



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

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March 2023 Commentary

*As of 04/05/23*

The Core Alternative ETF (NYSE: CCOR) returned -0.37% (NAV) / -0.35% (Market Price) in March. CCOR equity holdings were a modest contributor to total returns on the month as market outperformance continues to be led by a narrow range of stocks with outsized weightings in the index. The option strategy detracted from performance with volatility falling on regulatory intervention in regional banks. While growth far outperformed most other factors in March, signs of caution did appear following the concentrated year-to-date gains. Top sector performers were led by large capitalization technology, yet were closely followed by stocks in three of the most defensive sectors including healthcare, utilities, and consumer staples. These three sectors were leading the index in December 2021, prior to the sell off beginning in early 2022.

Weaker than expected economic data was overshadowed by the banking crisis fallout and steps toward a resolution. A rapid decline in short-end rates suggests market participants anticipate the events to lead to a more cautious monetary policy stance. Duration sensitive stocks, namely in the Nasdaq 100 Index, rallied in response to lower discount rates on the horizon, while price-to-earnings ratios in many of these securities are now approaching levels last seen in late 2021/early 2022. Core Alternative sees three main takeaways from the recent regional bank stress. **1)** The repercussions are still playing out and the prospect of additional bank failures or mergers is not off the table. Borrowing from the discount window and the new Fed lending facility remain at historical levels. **2)** Credit availability, which was already tightening prior to recent events, will contract further with ensuing economic impacts not likely to be felt until the second half of 2023. **3)** Valuations in private markets (namely equity) could see expedited negative impacts as early-stage firms may be forced to resort to raising additional equity in the absence of credit availability.

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.corealtnfunds.com](http://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](http://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

Definitions

**Price-to-earnings multiple:** Is the ratio of a company's market capitalization to annual earnings. The measure is often used to determine relative stock valuations.

**Nasdaq 100 Index:** The NASDAQ-100 Index is a modified capitalization-weighted index of the 100 largest and most active non-financial domestic and international issues listed on the NASDAQ. No security can have more than a 24% weighting. The index was developed with a base value of 125 as of February 1, 1985. Prior to December 21, 1998 the Nasdaq 100 was a cap-weighted index.

**Duration:** Refers to the timing of expected cash flows with the present value of an investment impacted by the cost of capital used in discounting.