



# CORE ALTERNATIVE

C A P I T A L

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November 2022 Commentary

*As of 12/02/22*

The Core Alternative ETF (NYSE: CCOR) returned +3.25% (NAV) / +2.75% (Market Price) in November. The fund's equity holdings were a strong contributor to total returns driven by sector and security selection. Cyclical sectors including Materials, Industrials, and Financials were among the top performing sectors in the S&P 500, while the fund maintains outsized exposure to each. The options positioning detracted from returns as a steadily rising market since the early days of the month offered few opportunities to take profits on the puts. All 11 sectors were higher in November with Energy lagging on the recent fall in oil prices. One of the largest underweight positions in the broader market remains Information Technology – a position echoed in CCOR albeit with multiples rapidly expanding from recent lows. Business customers had largely showed resilience in technology budgets through Q3, yet recent earnings reports in the sector suggest enterprise spending in both software and hardware have tamed.

The equity market posted strong returns on the month amid broadly weaker economic data as inflation reports were softer than anticipated. While the S&P 500 Index gained more than 5% in November, the entirety of returns can be attributed to two trading days: 1) the November 10<sup>th</sup> CPI report and 2) dovish commentary from Fed Chairman Powell on the final session of the month. The large swings underscore the lack of liquidity in markets and eagerness to put large outstanding cash balances to work on any signs of reprieve. Rapidly declining inflation is welcome news for equity valuations that have been challenged by an aggressive Fed policy. Although it has been accompanied by broad economic indicators pointing to a slowdown giving rise to the need to remain cautious on valuations. The recent bounce in equities may prove a short-lived relief rally on a moderated monetary policy outlook. Margin pressure (still elevated relative to historical levels) and a softer forward earnings outlook will continue to be a headwind to sustaining higher prices from current levels.

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.corealtfunds.com](http://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](http://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:

The Bloomberg US Aggregate 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 pass-throughs), ABS and CMBS (agency and non-agency).