



RM Alternative Income Fund

Monthly Factsheet – 28th February 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 | 105.14 |
| GBP Accumulation (R) | GB00BYVZQ252 | 105.04 |
| GBP Income (I) | GB00BD6SVR23 | 102.06 |
| GBP Income (R) | GB00BYVZPZ16 | 101.02 |
| Next Dividend Ex Date: | 30/04/2019 | |
| 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 £1.05138 net of fees. Fund data is based upon the VT RM Alternative Income Fund Institutional GBP accumulation class. The portfolio has investments within 49 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 largely hedged back into GBP.

The month saw continued strong performance from PHP and Medix ahead of their merger which is set to conclude during March. In addition infrastructure, specifically renewables, remained strong as a number of companies investing in solar and wind have started to extend the expected life of their assets which consequently increased NAVs. Greencoat UK Wind Plc saw a tap issuance at a discount to the prevailing share price in which the Fund participated.

RM Secured Direct Lending PLC (“RMDL”); the Fund tactically increased exposure to RMDL during the period, as the manager rotated away from leverage loans which have bounced back during Q1 2019. We favour private credit as the underlying characteristics of tangible security, robust investor protection and enhanced yields offer better risk-adjusted returns. The trust has demonstrated a strong and consistent dividend and robust NAV performance over the last six months.

Voyage Care 5.875% 2023s; The managers identified an interesting investment into Voyage Care, a leading care provider that supports individuals with complex care needs across the UK. The business supports over 3,000 adults and children operating out of 266 cares homes, 22 rehabilitation centres and 13 day centres. The company has visible and stable earnings and a significant real estate portfolio – the fund invested in the senior secured notes offering a yield to maturity of 7.28% at the purchase price. The key point to note is the seniority within the capital structure of the business offers a significant value play when compared to the equity returns of comparable listed equities as well as providing diversification for the fund within this sector.

| 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 | 105.14 | - | - | - | - | - | - | - | - | - | - | - |

| 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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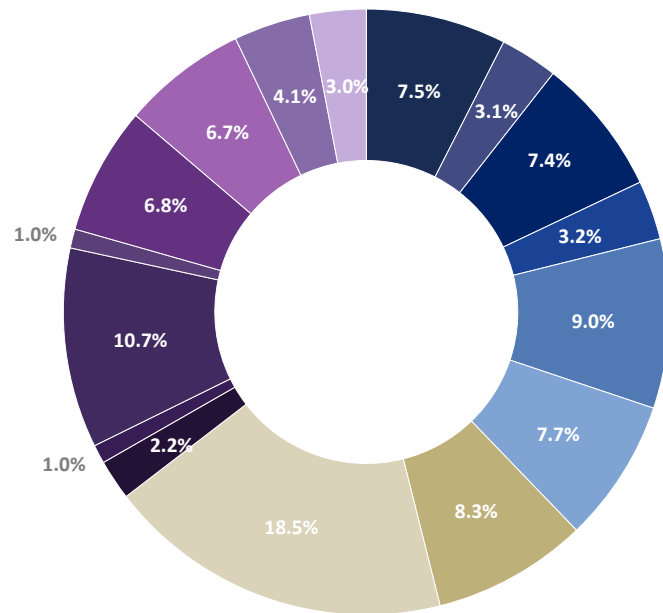
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Market Commentary

The equity and credit markets continued their rebound during February. Credit markets are amazingly back to the tighter levels seen during 2018 and global equity indexes have given stellar year to date returns of the mid to high single digits.

The RM house view is cautious and we expect further volatility in the wider markets this year. Key economic data within Europe remains weak – Germany posted zero percent GDP growth during the month and weaker exports contributed to the second successive month of contraction within the German manufacturing sector. Italy has seen a continued reduction in manufacturing output alongside a contracting economy. Italy could become the next key market focus given the size of the economy and the overall level of government indebtedness. Italian government bond yields have reduced – however in our view this could quickly unwind should the overall market sentiment change.

RMAI Sector Weights



- Debt - Asset Backed / Secured Loans
- Debt - CLOs
- Debt - Direct Lending
- Debt - Diversified
- Debt - Real Estate
- Debt - Specialist
- Infrastructure - PPP / Core
- Infrastructure - Renewables
- Property - Europe Commercial
- Property - Europe Regional
- Property - Specialist (Healthcare)
- Property - Specialist (Other)
- Property - Specialist (Residential)
- Property - Specialist (Student)
- Property - Specialist (UK Commercial)
- Property - UK Long Leases

| Position | Sector Classification | % of the Portfolio |
|---|-------------------------------------|--------------------|
| RM Secured Direct Lending | Debt - Direct Lending | 4.48% |
| Foresight Solar Fund | Infrastructure - Renewables | 4.41% |
| Renewables Infrastructure Group | Infrastructure - Renewables | 4.11% |
| Voyage Care 5.875% 2023 | Debt - Specialist | 4.07% |
| Starwood European Real Estate Finance | Debt - Real Estate | 3.92% |
| GCP Asset Backed Income | Debt - Asset Backed / Secured Loans | 3.84% |
| GCP Student Living | Property - Specialist (Student) | 3.84% |
| PRS REIT | Property - Specialist (Residential) | 3.82% |
| Impact Healthcare Reit | Property - Specialist (Healthcare) | 3.73% |
| Real Estate Credit Investments | Debt - Real Estate | 3.69% |
| HICL Infrastructure Company | Infrastructure - PPP / Core | 3.29% |
| NewDay 7.375% 2024 | Debt - Specialist | 3.15% |
| Bluefield Solar Income | Infrastructure - Renewables | 3.07% |
| John Laing Environmental Assets Group | Infrastructure - Renewables | 2.99% |
| TwentyFour Select Monthly Income | Debt - Diversified | 2.98% |
| Tritax Big Box REIT PLC | Property - UK Long Leases | 2.84% |
| Empiric Student Property | Property - Specialist (Student) | 2.45% |
| Primary Healthcare Properties | Property - Specialist (Healthcare) | 2.30% |
| Target Healthcare REIT | Property - Specialist (Healthcare) | 2.25% |
| AEW UK REIT | Property - UK Commercial | 2.23% |
| Triple Point Social Housing REIT | Property - Specialist (Residential) | 2.06% |
| Tritax EuroBox | Property - Europe Commercial | 2.03% |
| Alcentra European Floating Rate | Debt - Asset Backed / Secured Loans | 1.86% |
| International Public Partnerships | Infrastructure - PPP / Core | 1.74% |
| 3i Infrastructure | Infrastructure - PPP / Core | 1.71% |
| International Personal Finance 5.75% 2021 | Debt - Direct Lending | 1.66% |
| MedicX | Property - Specialist (Healthcare) | 1.51% |
| NB Global Floating Rate Income | Debt - Asset Backed / Secured Loans | 1.37% |
| Warehouse REIT | Property - UK Commercial | 1.35% |
| Fair Oaks Income | Debt - CLOs | 1.13% |
| Atlantica Yield | Infrastructure - Renewables | 1.01% |
| Volta Finance | Debt - CLOs | 0.96% |
| Schroder European REIT | Property - Europe Regional | 0.94% |
| ICG-Longbow Senior Secured UK Property Debt Investments | Debt - Real Estate | 0.90% |
| NextEnergy Solar | Infrastructure - Renewables | 0.84% |
| International Personal Finance 6.125% 2020 | Debt - Direct Lending | 0.82% |
| Blackstone/GSO Loan Financing | Debt - CLOs | 0.82% |
| TransAlta Renewables | Infrastructure - Renewables | 0.67% |
| Residential Secure Income | Property - Specialist (Residential) | 0.56% |
| BBGI SICAV | Infrastructure - PPP / Core | 0.49% |
| GCP Infrastructure Investments | Infrastructure - PPP / Core | 0.48% |
| Greencoat UK Wind Plc | Infrastructure - Renewables | 0.34% |
| Viva Energy REIT | Property - Specialist (Other) | 0.33% |
| Assura Plc | Property - Specialist (Healthcare) | 0.29% |
| Frasers Logistics & Industrial | Property - Specialist (Other) | 0.28% |
| Urban Logistics REIT | Property - UK Commercial | 0.27% |
| LXI REIT Plc | Property - Specialist (Other) | 0.18% |
| Convenience Retail REIT | Property - Specialist (Other) | 0.17% |
| Macquarie Infrastructure Corporation | Infrastructure - PPP / Core | 0.11% |
| Cash | | 5.70% |

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