A3 Alternative Credit Fund

AAACX

Q1 2021

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Disclosures

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Fixed income investments are subject to credit, liquidity, interest rate and, depending on the instrument, counterparty risk. These risks may be increased to the extent fixed income investments are concentrated in any one issuer, industry, region or country. The market value of fixed income investments generally will fluctuate with, among other things, the financial condition of the obligors on the underlying debt obligations, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. In general, any interest rate increases can cause the price of a debt security to decrease vice versa. Asset-backed securities, including mortgage -backed securities, are legal entities that are sponsored by banks, broker-dealers or other financial firms specifically created for the purpose of issuing particular securities or instruments. Investors will receive payments that are part interest and part return of principal. These payments may vary based on the rate at which borrowers pay off their loans.

Because of the risks associated with investing in high-yield securities, any investment should be considered speculative and subject to the risks stated above. Leverage, including borrowing, may cause a portfolio to be more volatile than if the portfolio had not been leveraged.

Illustrative allocations and portfolios contained in this presentation are for illustrative purposes only and are subject to change at any time, without notice.

Past performance is not indicative of future returns. Any references to past performance are illustrative in nature and not to be considered recommendations of any security or investment product.

Some information contained in this presentation has been provided by third parties and has not been independently verified. Such information is subject to change without notice.

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

Distributor – Foreside Fund Partners, LLC

You should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. The prospectus contains this and other information about the Fund and is available by calling 1-877-774-7724. Read it carefully before investing.

Disclosures

The Fund intends to invest a majority of its assets in "alternative investments," which include Credit Investments in smaller segments of the debt markets. Alternative investments provide limited liquidity and should not constitute a complete investment program.

The Fund does not currently intend to attempt to insure its investments or the collateral supporting its investments. Should any type of uninsured loss occur, it may adversely affect the Fund's investment performance.

To the extent a Credit Investment is secured, there can be no assurance as to the amount of any funds that maybe realized from recovering and liquidating any collateral or the timing of such recovery and liquidation and hence there is no assurance that sufficient funds (or, possibly, any funds) will be available to offset any payment defaults that occur under the Credit Investment. The value of the collateral may, at any point, be worth less than the value of the original investment.

Investment liquidity risk exists when particular investments of the Fund would be difficult to sell, possibly preventing the Fund from selling such illiquid investments at an advantageous time or price, or possibly requiring the Fund to dispose of other investments at unfavorable times or prices. Most of the Fund's loan assets are not liquid.

The securities in which the Fund, directly or indirectly, may invest include privately issued securities of both public and private companies. Private securities have additional risk considerations than investments in comparable public investments.

When the Fund invests in asset-backed securities and mortgage-backed securities, the Fund is subject to the risk that, if the underlying borrowers fail to pay interest or repay principal, the assets backing these securities may not be sufficient to support payments on the securities.

The Fund may invest in securities that reflect an interest in reverse mortgages (HECMs). Reverse mortgages are subject to different risks than traditional mortgages because the timing of repayment for the loans is uncertain and may occur sooner or later than anticipated based on the life-span of the homeowner.

Collateralized Loan Obligations (CLOs) are securities backed by an underlying portfolio of loans, typically syndicated loans or other loans to corporate borrowers. CLOs issue classes or "tranches" that vary in seniority, risk, and yield. CLOs may experience substantial credit losses and/or substantial declines in market value as result of actual collateral defaults (which may deteriorate the credit support supplied by the more subordinated tranches of the CLO), anticipated collateral defaults, or investor aversion to CLO securities as a class.

A Credit Link Note (CLN) is a form of collateralized credit derivative. It is structured as a note issued by a bankruptcy-remote issuer, with an embedded credit default swap allowing the issuer to transfer a specific credit risk, such as default or failure to pay, to investors. Investors' capital is 100% at risk and investors may lose all of their initial investment. The issuer is not obligated to repay the debt if a specified event occurs.

A3 FINANCIAL INVESTMENTS

Firm Overview & Experience

Chris Aymond

Principal, Founder

Gregg Bell

Principal, Founder

Tony Bosch

Principal, Founder

Matt DuPree

Principal

Kimberly Merriman

Principal, Founder

Lars Soderberg

Principal, Founder

Combined more than 125 years of investment management experience

Collective Work Experience

- Absolute Investment Advisors
- Arrowmark Partners
- Aqueduct Capital Group
- Berger Funds
- BNY Mellon
- Federated
- Fidelity Investments
- Goldman Sachs & Co.
- Hilltop Investment Advisors
- Independence Capital Asset Partners
- Janus
- J.P. Morgan Chase
- Putnam Investments
- Royal Bank of Scotland
- SBAM
- Securities Exchange Commission
- Skadden, Arps, Slate, Meagher & Flom LLP
- Silver Point Capital
- Southern Sky Capital
- Wealth Management Consultants

A3 Alternative Credit Overview

The A3 Alternative Credit Fund, a closed-end interval fund, offers investors access to a diversified portfolio of income-generating assets. The Fund's investment objective is to seek total return through investments that offer regular income or the potential for price appreciation. A3 Financial Investments is led by an investment team with decades of experience investing in capital markets.

Investment Strategy Universe*

The anticipated portfolio is to consist primarily of investments in income-generating credit related assets. Additionally, the fund may invest in corporate credit, loans and private placements that are directly originated. At least 80% of the assets will be invested in:

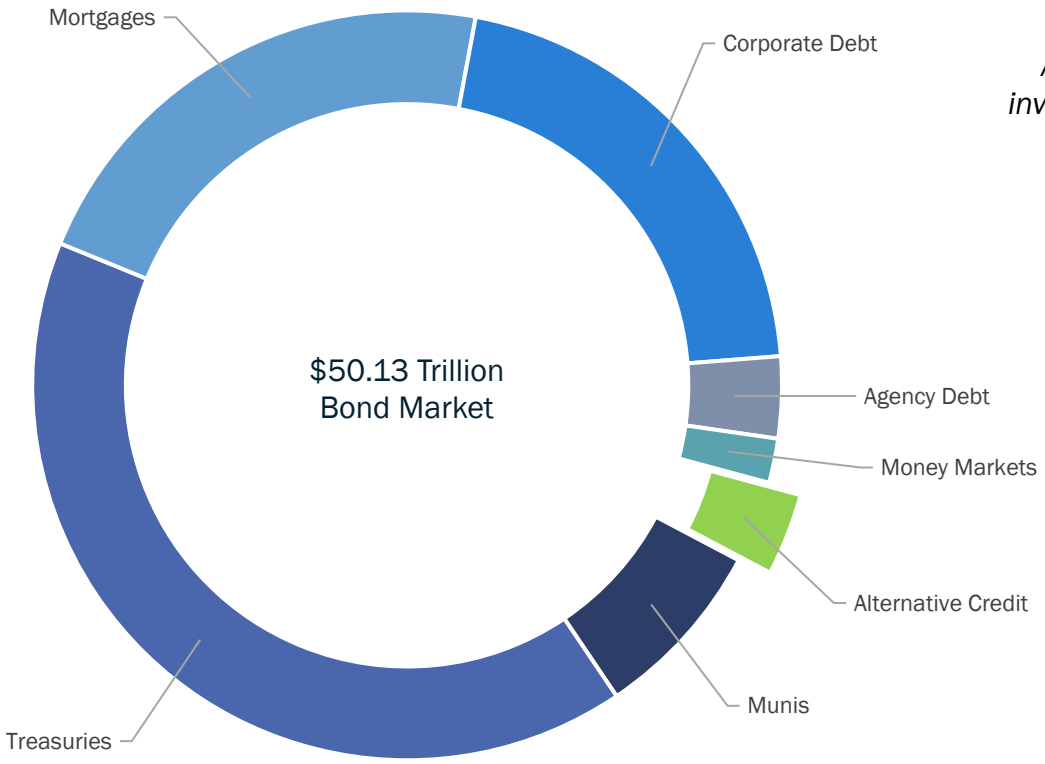
- Reverse Mortgages – Securities backed by pools of residential home equity conversion mortgages
- Niche Debt – Non-traditional loans and asset backed debt instruments
- Direct Lending – Loans and subordinated private debt issues
- Asset-Backed Securities – Structured credit collateralized by a pool of assets
- Collateralized Loan Obligations – Debt and equity tranches backed by a managed portfolio of funded corporate debt
- Credit Linked Notes – Notes with default risk linked to a portfolio of debt obligations

AAACX is uniquely offering this type of credit strategy in an interval fund structure.

Interval funds provide investors such features as daily pricing, 1099 tax reporting, and quarterly repurchase offers with a fund-level redemption of 5-25% of Net Asset Value ("NAV")**. The interval fund structure allows retail and institutional investors the opportunity to access less liquid, potentially higher yielding alternative investments without using a private equity or hedge fund structure.

Please refer to important disclosures on page 2 and 3.
** Based on the volume of repurchase requests, there is no guarantee that all repurchase requests will be honored each quarter.

Alternative Credit Market



*Alternative credit securities offer diversification and investment opportunities that can be targeted to specific return objectives and risk tolerance levels.**

U.S. Bond Market $50.13 Trillion

Treasuries	$20,368	Mortgages	$10,906
Corporates	$10,439	Municipals	$3,922
Alternative Credit	**$1,777**	Money Market	$957
Niche Debt [1]		Agency Debt	$1,765
Asset Backed Securities[2]			
Collateralized Debt Obligations[3]			

Source: SIFMA, Federal Reserve as of Q3 2020

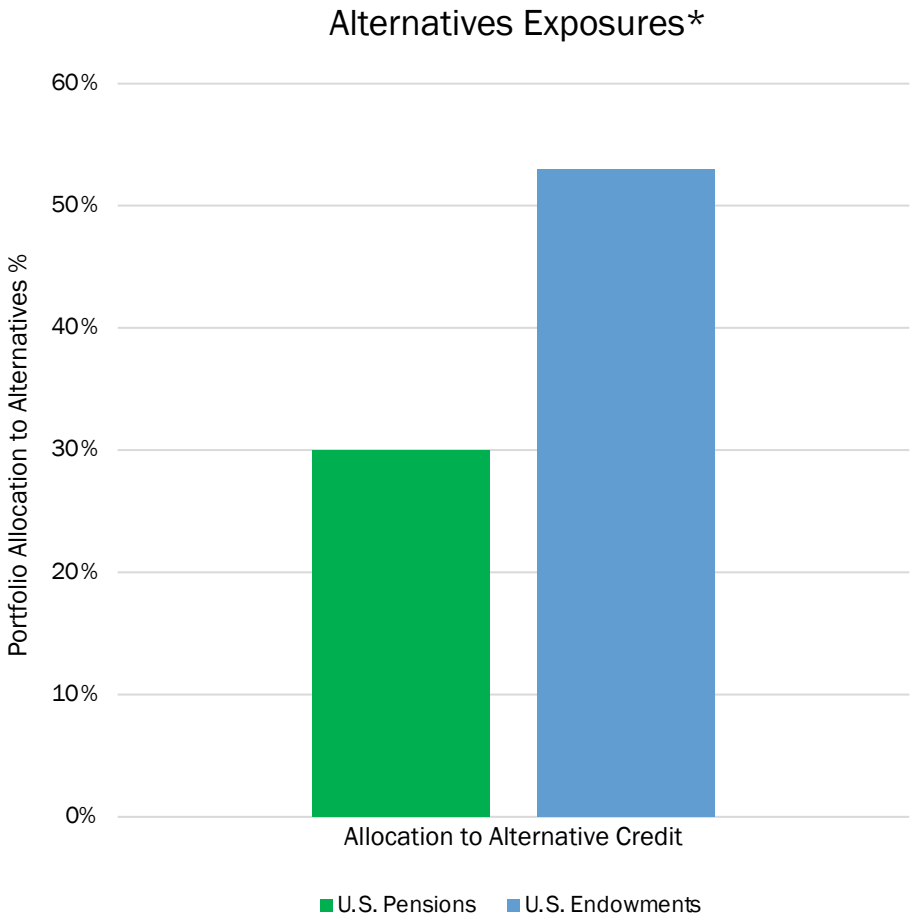
Please refer to important disclosures on page 2 and 3.

* Diversification does not assure a profit or protect against loss in a declining market.

1. Niche Debt – Non-traditional loans and asset backed debt instruments.
2. Source: Investopedia. Asset Backed Securities (ABS) – An asset-backed security is a structured financial product such as a bond or note which is collateralized by a pool of assets, such as loans, leases, credit card debt, royalties, or receivables.
3. Source: Investopedia. Collateralized Debt Obligation (CDO) – A kind of asset back security, that is backed by a pool of loans and other assets (such as corporate bonds) that may be subdivided into various tranches representing different levels of risk.

Importance of Alternative Credit

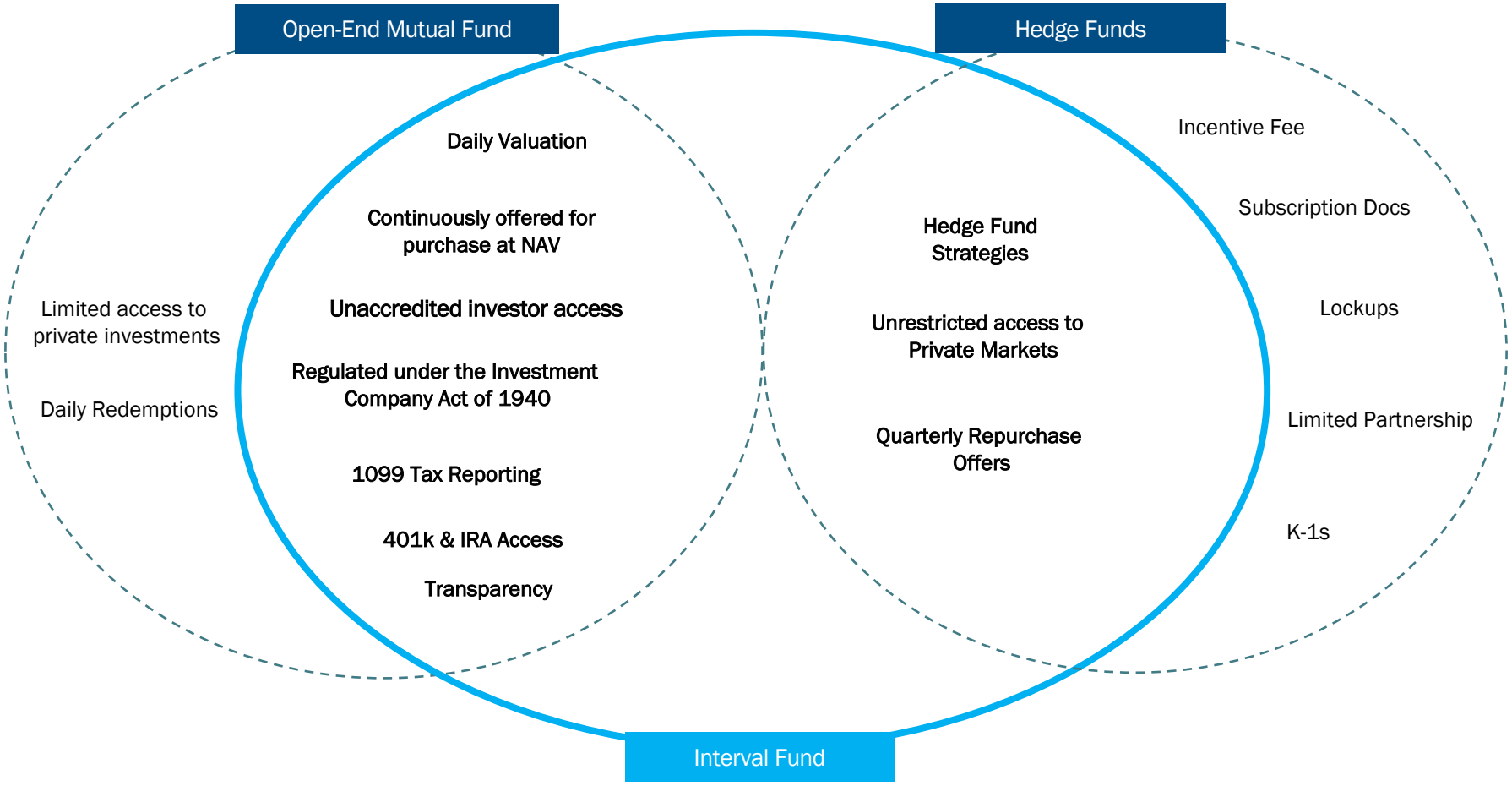
- Recent research shows that institutions are making significant allocations to alternative investments in search of higher income and total returns.
- Historically, Alternative Credit, which includes private markets, has only been available to High Net Worth Investors and Institutions.
- By investing in Alternative Credit you get broader diversification and the potential for higher yields



Please refer to important disclosures on page 2 and 3.
Past performance is no guarantee of future results. Sources: Thinking Ahead Institute/Willis Towers Watson, " Global Pension Assets Study 2019", National Association of College and University Business Officers and TIAA, "2018 NACUBO – TIAA Study of Endowments." Griffin Institutional Access Credit Fund.
* Please note: Large allocations to a single asset class such alternative credit may not be suitable for all individual investors.

Advantages of Interval Fund Structures

Access to private markets in a vehicle designed to be fully focused on investors needs.
Interval funds share attractive attributes of both open-end mutual funds and private funds.



1. Please refer to important disclosures on page 2 and 3.
2. For illustrative purposes only. Represents some, but not necessarily all characteristics of open-end mutual funds, closed-end funds, hedge funds and interval funds.

Our Expertise in Alternative Credit

Investment Approach

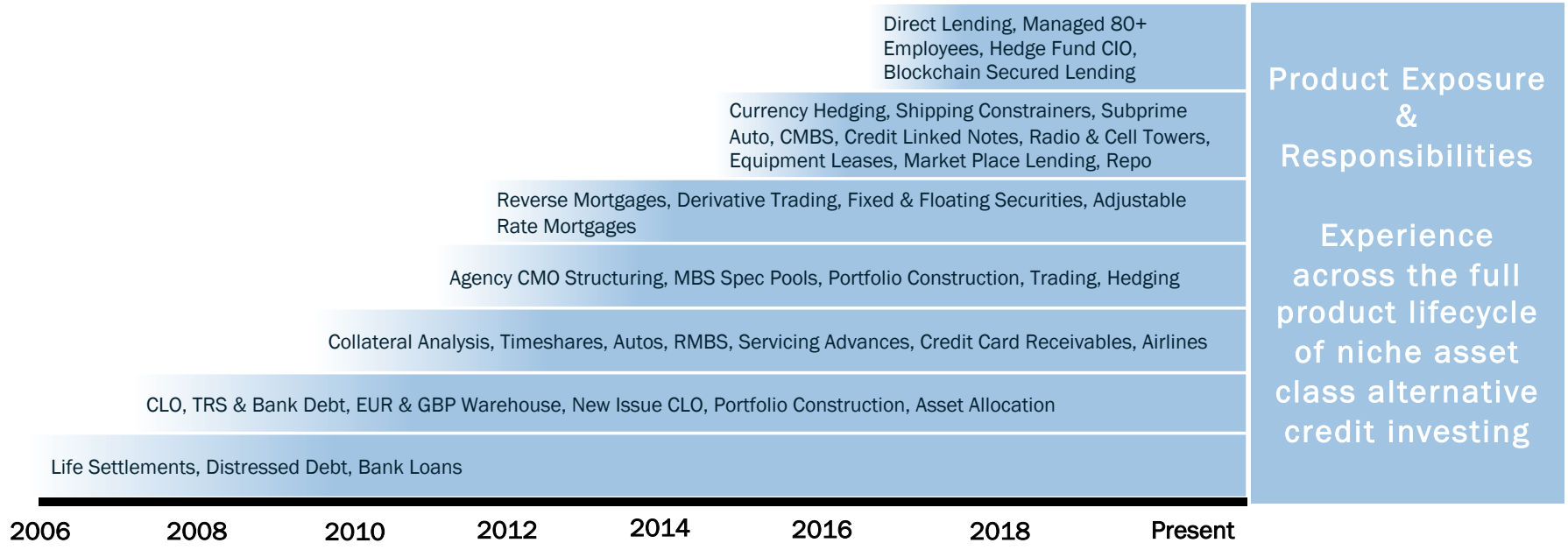
1. Risk Management & Principal Protection
2. Coupon Driven Return
3. Diversification with Low Correlation
4. Expense Focused Investable Product

A3 Advantage

1. Extensive history across all stages of the structured product lifecycle
2. Focusing on niche assets is where our fundamental analysis is most valuable
3. Proactive sourcing of investment opportunities
4. Experience in credit structuring stage enables us to influence the key terms of the investment

Portfolio Management

- Led by Gregg Bell, Chief Investment Officer & Co-Founder.
- In his extensive years of investment experience, he has performed duties across the full life cycle for structured products, including risk analysis, structuring, trading and portfolio management.
- Prior employers include Silver Point Capital, RBS Securities, & ArrowMark Partners.
- Responsible for having built the reverse mortgage structuring and trading platform at RBS Securities into one of the firms most profitable risk weighted ROI businesses.
- Has performed investment and security selection for $3+ Billion in structured credit.
- Allocated investments across 6 Collateralized Loan Obligations (”CLOs”).



Please refer to important disclosures on page 2 and 3.

Investment Process

1. Sourcing

Primary issuance pipeline creation

Unique investment opportunities

Filtering investments

2. Collateral Analysis

Loan level examination of default, extension, prepayment, repossession, servicing, liquidation & recovery risks [2]

Portfolio concentration risk

3. Structure Review

Fundamental analysis and modeling of complex structured product cash flows

Scenario analysis stress tests focused on downside protection

4. Trade Construction

Total return ("Yield to Maturity") focused

Coupon driven return ("Current Yield")

Discounted entry price ("Pull to Par")

Investment spread volatility ("Trade Entry")

5. Portfolio Surveillance

Targeting ~ 50-100 positions, with cross sector exposure to thousands of diversified credit products[3]

Maintaining target Coupon, Duration & Correlation metrics

Reinvestment & liquidity monitoring

6. Review

Actual vs expected analysis

Scenario stress testing aggregate portfolio

Investment thesis reassessment

1. Please refer to important disclosures on page 2 and 3.
2. Representative basket of risks. Each investment may have unique collateral risks which are to be analyzed.
3. Target portfolio is subject to change, and there is no guarantee that the fund will continue to hold this range of positions.

Investment Strategy Allocation

Reverse Mortgages

Securities backed by pools of residential home equity conversion mortgages

Niche Debt

Non-traditional asset backed debt instruments

Direct Lending

Loans and subordinated private debt issued by non-bank lenders

Asset Backed Securities

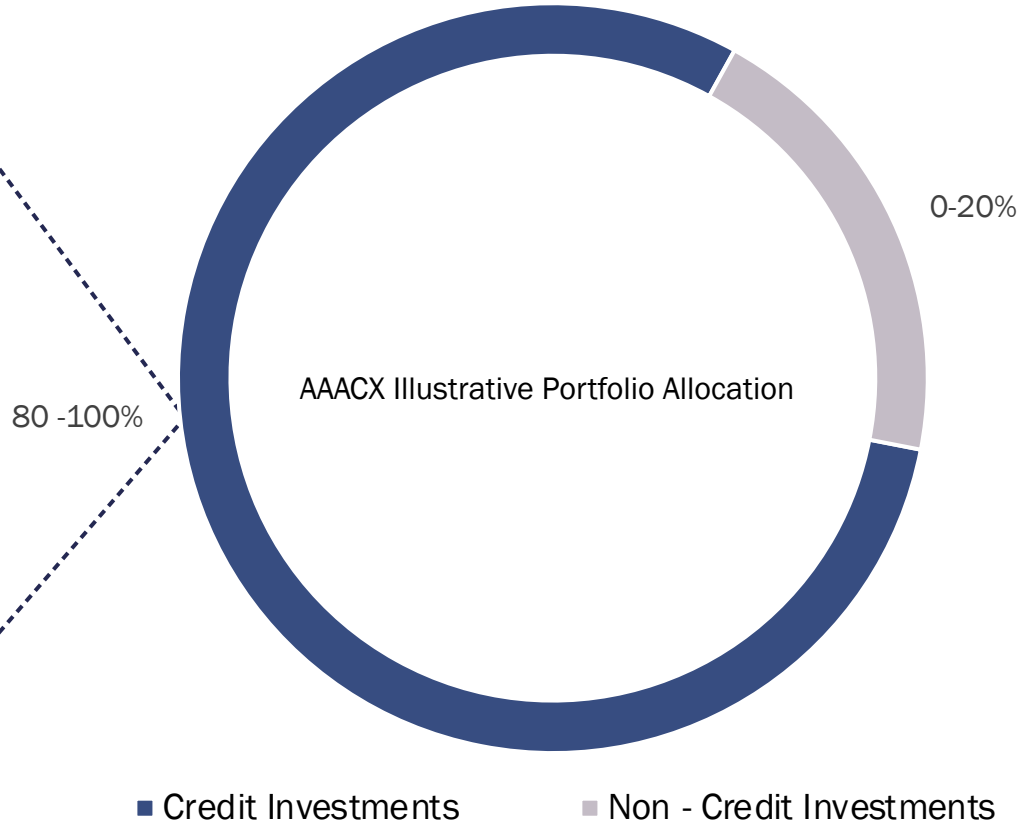
Structured credit collateralized by a pool of assets

Collateralized Loan Obligations

Debt and equity tranches backed by a managed portfolio of funded corporate debt

Credit Linked Notes

Notes linked to a portfolio of private bank issued loans

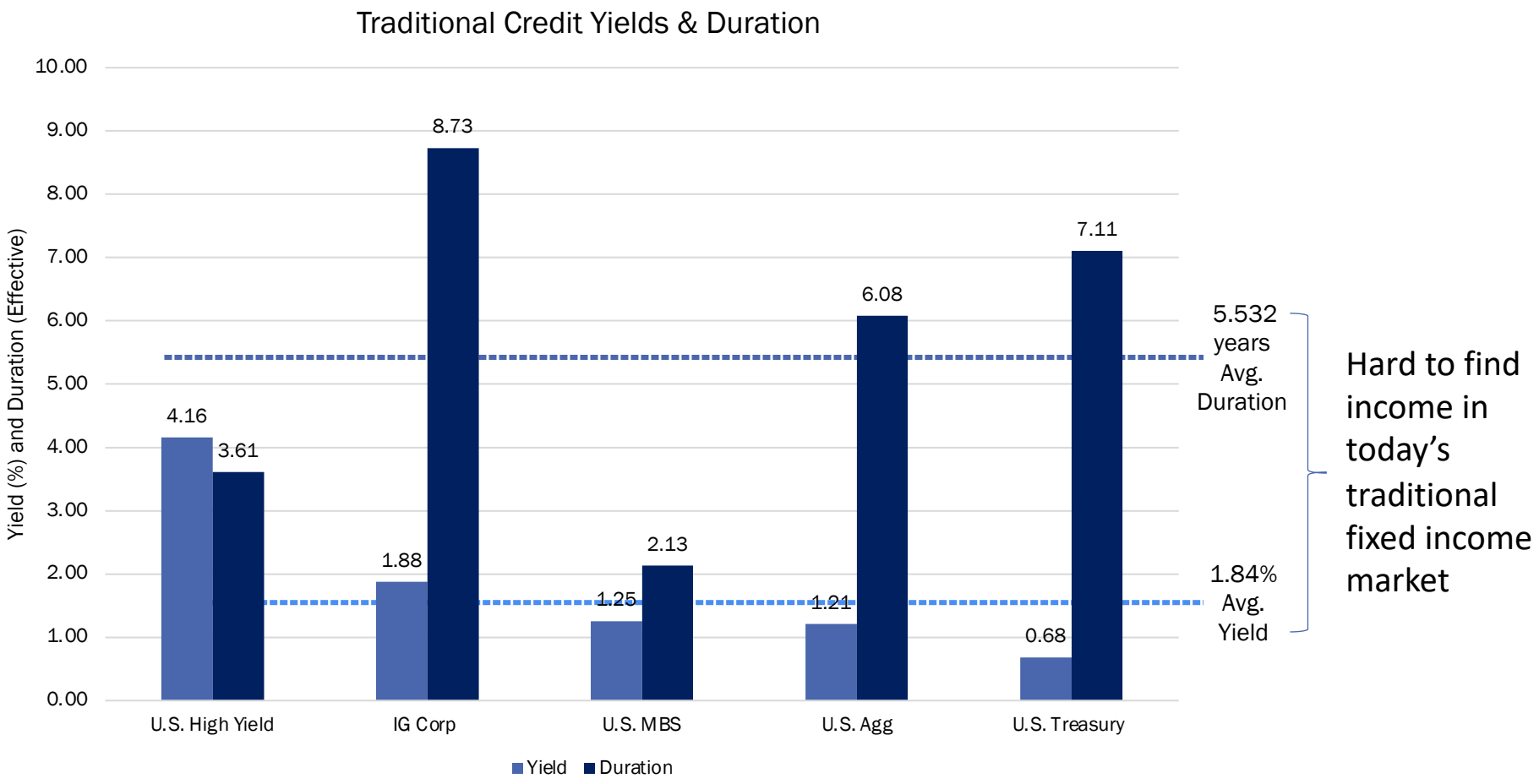


The allocation percentages set forth above are ranges only and are subject to change based on markets conditions. Portfolio may also include hedges.

Please refer to important disclosures on page 2 and 3.

A3 FINANCIAL INVESTMENTS

Yield Opportunity in Fixed Income



Hard to find income in today's traditional fixed income market

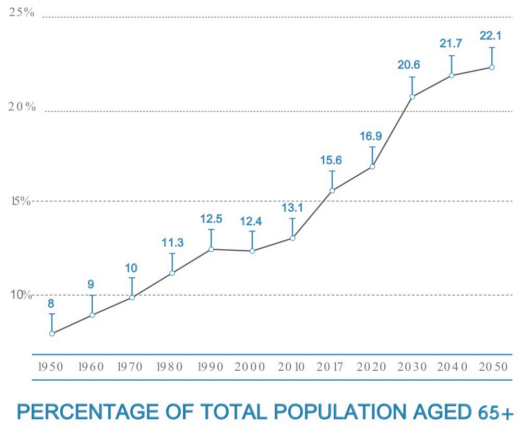
1. Please refer to important disclosures on page 2 and 3.
2. Source: Bloomberg as of 1/11/21
   - U.S. High Yield: Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market.
   - Investment Grade Corporate Debt: Bloomberg Barclays U.S. Corporate Investment Grade Index - measures the investment grade, fixed-rate, taxable corporate bond market.
   - U.S. Mortgage Backed Securities: Bloomberg Barclays U.S. Mortgage Backed Securities Index - tracks agency mortgage pass-through securities (no longer incorporates hybrid ARM) guaranteed by Ginnie Mae (GNMA), Mae (FNMA), and Freddie Mac (FHLMC).
   - U.S. Aggregate: Bloomberg Barclays U.S. Aggregate Bond Index - broad base bond market index representing intermediate term investment grade bonds traded in United States.
   - U.S. Treasury: Bloomberg Barclays U.S. Treasury Index - measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury.
3. Performance data represents past performance. Past performance does not guarantee future results. Realized performance may be lower or higher than performance data quoted. The realized return and principal value of an investment will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost.

Alternative Value Drivers

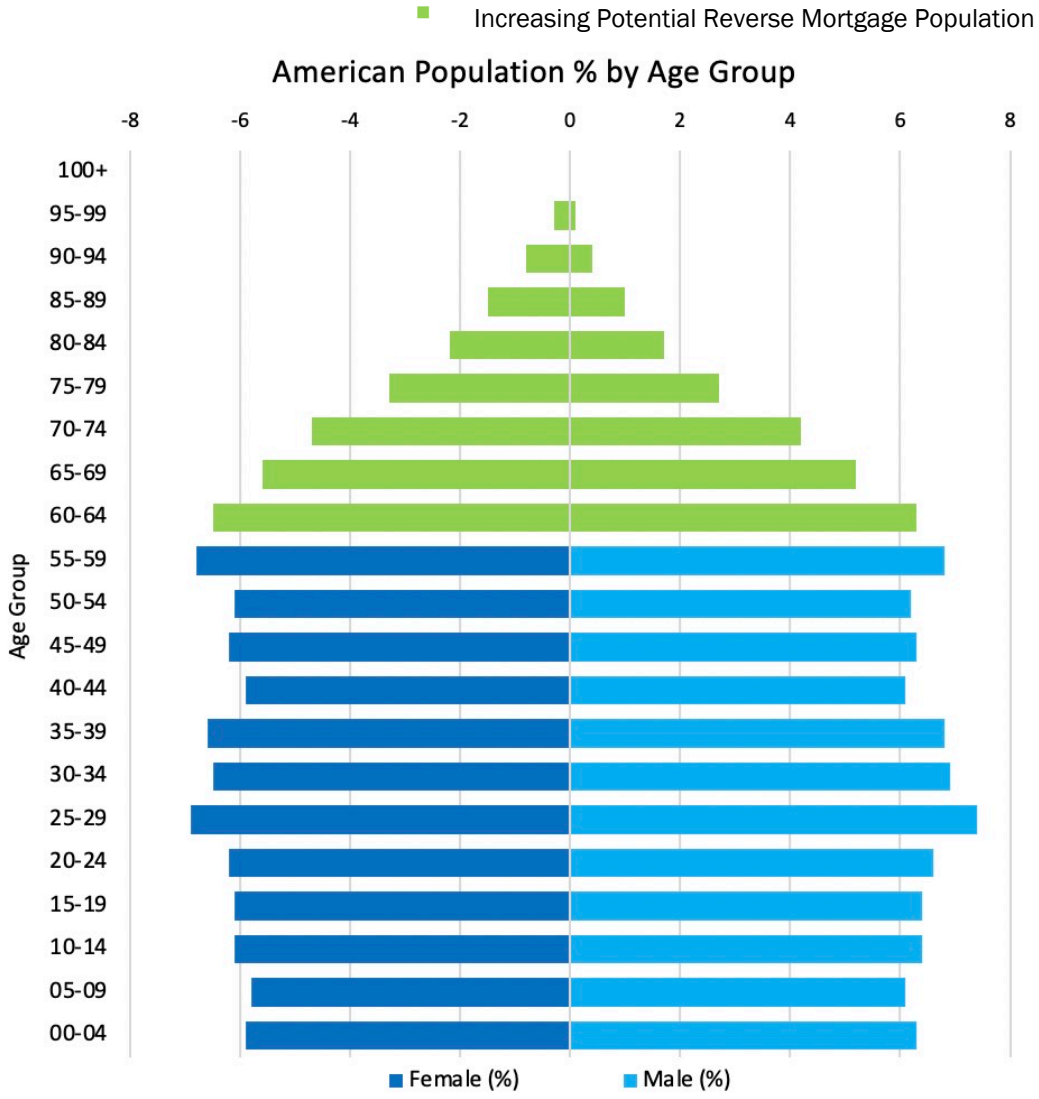
- Demographic shifts associated with an aging population can create accommodative supply and demand dynamics in niche capital markets.

- Tax related revenues and government sponsored insurance programs can offer strong support to the continuation of cash flows for special consumer categories.

The 65+% of population is growing rapidly, yet 56% of retiring Americans do not have sufficient savings to pay their future expenses.



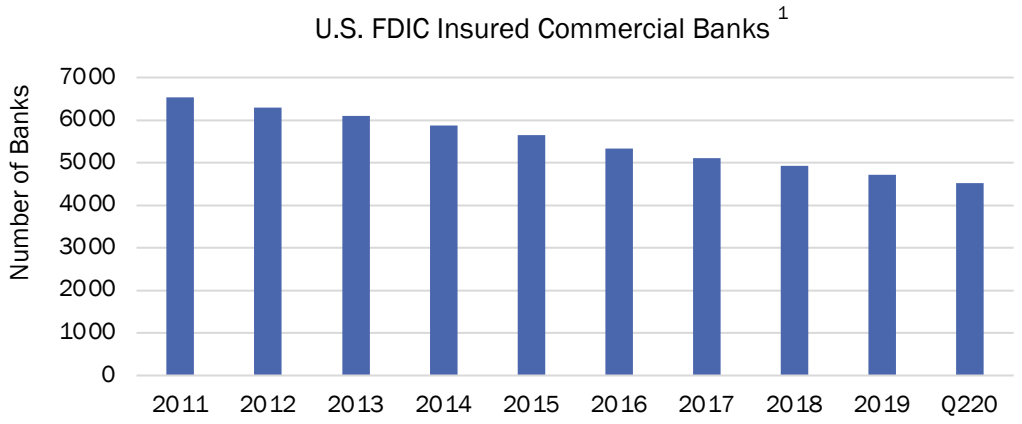
PERCENTAGE OF TOTAL POPULATION AGED 65+

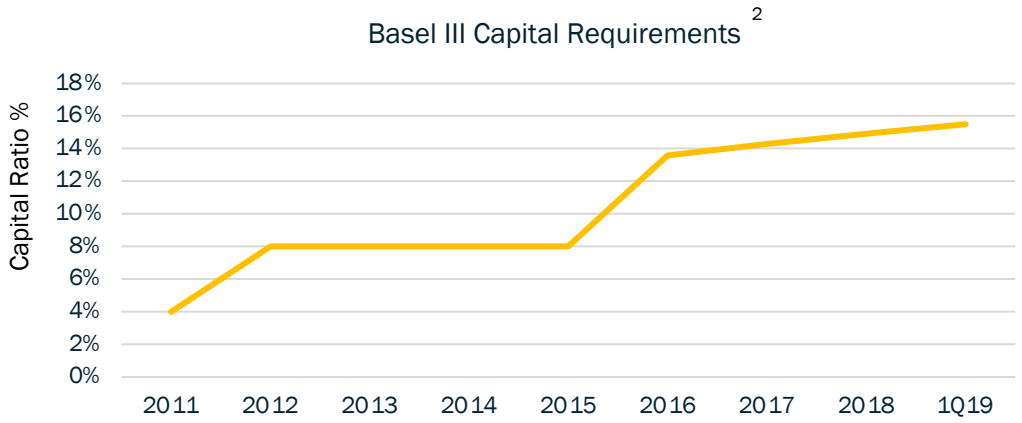


Source: US Population, LivePopulation.com 2020. Piannin, Eric. "10,000 Boomers Turn 65 Every Day." May 9, 2018. Ortman, Jennifer. "An Aging Nation." May 2014.
Please refer to important disclosures on page 2 and 3.

Yield Opportunity Drivers

- Bank consolidation is creating compelling yield premiums for non-bank lender products
- Regulation (Volcker & Basel III) is driving banks to reduce leverage and risk, creating attractive asset sales and direct lending opportunities
- Real money investors are increasingly relied on to absorb supply with fewer bank participants
- Non-bank lenders are filling the void as banks retreat
- Bank deleveraging is causing forced liquidation selling





Source: (1) Federal Deposit Insurance Company, represents number of commercial banking institutions insured by FDIC, as of 3/31/2020 and (2) BIS. Revised standard comes into effect January 1, 2022.

Please refer to important disclosures on page 2 and 3.

Team Biographies

- **Christian Aymond** has over 30 years of sales and marketing experience in the securities industry. Prior to co-founding A3 Financial Investments, Aymond was a Director at SBAM, an alternative credit hedge fund. Aymond also developed alternative strategy products in the 40 act space as a Co-founder and Principal of Absolute Investment Advisers, LLC. He has also held various marketing and sales management positions at Putnam Investments and Federated Investors, Inc. Aymond received a B.A. in Economics from Denison University.

- **Gregory Bell** co-founded A3 Financial Investments, after serving as the Chief Investment Officer of SBAM. He has invested in credit across a variety of niche industries since 2006, working at two multi-billion dollar credit & structured product hedge funds. As a structured credit analyst and trader at ArrowMark Partners, Bell was responsible for asset backed securities trading activity. He has participated in hundreds of structured credit securitizations throughout his career, acting in an investment banking capacity, as well as underwriter, structurer and trader. While at the Royal Bank of Scotland, he developed the reverse mortgage broker–dealer trading operations. Bell began his career at Silver Point Capital. Bell holds a B.S. from the Vanderbilt University School of Engineering.

- **Anthony Bosch** contributes more than 25 years of experience in the securities industry. Prior to co-founding A3 Financial Investments, Bosch was a member of SBAM. He was a Co-founder of Absolute Investment Advisers, LLC, an alternative investment advisory firm, in which he served as Principal and General Counsel. Previously, he served as General Counsel for Berger Financial Group and began his career with the Securities and Exchange Commission (SEC). Bosch received his Juris Doctorate from the University of Toledo and a B.S. in Chemistry from Miami University.

- **Mathew DuPree** has over 25 years of experience managing UNHW client investments and financial matters. Before joining A3 Financial Investments, he was CFO of Southern Sky Capital, a long-short equity hedge fund. Prior to that, he helped to develop and implement a novel portfolio for the venture arm of a single-family office. He has been President of Hilltop Investment Advisors since 2011, and has previously managed client wealth at BNY Mellon and Wealth Management Consultants in Denver. DuPree holds a B.A in Economics from Colorado College and an M.A. in Accounting from the University of Virginia. He is a CPA licensed in the state of Colorado and is a CFA charterholder.

- **Kimberly Merriman** co-founded A3 Financial Investments, after serving as a Director at SBAM. Previously, she was a Client Advisor at J.P. Morgan's Private Bank Denver office and worked at JP Morgan's Private Bank Chicago office, where she helped to found the Incident and Client Advisory team to advise legal, regulatory, and compliance guidelines and initiatives. Prior to J.P. Morgan, Merriman was a Financial Investment Professional within the Private Wealth Management Division of Goldman Sachs & Co. in the New York and Houston offices. She began her career in the Corporate Finance group of Skadden, Arps, Slate, Meagher & Flom LLP in New York. Merriman received a Juris Doctorate from New York Law School and a B.S. in Pre-Law with a minor in Sociology from The Pennsylvania State University. She is also the Managing Director of Family Office Network's Denver Association.

- **Lars Soderberg** has more than 37 years of experience in the alternative and traditional asset management industry. Before co-founding A3 Financial Investments, he was a Director at SBAM, an alternative credit hedge fund. Preceding this, Soderberg was with Aqueduct Capital developing their private equity effort. From 2004 through 2015, he served at Independence Capital Asset Partners (ICAP) as Chief Marketing Officer for their hedge fund business and developed some of the asset management industries first alternative liquid 40 Act hedge fund and UCITS products. Soderberg was with Janus Capital Group from 1995 to 2004, where he was an Executive Vice President and Managing Director. In addition to his various responsibilities in managing the firm's Institutional distribution and marketing, he served on the executive committee and was President of Janus' broker dealer. Soderberg began his career with Fidelity Investments from 1981 to 1995, where he held a variety of retail and institutional sales roles in Boston and Los Angeles. Soderberg received a B.A. from Denison University.

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