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 **VARIANT**

Variant Impact Fund
Annual Impact Report
2024

About the cover

Meet Jane Njoroge, a 32-year-old Kenyan who supports her family through a small retail business in Ruaka, near Nairobi, selling paint to car mechanics. She started in 2019 with her mother's savings, struggling to keep shelves stocked due to cash flow issues and lack of supplier credit.

Her attempts to secure financing from a microfinance bank failed due to lack of collateral. A high-interest loan from a mobile lender worsened her situation, resulting in a negative credit rating and further limiting her financial options.

In February 2021, Jane joined Zanifu. Despite her negative credit rating, Zanifu provided her with an \$800 credit line based on her purchase history. She was turning over \$1,000 a month at the time, earning \$150 in profit.

Today, Jane's business turnover is \$3,250 per month, and she earns \$422 in monthly profit. She has even opened a second store. With Zanifu's financial support, Jane has significantly improved her family's quality of life, embodying the impact Zanifu aims to have on small businesses across Africa.

With the capital provided by the Variant Impact Fund during the reporting period, Zanifu was able to fund Jane Njoroge's business as well as 2,305 similar SMEs, providing 49,155 inventory loans.

For additional information on Zanifu, please refer to p.25.



Welcome



To our partners in impact,

We are delighted to present our third Annual Impact Report for the Variant Impact Fund¹ (the "Fund").

This report celebrates the positive impact that your capital makes. Your investment in the Fund is indeed "yielding a difference".

People have been housed, educated, cared for and employed.

Women have been financially empowered, entrepreneurs funded, and individuals enabled to purchase the basic necessities of life.

Renewable energy has been generated, green technologies advanced, inefficient utilities replaced, and infrastructure upgraded for a cleaner future.

This report provides both the numbers and the stories that bear witness to that.

Bob Elsasser
Chair of the Impact Investing Committee

It has been a busy and productive year. We would like to highlight a few accomplishments in particular:

The Fund's assets under management (AUM) more than doubled during this fiscal year, reaching \$78 million. More capital means more impact. It also means broader reach, with the Fund's capital now spanning nine IRIS+ impact themes, 27 investment strategies and 27+ countries around the globe.

The Fund became a member of Impact Capital Managers, a group of leading private capital asset managers working collaboratively to advance best practices in impact investing and measurement.

Variant onboarded seven new team members over the past year, five of which are from Underrepresented Groups. Of note, Kristi Combs was hired as Chief Operating Officer and joins the Variant management team leading the company forward.

We are very proud of the Fund's impact over the past year. We thank you for your partnership and look forward to delivering more positive impact in the year ahead.

Yielding a difference

Variant Impact Fund (IMPCX)

The Variant Impact Fund offers investors efficient access to a diversified portfolio of unconventional income-generating assets aligned with the United Nations Sustainable Development Goals ("UN SDGs"). 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, with capital appreciation as a secondary objective.

The Fund also seeks to generate positive social and environmental impact by targeting investment opportunities aligned with both the UN SDGs and the Fund's impact investing framework. The Fund intends to invest in a wide range of opportunities across three core impact objectives: (i) financial inclusion; (ii) equitable growth; and (iii) responsible consumption.

Variant Commitments

ICM

The Variant Impact Fund joined Impact Capital Managers (ICM)² in April 2024. ICM's mission is to accelerate the performance of its members and to scale the private capital impact investing marketplace with integrity and authenticity. As a membership association, ICM primarily aims to connect and convene its members, identify and share best practices, advocate for its members, and cultivate a skilled and diverse impact investor workforce. In line with ICM's commitment to impactful investment with integrity and authenticity, members must meet specific criteria, including adequate impact measurement and management practices.



Edwin Huang, a member of the Impact Investing Committee, attending the ICM Spring Convening in Washington, DC.



GIIN

Variant joined Global Impact Investing Network (GIIN)³ 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 made with the intention to generate positive, measurable social and environmental impact alongside a financial return.

PRI

Variant Investments, LLC ("Variant") became a signatory to the Principles for Responsible Investment (PRI)⁴ in January 2022.



Giving Back

Variant has implemented employee programs dedicated to giving back, sharing the financial success of the firm with a wider group of constituents - our employees and the charitable organizations they support.

1) Employee Sharing Program

All full-time employees at all levels of the organization are eligible to participate in a portion of the distributions received by equity holders. This financial sharing program aligns interests, advances stakeholderhood and promotes our goal to be an employer of choice. And, of course, our employees deserve it.

2) Charitable Donations Program

Each year, Variant offers to donate up to \$5,000 per employee to qualified organizations of their choosing. As a firm, Variant believes that letting the employees determine the beneficiaries results in more thoughtful and involved donations and will encourage and advance a lifelong culture of giving. A list of the 2023 recipients is below.

- Africa New Life
- Americana Community Center
- Animal Aid
- Camp Ukandu
- Covenant House
- Doctors Without Borders
- Golden Bond Rescue
- Guide Dog Foundation for the Blind
- International Rescue Committee
- Just Compassion of East Washington County
- Kim's Hope
- MOSTe
- Michael J. Fox Foundation for Parkinson's Research
- National Outdoor Leadership School
- New Incentives
- Open Adoption & Family Services
- St. Jude's
- The Nature Conservancy
- The Planetary Society
- Water Wells for Africa

Diversity, Equity and Inclusion

At Variant, we grow stronger by bringing unique voices to the team and making sure these voices are heard, respected and acknowledged for their contribution.

Variant has chosen a definition of diversity that focuses on Underrepresented Groups that include females, disabled persons, veterans, LGBTQ+, Black/African, Hispanic/Latinx, Asian/Pacific Islander, Middle Eastern, Indigenous, and multi-racial persons. Individuals from these Underrepresented Groups comprise a substantial percentage of both the firm's ownership and employment. Variant has also committed to including diversity in its investment process by collecting diversity metrics on all of our investment counterparties.

Our firm's continued growth and success are a reflection of our amazing team at Variant. Our firm culture

embraces all aspects of diversity, equity and inclusion. We hired seven new team members in 2023, including Kristi Combs as Chief Operating Officer and a member of the Management Committee.

"I am thrilled to join Variant Investments' team. It is a privilege to work for a firm that emphasizes a culture of inclusion, and to be part of such a diverse and talented group. I look forward to more progress and continued success ahead for our firm."

Kristi Combs, Chief Operating Officer



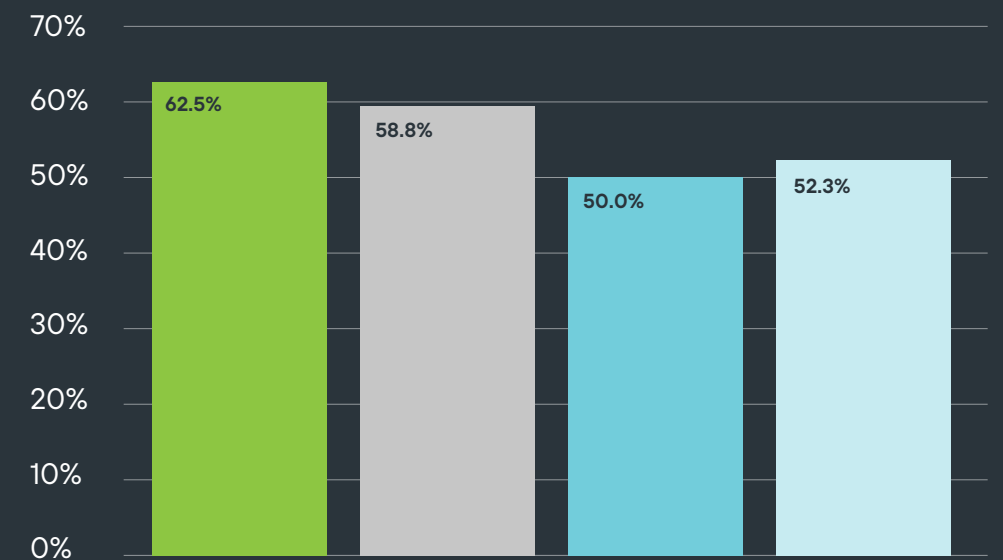
Employee Spotlight:
Kristi Combs: Chief Operating Officer

As a member of the senior management team, Kristi is leading the firm through a number of strategic initiatives, including the further development of our human resource policies and procedures and focusing on Variant's firm culture. Kristi brings more than 25 years of public and private industry experience, including a background in impact investing.



% Underrepresented Groups at Variant⁵

- Firm Employees
- Investment Team
- Senior Leadership
- Equity Distributions⁶





Our Impact Framework

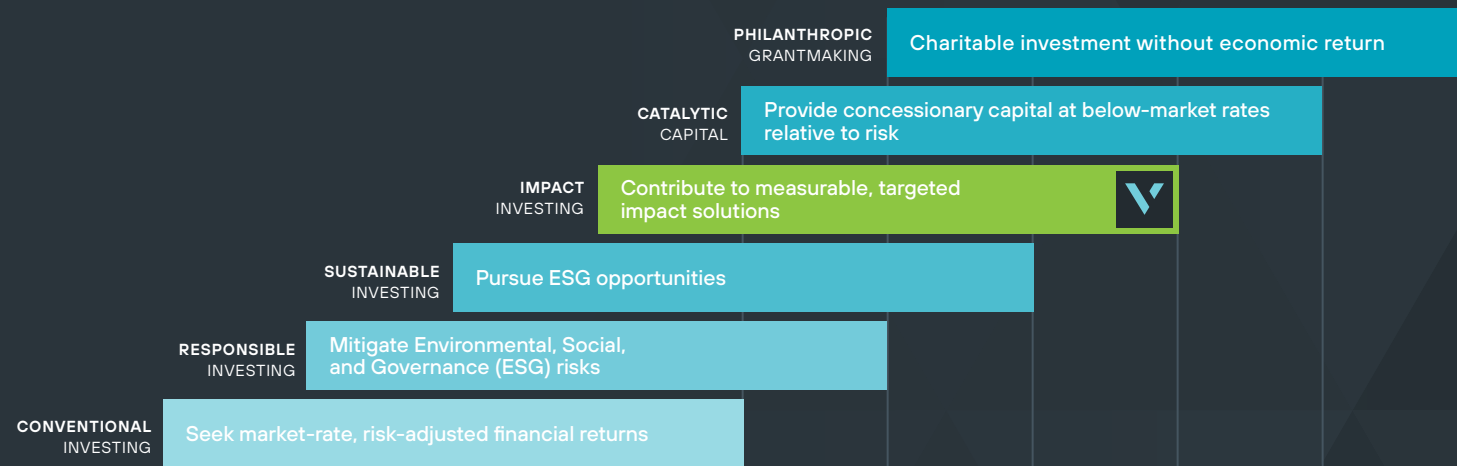
Profit with Purpose

Incorporating social and environmental factors into investment decisions can open up a wide spectrum of options with varying degrees of impact. At one end of the range are investment products that deploy negative screens to avoid doing any specific harm, while at the other end are philanthropic grants, which offer significant positive impact potential but little regard for financial return.

The Variant Impact Fund intends to sit in the middle of that spectrum. We interpret “impact investing” as having a strong intentionality to make a meaningful contribution to measurable, targeted solutions.

While positive impact is the goal, the Fund fully intends to execute at market rates of return and should not be considered concessionary capital.

On occasion, “catalytic capital” opportunities may arise, in which the positive impact component is so compelling that the Fund may be willing to accept slightly less return or slightly more risk relative to market, but such investments are expected to be limited in scope and scale. During the reporting period, the Fund did not make any investments that it would consider to be catalytic capital.



TIDELINE

Throughout its history, Variant has been investing in impact-oriented investments. However, the launch of a dedicated impact strategy required building an entirely new architecture focused on meeting the unique demands of an impact mandate. Our goal was to build

a framework and processes in line with current best practices in the impact investing community.

For that reason, Variant engaged Tideline⁷, a leading consultant in impact investing, to advise on the design

and operationalization of our impact management strategy. Tideline is a specialist, women-owned consulting firm that works with asset managers and allocators to design and implement best-in-class impact management systems.





Theory of Change

Make the money matter.

Since its inception, Variant has focused on niche private market opportunities that lack traditional capital market providers. The Variant team believes that by being early, avoiding crowded markets and leaning into hard work investments, investors can be rewarded financially.

Likewise, the team believes the same approach can provide an outsized positive impact. The Variant Impact Fund provides capital to attractive opportunities in niche, underfinanced markets that contribute to the UN SDGs. Put more simply, our goal is to make sure the dollars truly yield a difference.



Variant Impact Theses

Financial Inclusion

To increase access to financial services for underserved markets and beneficiaries.

- Financial Inclusion
- Gender Lens
- Racial Equity



Equitable Growth

To enhance quality and equity of essential services that enable economic growth in underserved communities.

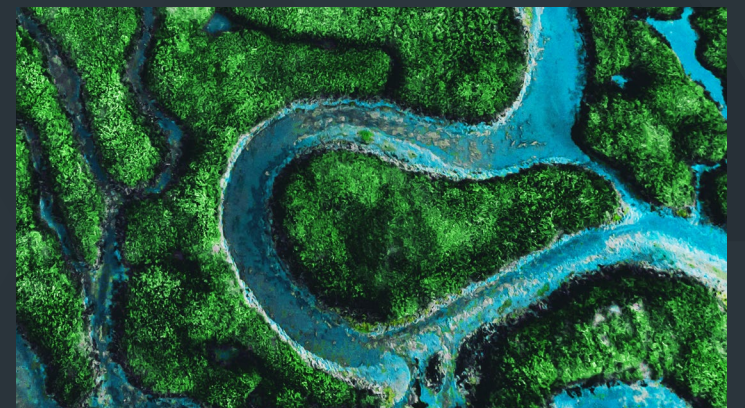
- Access to Quality Education
- Affordable Quality Housing
- Resilient Infrastructure



Responsible Consumption

To minimize environmental impact and promote more sustainable resource consumption.

- Clean Energy
- Energy Efficiency
- Sustainable Agriculture



Impact Investment Process



Impact Assessment

Each investment is assessed and scored across four different impact dimensions by the Impact Investing Committee. The first two dimensions relate to the alignment with the UN SDGs, while the remaining two address capital access.

SDG Alignment

Intentionality

The degree to which the counterparty intentionally targets and creates SDG-aligned impact. This assessment might consider the robustness of their impact process and how core the delivery of impact outcomes is to their business model.

Quality

The counterparty's expected success rate in delivering the targeted impact. The review might include their historical track record and comparison to peers to the extent these are available. The potential for negative externalities should also be considered.

Capital Access

Need

The size of the funding gap and the extent to which the Fund's capital is unique and needed to achieve impact goals.

Amplification

The ability to have an impact beyond the provision of capital. This might include negotiated terms and conditions that would amplify the impact value of the investment or the ability for the Fund's investment to attract additional external sources of capital to the opportunity.



Impact Reporting

IRIS+⁸ is the generally accepted system for measuring, managing, and optimizing impact, supported by leading impact investors and housed within the GIIN. As a GIIN member, Variant has adopted the IRIS+ investment themes and categories for reporting purposes. Variant seeks to track relevant IRIS+ deal-level metrics where possible.

Impact Investing Governance

Variant established the Impact Investing Committee (the "Committee") to manage the Fund's impact investing policies and procedures. The Committee is chaired by a Principal of Variant and includes members of the investment team and a member from outside of the investment team. Individual investments under consideration for the Fund are reviewed and approved by the Impact Investing Committee to ensure assessment discipline and consistency in the impact investing process.

United Nations Sustainable Development Goals

The Sustainable Development Goals⁹ are a universal call to action to end poverty, protect the planet, and improve the lives and prospects of everyone, everywhere. The 17 Goals were adopted by all UN Member States in 2015, as part of the 2030 Agenda for Sustainable Development which set out a 15-year plan to achieve the Goals.



Variant Impact Fund Portfolio Review

The Variant team is excited about the continued growth and broadening reach of the Fund. During this fiscal year-ending April 30, 2024, the Fund deployed \$50.4MM dollars across a wide variety of investment opportunities and impact themes. This represents a two-times increase in capital deployment over the prior fiscal year. Capital is currently invested across 27 investment strategies and 40 individual investments. For a full reporting of the Fund's positions, please see the financial statements provided on the Fund's website¹⁰.

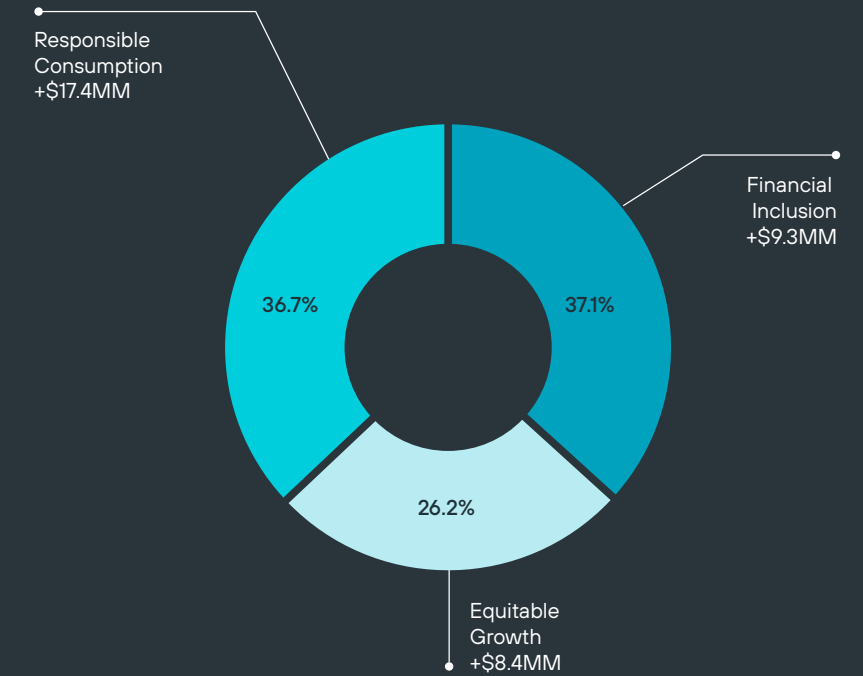
Capital Deployment¹¹ by Fiscal Year and Cumulative Capital Deployment since Fund Inception¹²



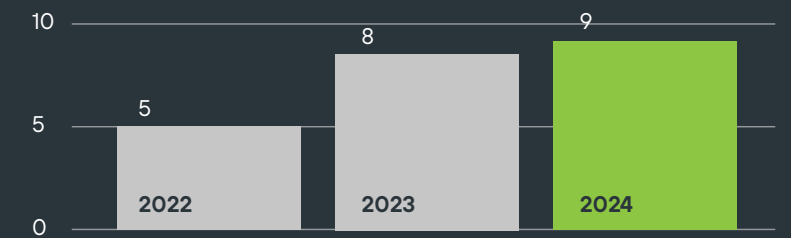
Portfolio by Impact Thesis (excluding cash)

The Variant team continues to focus investments in three core areas of impact: Equitable Growth, Financial Inclusion, and Responsible Consumption.

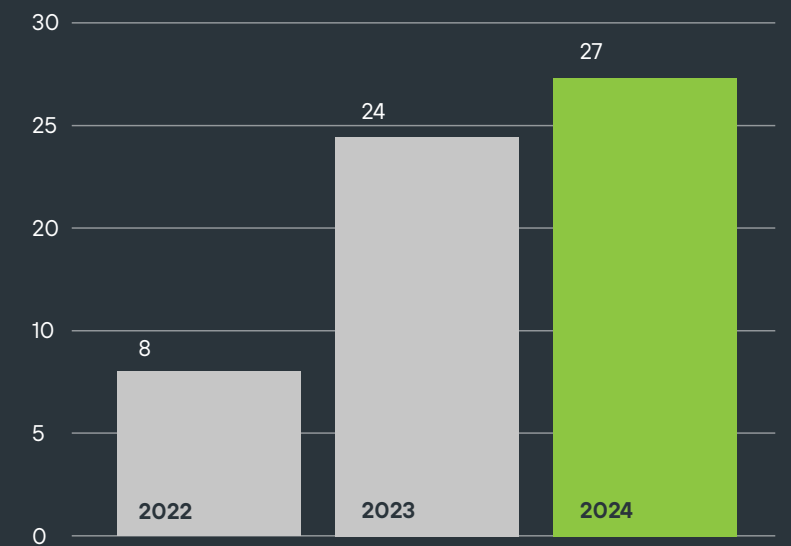
New capital was provided across all three core impact theses during this fiscal year, with Financial Inclusion holding the largest share.



Number of IRIS+ Impact Themes



Number of Investment Strategies

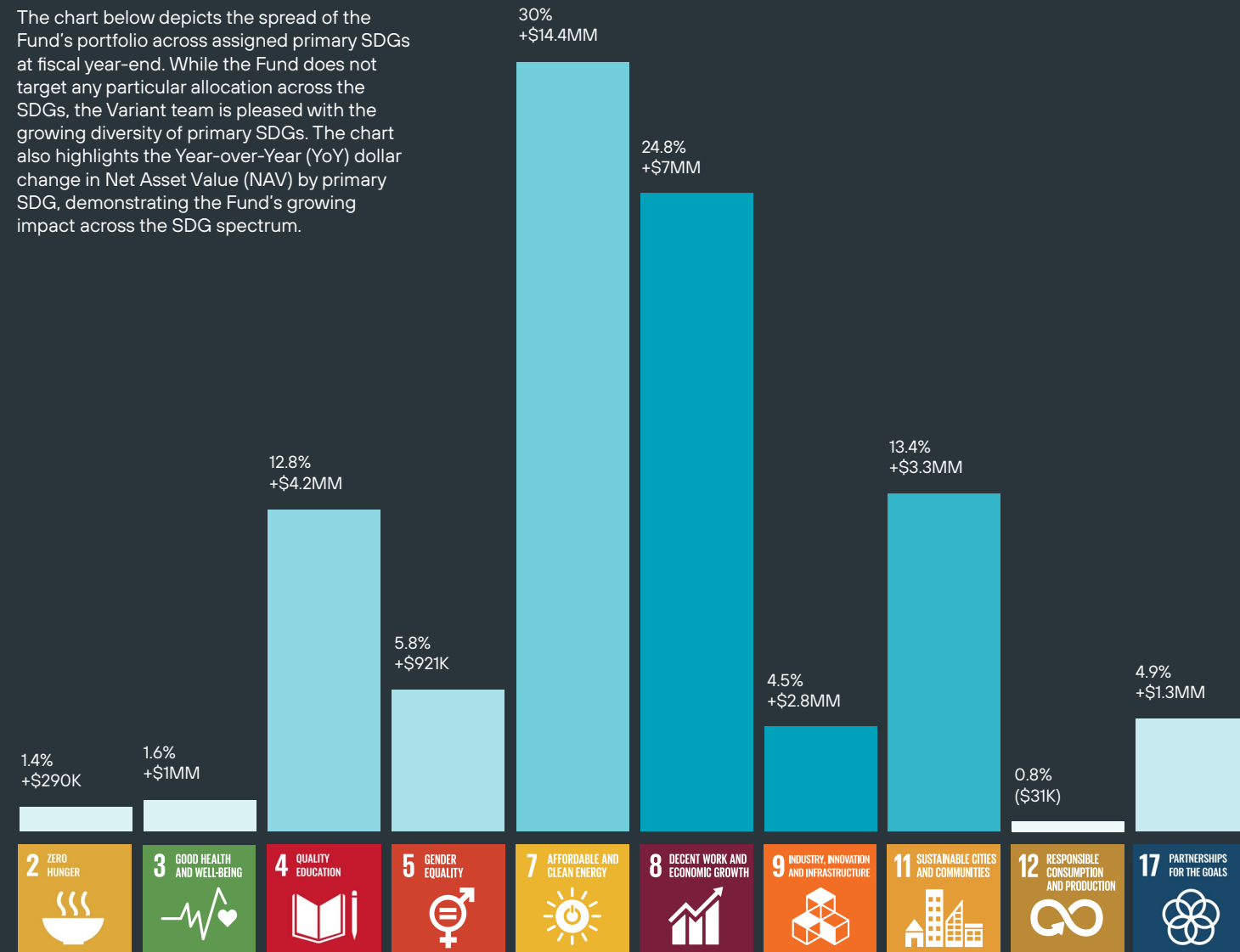


UN SDGs

Portfolio by Primary SDG

During the impact assessment process, each investment is assigned to a primary UN Sustainable Development Goal. The 17 SDGs have an associated 169 targets which UN members have agreed to achieve by 2023 to end poverty, protect the planet and ensure all people enjoy peace and prosperity.

The chart below depicts the spread of the Fund's portfolio across assigned primary SDGs at fiscal year-end. While the Fund does not target any particular allocation across the SDGs, the Variant team is pleased with the growing diversity of primary SDGs. The chart also highlights the Year-over-Year (YoY) dollar change in Net Asset Value (NAV) by primary SDG, demonstrating the Fund's growing impact across the SDG spectrum.



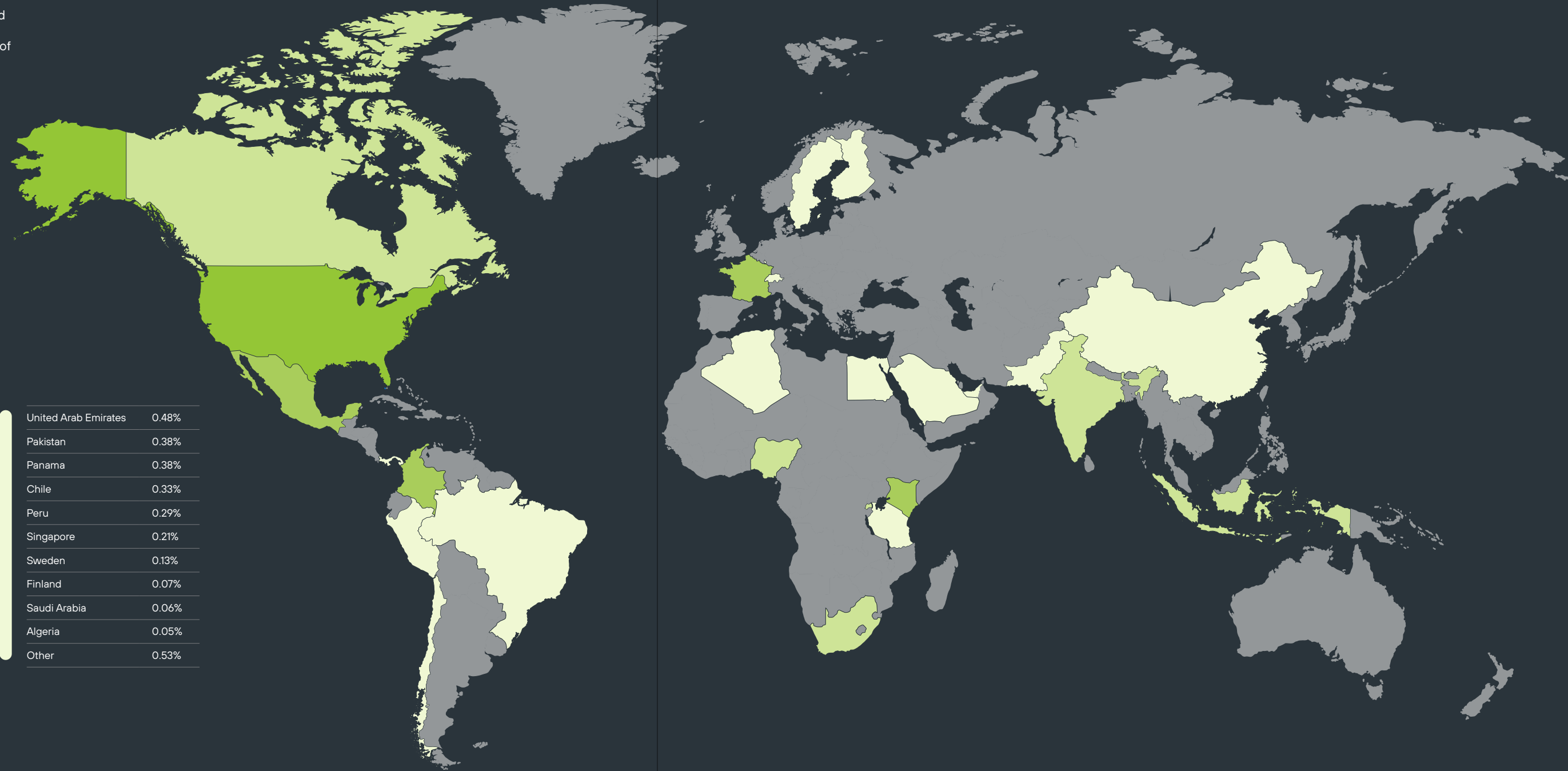
Portfolio by Primary SDG Target

When assigning a primary SDG, each investment must also be tied to a specific SDG target. At fiscal year-end the the Fund's portfolio was allocated across 11 primary SDG targets. A list of the Top 10 primary SDG targets, and the percentage of investments assigned to them, is provided below.

<p>TARGET 8-10 UNIVERSAL ACCESS TO BANKING, INSURANCE AND FINANCIAL SERVICES</p>	<p>● Target 8.10 (24.8% of investments): Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.</p>	<p>TARGET 5-5 ENSURE FULL PARTICIPATION IN LEADERSHIP AND DECISION-MAKING</p>	<p>● Target 5.5 (5.8% of investments): Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p>
<p>TARGET 7-2 INCREASE GLOBAL PERCENTAGE OF RENEWABLE ENERGY</p>	<p>● Target 7.2 (14.0% of investments): By 2030, increase substantially the share of renewable energy in the global energy mix.</p>	<p>TARGET 17-11 INCREASE THE EXPORTS OF DEVELOPING COUNTRIES</p>	<p>● Target 17.11 (4.9% of investments): Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020.</p>
<p>TARGET 4-3 EQUAL ACCESS TO AFFORDABLE TECHNICAL, VOCATIONAL AND HIGHER EDUCATION</p>	<p>● Target 4.3 (12.8% of investments): By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.</p>	<p>TARGET 9-4 UPGRADE ALL INDUSTRIES AND INFRASTRUCTURES FOR SUSTAINABILITY</p>	<p>● Target 9.4 (4.5% of investments): By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.</p>
<p>TARGET 11-1 SAFE AND AFFORDABLE HOUSING</p>	<p>● Target 11.1 (11.8% of investments): By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.</p>	<p>TARGET 7-1 UNIVERSAL ACCESS TO MODERN ENERGY</p>	<p>● Target 7.1 (4.3% of investments): By 2030, ensure universal access to affordable, reliable and modern energy services.</p>
<p>TARGET 7-3 DOUBLE THE IMPROVEMENT IN ENERGY EFFICIENCY</p>	<p>● Target 7.3 (8.3% of investments): By 2030, double the global rate of improvement in energy efficiency.</p>	<p>TARGET 7-A PROMOTE ACCESS TO RESEARCH, TECHNOLOGY AND INVESTMENTS IN CLEAN ENERGY</p>	<p>● Target 7.a (3.4% of investments): By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.</p>

Portfolio by Geography

Given that the UN SDGs represent a blueprint for peace and prosperity for the whole planet, the Variant team is pleased to show the global reach of the Fund's investments. Eleven countries have position sizes greater than 1%, and this fiscal year, the list expanded to 24 countries with position sizes in excess of 0.1%, compared to 16 in the prior year.¹³

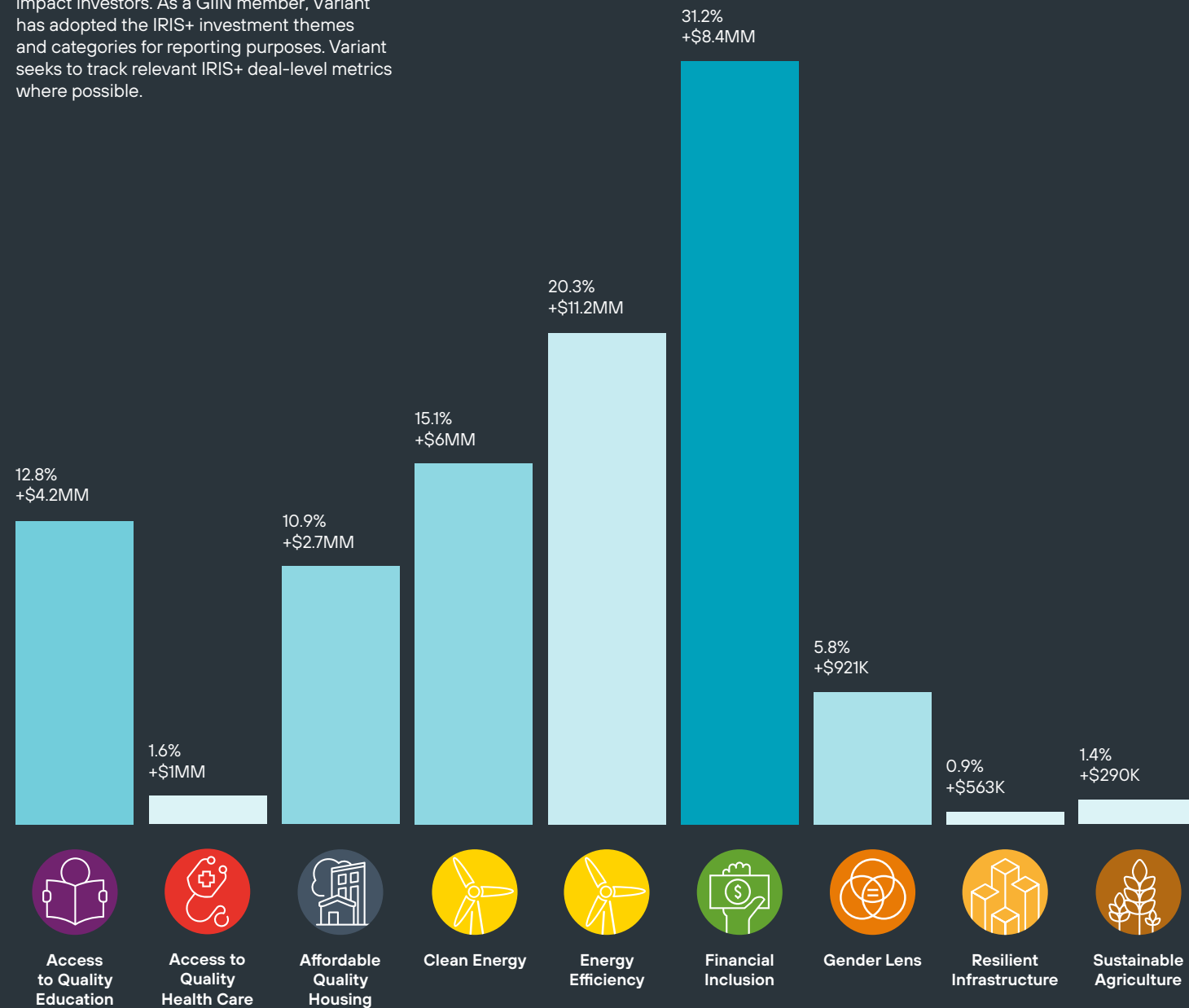


US	49.32%	United Arab Emirates	0.48%
Kenya	8.55%	Pakistan	0.38%
France	8.31%	Panama	0.38%
Colombia	6.35%	Chile	0.33%
Mexico	6.24%	Peru	0.29%
India	3.69%	Singapore	0.21%
Rwanda	3.35%	Sweden	0.13%
Canada	2.53%	Finland	0.07%
Nigeria	1.85%	Saudi Arabia	0.06%
South Africa	1.56%	Algeria	0.05%
Indonesia	1.30%	Other	0.53%
Luxembourg	0.96%		
Egypt	0.77%		
Switzerland	0.63%		
China	0.61%		
Tanzania	0.57%		
Brazil	0.49%		



Impact Themes

The Fund's capital has been deployed across a range of impact themes as defined by the GIIN's IRIS+ categories. IRIS+ is the generally accepted system for measuring, managing, and optimizing impact, supported by leading impact investors. As a GIIN member, Variant has adopted the IRIS+ investment themes and categories for reporting purposes. Variant seeks to track relevant IRIS+ deal-level metrics where possible.



Counterparty Diversity

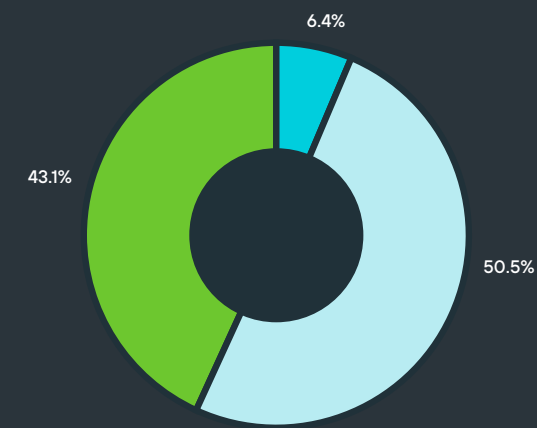
As part of its commitment to diversity, equity and inclusion, Variant collects diversity statistics from its investment counterparties. As part of the underwriting process, Variant looks to estimate what percentage of both the ownership and employment of each counterparty are from these Underrepresented Groups. They fall into one of the following three buckets: More than 50%, 20-50%, and less than 20%.

The Variant team is pleased to report that more than 40% of the Fund's portfolio by NAV is estimated to be invested in counterparties that are majority-owned by underrepresented groups. Likewise, more than half of the portfolio is with counterparties estimated to have an employee profile that is majority-diverse (more than 50%).

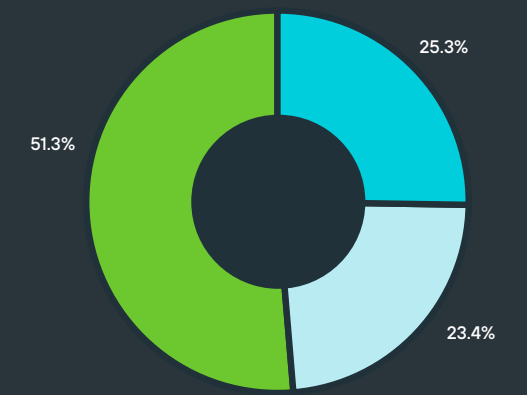
Variant has chosen a definition of diversity that focuses on Underrepresented Groups. These include females, disabled persons, veterans, LGBTQ+ and Black/African, Hispanic/Latinx, Asian/Pacific Islander, Middle Eastern, Indigenous, and multi-racial persons.

- Less than 20%
- 20-50%
- More than 50%

Diversity Ownership



Diversity Employment





Metrics by Impact Theme

The following pages detail the impact of individual investments held in the portfolio during the reporting period, organized by IRIS+ Investment Themes.

It covers the primary exposures and should not be considered an exhaustive list. Please refer to the investment strategy table in the report's appendix for more comprehensive information.

The Impact Investing Committee employs both internal and external data sources to collect, measure, and report the impact metrics featured in this year's impact report. In collaboration with portfolio partners, efforts are focused on gathering the most relevant impact data for each impact theme. While best efforts are made to ensure the accuracy of these self-reported metrics, it is important to note that they are subject to rounding, estimates, and interpretation.

Financial Inclusion



Impact Challenge

Since 2015, global access to financial services has increased, accelerated by new financial technologies and platforms during the COVID-19 pandemic. However, financial exclusion still disproportionately affects marginalized groups, including the poor, women, smallholder farmers, and micro-, small-, and medium-sized

enterprises (MSMEs)¹⁴, hindering their ability to generate income, safeguard against crises, and build financial resilience. Approximately 131 million¹⁵ MSMEs in emerging markets remain without financial access, limiting their growth. Enhanced access to quality financial services is essential for helping

families and small business owners break the cycle of poverty and better prepare for global challenges like pandemics and economic instability. True financial inclusion ensures services are responsive, responsible, and aligned with consumer needs, guaranteeing safety, user-friendliness, and positive outcomes.

IMPCX Portfolio Metrics

Primary SDGs



Secondary SDGs



Targets

8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020

Impact Themes

Financial Inclusion

Geography

Algeria, Brazil, Canada, Chile, China, Colombia, Egypt, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, Peru, Saudi Arabia, Singapore, South Africa, Tanzania, United Arab Emirates, United States of America, Other

Number of loans disbursed to individuals:

105k+

Percentage of women clients:

44%

Number of loans disbursed to small and medium-sized enterprises:

53k+

Percentage of women-owned businesses:

59%



FINANCIAL INCLUSION

IMPCX Contribution and Impact

Zanifu

3.5% of total Fund investments as of April 30, 2024¹⁰



Zanifu is a fintech company bridging the financing gap for MSMEs in Africa. Although small and medium businesses account for **95%** of all registered businesses and contribute about **50%** to the total GDP of sub-Saharan countries, entrepreneurs still face significant obstacles to growth and prosperity. These obstacles include traditional barriers to accessing finance, driven by the lack of available collateral or cash flow, and a lack of sufficient understanding of the SME financing space. Zanifu targets businesses that find it difficult to access credit from traditional financial institutions due to a lack of structure, accounting books, and assets that could be

used as collateral. Zanifu extends credit to these businesses based on data it collects from the businesses themselves and their suppliers. Towards the tail end of the prior fiscal year, Variant provided Zanifu with access to additional capital to support its growth. Since then, the position has grown to a meaningful size in the Variant Impact Fund, accounting for 3.5% of the Fund's NAV as of April 30, 2024.

With the capital provided by the Variant Impact Fund in the reporting period, Zanifu was able to fund **2,306** similar SMEs, providing **49,155** inventory loans.

In the reporting period, the Fund has funded:

49,155

number of loans disbursed

2,306

small and medium-sized enterprises funded

60%

percentage of women-owned businesses

\$289

average loan size disbursed





IMPCX Contribution and Impact

Almavest

7.7% of total Fund investments as of April 30, 2024



Almavest (“Alma”) is an investment management firm focused on using creative investment instruments and innovative technology to finance diverse social and environmental businesses around the world. Alma combines real-time analytics and deep industry expertise to support high-growth fintechs, carbon projects, and social enterprises with on-demand

financing. Alma has an entrepreneur-first investment model to further accelerate and amplify sustainable development by helping high-impact companies grow faster and better manage risk. Alma provides access to larger borrowing facilities earlier in companies’ life cycles when it’s often most needed, with flexible terms and creative security arrangements.

As of the reporting date, capital provided through the Variant Impact Fund is funding 1,218 small businesses and 14,999 individuals. Of these, more than 51% of the loans are to either women or women-owned businesses.

As of the reporting date, the Fund’s capital is funding:

14,999

individuals

1,218

small and medium-sized enterprises

51%

women borrowers and women-owned businesses



Alma: Amplification in Action
Nicole Pasricha, Head of Impact & Climate at Alma

Previously head of impact at Canada’s development finance institution. 20 years in sustainable development with Rainforest Alliance, World Bank, MEDA

ALMA’s entrepreneur-first investment model accelerates sustainable development by helping entrepreneurs to grow their businesses—and their impacts on communities, the climate, and economies.

One of ALMA’s core investment goals, supported by Variant, is to expand access to finance so that micro and small businesses and individuals can cover emergency expenses or invest in growth. ALMA partners with both traditional and digital lenders to help them penetrate underserved markets, and in 2023 introduced a new platform—“SPI Online”—to help lenders better manage environmental and social (E&S) impacts and ESG risks and identify areas for improvement. “We look for the most inspiring leadership teams we can find, and then try to supercharge their growth and impact with capital and insights,” says Gautam Ivatury, Managing Partner at ALMA. “The SPI analyses show our borrowers not only how to enhance their impact, but also where they can become more customer-centric and systematic in their operation. It’s a commercial and sustainability win-win.”



IMPCX Contribution and Impact

SPI Online, managed by the Social Performance Task Force (SPTF), is a global set of tools used by hundreds of lending companies and investors to gain key insights into important E&S topics such as client protection, human resources, strategy and leadership, and client outcomes. To build its internal skills, ALMA received training and audit support in 2023 from an experienced social rating agency, Microfinanza Rating (MFR), and became a member of the SPTF to exchange with other impact investors.

With the first round of SPI audits of seven lenders now completed, ALMA and its partners have a wealth of new, comparable and standardized data and learnings on E&S performance. Overall, these lenders are giving access to finance to 548,000 borrowers, 60% of whom are women, and employ nearly 2,000 staff, of which 25% are women. ALMA was pleased to learn that its lenders performed well in important dimensions such as “Client Protection—prevention of over indebtedness, loan transparency, fair and respectful treatment of clients” (AVG:79/100), and “Responsible Human Resources—creating a safe and equitable workplace and motivated workforce” (AVG:69/100). Following the audits, each partner designed an action plan to address gaps identified; for example several lenders are working to improve their social strategy and incorporating E&S risks and goals into business planning and management oversight mechanisms. ALMA is also testing how to deploy the SPI audit during loan origination, to signal the importance of E&S performance to potential partners early in the client relationship.

From the client perspective, the SPI audits provided a valuable framework to benchmark lenders’ E&S performance against a global standard, as well as how to optimize certain policies and processes to reduce and mitigate ESG risks.



Daniel Materon,
CEO RapiCredit



“Following our SPI audit results, RapiCredit now has a concrete plan to strengthen several processes and policies and thus increase our capabilities to monitor E&S risks and impacts, including at the senior management and board levels. Our goal is to expand our operations sustainably, considering the social and environmental impact in every step we take, in order to contribute positively to the development of our local communities.”



Richard Quay
Chairman, Oya Group Ltd



“The SPI exercise has identified several blind spots we missed as we strive to bridge the inequities in access to credit for micro and small businesses in Africa. We have maintained an open mind in the assessment phase of the process and will continue to do so as we implement an action plan. We look forward to realizing the impact this will have on our organization and on the businesses at the bottom of the pyramid that we serve.”



IMPCX Contribution and Impact

Drip

4.9% of total Fund investments as of April 30, 2024

DRIP/c

Drip Capital (Drip) is a fintech platform specifically designed to enhance global trade for SMEs, providing them with the means to access working capital that can be utilized throughout the supply chain. Drip addresses the working capital gap for cross-border trades between exporting countries, primarily focusing on India and Mexico, and importers in more developed markets.

With the capital contributed by the Variant Impact Fund during the reporting period, Drip was able to disburse approximately **54** additional working capital loans with an average loan amount of **\$65,033**.

In the reporting period, the Fund has funded:

54
working capital loans

\$65,033
average loan amount



IMPCX Contribution and Impact

Community Investment Management

8.6% of total Fund investments as of April 30, 2024



Community Investment Manager (CIM) is a global institutional impact investment manager specializing in providing strategic debt funding. CIM has played an integral role in developing responsible and transparent innovation in digital finance. Through a comprehensive investment process developed from significant expertise in small business and consumer lending and structured finance, CIM identifies and invests in responsible financial solutions for inefficient market segments underserved by traditional lenders. CIM delivers impact on three levels and in line with select UN Sustainable Development Goals³⁴:

Enabling Environment: Shaping Policy & Lending Practices

CIM has established itself as a leading voice for responsible lending practices. The team's advocacy work in the sector has centered on developing a set of responsible practices and codified behavior within fintech lending, including co-founding the Small Business Borrowers' Bill of Rights.

Market Building: Responsible Fintech Leaders

CIM provides strategic debt financing to scale and demonstrate responsible innovation in credit products and drive widespread adoption by financial mainstream. CIM's partnerships cultivate an ecosystem for responsible and transparent products that advance financial inclusion and improve the financial health of communities.

Borrower Access: Reaching Underserved Communities

CIM believes that responsible financial inclusion for small businesses and individuals is critical to equitable economic growth, job creation, and the health and sustainability of local communities. CIM works closely with its partners to deliver responsible and transparent financing solutions for underserved communities, including small businesses, students, and low-income households. A majority of the businesses funded by CIM are owned by women, people of color, or military veterans.

As of Q1'24, capital provided through the Variant Impact Fund is funding **2,239** small businesses and **46,997** individuals. Of these, **88%** are women-owned businesses and **37%** are individual women borrowers.

As of the reporting date, the Fund's capital is funding:

46,997
individuals

37%
women borrowers

2,239
small and medium-sized enterprises

88%
women-owned businesses



IMPCX Contribution and Impact

Credito Facil

0.5% of total Fund investments as of April 30, 2024



Credito Facil provides payroll deduction loans to underbanked middle-class Mexican borrowers, primarily government employees. These loans are repaid directly through payroll deductions, ensuring high repayment rates and financial stability for borrowers. The loans enable borrowers to manage

financial emergencies, invest in education, and improve their overall economic well-being, contributing to sustainable development goals by strengthening the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services for all.

As of the reporting date, the Fund's capital is funding:

182

individuals

49%

women borrowers

Accial – Avista

2.4% of total Fund investments as of April 30, 2024



Accial Capital (Accial) is an impact-focused, technology-enabled investor in small business and consumer loan portfolios in emerging markets. To ensure responsible lending practices, all prospective lending platform partners undergo a thorough review process based on an internal responsible lending framework overseen by the impact management committee. Furthermore, Accial is a signatory to the Responsible Finance Forum Investor Guidelines and is a member of the Global Impact Investing Network.

credit opportunities for pensioners. Pensioners are often the main providers of financial stability in many lower- to middle-income households but have not historically been served by traditional banks in small and intermediate cities. This is evident by the fact that over 37% of Avista's clients have obtained their first financial product with Avista, and 20% of its loans are disbursed in rural regions where there is no banking presence.

As of the reporting date, the Fund's capital is funding:

657

individuals

\$2,329

average loan size disbursed

As of the reporting date, capital provided through the Variant Impact Fund, through Accial, is funding 657 loans, with an average loan size of approximately \$2,329.

Avista is a technology-enabled loan originator based in Colombia that creates



IMPCX Contribution and Impact

SixPoint Capital – Baubap

1.6% of total Fund investments as of April 30, 2024



SixPoint Capital (SixPoint) is a dedicated hybrid capital partner for FinTech loan originators in emerging and frontier markets around the world. SixPoint prides itself on being strategic, flexible, catalytic, global, impactful, and a long-term investor. Hybrid capital combines equity and debt characteristics, aligning with the firm's six core values. SixPoint's hybrid capital is uniquely focused on providing financing for loan portfolio growth. Variant has structured a strategic relationship with SixPoint through a credit facility that enables SixPoint to offer debt financing to FinTech originators in emerging markets. To date, the SixPoint facility has funded one Mexico-based FinTech, Baubap.

instances, borrowers view this rebate program as a quasi-savings plan; for many, it's the first time they have been able to save and accumulate cash over a period. As part of the overall impact underwriting process, SixPoint recommended that Baubap obtain a 60 Decibels report to further verify and quantify the loan product's impact on the end borrower. Findings include:

- Baubap provides a scarce service to an underserved customer base: 43% of customers stated that they did not have access to a similar loan product before Baubap, and 71% reported that they could not easily find a good alternative to Baubap.
- Baubap's loans are positively impacting customers' lives: 69% of customers report that their quality of life has improved as a result of their Baubap loan. The top three self-reported outcomes for those who report improvements are increased income (23%), business growth (21%), and increased ability to pay for personal or family expenses (15%).

With the capital provided by the Variant Impact Fund, Baubap has been able to disburse approximately 42,195 additional loans in the reporting period, with an average loan size of \$96. Additionally, approximately 48.5% of Baubap borrowers are female. Of the female borrowers, it is estimated that 58% of the funds were used for either business expenses, health related expenses, or education expenses.

In the reporting period, the Fund has funded:

42,195

loans to individuals

48%

women borrowers

\$96

average loan size disbursed



IMPCX Contribution and Impact

Rivonia Road – Planet 42

1.6% of total Fund investments as of April 30, 2024



Rivonia Road Capital (RRC) combines deep institutional financing experience with operating expertise in the alternative financing markets to provide bespoke solutions to businesses in the US and globally that are unable to access traditional institutional sources of capital. Variant maintains a strategic relationship with RRC, where the Variant Impact Fund can invest alongside RRC through a participation structure. At the time of this report, the Variant Impact Fund is participating in RRC's financing facility for Planet 42.

Planet 42 (P42) is a tech-enabled auto finance company that provides flexible rent-to-own vehicle leases to borrowers in emerging markets. P42 was founded in Estonia in 2017 to address the South African market. The firm is now headquartered in the UK and has expanded its operations beyond South Africa with its 2022 entry into Mexico. In every market it enters, P42 seeks to provide access to transportation for populations who cannot afford to purchase a car outright and lack access to traditional financing options. P42 primarily originates leases through a network of local dealerships and a single wholly owned subsidiary retail location in Pretoria, South Africa.

As of the reporting date, the Fund's capital is supporting 148 individual loans, with an average size of approximately \$6,506.

As of the reporting date, the Fund's capital is funding:

148

individuals

\$6,506

average loan size disbursed



IMPCX Contribution and Impact

Credix Finance

0.5% of total Fund investments as of April 30, 2024



Credix Finance ("Credix") is an investment platform and asset manager focused on lending opportunities to fintech and non-bank lenders in Latin America. By connecting institutional capital to Latin American borrowers, Credix is addressing the significant credit gap in the region, where traditional banking systems often fail to serve small and medium-sized enterprises and consumers.

As of the reporting date, the Fund's capital is funding:

246

small and medium-sized enterprises funded



Impact Themes

Access to Quality Education



Impact Challenge

Access to quality education drives social and economic development, empowering individuals, fostering economic growth, reducing poverty, and promoting social equity. However, financial barriers prevent many from pursuing higher education, with private loans often leading to long-term indebtedness and credit score

damage, limiting access to essential financial services. Statistics show that each additional year of schooling can increase income by up to 10%, and for every \$1 spent on education, \$10-\$15 is generated in economic growth¹⁶. Education also improves health outcomes, promotes gender equality, and empowers women, creating a

multiplier effect that breaks cycles of poverty¹⁷. Income Share Agreements (ISAs) offer a promising solution by aligning repayments with income levels, ensuring payments remain manageable and protecting borrowers from income-driven defaults, thus improving future credit accessibility.

IMPCX Portfolio Metrics

Primary SDGs



Secondary SDGs



Target 4.3

By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

Impact Themes

Access to Quality Education

Geography
USA

940

students financed





IMPCX Contribution and Impact

App Academy

8.9% of total Fund investments as of April 30, 2024



App Academy, a leading software engineering bootcamp, provides immersive coding education through Income Share Agreements (ISAs) and Deferred Tuition Agreements (DTAs). With a focus on aligning incentives between the school and students, App Academy has achieved significant success, evidenced by its high graduation and placement rates. This investment aims to finance distinct ISAs and DTAs, supporting App Academy's continued growth. App Academy's programs, available both online

and in-person, have shown an average salary gain of approximately three times the initial amount, showcasing the efficacy of their model. Based on App Academy's 2024 alumni survey with 1,039 respondents, the median total compensation prior to and after completion of App Academy is \$40,000 and \$135,000, respectively, representing a 238% earnings increase.

With the capital contributed by the Variant Impact Fund during the reporting period,

App Academy has financed 498 students, achieving a 79% graduation rate and an 81% placement rate. Notably, a significant portion of these students come from underrepresented groups, emphasizing App Academy's commitment to diversity and inclusion. This investment not only aligns with Variant's impact-focused strategy but also contributes to the broader goal of enhancing access to quality education and promoting social equity.



498

students

79%

graduation rate

81%

placement rate

238%

medium earnings increase



IMPCX Contribution and Impact

Outcome

3.7% of total Fund investments as of April 30, 2024



Outcome Group is an innovative education finance company that specializes in providing Income Share Agreements (ISAs) to students in short-term educational programs, such as the online digital marketing operations bootcamp, Highway Education. Through this partnership, Outcome Group enables students to access quality education and improve their social mobility. Outcome Group's use of the proprietary ISAbel model for ISA underwriting and forecasting ensures robust financial performance and responsible practices. By adhering to strict covenants and impact metrics, including graduation rates and demographic representation, Outcome Group demonstrates a commitment to positive social outcomes.

With the capital contributed by the Variant Impact Fund during the reporting period, Outcome Group has financed 388 students, achieving a 94% graduation rate and a 100% placement rate. Additionally, 65% of these students are from underrepresented groups, and 70% are female. This investment aligns with Variant's impact-focused strategy, emphasizing social impact and sustainability.

388

students

94%

graduation rate

65%+

underrepresented group

100%

placement rate

Stride

0.3% of total Fund investments as of April 30, 2024



Stride provides Income Share Agreements (ISAs) to students, enabling them to defer tuition payments until they secure employment, aligning repayment with their income levels. The Stride ISA Facility focuses on supporting students from underrepresented groups to gain access to quality education in tech and business

fields. Stride's innovative financing model promotes financial inclusion and access to education, empowering individuals to improve their economic prospects without the burden of upfront tuition costs. With the capital contributed by the Variant Impact Fund during the reporting period, Stride has financed 54 students.

54

Students

Affordable Quality Housing



Impact Challenge

Access to affordable quality housing is essential for sustainable development, providing shelter, stability, health, and economic security. However, millions worldwide lack adequate housing, worsening poverty and social inequality. An estimated 1.6 billion¹⁸ people are affected by the global housing crisis, driven by rapid urbanization, population growth, and rising land and construction costs, especially in developing countries with informal settlements lacking basic services. Affordable quality housing promotes health, well-being, and economic mobility by ensuring safety and access to clean water, sanitation, and energy, while also supporting economic growth by creating jobs and reducing the financial burden of housing costs¹⁹.

567

number of affordable housing units financed

62%

women clients

130

number of affordable housing units completed

96%

clients from underrepresented groups

IMPCX Portfolio Metrics

Primary SDGs



Secondary SDGs



Targets

Target 11.1
By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

Impact Themes

Affordable Quality Housing

Geography
USA, Kenya



AFFORDABLE QUALITY HOUSING

IMPCX Contribution and Impact

Almond

3.8% of total Fund investments as of April 30, 2024



Almond Estate Co. Ltd. is a property management and real estate development company based in Nairobi, Kenya. Established under Kenyan law, Almond's primary focus is to develop well-designed and reasonably priced real estate products and services in Kenya. The Variant Impact Fund is the sole credit provider to Almond on three affordable housing projects: Adah Gardens 2, Kitisuru Block A, Kitisuru Block B.

30

affordable housing units financed

73%

women homeowners

Portfolio investment:

Kitisuru Block A is an affordable condominium with ten 2-bedroom units and twenty 1-bedroom units. The construction is completed and entirely sold out. As of the report date, Almond is awaiting final approval from the Kenyan government to split the property titles based on the number of units. New homeowners are expected to be able to move into their new homes starting in Q3 2024. Of the 30 units sold, 24 of the new homeowners are women.

Kitisuru Block B is the second block of the Kitisuru project, featuring units similar to Block A and is approximately 70% completed as of the report date.



Photo: Kitisuru Block B



IMPCX Contribution and Impact

Castellan

7.0% of total Fund investments as of April 30, 2024

CASTELLAN
REAL ESTATE PARTNERS

Castellan Real Estate Partners, through its CRP Affordable Housing Fund LLC, focuses on developing affordable housing across California. This investment aims to address the significant shortage of affordable housing in the state, providing quality homes for low-income individuals and families. Castellan's vertically integrated approach, which includes property management, construction, and development, ensures efficient project execution and high standards of living for residents.

With the capital contributed by the Variant Impact Fund during the reporting period, Castellan closed on seven developments and completed construction on two developments, totaling 537 units. Of the 100 completed affordable housing units, 56% were leased to women who are heads of household, and more than 94% of the residents are from underrepresented groups. Additionally, 100% of these units are green builds and have full social support services. The average income of the individuals housed is \$59,737, and the units have a weighted average discount to market rent of 45%. This investment helps provide much-needed housing for underrepresented groups and first-time homebuyers, aligning with the Variant Impact Fund's impact goals of promoting equitable growth and sustainable living.

537

affordable housing units financed

100

affordable housing units completed and leased

56%

women head of household

94%

residents from underrepresented groups

100%

social support services

100%

green build

45%

weighted Average Discount to Market Rent



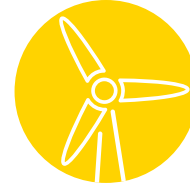
IMPCX Contribution and Impact

Portfolio investment:

In a significant milestone, Castellan broke ground on the Eucalyptus Grove apartments, a new affordable housing complex in Burlingame, California. The muddy site of a shuttered carwash will ultimately provide 18 units specifically for veterans experiencing homelessness or at risk of homelessness, and an additional 50 affordable units for low-income individuals and families. This initiative demonstrates Castellan's commitment to addressing the housing crisis for vulnerable populations and its ability to deliver impactful, community-focused projects. The Eucalyptus Grove apartments will include amenities such as playground space, a clubroom, and an outdoor dining area, enhancing the quality of life for its future residents.



Energy Efficiency



Impact Challenge

Energy efficiency plays a critical role in reducing greenhouse gas emissions and addressing climate change²⁰. By optimizing energy use, we can decrease the demand for fossil fuels, which are major contributors to environmental degradation. Improving energy efficiency in buildings, transportation, and industry reduces energy consumption, lowers

emissions, and cuts costs, providing economic and environmental benefits²¹. Energy efficiency initiatives are essential for promoting sustainability and reducing energy costs for consumers. These initiatives include upgrading infrastructure, adopting energy-efficient technologies, and implementing policies that encourage energy conservation.

Energy efficiency not only supports environmental goals but also enhances energy security, creates jobs, and improves quality of life by reducing pollution and mitigating the impacts of climate change. Promoting energy efficiency is a key component in the transition to a sustainable and resilient energy system.

IMPCX Portfolio Metrics

Primary SDGs



Secondary SDGs



Targets

Target 7.1

By 2030, ensure universal access to affordable, reliable and modern energy services

Target 7.2

By 2030, increase substantially the share of renewable energy in the global energy mix

Target 7.3

By 2030, double the global rate of improvement in energy efficiency

Target 9.4

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

Target 12.2

By 2030, achieve the sustainable management and efficient use of natural resources

Impact Themes

Responsible Consumption

Geography

USA, France, Switzerland, Luxembourg, Finland, China, Sweden, Canada

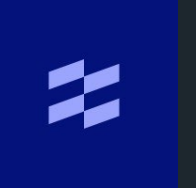


ENERGY EFFICIENCY

IMPCX Contribution and Impact

Drapo

8.3% of total Fund investments as of April 30, 2024



Drapo is a working capital firm that provides advances to qualified contractors against the energy subsidies payable by the French government for completed energy efficiency improvement projects. As it often takes months for the governing agency to collect and verify project documentation, Drapo fills in the two to three month gap that contractors face from application to monetization by factoring their rebates.

The building sector is crucial for achieving the EU's energy and environmental goals, especially since the current pace and scale of the global clean energy transition are not in line with climate targets. According to the EU, buildings account for approximately 40% of EU energy consumption and 36% of greenhouse gas emissions, making them the largest energy consumers in Europe. To address this, the EU has implemented a broad range of policies and supportive measures aimed at helping national governments within the EU improve energy performance in buildings and enhance existing building stock. In France specifically, this has translated into two main subsidy schemes: MaPrimeRenov (MPR) and Certificats d'Économie d'Énergie (CEE). This investment aims to provide funding to Drapo, which will, in turn, offer advances to qualified contractors. These advances are against the energy subsidies that the French government will pay upon the completion of projects contributing to energy savings from renovation works.

With the capital provided by the Variant Impact Fund during the reporting period, Drapo was able to provide bridge financing for approximately 431 renovation projects. The financed projects are estimated to enable over 461 million kilowatt-hours of cumulative energy savings over their useful lives, equivalent to approximately 46,150 metric tons of CO2 emissions. Additionally, a portion of the financed projects were performed for low-income households, helping these families obtain the necessary financial support to improve their heating systems and thereby lower their energy bills going forward. It's worth noting that Drapo was the latest investment to enter the Fund towards the end of the fiscal year, and despite the limited timeframe, Drapo successfully delivered on the underwritten impact thesis both quantitatively and qualitatively.

In the reporting period, the Fund has funded:

431

energy efficiency improvements projects completed

46,150

metric tons of cumulative CO2 emissions avoided throughout the projects' useful lives



IMPCX Contribution and Impact

Sustainable Growth Fund II

4.5% of total Fund investments as of April 30, 2024



Sustainable Growth Fund II (SGF II), managed by Sustainable Growth Management (SGM), focuses on providing bridge capital through convertible debt solutions to companies in the sustainable infrastructure space. This fund aims to support businesses in the energy, water, and waste industries by offering non-dilutive financing that helps these companies scale their operations and achieve significant environmental impacts.

The capital contributed by the Variant Impact Fund during the reporting period supports SGF II's mission to fund projects that reduce greenhouse gas emissions and enhance energy efficiency. For the reporting period, SGF II's investments have resulted in the reduction of approximately 500,000 metric tons of CO2. Additionally, the projects funded by SGF II have achieved over a 40% reduction in power consumption and a 70% reduction in natural gas use. These accomplishments align with the Variant Impact Fund's commitment to sustainable investment and environmental stewardship.

Windsail Capital Fund

0.8% total Fund investments as of April 30, 2024



WindSail Capital Fund ("WindSail") provides growth financing to companies advancing energy innovation and sustainability across a wide range of industries. With nearly a decade of experience, WindSail's investment strategy focuses on senior secured loans to early-stage companies looking for ways to accelerate climate change solutions.

CarVal

2.3% of total Fund investments as of April 30, 2024



CarVal Clean Energy Fund II focuses on capitalizing on investment opportunities in clean energy, renewable energy, energy usage efficiencies, energy storage, and sustainability. The fund targets developed economies, primarily in North America, with investments spread across four verticals: commercial and industrial (C&I) solar and storage, commercial property-assessed clean energy (C-PACE) and efficiency, private debt, and residential solar loans and solar asset-backed securities (ABS).

The capital contributed by the Variant Impact Fund during the reporting period supports CarVal's mission to develop and finance renewable energy projects, contributing to significant environmental benefits. To date, the CarVal Clean Energy Fund II has reduced and mitigated 211,257 metric tons of greenhouse gases and generated more than 130 million kWh of renewable energy for sale. CarVal's strategic focus on private debt transactions and clean energy asset investments aligns with the Variant Impact Fund's commitment to sustainability by promoting a positive environmental impact.



RKB

4.3% of total Fund investments as of April 30, 2024



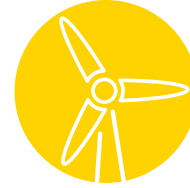
RKB Capital Partners, through its subsidiary RKB Bridge Solutions, provides financing to contractors who implement energy efficiency upgrades in residential, commercial, and industrial buildings. These upgrades include installations such as EV parking and heat pumps, which are reimbursed through government or utility energy efficiency programs.

With the capital contributed by the Variant Impact Fund during the reporting period, RKB disbursed 203 loans totaling \$28,537,757. Impressively, 94% of these funds were advanced to Resource Innovations, a women-led energy transformation firm. RKB's funding initiatives help contractors expedite their energy efficiency projects, which in turn leads to substantial environmental benefits. This investment aligns with the Variant Impact Fund's commitment to supporting sustainable practices and promoting the advancement of clean energy solutions.





Clean Energy



Impact Challenge

Renewable energy resources provide an affordable, reliable, and sustainable power supply while reducing greenhouse gas emissions. Currently, about 20% of U.S. electricity comes from renewable sources, with 60% from fossil fuels like coal, petroleum, and natural gas, and the remainder from nuclear energy²². Fossil fuels are the largest contributors to global climate change, accounting for over 75% of global greenhouse gas emissions

and nearly 90% of all carbon dioxide emissions²³. To avoid the worst impacts of climate change, emissions need to be reduced by almost half by 2030 and reach net-zero by 2050. Achieving this requires shifting reliance from fossil fuels to investing in clean, accessible, affordable, sustainable, and reliable energy sources. Transitioning to clean energy is imperative for combating climate change and ensuring a sustainable future. Fossil fuels dominate

energy production and are the primary drivers of greenhouse gas emissions and environmental degradation. Shifting towards clean, accessible, and affordable alternatives mitigates climate impacts, safeguards public health, and promotes environmental justice. Embracing renewable energy is crucial for meeting emission reduction targets and securing a healthier, more equitable world for future generations.

IMPCX Portfolio Metrics

Primary SDGs



Secondary SDGs

3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION	15 LIFE ON LAND		

Targets

Target 7.2
By 2030, increase substantially the share of renewable energy in the global energy mix

Target 7.a
By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology

Impact Themes
Responsible Consumption

Geography
USA, Rwanda



CLEAN ENERGY

IMPCX Contribution and Impact

LibreMax/Sunnova

3.2% of total Fund investments as of April 30, 2024



Sunnova Energy International, Inc. is a leading provider of residential solar and energy storage services across the United States. Sunnova's mission is to deliver clean, affordable, and reliable energy solutions to homeowners, promoting energy independence and environmental sustainability. The company's innovative financing solutions, such as solar leases and power purchase agreements (PPAs), make clean energy accessible to a broad range of homeowners.

The capital contributed by the Variant Impact Fund during the reporting period supports Sunnova's extensive portfolio of residential solar and storage systems. Since its inception, Sunnova has made significant strides in reducing greenhouse gas emissions and generating renewable

energy, with all-time achievements including 5.7 million metric tons of CO2 emissions avoided and 8.1 billion metric tons of kWh of renewable energy generated for sale.

In a landmark development, Sunnova closed a \$3 billion partial loan guarantee with the U.S. Department of Energy (DOE) for Virtual Power Plants (VPPs), the first of its kind. This initiative is part of the Sunnova Power Flex Program in Puerto Rico, aimed at enhancing grid stability and expanding access to clean energy. Additionally, Sunnova received a portion of a \$440 million commitment from the DOE's Grid Deployment Office to install rooftop solar and batteries in vulnerable households in Puerto Rico. Beyond their financial achievements, Sunnova has also contributed over 1,400 employee volunteer hours and donated solar

systems to disaster relief and community projects, underscoring their dedication to social impact and community support.

In 2023, Sunnova has achieved:

1.8mm

metric tons greenhouse gases avoided or reduced (2023)

2.5bn

metric tons of kWh renewable energy generated for sale (2023)

North Sky

6.7% of total Fund investments as of April 30, 2024



North Sky Capital's Clean Growth Fund VI focuses on making private impact investments in developed regions around the world, with a particular emphasis on North America, Europe and Asia. The fund targets four primary sectors: cleantech/ climatech, sustainable food and agriculture, waste and water, and healthcare; through secondary-type transactions, including

private LP secondaries, preferred equity transactions, and continuation vehicles.

The capital contributed by the Variant Impact Fund during the reporting period supports North Sky Capital's efforts to generate substantial environmental benefits. As of Q1'24, Clean Growth Fund IV has invested over \$24mm across 18 positions,

with more than 50% of their investments in energy efficiency, alternative energy, waste & waste water management, and agriculture & nutrition. These achievements align with the Variant Impact Fund's commitment to promoting sustainable and responsible investment practices, ensuring both financial returns and positive impact.



IMPCX Contribution and Impact

Jali

3.4% of total Fund investments as of April 30, 2024



Jali Finance, a fintech lender and importer/distributor of motorcycles, operates with the dual objectives of providing lease-to-own financing for Rwandan motorcycle taxi drivers and replacing petrol-powered motorcycles with battery-powered EV motorbikes. Supported by the Shell

Foundation, Jali aims to improve the livelihoods of taxi drivers while contributing to environmental sustainability by reducing reliance on fossil fuels.

As of the reporting date, the Fund's capital is financing 2,261 motorcycles, with an

average loan amount of \$2,660. Notably, 37% of Jali's fleet consists of electric vehicles (EVs). This investment aligns with the Variant Impact Fund's commitment to responsible consumption and clean energy, promoting sustainable transportation solutions in Rwanda.



As of the reporting date, the Fund's capital is funding:

2,261

motorcycles

37%

percent of fleet that is EV

\$2,660

average loan size disbursed



IMPCX Contribution and Impact

Hawks Point – Envest

1.8% of total Fund investments as of April 30, 2024



Envest Corp, a leading developer and operator of clean energy infrastructure, focuses on providing sustainable solutions to industrial and government off-takers. With a diversified portfolio that includes biodiesel, renewable natural gas (RNG), wind, and cogeneration micro-grids, Envest has made significant contributions to environmental sustainability.

The capital contributed by the Variant Impact Fund during the reporting period supports Envest's mission to develop and operate renewable energy projects across North America. To date, Envest has avoided 3,275,641 tons of CO2 emissions, generated 234,433 MWh of clean electricity, and produced 736,252 tons of organic fertilizer.

Since inception, Envest has achieved:

3.3mm

co2 emissions avoided (all time)

234k

clean electricity generated (all time)

736k

organic fertilizer produced (all time)

Portfolio investment:

One of Envest's notable developments is Southgate Renewables, a facility permitted to recycle 73,000 tons annually of source-separated organics (SSO) from municipal green bin collection programs throughout Ontario. SSO refers to organic waste materials such as food scraps and yard waste that are separated at the source by households and collected in designated green bins for recycling. Southgate's anaerobic digestion process and biogas upgrading treatment are designed to produce over 200,000 gigajoules of renewable natural gas (RNG) per year, avoiding approximately 35,000 tons of CO2 equivalent emissions annually. Additionally, the RNG generated from this facility offsets fossil fuel consumption, resulting in an extra 10,000 tons of CO2 equivalent emissions avoided each year. The effluent digestate produced may generate around 93,000 tons of fertilizer annually, which can be utilized by regional farmers to replace chemical fertilizers.



Gender Lens



Impact Challenge

Gender lens investing focuses on addressing gender disparities and promoting equality by considering gender-based factors in investment decisions. Despite the growing recognition of the importance of gender equality in driving social and economic development, significant gaps remain in financing women-owned businesses and achieving gender parity in the

entrepreneurial space. Closing the gender labor gap could add \$28 trillion, or 26% to annual GDP by 2025²⁴. By 2028, women are expected to control around \$15 trillion of global consumer spending, emphasizing the substantial economic influence of women as consumers²⁵. Investing with a gender lens not only promotes gender equality but also drives positive economic and

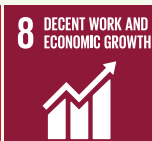
social outcomes. Women entrepreneurs bring diverse perspectives and solutions to the market, fostering innovation and economic growth. Furthermore, gender lens investing supports broader community development, as women are more likely to reinvest their earnings in their families and communities, enhancing education, health, and overall well-being.

IMPCX Portfolio Metrics

Primary SDGs



Secondary SDGs



Targets 5.5

Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

Impact Themes

Gender Lens

Geography

USA, Canada



GENDER LENS

IMPCX Contribution and Impact

Star Strong Capital

5.8% of total Fund investments as of April 30, 2024



Star Strong Capital provides growth capital to small and medium-sized businesses with angel and venture capital backing. Star Strong intends to fill a gap in the capital structure for early-stage companies not served by the traditional credit model due to smaller investment sizes, the stage of the business, or the underwriting requirements of alternative capital sources. This gap is particularly acute for underrepresented and women founders.

- Financial Gym: Shannon McLay, CEO & Founder
- Naboso: Dr. Emily Splichal, Founder
- Paperstack: Assel Beglinova, CEO & Co-Founder
- Prepped Inc: Catherine McCord, CEO

100%
of underlying companies are female founded or co-founded

Star Strong looks for diverse management teams building strong businesses across a variety of sectors. The Star Strong Impact Venture Debt Fund provides a positive impact by offering debt products to organizations led or employed by underrepresented groups, especially women.



Portfolio Investment:
Shannon McLay, CEO & Founder of Financial Gym

At the time of this report, the Variant Impact Fund is financing eight different companies, 100% founded or co-founded by women, through the Star Strong Impact Venture Debt Strategy:

- Animal Repair Shop: Susan Bonds, CEO
- Bartlesville Oklahoma Real Estate: Danielle Curls Bennett, Founder
- Blace: Robin Fisher, Founder
- Chasm Partners: Kristy Lindquist, Co-Founder & Partner

"In the beginning of 2022, Financial Gym needed to raise another round of capital; unfortunately it was at the beginning of a market downturn and most funds were not deploying capital. Thankfully we were connected to Star Strong Capital and we were able to secure a line of credit that not only helped us stay alive but it enabled us to grow to the point where we could launch our investment management offering to compliment the financial coaching service we have been offering for over 11 years now. We have now amassed over \$25MM in AUM from our coaching clients and it keeps growing. Beyond anything, we are thankful for the capital from Star Strong as it has allowed us to continue to tackle a massive problem of financial wellness in America. Over 70% of Americans live paycheck to paycheck and many of those are in underserved communities that are neglected in the financial services industry. The funds have also allowed us to take on the wealth management industry which is 70% male and lacks representation for women and people from diverse backgrounds. Our wealth management offering allows us to welcome people of all financial shapes and sizes as well as all backgrounds. We are proud of the inclusive business we have created and continue to grow and thank Star Strong for being a great partner for us in our mission!"

Sustainable Agriculture



Impact Challenge

Sustainable agriculture is essential for food security, environmental protection, and economic development. By conserving resources and enhancing ecosystem health, it addresses climate change, soil degradation, and biodiversity loss. With the global population projected to reach 9.7 billion by 2050, sustainable intensification can boost food production without harming the environment²⁶. Agriculture accounts for 24% of global greenhouse gas emissions, but practices like agroforestry, cover cropping, and organic farming can reduce these

emissions and enhance soil carbon sequestration²⁷. The FAO estimates that sustainable practices could increase yields by 58% and reduce poverty by 30% in developing regions²⁸. Investing in sustainable agriculture creates resilient food systems and improves lives.

IMPCX Portfolio Metrics

Primary SDGs



Secondary SDGs



Target 2.4

By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.

Impact Themes

Sustainable Agriculture

Geography

USA



SUSTAINABLE AGRICULTURE

IMPCX Contribution and Impact

Conservation Resource Capital VI

1.4% of total Fund investments as of April 30, 2024



Conservation Resources ("CR") is an investment organization that aims to leverage private capital to acquire and manage a diverse portfolio of agricultural properties. Conservation Resources Capital VI ("CRC VI") focuses on acquiring productive farm and pasture lands that possess significant conservation and natural resource value. The Fund's current holdings and strategy comprise of the following:

1. Gardner Farms

(Chicot County, Arkansas)

Gardner Farms is the first property CRC VI purchased for the fishpond conversion program. Under this program, CR acquires properties that were formerly in catfish production, like Gardner, and converts them to regenerative row crops. In crop year 2024, CR's partner-tenant has the full 460 acres available to plant regenerative soybean and rice. The soybean acres will follow a no-till soybean regenerative rotation, while the rice acres

will be farmed using a row rice approach. Unlike traditional flood irrigation for rice, row rice utilizes significantly less water, reducing consumption by 37% to 60%. Moreover, this method also contributes to a 60% reduction in methane emissions.

2. Moxee Valley Orchards

(Yakima County, Washington)

Moxee is a permanent crop property spanning 1,517 acres in Washington. The primary cultivation at Moxee revolves around certified organic apples, supplemented by organic cherries and row crops. In addition to implementing sustainable farming practices for its certified organic products, CRC VI has joined forces with local conservation groups to establish one of the largest bee pollinator habitats in the Pacific Northwest on 60 acres of land that would typically be considered unsuitable for farming.

3. Dallam AO Ranch (Dallam County, Texas)

Dallam is a 3,100-acre conventionally farmed row crop property that was converted to regenerative pasture during the year. In Q3 2023, Regenified visited Dallam to examine the property for potential certification under the Regenified regenerative farming standard. In Q1 2024, CR executed carbon contracts with the Agoro Carbon Alliance to sell carbon offsets based on the benefits of the regenerative practices at Dallam.

4. Tower Line Kiwi

(Central Valley, California)

Tower Line Kiwi is the latest acquisition of the fund, a 98-acre regenerative kiwi property in California's Central Valley.



Moxee Valley Orchards

3,930

acres of sustainably managed farm

100%

of farms subject to regenerative farm management plan

66

acres of pollinator habitat established

6,682

metric tons of CO2 sequestered



Impact Themes

Access to Quality Healthcare



Impact Challenge

Access to quality healthcare is a cornerstone of equitable and sustainable development. Ensuring that all individuals have access to affordable, effective, and timely healthcare services is essential for improving health outcomes, reducing poverty, and promoting social and economic development²⁹. Approximately half of the world's population lacks access to

essential health services, a disparity most pronounced in low- and middle-income countries where healthcare infrastructure is often inadequate and out-of-pocket expenses can be financially devastating. Poor health and lack of access to healthcare contribute to economic instability and poverty, with an estimated 100 million³⁰ people pushed into extreme poverty each year

due to healthcare costs. Investing in healthcare infrastructure and services not only improves health outcomes but also enhances economic productivity and social stability, ensuring individuals can lead healthy, productive lives and contribute to the well-being of their communities.

IMPCX Portfolio Metrics

Primary SDGs



Secondary SDGs



Target 3.8

Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Impact Themes

Access to Quality Healthcare

Geography

USA



ACCESS TO QUALITY HEALTHCARE

IMPCX Contribution and Impact

Monticello Bridge Real Estate Lending

1.6% of total Fund investments as of April 30, 2024

GREYSTONE | MONTICELLO

Monticello, through its investment strategy, has made a significant impact in enhancing access to quality healthcare. Monticello has facilitated \$136.1mm in total financing for the acquisition and operation of eight Supportive Living Facilities (SLFs) in Illinois. Supportive Living Facilities combine apartment-style housing with personal care

and supportive services, enabling residents to live independently while receiving necessary medical care. These facilities collectively offer 893 licensed units (beds), with 83.8% of these units being Medicaid financed, providing essential healthcare services to low-income older adults and individuals with disabilities under Medicaid.

893
supportive living licensed units (beds)

83.8%
Medicaid financed



Resilient Infrastructure



Impact Challenge

Resilient infrastructure is critical for sustainable development, economic stability, and the well-being of communities worldwide. By building infrastructure that can withstand and recover from various shocks and stresses, we ensure continuous service delivery, protect human lives, and promote economic resilience. Investing in resilient infrastructure yields significant economic returns, with an estimated \$4 return for

every \$1 invested in avoided repair costs and disaster-related losses. By 2050, 68% of the world's population is projected to live in urban areas, necessitating resilient urban infrastructure to ensure cities remain livable, sustainable, and capable of supporting economic activities. Resilient infrastructure also promotes social equity by ensuring vulnerable populations have reliable access to essential services such as clean water,

sanitation, transportation, and energy, reducing inequalities and improving quality of life. Investing in resilient infrastructure involves comprehensive planning and coordination among governments, private sector entities, and local communities to ensure infrastructure systems are adaptable and can recover quickly from disruptions.

IMPCX Portfolio Metrics

Primary SDGs



Secondary SDGs



Target 11.1

By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

Impact Themes
Equitable Growth

Geography
USA



RESILIENT INFRASTRUCTURE

IMPCX Contribution and Impact

Fundamental Partners IV

0.9% of total Fund investments as of April 30, 2024



Fundamental Partners, through its strategic investment approach, focuses on building resilient infrastructure that supports communities and enhances social equity. The firm has made significant strides in the area of affordable and transitional housing, showcasing its commitment to impactful investments.

During the reporting period, Fundamental Partners facilitated the availability of 1,718 beds for homeless individuals and families across its portfolio. This initiative ensures that some of the most vulnerable populations have access to safe and stable housing, which is a critical component of community resilience. Additionally, 90% of the units managed

by Fundamental Partners are rented to low-income families. This high percentage underscores the firm's dedication to providing affordable housing solutions and addressing the housing needs of economically disadvantaged groups.

Fundamental Partners' investments in housing not only provide immediate shelter but also integrates essential services, creating a supportive environment for residents. By focusing on properties that offer social and mental health services, Fundamental Partners enhances the quality of life for its residents and contributes to the broad goal of community stability and resilience.

1,718
bed or homeless individuals and families (firm wide)

90%
units rented to low-income families



Looking Forward

As impact investors, we believe we can be pleased with what we have accomplished, but yet never really satisfied. The challenges facing the planet and its inhabitants are pressing.

At the halfway point of the 2030 Agenda for Sustainable Development, it is clear we still have so much work to do.

“Despite impressive engagement around the Sustainable Development Goals, the world is far off track. Much more effort, investment and systemic change are required.”

Antonio Guterres, UN Secretary General

We are committed to the Variant Impact Fund doing its part.

As the Variant Impact Investing Committee looks forward to the coming year, we have identified a few areas of strategic focus.

- Increasingly engage with external participants to adopt best practices in impact investing and measurement.
- Expand and elaborate on our impact investing policies and procedures.
- Seek even greater impact amplification opportunities with the Fund's growing capital base.

We look forward to reporting on our progress on these initiatives in next year's report.

Investments in the portfolio during FY24 by Capital Deployment

Investment Strategy	Investment Logo	Deal Description	IRIS+ Impact Theme	Primary SDG	FY24 Capital Deployment (\$)	NAV (\$) as of 04/30/2024	NAV (%) as of 04/30/2024	Status	Initial Funding Year
RKB Energy Solutions Facilities		RKB advances funds to contractors who have made energy efficiency upgrades to residential, commercial, and industrial buildings (e.g., adding EV parking, heat pumps, etc.) and are awaiting reimbursements from a government or utility energy efficiency programs.	Energy Efficiency		10,591,250	2,682,684	4.32%	Open	2022
Alpha Credit Subsidy Finance		Alpha Credit (Drapo) is a working capital firm that provides advances to qualified contractors against the energy subsidies payable by the French government for completed energy efficiency improvement projects.	Energy Efficiency		4,819,323	5,156,687	8.31%	Open	2024
Almavest Impact Debt Facility		The Almavest facility will provide debt capital to fuel the growth of fintechs in countries such as Panama, Colombia, Brazil, Egypt, India, and Papua New Guinea, which in turn provide access to responsible financing solutions for creditworthy but underserved borrowers.	Financial Inclusion		4,723,875	4,763,394	7.68%	Open	2023
Drip Capital Credit Facility		Drip Capital bridges the working capital gap for cross-border trade between exporters and importers, with goods being shipped from India and Mexico to developed markets.	Financial Inclusion		3,500,000	3,011,458	4.85%	Open	2022
Sustainable Growth Fund II		The fund invests in transformative, sustainably focused companies across six key verticals: energy generation, water treatment, wastewater treatment, waste management, distributed grid, and energy efficiency.	Energy Efficiency		3,129,378	2,787,193	4.49%	Open	2023
App Academy Income Share Agreement Facility		The App Academy facility provides financing for the origination of Income Share Agreements (ISAs) and Deferred Tuition Agreements (DTAs).	Access to Quality Education		2,500,000	5,500,000	8.86%	Open	2022
CIM EM Credit Fund		CIM is an impact-focused alternative asset manager providing strategic debt capital to emerging markets fintech lenders.	Financial Inclusion		2,250,000	5,363,313	8.64%	Open	2022
Castellan Affordable Housing		The Affordable Housing Fund focuses on providing bridge capital to secure properties that can be developed as affordable housing and fund the necessary costs to secure financing and obtain state and local approvals.	Affordable Quality Housing		2,250,000	4,372,220	7.05%	Open	2021
Outcome Income Share Facility		The Outcome facility provides financing for the origination of Income Share Agreements (ISAs) to students in unique short-term educational programs.	Access to Quality Education		2,168,816	2,297,313	3.70%	Open	2022
Libremax Structured Income		Variant partnered with LibreMax to fund a facility for Sunnova Energy International, a large public provider of residential solar systems.	Clean Energy		2,000,000	2,000,008	3.22%	Fully Funded	2023

Investments in the portfolio during FY24 by Capital Deployment

Investment Strategy	Investment Logo	Deal Description	IRIS+ Impact Theme	Primary SDG	FY24 Capital Deployment (\$)	NAV (\$) as of 04/30/2024	NAV (%) as of 04/30/2024	Status	Initial Funding Year
Zanifu Credit Facility		The Zanifu credit facility provides capital for short-term inventory financing to small and medium-sized enterprises across Kenya.	Financial Inclusion		1,954,176	2,157,032	3.48%	Open	2023
Star Strong Specialty Finance Facility		Star Strong Capital provides growth capital to small and medium-sized businesses with angel and venture capital backing. The Variant facility will exclusively fund businesses founded and managed by underrepresented founders.	Gender Lens		1,718,063	3,620,467	5.83%	Open	2021
North Sky Impact Investments		The fund invests in sustainable technologies to combat climate change by supporting companies that innovate and/or deploy clean technologies in areas such as renewable energy, energy storage, electric vehicles (EVs), and EV charging infrastructure.	Clean Energy		1,496,407	3,994,065	6.44%	Open	2022
Monticello Bridge Real Estate Lending		Variant is providing financing for the acquisition of eight supportive living facilities in the greater Chicago area.	Access to Quality Health Care		1,000,000	1,011,737	1.63%	Open	2023
Jali Transport Limited		The Jali revolving credit facility provides capital to finance lease-to-own motorcycle products for taxi drivers in Kigali and across Rwanda, including battery-powered electric motorcycles.	Clean Energy		990,192	2,079,069	3.35%	Open	2022
SixPoint Capital Strategy		Variant has provided a credit facility to Sixpoint, a specialty lender providing capital to direct lending platforms in emerging markets, targeting small and mid-size businesses as well as individual consumers.	Financial Inclusion		949,500	963,024	1.55%	Open	2023
Accial Emerging Market Specialty Finance		Variant has a co-investment relationship with Accial Capital to provide revolving senior credit facilities to lenders across emerging markets, most notably in Southeast Asia and Latin America.	Financial Inclusion		755,805	1,518,873	2.45%	Open	2022
CarVal Clean Energy Funds		The fund invests in opportunities across clean energy, renewable energy, energy usage efficiencies, energy storage, and sustainability.	Energy Efficiency		750,000	1,446,693	2.33%	Open	2023
Lundy Nigerian Cocoa Finance		The fund engages in financing and development of the cocoa sector in Nigeria by providing self-liquidating, collateralized, pre-export financing facilities to clients whose businesses involve the sourcing, processing and exporting of cocoa beans and refined cocoa products from Nigeria to international customers.	Financial Inclusion		750,000	-	0.00%	Exited (Nov 2023)	2023
Almond African Affordable Housing		Almond aims to construct several affordable housing complexes with Variant's capital, specifically in underserved urban areas, increasing access to more affordable housing for Kenyans.	Affordable Quality Housing		535,131	2,382,075	3.84%	Open	2022

Investments in the portfolio during FY24 by Capital Deployment

Investment Strategy	Investment Logo	Deal Description	IRIS+ Impact Theme	Primary SDG	FY24 Capital Deployment (\$)	NAV (\$) as of 04/30/2024	NAV (%) as of 04/30/2024	Status	Initial Funding Year
Secondaries in Private LPs		Various secondary transactions involving impact-focused funds.	Clean Energy		405,646	731,286	1.18%	Open	2022
Credito Facil		Credito Facil provides payroll deduction loans to underbanked middle class Mexican borrowers, typically government employees.	Financial Inclusion		387,574	323,639	0.52%	Open	2023
Credix Emerging Markets Facility		Credix Finance is a platform and asset manager focused on providing lending opportunities to fintech companies and non-bank lenders in Latin America.	Financial Inclusion		300,000	303,267	0.49%	Open	2023
Conservation Resource Agriculture and Forestry		The fund is focused on directly and indirectly managed properties implementing regenerative farming methods across the United States.	Sustainable Agriculture		237,184	860,277	1.39%	Open	2022
Rivonia Road Specialty Finance Facilities		Variant has participated in Rivonia Road Capital's senior credit facility to Planet42, a rent-to-buy car subscription company operating in emerging markets that provides socially inclusive financing to people who have historically been denied access to traditional credit providers.	Financial Inclusion		151,800	965,914	1.56%	Open	2022
Hawks Point - Envest Corp. Renewable Energy REC TL		A senior secured term loan for Envest's acquisition of Bullfrog, a leading Canadian renewable energy credits solutions provider.	Clean Energy		95,200	1,086,787	1.75%	Fully Funded	2022
WindSail Capital Fund		The fund provides growth financing to early-stage companies advancing energy innovation and sustainability in order to accelerate climate change solutions.	Energy Efficiency		-	511,814	0.82%	Fully Funded	2022
Stride ISA Facility		Stride Funding is a mission-driven fintech company that aims to revolutionize education by offering innovative, outcomes-based lending products.	Access to Quality Education		-	157,663	0.25%	Fully Funded	2022
Lendable Amartha		Amartha is a licensed peer-to-peer lending platform that focuses on providing loans to unbanked female micro-entrepreneurs in rural Indonesia.	Financial Inclusion		-	-	0.00%	Exited (Mar 2024)	2022
Lendable F88		F88 offers asset-backed lending to underbanked and unbanked consumers in Vietnam.	Financial Inclusion		-	-	0.00%	Exited (Dec 2023)	2023

Investments in the portfolio during FY24 by Capital Deployment

Investment Strategy	Investment Logo	Deal Description	IRIS+ Impact Theme	Primary SDG	FY24 Capital Deployment (\$)	NAV (\$) as of 04/30/2024	NAV (%) as of 04/30/2024	Status	Initial Funding Year
Dream America Residential Leases		Dream America is a lease-to-own real estate company for single-family properties that provides a roadmap to a mortgage for individuals unable to obtain one through conventional means due to low credit scores.	Financial Inclusion		-	-	0.00%	Exited (Jan 2024)	2022
KraneShares California Carbon Allowance ETF		The KraneShares California Carbon Allowance Strategy ETF (KCCA) provides targeted exposure to the California Carbon Allowances (CCA) cap-and-trade carbon allowance program.	Climate Change Mitigation		-	-	0.00%	Exited (Dec 2023)	2022
Total					50,409,320	62,047,952			

Endnotes

- 1 This report covers the Fund's fiscal year, from May 1, 2023 through April 30, 2024.
- 2 <https://www.impactcapitalmanagers.com/>
- 3 <https://thegiin.org/>
- 4 <https://www.unpri.org/>
- 5 Please note that the data reflect known information and/or information self-reported by staff members on a voluntary basis and may be incomplete or inaccurate.
- 6 Equity reflects the percentage by dollar amount of the year end dividend distribution for the firm and includes direct equity holders, phantom equity holders and employees through the firm's profit share program. It does not include payments made to Kudu through a revenue share arrangement.
- 7 <https://tideline.com/>
- 8 <https://iris.thegiin.org/>
- 9 <https://sdgs.un.org/goals>
- 10 All portfolio figures are excluding cash and as of 4/30/2024. All holdings are subject to change.
- 11 Capital deployment is defined as new contributions, or dollars wired out, to investments from the Variant Impact Fund.
- 12 Fund inception date of November 1, 2021.
- 13 The country allocation are estimates based on information available at the time of reporting which may not line up exactly with the fiscal year-end reporting date. Note that certain investments, such as private funds, may invest across a range of countries. In those cases, Variant strives to collect underlying country breakdown information from the counterparty, which is included in the calculations presented here.
- 14 https://unstats.un.org/sdgs/report/2023/extended-report/Extended-Report_Goal-8.pdf
- 15 <https://www.unsgsa.org/financial-inclusion>
- 16 https://www.oecd-ilibrary.org/education/education-at-a-glance-2022_4585016b-en
- 17 <https://worlds-women-2020-data-undesa.hub.arcgis.com/>
- 18 <https://www.migrationpolicy.org/article/housing-crisis-immigrants-integration>
- 19 <https://www.who.int/publications/i/item/9789241550376>
- 20 <https://www.epa.gov/ghgemissions>
- 21 <https://www.federalregister.gov/documents/2021/07/28/2021-15969/analysis-regarding-energy-efficiency-improvements-in-the-2021-international-energy-conservation-code>
- 22 <https://www.energy.gov/eere/why-clean-energy-matters>
- 23 <https://www.un.org/en/climatechange/raising-ambition/renewable-energy>
- 24 <https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>
- 25 <https://www.2xchallenge.org/>
- 26 https://population.un.org/wpp/Publications/Files/WPP2019_Highlights.pdf
- 27 <https://www.ipcc.ch/srccl/chapter/summary-for-policymakers/>
- 28 <https://openknowledge.fao.org/server/api/core/bitstreams/8a80e31b-3c41-419d-a11d-0b62e4b2528a/content/>
- 29 [https://www.who.int/news-room/fact-sheets/detail/universal-health-coverage-\(uhc\)](https://www.who.int/news-room/fact-sheets/detail/universal-health-coverage-(uhc))
- 30 <https://www.worldbank.org/en/topic/universalhealthcoverage/publication/tracking-universal-health-coverage-2017-global-monitoring-report>
- 31 <https://www.worldbank.org/en/news/infographic/2019/06/17/lifelines-the-resilient-infrastructure-opportunity>
- 32 https://gca.org/wp-content/uploads/2019/09/GlobalCommission_Report_FINAL.pdf?_gl=1*1hb4487*_ga*NDIyODIzNjIzLjE3MjEwNjkzNDY.*_up*MQ
- 33 <https://population.un.org/wup/Publications/Files/WUP2018-Report.pdf>
- 34 <https://cim-llc.com/about>

Disclosure

Holdings are subject to change at any time and are not a recommendation to buy or sell any security.

The Variant Impact Fund (the "Fund") is a continuously-offered, non-diversified, registered closed-end fund with limited liquidity. The investment objective of the Fund is to seek to provide a high level of current income. Capital appreciation is considered a secondary objective. The Fund will also seek to generate positive social and environmental impact by targeting investment opportunities that are both aligned with the United Nations Sustainable Development Goals ("UN SDGs") and consistent with the Fund's impact investing framework. 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: In implementing the Fund's impact investment strategy, the Investment Manager may select or exclude certain investments for reasons other than investment performance. For this reason, the Fund's impact strategy could cause it to perform differently compared to funds that do not have such strategy. There is no guarantee that the Investment Manager's definition of impact investing, security selection criteria, or investment judgment will reflect the beliefs or values of any particular investor. Currently, there is a lack of common industry standards relating to the development and application of environmental, social, and governance (ESG) criteria, which may make it difficult to compare

the Funds' principal investment strategies with the investment strategies of other funds that integrate certain "impact" criteria.

The substantial investment by the Fund in private securities, there is no reliable liquid market available for the purposes of valuing the majority of the Fund's investments. There can be no guarantee that the basis of calculation of the value of the Fund's investments used in the valuation process will reflect the actual value on realization of those investments.

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.

The 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.

The Fund is distributed by UMB Distribution Services, LLC. Variant Investments, LLC (the "Investment Manager") serves as the investment manager of the Fund. UMB Distribution Services, LLC and the Investment Manager are unaffiliated.

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