

Notice Regarding Sources of Distributions

Variant Alternative Income Fund

Nasdaq: UNIQX, NICHX

Cusip: 92220Q202, 92220Q103

Variant Alternative Income Fund's (the "Fund") previously declared (December 27, 2019) distribution of \$0.3836 and \$0.4004 per share for Investor Shares and Institutional Shares, respectively, was paid or reinvested December 30, 2019 to shareholders of record on December 27, 2019. Fund Management estimates 21% of the amount of each Shares distribution is from a source other than net investment income and is expected to be return of capital. These estimates are calculated on "book basis" reporting.

Important Tax Information – This information is being provided pursuant to Section 19(a) of the Investment Company Act of 1940, as amended, and reflects an estimate of the Fund's distribution sources as the time of payment of the distribution and should not be used for tax reporting purposes. The Fund anticipates that, due to the tax treatment of cash distributions made by Partnerships in which the Fund invests, a portion of distributions the Fund makes to Common Shareholders may consist of return of capital. The final determination of the tax characteristics of all 2019 calendar year distributions has not been made and cannot be made until after the end of the calendar year. Therefore, there can be no assurance as to the portions of the Fund's distributions to shareholders that will be characterized as return of capital and/or dividend income. After the close of the calendar year, a Form 1099 DIV will be sent to shareholders that will state the federal tax status of distributions received for the 2019 calendar year.

Variant, LLC (the "Investment Manager"), serves as the investment advisor to the Fund. The Investment Manager is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended. Subject to the general supervision of the Board, and in accordance with the investment objective, policies, and restrictions of the Fund, the Investment Manager is responsible for the management and operation of the Fund and the investment of the Fund's assets. The Investment Manager provides such services to the Fund pursuant to the Investment Management Agreement. Founded in 2017, the Investment Manager and its affiliates have approximately \$194 million in assets under management as of October 31, 2019.

COMPANY CONTACT

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