



CORE ALTERNATIVE
C A P I T A L

June 2022 Commentary
As of 7/6/2022

The Core Alternative ETF (NYSE: CCOR) returned 0.29% (NAV) / 0.86% (Price) in June. The put option hedge added substantial value to total returns on the month, while CCOR was still able to participate in the upside seen in equity markets in the latter half of June. Similar to prior months, cash proceeds from the options were reinvested into the equity portfolio at lower valuations. We continue to see opportunity in value names that have sold off on heightened concern around a slowing economy. The fund capitalized on the volatility experienced in the first half of the year ending June 38 basis points (bps) lower year-to-date (NAV). The S&P 500 and Bloomberg Aggregate declined -20.0% and -10.4%, respectively.

The close of the first half of the year was characterized by another month of large swings across markets, albeit as volatility subsided materially into the final week of the quarter. Equity and bond markets may have found temporary support near bear market territory (S&P 500) ahead of earnings announcements in mid-July. The equity index put/call ratio fell to its lowest level in a year and the CBOE VIX Index (volatility of volatility) reached levels not seen since late 2019.

The outlook remains murky with conflicting signals across markets and key economic data. Materially lower commodities prices (supply chain concerns and demand both easing) suggest lower consumer prices ahead, yet the Fed has minimal room to slow its tightening policy as both core and headline inflation figures remain high. Expectations for a lower peak fed funds rate have begun to appear in lower Treasury rates across the curve. Ultimately, the prospects, length, and severity of a potential economic downturn remain highly uncertain. However, what is well-known is equity valuations remain modestly elevated relative to long-term averages and analyst earnings expectations remain lofty. Entering Q2 earnings, operating margins are sitting near all-time highs while a strong dollar is already leading some companies to caution market participants.

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.



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



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Definitions:

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).

Put option: A derivative option contract giving the owner the right to sell a certain amount of the underlying security at a specified price within a specified time.

Basis Point: A basis point is equal to 1/100 of one percent

Put / call ratio: The put-call ratio is a measurement that is widely used by investors to gauge the overall mood of a market. A "put" or put option is a right to sell an asset at a predetermined price. A "call" or call option is a right to buy an asset at a predetermined price. If traders are buying more puts than calls, it signals a rise in bearish sentiment. If they are buying more calls than puts, it suggests that they see a bull market ahead.

CBOE 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.