



CORE ALTERNATIVE
C A P I T A L

May 2023 Commentary

As of 06/12/23

The Core Alternative ETF (NYSE: CCOR) returned -5.60% (NAV) / -5.95% (Market Price) in May. The market trends exhibited year-to-date through April became increasingly pronounced during the month of May with breadth remaining narrow, and a subset of thematic tech stocks commanding headlines. The CCOR ETF utilizes an equal-weight bias in the long equity holdings, which will face headwinds amid outlier return events such as the past month. Eight of eleven S&P 500 sectors were lower. The options portfolio detracted from returns as index levels remain supported by a handful of securities with outsized weightings all housed in the remaining three positive sectors.

Sentiment and technical factors emerged as core drivers of asset flows relative to company fundamentals. The Nasdaq 100 Index outpaced the S&P 500 Equal Weight Index by more than 10% in May, while essentially all gains in the former Index can be attributed to expansion in valuation multiples. To provide context of the recent divergence, the 3-month rolling return differential between the indexes was the largest since the dotcom bubble. In concert, momentum and growth were top performing risk factors in equity markets while value substantially underperformed.

The unabated growth in a narrow number of stocks amid moderating economic data and rising interest rates promotes the possibility for a meaningful pullback in these securities in the second half of 2023. Core Alternative, while owning several of the stocks which have recently shown leadership, does not believe this is a time to add to these positions or chase a market we believe appears stretched from a valuation standpoint.

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:

Nasdaq 100 Index: The NASDAQ-100 Index is a modified capitalization-weighted index of the 100 largest and most active non-financial domestic and international issues listed on the NASDAQ.

S&P 500 Equal Weight Index: The S&P 500® Equal Weight Index (EWI) is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

Risk factors: Factor-based equity analysis generally relies on the performance of long-short portfolios comprised of stocks sorted on various fundamental and technical metrics including value, growth, size, momentum, and various others.