



Company Overview

Fund Name:	VT RM Alternative Income Fund	
Launch Date:	11 th June 2018	
Regulatory Status:	FCA Authorised	
Classification:	Non-Complex	
Sector:	IA Specialist	
Share Classes:	Income & Accumulation Institutional & Retail	
Currencies:	GBP, EUR, USD	
Share Class	ISIN	NAV
GBP Accumulation (I)	GB00BD6SVV68	101.23
GBP Accumulation (R)	GB00BYVZQ252	101.22
GBP Income (I)	GB00BD6SVR23	100.94
GBP Income (R)	GB00BYVZP216	100.04
EURO Accumulation (I)	GB00BD6SVW75	100.00
EURO Accumulation (R)	GB00BYVZQ369	100.00
EURO Income (I)	GB00BD6SVS30	100.00
EURO Income (R)	GB00BYVZQ039	100.00
USD Accumulation (I)	GB00BD6SVX82	100.00
USD Accumulation (R)	GB00BD6SVQ16	100.00
USD Income (I)	GB00BD6SVT47	100.00
USD Income (R)	GB00BYVZQ146	100.00
Next Dividend Ex Date:	31/10/2018	
Dividend Pay Dates:	Apr, Jul, Oct, Oct	
Charges:	Institutional (I): 0.75% Retail (R): 0.85% ¹	
Target Fund Objectives²:	Capital preservation 5.00% Net Dividend on issue price 7-8% Total Return on issue price	
Dealing Frequency:	Daily Liquidity	
Valuation Frequency:	Daily	
¹ The OCF (Ongoing Charges Figure) for all share classes is capped at the AMC (Annual Management Charge) and direct costs in excess of the OCF/AMC will be paid by the Investment Adviser.		
² The figures are targets only and there is no guarantee they will be achieved. Per annum by reference to launch price of £1.00 per unit, payable quarterly, one month in arrears		

Overview

VT RM Alternative Income Fund (the “Fund” or “RMAI”) seeks to provide income whilst preserving capital over the medium to long-term. The Fund seeks to meet its objectives by investing in listed equities and other transferable securities (including REITs and Investment Trusts) whose primary activity or exposure is within the alternative income sectors - areas such as alternative lending (asset lending, direct lending, platform lending), Infrastructure and specialist real estate. In addition to investing in equities the fund may also invest in other transferable securities, bonds, collective investment schemes, money market instruments or cash. The Fund will have a preference for investments denominated in sterling, with issuers which have activities and assets within the U.K., Europe, USA, Singapore or another OECD Country.

Portfolio Activity

Since the Fund’s inception, the Fund’s NAV has increased to 101.23 net of fees. Fund data is based upon the VT RM Alternative Income Fund Institutional GBP accumulation class.

During the period 11th July to 31st July 2018 inclusive (noting our first letter covered from inception to the 10th July), we made a further seven investments (36 in total). Outlined below are our thoughts on a handful of investments made to date.

Empiric Student Accommodation (“ESP”)

Our investment in ESP currently represents circa 3.13% of the Fund’s assets, with an entry price of 87.8 pence per share and an average price of 90.3 pence per share. As of the date of this letter, the stock is currently trading around 95p (representing a c.9% discount to NAV). Our value thesis has not changed, and we believe the Company’s turnaround strategy continues to progress well.

Infrastructure - John Laing Infrastructure (“JLIF”), HICL Infrastructure (“HICL”), 3I Infrastructure (“3IN”)

We were moderately bearish on UK availability-based infrastructure (as a subset of the wider infrastructure asset class) given the potential political headwinds present – however we maintain a modest exposure to the sector (c. 6.6% of the Fund’s assets). The Fund has benefited from the recent M&A activity around JLIF, which has caused a rerating of the entire sector – we believe this rerating is warranted, and remains undervalued, weighted down by both political risks and the hangover caused by the collapse of Carillion a significant O&M contractor to the infrastructure sector.

Viva Energy REIT (“VVR”)

Is a new position for the Fund, and represents 1.17% of the Funds’ assets. Viva Energy REIT is an investment trust which owns over 430 service stations across metro and regional Australia, valued at in excess of AUD \$2.2bn, and leased to Viva Energy Australia. The assets benefit from triple net leases (Full Repair and Insure), and are either CPI-linked or received annual fixed uplifts, with a weighted average lease expiry of is c.14.2 years, providing strong visibility over future revenues. Over the long-term there will be a degree of structural change relating to hybrid or electric only vehicles but we believe this will be a gradual adjustment. The currency risk has been hedged back to GBP.

Real Estate Credit Investments (“RECI”)

Is another new position for the Fund, and represents 1.78% of the Funds’ assets. This is principally an income play, generating attractive risk adjusted returns through secured loans backed by UK real estate, RECI’s investments have limited duration risk. We are attached to secured real estate lending, in part due to the high recovery levels in the event of a material underperformance/default/recovery. The RECI investment further supports our defensive investment thesis.

NAV & Dividend History – 31st July 2018

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p ⁽¹⁾	-	-	-	-	-	-	0.2977	-	-	-	-	-	-
NAV ⁽²⁾	-	-	-	-	-	100.07	101.23	-	-	-	-	-	-

⁽¹⁾ Institutional GBP Income Class

⁽²⁾ Institutional GBP Accumulation Class

Advisory & Administration

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The prospectus, KIID, and Investment Updates can be found on our website. www.rm-funds.co.uk

Platforms

AJ Bell
AllFunds
Ascentric
Fusion
Hargreaves Lansdown
Novia
Pershing
Raymond James
Transact

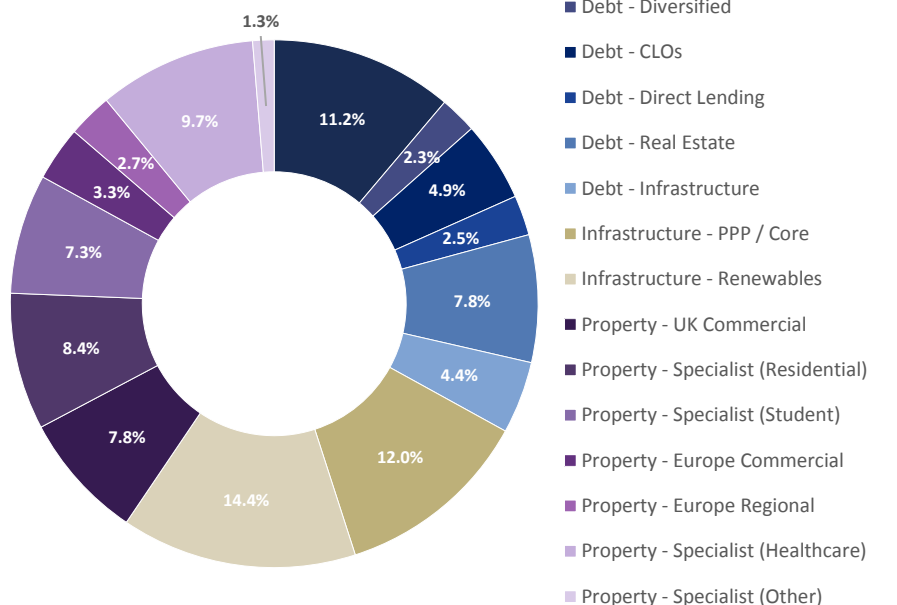
If your platform is not listed, please contact our distribution team or Valu-Trac directly.

Current Portfolio Investments^{1,2}

Position	Sub-Sector Classification	% of the Portfolio
GCP	Debt - Infrastructure	3.91%
PRSR	Property - Specialist (Residential)	3.67%
JLEN	Infrastructure - Renewables	3.62%
GABI	Debt - Asset Backed / Secured Loans	3.62%
TRIG	Infrastructure - Renewables	3.42%
DIGS	Property - Specialist (Student)	3.36%
NBLS	Debt - Asset Backed / Secured Loans	3.32%
LBOW	Debt - Real Estate	3.28%
MXF	Property - Specialist (Healthcare)	3.23%
NESF	Infrastructure - Renewables	3.24%
3IN	Infrastructure - PPP / Core	3.13%
ESP	Property - Specialist (Student)	3.13%
EBOX	Property - Europe Commercial	2.95%
AEFS	Debt - Asset Backed / Secured Loans	2.93%
RESI	Property - Specialist (Residential)	2.78%
IHR	Property - Specialist (Healthcare)	2.76%
THRL	Property - Specialist (Healthcare)	2.55%
AEWU	Property - UK Commercial	2.55%
WHR	Property - UK Commercial	2.48%
FSFL	Infrastructure - Renewables	2.47%
BGLF	Debt - CLOs	2.41%
SERE	Property - Europe Regional	2.39%
BBGI	Infrastructure - PPP / Core	2.34%
SMIF	Debt - Diversified	2.01%
SHED	Property - UK Commercial	1.85%
SWEF	Debt - Real Estate	1.83%
RECI	Debt - Real Estate	1.79%
JLIF	Infrastructure - PPP / Core	1.78%
HICL	Infrastructure - PPP / Core	1.70%
INPP	Infrastructure - PPP / Core	1.67%
RMDL	Debt - Direct Lending	1.63%
VVR	Property - Specialist (Other)	1.16%
FAIR	Debt - CLOs	1.15%
SOHO	Property - Specialist (Residential)	0.96%
VTA	Debt - CLOs	0.76%
FCIF	Debt - Direct Lending	0.54%
Cash	-	11.63%

¹Includes cash, ²As at 31st July 2018

RMAI Sector Weights



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