



# Alternative Income Fund NICHX

August 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](http://WWW.VARIANTINVESTMENTS.COM). PLEASE READ THE PROSPECTUS CAREFULLY BEFORE YOU INVEST.

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# Disclosures continued

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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.

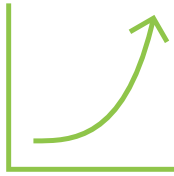
The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, 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.

# Variant overview

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\$2.9B Firm AUM



2 interval funds



5+ year track record



19 team members



3 locations



423 investments funded

Variant Investments, LLC, ("Variant") is an alternative investments manager based in Portland, OR. Variant was founded in 2017 and manages \$2.9B in assets across two interval fund products, the Variant Alternative Income Fund (NICHX) and the Variant Impact Fund (IMPCX).



Signatory of:



GIIN (Global Impact Investing Network) - Variant joined the GIIN in May 2021. The GIIN is the global champion of impact investing, dedicated to increasing its scale and effectiveness around the world. Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.

PRI (Principles for Responsible Investment) - The PRI is the world's leading proponent of responsible investment. Variant became a signatory January 27, 2022.

# Fund overview

Variant is **income done differently**

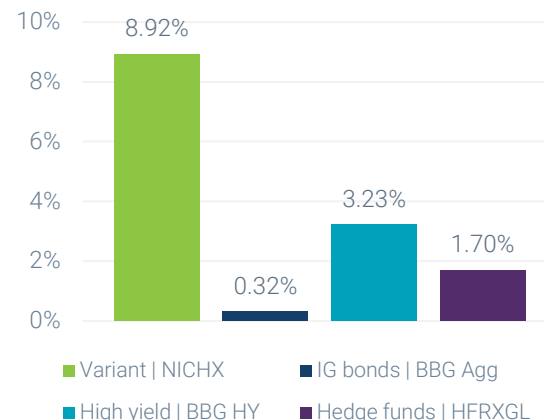
Seeks efficient access to **diversified** portfolio of **unconventional** income-generating assets

Seeks investments with strong **cash flows** and **low correlations** to public equities and bonds

Continuously offered closed-end **interval fund**: NICHX

**Strong performance** track record since inception

Since inception returns as of August 31, 2023



Data as of 8/31/2023	1 Year	5 Year	Since inception
Variant   NICHX	8.96%	9.53%	8.92%
IG bonds   BBG Agg	-1.19%	0.49%	0.32%
High yield   BBG HY	7.16%	3.32%	3.23%
Hedge funds   HFRXGL	0.67%	1.82%	1.70%

Past performance is not indicative of future results.

The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost.

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 audited through April 30, 2023. Gross expense ratio: 1.63%

"IG bonds" & "BBG Agg" refer to the Bloomberg 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.

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

"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.

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.

For more about risks, see the disclosures at the beginning of the presentation.



# Niche investing

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## Invest differently

- Niche opportunities
- Under- or de-banked assets
- Limited capacity opportunities
- Early mover advantage
- Adapt quickly to changing environments
- Unique financing solutions
- Embrace complexity

## Manage risk

- Focus on idiosyncratic and differentiated risks
- Minimize correlation to economic cycle
- Underwrite for stressed conditions
- Surrender some upside seeking to protect downside
- Diversification of risk drivers across portfolio
- Avoid leaning on leverage
- Vigilant due diligence and monitoring

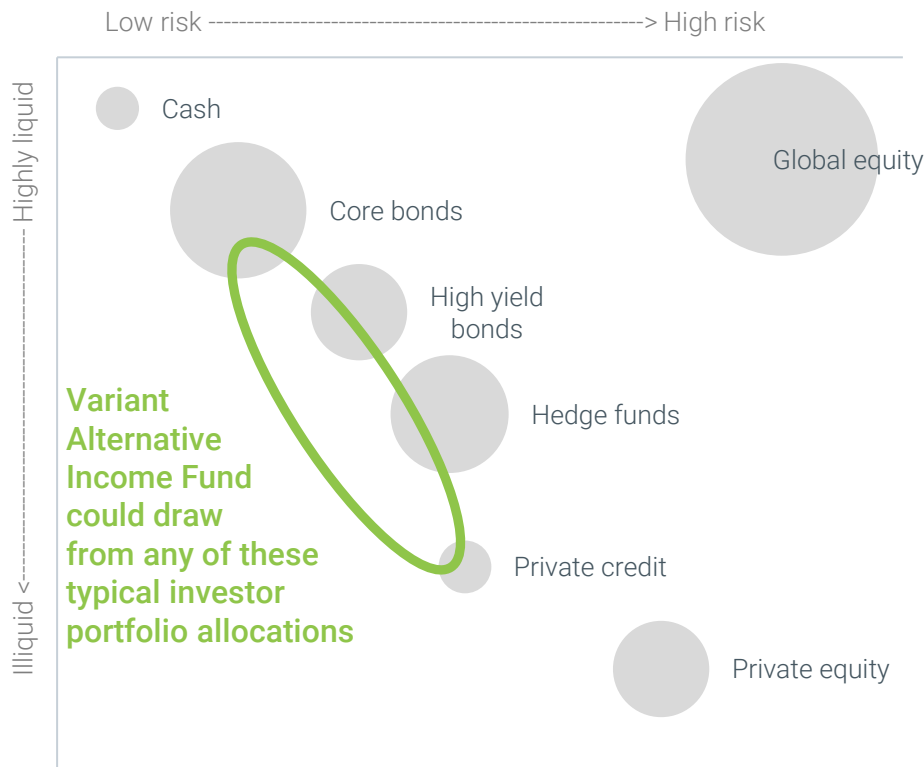
# Where this fits in a portfolio

## Fixed income

The income focus, risk profile and portfolio diversifying value of the strategy qualify it for a portion of a fixed income allocation. However, the equity exposure and asset complexity suggest it should not be relied upon as a reserve of safety or liquidity.

## Alternatives

The non-traditional nature of the assets might also qualify the strategy to be placed in an alternatives allocation, such as hedge funds or private credit. The strategy is positioned with low cost and greater liquidity.



Source: Variant Investments, LLC

For illustrative purposes only. The above chart does not represent any specific investment or product. An investment in the Fund speculative, involves substantial risks, including the risk that the entire amount invested may be lost.

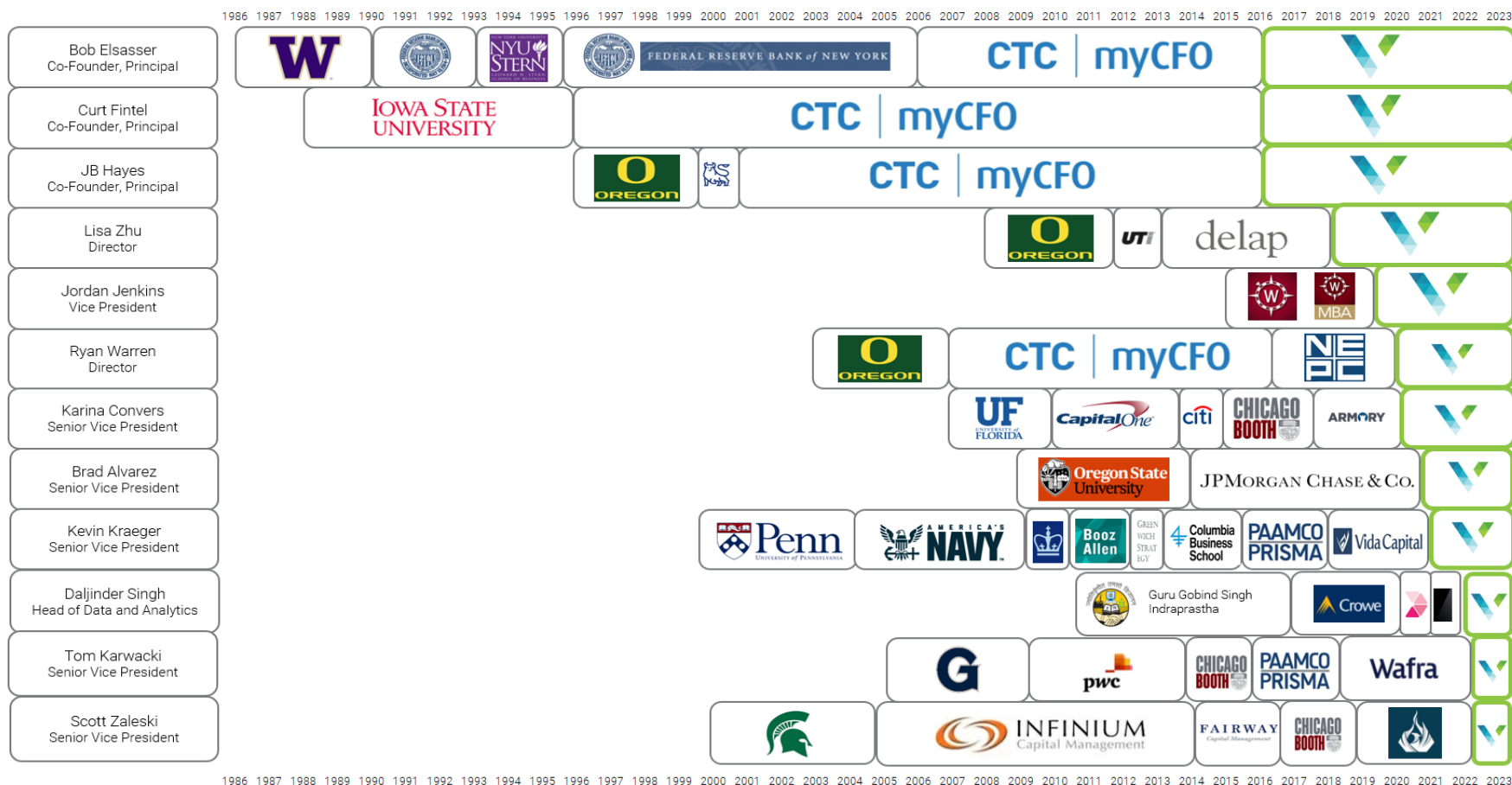
# Variant organizational chart

## Experienced and tested investment focused team

Variant Investment Team				
Founding Principals				
Bob Elsasser		Curt Fintel		J.B. Hayes
Investments			Operations	Investor Relations
Brad Alvarez <i>Senior Vice President</i>	Karina Convers <i>Senior Vice President</i>	Kevin Kraeger <i>Senior Vice President</i>	Lisa Zhu - CCO <i>Director</i>	Ryan Warren <i>Director</i>
Tom Karwacki <i>Senior Vice President</i>	Scott Zaleski <i>Senior Vice President</i>	Jordan Jenkins <i>Vice President</i>	Joey Kok <i>Associate</i>	Robert Thomas <i>Associate</i>
Kai Golden <i>Associate</i>	Daljinder Singh <i>Head of Data and Analytics</i>	Edwin Huang <i>Associate</i>		
Lily Perryman <i>Associate</i>	Morgan Pierce <i>Associate</i>	Sean Plotnick <i>Associate</i>		

The firm has a total of nineteen employees which includes all employees and full-time contract roles.

# Long tenured cross functional team



# The Variant approach

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## The Fund seeks attractive investment opportunities in select market niches

### Hard-work investments

difficult to source  
due diligence heavy  
complex structures  
requiring expertise  
challenging execution

### Unique beta<sup>1</sup>

idiosyncratic risk premia  
low correlation  
structural return source  
explainable excess return  
limited rate sensitivity

### Uncrowded markets

barriers to investor entry  
novel & pre-institutional  
underserved by banks  
too small for big investors  
limited public access

### Bond-esque

cash flowing  
contractual obligations  
accruing value over time  
seeks high % positive returns  
income drives performance

### Risk mitigation

senior  
diversified  
secured  
shorter duration  
limited downside<sup>3</sup>

### What we avoid

excessively levered  
"alpha"<sup>2</sup> dependent  
catalyst reliant  
macro driven  
equity risk

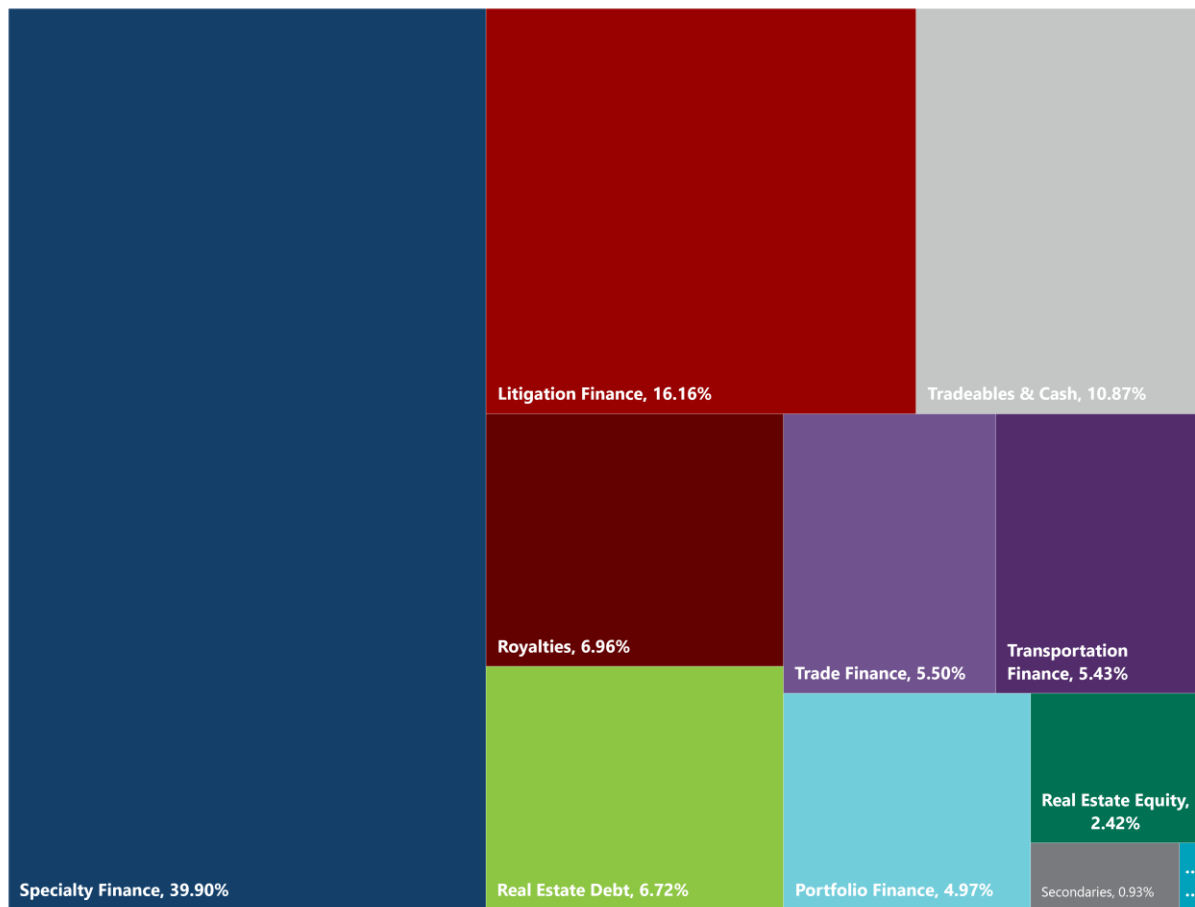
<sup>1</sup> Beta is a measure used in fundamental analysis to determine the volatility of an asset or portfolio in relation to a reference benchmark. Beta is often used as a risk-reward measure meaning it helps investors determine how much risk they're willing to take to achieve the return for taking on that risk.

<sup>2</sup> Alpha is perceived as a measurement of a portfolio manager's performance in relation to a reference benchmark.

<sup>3</sup> Limited downside refers to the controlled magnitude of potential losses at the position and Fund levels.

# The portfolio

## Current portfolio by invested capital as of August 31, 2023



**Litigation finance:** Senior loans or advances to law firms and individuals backed by the receivables from litigation claims

**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

**Royalties:** Financing future royalty streams in both music (song and performance recordings) and commodities (oil and gas).

**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

**Trade finance:** Financing the acquisition and transportation of goods from buyer to end seller

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

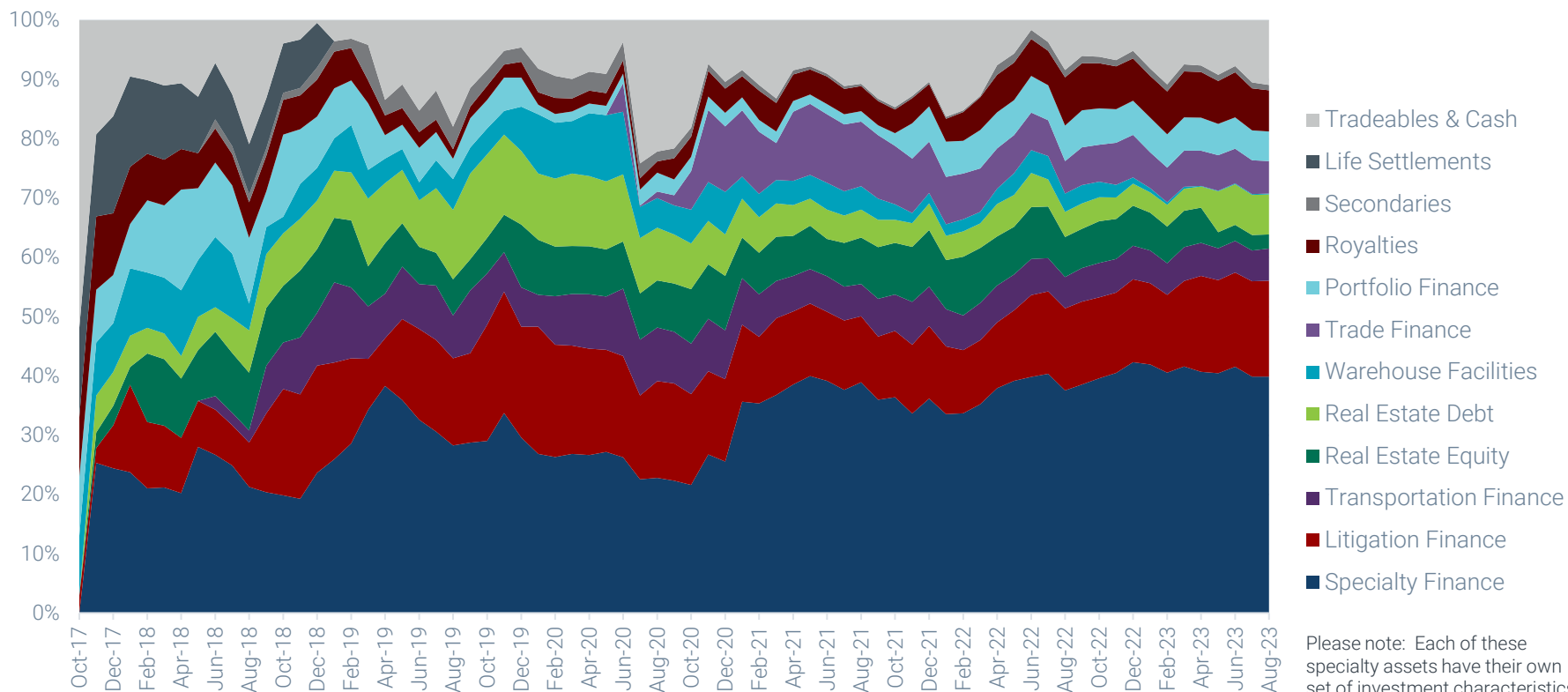
**Transportation finance:** Equity and debt investments in aviation, shipping, rail, containers and other transportation sectors

**Warehouse facilities:** Short-term financing provided to an originator pending distribution to end investors

Please note: 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.

# Allocation history

## Flexibility to allocate into shifting mix of most attractive opportunities



Between October 2017 and September 2018, asset allocations are shown 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.

Please note: 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.

# Deal structure - credit facilities

## Access to niche origination with structural protections

*Terms, conditions, economics and risks for each credit facility vary greatly, but typically include many of the following characteristics:*

### Asset-based lending

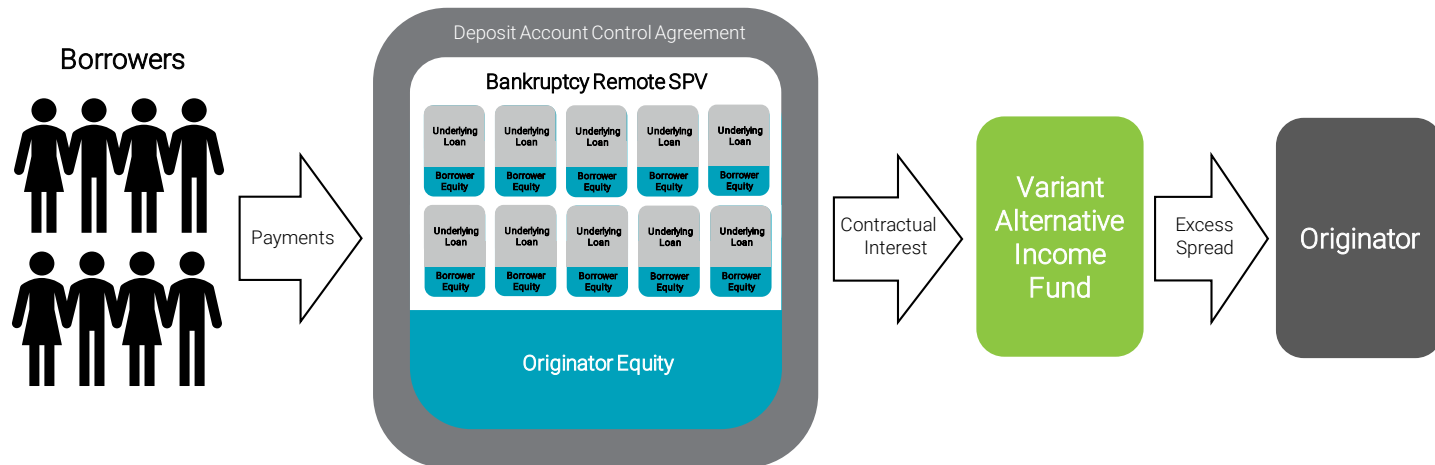
- Bankruptcy remote SPV
- Facility funds origination only
- First lien
- Perfected interest
- Deposit account control agreement
- Originator subordination

### First loss equity

- Advance rate set to severe loss scenario
- Refreshing of originator equity
- Both originator and borrower equity
- Cross-collateralization on diversified pool
- Excess spread to offset potential losses
- Guarantees

### Conditional funding

- Uncommitted line
- Collateral requirements
- Covenants and performance triggers
- Early termination clause
- Key man
- Reporting requirements



For illustrative purposes only. The above chart does not represent any specific Investment or product.

An investment in the Fund speculative, involves substantial risks, including the risk that the entire amount invested may be lost.

# Leveraged loans vs. Niche specialty finance

## Leveraged Loans

Loan sizes are at least \$150 million

Supply of capital comes from many sources: CLOs, mutual funds, ETFs, insurance funds, pension funds

Each loan is to a single operating business

A pool of loans has no cross collateralization

No external equity to absorb losses

Typical loan yield: Libor + (600 – 800) bp<sup>1</sup>

Typical maturity: 3-5 years

Covenants: Only when taking on new debt / merger and acquisition activity

Ratings: Usually rated by at least one major rating agency

## Specialty Finance

Loan sizes between \$3 million to \$50 million

Supply of capital comes from a small group of non-bank private lenders

A loan is backed by a diversified pool of loan receivables

Loans are fully cross-collateralized

Originator / venture capital backer contributes first-loss equity

Typical loan yield: SOFR<sup>2</sup> + (900 -1,100) bp

Typical maturity: 1-3 years

Maintenance covenants can be triggered at any time

Unrated

<sup>1</sup> "Libor" London Inter-bank Offered Rate is an interest-rate average calculated from estimates submitted by the leading banks in London & "bp" basis points is one hundredth of one percent

<sup>2</sup> "SOFR" Secured Overnight Financing Rate is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.

# Top 20 positions

Portfolio Summary as of August 31, 2023

*Holdings subject to change*

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

#	Description	Value	% of Portfolio	Asset Class <sup>1</sup>	Vehicle <sup>2</sup>	Commitment <sup>3</sup>
1	Octagon Trade Finance	\$ 154,978,858	5.28%	Trade Finance	Credit Facilities	12 - 36
2	Lendable Emerging Market Specialty Finance	\$ 153,633,031	5.24%	Specialty Finance	SPVs	12 - 36
3	Coromandel Specialty Finance Facility	\$ 115,859,667	3.95%	Specialty Finance	Credit Facilities	3 - 12
4	Kerberos Law Firm Lending Facility	\$ 115,795,916	3.95%	Litigation Finance	Credit Facilities	12 - 36
5	Montreux Healthcare Fund	\$ 101,146,788	3.45%	Real Estate Debt	Private LPs	12 - 36
6	Aero Capital Solutions Funds	\$ 97,075,230	3.31%	Transportation Finance	Private LPs	36+
7	Delgatto Diamond Fund	\$ 96,089,943	3.27%	Portfolio Finance	Credit Facilities	12 - 36
8	B.E. Blank Equal Access Justice Fund	\$ 90,751,399	3.09%	Litigation Finance	Private LPs	12 - 36
9	Argonaut Credit Facility	\$ 83,088,823	2.83%	Royalties	Credit Facilities	3 - 12
10	Stratford Cresson Credit Facility	\$ 79,201,352	2.70%	Litigation Finance	Credit Facilities	36+
11	Accial Emerging Market Specialty Finance	\$ 75,785,708	2.58%	Specialty Finance	Credit Facilities	0 - 3
12	Star Strong Specialty Finance Facility	\$ 73,391,766	2.50%	Specialty Finance	Credit Facilities	12 - 36
13	C Cubed Law Firm Lending	\$ 68,184,277	2.32%	Litigation Finance	Credit Facilities	12 - 36
14	Oceana Australian Small Business Lending Facility	\$ 67,795,749	2.31%	Specialty Finance	Credit Facilities	0 - 3
15	CoVenture Specialty Finance	\$ 67,494,885	2.30%	Specialty Finance	Private LPs	3 - 12
16	Seaport Specialty Lending Debt Collection Facility	\$ 59,093,000	2.01%	Specialty Finance	Credit Facilities	12 - 36
17	Carter 1031 Exchange Bridge Equity	\$ 55,402,353	1.89%	Real Estate Equity	SPVs	3 - 12
18	Pier Specialty Finance Facilities	\$ 52,192,399	1.78%	Specialty Finance	Credit Facilities	12 - 36
19	MEP Capital Partners Funds	\$ 45,355,221	1.55%	Royalties	Private LPs	12 - 36
20	ARC Royalties Financing Facility	\$ 45,145,433	1.54%	Royalties	Credit Facilities	12 - 36
	All other positions (69)	\$ 1,237,225,784	42.15%			
	Total	\$ 2,934,687,582	100.00%			

<sup>1</sup> 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.

<sup>2</sup> Vehicle describes the legal structure of the investment.

<sup>3</sup> Commitment is the length of time until the invested principal is expected to be returned or be available for liquidation.

# 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 rate<sup>1</sup> 12.7%  
Small company risk

### Loss mitigation

First-loss capital<sup>2</sup> in place on each deal  
Diverse originators across business models

### Position sizing

Investment amount: \$153.6M  
5.2% of the portfolio

<sup>1</sup> 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.

<sup>2</sup> 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 SPV<sup>1</sup>  
Deposit account control  
agreement

## Return and risk

Contractual interest rate 15.7%  
Underlying loans PIK<sup>2</sup>, 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 capital<sup>3</sup> in place

## Position sizing:

Investment amount: \$115.8M  
4.0% of the portfolio  
Opportunity to deploy additional  
capital

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

<sup>2</sup> "PIK" payment in kind

<sup>3</sup> 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.

# 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 2yr facility at < 50% LTV

### Return and risk

Current accrual rate<sup>1</sup> 10.4%

Risk around ability to resale diamonds

### Loss mitigation

An equivalent loan-to-value<sup>3</sup> metric approximately 60-70% of liquidation price

Possession of diamonds for potential resale if wholesaler is unable to repurchase

### Position sizing

Investment amount: \$96.1M  
3.3% of the portfolio

<sup>1</sup> 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.

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

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

There can be no guarantee that these targets will be met. For more about risks, see the disclosures at the beginning of the presentation.

# 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 rate<sup>1</sup> 13.3%  
Origination points<sup>2</sup> of 1.0%  
Equity warrants<sup>3</sup>

General partner execution risk  
Production risk

## Loss mitigation

95% advance rate<sup>4</sup>  
First lien on all assets  
Completion guarantees  
Deposit account control agreement  
Concentration limits

## Position sizing

Investment amount: \$83.1M  
2.8% of the portfolio

<sup>1</sup> 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.

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

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

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

There can be no guarantee that these targets will be met. For more about risks, see the disclosures at the beginning of the presentation.

# Oceana Australian Small Business Lending 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 12-month zero coupon notes  
Ability to extend on current terms with 90-day liquidity rights

### Return and risk

Current interest rate 10.5% AUD  
Hedging currency exposure will lower net return  
Small/medium business risk

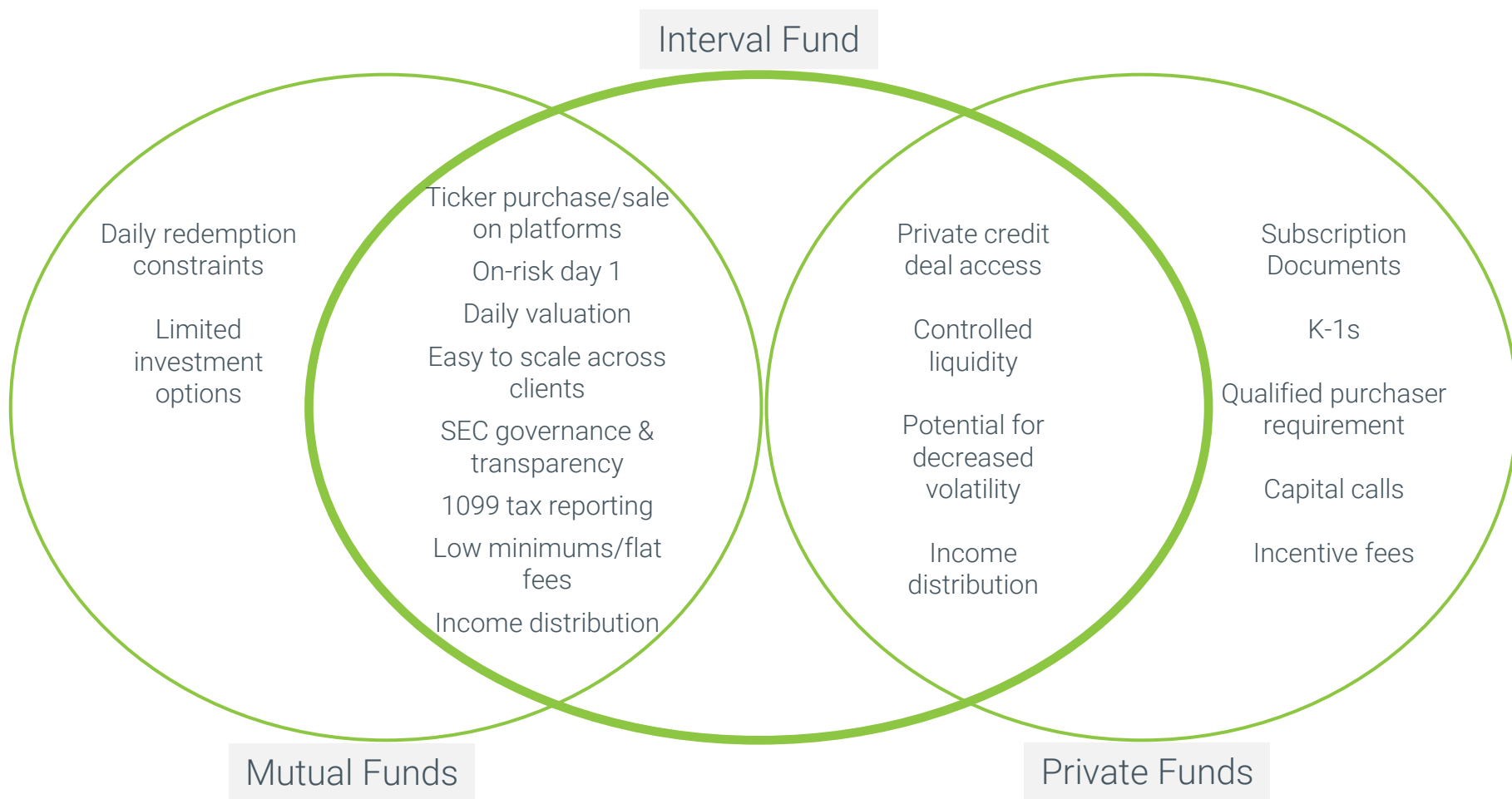
### Loss mitigation

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: \$67.8M  
2.3% of the portfolio

# The advantages of the interval fund structure



# Portfolio liquidity

## We believe liquidity management is paramount in portfolio construction

Portfolio is structured to meet potential redemption scenarios under both normal and stressed market conditions.

Target 5% tradeable securities and cash

Laddered short-term maturity liquidity

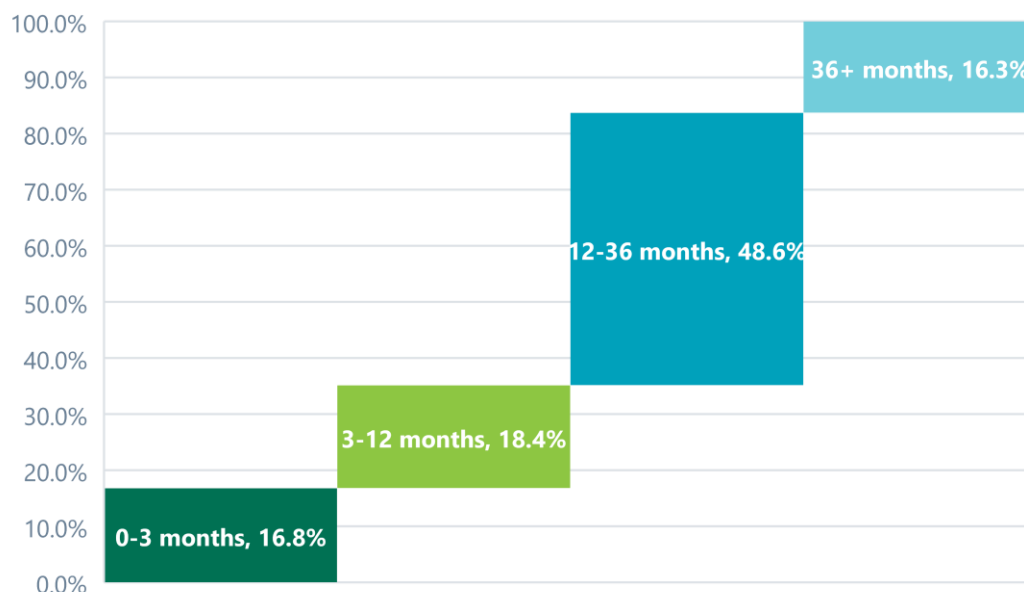
Limited long-tailed commitments

Most underlying assets distribute cash flow regularly

Uncommitted credit facilities

\$100 million line of credit

Commitment length of current portfolio by invested capital as of August 31, 2023

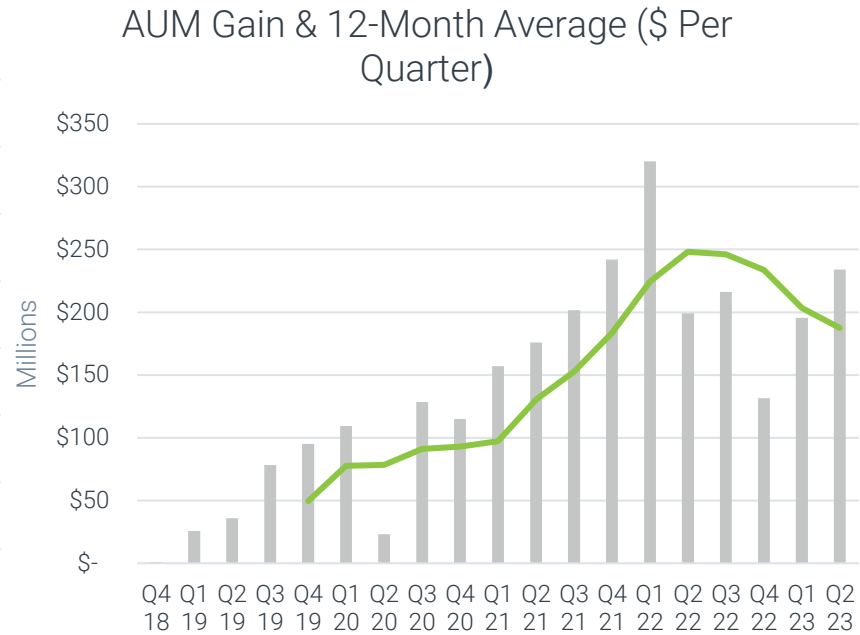
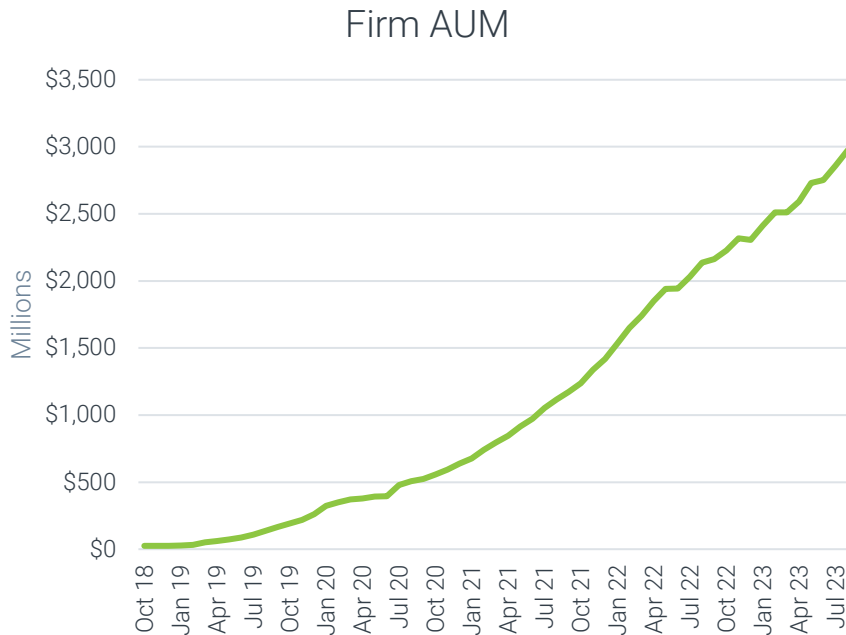


Commitment is the length of time until the invested principal is expected to be returned or be available for liquidation.

There can be no guarantee that these targets will be met. There is no guarantee that Shareholders will be able to sell all of the Shares that they desire to sell in any particular repurchase offer

# Fund AUM

## Strong consistent AUM growth throughout time

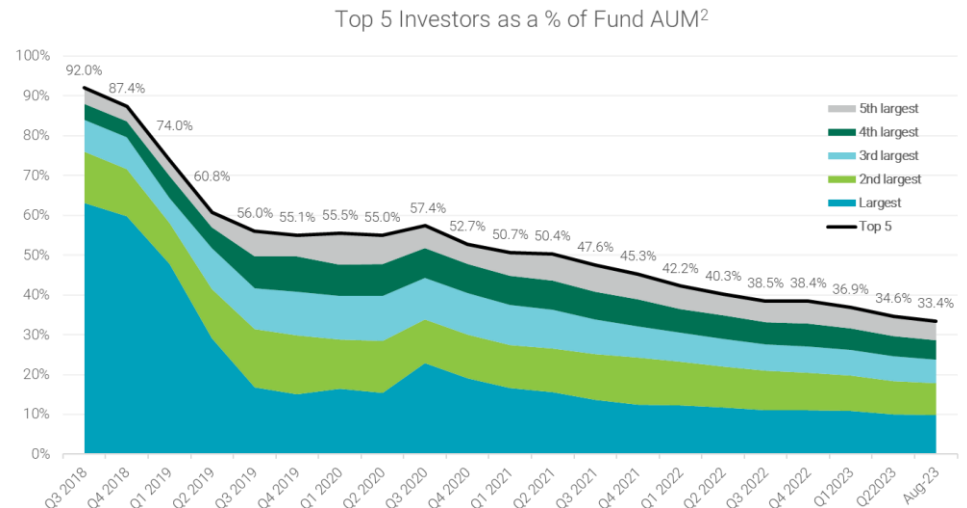
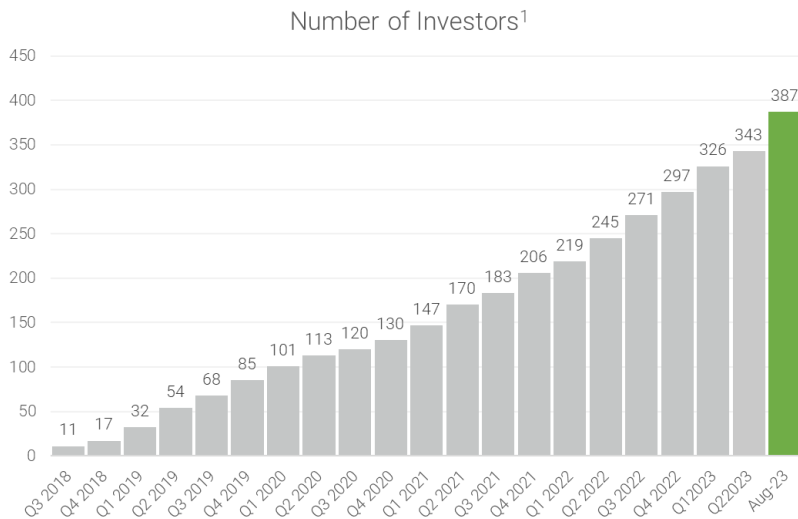


For purposes of calculating the number of investors, an "investor" is considered to be any independent decision-making entity. For example, a registered investment advisor (RIA) would be counted as one investor although that one RIA may represent many individual investors and investing entities. Likewise, a family office may have multiple investing entities, but is only counted once in the tally.

The information displayed above represents a "best efforts" basis to identify and tabulate the number of Fund investors and the associated dollar amounts. The investor data is reported to Variant from a combination of sources, including the Fund's administrator and various custodial platforms. Each entity identifies investors in different ways, provides the information in different formats and requires subjective assessments in performing the calculations and determining the "investor types". The data above should be considered indicative only and there can be no assurance that the data above accurately reflects the Fund's investor base.

# Investor base

## Steady expansion of new relationships and dilution of client concentration



<sup>1</sup>For purposes of calculating the number of investors, an "investor" is considered to be any independent decision-making entity. For example, a registered investment advisor (RIA) would be counted as one investor although that one RIA may represent many individual investors and investing entities. Likewise, a family office may have multiple investing entities, but is only counted once in the tally.

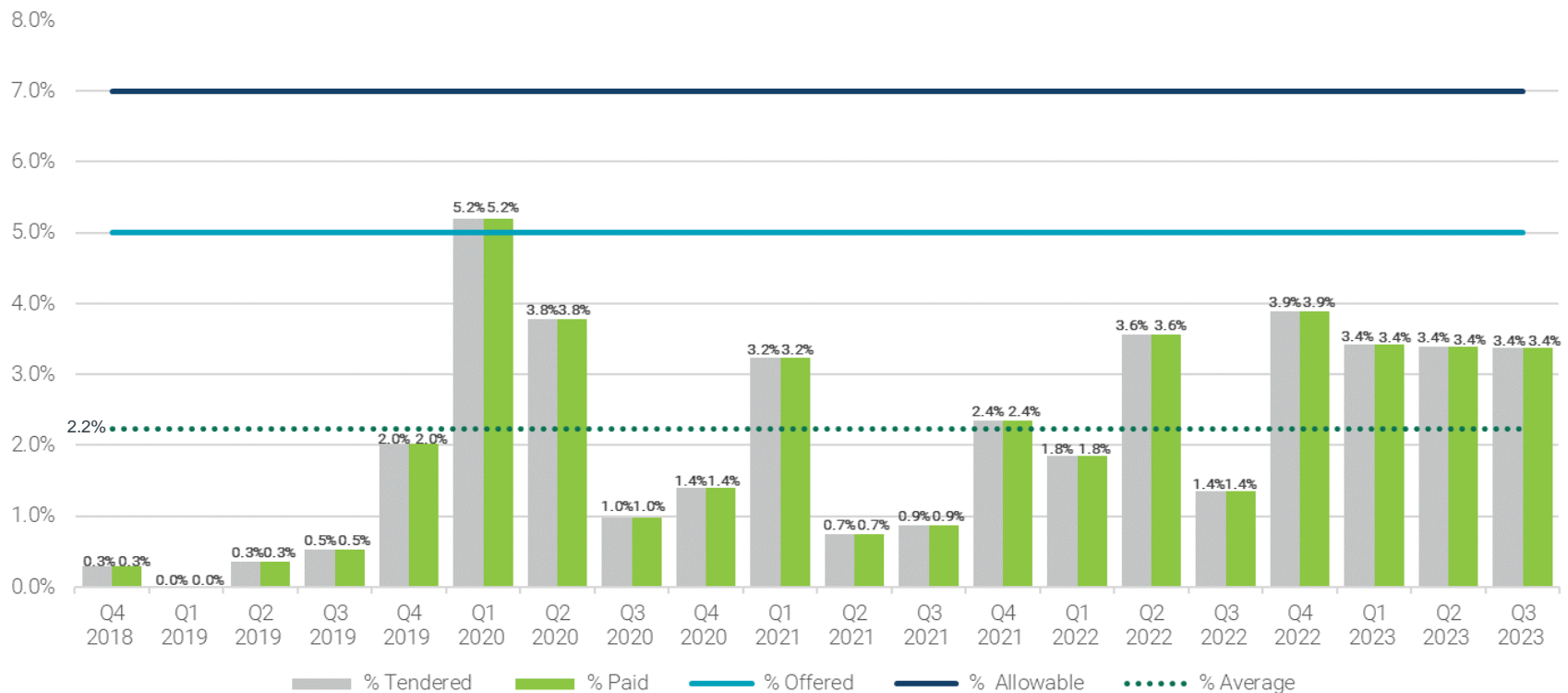
<sup>2</sup>For purposes of calculating the top 5 investors, the investment amounts for the both the institutional and investor share classes are combined.

The information displayed above represents a "best efforts" basis to identify and tabulate the number of Fund investors and the associated dollar amounts. The investor data is reported to Variant from a combination of sources, including the Fund's administrator and various custodial platforms. Each entity identifies investors in different ways, provides the information in different formats and requires subjective assessments in performing the calculations and determining the "investor types". The data above should be considered indicative only and there can be no assurance that the data above accurately reflects the Fund's investor base.

# Redemption update

## 100% of client redemptions paid throughout history

Historical Redemptions<sup>1</sup>



There can be no assurance that these objectives will be met going forward.

<sup>1</sup> The 5% offered repurchase amount is the stated amount the Fund is required to offer on a redemption day. The 7% allowable repurchase amount represents the flexible amount the Fund can offer on a redemption day without board approval.

# Since inception performance

## Net performance<sup>1</sup>

	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	7.26
2019	0.48	0.59	1.98	0.82	1.05	1.07	1.35	1.07	0.52	0.76	0.64	1.24	12.22
2020	1.17	0.48	-0.50	-0.27	0.87	0.34	0.76	0.08	0.56	0.72	0.45	1.06	5.87
2021	1.10	0.94	0.92	0.90	1.59	0.96	1.72	0.72	0.65	0.72	0.72	0.72	12.29
2022	0.68	0.60	0.72	0.86	0.49	0.63	0.57	0.88	0.77	0.81	0.49	0.89	8.71
2023	0.77	0.69	0.61	0.59	0.76	0.71	0.93	0.58					5.80

as of August 31, 2023

	YTD	1 yr	3 yr	5 yr	SI <sub>2</sub>
Variant   NICHX	5.80%	8.96%	9.92%	9.53%	8.92%
IG bonds   BBG Agg <sub>3</sub>	1.37%	-1.19%	-4.41%	0.49%	0.32%
High yield   BBG HY <sub>4</sub>	7.13%	7.16%	1.81%	3.32%	3.23%
Hedge funds   HFRXGL <sub>5</sub>	1.49%	0.67%	1.81%	1.82%	1.70%
Equity   S&P 500 <sub>6</sub>	18.72%	15.92%	10.50%	11.10%	12.28%

### Past performance is not indicative of future results

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. Index definitions are provided at the beginning of the presentation.

1 Inception date is November 1, 2021. Returns are net total returns. The track record uses geometric returns and reflects the reinvestment of earnings. Results audited through April 30, 2023.

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

3 "IG bonds" & "BBG Agg" refer to the Bloomberg 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.

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

5 "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.

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

# What drives performance?

## Accrual provides steady baseline of returns

### Accrual

Contractual loan payments  
Real estate cash flow  
Interest payments from funds  
Royalty interest

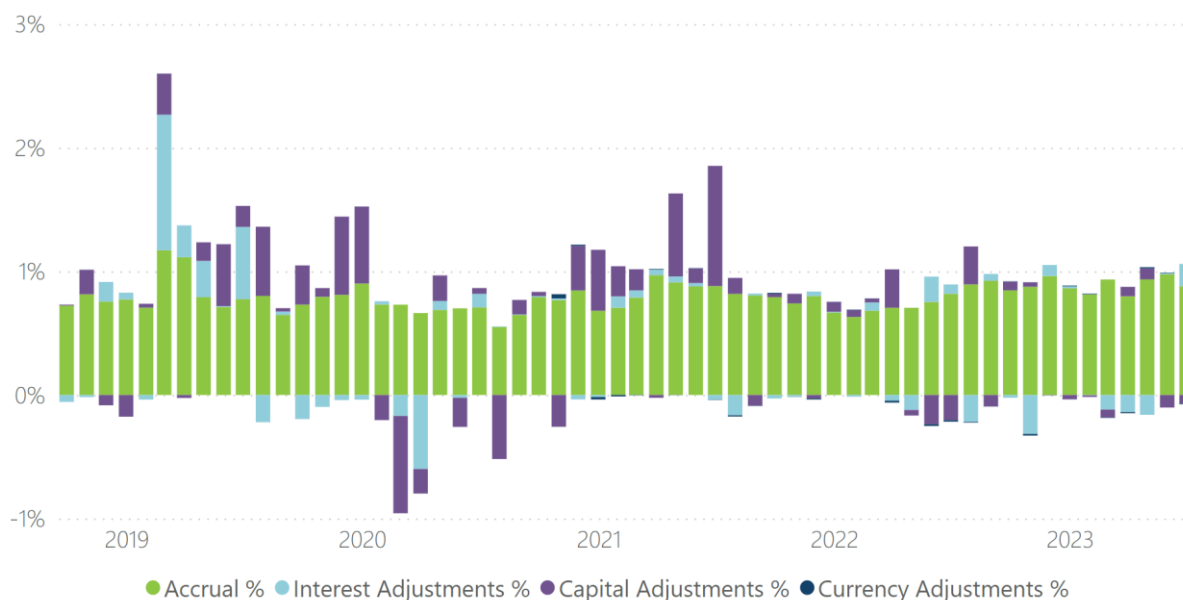
### Interest Adjustments

Loan payments  
Origination points  
True-up to external NAVs

### Capital Adjustments

Write-ups on secondaries  
Changes in price to earning equity valuation  
Loan write-offs/markdowns

Estimated Monthly Gross Performance Attribution

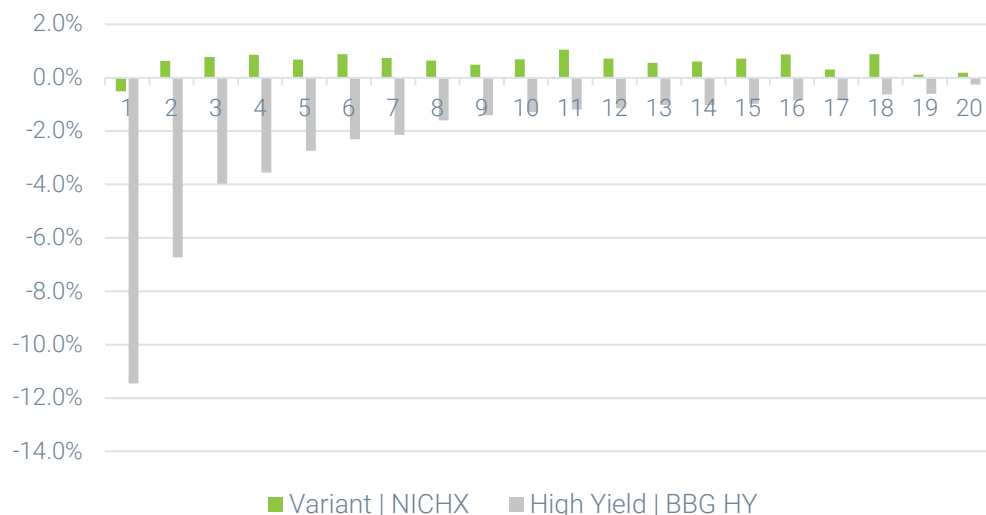


The data represents the estimated contribution to gross monthly returns by different accounting entries used in the valuation process from October 2018 through the most recent month end. It should be considered an estimate only. There can be no assurance that the data accurately or completely captures all entries. Accounting entries are subject to reversal and procedures and policies may change over time. The data should not be relied upon for tax planning purposes. Please consult your tax advisor. Returns shown are gross of fees and expenses for calculation purposes. Please use the Fund's since inception net performance track record provided in this presentation to assess the return history of the Fund from an investor's perspective. **The Past performance is not indicative of future results.**

# Benefits of diversified income

## Variant has provided a combined positive return during periods of stress in the HY bond market

Performance over negative months



Past performance is not indicative of future results.

Variant seeks investments with strong cash flows and low correlations to public equities and bonds

Upside capture has been 51% of High Yield Bonds while the downside capture has been negative 36% which equates to a positive return over down months in the market

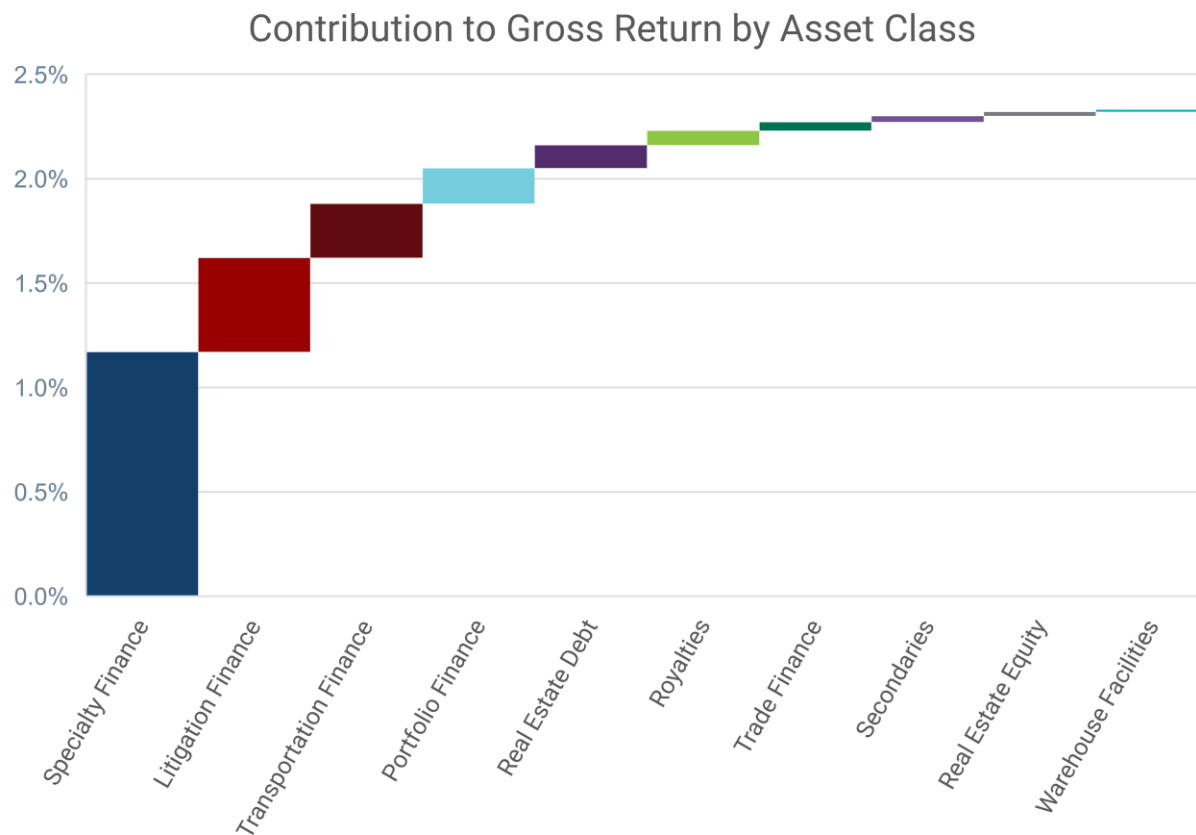
Returns are driven by unique portfolio risks that have little correlation to public equity and bond markets

The chart shows starting with number 1, the largest to smallest monthly returns less than 0% of the BBG HY index compared to the Variant Alternative Income Fund from inception date October 2, 2017 to today. 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 audited through April 30, 2023.

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

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.

# Q2 2023 - attribution by asset class



**Litigation finance:** Senior loans or advances to law firms and individuals backed by the receivables from litigation claims

**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

**Royalties:** Financing future royalty streams in both music (song and performance recordings) and commodities (oil and gas).

**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

**Trade finance:** Financing the acquisition and transportation of goods from buyer to end seller

**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 to an originator pending distribution to end investors

Please note: 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.

# Fund terms<sup>1</sup>

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Fund assets:	<b>\$2,931 million</b>
Fund structure:	<b>Interval closed-end fund</b>
Qualifications:	<b>Accredited Investor</b>
Share class launch:	<b>October 1, 2018</b>
Subscriptions / NAV:	<b>Daily</b>
Redemptions <sup>2</sup> :	<b>Quarterly at 5% of fund NAV</b>
Distributions:	<b>Quarterly</b>
Tax reporting:	<b>1099</b>
Administrator:	<b>UMB Fund Services</b>
Fund counsel:	<b>Faegre Drinker</b>
Auditor:	<b>Cohen &amp; Company</b>
Distributor:	<b>Foreside Fund Services, LLC</b>
Share class:	<b>Institutional</b>
Ticker:	<b>NICHX</b>
Minimum investment:	<b>\$1,000,000</b>
Management fee <sup>3</sup> :	<b>0.95%</b>
Gross expense ratio:	<b>1.67%</b>
Net expense ratio <sup>4</sup> :	<b>1.67%</b>

<sup>1</sup> Please review the prospectus for a complete description of Fund terms, risks, charges and expenses.

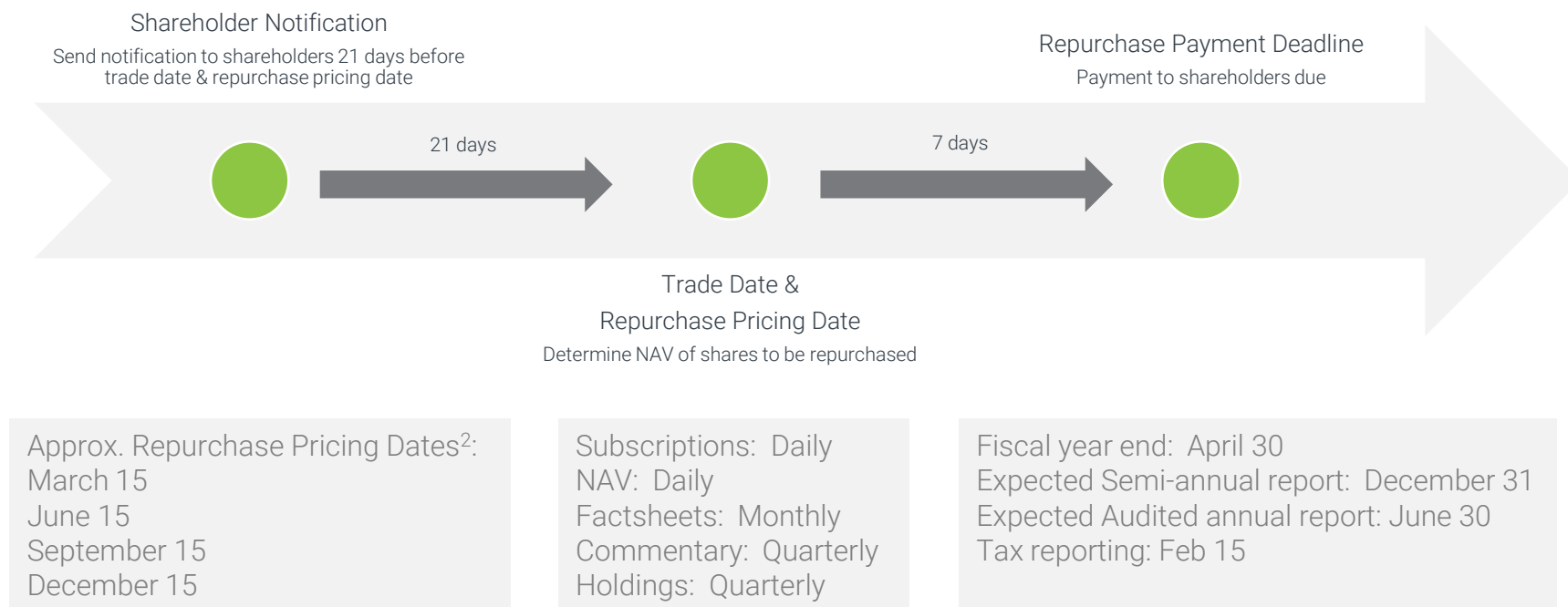
<sup>2</sup> The interval fund structure allows 5%-25% of Fund NAV, however for the foreseeable future, Variant plans to offer 5% of Fund NAV for redemptions on a quarterly basis. *Shares are an illiquid investment. You should generally not expect to be able to sell your Shares (other than through the 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.*

<sup>3</sup> "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.

<sup>4</sup> The Expense Limitation and Reimbursement Agreement is in effect until October 31, 2024 and will automatically renew for consecutive one-year terms thereafter.

# Interval fund logistics

## Redemptions<sup>1</sup> quarterly at 5% of Fund NAV



<sup>1</sup> The interval fund structure allows 5%-25% of Fund NAV, however for the foreseeable future, Variant plans to offer 5% of Fund NAV for redemptions on a quarterly basis. *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.*

<sup>2</sup> or the business day before if the 15<sup>th</sup> day is not a business day.

You should consider the Shares to be illiquid. There is no assurance that you will be able to tender your Shares when or in the amount that you desire.

# In conclusion

NICHX offers simple access to **unique** assets

Extract cash flows from **niche** investments

Bring **scalable** unique alternatives to client portfolios

Strong and tested **track record**

Low volatility and **low correlation** return history

Stable investor base and growing **Fund AUM**

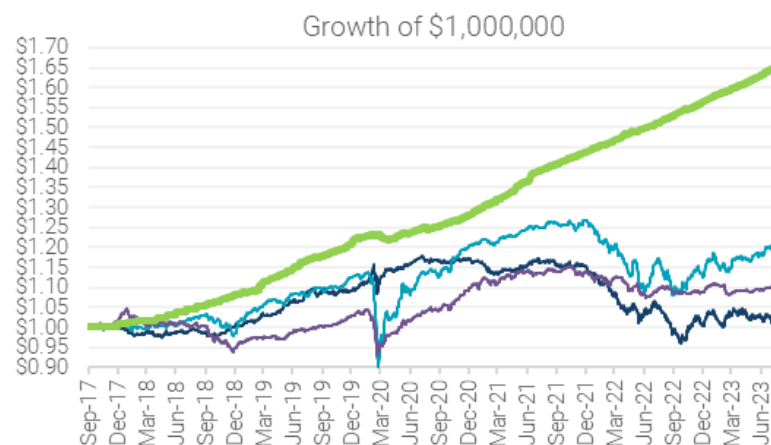
**Experienced** and dedicated investment team

Interval fund **efficiency**

NICHX performance as of 8/31/2023

**+ 8.96%** trailing 1-year

**+ 8.92%** since inception



Past performance is not indicative of future results

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.

# Contact us

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**Bob Elsasser**

[bob@variantinvestments.com](mailto:bob@variantinvestments.com)

**Curt Fintel**

[curt@variantinvestments.com](mailto:curt@variantinvestments.com)

**J.B. Hayes**

[jb@variantinvestments.com](mailto:jb@variantinvestments.com)

**Ryan Warren**

[ryan@variantinvestments.com](mailto:ryan@variantinvestments.com)

[ir@variantinvestments.com](mailto:ir@variantinvestments.com)

[www.variantinvestments.com](http://www.variantinvestments.com)

10300 SW Greenburg Road  
Suite 308  
Portland, Oregon 97223

503.563.0700