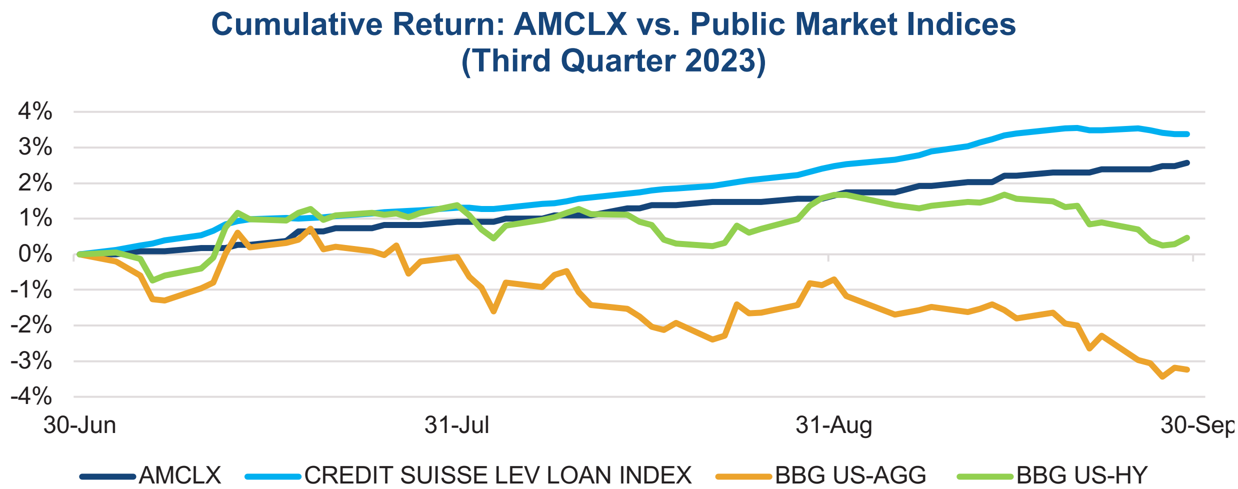
ALTERNATIVE FUND ADVISORS

Portfolio Review
Third Quarter 2023

AFA Private Credit Fund

Returns
The institutional share class of the AFA Private Credit Fund ("Fund") returned 2.61% for the third quarter—outperforming the Bloomberg High Yield Corporate Index (0.46%) and Bloomberg US Aggregate Index (-3.23%), while falling behind the Credit Suisse Leveraged Loan Index (3.37%). While the quarter was marked by relatively steady credit spreads, a rise in Treasury yields provided a headwind for the fixed-rate bond market.



The performance data quoted represents past performance and is no guarantee of future results. 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. This chart does not imply future performance. Performance since inception is available below. Performance for the most recent month-end can be obtained by calling 800-452-6804. Total returns include reinvestment of distributions (dividends and capital gains) and are net of the Fund's net expense.

Performance Attribution by Sector

Diversified Asset-Based Lending Sector
The Fund's Diversified Asset-Based Lending sector continued to provide strong and steady returns, adding 1.44% to quarterly performance. All eight strategies in the sector contributed positively during the quarter.

We added one new strategy and increased existing exposure to another strategy during the quarter. The new strategy focuses on providing credit facilities and other financing solutions to smaller specialty finance companies across real estate development, consumer lending, and small business lending. We are in advanced due diligence to include additional strategies in this sector during the remainder of this year.

Real Estate Asset-Based Lending Sector

The Real Estate Asset-Based Lending sector contributed 0.52%. All three strategies in this sector generated positive results for the quarter.

While higher rates have provided a headwind for many real estate investors, the Fund continues to exhibit strong performance from its real estate credit holdings. We have decreased this allocation over the last few quarters and focused on strategies with low loan-to-value ratios and opportunistic orientations. We stand ready to provide capital into inefficient pockets of the real estate credit market, which have grown as banks retrench. However, given our negative view on the macro backdrop, we intend to be highly selective with our overall investments in this sector.

Specialty Finance

The Specialty Finance sector contributed 0.70% to Fund performance for the quarter. Both strategies in this sector generated positive returns.

During the quarter, we added a new co-investment with one of our partner managers. Given the difficult lending market, many borrowers struggle to access capital from traditional regional banks. Our partner structured a loan to a real estate development company, backed exclusively by their cash bank deposits. This loan to the borrower helped them deepen relationships with their banks to enable additional credit on existing and new deals.

Opportunistic Sector

The contribution of the Opportunistic sector was flat during the quarter.

The Fund's allocation to this sector is less than 1%, as our only holding in this area has returned nearly all capital. We remain surprised at how tight credit spreads remain in public markets, which has kept attractive investment opportunities in this sector to a minimum.

Investment Highlight—Rivonia Road Fund LP

Each quarter, we highlight one investment within the portfolio to provide an inside look into how these lending platforms seek to generate attractive returns.

In the second quarter of 2023, the Fund initiated an investment in Rivonia Road Fund LP ("Rivonia Road").[1] The firm's founders had independently managed their own specialty finance lending platforms before starting Rivonia Road. They established the firm based on the premise

[1] As of September 30, 2023, the Rivonia Road Fund LP represented 9.8% of Fund holdings. Holdings are subject to change and not representative of a recommendation to buy or sell a security.

that there was a dearth of capital supporting specialty finance companies as they scaled their lending businesses, and that Rivonia Road could provide the capital to fill that void.

Rivonia Road makes senior secured loans backed by pools of specialty finance loans. They have a particular focus on smaller, growing platforms that have unique needs often overlooked by larger lenders. These investments generally come at attractive rates, with conservative loan-to-value ratios to compensate the lender. The operating background of the founders gives them a unique ability to perform diligence on the capabilities of a platform, including assessing internal data systems, the servicing capabilities of the borrower, and management team competency.

Rivonia Road sources the vast majority of its investments through proprietary channels, primarily through relationships with operators and management teams. They have credibility with these borrowers because they once sat in their position. This experience also allows them to step in and provide guidance should the business struggle, and ultimately to assert their rights to the loan collateral and recover loan proceeds if necessary.

Concluding Thoughts

Much has been written about the immaculate disinflation that has occurred over the prior few quarters, with seemingly little effect on the economy. We remain skeptical that a soft landing is in the cards, especially given the Federal Reserve's plan to keep rates at these levels for an extended period. We are less focused on whether the Fed executes another hike, but rather on how long they intend to maintain rates at or above 5%. Businesses with floating-rate debt will remain highly vulnerable under this stress. More importantly, businesses with fixed-rate debt will eventually need to roll into considerably higher debt costs. Given this backdrop, we continue to focus on strategies and holdings with strong collateral, tight covenants, and the ability to weather an economic downturn.

We thank you for your continued investment and interest.

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Performance: AFA Private Credit Fund (AMCLX) as of 9/30/2023

	YTD	1 Year	Annualized Since Inception*	Cumulative Since Inception*
AMCLX	6.32%	8.21%	5.08%	11.80%

The performance data quoted represents past performance and is no guarantee of future results. 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. Total returns include reinvestment of distributions (dividends and capital gains) and are net of the Fund's net expense. * Fund inception date: June 30,2021. *The Fund's gross expense ratio is 6.86% for Institutional Share Class.*

Disclosures

Investors should carefully consider the Fund's investment objectives, risks, charges, and expenses before investing. This information is included in the Fund Prospectus and can be accessed by calling 800-452-6804 or by email at info@alternativefundadvisors.com. Read the prospectus carefully before you invest.

An investment in the Fund involves a high degree of risk. An investment in the Fund should be viewed only as part of an overall investment program and you should invest only if you can sustain a complete loss of your principal. Please read the prospectus carefully. An investment in the Fund is subject to, among others, the following risks:

- The Fund is not intended as a complete investment program, but rather the Fund is designed to help investors diversify into private credit investments.
- The Fund is a "non-diversified" management investment company registered under the Investment Company Act of 1940.
- An investment in the Fund involves risk. The Fund is new with no significant operating history by which to evaluate its potential performance. There can be no assurance that the Fund's strategy will be successful.
- Shares of the Fund are not listed on any securities exchange and it is not anticipated that a secondary market for shares will develop.
- Shares are appropriate only for those investors who can tolerate a high degree of risk and do not require a liquid investment.
- There is no assurance that you will be able to tender your shares when or in the amount that you desire. Although the Fund will offer quarterly liquidity through a quarterly repurchase process, an investor may not be able to sell or otherwise liquidate all their shares tendered during a quarterly repurchase offer.
- The Fund's investment in private credit companies is speculative and involves a high degree of risk, including the risk associated with leverage.

The Fund has an interval fund structure pursuant to which the Fund, subject to applicable law, conducts quarterly repurchase offers for no less than 5% of the Fund's Shares outstanding at NAV. While the quarterly repurchase offer is expected to be 5%, the amount of each quarterly repurchase offer may be 5% to 25% subject to approval of the Board of Trustees (the "Board" and each of the trustees on the Board, a "Trustee"). It is also possible that a repurchase offer may be oversubscribed, with the result that shareholders may only be able to have a portion of their Shares repurchased. There is no assurance that you will be able to tender your Shares when or in the amount that you desire.

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