



RM Alternative Income Fund

Monthly Factsheet – 31st January 2019

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	103.54
GBP Accumulation (R)	GB00BYVZQ252	103.47
GBP Income (I)	GB00BD6SVR23	100.51
GBP Income (R)	GB00BYVZPZ16	99.49
Next Dividend Ex Date:	31/04/2019	
Dividend Pay Dates:	March, June, September, December.	
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 over medium term	
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 £1.0354 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 (-8.49) %. The share classes went ex-dividend and the Institutional Income class will distribute 1.2472 pence per share on March 29th.

The portfolio has investments within 48 companies, across developed markets, primarily in the UK, but also including modest holdings in the US, Canada, Western Europe, Singapore and Australia. Currency exposures are hedged back into GBP.

The main corporate event in the portfolio during the month was the all share merger between Primary Health Properties and Medix. The valuation was at a 14% premium for Medix shareholders. Both stocks (which had recently been trading relatively poorly) finished the month strongly. RM looked to add exposure to Assura which is the third listed operator in the Primary Healthcare space – we see this corporate activity as a possible catalyst for Assura to increase leverage in order to boost shareholder returns and the recent corporate activity from PHP/Medix should underpin the portfolio valuations.

Away from the Primary Healthcare sector REITs had a poor month as sentiment remains weak towards UK and Commercial property. There is a lot of focus on the open ended fund space and the property sales that need to be made in order to match redemptions. RMAI focuses on the non cyclical end of the property market via investments in areas such as Primary Health Centres (as above) and distribution centres.

Tritax Bigbox (BBOX) made an acquisition of a UK logistics developer. The acquisition increases the business risk and is dilutive (it will be funded via a rights issue); however it offers significant growth without overpaying for assets. The acquisition gives Tritax access to a land bank which is in excess of the existing Tritax portfolio and to a number of existing development schemes. RMAI will take up the rights and continue to maintain the portfolio weighting to the Company via the rights issue.

NAV & Dividend History – 2019

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p ⁽¹⁾	1.2472	-	-	-	-	-	-	-	-	-	-	-	1.2472
NAV ⁽²⁾	103.54	-	-	-	-	-	-	-	-	-	-	-	-

NAV & Dividend History – 2018

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p ⁽¹⁾	-	-	-	-	-	-	0.2977	-	-	1.4591	-	-	1.7568
NAV ⁽²⁾	-	-	-	-	-	100.02	101.23	102.35	102.51	101.62	101.80	100.59	-

⁽¹⁾ Institutional GBP Income Class

⁽²⁾ Institutional GBP Accumulation

In order to comply with the regulation on financial promotions, RM Funds 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 until June 2019. Capital is at risk, returns are not guaranteed and past performance is no guarantee of future performance.

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

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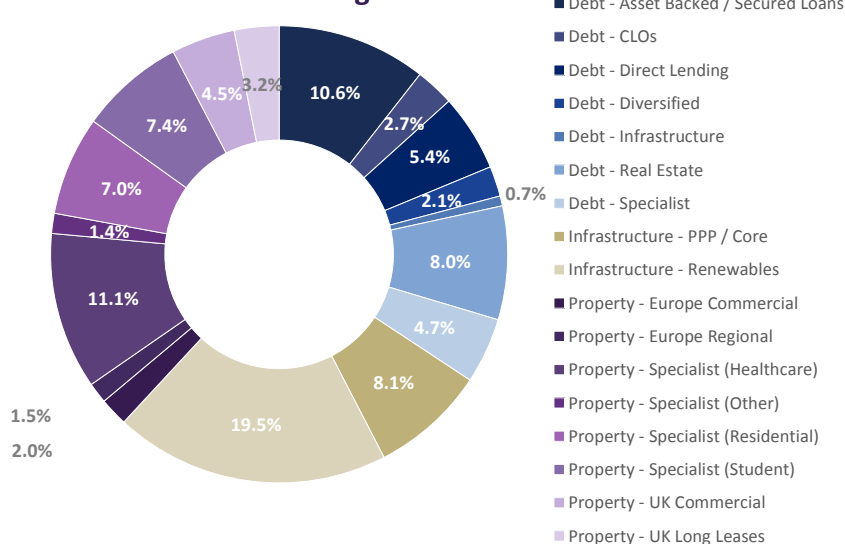
Portfolio Activity Continued

The focus on corporate bonds in the alternative lending space rather than CLO equity or P2P at this stage of the credit cycle makes sense and we maintain our portfolio weightings within the Specialist Real Estate and Infrastructure sectors.

Market Commentary

January caught most people off guard as equities rebounded to the upside – the negative sentiment from early January seems a thing of the past. Never the less the headwinds facing the global economies have not gone away and whilst markets are now buoyant RM remain cautious.

RMAI Sector Weights



Position	Sector Classification	% of the Portfolio
GCP Asset Backed Income	Debt - Asset Backed / Secured Loans	4.48%
NewDay 7.375% 2024	Debt - Specialist	3.66%
Foresight Solar Fund	Infrastructure - Renewables	3.52%
John Laing Environmental Assets Group	Infrastructure - Renewables	3.20%
Renewables Infrastructure Group	Infrastructure - Renewables	3.17%
GCP Student Living	Property - Specialist (Student)	2.95%
Empiric Student Property	Property - Specialist (Student)	2.90%
Bluefield Solar Income	Infrastructure - Renewables	2.87%
Starwood European Real Estate Finance	Debt - Real Estate	2.87%
HICL Infrastructure Company	Infrastructure - PPP / Core	2.63%
Primary Healthcare Properties	Property - Specialist (Healthcare)	2.62%
Target Healthcare REIT	Property - Specialist (Healthcare)	2.57%
Tritax Big Box REIT PLC	Property - UK Long Leases	2.49%
Triple Point Social Housing REIT	Property - Specialist (Residential)	2.48%
PRS REIT	Property - Specialist (Residential)	2.39%
Real Estate Credit Investments	Debt - Real Estate	2.37%
Alcentra European Floating Rate	Debt - Asset Backed / Secured Loans	2.21%
International Personal Finance 5.75% 2020	Debt - Direct Lending	2.01%
3i Infrastructure	Infrastructure - PPP / Core	2.01%
MedicX	Property - Specialist (Healthcare)	1.74%
TwentyFour Select Monthly Income	Debt - Diversified	1.68%
AEW UK REIT	Property - UK Commercial	1.65%
NB Global Floating Rate Income	Debt - Asset Backed / Secured Loans	1.62%
Warehouse REIT	Property - UK Commercial	1.58%
Tritax EuroBox	Property - Europe Commercial	1.58%
Impact Healthcare Reit	Property - Specialist (Healthcare)	1.44%
RM Secured Direct Lending	Debt - Direct Lending	1.23%
Schroder European REIT	Property - Europe Regional	1.15%
Volta Finance	Debt - CLOs	1.14%
Atlantica Yield	Infrastructure - Renewables	1.12%
ICG-Longbow Senior Secured UK Property Debt Investments	Debt - Real Estate	1.08%
International Public Partnerships	Infrastructure - PPP / Core	1.05%
International Personal Finance 6.125% 2020	Debt - Direct Lending	0.97%
TransAlta Renewables	Infrastructure - Renewables	0.76%
NextEnergy Solar	Infrastructure - Renewables	0.69%
Residential Secure Income	Property - Specialist (Residential)	0.64%
BBGI SICAV	Infrastructure - PPP / Core	0.57%
GCP Infrastructure Investments	Debt - Infrastructure	0.55%
Blackstone/GSO Loan Financing	Debt - CLOs	0.52%
Fair Oaks Income	Debt - CLOs	0.51%
Viva Energy REIT	Property - Specialist (Other)	0.38%
Assura Plc	Property - Specialist (Healthcare)	0.36%
Frasers Logistics & Industrial	Property - Specialist (Other)	0.33%
Urban Logistics REIT	Property - UK Commercial	0.32%
LXI REIT Plc	Property - Specialist (Other)	0.22%
Convenience Retail REIT	Property - Specialist (Other)	0.19%
Macquarie Infrastructure Corporation	Infrastructure - PPP / Core	0.14%
Funding Circle SME Income	Debt - Direct Lending	0.06%
Cash		21.30%

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