



# CORE ALTERNATIVE

C A P I T A L

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December 2022 Commentary

*As of 01/04/23*

The Core Alternative ETF (NYSE: CCOR) returned -2.97% (NAV) / -2.81% (Market Price) in December. While modestly lower on the month, the fund capped off a challenging year solidly in positive territory (+2.98% based on NAV) delivering on its all-weather mandate. The strategy continues to show resilience across market environments with the ability to deliver a low correlation return stream with reduced volatility. Put option positioning was a material contributor to overall returns as tightening monetary policy maintained its grip on risk assets into 2023. Sector performance was largely persistent with CCOR's defensive holdings in utilities, staples, and healthcare outperforming in December. Detractors included information technology and the more credit sensitive stocks within financials.

Economic data early in the month, including elevated Personal Consumption Expenditures (PCE) figures and strong payrolls numbers, sent a signal to market participants the Federal Reserve will need to do more to slow the economy and ultimately bring inflation back to normalized levels. Fed Chair Powell reiterated this message at his press conference mid-month taking equity markets another leg lower. As the central bank remains hawkish, a negative trajectory in economic data has taken hold, liquidity is declining, and forward corporate earnings estimates have moderated further. Markets have undoubtedly priced a portion of these changes to the macro environment. Sentiment remains bearish and cash positions elevated among equity investors – a short-term technical bounce may be due given positioning. Yet, the themes dominating headlines in the past twelve months are set to loom over markets to start the year. Our view is that risk assets will be challenged, and value stocks are likely to continue to outperform on a relative basis in a higher real interest rate world.

To view the fund's standardized returns and holdings, click here: <https://www.corealtfunds.com/fund>

Reach out to our team to find out more at [sales@corealt.com](mailto:sales@corealt.com)

**Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 800-617-0004 (ETF INFO). Performance figures are net of all fund expenses.**



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Important Disclosures:

*To determine if this Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, charges and expense before investing. This and other information can be found in the Fund's full or summary prospectus which may be obtained by calling 800-617-0004 (ETF INFO) or visiting our website at [www.corealtfunds.com](http://www.corealtfunds.com). Read the prospectus carefully before investing or sending money.*

**Investments involve risk. Principal loss is possible.** There is no guarantee that the Fund will achieve its investment goal. All risks associated with this fund should be carefully considered before any investment decisions are made. In addition to the normal risks associated with investing, the Fund also includes the following risks specific to the particular investment strategy the fund employs: Derivatives Risk, Dividend Paying Security Risk, Equity Investing Risk, ETF Risks, Hedging Risk, Large Capitalization Companies Risk, Management Risk, Market Events Risk, Models and Data Risk, Options Risk, Sector Concentration Risk. For the list of applicable risks, and their descriptions, please refer to the fund's Prospectus found at [corealtfunds.com](http://corealtfunds.com).

Opinions expressed are subject to change at any time, are not guaranteed, and should not be considered investment advice.

The Core Alternative ETF is distributed by Quasar Distributors, LLC.

Indexes are unmanaged and one cannot invest directly in an index.

Diversification may not protect against market loss.

Total annual fund operating expenses 1.07%.

Index and market data provided by Bloomberg, LP

Definitions

**Put option:** A derivative contract provides the purchaser with the right, but not the obligation, to sell the underlying security or index at a predetermined price within a specified time period.