

Q2 2020 Commentary

By Gregg Bell, Portfolio Manager of the A3 Alternative Credit Fund (AAACX)



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(AAACX)
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The A3 Alternative Credit Fund (AAACX) had a net return of 1.08% in June and 5.25% year-to-date in 2020. Since inception (10/1/19), the fund has a total net return of 8.95%¹. We continue to see tremendous opportunities to allocate our fund's capital towards high quality, high yielding assets. Today 91.30% of the portfolio holdings are AAA rated, government insured investments².

A3 Financial Investments launched AAACX on September 30, 2019 with an objective of building a non-correlated, income focused fund through a portfolio of carefully researched, alternative credit investments principally comprised of public and private collateralized, structured credit. We continue to favor this strategy finding attractive income generating assets composed of highly diversified portfolios of short duration, secured debt with high cash flow and structural credit enhancement.

¹ Inception date is September 30, 2019. Returns are net total returns. Results are unaudited.

² "Rating Exposure" reflects the underlying securities nationally recognized statistical ratings organization's credit rating.

The returns quoted present past performance. The performance shown is net of all fees (including a monthly advisory fee of 1.50% per annum) and expenses and reflects the reinvestment of dividends and investment income. Depending on an investor's investment date, holding period and other factors, an investor may have an overall performance that underperforms or outperforms the data shown.

Inception date for AAACX is 09/30/2019. Returns greater than one year are annualized. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that shared, when redeemed, may be worth more or less than their original cost.

Management fee: 1.50%

*Net Expense Ratio/ **Gross Expense Ratio: 3.30%/3.40%

***Expense limitation: 1.95%

*The Net expense ratio reflects the reduction of expenses from fee waivers and reimbursements. Elimination of these reductions will result in higher expenses and lower performance. These reductions are contractual and will continue until at least 9/12/2020.

**The Gross Expense Ratio reflects additional expenses embedded in the Fund's performance, such as the indirect costs of investing in other investment companies.

***The Adviser has entered into an expenses limitation agreement to pay the ordinary operating expenses of the Fund that exceed 1.95% per annum.

The AAACX prospectus is available [here](#).

The A3 Alternative Credit Fund is a continuously-offered, non-diversified, registered closed-end fund with limited liquidity.

Distributor – Foreside Fund Partners LLC

Past performance is no guarantee of future results.

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