

Variant Alternative Income Fund (NICHX)

April 2019

For use with accredited investors only



Fund summary

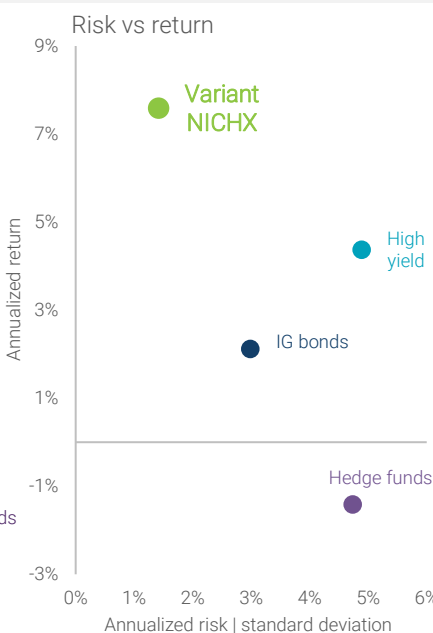
The Variant Alternative Income Fund offers investors efficient access to a diversified portfolio of unconventional income-generating assets. The Fund invests in niche market opportunities with strong cash flow characteristics and low correlations to public equity and bond markets. The Fund's primary 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	7.59%	1.41%	4.06		
T-bills BBG 1-3 Mo ⁷	1.86%	0.16%	-	0.66	5.89
IG bonds BBG Agg ⁸	2.12%	2.98%	0.09	0.44	0.21
High yield BBG HY ⁹	4.38%	4.89%	0.52	0.09	0.02
Hedge funds HFRXGL ¹⁰	-1.41%	4.73%	(0.69)	-0.02	-0.01
Equity S&P 500 ¹¹	12.53%	14.27%	0.75	0.06	0.01



Risk vs return



Fund terms¹²

Fund assets:	\$62 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:	Foreside 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
2019	0.48	0.59	1.98	0.82									3.92

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
2019	3.92	2.97	8.78	3.28

Past performance is not indicative of future results.

¹ Inception date is October 2, 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.

Bob Elsasser | Principal & Co-Founder
Curt Fintel | Principal & Co-Founder
JB Hayes | Principal & Co-Founder
Jorgen Gustafson | Investor Relations
Lisa Zhu | Operations

Contact us

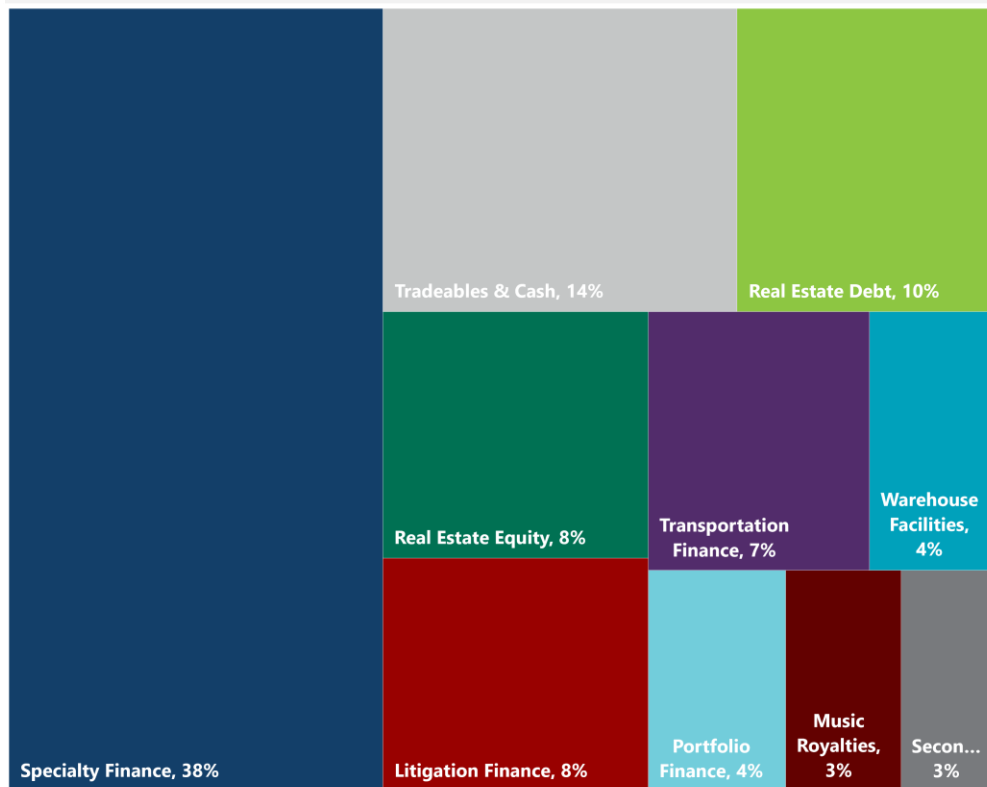
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Portfolio allocations as of May 1, 2019

# of asset classes ¹⁵	# of positions	Largest position	Commitments < than 3 mo's ¹⁶	Commitments < than 1 yr ¹⁶	Direct investments ¹⁷
10	44	7.4%	20%	49%	48%

1 yr total return ¹	1 yr distribution rate ¹⁸	Leverage ¹⁹
9.77%	6.34%	0.00%

Asset class¹⁵



Asset class definitions¹⁵

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

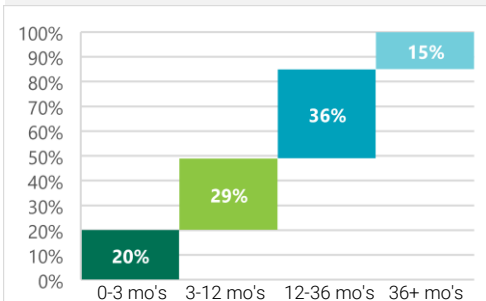
Specialty finance: Senior credit facilities provided to other lenders and originators of risk assets, secured by diversified pools of their origination

Tradeable securities & cash: Public securities held for liquidity management purposes, including MLPs, BDCs and preferred stocks

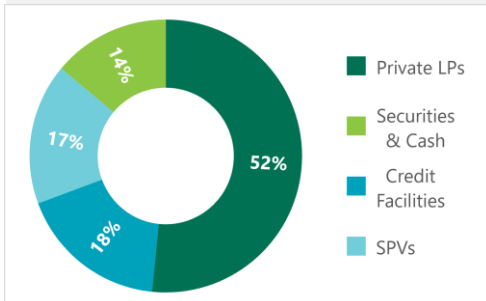
Transportation finance: Equity and debt investments in aviation, shipping, rail, containers and other transportation sectors

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



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 investments.

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 1 yr distribution rate sums the quarterly distribution rates over the prior four quarters. The distribution rate is the amount of a Fund's distribution divided by the Fund's market price at the time. The distribution rate includes only ordinary dividends and does not include the return of any investor capital.

¹⁹ Leverage reflects the amount of borrowings by the Fund as a percent of Fund AUM.

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.