



September 2021 Commentary
As of 10/7/2021

The Core Alternative ETF (NYSE: CCOR) returned -1.57% (NAV) / -1.73% (Price) in September. Both equity and fixed income markets embraced a cautionary tone on the month as broad indices sold off (S&P 500 -4.65%, Barclays US Aggregate Bond -0.87%) and yields moved higher. All major S&P 500 sectors were lower on the month, apart from energy, which outpaced the worst performing sector by over 15% in September. Investors are beginning to digest the margin effects stemming from higher oil/natural gas prices and supply chain disruptions that have persisted longer than anticipated. The dispersion highlights the movement under the surface and within indices going into the fall.

The CCOR ETF was lower on the month, but the portfolio hedging strategy along with a value tilt in the equity portfolio added considerable alpha (as compared to the S&P 500). The dynamic put positioning of the portfolio allowed it to profit from the volatility, despite a less than 5% net pullback in the broad index on the month. The ETF's outsized allocation to both energy and financial shares was favorable given the 10% rally in oil and a steeper, higher yield curve. The recent bouts of higher volatility (VIX above 20 for much of September) may become more common in the remainder of 2021 as the US Federal Reserve Board is expected to begin tapering asset purchases, debates over the debt ceiling and infrastructure spending continue, and the economy awaits more data on the sustainability of higher inflation.

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



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.corealtnfunds.com. Read the prospectus carefully before investing or sending money.

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.

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 corealtnfunds.com.

Opinions expressed are subject to change at any time, are not guaranteed, and should not be considered investment advice.

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Indexes are unmanaged and one cannot invest directly in an index.

Diversification may not protect against market loss.

The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 9.9 trillion indexed or benchmarked to the index, with indexed assets comprising approximately USD 3.4 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

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

VIX Volatility Index - The VIX Index is a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index (SPXSM) call and put options. On a global basis, it is one of the most recognized measures of volatility -- widely reported by financial media and closely followed by a variety of market participants as a daily market indicator.

Alpha: Alpha is a term used in investing to describe an investment strategy's ability to beat the market, or its "edge." Alpha is thus also often referred to as "excess return" or "abnormal rate of return," which refers to the idea that markets are efficient, and so there is no way to systematically earn returns that exceed the broad market as a whole.