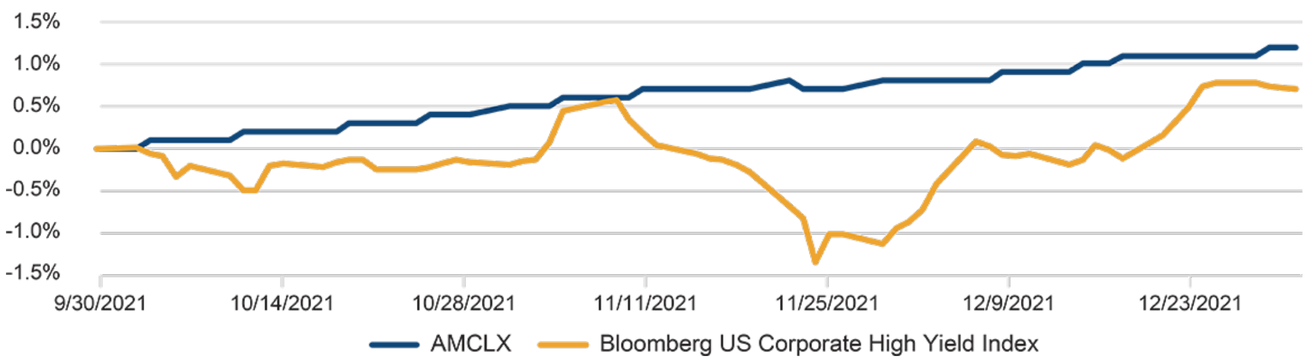
Portfolio Review
Fourth Quarter 2021

AFA Multi-Manager Credit Fund (AMCLX)

Returns

The institutional share class of the AFA Multi-Manager Credit Fund ("Fund") returned 1.32% for the fourth quarter and 2.25% since its inception on June 30, 2021. This compares to a quarterly return of 0.36% for the S&P LSTA Leveraged Loan Index and 0.71% for the Bloomberg High Yield Corporate Index. This outperformance was also achieved with significantly lower volatility than these public indices.

AFA Multi-Manager Credit Fund (AMCLX):
Fourth Quarter 2021 Performance (October 1, 2021 – December 31, 2021)



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. Current performance may be lower or higher than the performance data quoted. 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 expenses. The Fund's gross expense ratio is 2.98%.

The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high-yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. The S&P LSTA US Leveraged Loan 100 Index is designed to reflect performance of the 100 largest facilities in the leveraged loan market.

Portfolio Breakdown

The AFA Multi-Manager Credit Fund is composed of three portfolio strategy buckets: Specialty Finance, Stressed and Distressed, and Opportunistic strategies. All three portfolio strategy buckets generated positive returns for the quarter, with Specialty Finance strategies leading the way. We added one new holding in the Distressed bucket, which was funded by new investor inflows, along with cash on hand. The portfolio held seven different investments at the end of the quarter. As we look ahead to 2022, we have a robust pipeline of new opportunities under consideration for inclusion in the Fund.

A summary of recent results and current activity for each bucket is as follows:

Specialty Finance Strategies

Specialty Finance continued to provide attractive and steady returns for the quarter, contributing 1.0%. All underlying strategies generated positive results with a return driven almost exclusively by strong yields. There were no material credit events in the portfolio. Most importantly, we have seen very steady yields in the current strategies, despite some fluctuations in the public markets over the quarter.

We anticipate adding new allocations over the course of 2022, with a number of attractive strategies currently undergoing due diligence by our team. While we are seeing tens of billions of dollars flow into standard middle market direct lending, our sights are set on what we believe are more interesting opportunities in segments such as asset-based lending strategies, which are structurally more resilient to market downturns while offering very attractive expected returns. We also continue to explore strategies in select pockets of the market such as venture lending and bank regulatory capital relief, as well as small business and consumer lending.

Stressed and Distressed Strategies

Stressed and Distressed strategies contributed 0.1% for the quarter. This bucket consists of one strategy, the Lynx EBO Fund, which we added to the Fund on November 1. This strategy accounted for 10% of Fund assets on December 31, 2021. The Lynx EBO Fund holds non-performing government-backed mortgages, which offer downside risk mitigation since these mortgages are covered by government insurance. The Lynx team and their partners work directly with the underlying borrowers to either modify loans or create incentives to bring the borrowers current on their payments. They then sell the performing mortgages at a premium. This investment has performed well since we included it in the Fund, and we are quite optimistic for the prospects going into 2022.

Our pipeline for near-term allocations to this bucket is small relative to the strategies under review for the Specialty Finance bucket. Buoyant credit markets, a strong economy, and stimulative policy have led to very low loan defaults, limiting opportunities we find attractive for the Fund. While immediate opportunities are few, we continue to methodically build this pipeline so that we have managers and strategies in place and we can quickly deploy capital when the environment improves.

Portfolio Review: AMCLX

Opportunistic Strategies

Opportunistic strategies contributed 0.3% for the quarter. Performance was in line with expectations as we saw strength in October, some moderate weakness during a volatile November, and solid results for December. The strong yield and trading gains resulted in the holdings in this bucket easily outpacing more liquid benchmarks. Opportunistic strategies tend to invest in the less liquid segments of the public markets such as structured credit, tradeable loans, convertible bonds, and high-yield bonds.

We do not anticipate adding any new strategies to this bucket over the next few quarters, as we believe more attractive opportunities lie elsewhere in the market.

Transaction Highlight—Commercial Bridge Lending

Each quarter we highlight one position within the portfolio to provide existing and prospective investors in the Fund with an inside look into the ways our managers seek to generate attractive returns. This month we showcase a new loan issued by Alcova Capital, our real estate bridge lending strategy. This strategy accounted for 20% of Fund assets on December 31, 2021.

Alcova closed a loan to a real estate developer to fund the construction of a student housing facility in Philadelphia. Alcova had originally provided the developer a bridge loan to acquire the land and to provide working capital through the permitting and pre-development process. Because of their strong relationship with the borrower and deep understanding of the project, they agreed to fund a construction loan to help the borrower complete the development, which entails manufacturing modular buildings and installing them at the property.

Alcova expects this entire process to take slightly less than a year, with the property available for occupancy for the 2022/2023 school year. Alcova expects the loan to be paid off in one of two ways: 1) when the borrower sells the property as it nears completion, or 2) if the borrower refinances the bridge loans with a significantly cheaper loan once the property has occupants and generates positive cash flow. The calculated loan-to-value ratio (percent of the loan to the value of the property) of Alcova's senior bridge loan is close to 50% based upon the as-completed value of the property.

Closing Thoughts

We start 2022 with a great team, fantastic partners, and a Fund poised to continue to capitalize on market inefficiencies in the private credit markets. We encourage you to contact us to schedule a discussion about the ways private credit and the AFA Multi-Manager Fund can play a meaningful role in client portfolios.

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 may use leverage its investments by "borrowing." The use of leverage increases both risk of loss and profit potential. The Fund is subject to large shareholder transaction risks which may cause the Fund to sell portfolio securities at times when it would not otherwise do to so satisfy large shareholder redemptions.

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.

Distributed by Foreside Fund Services, LLC