



# CORE ALTERNATIVE

C A P I T A L

---

October 2022 Commentary

*As of 11/08/22*

The Core Alternative ETF (NYSE: CCOR) returned +5.82% (NAV) / +6.68% (Market Price) in October. The fund participated in strong equity market returns on the month with value stocks substantially outperforming their growth counterparts. Outsized exposure to the Energy, Financials, and Industrial sectors was a material contributor to total returns as the three led the S&P 500 higher. The rally, coming off the lows of the year at the end of September, was primarily driven by better-than-expected earnings out of the cyclical sectors. Despite a 25% gain in October and near 70% gain on the year, the Energy sector is still trading materially cheap to the broader market based on numerous metrics. The option strategy detracted from total returns with markets rising and puts generally expiring out of the money. A significant drop in volatility late in the month offered cheaper premiums and the ability to extend option expiration dates.

Momentum continues to be the dominant factor across equity indexes notably leading the S&P 500 by a significant margin in October. Recent data points to an economy experiencing moderating growth and easing price pressures giving markets an additional tailwind on the prospect the Fed may slow the pace of monetary tightening. Nonetheless, a tight labor market and broad-based inflation plateauing at high levels suggests any *reversal* in Fed policy is unlikely on the near-term horizon. The ratio of job openings to unemployment remains well above pre-pandemic levels and the sectors of the economy in high demand for workers stretches across leisure, healthcare, logistics, etc. The backdrop of rapidly declining liquidity (particularly in rates markets), conflicting economic data, and the strength of momentum, collectively indicate volatile equity markets should continue into year end and early 2023.

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.**



**CORE ALTERNATIVE**  
C A P I T A L

---

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).