



Alternative Strategies Fund



Symbols: LTAFX, LTCFX, LTIFX
www.LTAFX.com

Semi-Annual Report December 31, 2021

Investors should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. This and other information is contained in the Fund's prospectus. Please read the prospectus carefully before you invest or send money. Fund shares are not FDIC insured and are not deposits or other obligations of, or guaranteed by, any bank. Fund shares involve investment risk, including possible loss of principal. You may find the prospectus documents for free by calling toll-free (+1-877-803-6583) or visiting www.LTAFX.com.

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Alternative Strategies Fund
PORTFOLIO REVIEW (Unaudited)
December 31, 2021

The Fund's Performance Figures for the Periods Ending December 31, 2021 Compared to Its Benchmarks

	Six Months (a)	One Year (a)	Average Annual Return Five Years (a)	Average Annual Return Ten Years (a)	Average Annual Return Since Inception (a) *
Alternative Strategies Fund:					
Class A, without Sales Load	6.90%	33.95%	4.14%	3.57%	3.41%
Class A, with Sales Load **	2.41%	28.29%	3.24%	3.12%	3.02%
Class C ***	6.75%	33.12%	3.46%	N/A	1.69%
Class I ****	7.17%	34.31%	N/A	N/A	4.27%
Barclays U.S. Aggregate Bond Index	0.06%	(1.54)%	3.57%	2.90%	3.13%
S&P 500 Total Return Index	11.67%	28.71%	18.47%	16.55%	15.78%

* Class A commenced operations on September 28, 2010.

** Adjusted for initial maximum sales charge of 4.25%. Prior to October 1, 2017, sales charge was 6.00%.

*** Class C commenced operations on January 21, 2015.

**** Class I commenced operations on July 17, 2017.

(a) Total returns are calculated based on traded NAVs.

The Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-through's), ABS, and CMBS. The Barclays U.S. Aggregate Bond Index rolls up into other Barclays Capital flagship indices such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt. Investors cannot invest directly in an index or benchmark.

The S&P 500 Total Return Index is an unmanaged market capitalization-weighted index which is comprised of 500 of the largest U.S. domiciled companies and includes the reinvestment of all dividends. Investors cannot invest directly in an index or benchmark.

The performance data quoted here is historical in nature. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than the original cost. Total return is calculated assuming reinvestment of all dividends and distributions. Total returns would have been lower had the advisor not waived its fees and reimbursed a portion of the Fund's expenses. The Fund's total gross annual operating expense, including underlying funds, is 3.44%, 4.20% and 3.21% before fee waivers, per the Fund's December 10, 2021 prospectus, for Class A, Class C and Class I, respectively. After fee waivers, the Fund's total annual operating expenses are 3.10%, 3.75% and 2.85% for Class A, Class C and Class I, respectively. Shares of Class A are subject to a maximum sales charge imposed on purchases of 4.25%. The performance data does not reflect the deduction of taxes that a shareholder would have to pay on Fund distributions or the redemption of Fund shares. Performance prior to December 17, 2021 is that of the Fund's previous investment adviser who utilized different investment strategies than the Fund's current investment adviser. For performance information current to the most recent month-end, please call 1-877-803-6583.

Portfolio Analysis as of December 31, 2021 (Unaudited)

Sector	Percent of Net Assets
Short-Term Investment	60.1%
Real Estate Investment Trusts	25.0%
Private Investments	8.7%
Common Stock	6.2%
Other Assets Less Liabilities	0.0%
Total	100.0%

ALTERNATIVE STRATEGIES FUND
SCHEDULE OF INVESTMENTS (Unaudited)
December 31, 2021

<u>Shares</u>		<u>Fair Value</u>
	PRIVATE INVESTMENT FUNDS - 8.7%	
	BUSINESS DEVELOPMENT – 4.4%	
118,664	MSC Income Fund, Inc ^{(a)(c)(e)}	\$ 903,796
	LAND DEVELOPMENT – 4.3% ^(f)	
36,635	Walton Kimberlin Heights LP ^{(a)(c)(d)(e)}	304,804
10,752	Walton Sherwood Acres ^{(a)(c)(d)(e)}	53,007
19,855	Walton US LAND 2 LP ^{(a)(c)}	132,036
37,655	Walton US Land Fund 3 LP ^(c)	244,381
10,752	Walton US Land Fund REIT ^{(a)(c)(d)(e)}	138,378
		<u>872,606</u>
	TOTAL PRIVATE INVESTMENT FUNDS (Cost \$2,144,739)	<u>1,776,402</u>
	REITS — 31.2%	
	NON-LISTED REIT - 31.2%	
106,383	American Healthcare REIT ^{(c)(e)}	1,258,615
103,002	Griffin Capital Essential Asset II ^(c)	937,318
170,164	HGR Liquidating Trust ^(c)	219,512
45,209	Phillips Edison Grocery Center REIT I, Inc. ^{(c)(e)}	1,487,992
125,573	Strategic Storage Trust, Inc. ^{(c)(e)}	<u>2,434,877</u>
	TOTAL REITS (Cost \$2,472,996)	<u>6,338,314</u>
	SHORT-TERM INVESTMENTS — 60.1%	
	MONEY MARKET FUNDS - 60.1%	
12,201,706	First American Government Obligations Fund, Class X, 0.03% (Cost \$12,201,706) ^(b)	\$ 12,201,706
	TOTAL INVESTMENTS - 100.0% (Cost \$16,819,441)	\$ 20,316,422
	OTHER ASSETS IN EXCESS OF LIABILITIES- 0.0%	<u>2,223</u>
	NET ASSETS - 100.0%	<u>\$ 20,318,645</u>

LP - Limited Partnership

REIT - Real Estate Investment Trust

^(a) Non-income producing security.

^(b) Rate disclosed is the seven day effective yield as of December 31, 2021.

^(c) Illiquid security. Total illiquid securities represents 39.9% of net assets as of December 31, 2021.

^(d) The fair value of this investment is determined using significant unobservable inputs and is classified as level 3 on the GAAP hierarchy (See Note 2).

^(e) Fair Value estimated using fair value procedures adopted by the Board of Trustees. Total Value of such securities is \$6,581,469 or 32.4% of net assets as of December 31, 2021.

^(f) Restricted securities see Note 9 for more information.

The accompanying notes are an integral part of these financial statements.

Alternative Strategies Fund
STATEMENT OF ASSETS AND LIABILITIES (Unaudited)
December 31, 2021

Assets:

Investments in Securities at Value (identified cost \$16,819,441)	\$ 20,316,422
Dividends and Interest Receivable	67,803
Receivable from Advisor	12,822
Prepaid Expenses and Other Assets	28,051
Total Assets	<u>20,425,098</u>

Liabilities:

Distributions Payable	37,002
Accrued Distribution Fees	1,567
Accrued Shareholder Servicing Fees	50,327
Payable to Related Parties	7,080
Other Accrued Expenses	10,477
Total Liabilities	<u>106,453</u>

Net Assets	<u>\$ 20,318,645</u>
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Composition of Net Assets:

Net Assets consisted of:	
Paid-in-Capital	\$ 21,573,959
Accumulated Defecit	<u>(1,255,314)</u>
Net Assets	<u>\$ 20,318,645</u>

Class A Shares

Net Assets	\$ 6,795,248
Shares of beneficial interest outstanding [\$0 par value, unlimited shares authorized]	992,654
Net Asset Value and Redemption Price Per Share	<u>\$ 6.85</u>
(Net Assets divided by shares outstanding)	
Offering Price Per Share (\$6.85/0.9575)	<u>\$ 7.15</u>

Class C Shares

Net Assets	\$ 2,475,546
Shares of beneficial interest outstanding [\$0 par value, unlimited shares authorized]	380,477
Net Asset Value, Offering and Redemption Price Per Share (1)	<u>\$ 6.51</u>
(Net Assets divided by shares outstanding)	

Class I Shares

Net Assets	\$ 11,047,851
Shares of beneficial interest outstanding [\$0 par value, unlimited shares authorized]	1,599,428
Net Asset Value, Offering and Redemption Price Per Share	<u>\$ 6.91</u>
(Net Assets divided by shares outstanding)	

(1) Class C Shares are subject to a 1.00% early withdrawal charge on shares repurchased less than 365 days after purchase date.

The accompanying notes are an integral part of these financial statements.

Alternative Strategies Fund
STATEMENT OF OPERATIONS (Unaudited)
For the Six Months Ended December 31, 2021

Investment Income:	
Dividend Income	\$ 573,094
Interest Income	101
Total Investment Income	<u>573,195</u>
Investment Advisory Fees	62,264
Shareholder Servicing Fees	
Class A	8,504
Class C	3,297
Distribution Fees	
Class C	9,890
Legal Fees	32,281
Transfer Agent Fees	19,033
Fund Accounting Fees	18,084
Trustees' Fees	18,024
Administration Fees	17,665
Chief Compliance Officer Fees	13,267
Registration & Filing Fees	12,255
Printing Expense	11,888
Audit Fees	11,404
Pricing Expense	5,042
Third Party Administrative Services Fees	5,010
Custody Fees	2,530
Insurance Expense	438
Miscellaneous Expenses	3,842
Total Expenses	<u>254,718</u>
Less: Fees Waived/Reimbursed by Advisor	<u>(103,895)</u>
Net Expenses	<u>150,823</u>
 Net Investment Income	 <u>422,372</u>
 Net Realized and Unrealized Gain on Investments:	
Net Realized Loss on Investments	906,070
 Net Change in Unrealized Appreciation on Investments	 <u>103,952</u>
 Net Realized and Unrealized Gain on Investments	 <u>1,010,022</u>
 Net Increase in Net Assets Resulting From Operations	 <u>\$ 1,432,394</u>

The accompanying notes are an integral part of these financial statements.

Alternative Strategies Fund
STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended December 31, 2021 (Unaudited)	For the Year Ended June 30, 2021
Operations:		
Net Investment Income	\$ 422,372	\$ 276,895
Net Realized Gain (Loss) on Investments	906,070	(416,582)
Distributions of Capital Gains From Underlying Investment Companies	-	9,321
Net Change in Unrealized Appreciation (Depreciation) on Investments	103,952	5,426,324
Net Increase in Net Assets Resulting From Operations	1,432,394	5,295,958
Distributions to Shareholders From:		
Distributions Paid From Earnings		
Class A	(227,567)	(28,588)
Class C	(88,550)	(11,280)
Class I	(202,134)	(23,487)
Return of Capital		
Class A	-	(418,444)
Class C	-	(172,456)
Class I	-	(332,678)
Total Distributions to Shareholders	(518,251)	(986,933)
From Shares of Beneficial Interest Transactions:		
Class A		
Proceeds from Shares Issued	659	2,044
Distributions Reinvested	87,331	170,841
Cost of Shares Redeemed	(634,046)	(1,651,430)
Total Class A	(546,056)	(1,478,545)
Class C		
Distributions Reinvested	29,342	79,768
Cost of Shares Redeemed	(603,297)	(463,476)
Total Class C	(573,955)	(383,708)
Class I		
Proceeds from Shares Issued	5,011,825	469,484
Distributions Reinvested	107,908	182,927
Cost of Shares Redeemed	(320,413)	(1,168,035)
Total Class I	4,799,320	(515,624)
Total From Shares of Beneficial Interest Transactions	3,679,309	(2,377,877)
Total Increase in Net Assets	4,593,452	1,931,148
Net Assets:		
Beginning of Period	15,725,193	13,794,045
End of Period	<u>\$ 20,318,645</u>	<u>\$ 15,725,193</u>

The accompanying notes are an integral part of these financial statements.

Alternative Strategies Fund
 STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	For the Six Months Ended December 31, 2021 (Unaudited)	For the Year Ended June 30, 2021
SHARE ACTIVITY:		
Class A		
Shares Issued	100	366
Shares Reinvested	13,195	30,984
Shares Redeemed	(96,103)	(305,912)
Net Decrease in Shares of Beneficial Interest	<u>(82,808)</u>	<u>(274,562)</u>
Class C		
Shares Reinvested	4,667	15,451
Shares Redeemed	(95,878)	(88,191)
Net Decrease in Shares of Beneficial Interest	<u>(91,211)</u>	<u>(72,740)</u>
Class I		
Shares Issued	726,429	80,124
Shares Reinvested	16,167	33,043
Shares Redeemed	(48,108)	(214,328)
Net Increase (Decrease) in Shares of Beneficial Interest	<u>694,488</u>	<u>(101,161)</u>

The accompanying notes are an integral part of these financial statements.

Alternative Strategies Fund

STATEMENT OF CASH FLOWS (Unaudited)

For the Six Months Ended December 31, 2021

Cash flows from operating activities:

Net increase in net assets resulting from operations	\$ 1,432,394
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:	
Purchases of investments	(5,542)
Sales of investments	8,508,897
Net purchases of short term securities	(12,105,326)
Net realized loss from investments, exclusive of capital gain and return of capital distributions from underlying investments	(906,070)
Return of Capital distributions received from underlying investments	
Net change in unrealized appreciation on investments	(103,952)

Changes in assets and liabilities

(Increase)/Decrease in assets:

Receivable from Adviser	53,236
Dividends and Interest Receivable	4,354
Prepaid Expenses and Other Assets	(9,982)

Increase/(Decrease) in liabilities:

Payable to Related Parties	(696)
Accrued Shareholder Service Fees	(13,066)
Distributions Payable	994
Other Accrued Expenses	(17,866)

Net cash provided by operating activities (3,161,058)

Cash flows from financing activities:

Proceeds from shares issued	5,012,484
Payments on shares redeemed	(1,557,756)
Cash distributions paid	(293,670)
Net cash used in financing activities	<u>3,161,058</u>

Net increase (decrease) in cash	(0)
Cash at beginning of period	-
Cash at end of period	<u>\$ (0)</u>

Supplemental disclosure of non-cash activity:

Non-cash financing activities not included herein consists of reinvestment of dividends	<u>\$ 224,581</u>
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The accompanying notes are an integral part of these financial statements.

Alternative Strategies Fund - Class A
FINANCIAL HIGHLIGHTS

The table below sets forth financial data for one share of beneficial interest outstanding throughout each period presented.

	For the Six Months Ended December 31, 2021 (Unaudited)	For the Year ended June 30,				
		2021	2020	2019	2018	2017
Net Asset Value, Beginning of Period	\$ 6.45	\$ 4.78	\$ 7.22	\$ 7.36	\$ 7.95	\$ 8.07
Increase (decrease) From Operations:						
Net investment income (a)	0.18	0.11	0.19	0.23	0.26	0.35
Net gain (loss) from investments (both realized and unrealized)	0.44	1.94	(2.12)	0.21	(0.28)	0.15
Total from operations	0.62	2.05	(1.93)	0.44	(0.02)	0.50
Less Distributions:						
From net investment income	(0.22)	(0.02)	(0.16)	(0.31)	(0.06)	(0.19)
From return of capital	-	(0.36)	(0.35)	(0.27)	(0.51)	(0.43)
Total Distributions	(0.22)	(0.38)	(0.51)	(0.58)	(0.57)	(0.62)
Net Asset Value, End of Period	\$ 6.85	\$ 6.45 (e)	\$ 4.78 (e)	\$ 7.22 (e)	\$ 7.36	\$ 7.95
Total Return (b)	6.90% (f)	44.33% (e)	(28.16)% (e)	6.31% (e)	(0.20)%	6.32%
Ratios/Supplemental Data						
Net assets, end of period (in 000's)	\$ 6,795	\$ 6,938	\$ 6,453	\$ 10,242	\$ 14,164	\$ 22,518
Ratio to average net assets:						
Expenses, Gross (c)	3.27% (g)	3.22%	2.59%	2.25%	2.05%	2.00%
Expenses, Net of Reimbursement (c)	1.94% (g)	1.85%	1.82%	1.75%	1.75%	1.75%
Net investment income, Net of Reimbursement (c)(d)	5.51% (g)	2.03%	2.98%	3.21%	3.52%	4.25%
Portfolio turnover rate	0.04% (f)	0.11%	9.23%	12.06%	22.50%	20.58%

(a) Per share amounts are calculated using the average shares method, which more appropriately presents the per share data for the period.

(b) Total returns are historical in nature and assume changes in share price, reinvestment of dividends, returns of capital and capital gains distributions, if any. Had the Advisor not absorbed a portion of Fund expenses, total returns would have been lower. Class A total return does not reflect the applicable sales load.

(c) Does not include expenses of other investment companies in which the Fund invests.

(d) Recognition of investment income is affected by timing of and declaration of dividends by the underlying investment companies in which the Fund invests.

(e) Includes adjustments in accordance with accounting principles generally accepted in the United States and, consequently, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

(f) Not annualized.

(g) Annualized.

The accompanying notes are an integral part of these financial statements.

Alternative Strategies Fund - Class C
FINANCIAL HIGHLIGHTS

The table below sets forth financial data for one share of beneficial interest outstanding throughout each period presented.

	For the Six Months Ended December 31, 2021 (Unaudited)	For the Year ended June 30,				
		2021	2020	2019	2018	2017
Net Asset Value, Beginning of Period	\$ 6.15	\$ 4.59	\$ 6.98	\$ 7.16	\$ 7.78	\$ 7.96
Increase (decrease) From Operations:						
Net investment income (a)	0.15	0.07	0.14	0.18	0.21	0.28
Net gain (loss) from investments (both realized and unrealized)	0.42	1.86	(2.05)	0.20	(0.29)	0.15
Total from operations	0.57	1.93	(1.91)	0.38	(0.08)	0.43
Less Distributions:						
From net investment income	(0.21)	(0.02)	(0.15)	(0.30)	(0.05)	(0.18)
From return of capital	-	(0.35)	(0.33)	(0.26)	(0.49)	(0.43)
Total Distributions	(0.21)	(0.37)	(0.48)	(0.56)	(0.54)	(0.61)
Net Asset Value, End of Period	\$ 6.51	\$ 6.15 (e)	\$ 4.59 (e)	\$ 6.98 (e)	\$ 7.16	\$ 7.78
Total Return (b)	6.75% (f)	43.32% (e)	(28.68)% (e)	5.58% (e)	(0.89)%	5.49%
Ratios/Supplemental Data						
Net assets, end of period (in 000's)	\$ 2,476	\$ 2,902	\$ 2,500	\$ 3,708	\$ 3,397	\$ 3,076
Ratio to average net assets:						
Expenses, Gross (c)	4.02% (g)	3.97%	3.35%	3.00%	2.80%	2.76%
Expenses, Net of Reimbursement (c)	2.58% (g)	2.50%	2.50%	2.50%	2.50%	2.50%
Net investment income, Net of Reimbursement (c)(d)	4.83% (g)	1.31%	2.33%	2.62%	2.91%	3.52%
Portfolio turnover rate	0.04% (f)	0.11%	9.23%	12.06%	22.50%	20.58%

(a) Per share amounts are calculated using the average shares method, which more appropriately presents the per share data for the period.

(b) Total returns are historical in nature and assume changes in share price, reinvestment of dividends, returns of capital and capital gains distributions, if any. Had the Advisor not absorbed a portion of Fund expenses, total returns would have been lower.

(c) Does not include expenses of other investment companies in which the Fund invests.

(d) Recognition of investment income is affected by timing of and declaration of dividends by the underlying investment companies in which the Fund invests.

(e) Includes adjustments in accordance with accounting principles generally accepted in the United States and, consequently, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

(f) Not annualized.

(g) Annualized.

Alternative Strategies Fund - Class I
FINANCIAL HIGHLIGHTS

The table below sets forth financial data for one share of beneficial interest outstanding throughout each period presented.

	For the Six Months Ended December 31, 2021 (Unaudited)	For the Year Ended June 30, 2021	For the Year Ended June 30, 2020	For the Year Ended June 30, 2019	For the Period Ended June 30, 2018*
Net Asset Value, Beginning of Period	\$ 6.50	\$ 4.81	\$ 7.25	\$ 7.36	\$ 7.98
Increase (decrease) From Operations:					
Net investment income (a)	0.19	0.12	0.20	0.26	0.35
Net gain (loss) from investments (both realized and unrealized)	0.44	1.95	(2.13)	0.21	(0.49)
Total from operations	0.63	2.07	(1.93)	0.47	(0.14)
Less Distributions:					
From net investment income	(0.22)	(0.02)	(0.16)	(0.31)	(0.00) (h)
From return of capital	-	(0.36)	(0.35)	(0.27)	(0.48)
Total Distributions	(0.22)	(0.38)	(0.51)	(0.58)	(0.48)
Net Asset Value, End of Period	<u>\$ 6.91</u>	<u>\$ 6.50</u> (i)	<u>\$ 4.81</u> (i)	<u>\$ 7.25</u> (i)	<u>\$ 7.36</u>
Total Return (b)	7.17% (c)	44.53% (i)	(28.02)% (i)	6.68% (i)	(1.71)% (c)
Ratios/Supplemental Data					
Net assets, end of Period (in 000's)	\$ 11,048	\$ 5,884	\$ 4,841	\$ 6,893	\$ 6,238
Ratio to average net assets:					
Expenses, Gross (e)	3.02% (d)	2.97%	2.36%	2.00%	1.65% (d)
Expenses, Net of Reimbursement (e)	1.70% (d)	1.60%	1.57%	1.50%	1.50% (d)
Net investment income, Net of Reimbursement (e)(f)	5.71% (d)	2.16%	3.26%	3.55%	4.99% (d)
Portfolio turnover rate	0.04% (c)	0.11%	9.23%	12.06%	22.50% (g)(c)

*Class I commenced operations on July 17, 2017.

(a) Per share amounts are calculated using the average shares method, which more appropriately presents the per share data for the period.

(b) Total returns are historical in nature and assume changes in share price, reinvestment of dividends, returns of capital and capital gains distributions, if any. Had the Advisor not absorbed a portion of Fund expenses, total returns would have been lower.

(c) Not annualized.

(d) Annualized.

(e) Does not include expenses of other investment companies in which the Fund invests.

(f) Recognition of investment income is affected by timing of and declaration of dividends by the underlying investment companies in which the Fund invests.

(g) Represents the Fund's portfolio turnover rate for the entire year.

(h) Less than \$0.01 per share

(i) Includes adjustments in accordance with accounting principles generally accepted in the United States and, consequently, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

Alternative Strategies Fund
NOTES TO FINANCIAL STATEMENTS (Unaudited)
December 31, 2021

1. ORGANIZATION

Alternative Strategies Fund (the “Fund”) was organized as a Delaware statutory trust on June 15, 2010 and is registered under the Investment Company Act of 1940, as amended, (the “1940 Act”), as a non-diversified, closed-end management investment company that operates as an interval fund with a continuous offering of Fund shares. The investment objective of the Fund is to seek attractive risk-adjusted returns with low to moderate volatility and low correlation to the broader markets, through a concentrated alternative investment approach with an emphasis on income generation. The Fund pursues its investment objective by investing primarily in private and publicly traded alternative investment funds and real estate investment trusts (“REITs”). Investment funds include closed-end funds, open-end funds (mutual funds), limited partnerships, limited liability companies and other types of pooled investment vehicles.

The Fund currently offers Class A, Class C and Class I shares. Class A shares commenced operations on September 28, 2010, Class C shares commenced operations on January 21, 2015 and Class I shares commenced operations on July 17, 2017. Class A shares are offered at net asset value plus a maximum sales charge of 4.25%. Class C and I shares are offered at net asset value. Each class represents an interest in the same assets of the Fund and classes are identical except for differences in their sales charge structures and ongoing service and distribution charges. All classes of shares have equal voting privileges except that each class has exclusive voting rights with respect to its service and/or distribution plans. The Fund’s income, expenses (other than class specific distribution fees) and realized and unrealized gains and losses are allocated proportionately each day based upon the relative net assets of each class.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Fund in preparation of its financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the period. Actual results could differ from those estimates. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 “Financial Services – Investment Companies” including FASB Accounting Standard Update ASU 2013-08.

Security Valuation – Securities listed on an exchange are valued at the last reported sale price at the close of the regular trading session of the primary exchange on the business day the value is being determined, or in the case of securities listed on NASDAQ at the NASDAQ Official Closing Price. In the absence of a sale such securities shall be valued at the mean between the current bid and ask prices on the day of valuation. Short-term debt obligations having 60 days or less remaining until maturity, at time of purchase, may be valued at amortized cost.

Valuation of Fund of Funds - The Fund may invest in funds of open-end or closed-end investment companies (the “Underlying Funds”). The Underlying Funds value securities in their portfolios for which market quotations are readily available at their market values (generally the last reported sale price) and all other securities and assets at their fair value using the methods established by the board of directors of the Underlying Funds.

Open-end investment companies are valued at their respective net asset values as reported by such investment companies. The shares of many closed-end investment companies, after their initial public offering, frequently trade at a price per share, which is different than the net asset value per share. The difference represents a market premium or market discount of such shares. There can be no assurances that the market discount or market premium on shares of any closed-end investment company purchased by the Fund will not change.

When price quotations for certain securities are not readily available, or if the available quotations are not believed to be reflective of market value by the Advisor, those securities will be valued at “fair value” as determined in good faith by the Fund’s fair value committee using procedures adopted by and under the supervision of the Fund’s Board of Trustees (the “Board”). There can be no assurance that the Fund could purchase or sell a portfolio security at the price used to calculate the Fund’s net asset value (“NAV”).

Alternative Strategies Fund

NOTES TO FINANCIAL STATEMENTS (Unaudited)(Continued)

December 31, 2021

The Fund may hold securities, such as private investments, interests in commodity pools, other non-traded securities or temporarily illiquid securities, for which market quotations are not readily available or are determined to be unreliable. These securities will be valued at their fair value as determined using the “fair value” procedures approved by the Board. The Board has delegated execution of these procedures to a fair value committee composed of one or more representatives from each of the (i) Fund, (ii) administrator, and (iii) advisor. The committee may also enlist third party consultants such as a valuation specialist at a public accounting firm, valuation consultant or financial officer of a security issuer on an as-needed basis to assist in determining a security-specific fair value. The Board has also engaged a third party valuation firm to attend valuation meetings held by the Trust, review minutes of such meetings, and report to the Board on a quarterly basis. The Board reviews and ratifies the execution of this process and the resultant fair value prices at least quarterly to assure the process produces reliable results.

Fair Valuation Process. As noted above, the fair value committee is composed of one or more representatives from each of the (i) Fund, (ii) administrator, and (iii) advisor. The applicable investments are valued collectively via inputs from each of these groups. For example, fair value determinations are required for the following securities: (i) securities for which market quotations are insufficient or not readily available on a particular business day (including securities for which there is a short and temporary lapse in the provision of a price by the regular pricing source), (ii) securities for which, in the judgment of the advisor, the prices or values available do not represent the fair value of the instrument. Factors which may cause the advisor to make such a judgment include, but are not limited to, the following: only a bid price or an asked price is available; the spread between bid and asked prices is substantial; the frequency of sales; the thinness of the market; the size of reported trades; and actions of the securities markets, such as the suspension or limitation of trading; (iii) securities determined to be illiquid; (iv) securities with respect to which an event that will affect the value thereof has occurred (a “significant event”) since the closing prices were established on the principal exchange on which they are traded, but prior to the Fund’s calculation of its net asset value. Specifically, interests in commodity pools or managed futures pools are valued on a daily basis by reference to the closing market prices of each futures contract or other asset held by a pool, as adjusted for pool expenses. Restricted or illiquid securities, such as private placements or non-traded securities are valued via inputs from the advisor based upon the current bid for the security from two or more independent dealers or other parties reasonably familiar with the facts and circumstances of the security (who should take into consideration all relevant factors as may be appropriate under the circumstances). If the advisor is unable to obtain a current bid from such independent dealers or other independent parties, the fair value committee shall determine the fair value of such security using the following factors: (i) the type of security; (ii) the cost at date of purchase; (iii) the size and nature of the Fund’s holdings; (iv) the discount from market value of unrestricted securities of the same class at the time of purchase and subsequent thereto; (v) information as to any transactions or offers with respect to the security; (vi) the nature and duration of restrictions on disposition of the security and the existence of any registration rights; (vii) how the yield of the security compares to similar securities of companies of similar or equal creditworthiness; (viii) the level of recent trades of similar or comparable securities; (ix) the liquidity characteristics of the security; (x) current market conditions; and (xi) the market value of any securities into which the security is convertible or exchangeable.

The Fund invests in some securities which are not traded and the fair value committee has established a methodology for fair value of each type of security. Generally, REITs are publicly registered but not traded. When the REIT is in the public offering period, the Fund values the REIT at cost. The Fund generally purchases REITs at NAV or without a commission. However, start-up REITs amortize a significant portion of their start-up costs and therefore potentially carry additional risks that may impact valuation should a REIT be unable to raise sufficient capital and execute its business plan. As such, start-up REITs pose a greater risk than seasoned REITs because if they encounter going concern issues, they may see significant deviation in value from the fair value, cost basis approach as represented. Management is not aware of any information which would cause a change in cost basis valuation methodology currently being utilized for non-traded REITs in their offering period. Once a REIT closes to new investments, the Fund values the security based on the movement of an appropriate market index or traded comparable until the REIT issues an updated market valuation. Additionally, certain other non-publicly traded investments held by the Fund are valued based on the movement of an appropriate benchmark or company provided market valuation. The private investments are monitored for any independent appraisals or audits of the security or impairments reported on the potential value of the security and the fair value is generally adjusted to depreciation in the case of hard assets. The Fair Value Committee meets frequently to discuss the valuation methodology and will adjust the value of a security if there is a public update to such valuation.

Alternative Strategies Fund

NOTES TO FINANCIAL STATEMENTS (Unaudited)(Continued)

December 31, 2021

The values assigned to fair valued investments are based on available information and do not necessarily represent amounts that might ultimately be realized, since such amounts depend on future developments inherent in long-term investments. Changes in the fair valuation of portfolio securities may be less frequent and of greater magnitude than changes in the price of portfolio securities valued at their last sale price, by an independent pricing service, or based on market quotations. Imprecision in estimating fair value can also impact the amount of unrealized appreciation or depreciation recorded for a particular portfolio security and differences in the assumptions used could result in a different determination of fair value, and those differences could be material.

The Fund utilizes various methods to measure the fair value of its investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of input are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities that the Fund has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following tables summarize the inputs used as of December 31, 2021 for the Fund's assets measured at fair value:

Assets*	Total	Level 1	Level 2	Level 3
REITS	\$ 6,338,314	\$ -	\$ 6,338,314	\$ -
Private Investments	1,776,402	-	1,280,213	496,189
Short-Term Investment	12,201,706	12,201,706	-	-
Sub-Total	\$ 20,316,422	\$ 12,201,706	\$ 7,618,527	\$ 496,189
Total	\$ 20,316,422			

*Refer to the Schedule of Investments for industry classifications.

Level 3 reconciliation is noted in the table below.

The following is a reconciliation of assets in which Level 3 inputs were used in determining value:

	Private Investments	Total
Beginning Balance	\$ 496,189	\$ 496,189
Total realized loss	-	-
Change in Unrealized Appreciation (Depreciation)	-	-
Cost of Purchases	-	-
Proceeds from Sales and Return of Capital	-	-
Net transfers in (out) of level 3	-	-
Ending Balance	\$ 496,189	\$ 496,189

Alternative Strategies Fund
NOTES TO FINANCIAL STATEMENTS (Unaudited)(Continued)
December 31, 2021

Quantitative disclosures of unobservable inputs and assumptions used by the Fund are set forth below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Observable Inputs</u>	<u>Unobservable Input</u>
Private Investments	\$ 496,189	Partners Capital	Adjusted by management to reflect current market conditions for underlying land

The Fund had no unfunded commitments as of the period ended December 31, 2021.

Security Transactions and Investment Income – Investment security transactions are accounted for on a trade date basis. Cost is determined and gains and losses are based upon the specific identification method for both financial statement and federal income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Purchase discounts and premiums on securities are accreted and amortized over the life of the respective securities.

Distributions from Real Estate Investment Trusts – Distribution from Real Estate Investment Trusts are initially recorded as dividend income and, to the extent such represent a return of capital or capital gain for tax purposes, are reclassified when such information becomes available.

Federal Income Taxes – The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and will distribute all of its taxable income, if any, to shareholders. Accordingly, no provision for Federal income taxes is required in the financial statements.

The Fund recognizes the tax benefits of uncertain tax positions only when the position is “more likely than not” to be sustained assuming examination by tax authorities. Management has reviewed the tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years ended June 30, 2019 through June 30, 2021, or expected to be taken in the Fund’s June 30, 2022 tax returns. The Fund identifies its major tax jurisdiction as U.S. Federal. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the year ended June 30, 2021, the Fund did not incur any interest or penalties. Generally, tax authorities can examine tax returns filed for the last three years.

Distributions to Shareholders – Distributions from investment income are declared and recorded on a daily basis and paid quarterly. Distributions from net realized capital gains, if any, are declared and paid annually and are recorded on the ex-dividend date. The character of income and gains to be distributed is determined in accordance with income tax regulations, which may differ from GAAP. These “book/tax” differences are considered either temporary (e.g., deferred losses) or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the composition of net assets based on their federal tax-basis treatment; temporary differences do not require reclassification. All or a portion of a distribution may consist of return of capital, shareholders should not assume that the source of a distribution is net income.

Indemnification – The Fund indemnifies its officers and Trustees for certain liabilities that may arise from the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and which provide general indemnities. The Fund’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss due to these warranties and indemnities to be remote.

3. INVESTMENT ADVISORY AGREEMENT AND TRANSACTIONS WITH RELATED PARTIES

Advisory Fees – SCG Asset Management, LLC (“SCG”) serves as the Fund’s investment adviser (the “Adviser”). Pursuant to an investment advisory agreement with the Trust, on behalf of the Fund, the Adviser, under the oversight of the Board, directs the daily operations of the Fund and supervises the performance of administrative and professional services provided by others. As compensation for these services and the related expenses borne by the Adviser, the Fund has agreed to pay the Adviser as compensation under the Investment Management Agreement a fee consisting of two components — a base

Alternative Strategies Fund

NOTES TO FINANCIAL STATEMENTS (Unaudited)(Continued)

December 31, 2021

management fee (the “Management Fee”) and an incentive fee (the “Incentive Fee”). The base management fee is calculated and payable monthly in arrears at the annual rate of 1.50% of the Fund’s average daily net assets.

The incentive fee is calculated and payable quarterly in arrears based upon the Fund’s “pre-incentive fee net investment income” for the immediately preceding quarter, and is subject to a “hurdle rate,” expressed as a rate of return on the Fund’s “adjusted capital,” equal to 1.50% per quarter (or an annualized hurdle rate of 6.0%), subject to a “catch-up” feature. For this purpose, “pre-incentive fee net investment income” means interest income, dividend income and any other income accrued during the calendar quarter, minus the Fund’s operating expenses for the quarter (including the management fee, expenses reimbursed to the Adviser for any administrative services provided by the Adviser and any interest expense and distributions paid on any issued and outstanding preferred shares but excluding the incentive fee). “Adjusted capital” means the cumulative gross proceeds received by the Fund from the sale of the Fund’s shares (including pursuant to the Fund’s distribution reinvestment plan), reduced by amounts paid in connection with purchases of the Fund’s shares pursuant to the Fund’s share repurchase program. Prior to December 17, 2021, Ladenburg Thalmann Asset Management Inc. (“LTAM”) served as the Fund’s investment advisor. Under the terms of previous Advisory Agreement between the Trust, on behalf of the Fund, and LTAM, LTAM received monthly fees calculated at an annual rate of 0.75% of the average daily net assets of the Fund.

The Adviser and the Fund have entered into an expense limitation and reimbursement agreement (the “Expense Limitation Agreement”) under which the Adviser has agreed contractually to waive its fees and to pay or absorb the ordinary operating expenses of the Fund (excluding front-end or contingent deferred loads, taxes, leverage interest, borrowing interest, brokerage commissions, expenses incurred in connection with any merger or reorganization, dividend expense on securities sold short, acquired (underlying) fund fees and expenses or extraordinary expenses such as litigation), to the extent that they exceed 3.00%, 3.65% and 2.75% (prior to December 17, 2021, the amount was 1.85%, 2.50% and 1.60% for Class A, Class C and Class I, respectively) per annum of the Fund’s average daily net assets attributable to Class A, Class C shares and Class I shares, respectively (the “Expense Limitation”). In consideration of the Adviser’s agreement to limit the Fund’s expenses, the Fund has agreed to repay the Adviser in the amount of any fees waived and Fund expenses paid or absorbed, subject to the limitations that: (1) the reimbursement for fees and expenses will be made only if payable not more than three years from when they were incurred; and (2) the reimbursement may not be made if it would cause the Expense Limitation (at the time of waiver/reimbursement or recapture) to be exceeded.

Ultimus Fund Solutions, LLC (“UFS”) – UFS, provides administration, fund accounting, and transfer agent services to the Fund. Pursuant to separate servicing agreements with UFS, the Fund pays UFS customary fees for providing administration, fund accounting and transfer agency services to the Fund. Certain officers of the Fund are also officers of UFS and are not paid any fees directly by the Fund for servicing in such capacities.

In addition, certain affiliates of UFS provide services to the Fund as follows:

Northern Lights Compliance Services, LLC (“NLCS”) - NLCS, an affiliate of GFS, provides a Chief Compliance Officer to the Fund, as well as related compliance services, pursuant to a consulting agreement between NLCS and the Fund. Under the terms of such agreement, NLCS receives customary fees from the Fund.

Blu Giant, LLC (“Blu Giant”) – Blu Giant, an affiliate of UFS and the Distributor, provides EDGAR conversion and filing services as well as print management services for the Fund on an ad-hoc basis. For the provision of these services, Blu Giant receives customary fees from the Fund.

Distributor – The distributor of the Fund is Ladenburg Thalmann & Co., Inc. (the “Distributor”). The Board has adopted, on behalf of the Fund, a Shareholder Services Plan under which the Fund may compensate financial industry professionals for providing ongoing services in respect of clients with whom they have distributed shares of the Fund. Under the Shareholder Services Plan, the Fund may pay 0.25% per year of its average daily net assets of each of Class A and Class C shares for such services. For the period ended December 31, 2021, the Fund incurred shareholder servicing fees of \$8,504 and \$3,297 for Class A and Class C shares, respectively. Under the Distribution Plan, the Fund pays 0.75% per year of its average daily net

Alternative Strategies Fund
NOTES TO FINANCIAL STATEMENTS (Unaudited)(Continued)
December 31, 2021

assets for such services for Class C shares. For the period ended December 31, 2021, the Fund incurred distributions fees of \$9,890 for Class C.

The Distributor acts as the Fund’s principal underwriter in a continuous public offering of the Fund’s shares. The Distributor is an affiliate of the Advisor. For the period ended December 31, 2021, the Distributor received \$0 in underwriting commissions for sales of the Fund’s shares, of which \$0 was retained by the principal underwriter or other affiliated broker-dealers.

Additionally, Ladenburg Thalmann & Co., Inc., executed portfolio trades on behalf of the Fund for which it received \$2,609 in trade commissions during the period ended December 31, 2021.

4. INVESTMENT TRANSACTIONS

The cost of purchases and proceeds from the sale of securities, other than short-term securities, for the period ended December 31, 2021, amounted to \$5,542 and \$8,508,897, respectively.

5. CONTROL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a portfolio creates presumption of control of the portfolio under section 2(a)(9) of the 1940 Act. As of December 31, 2021, National Financial Services held 64.9%, the Fund and may be deemed to control the Fund.

6. AGGREGATE UNREALIZED APPRECIATION AND DEPRECIATION – TAX BASIS

The identified cost of investments in securities owned by the Fund for federal income tax purposes and its respective gross unrealized appreciation and depreciation at December 31, 2021, was as follows:

Cost for Federal Tax purposes	<u>\$ 16,659,723</u>
Unrealized Appreciation	\$ 5,430,376
Unrealized Depreciation	<u>(1,773,677)</u>
Tax Net Unrealized Appreciation	<u>\$ 3,656,699</u>

7. DISTRIBUTIONS TO SHAREHOLDERS AND TAX COMPONENTS OF CAPITAL

The tax character of Fund distributions for the following fiscal years were as follows:

	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Ordinary Income	\$ 63,355	\$ 456,320
Return of Capital	923,578	978,884
	<u>\$ 986,933</u>	<u>\$ 1,435,204</u>

As of June 30, 2021, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed Ordinary Income	Undistributed Long-Term Gains	Post October Loss and Late Year Loss	Capital Loss Carry Forwards	Other Book/Tax Differences	Unrealized Appreciation/(Depreciation)	Total Accumulated Earnings/(Deficits)
\$ -	\$ -	\$ (21,932)	\$ (5,664,264)	\$ (36,008)	\$ 3,552,747	\$ (2,169,457)

Alternative Strategies Fund

NOTES TO FINANCIAL STATEMENTS (Unaudited)(Continued)

December 31, 2021

The difference between book basis and tax basis distributable earnings and unrealized depreciation is primarily attributable to the tax deferral of losses on wash sales and adjustments for partnerships and C-Corporations and accrued dividends payable.

Late year losses incurred after December 31 within the fiscal year are deemed to arise on the first business day of the following fiscal year for tax purposes. The Fund incurred and elected to defer such late year losses of \$21,932.

At June 30, 2021, the Funds had capital loss carry forwards for federal income tax purposes available to offset future capital gains as follows:

<u>Expiring</u>	<u>Non-Expiring Short-Term</u>	<u>Non-Expiring Long-Term</u>	<u>Total</u>	<u>CLCF Utilized</u>
\$ -	\$ 1,361,319	\$ 4,302,945	\$ 5,664,264	\$ -

Permanent book and tax differences, primarily attributable to tax adjustments for partnerships resulted in reclassification for the fiscal year ended June 30, 2021 as follows:

<u>Paid In Capital</u>	<u>Accumulated Losses</u>
\$ (18,688)	\$ 18,688

8. REPURCHASE OFFERS

Pursuant to Rule 23c-3 under the Investment Company Act of 1940, as amended, the Fund offers shareholders on a quarterly basis the option of redeeming shares, at net asset value, of no less than 5% and no more than 25% of the shares outstanding. There is no guarantee that shareholders will be able to sell all of the shares they desire in a quarterly repurchase offer, although each shareholder will have the right to require the Fund to purchase up to and including 5% of such shareholder's shares in each quarterly repurchase. Limited liquidity will be provided to shareholders only through the Fund's quarterly repurchases.

During the six months ended December 31, 2021, the Fund completed four quarterly repurchase offers. In those offers, the Fund offered to repurchase up to 5% of the number of its outstanding shares as of the Repurchase Pricing Dates. The Fund may under officer approval increase the repurchase percentage above 5%. The results of those repurchase offers were as follows:

<u>Class A</u>	<u>Repurchase Offer #1</u>	<u>Repurchase Offer #2</u>
Commencement Date	June 23, 2021	September 21, 2021
Repurchase Request		
Deadline	July 22, 2021	October 22, 2021
Repurchase Pricing Date	July 22, 2021	October 22, 2021
Net Asset Value as of Repurchase Offer Date	\$6.52	\$6.69
Amount Repurchased	\$340,881	\$292,955
Percentage of Outstanding Shares Repurchased	4.86%	4.25%

Alternative Strategies Fund

NOTES TO FINANCIAL STATEMENTS (Unaudited)(Continued)

December 31, 2021

<u>Class C</u>	<u>Repurchase Offer #1</u>	<u>Repurchase Offer #2</u>
Commencement Date	June 23, 2021	September 21, 2021
Repurchase Request		
Deadline	July 22, 2021	October 22, 2021
Repurchase Pricing Date	July 22, 2021	October 22, 2021
Net Asset Value as of		
Repurchase Offer Date	\$6.22	\$6.36
Amount Repurchased	\$288,199	\$315,083
Percentage of Outstanding		
Shares Repurchased	9.82%	11.57%

<u>Class I</u>	<u>Repurchase Offer #1</u>	<u>Repurchase Offer #2</u>
Commencement Date	June 23, 2021	September 21, 2021
Repurchase Request		
Deadline	July 22, 2021	October 22, 2021
Repurchase Pricing Date	July 22, 2021	October 22, 2021
Net Asset Value as of		
Repurchase Offer Date	\$6.58	\$6.74
Amount Repurchased	\$157,840	\$162,572
Percentage of Outstanding		
Shares Repurchased	2.65%	2.71%

9. INVESTMENT IN RESTRICTED SECURITIES

Restricted securities include securities that have not been registered under the Securities Act of 1933, as amended, and securities that are subject to restrictions on resale. The Fund may invest in restricted securities that are consistent with the Fund's investment objectives and investment strategies. Investments in restricted securities are valued at fair value as determined in good faith in accordance with procedures adopted by the Board of Trustees. It is possible that the estimated value may differ significantly from the amount that might ultimately be realized in the near term, and the difference could be material.

As of December 31, 2021, the Fund was invested in the following restricted securities:

Security	Initial Acquisition Date	Shares	Cost	Value	% of Net Assets
Walton Kimberlin Heights, L.P.	12/27/2010	36,635	\$ 340,705	\$ 304,804	1.50%
Walton Sherwood Acres, L.P.	04/29/2011	10,752	\$ 99,994	\$ 53,007	0.26%
Walton US Land Fund 1, L.P.	11/08/2011	10,752	\$ 99,994	\$ 138,378	0.68%
Walton US Land Fund 2, L.P.	08/22/2012	19,855	\$ 151,764	\$ 132,036	0.65%
Walton US Land Fund 3, L.P.	11/16/2012	37,655	\$ 350,192	\$ 244,381	1.20%

10. UNDERLYING INVESTMENT IN OTHER INVESTMENT COMPANIES

The Fund currently seeks to achieve its investment objectives by investing a portion of the assets in the First American Government Obligations Fund, Class X. The Fund may redeem its investment in the security at any time if the Advisor determines that it is in the best interest of the Fund and its shareholders to do so.

The performance of the Fund will be directly affected by the performance of the security. The financial statements of the Security, including its portfolio of investments, can be found on the Securities and Exchange Commission's ("SEC") website, www.sec.gov, and should be read in conjunction with the Fund's financial statements. As of December 31, 2021, the percentage of the Fund's net assets invested in the First American Government Obligations Fund, Class X was 60.1%.

Alternative Strategies Fund

NOTES TO FINANCIAL STATEMENTS (Unaudited)(Continued)

December 31, 2021

11. SUBSEQUENT EVENTS

Subsequent events after the date of the Statement of Assets and Liabilities have been evaluated through the date the financial statements were issued. Management has determined that no events or transactions occurred requiring adjustment or disclosure in the financial statements other than the following: The Fund completed a quarterly repurchase offer on January 21, 2022 which resulted in 2.96%, 6.85% and 5.82% of Class A shares, Class C and Class I shares being repurchased for \$193,432, \$162,954, and \$618,575 respectively.

Alternative Strategies Fund - Ladenburg Thalmann Asset Management, Inc.*

In connection with the special meeting held on September 20, 2021 the Board of Trustees (the “Trustees”) of the Alternative Strategies Fund (the “Fund”), including a majority of the Trustees who are not “interested persons” as that term is defined in the Investment Company Act of 1940, as amended (the “1940 Act”), discussed the approval of a new investment advisory agreement (the “New Advisory Agreement”) between the Fund and SCG Asset Management, LLC (“SCG”). In considering the approval of the New Advisory Agreement, the Trustees received materials specifically relating to the New Advisory Agreement.

The Trustees relied upon the advice of independent legal counsel and their own business judgment in determining the material factors to be considered in evaluating the New Advisory Agreement, and the weight to be given to each such factor. The conclusions reached by the Trustees were based on a comprehensive evaluation of all of the information provided and were not the result of any one factor. Moreover, each Trustee may have afforded different weight to the various factors in reaching his conclusions with respect to the New Advisory Agreement.

At the Board Meeting, the Trustees considered the approval of the New Advisory Agreement. The Trustees were assisted by legal counsel throughout the agreement review process. The Trustees relied upon the advice of legal counsel, and their own business judgment in determining the material factors to be considered in evaluating the New Advisory Agreement and the weight to be given to each such factor. The conclusions reached by the Trustees were based on a comprehensive evaluation of all of the information provided and were not the result of any one factor. Moreover, each Trustee may have afforded different weight to the various factors in reaching his conclusions with respect to the New Advisory Agreement.

Nature, Extent and Quality of Services. The Trustees noted that SCG was established in 2020 as a subsidiary of Sachs Capital Group, LP which was founded in 2008. The Trustees discussed that SCG was currently managing approximately \$210 million in assets for institutional investors and high net-worth individuals in several strategies focused on opportunities for risk-adjusted returns through investments in structured products among other investments. The Trustees then reviewed the backgrounds of the key investment personnel at SCG who will be responsible for providing services to the Fund, taking into account their education and financial industry experience. The Trustees noted that Gregory H. Sachs, SCG’s founding Chairman, Chief Executive Officer and Chief Investment Officer, had more than 30 years of asset management experience. The Trustees also discussed SCG’s investment experience with alternative assets and real-estate related investments, including real estate investment trusts (REITs).

The Board next reviewed SCG’s investment process, noting that Mr. Sachs led a team of quantitative researchers who had built and maintained a proprietary investment model that screened industry sectors for attractive investment opportunities. The Trustees considered that SCG’s model took into account various market factors and that SCG also performed additional fundamental research in identifying structured note opportunities with attractive risk-adjusted return potential. The Trustees further considered that SCG’s investment process sought risk minimization and capital preservation through time-space diversification of assets, investing in assets with little or no correlation to each other, backtesting performance results through various market conditions and stress testing the portfolio under various market scenarios.

The Trustees considered that SCG would address compliance by monitoring the details of each investment and by performing pre-trade procedures to ensure compliance with the Fund’s investment guidelines and limitations. The Trustees also noted that SCG would form a best execution committee to monitor and evaluate the quality of the trade executions based on commission or markup, the reputation and financial condition of each broker, each broker’s ability to handle complex trade orders as well as transmit timely trade confirmations and provide quality research. Finally, the Trustees noted that SCG did not report any material compliance or litigation issues.

Alternative Strategies Fund
SUPPLEMENTAL INFORMATION (Unaudited)(Continued)
December 31, 2021

The Board noted that SCG's personnel were well experienced with investing in structured notes and had the resources to handle the complex and research-intensive investment process involved with such a strategy. After a discussion, the Board concluded that SCG was expected to provide a high level of quality service to the Fund and its shareholders.

Performance. The Trustees considered that SCG had managed a separate account since 2019 with the same strategy as the one proposed for the Fund. The Trustees reviewed the performance of the separate account for various periods, noting that it had performed well against its benchmark index, the S&P U.S. High Yield Corporate Index. The Trustees discussed that SCG would implement the same investment methods employed for SCG's separate account for the Fund. After discussion, the Trustees concluded that SCG was well qualified and should be allowed the opportunity to select investments in structured notes for the Fund and its shareholders and that the change in the Fund's investment strategy could benefit shareholders and achieve the Fund's investment objective.

Fees and Expenses. The Board noted that SCG had proposed an advisory fee equal to 1.50% of the Fund's average daily net assets and an incentive fee equal to 20% of pre-incentive fee net investment income over a 6% hurdle. The Board noted that at the point the 6% hurdle is reached, SCG would receive 100% of any additional net investment income until such time as SCG had earned its 20% incentive fee after which SCG would then receive 20% of all net investment income going forward. The Board compared the contractual management fee of the Fund to the fees and expenses of a peer group of funds provided by SCG with alternative investment strategies and some with similar fee structures. The Trustees noted that the Fund's base advisory fee was lower than the average of the peer group and that the incentive fee was similar to the peer group. The Board further noted that the Fund's net expense ratio also lower than the peer group average as a result of SCG's contractual expense limitation on the Fund's net operating expenses. The Trustees acknowledged that the proposed advisory fee was significantly higher than the current advisory fee but also acknowledged that the proposed strategy was materially different than the Fund's current strategy. The Trustees concluded that the Fund's advisory fee, as well as its overall expense ratio, were not unreasonable in light of the services the Fund would receive from SCG under the New Advisory Agreement, and the level of fees paid by a peer group of similarly managed funds.

Profitability. The Board considered the estimated profit analysis provided by SCG in connection with the operation of the Fund based on projected asset growth over the first 24 months. The Trustees reviewed the estimated profit and whether the amount of estimated profit was a fair entrepreneurial profit for the management of the Fund. The Trustees concluded SCG's estimated level of profitability from its relationship with the Fund was not excessive.

Economies of Scale. The Trustees noted that based on estimated assets over the initial two-year term of the New Advisory Agreement, it was premature to make a determination about economies of scale. The Trustees noted SCG's willingness to consider breakpoints as the Fund grows, that material economies were not expected to be reached during the initial two year term of the New Advisory Agreement, and agreed that the matter of economies of scale would be revisited as the Fund's size materially increased.

Conclusion. Having requested and received such information from SCG as the Board believed to be reasonably necessary to evaluate the terms of the New Advisory Agreement, and as assisted by the advice of Counsel, the Board concluded that the advisory fee structure was reasonable and that approval of the New Advisory Agreement was in the best interests of the Fund and its shareholders.

* Due to timing of the contract renewal schedule, these deliberations may or may not relate to the current performance results of the Fund.

Alternative Strategies Fund
SUPPLEMENTAL INFORMATION (Unaudited)(Continued)
December 31, 2021

RESULTS OF SHAREHOLDER MEETING

At a Special Meeting of Shareholders of the Trust, held at the offices of UFS, 80 Arkay Drive, Suite 110, Hauppauge, NY 11788, on December 10, 2021 Trust shareholders of record as of the close of business on October 26, 2021 voted to approve the following proposal:

Proposal 1: To approve a new investment advisory agreement between the Fund and SCG Asset Management, LLC.

Shares Voted <u>In Favor</u>	Shares Voted Against <u>or Abstentions</u>
1,043,540.507	152,375.49

Proposal 2: To approve a change to the Fund's fundamental investment policy with respect to industry concentration.

Shares Voted <u>In Favor</u>	Shares Voted Against <u>or Abstentions</u>
1,048,643.507	147,272.49

PRIVACY NOTICE

FACTS WHAT DOES ALTERNATIVE STRATEGIES FUND DO WITH YOUR PERSONAL INFORMATION?

Why? Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What? The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number
- Assets
- Retirement Assets
- Transaction History
- Checking Account Information
- Purchase History
- Account Balances
- Account Transactions
- Wire Transfer Instructions

When you are *no longer* our customer, we continue to share your information as described in this notice.

How? All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Alternative Strategies Fund chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Alternative Strategies Fund share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions? Call 1-877-803-6583

Who we are

Who is providing this notice? Alternative Strategies Fund

What we do

How does Alternative Strategies Fund protect my personal information? To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.

How does Alternative Strategies Fund collect my personal information? We collect your personal information, for example, when you

- Open an account
- Provide account information
- Give us your contact information
- Make deposits or withdrawals from your account
- Make a wire transfer
- Tell us where to send the money
- Tells us who receives the money
- Show your government-issued ID
- Show your driver's license

We also collect your personal information from other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- Sharing for affiliates' everyday business purposes – information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Alternative Strategies Fund does not share with our affiliates.*

Nonaffiliates Companies not related by common ownership or control. They can be financial and nonfinancial companies

- *Alternative Strategies Fund does not share with nonaffiliates so they can market to you.*

Joint marketing A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *Alternative Strategies Fund doesn't jointly market.*

Investment Adviser

SCG Asset Management, LLC
2132 Deep Water Lane, Suite 2322
Naperville, IL 60565

Administrator

Ultimus Fund Solutions, LLC
225 Pictoria Drive Suite 450
Cincinnati, OH 45246

How to Obtain Proxy Voting Information

Information regarding how the Fund votes proxies relating to portfolio securities for the 12 month period ended June 30th as well as a description of the policies and procedures that the Fund used to determine how to vote proxies is available without charge, upon request, by calling 1-877-803-6583 or by referring to the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

How to Obtain 1st and 3rd Fiscal Quarter Portfolio Holdings

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT. Form N-PORT is available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC (1-800-SEC-0330). The information on Form N-PORT is available without charge, upon request, by calling 1-877-803-6583.

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