



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	101.80
GBP Accumulation (R)	GB00BYVZQ252	101.75
GBP Income (I)	GB00BD6SVR23	100.05
GBP Income (R)	GB00BYVZPZ16	99.05
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:	31/01/2019	
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, including 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 on the 11th June 2018, the net asset valuation per share of the VT RM Alternative Income Fund (the “Fund” or “RMAI”) has increased from £1.00 to £1.018 net of fees*. Fund data is based upon the VT RM Alternative Income Fund Institutional GBP accumulation class. The FTSE All-Share total return over the same period was (-8.73)%.

To date we have made investments into 47 companies, across developed markets, primarily in the UK, but also including modest holdings in the US, Canada, Western Europe, Singapore and Australia. We have hedged our currency exposures. Outlined below are our thoughts on a couple of these companies.

The end of month cash balance appears material, this was due to month end inflows.

Tritax Big Box Reit Plc (“BBOX”), Tritax Euro Box, (“EBOX”), Frasers Logistics & Industrial Trust (“FLT SP”)

Distribution centres form part of our “disruptive real estate” sub-strategy within the fund. We like the asset characteristics (long-dated FRI leases, Investment grade counterparties) and sector as a whole given the impact technology has had, and continues to have on consumers and their retail / shopping habits. ONS data released during the month reported that nearly 20% of all retail transactions are now conducted online (growing by +0.3% on the month alone!), we feel large distribution and last mile storage assets, underpinned by strong creditworthy counterparties offer an attractive and stable income stream for the fund.

RM Secured Direct Lending PLC (“RMDL”), GCP Asset Backed Income (ords & Cs)

Whilst overall, we have reduced our exposure to the alternative credit sector in areas such as structured credit, and leveraged loans, we have selectively increased our exposure to GABI (c shares) and RMDL. Given the current market outlook, we like floating rate, secured investments, which are asset backed and which contain strong investor protection (covenants) and are less correlated with traditional high yield or investment grade bonds.

NAV & Dividend History – 2018

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p ⁽¹⁾	-	-	-	-	-	-	0.2977	-	-	1.46	-	-	-
NAV ⁽²⁾	-	-	-	-	-	100.07	101.23	102.35	102.51	101.62	101.80	-	-
Dividends p ⁽³⁾	-	-	-	-	-	-	0.22	-	-	1.21	-	-	-
NAV ⁽⁴⁾	-	-	-	-	-	100.01	101.22	102.32	102.28	101.58	101.75	-	-

⁽¹⁾ Institutional GBP Income Class

⁽²⁾ Institutional GBP Accumulation Class

⁽³⁾ Retail GBP Income Class

⁽⁴⁾ Retail GBP Accumulation Class

Advisory & Administration

ACD

Valu-Trac Investment Management LTD

Investment Manager

RM Capital Markets Limited, 7 Melville Crescent,
Edinburgh EH3 7JA

Portfolio Managers

Pietro Nicholls

Investment Management

+44 (0) 20 3697 1768

Pietro.Nicholls@rm-capital.co.uk

James Robson

Investment Management

+44 (0) 131 603 7069

James.Robson@rm-capital.co.uk

Sales & Distribution

James Satterthwaite

Sales & Distribution

+44 (0) 131 603 7068

James.Satterthwaite@rm-capital.co.uk

David Watts

Sales & Distribution

+44 (0) 131 603 7064

David.Watts@rm-capital.co.uk

Dealing

Valu-Trac

Dealing

+44 (0) 1343 880 344

rmfunds@valu-trac.com

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

Platforms

7IM

AJ Bell

Aegon

AllFunds

Alliance Trust

Ascentric

Cofunds

FNZ

Fusion

Hargreaves Lansdown

Novia

Pershing

Raymond James

RL360

Transact

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

Market Commentary

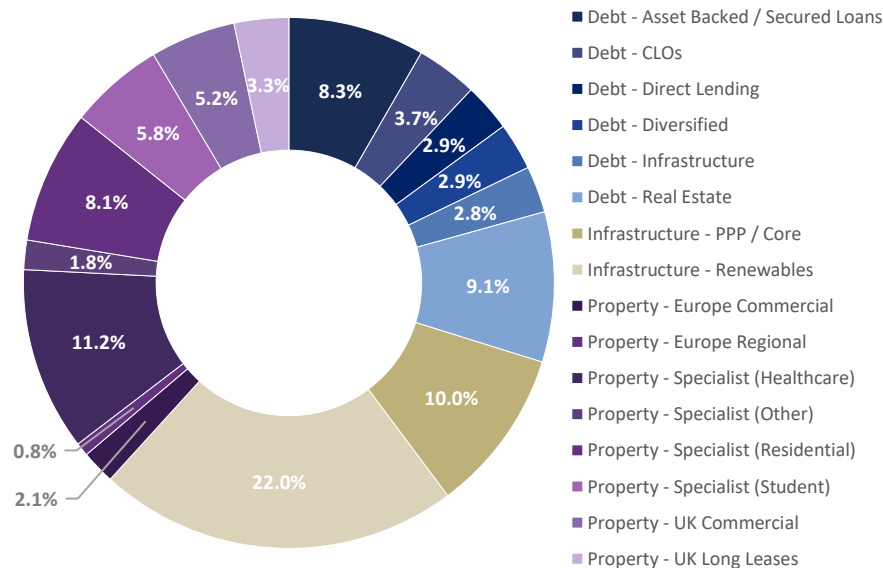
For the period 1st November to 30th November. November was characterised by continued macro headwinds across all markets. The dovish comments by the Federal Reserve Chair appeared to contradict previous comments made in October, somewhat complicating the outlook on US interest rates. US new homes sales declined circa 8.9% during October with available housing stock for sale at its highest level since 2011 – somewhat supporting the thesis that the Federal Reserve has potentially moved too quickly to cool / control the US economy. A similar picture presented itself in the UK with data from Molier detailing unsold housing stock at its highest since 2012 and house price data from Rightmove reporting a fall of c. 1.7% mom as Brexit related issues continued to mute demand.

The signs of stress in the construction sector mentioned in last month's commentary showed no signs of abating. Interserve a peer of the former support services business Carillion appeared on the brink of collapse with Kier announcing a rights issue as its debt load created unmanageable pressures on its cash flow.

ITraxx XO saw HY spreads widen c.35bps on the month, as borrowers continue to report weaker than expected earnings/results. SPXT ended the month up +0.97% with the FTSE All-share Total Return down (-1.74)% on the month.

Our asset allocation on the month is broadly in line with previous months, however we did reduce our allocation by (-3.0%) to specialist real estate and by (-4.80%) to alternative credit. We increased our allocation across infrastructure +7.8% opportunistically as political concerns weighed upon certain infrastructure stocks, despite strong fundamentals supporting the assets.

RMAI Sector Weights



* In order to comply with the regulation on financial promotions, RMAI cannot present past performance of the Fund until the first anniversary of the Fund launch. Accordingly, we cannot express the Fund price change as a percentage.

Current Portfolio Investments table:

Position	Sector Classification	% of the Portfolio
John Laing Environmental Assets Group	Infrastructure - Renewables	4.60%
Renewables Infrastructure Group	Infrastructure - Renewables	4.50%
Foresight Solar Fund	Infrastructure - Renewables	3.85%
Primary Healthcare Properties	Property - Specialist (Healthcare)	3.66%
PRS REIT	Property - Specialist (Residential)	3.63%
HICL Infrastructure Company	Infrastructure - PPP / Core	3.47%
Real Estate Credit Investments	Debt - Real Estate	3.46%
Alcentra European Floating Rate	Debt - Asset Backed / Secured Loans	3.38%
Starwood European Real Estate Finance	Debt - Real Estate	3.15%
Tritax Big Box REIT PLC	Property - UK Long Leases	2.99%
Bluefield Solar Income	Infrastructure - Renewables	2.89%
3i Infrastructure	Infrastructure - PPP / Core	2.87%
Triple Point Social Housing REIT	Property - Specialist (Residential)	2.71%
GCP Student Living	Property - Specialist (Student)	2.71%
Target Healthcare REIT	Property - Specialist (Healthcare)	2.61%
TwentyFour Select Monthly Income	Debt - Diversified	2.60%
Empiric Student Property	Property - Specialist (Student)	2.50%
NB Global Floating Rate Income	Debt - Asset Backed / Secured Loans	2.40%
Warehouse REIT	Property - UK Commercial	2.24%
MedicX	Property - Specialist (Healthcare)	2.21%
AEW UK REIT	Property - UK Commercial	1.97%
Atlantica Yield	Infrastructure - Renewables	1.86%
Tritax EuroBox	Property - Europe Commercial	1.85%
Sequoia Economic Infrastructure	Debt - Infrastructure	1.73%
Volta Finance	Debt - CLOs	1.70%
ICG-Longbow Senior Secured UK Property Debt Investments	Debt - Real Estate	1.64%
Impact Healthcare Reit	Property - Specialist (Healthcare)	1.60%
International Public Partnerships	Infrastructure - PPP / Core	1.60%
GCP Asset Backed Income	Debt - Asset Backed / Secured Loans	1.48%
International Personal Finance 6.125% 2020	Debt - Direct Lending	1.43%
TransAlta Renewables	Infrastructure - Renewables	1.11%
RM Secured Direct Lending	Debt - Direct Lending	1.10%
NextEnergy Solar	Infrastructure - Renewables	0.99%
Residential Secure Income	Property - Specialist (Residential)	0.98%
Blackstone/GSO Loan Financing	Debt - CLOs	0.85%
BBGI SICAV	Infrastructure - PPP / Core	0.85%
GCP Infrastructure Investments	Debt - Infrastructure	0.82%
Fair Oaks Income	Debt - CLOs	0.81%
Schroder European REIT	Property - Europe Regional	0.73%
Viva Energy REIT	Property - Specialist (Other)	0.54%
Frasers Logistics & Industrial	Property - Specialist (Other)	0.49%
Urban Logistics REIT	Property - UK Commercial	0.47%
LXI REIT Plc	Property - Specialist (Other)	0.31%
Convenience Retail REIT	Property - Specialist (Other)	0.28%
GCP Asset Backed Income	Debt - Asset Backed / Secured Loans	0.23%
Macquarie Infrastructure Corporation	Infrastructure - PPP / Core	0.20%
Funding Circle SME Income	Debt - Direct Lending	0.10%
Cash		9.85%

Disclaimer - This Report is intended solely for the information of the person to whom it is provided by the Company, the Investment Manager or the Administrator. This Report does not constitute an offer or solicitation for the purchase or sale of any investment or financial instrument in the Company and should not be relied on by any person for the purpose of accounting, legal or tax advice or for making an investment decision. The payment of dividends and the repayment of capital are not guaranteed by the Company. Any forecast, projection or target is indicative only and not guaranteed in any way, and any opinions or views expressed in this Report are those of the Investment Manager, and do not constitute investment advice and are subject to change without notice, and neither the Company nor the Investment Manager is under any obligation to update such opinions. Whether the Company proceeds with any investment is dependent on multiple factors including, but not limited to the completion of satisfactory due diligence. Past performance is not a reliable indicator of future performance, and investors may not get back the original amount invested. Unless otherwise stated, the sources for all information contained in this report are the Investment Manager and the Administrator. Information contained in this Report is believed to be accurate at the date of publication, but none of the Company, the Investment Manager and the Administrator gives any representation or warranty as to the Report's accuracy or completeness. This report does not contain and is not to be taken as containing any financial product advice or financial product recommendation. None of the Company, the Investment Manager and the Administrator accepts any liability whatsoever for any loss (whether direct or indirect) arising from any use of this Report or its contents. RM Capital Markets Limited is authorised and regulated by the FCA, registered in Scotland (Registered Number: SC380707).