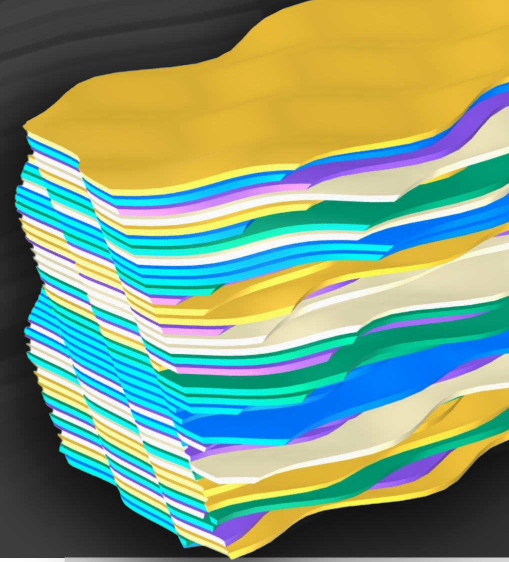
MCft
Indexing. Reinvented.

AICRRL

MCFT AI Bubble Crash Resilience

An equity-only "hedge basket" built to hold up or benefit when AI-hype unwinds: exchanges/clearing & market-makers, rates/credit e-trading, and precious-metals miners/royalties.



Why now

AI leadership is narrow and richly valued; an unwind typically brings **multiple compression, volatility surges**, and **flight-to-safety**. In those regimes, **derivatives venues and liquidity providers** monetize wider spreads and higher turnover, **rates/credit e-trading** volumes climb, and **gold-linked equities** can catch a bid as real yields/term-premia whipsaw. A rules-based basket that **leans into activity and safe-haven dynamics**, while screening for **lower market beta**, offers practical downside ballast without using derivatives.

What's in

Three sleeves:

1) Broker-Dealers & Capital Markets: listed exchanges/CCPs/options venues; market-makers/liquidity providers; agency/prop brokers with derivatives share.

2) Fintech & Digital Payments (Market Infrastructure tilt): rates/credit e-trading platforms, electronic venues, market-data/analytics pipes; payment/processing firms with transaction-volume elasticity (not pure lending).

3) Gold & Silver Mining / Royalty & Streaming: senior and intermediate producers, royalty/streaming companies; advanced developers that meet liquidity screens.

Why it's different

Not "just defensives." This is an **explicit anti-AI-correlation** equity basket: it **codifies low beta, targets vol-beneficiaries** (venues, market-makers, e-trading), and adds a **precious-metals sleeve** for risk-off regimes, **without derivatives or shorting**. Sector caps prevent over-concentration in Financials or IT, while keeping Materials (gold) as a purposeful hedge.

What's out

AI-centric semis/platform megacaps; data-center REITs; lenders/BNPL-heavy fintechs; illiquid junior miners; conglomerates with low sleeve purity; names with extreme momentum "hype" profiles if they fail the low-betascreen.

Simple rules

Investability: Europe + USA listings; full-mcap ≥ $200m; 3-month ADTV ≥ $3m; primary lines only; calculation & publication USD.

Sleeves: Broker-Dealers & Capital Markets, Fintech & Digital Payments, Gold & Silver Mining & Exploration.

Beta screen (defensive tilt): Within each sleeve, keep the bottom 50% (lowest 3-month trailing beta vs MSCI World (USD), daily returns).

Selection target: Aim for ~100 names total, subject to liquidity and caps.

Weighting: Market-cap weighted with single-name cap 5%. Enforce sector caps at the portfolio level: Financials ≤ 30%, Information Technology ≤ 40%, Materials ≤ 30%. (Re-scale weights proportionally if caps bind.)

Maintenance: Quarterly rebalance

Scenarios

Tends to work when

× AI-led drawdowns trigger vol spikes and turnover surges in options/futures and rates/credit e-trading
× Risk-off flows support gold/silver; royalty/streaming models cushion operating risk
× Liquidity stress widens spreads, market-making economics improve
× Multiple compression penalizes long-duration growth while lower-beta, activity-linked businesses hold value

May lag when

× Momentum growth rallies resume (falling real yields/QE); volatility recedes and trading activity normalizes
× Precious-metals prices fall on rising real yields / strong USD
× Narrow mega-cap AI outperformance dominates headline indices the basket deliberately underweights

Overview

Code **AICRRL**
Inception **2025/10/10**
Currency **USD**
Series **PR / GTR / NTR**
Rebalancing freq. **Quarterly**
Constituents **96**

Performance

Return YTD **+28.4%**
Return 1Y **+29.8%**
Return 5Y **+80.6%**

Volatility **17.6%**
Max drawdown **32.5%**
Beta **0.85**

Top 10

Apple (USA) **5.4%**
Agnico Eagle Mines Ltd (USA) **5.4%**
Intuit (USA) **5.4%**
Wheaton Precious Metals (USA) **5.4%**
Mastercard (USA) **5.4%**
Visa (USA) **5.4%**
Franco Nevada (USA) **5.2%**
Morgan Stanley(USA) **4.4%**
Goldman Sachs (USA) **4.3%**
Kinross Gold (USA) **3.7%**

Key exposures

Countries (Top 3)
USA **64.9%** - CAN **24.6%** - GBR **2.6%**

Sectors (Top 3)
Financials **35.1%** - Information Technology **33.6%** - Materials **31.3%**

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