



Alternative Income Fund NICHX

February 2023

For accredited investors only.

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.

Disclosures

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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 is speculative, involves substantial risks, including the risk that the entire amount invested may be lost, and should not constitute a complete investment program. The Fund may leverage its investments by borrowing, use of swap agreements, options or other derivative instruments. The Fund is a non-diversified management investment company, meaning it may be more susceptible to any single economic or regulatory occurrence than a diversified investment company. In addition, the fund is subject to investment related risks of the underlying funds, general economic and market condition risk.

Alternative investments provide limited liquidity and include, among other things, the risks inherent in investing in securities, futures, commodities and derivatives, using leverage and engaging in short sales. The Fund's investment performance depends, at least in part, on how its assets are allocated and reallocated among asset classes and strategies. Such allocation could result in the Fund holding asset classes or investments that perform poorly or underperform. Investments and investment transactions are subject to various counterparty risks. The counterparties to transactions in over the-counter or "inter-dealer" markets are typically subject to lesser credit evaluation and regulatory oversight compared to members of "exchange-based" markets. This may increase the risk that a counterparty will not settle a transaction because of a credit or liquidity problem, thus causing the Fund to suffer losses. The Fund and its service providers may be prone to operational and information security risks resulting from breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption, or lose operational capacity.

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 OR WWW.VARIANTINVESTMENTS.COM. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE YOU INVEST.

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Disclosures continued

Bloomberg U.S. Treasury Bills: 1-3 Months Index tracks the market for Treasury bills issued by the U.S. government with remaining maturities of 1 to 3 months.

Bloomberg U.S. Aggregate Index is a broad-based flagship benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-through securities), commercial mortgage-backed securities (agency and non-agency) and asset-backed securities.

Bloomberg U.S. High Yield Index measures the U.S. dollar-denominated, High Yield, fixed-rate corporate bond market. Securities are classified as High Yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on the indices' EM country definition, are excluded.

The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. Hedge Fund Research, Inc. (HFR) utilizes a UCITSIII compliant methodology to construct the HFRX Hedge Fund Indices. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe. HFRX Indices utilize state-of-the-art quantitative techniques and analysis; multi-level screening, cluster analysis, Monte-Carlo simulations and optimization techniques ensure that each Index is a pure representation of its corresponding investment focus.

The HFRI Fund Weighted Composite Index is a global, equal-weighted index of over 1,400 single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of \$50 Million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.

The S&P 500® Index is a market-value weighted index of equity securities.

Top 20 positions

Portfolio Summary as of January 31, 2023

Holdings subject to change

Please note: positions that are substantially similar are consolidated by fund manager

#	Description	Value	% of Portfolio	Asset Class ¹	Vehicle ²	Commitment ³
1	Octagon Trade Finance	\$ 143,784,135	6.03%	Trade Finance	Credit Facilities	12 - 36
2	Lendable Emerging Market Specialty Finance	\$ 130,918,731	5.49%	Specialty Finance	SPVs	12 - 36
3	Kerberos Law Firm Lending Facility	\$ 113,959,441	4.78%	Litigation Finance	Credit Facilities	12 - 36
4	B.E. Blank Equal Access Justice Fund	\$ 88,166,589	3.70%	Litigation Finance	Private LPs	36+
5	Delgatto Diamond Fund	\$ 87,825,654	3.68%	Portfolio Finance	Credit Facilities	3 - 12
6	Aero Capital Solutions Funds	\$ 80,753,670	3.39%	Transportation Finance	Private LPs	12 - 36
7	Coromandel Specialty Finance Facility	\$ 79,620,610	3.34%	Specialty Finance	Credit Facilities	12 - 36
8	Accial Emerging Market Specialty Finance	\$ 77,287,651	3.24%	Specialty Finance	Credit Facilities	3 - 12
9	Montreux Healthcare Fund	\$ 75,378,297	3.16%	Real Estate Equity	Private LPs	12 - 36
10	CoVenture Specialty Finance	\$ 68,367,203	2.87%	Specialty Finance	Private LPs	12 - 36
11	Star Strong Specialty Finance Facility	\$ 67,581,089	2.83%	Specialty Finance	Credit Facilities	12 - 36
12	Carter 1031 Exchange Bridge Equity	\$ 65,714,276	2.76%	Real Estate Equity	SPVs	3 - 12
13	Oceana Australian Small Business Lending Facility	\$ 64,794,708	2.72%	Specialty Finance	Credit Facilities	3 - 12
14	ARC Royalties Financing Facility	\$ 63,819,077	2.68%	Royalties	Credit Facilities	12 - 36
15	Argonaut Credit Facility	\$ 43,203,298	1.81%	Royalties	Credit Facilities	3 - 12
16	Wallace Financial Consumer Lending	\$ 41,375,497	1.73%	Specialty Finance	Credit Facilities	12 - 36
17	Spouting Rock Specialty Finance	\$ 38,945,755	1.63%	Specialty Finance	Credit Facilities	3 - 12
18	MEP Capital Partners Funds	\$ 37,075,188	1.55%	Royalties	Private LPs	36+
19	C Cubed Law Firm Lending	\$ 35,971,183	1.51%	Litigation Finance	Credit Facilities	12 - 36
20	Shinnecock Art Lending	\$ 34,970,044	1.47%	Specialty Finance	Credit Facilities	3 - 12
	All other positions (59)	\$ 945,290,715	39.63%			
	Total	\$ 2,384,802,811	100.00%			

¹ Each of these specialty assets have their own set of investment characteristics and risks to consider before investing. Please read the prospectus for more about these risks.

² Vehicle describes the legal structure of the investment.

³ Commitment is the length of time until a majority of invested principal is expected to be returned or be available for liquidation.

Octagon Trade Finance

Financing the acquisition, transportation and distribution of goods across the PPE space and home workout equipment



Investment thesis

Financing across PPE space and workout equipment through inventory finance and equity investments
Less bank capital to back transactions

Deal structure

Senior credit facility along with equity investments
1–3 year terms for inventory finance, monthly interest payments

Return and risk

Current inventory finance
interest rate 12%
Equity upside

Economic sensitivity risk
Small business risk

Loss mitigation

Equity based exposure
Inventory asset coverage
Shipping insurance
Full equity pledge
All assets lien

Position sizing

Investment amount: \$143.8M
6.0% of the portfolio

Lendable Emerging Market Specialty Finance

Lendable invests in local originators in Africa and developing Asia



Investment thesis

Providing capital to fintechs to support local financial services
Originators make micro loans to individuals and small companies

Deal structure

Commingled fund of multiple senior credit facilities
Lendable provides loans or advances backed by a pool of receivables, 12 month-term then automatic winddown

Return and risk

Current accrual rate¹ 12.8%
Small company risk

Loss mitigation

First-loss capital² in place on each deal
Diverse originators across business models

Position sizing

Investment amount: \$130.9M
5.5% of the portfolio

¹ An accrual rate is the percentage interest rate applied to each underlying holding to determine its daily change in value, absence of new information, as part of the overall Fund.

² First-loss capital refers to an investments position in the capital structure that will suffer the first economic loss if the underlying assets lose value. There can be no guarantee that these targets will be met. For more about risks, see the disclosures at the beginning of the presentation.

Kerberos Law Firm Lending Facility

Partnered with litigation finance firm to provide loans to law firms



Investment thesis

Loans backed by case load
such as person injury
Diversified pool of underlying
collateral
No single case risk

Deal structure

Senior credit facility to
bankruptcy remote SPV¹
Deposit account control
agreement

Return and risk

Contractual interest rate 15.7%
Underlying loans PIK², income
paid out as cases settle

Settlement extension risk

Loss mitigation

15%-35% underlying loan to
value at origination
Cross collateralization of loans
in SPV
First loss capital³ in place

Position sizing:

Investment amount: \$114.0M
4.8% of the portfolio
Opportunity to deploy additional
capital

¹ A special purpose vehicle formed to hold a defined group of assets to protect them from being administered as property of a bankruptcy.

² "PIK" payment in kind

³ First-loss capital refers to an investments position in the capital structure that will suffer the first economic loss if the underlying assets lose value. There can be no guarantee that these targets will be met. For more about risks, see the disclosures at the beginning of the presentation.

Short Term Credit Facilities

Short term credit facilities across asset classes in the form of senior notes



Investment thesis

Increase yield as opposed to holding cash
Provides liquidity option for portfolio

Deal structure

Short term revolving facilities
Callable in 90-days
Senior secured
Backed by all portfolio assets

Return and risk

Current accrual rate¹ 9.7%
Is there enough liquidity for underlying manager to meet a 90-day notice

Loss mitigation

First loss equity²
Loan-to-value³ typically <35%

Position sizing:

Investment amount: \$86.6M
3.6% of the portfolio

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³ Loan-to-value is the ratio of the amount of the loan divided by the appraised value of the underlying collateral.

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B.E. Blank Equal Access Justice Fund

Litigation finance fund lending to small and middle market law firms aligned through conscious capitalism



Investment thesis

Growth capital financing to law firms to supplement working capital debt
Largely focused on firms with docket of personal injury cases, payor is insurance companies

Deal structure

Private evergreen partnership
Capital drawn down over time
Quarterly liquidity post 3-year lock
Quarterly distributions

Return and risk

Current accrual rate¹ 14.1%
Settlement extension risk

Loss mitigation

Advance rate² up to 25%
Concentration limits
Collateralized by borrower's current and future dockets
Weighted sustainability screen
Personal guarantees

Position sizing

Investment amount: \$88.2M
3.7% of the portfolio

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² An advance rate is the percentage amount of the value of the collateral that a lender is willing to extend as a loan.

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DelGatto Diamond Fund

Diamond financing for companies providing wholesale inventory to retailers



Investment thesis

Wholesaling diamonds is a capital-intensive business which traditional banks no longer underwrite

Deal structure

Credit facility and private evergreen partnership with liquidity after initial lockup
Financing structured as an asset purchase agreement typically 12-18 months

Return and risk

Current accrual rate¹ 8.6%
Origination points² of 2.5%
91-day ticking fee of 0.5%
Risk around ability to resale diamonds

Loss mitigation

An equivalent loan-to-value³ metric approximately 60-70% of liquidation price
Possession of diamonds for potential resale if wholesaler is unable to repurchase

Position sizing

Investment amount: \$87.8M
3.7% of the portfolio

¹ An accrual rate is the percentage interest rate applied to each underlying holding to determine its daily change in value, absence of new information, as part of the overall Fund.

² An origination point is an upfront fee a lender charges to a borrower as capital is drawn.

³ Loan-to-value is the ratio of the amount of the loan divided by the appraised value of the underlying collateral.

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Aero Capital Solutions Funds

Aircraft leasing strategy targeting older A320's and 737's



Investment thesis

Fewer active buyers of older aircraft due to maintenance and management of assets
In-house expertise to source and redeploy assets

Deal structure

Private partnership interests
Co-investment opportunities
Drawdown structure
5-year life

Return and risk

Current accrual rate¹ of 10.7%
Recognized significant markdown in April 2020

Loss mitigation

Strong counterparties
Reasonable levels of debt
Expertise in parting out a plane

Position sizing

Investment amount: \$80.8M
3.4% of the portfolio

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Coromandel Specialty Finance Facility

Private credit manager providing financing to underlying specialty lenders



Investment thesis

Provide financing opportunities to originators that cannot access traditional credit methods

Deal structure

Revolving senior credit facility with a 2-year term

Return and risk

Current accrual rate¹ of 13.0%, plus a share of additional interest above the stated rate
Risk of the performance on the underlying loans
Small Business Risk

Loss mitigation

Borrower's loans will be secured by a perfected, first lien on all collateral
Underlying loans have first loss capital²
Diverse esoteric business lines

Position sizing

Investment amount: \$79.6M
3.3% of the portfolio

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Accial Emerging Market Specialty Finance

Impact-focused investor in fintech lenders in select emerging markets



Investment thesis

High quality facilities backed by short duration receivables allows Variant to receive high yields on effective 90-day paper

Deal structure

Separate senior credit facility per lender
Facility terms range from 2-3 years
Most callable in 90-days

Return and risk

Current accrual rate¹ 11.7%

Emerging markets small business risk

Loss mitigation

Advance rates² between 85%-90%
Originators provide first lost equity³
Credit insurance

Position sizing

Investment amount: \$77.3M
3.2% of the portfolio

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² An advance rate is the percentage amount of the value of the collateral that a lender is willing to extend as a loan.

³ First-loss capital refers to an investments position in the capital structure that will suffer the first economic loss if the underlying assets lose value. There can be no guarantee that these targets will be met. For more about risks, see the disclosures at the beginning of the presentation.

Montreux Healthcare Fund

Real estate exposure through specialized care properties in the UK



Investment thesis

Acquire platform property and build through acquisitions
Purchase below market rates
smaller, one-off transactions
Roll-up and exit to listed fund

Deal structure

Private partnership interest
Fully invested

Return and risk

Current accrual rate¹ 5%
Possible upside based on additional cost savings and potential valuation step-up on public sale

Loss mitigation

Large fragmented market
High barriers to entry
Specialist care in the UK is 100% government funded

Position sizing:

Investment amount: \$75.4M
3.2% of the portfolio

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CoVenture Specialty Finance

Specialty credit manager capitalizing on opportunities to invest in novel forms of credit



Investment thesis

Provider of finance to technology driven startups in under-served economies
Limited forms of traditional financing

Deal structure

Exposure to multiple vehicles
Investments through flagship fund, co-investment LPs and a credit facility
Majority of commitment time frame is 12-36 months

Return and risk

Current accrual rate¹ of 10.5%,
Equity warrants²

Small Business Risk
Execution risk

Loss mitigation

Underlying assets held in bankruptcy remote SPVs³
Fully collateralized
Advance rates to match risk of underlying asset
Limited insurance protection

Position sizing

Investment amount: \$68.4M
2.9% of the portfolio

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² A warrant is a financial instrument that gives the owner the right to buy equity stock in a company at a predetermined price.

³ A special purpose vehicle formed to hold a defined group of assets to protect them from being administered as property of a bankruptcy. There can be no guarantee that these targets will be met. For more about risks, see the disclosures at the beginning of the presentation.

Star Strong Specialty Finance Facility

Specialty finance manager providing flexible debt capital solutions to early stage, growing companies



Investment thesis

Small businesses with angel and venture capital backing
Collateralized by accounts receivables or significant debt service coverage

Deal structure

Senior secured credit facility
3-year term
SPV participates in each deal originated by Star Strong

Return and risk

Current accrual rate¹ 9.8%
9% Preferred Interest
40% Profit Share
Small business
Economic sensitivity risk

Loss mitigation

Concentration limits
Collateral coverage
First lien security interest
Deposit account control account
Bad acts guarantee

Position sizing

Investment amount: \$67.6M
2.8% of the portfolio

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Carter 1031 Exchange¹ Bridge Facility

Bridge equity facilitating the distribution of large multi-family properties to 1031 exchange investors



Investment thesis

Financial solution for investors pooling 1031 exchange capital to own multi-family office
Exchange tax requirements require investors to move quickly

Deal structure

Special purpose vehicle per property
Expected hold of 4 - 6 months per property

Return and risk

Current interest rate of 12.0%
Origination points² of 2.0%

Multi-family real estate risk
Execution risk

Loss mitigation

Equity based investment

Properties located in secondary markets with strong economic fundamentals and demand for housing

Position sizing

Investment amount: \$65.7M
2.8% of the portfolio
Potential to increase exposure overtime

¹ A 1031 exchange is a swap of one investment property for another that allows capital gains taxes to be deferred.

² An origination point is an upfront fee a lender charges to a borrower as capital is drawn.

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Oceana Australian SBL Facility

Invoice and supplier financing to small and medium enterprises in Australia



Investment thesis

Limited bank financing in Australian SME market
Broad industry exposure with strong audited track record
Early institutional provider with preferred terms

Deal structure

Fixed Income Trust
Participate in class A & B notes
12-month zero coupon note
Ability to extend on current terms for one year, with option for additional extensions

Return and risk

Current interest rate 12.0% AUD
Hedging currency exposure will lower net return
Small/medium business risk

Loss mitigation

A senior to B, C and equity providing 25% subordination
B note conversion rights
Low historical loss arrears
Class A notes have 100% insurance coverage

Position sizing

Investment amount: \$64.8M
2.7% of the portfolio

ARC Royalties Financing Facility

Credit facility to a specialist lender in the oil and gas space



Investment thesis

ARC lends to owners of producing wells
Loans secured by royalties from current production
Commodity risk hedged

Deal structure

Senior credit facility with 4-year term
1.5-year advance period
Uncommitted structure

Return and risk

Current accrual rate¹ 13.0%
Origination points² of 1.0%
Equity warrants³
Oil and gas shut-in risk
Viability of well operators

Loss mitigation

75% advance rate⁴ on expected discounted cash flows
Cross collateralized
Deposit account control agreement in place
Commodity exposure hedged

Position sizing

Investment amount: \$63.8M
2.7% of the portfolio

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² An origination point is an upfront fee a lender charges to a borrower as capital is drawn.

³ A warrant is a financial instrument that gives the owner the right to buy equity stock in a company at a predetermined price.

⁴ An advance rate is the percentage amount of the value of the collateral that a lender is willing to extend as a loan.

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Argonaut Credit Facility

Specialist lender in the entertainment space originating loans to film production companies



Investment thesis

Film related transactions bridge loans, finishing loans & small/large production loans
Collateralized by pre-sold / unsold distribution rights and tax credits

Deal structure

Senior credit facility, 30-month revolver, 18-month amortization schedule
Underlying loans paid out on a receivable-by-receivable basis

Return and risk

Current accrual rate¹ 11.5%
Origination points² of 1.0%
Equity warrants³

General partner execution risk
Production risk

Loss mitigation

95% advance rate⁴
First lien on all assets
Completion guarantees
Deposit account control agreement
Concentration limits

Position sizing

Investment amount: \$43.2M
1.8% of the portfolio

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² An origination point is an upfront fee a lender charges to a borrower as capital is drawn.

³ A warrant is a financial instrument that gives the owner the right to buy equity stock in a company at a predetermined price.

⁴ An advance rate is the percentage amount of the value of the collateral that a lender is willing to extend as a loan.

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Wallace Finance Consumer Lending

Small short term consumer finance solutions at physical point of sale locations



Investment thesis

Provider of financing to consumers that cannot access traditional credit methods
Lender acquires customers via network of physical stores in the Midwest

Deal structure

Revolving senior credit facility
3-year term & 1-year term loan
Floating rate structures
Monthly interest payments
Facility pre-payment premium protection

Return and risk

Blended current accrual rate¹
15.0%

Economic sensitivity risk
General partner execution risk

Loss mitigation

90% facility advance rate² on collateral value
50% advance rate on term loan
First lien position
Personal/corporate guarantees
Real asset collateral

Position sizing

Investment amount: \$41.4M
1.7% of the portfolio

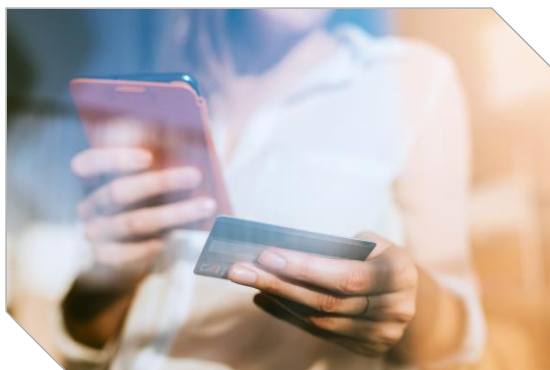
¹ An accrual rate is the percentage interest rate applied to each underlying holding to determine its daily change in value, absence of new information, as part of the overall Fund.

² An advance rate is the percentage amount of the value of the collateral that a lender is willing to extend as a loan.

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Spouting Rock Specialty Finance

Asset based financing to specialist lenders across industries



Investment thesis

Senior secured loans in many industries including auto, aviation, heavy machinery and credit card receivables
Floating and fixed rate exposure

Deal structure

Private partnership and co-investments
Fully invested
Fund life through 9/30/2022 with general partner extensions

Return and risk

Current accrual rate¹ 12.3%
General partner execution risk
Small business risk

Loss mitigation

Attractive loan-to-values²
Geographic diversification
Borrowers with first loss capital³ at risk

Position sizing

Investment amount: \$38.9M
1.6% of the portfolio

¹ An accrual rate is the percentage interest rate applied to each underlying holding to determine its daily change in value, absence of new information, as part of the overall Fund.

² Loan-to-value is the ratio of the amount of the loan divided by the appraised value of the underlying collateral.

³ First-loss capital refers to an investments position in the capital structure that will suffer the first economic loss if the underlying assets lose value. There can be no guarantee that these targets will be met. For more about risks, see the disclosures at the beginning of the presentation.

MEP Capital Partners Funds

Specialist capital provider in media and entertainment with co-investment opportunities



Investment thesis

Lower-middle market of entertainment industry, underserved financing sector
Exposures will include music, film and television and digital media

Deal structure

Private partnerships and co-investment opportunities
Drawdown structure

Return and risk

Current accrual rate¹ 12.9%
Debt structures supplemented with equity upside
Extension risk

Loss mitigation

Attractive loan-to-values²
Underwritten as debt with strong credit protections
Primarily self-liquidating
Collateralized by real assets or stabilized cash flows

Position sizing

Investment amount: \$37.0M
1.6% of the portfolio

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² Loan-to-value is the ratio of the amount of the loan divided by the appraised value of the underlying collateral.

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C Cubed Law Firm Lending

Litigation finance lender originating loans to law firms



Investment thesis

C Cubed provides loans to a set of law firms, secured by current and future cases
Diversified exposures across personal injury and mass tort
Less sensitive to macro trends

Deal structure

Senior credit facility into SPV structure
Future investments uncommitted with ROFR¹ deal approval rights
Underlying loans self-liquidate

Return and risk

Current accrual rate² 17.5%
10% equity warrants
Underlying loans PIK³, income paid out as cases settle
Settlement extension risk

Loss mitigation

15-20% LTV⁴ on the underlying case collateral
Bad acts guarantee, law firm corporate guarantees
Deposit account control agreement

Position sizing

Investment amount: \$36.0M
1.5% of the portfolio

¹ "ROFR" right of first refusal

² An accrual rate is the percentage interest rate applied to each underlying holding to determine its daily change in value, absence of new information, as part of the overall Fund.

³ "PIK" payment in kind

⁴ Loan-to-value is the ratio of the amount of the loan divided by the appraised value of the underlying collateral.

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Shinnecock Art Lending

Specialist originator of credit collateralized by fine art



Investment thesis

Professional art collectors or gallerists
Borrowed funds to finance acquisitions or produce liquidity for long term assets with appreciation potential

Deal structure

Loan structure with prepaid interest
1-year terms

Return and risk

Current accrual rate¹ 11.7%
Potential profit participation

Fine art pricing risk

Loss mitigation

30-40% advance rates²
Multi-piece art collections
Art held in custody by lender in art storage facility and insured for the full amount of the loan

Position sizing

Investment amount: \$35.0M
1.5% of the portfolio

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² An advance rate is the percentage amount of the value of the collateral that a lender is willing to extend as a loan.

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