



Monthly Factsheet – 31st August 2018

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	102.35
GBP Accumulation (R)	GB00BYVZQ252	102.32
GBP Income (I)	GB00BD6SVR23	102.04
GBP Income (R)	GB00BYVZPZ16	101.14
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:	September, December, March, June.	
Annual Management Charges¹:	Institutional (I): 0.70% Retail (R): 0.80%	
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 0.85%		
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, 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 102.35 net of fees. Fund data is based upon the VT RM Alternative Income Fund Institutional GBP accumulation class.

To date investments have been made into 42 companies, across developed markets, primarily in the UK, but also including modest holdings in the US, Canada, Western Europe, Singapore and Australia. Outlined below are our thoughts on two of these companies.

Macquarie Infrastructure Corp (“MIC US”)

MIC is an interesting infrastructure yieldCo, our holding represents 0.88% of the fund assets. In Q1 of this year management re-evaluated its dividend policy, due to a combination of factors, and which management are actively addressing. The business operates four portfolio companies: Atlantic Aviation, a Fixed Base Operations (“FBO”) business, providing services such as terminal operations, refuelling, de-icing, aircraft parking and hangarage across c.70 US Airports. MIC Hawaii, a regulated gas utility and unregulated LPG distribution business providing services to a captive market. International-Matex Tank Terminals, an industry leader in handling and storage of bulk liquid products. Contracted Power, a base and peak power business, including solar, wind and gas-fired facilities. Demand-based infrastructure assets command higher risk premiums, and are exposed to GDP/business cycles, but offer potential material upside. Our investment thesis draws upon a number of both company specific, sector and macro-economic factors and we view this as a stock that offers both an income and capital return profile for the fund.

Convenience Retail (“CRR”)

Represents 1.07% of the Funds’ assets. This is principally an income play, but with some expected capital growth over the medium term through the revaluation of assets. Our investment thesis is similar to that of Viva Energy REIT. The Company operates petrol forecourts across Australia, have long-term contracted cashflows (WALE 12.6 years / 100% occupancy) through double and or triple net leases with reputable and robust counterparties, modest gearing (c31.7% / 2.6 years weighted average debt maturity) and healthy interest cover at 4.5x.

NAV & Dividend History – 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	102.35	-	-	-	-	-

⁽¹⁾ Institutional GBP Income Class

⁽²⁾ Institutional GBP Accumulation Class

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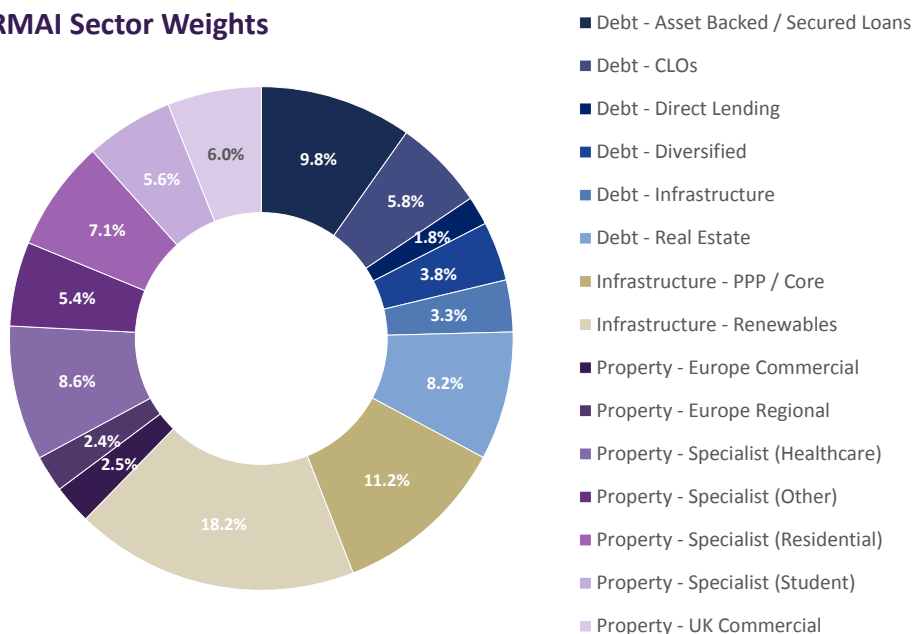
Market Commentary

Our global macro thesis which we outlined to investors in early June appears to be playing out. In the US the use of trade tariffs as a monetary policy tool by the Trump Administration, is forcing Countries to the negotiation table, increasing geo-political tensions and depreciating currencies vs USD . The on-going conflict between the US Administration's fiscal policy and the US Federal Reserve's monetary policy has further to run, with President Trump's direct shot across the bow of the Fed certainly causing a raise of the eye brows!

We will be watching the upcoming US mid-term elections with interest, Trump's government is keen on getting deals done, (NAFTA et al), we believe the trade war with China will continue with the WTO and Europe the next set of trade issues on the Trump agenda. The tax cuts implemented have provided a significant boost to US corporate earnings (which have been stellar) and has fed GDP growth, but with the 10-2 yr treasury spread at the lowest level in a decade, and a rising rate environment the credit markets are evidently pricing in downside risk.

In Europe we reiterate the euro zone is still on heavy medication. QE is still a monthly occurrence which continues to compress yields. This cannot continue indefinitely, and we are sceptical of overvalued European assets - we see considerable risk in the Eurozone. Our investment positioning around Brexit, is that of avoiding asset volatility. The increasing use by British politicians of the phrase "no-deal", is forcing Germany and other bloc members to re-evaluate their stance and the implications both domestically and in the wider geo-political sense. We remain vigilant to market factors, but continue to focus on investing in good quality businesses (and assets) with straightforward business models, strong management teams and good cash flow visibility.

RMAI Sector Weights



Current Portfolio Investments'

<i>Position</i>	<i>Sector Classification</i>	<i>% of the Portfolio</i>
PRS REIT	<i>Property - Specialist (Residential)</i>	3.68%
Alcentra European Floating Rate	<i>Debt - Asset Backed / Secured Loans</i>	3.64%
TwentyFour Select Monthly Income	<i>Debt - Diversified</i>	3.60%
NextEnergy Solar	<i>Infrastructure - Renewables</i>	3.50%
GCP Infrastructure Investments	<i>Debt - Infrastructure</i>	3.14%
Real Estate Credit Investments	<i>Debt - Real Estate</i>	3.02%
John Laing Environmental Assets Group	<i>Infrastructure - Renewables</i>	2.94%
GCP Asset Backed Income	<i>Debt - Asset Backed / Secured Loans</i>	2.93%
MedicX	<i>Property - Specialist (Healthcare)</i>	2.86%
Target Healthcare REIT	<i>Property - Specialist (Healthcare)</i>	2.75%
Renewables Infrastructure Group	<i>Infrastructure - Renewables</i>	2.75%
GCP Student Living	<i>Property - Specialist (Student)</i>	2.74%
ICG-Longbow Senior Secured UK Property Debt Investments	<i>Debt - Real Estate</i>	2.67%
NB Global Floating Rate Income	<i>Debt - Asset Backed / Secured Loans</i>	2.66%
Volta Finance	<i>Debt - CLOs</i>	2.65%
Empiric Student Property	<i>Property - Specialist (Student)</i>	2.59%
Impact Healthcare Reit	<i>Property - Specialist (Healthcare)</i>	2.55%
3i Infrastructure	<i>Infrastructure - PPP / Core</i>	2.53%
HICL Infrastructure Company	<i>Infrastructure - PPP / Core</i>	2.43%
Tritax EuroBox	<i>Property - Europe Commercial</i>	2.37%
Residential Secure Income	<i>Property - Specialist (Residential)</i>	2.26%
Schroder European REIT	<i>Property - Europe Regional</i>	2.22%
AEW UK REIT	<i>Property - UK Commercial</i>	2.21%
Viva Energy REIT	<i>Property - Specialist (Other)</i>	2.12%
TransAlta Renewables	<i>Infrastructure - Renewables</i>	2.11%
Starwood European Real Estate Finance	<i>Debt - Real Estate</i>	2.09%
Bluefield Solar Income	<i>Infrastructure - Renewables</i>	2.05%
Warehouse REIT	<i>Property - UK Commercial</i>	1.99%
Foresight Solar Fund	<i>Infrastructure - Renewables</i>	1.97%
Blackstone/GSO Loan Financing	<i>Debt - CLOs</i>	1.94%
BBGI SICAV	<i>Infrastructure - PPP / Core</i>	1.93%
Frasers Logistics & Industrial	<i>Property - Specialist (Other)</i>	1.93%
Atlantica Yield	<i>Infrastructure - Renewables</i>	1.89%
Urban Logistics REIT	<i>Property - UK Commercial</i>	1.49%
John Laing Infrastructure	<i>Infrastructure - PPP / Core</i>	1.48%
International Public Partnerships	<i>Infrastructure - PPP / Core</i>	1.35%
RM Secured Direct Lending	<i>Debt - Direct Lending</i>	1.31%
Convenience Retail REIT	<i>Property - Specialist (Other)</i>	1.07%
Fair Oaks Income	<i>Debt - CLOs</i>	0.92%
Macquarie Infrastructure Corporation	<i>Infrastructure - PPP / Core</i>	0.88%
Triple Point Social Housing REIT	<i>Property - Specialist (Residential)</i>	0.78%
Funding Circle SME Income	<i>Debt - Direct Lending</i>	0.43%
<i>Cash</i>		5.59%

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