



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	100.59
GBP Accumulation (R)	GB00BYVZQ252	100.53
GBP Income (I)	GB00BD6SVR23	98.86
GBP Income (R)	GB00BYVZPZ16	97.86
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 £1.006 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 (-12.15)%.

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 key drivers that have affected the markets over the quarter ending December 2018, have been the US monetary vs fiscal policy conflict and Brexit negotiations. The portfolio managers have voiced concerns and warned investors regarding both these issues and were primary macro factors in designing the fund. To date the fund has remained relatively isolated from the majority of the adverse market moves due to our portfolio allocation and investment strategy.

NewDay 7.375% 2024s

We made our second investment into fixed income credit during the month. New Day is a near-prime credit card provider, which provides credit cards to customers of Amazon, TUJ, and the Arcadia group. The Issuer was punished during the credit sell-off during November, with the bonds dropping nearly 10 pts. This presented an interesting opportunity for the fund to pick up bonds at a level we thought attractive. Performance of the business has been steady and consistent, managed by a high calibre management team, and with a granular book of near-prime appropriately priced receivables.

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	100.59	-
Dividends p ⁽³⁾	-	-	-	-	-	-	0.22	-	-	1.21	-	-	-
NAV ⁽⁴⁾	-	-	-	-	-	100.01	101.22	102.32	102.28	101.58	101.75	100.53	-

⁽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

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Market Commentary

For the period 1st December to 31st December.

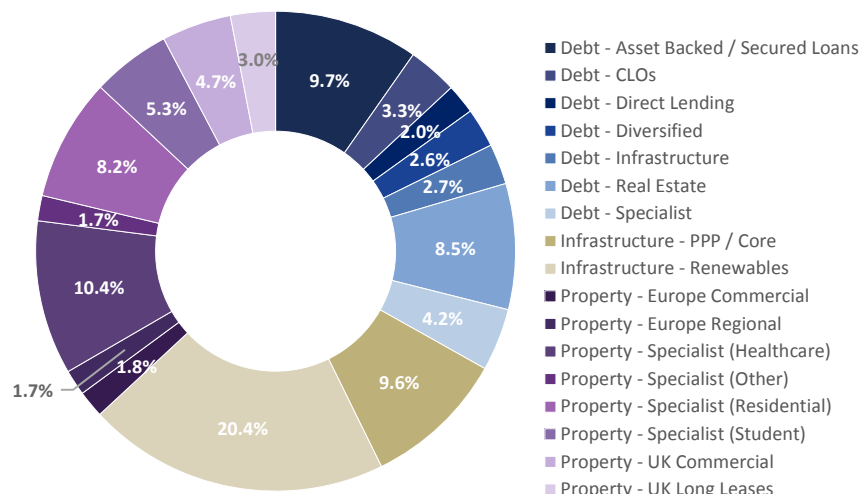
The month can be summarised in one sentence. 'There was no Santa Claus rally this year'. The Trump administration shutdown the US government, mixed messages were received from the US Fed and zero meaningful progress relating to Brexit.

The SPXT ended the month down (-9.03)% with the FTSE All-share Total Return down (-3.75)% on the month.

Our tactical asset allocation for the month is broadly in line with previous months, however we did reduce our allocation by (-1.33)% to specialist real estate and by (-1.87)% to infrastructure. We increased our allocation across alternative credit 2.87% as we feel direct lending will outperform traditional investment grade and high yield fixed income credit over the next month to quarter.

Looking forward to Q1 2019, we expect volatility in UK equities to pick-up and remain elevated as politics takes over (again) from macro data. In the US we are cautiously optimistic that some calm could return to the markets as the US fed takes a more tapered approach to rate rises and the Trump administration lurches towards a trade deal with China.

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	4.31%
Renewables Infrastructure Group	Infrastructure - Renewables	4.21%
HICL Infrastructure Company	Infrastructure - PPP / Core	3.46%
Primary Healthcare Properties	Property - Specialist (Healthcare)	3.45%
Foresight Solar Fund	Infrastructure - Renewables	3.45%
GCP Asset Backed Income	Debt - Asset Backed / Secured Loans	3.32%
Triple Point Social Housing REIT	Property - Specialist (Residential)	3.31%
Real Estate Credit Investments	Debt - Real Estate	3.23%
PRS REIT	Property - Specialist (Residential)	3.22%
Alcentra European Floating Rate	Debt - Asset Backed / Secured Loans	3.17%
Starwood European Real Estate Finance	Debt - Real Estate	2.89%
3i Infrastructure	Infrastructure - PPP / Core	2.73%
Tritax Big Box REIT PLC	Property - UK Long Leases	2.71%
Bluefield Solar Income	Infrastructure - Renewables	2.68%
GCP Student Living	Property - Specialist (Student)	2.50%
NewDay 7.375% 2024	Debt - Direct Lending	2.45%
Target Healthcare REIT	Property - Specialist (Healthcare)	2.40%
TwentyFour Select Monthly Income	Debt - Diversified	2.37%
Empiric Student Property	Property - Specialist (Student)	2.27%
NB Global Floating Rate Income	Debt - Asset Backed / Secured Loans	2.24%
Warehouse REIT	Property - UK Commercial	2.03%
MedicX	Property - Specialist (Healthcare)	2.00%
AEW UK REIT	Property - UK Commercial	1.74%
Atlantica Yield	Infrastructure - Renewables	1.73%
RM Secured Direct Lending	Debt - Direct Lending	1.72%
Sequoia Economic Infrastructure	Debt - Infrastructure	1.68%
Tritax EuroBox	Property - Europe Commercial	1.63%
Volta Finance	Debt - CLOs	1.58%
Schroder European REIT	Property - Europe Regional	1.55%
ICG-Longbow Senior Secured UK Property Debt Investments	Debt - Real Estate	1.49%
Impact Healthcare Reit	Property - Specialist (Healthcare)	1.48%
International Public Partnerships	Infrastructure - PPP / Core	1.46%
International Personal Finance 6.125% 2020	Debt - Direct Lending	1.33%
NextEnergy Solar	Infrastructure - Renewables	0.96%
TransAlta Renewables	Infrastructure - Renewables	0.94%
Residential Secure Income	Property - Specialist (Residential)	0.87%
BBGI SICAV	Infrastructure - PPP / Core	0.80%
GCP Infrastructure Investments	Debt - Infrastructure	0.77%
Blackstone/GSO Loan Financing	Debt - CLOs	0.73%
Fair Oaks Income	Debt - CLOs	0.69%
Viva Energy REIT	Property - Specialist (Other)	0.53%
Frasers Logistics & Industrial	Property - Specialist (Other)	0.45%
Urban Logistics REIT	Property - UK Commercial	0.43%
LXI REIT Plc	Property - Specialist (Other)	0.29%
Convenience Retail REIT	Property - Specialist (Other)	0.26%
Macquarie Infrastructure Corporation	Infrastructure - PPP / Core	0.17%
Funding Circle SME Income	Debt - Direct Lending	0.09%
Cash		10.18%

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