



CORE ALTERNATIVE

C A P I T A L

July 2023 Commentary

As of 8/9/2023

The Core Alternative ETF (NYSE: CCOR) declined -0.39% (NAV) / -0.43% (Market Price) in July, while the S&P 500 gained +3.21% and the Nasdaq added +4.08%. That said, since the beginning of June the fund has returned +2.51% (NAV) through August 8th, compared to the S&P 500 which has gained +6.83% and the Nasdaq which has added +6.07% over that same period.

As outlined in previous notes, the first half of the year presented some extremes in terms of equity markets being led by a small handful of names which drove cap weighted indexes higher and implied volatility lower. Though since early June we have begun to see broadening market participation, with the percentage of S&P 500 stocks trending, or trading above their long-term moving averages, rising from about 40% to over 75% by late July.

Other measures of market breadth continued to expand in July with all eleven sectors of the S&P 500 Index posting gains for the month, and the relative performance of investment styles flipping the dynamics which had reigned for most of the first half of the year.

	1/5 – 6/1	6/1 – 8/8
S&P Growth	+17.79%	+5.80%
S&P Value	+5.10%	+8.07%

Company fundamentals have also moved back to the forefront with earnings season revealing the gradual implications of the AI revolution and higher costs of capital. On average corporate earnings have topped expectations yet remain lower relative to last year's levels, which seems to be weighing on investors and the prevailing lofty valuations across certain areas of the markets.

Energy and Financials have rallied on the back of higher oil prices and strong earnings from the largest U.S. banks. Higher interest rates have more than compensated for what is still weak capital markets activity and while credit delinquency rates rose, they remain in line with pre-pandemic trends. A cautious outlook is still warranted from a macro perspective as data from the Federal Reserve Senior Loan Officer Survey suggested lending will continue to tighten into the back half of the year, and economic growth is broadly perceived to be slowing.

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



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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.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:

S&P 500 Index: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

S&P 500 Growth Index: The S&P 500 Growth is a subset of the broad S&P 500. Growth stocks are measured using three factors: sales growth, the ratio of earnings change to price, and momentum. Growth stocks are perceived to have higher sales growth, lower earnings to price, and higher momentum, as compared to Value stocks. S&P Style Indices divide the complete market capitalization of each parent index into growth and value segments with constituents drawn from the S&P 500.

S&P 500 Value Index: The S&P 500 Value is a subset of the broad S&P 500. Value stocks are measured using three factors: sales growth, the ratio of earnings change to price, and momentum. Value stocks are perceived to have lower sales growth, higher earnings to price, and lower momentum, as compared to Growth stocks. The S&P Style Indices divide the complete market capitalization of each parent index into growth and value segments with constituents drawn from the S&P 500.

Senior Loan Officer Survey: Survey of up to eighty large domestic banks and twenty-four U.S. branches and agencies of foreign banks. The Federal Reserve generally conducts the survey quarterly, timing it so that results are available for the January/February, April/May, August, and October/November meetings of the Federal Open Market Committee. Questions cover changes in the standards and terms of the banks' lending and the state of business and household demand for loans.