



February 2022 Commentary
As of 3/2/2022

The Core Alternative ETF (NYSE: CCOR) returned -1.62% (NAV) / -0.86% (Price) in February. The month can largely be defined as a market driven by headline risk. Significant and frequent intraday swings in equity markets became the norm as volatility steadily ticked higher. The declines have been concentrated in growth stocks that outperformed post-pandemic. Year to date, the underperformance of the S&P 500 Growth Index relative to the Value Index is the largest since the onset of the dot-com crash. In the front half of the month, investors were left digesting still higher inflation prints, weakening consumer expectations, yet robust retail sales data. The translation to wagers on Fed policy suggested a 50 basis point increase in the key policy rate was all but assured. In the latter half of the month, the Russian invasion of Ukraine supplanted monetary policy concerns and reduced hawkish bets. The conflict is driving up commodity prices and instilling considerable uncertainty across markets amid sanction announcements. Oil prices have risen ~30% YTD through February, and are 10% higher in the first few days of March. According to the energy component of Personal Consumption Expenditure data, a \$0.01 increase in gas prices equates to approximately a \$1 billion increase in costs to American consumers. The impacts of recent commodity spikes will take time to transition into the real economy.

The CCOR ETF was modestly lower on the month as the stock allocation drove outperformance, while the option positioning dampened volatility. Military defense stocks, healthcare, and energy served as primary contributors, while holdings in technology and consumer discretionary sectors detracted. As a core part of the fund strategy, provided the overall declines experienced across equity markets, we used the opportunity to reinvest a portion of the cash held on the sidelines across the portfolio and in individual names. The fund further pared energy exposure while maintaining an outsized allocation to the sector.

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

Reach out to our team to find out more at 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.



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.corealtnfunds.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 corealtnfunds.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.

The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 9.9 trillion indexed or benchmarked to the index, with indexed assets comprising approximately USD 3.4 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

The S&P 500 Growth Index is a stock index administered by Standard & Poor's-Dow Jones Indices. As its name suggests, the purpose of the index is to serve as a proxy for growth companies included in the S&P 500. The index identifies growth stocks using three factors: sales growth, the ratio of earnings change to price, and momentum.

The S&P 500 Value Index refers to a score-weighted index developed by Standard and Poor's (S&P). The index uses what it calls a "style-attractiveness-weighting scheme" and only consists of stocks within the S&P 500 Index that exhibit strong value characteristics.

The key rate is the specific interest rate that determines bank lending rates and the cost of credit for borrowers. The two key interest rates in the U.S. are the discount rate and the federal funds rate. These are rates that are set, either directly or indirectly, by the Federal Reserve, in order to influence lending and the supply of money and credit in the economy.

One basis point is equal to 0.01%; eg 100 basis points is equal to 1.00%

Index and market data provided by Bloomberg, LP