

## VT RM Alternative Income Fund

ACTIVELY MANAGED  
DEFENSIVE INVESTMENT STRATEGY

# 5% target p.a

STABLE | DEFENSIVE | PREDICTABLE

**Low yields, an increase in volatility, a rising interest rate environment, economic uncertainty and Brexit pose a number of risks to investors seeking a stable income and capital preservation.**

VT RM Alternative Income ("RMAI"), an open-ended fund, aims to offer investors a highly selective, defensive, diversified portfolio of income-producing investments offering stable, and predictable returns with limited exposure to market headwinds and volatility.

### Key characteristics

- **Income-producing assets**
- Focus on capital **preservation**
- **Protection** against volatile market conditions
- Interest rate and **inflation** protection
- **Investments underpinned** by contracted cash flows and tangible assets
- Low correlation to the **wider equity** and **fixed income markets**
- **Daily liquidity**
- **Ethical, social and corporate** governance criteria "ESG"
- Potential for capital **growth** over the medium term
- All RMAI fund **charges capped** at 0.85%

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## Simulated portfolio performance 01/01/2014 to 23/04/2018



The hypothetical performance measurements are illustrative only and offer no guarantee of future performance, profitable or unprofitable, actual or theoretical. Since hypothetical performance measurements do not represent actual trading they may not reflect the impact that material economic or market factors might have made on a portfolio manager's decisions were the portfolio manager actually managing a client's money.

### Defensive, diversified alternative investments

Investments will be in listed equities and bonds in the following sectors:

- Specialist Real Estate
- Alternative Lending
- Infrastructure



#### Specialist Real Estate

**Distribution Warehouses**  
**Care Homes**  
**GP Surgeries**

- Strategic asset locations with limited supply and rental risks
- Medium-term contracted cash flows
- High quality counterparties
- Limited exposure to cyclical markets
- Potential for capital growth



#### Lending

**Asset Finance**  
**Direct Lending**  
**Peer to Peer**

- Limited interest rate or inflation risk through floating rate investments
- Diversification of lending
- Lending typically secured over assets
- Targeting funding gap for middle-market corporates

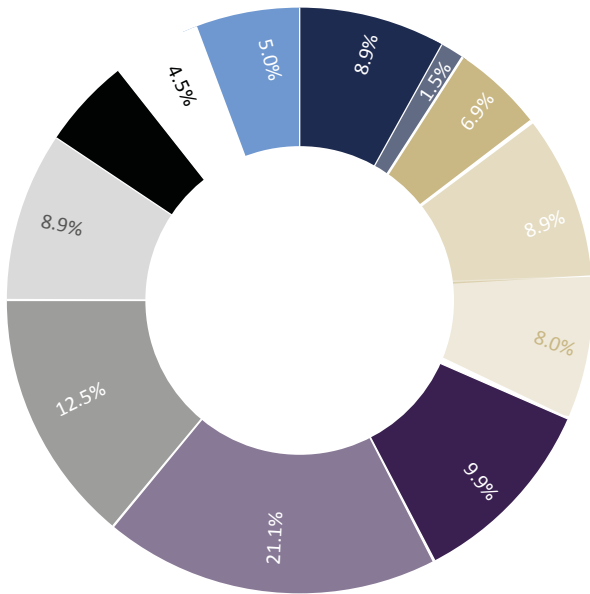


#### Infrastructure

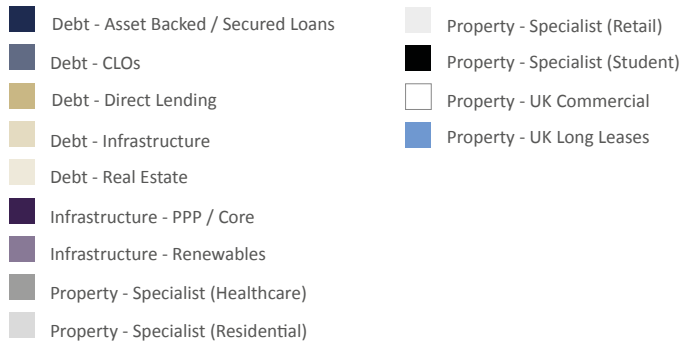
**Airports**  
**Telecommunications**  
**Renewables**

- Long-term contracted cashflows
- High quality counterparties
- Inflation-linked income, with long-economic life assets
- Defensive asset class with low correlation and reduced asset volatility

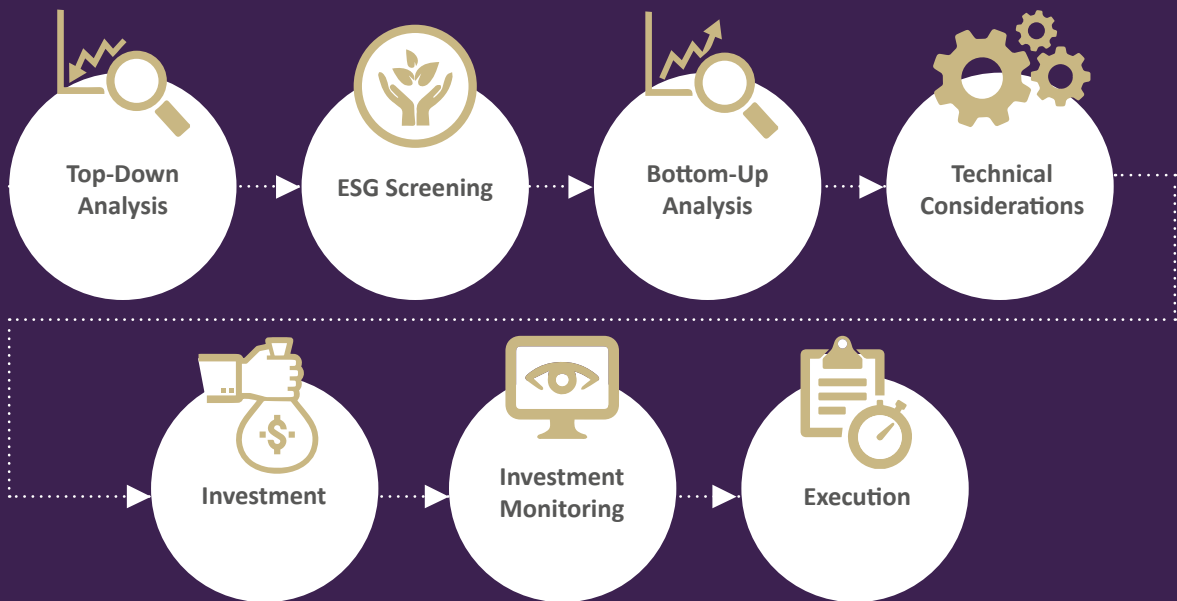
## Balanced investment strategy



## Sector breakdown



## Rigorous investment process



## About RM Funds

Founded in 2010 with offices in Edinburgh and London

Circa 40 institutional investors and a significant number of retail investors invest in their listed strategy "RMDL"

Circa \$150m Gross Assets under management

Manage RM Secured Direct Lending PLC (LON:RMDL), a LSE premium-listed investment trust established in 2016 to invest in a portfolio of debt investments



## Highly experienced investment team and specialist fund managers

The investment team is managed by Chief Investment Officer James Robson, and Co-Manager, Pietro Nicholls. Comprised of six investment professionals and support staff including compliance, finance and legal. The team have decades of experience and are specialists in the alternative income sector, having advised on over £1bn of alternative investments in the last three years, and as Investment Manager to RM Secured Direct Lending PLC, a UK listed investment Trust.

## Summary

Available through your stockbroker and on various platforms, for more details visit [www.rm-funds.co.uk](http://www.rm-funds.co.uk)

Target Dividend:	5.00% p.a. (on Issue Price)
Distributions:	Quarterly in arrears
Issue Price:	£1
Share Classes:	Single Share Class Income & Asc
Currency:	GBP, EUR, USD
Min Investment Retail:	£1,000
Valuation / Trading:	Daily
Management charge:	Total charges capped 0.85% Retail: 0.80% Institutional: 0.70%
IA Sector:	Specialist
Classification:	Non-Complex
ISIN retail share class:	GBP Inc GB00BYVZPZ16 GBP Acc GB00BYVZQZ52

### Investment risks

All types of investment carry a degree of risk and it is important that you understand and are comfortable with the level of risk to which your capital could be exposed. We would recommend that investors consult with a financial adviser before making any investment.

#### General investment risks:

- The degree of investment risk will depend on the fund's risk profile. There are no guarantees as to how a type of asset, sector or region will perform in the future.
- Past performance is not a guide to future returns. The price of shares and any income from them can go down as well as up and capital is at risk.
- There may be a variation in the performance between funds with similar objectives due to the different assets selected. Performance of a fund will be affected by the fund manager's investment decisions.
- If withdrawals are made or an income is taken that is greater than the natural income or growth of the investment, there is a risk that investors could get back less than originally invested.
- There is a risk that the entire market of an asset will fall, affecting the value of assets and the return on your investment.
- The levels of taxation and of relief from taxation will depend upon individual circumstances.
- There is no guarantee that the investment objective of the fund will be achieved.
- As the objective of the fund is to treat the generation of income as either an equal or higher priority than capital growth, all or some of the fund's charges will be taken from capital instead of income. This may result in higher levels of income payments but could result in capital erosion or constrain capital growth.

#### Fund specific risks that could impact returns:

- The fund may invest directly into, or be exposed to via its underlying investments, a variety of assets, sectors or regions, all of which carry specific risks, which could impact returns. Some of the main risks are summarised on this document, with further detail available in the fund's prospectus.
- Concentration: Funds that have a strong focus on a particular asset, sector or region, can carry a higher risk than funds with a more diversified portfolio.
- Currency: Where investments are denominated in currencies other than sterling, changes in exchange rates may cause their value to rise or fall.
- Derivatives: This is a financial contract whose value is related to the value of an underlying asset or index, often used to manage risk or enhance returns and whilst their use is not expected to increase risk within a fund, they could expose the fund to higher levels of volatility from time to time.
- Liquidity: Depending on the types of assets the fund invests in there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price. Investments made may become less liquid in response to market developments or adverse investor perceptions.
- Equities: As an asset class, equities can experience higher levels of fluctuation than bonds or money markets.
- Fixed interest securities: This type of asset, which includes bonds and gilts, is particularly affected by movements in interest rates. If interest rates rise, their price may fall, and vice versa.

- Specialist Assets: Such as infrastructure, peer-to-peer lending and specialist real estate contain specific risks which can affect the value of the investments.
- Legal or tax risk: Arising from a change in legal/tax regulations or the application of them.
- Market risk: The risk of a fall in price in a particular asset type.
- Operational: Occasionally processes fail. This is more likely to happen with more complex products or investments in overseas markets, such as emerging market countries, which may not have the same level of safekeeping, infrastructure or controls as more developed markets.

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