



CORE ALTERNATIVE
C A P I T A L

January 2023 Commentary

As of 02/03/23

The Core Alternative ETF (NYSE: CCOR) returned -1.68% (NAV) / -2.50% (Market Price) in January. Given the sizable reversal in S&P 500 sector performance, the fund faced challenges with Healthcare and Staples underperforming Technology and Discretionary. The put options detracted from returns on a rare month when there were few opportunities to monetize the contracts. CCOR seeks to participate in balanced bull markets. The managers believe value stocks will still likely outperform over the cyclical horizon.

A combination of softer inflation data and technical flows sent equity markets rebounding strongly on the month. Based on Bloomberg's long/short (top and bottom quintile) equity factors, the high beta equity factor returned +17.1%, while value returned -1.8% and the firms which revised guidance *higher* substantially *underperformed* peers lowering guidance. Year-to-date (through Feb 2nd) the Goldman Sachs Non-Profitable Tech Index is 34.5% higher. Feverish market sentiment and the demographics of the leaders in the rally suggest a cautious approach moving forward. Core Alternative's expectations are for the Federal Reserve to maintain its tightening course and low, but moderate economic growth this year. Corporate earnings will likely be challenged as historically high margins are set to contract and companies face a consumer unable to sustain incremental price increases. We believe the focus should remain on stocks with strong balance sheets, healthy coverage ratios, and ability to take market share.

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

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. 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.

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.

Beta: The beta (β) of an investment security (i.e., a stock) is a measurement of its volatility of returns relative to the entire market. It is used as a measure of risk and is an integral part of the Capital Asset Pricing Model (CAPM). A company with a higher beta has greater risk and also greater expected returns.

Goldman Sachs Non Profitable Tech Index: The GS Non-Profitable Tech Basket consists of non-profitable US listed companies in innovative industries. Technology is defined quite broadly to include new economy companies across GICS industry groupings. The basket is optimized for liquidity every rebalance so no name exceeds 10% of ADV for \$300m.