



# CORE ALTERNATIVE

C A P I T A L

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January 2022 Commentary  
As of 2/2/2022

The Core Alternative ETF (NYSE: CCOR) returned 0.58% (NAV) / 0.29% (Price) in January. The defensive posturing seen among equity sectors to close out the year portended considerable volatility in early 2022. The S&P 500 entered correction territory intraday late in the month before rebounding more than 4% in the final two trading sessions. High duration cash flow companies (i.e. low profitability, higher growth prospect) experienced substantial selling pressure as real interest rates across the curve moved higher. CPI data revealed prices jumped 7% YoY in December with current forecasts for that figure to reach 7.3% in the month of January. The FOMC press conference affirmed what was already being priced into markets - the central bank will need to act more aggressively in 2022. Chair Powell pointed to tight labor markets and suggested his own projections for core inflation have ticked higher. Although the Fed took a decidedly hawkish tilt, the path of monetary policy actions specifically regarding the pace and size of rate hikes or plans for the balance sheet remain stubbornly vague. We anticipate the lack of clarity will lead to a prolonged period of heightened volatility in the next several months.

The CCOR ETF was higher on the month on the back of gains from the option positioning and a bias toward value stocks. An overweight allocation to the energy sector proved the strongest outperformer. Oil gained more than 15% on the month amid tight supply, reopening economies, and growing geopolitical conflicts. Select names within financials further added to portfolio returns after reporting strong earnings and positive outlooks into the first half of 2022. Notable detractors were holdings with elevated multiples, where the fund still has conviction for the long-term. Gains on the put options were then reinvested into long equity positions late in the month.

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.corealtnfunds.com](http://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](http://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 Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

VIX Volatility Index - The VIX Index is a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index (SPXSM) call and put options. On a global basis, it is one of the most recognized measures of volatility -- widely reported by financial media and closely followed by a variety of market participants as a daily market indicator.

Alpha: Alpha is a term used in investing to describe an investment strategy's ability to beat the market, or its "edge." Alpha is thus also often referred to as "excess return" or "abnormal rate of return," which refers to the idea that markets are efficient, and so there is no way to systematically earn returns that exceed the broad market as a whole.

Beta: Beta is a measure of systemic risk of a security, with respect to the risk free rate.

Index and market data provided by Bloomberg, LP