



September 2022 Commentary
As of 10/13/22

The Core Alternative ETF (NYSE: CCOR) returned -4.38% (NAV) / -4.77% (Market Price) in September. Higher benchmark interest rates spurred by upside surprises to inflation data and hawkish U.S. Federal Reserve (Fed) rhetoric set the stage for a challenging backdrop across asset classes (for the month the S&P 500 declined -9.22% while the US Agg Bond Index lost -4.32%). Despite the rapid, material pullback in equity markets, implied volatility remained relatively subdued, minimizing what would have been expected to be an even larger contribution from the fund options positioning. Interest rate sensitive sectors such as Real Estate were among the worst performing on the month alongside those with greater exposure to growth/high beta factors such as Technology and Communications. CCOR's underweight allocations to those sectors materially contributed, as they led the S&P 500 Index lower. Exposure to select defensive names in the healthcare sector contributed to CCOR returns while certain Technology, Industrial and Financial holdings detracted amid speculation of further economic slowdown. Over the last year, encompassing the duration of the current "bearish environment", the CCOR fund has gained +1.68% (NAV), while the S&P 500 and US Agg Bond Index have declined -15.50% and -14.60%, respectively.

The month of September was characterized by several factors working in concert against U.S. equity valuations driving markets to year-to-date and multi-year lows. To this point in 2022 declines have been entirely attributed to multiple compression, while Q3 marked the first quarter since the pandemic that a reduction in forward earnings expectations by sell-side analysts weighed on performance. The strength of the U.S. dollar intensified while points on the Treasury curve reached the highest yields since the global financial crisis and rate volatility spiked. Small and mid-capitalization stocks are trading at the lower end of long-term valuations, while large cap equities remain relative outperformers receding to levels approximately in line with their long-term averages.

The outlook remains one of caution with central banks globally fighting to tame inflation, intensifying geopolitical conflicts, and financial market volatility remaining elevated for the time being.

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. Total annual fund operating expenses 1.07%



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

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

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

Market Price: The current price at which shares are bought and sold. Market returns are based upon the last trade price

NAV: The dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day

The S&P 500® Index (SPX) 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 US Aggregate Index (US Agg Bond Index or Agg) 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)