

Variant Alternative Income Fund (NICHX)

December 2018

For use with accredited investors only

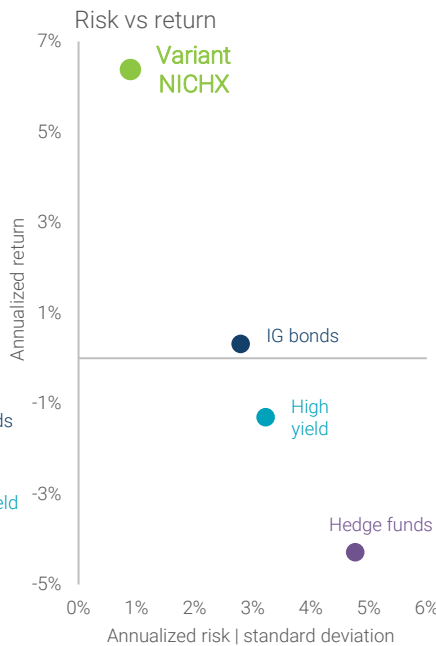


Fund summary

The Variant Alternative Income Fund offers investors efficient access to a diversified portfolio of unconventional income-generating assets. The Fund invests in niche market opportunities with strong cash flow characteristics and low correlations to public equity and bond markets. The Fund's primary objective is to provide a high level of current income. Capital appreciation will be considered a secondary objective. Variant, an innovator in alternative income investing, is led by an investment team with decades of experience investing in market niches. Interval funds provide investors such features as daily pricing, 1099 tax reporting, and quarterly liquidity with a fund-level gate of 5-25% of NAV. The interval fund structure allows accredited investors the opportunity to access less liquid, potentially higher yielding alternative investments.

Since inception performance¹

	Return ²	Risk ³	Sharpe ⁴	Correl. ⁵	Beta ⁶
Variant NICHX	6.38%	0.89%	5.26		
T-bills BBG 1-3 Mo ⁷	1.69%	0.14%	-	0.71	4.49
IG bonds BBG Agg ⁸	0.32%	2.80%	(0.49)	0.12	0.04
High yield BBG HY ⁹	-1.30%	3.22%	(0.93)	-0.06	-0.02
Hedge funds HFRXGL ¹¹	-4.29%	4.77%	(1.25)	-0.06	-0.01
Equity S&P 500 ¹¹	1.43%	14.18%	(0.02)	-0.03	0.00



Fund terms¹²

Fund assets:	\$27 million
Fund structure:	Interval closed-end fund
Qualifications:	Accredited Investor
Share class launch:	October 1, 2018
Subscriptions / NAV:	Daily
Redemptions:	Qtrly 5%-25% of NAV
Distributions:	Quarterly
Tax reporting:	1099
Share classes:	Institutional
Ticker:	NICHX
Min. investment:	\$1,000,000
Management fee ¹³ :	0.95%
Gross expense ratio:	3.05%
Net expense ratio ¹⁴ :	2.83%
Administrator:	UMB Fund Services
Counsel:	Drinker Biddle & Reath LLP
Auditor:	Cohen & Company
Distributor:	Forside Fund Services, LLC

Monthly returns¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017										0.12	0.19	0.42	0.73
2018	0.63	0.31	0.11	0.48	0.62	0.87	0.84	0.44	0.47	0.64	0.87	0.74	7.25

Year to date returns¹

	NICHX	BBG Agg ⁸	BBG HY ⁹	HFRXGL ¹⁰
Q417	0.73	0.39	0.47	1.50
2018	7.25	0.01	-2.08	-6.73

Past performance is not indicative of future results.

¹ Inception date is October 1, 2017. Returns are net total returns. Between October 2017 and September 2018, performance is quoted for the Variant Alternative Income Fund LP, the predecessor private fund that converted into the interval fund. The predecessor fund was, in all material respects, equivalent to the interval fund. The private fund track record was adjusted to reflect the interval fund's estimated expenses and expense limitations. Specifically, it reflects a management fee of 0.95% and fund expenses capped at 0.50%. The track record uses geometric returns and reflects the reinvestment of earnings. Results are unaudited.

² "Return" reflects the annualized net return of the fund since launch in October 2017 through the as of date listed on the table.

³ "Risk" is the annualized standard deviation over the period.

⁴ "Sharpe" is a ratio of the "Return" minus the T-bills index (as a measure of the risk-free rate) divided by "Risk".

⁵ "Correl" depicts the correlation, or the performance relationship, between the Fund and the reference indices on a monthly basis over the period.

⁶ "Beta" measures the volatility of the Fund relative to the reference indices over the period.

⁷ "T-bills" & "BBG 1-3 Mo" refer to the Bloomberg Barclays U.S. Treasury Bills: 1-3 Months Index, which tracks the market for Treasury bills issued by the U.S. government with remaining maturities of 1 to 3 months.

⁸ "IG bonds" & "BBG Agg" refer to the Bloomberg Barclays U.S. Aggregate Index, which is a broad-based flagship benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market.

⁹ "High yield" & "BBG HY" refer to the Bloomberg Barclays U.S. High Yield Index, which measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market.

¹⁰ "Hedge funds" & "HFRXGL" refer to the HFRX Global Hedge Fund Index, which is designed to be representative of the overall composition of the hedge fund universe.

¹¹ "Equity" & "S&P 500" refer to the S&P 500® Index, which is a market-value weighted index of equity securities.

¹² Please review the prospectus for a complete description of Fund terms, risks, charges and expenses.

¹³ "Management fee" reflects the contractual rate paid on the average daily managed assets of the Fund on an annual basis, payable monthly in arrears and determined as of month end. Use of Fund leverage will increase the actual Management fee paid to the Investment Manager. Borrowings are estimated to be 7.5% of the Fund's assets, resulting in a management fee of 1.02%.

¹⁴ The Investment Manager has entered into an expense limitation and reimbursement agreement through October 31, 2019, resulting in an expected net expense ratio of 2.83%.

Please note: The referenced indices are shown for general market comparisons. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or transaction costs. Reference indices are provided for illustrative purposes only. There are no known published benchmarks or indices comparable to the investment strategies of the Fund.

About Variant Investments

Variant was formed in 2017 by three Directors of Research from CTC | myCFO. Variant is backed by a large single family office that seeded the Variant Alternative Income Fund.

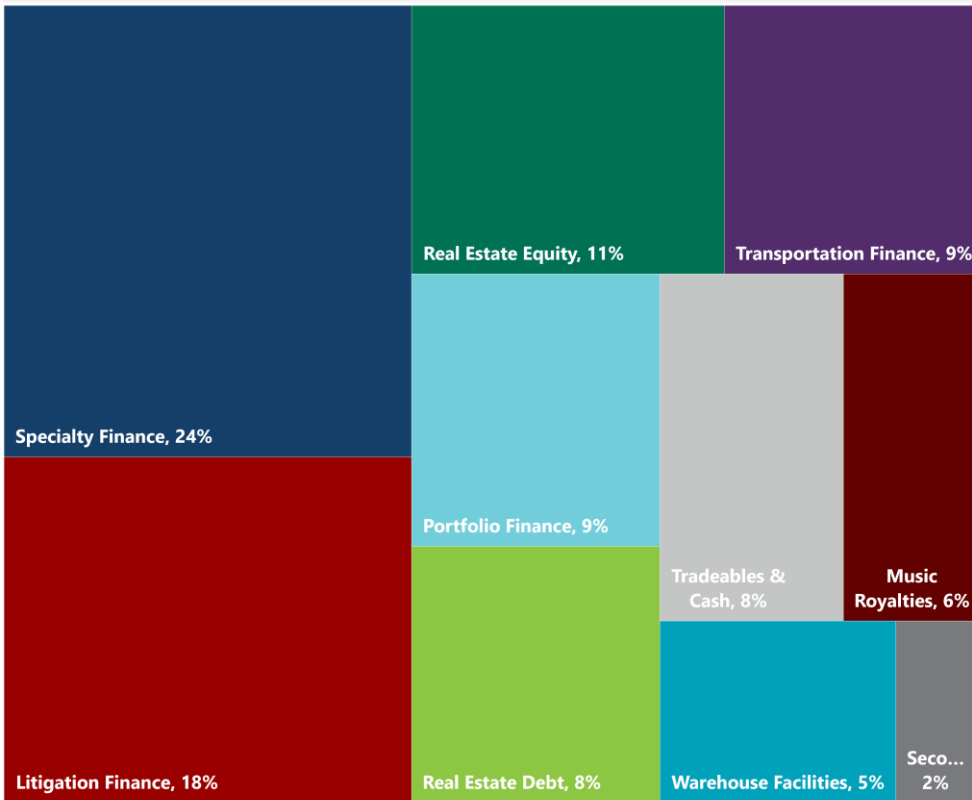
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Portfolio allocations as of January 2, 2019

# of asset classes ¹⁵	# of positions	Largest position	Commitments < than 3 mo's ¹⁶	Commitments < than 1 yr ¹⁶	Direct investments ¹⁷	Gross portfolio accrual rate ¹⁸	Net portfolio accrual rate ¹⁸	Unsubsidized accrual rate ¹⁸
10	36	10.1%	15%	48%	54%	8.4%	7.0%	6.2%

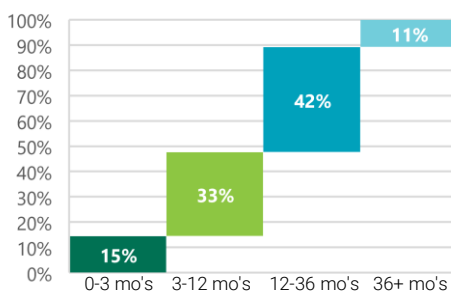
Asset class¹⁵



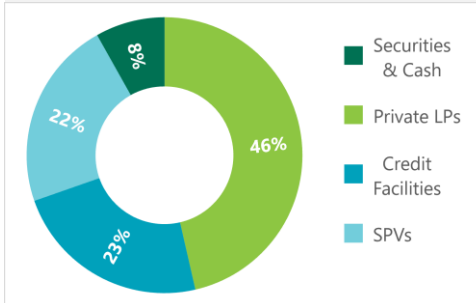
Asset class definitions¹⁵

- Life settlements:** Secondary market purchases of existing life insurance contracts at a discount to the face value of the policy
- Litigation finance:** Senior loans or advances to law firms and individuals backed by the receivables from litigation claims
- Music royalties:** Rights to future royalty streams generated by the individual and commercial use of songs and performance recordings
- Portfolio finance:** Bespoke financing solutions to private funds secured by a diversified portfolio of fund assets
- Real estate debt:** Privately-negotiated limited-term bridge loans secured by commercial properties, including senior living, multi-family and office
- Secondaries in private credit:** Acquisition of pre-existing investor commitments to private credit funds where the underlying assets are purchased at a discount to NAV
- Specialized real estate equity:** Equity opportunities with strong cash flows in niche real estate sectors, including self-storage and specialized care facilities
- Specialty finance:** Senior credit facilities provided to other lenders and originators of risk assets, secured by diversified pools of their origination
- Tradeable securities & cash:** Public securities held for liquidity management purposes, including MLPs, BDCs and preferred stocks
- Transportation finance:** Equity and debt investments in aviation, shipping, rail, containers and other transportation sectors
- Warehouse facilities:** Short-term financing provided during the formation period of a CLO, secured by a portfolio of floating rate corporate bank loans

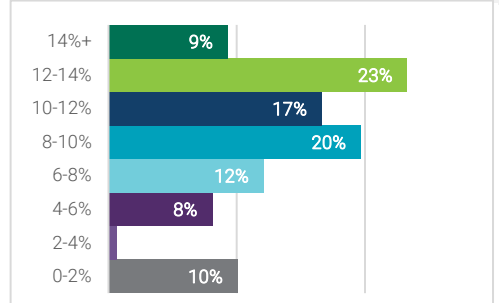
Commitment¹⁶



Vehicle¹⁷



Accrual rate¹⁸



¹⁵ Asset classes listed are the primary areas of investment for the Fund, as described in the "Investment Objective and Strategies" section of the prospectus. Each of the Underlying Funds has its own investment risks, and those risks can affect the value of the Underlying Funds' shares and therefore the value of the Fund's investment s.

¹⁶ Commitment is the length of time until all of the invested principal is expected to be returned or be available for liquidation. In the chart, "mo's" is used as an abbreviation for months.

¹⁷ Vehicle describes the legal structure of the investment. "Direct investments" are the sum of securities & cash, credit facilities and SPVs. "SPVs" refers to special purpose vehicles.

¹⁸ Accrual rate is the annualized rate at which investments are expected to accrue value over time as determined by the Fund's valuation policy. The actual return on any investment may materially differ from the accrual rate. The gross accrual rate shows the assumed accrual from each exposure, net of any underlying manager fees and expenses, but gross of Variant's management fees and expenses. The net accrual rate subtracts Variant's management fees and expenses, up to the expense limitation and reimbursement agreement that the Investment Manager has entered into through October 31, 2019. The unsubsidized accrual rate shows the net accrual rate without the estimated effect of the expense limitation and reimbursement agreement.

The Variant Alternative Income Fund is a continuously-offered, non-diversified, registered closed-end fund with limited liquidity. There is no guarantee the Fund will achieve its objective. An investment in the Fund should only be made by investors who understand the risks involved, who are able to withstand the loss of the entire amount invested and who can bear the risks associated with the limited liquidity of Shares. A prospective investor must meet the definition of "accredited investor" under Regulation D under the Securities Act of 1933.

Important Risks: Shares are an illiquid investment. You should generally not expect to be able to sell your Shares (other than through the repurchase process), regardless of how the Fund performs. Although the Fund is required to implement a Share repurchase program, only a limited number of Shares will be eligible for repurchase by the Fund. An investment in the Fund involves substantial risks, including the risk that the entire amount invested may be lost. The Fund may leverage its investments by borrowing, use of swap agreements, options or other derivative instruments. The Fund is a newly-organized closed-end management investment company that has limited operating history and no public trading of its shares. In addition the fund is subject to investment related risks to include alternative investment risk, asset allocation risk, counter party credit risk, cybersecurity risk and general economic and market condition risk, please read the prospectus carefully for additional information of the Fund risk prior to investing.

BEFORE INVESTING YOU SHOULD CAREFULLY CONSIDER THE FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. THIS AND OTHER INFORMATION IS IN THE PROSPECTUS, A COPY OF WHICH MAY BE OBTAINED FROM (877) 770-7717. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE YOU INVEST. Foreside Fund Services, LLC, distributor.