



RM Alternative Income Fund

Monthly Factsheet – 31th March 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	106.03
GBP Accumulation (R)	GB00BYVZQ252	105.91
GBP Income (I)	GB00BD6SVR23	102.91
GBP Income (R)	GB00BYVZPZ16	101.86
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 £1.06 net of fees. Fund data is based upon the VT RM Alternative Income Fund Institutional GBP accumulation class. The portfolio has investments within 44 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.

March was an exceptionally busy month for the Investment team. The team met with half a dozen management teams representing both existing and prospective investments. Portfolio activity during the month included: eight divestments, split across seven real estate, and one infrastructure. In addition three new holdings were made, one infrastructure, one specialist real estate and one credit. The total number of holdings within the fund currently stands at 44 a net reduction of five on the previous month.

Greencoat Renewables PLC (“GRP”), The Renewables Infrastructure Group (“TRIG”) We participated in the primary market offerings of said companies. GRP represents a new position for the fund. Offering exposure to Irish wind assets, provides further diversification (in terms of power market and regulatory regime) within the portfolio. Both stocks came at a discount to the existing market prices, allowing the Portfolio Managers to capture a modest degree of alpha for fund investors.

Residential Secured Income PLC (“RESI”), The PRS Reit PLC (“PRSR”) The majority of the profitability of both of these companies has been through NAV revaluation gains rather than through rental income / cash generation from operations. We expect the continued uncertainty surrounding the UK economy will slow the pace of (if any) NAV growth. Coupled with aspirational dividend targets leads us to believe the current dividend policies are unsustainable in the medium-to-long-term and therefore we have exited both positions until such time as the dividend becomes covered.

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	106.03	-	-	-	-	-	-	-	-	-	-

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

Platforms

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

Primary Health Properties PLC (“PHP”), MedicX Plc (“MXF”). We took profits in PHP and MXF off the back of the acquisition (and subsequent rerating) by PHP of MXF. PHP remains on our buy list for the fund but it’s current valuation (c.25% premium to its net asset value) is at present, too expensive.

Market Commentary

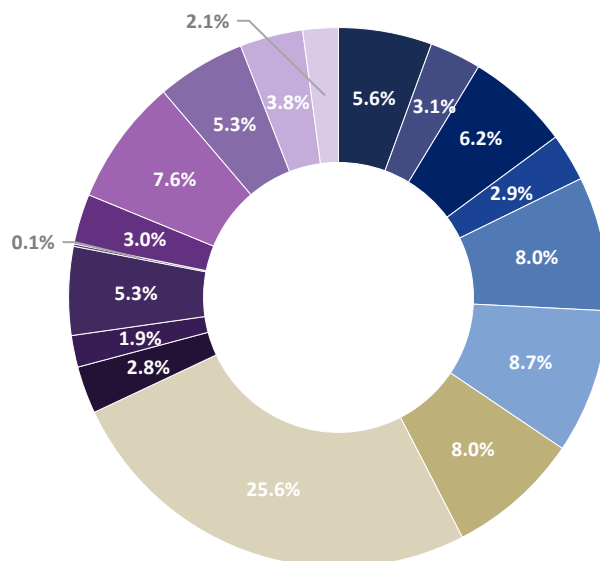
Current market conditions reflect a somewhat Goldilocks scenario with both credit and equities performing well during the month and Q1 2019. Global macro data however is mixed, with major economies slowing down, we expect an increase in volatility and bearish sentiment to creep back into the market during H2.

In the interim US data is encouraging despite the markets concerns regarding a potential US recession, a theory partially supported by the recent US yield curve inversion. The Portfolio Managers do not expect such a scenario in the short-to-medium term but note that the Fed has some breathing space given the previous rate hikes.

Eurozone economies continue to exhibit varying degrees of stress. We don’t see a positive catalyst appearing within the short-term. Indeed we expect the US to shift its trade war sights towards the eurozone post conclusion of the current US-China trade negotiations.

UK monetary policy continues to remain in “wait and see” mode with soft brexit priced into sterling, we remain cautious on the outlook.

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 - UK Commercial
- Property - UK Long Leases
- Property - Specialist (Retail)

Position	Sector Classification	% of the Portfolio
Greencoat Renewables Plc	Infrastructure - Renewables	5.21%
Renewables Infrastructure Group	Infrastructure - Renewables	4.83%
John Laing Environmental Assets Group	Infrastructure - Renewables	4.53%
Foresight Solar Fund	Infrastructure - Renewables	4.22%
GCP Student Living	Property - Specialist (Student)	3.79%
RM Secured Direct Lending	Debt - Direct Lending	3.64%
Starwood European Real Estate Finance	Debt - Real Estate	3.55%
Tritax Big Box REIT PLC	Property - UK Long Leases	3.51%
Voyage Care 5.875 23	Debt - Specialist	3.34%
Empiric Student Property	Property - Specialist (Student)	3.25%
Real Estate Credit Investments	Debt - Real Estate	3.20%
Impact Healthcare Reit	Property - Specialist (Healthcare)	3.10%
HICL Infrastructure Company	Infrastructure - PPP / Core	2.97%
AEW UK REIT	Property - UK Commercial	2.70%
TwentyFour Select Monthly Income	Debt - Diversified	2.68%
Tritax EuroBox	Property - Europe Commercial	2.64%
NewDay 7.375% 2024	Debt - Specialist	2.62%
Bluefield Solar Income	Infrastructure - Renewables	2.57%
GCP Asset Backed Income	Debt - Asset Backed / Secured Loans	2.56%
Triple Point Social Housing REIT	Property - Specialist (Residential)	2.38%
International Public Partnerships	Infrastructure - PPP / Core	2.25%
Vodafone 7% 04/04/2079	Debt - Specialist	2.10%
Warehouse REIT	Property - UK Commercial	2.02%
Supermarket Income Reit PLC	Property - Specialist (Retail)	1.97%
Target Healthcare REIT	Property - Specialist (Healthcare)	1.81%
Schroder European REIT	Property - Europe Regional	1.80%
Alcentra European Floating Rate	Debt - Asset Backed / Secured Loans	1.52%
International Personal Finance 5.75% 2021	Debt - Direct Lending	1.43%
3i Infrastructure	Infrastructure - PPP / Core	1.41%
Fair Oaks Income	Debt - CLOs	1.40%
NB Global Floating Rate Income	Debt - Asset Backed / Secured Loans	1.12%
Atlantica Yield	Infrastructure - Renewables	0.83%
Volta Finance	Debt - CLOs	0.78%
ICG-Longbow Senior Secured UK Property Debt Investments	Debt - Real Estate	0.73%
NextEnergy Solar	Infrastructure - Renewables	0.69%
International Personal Finance 6.125% 2020	Debt - Direct Lending	0.68%
Blackstone/GSO Loan Financing	Debt - CLOs	0.67%
TransAlta Renewables	Infrastructure - Renewables	0.60%
Residential Secure Income	Property - Specialist (Residential)	0.44%
BBGI SICAV	Infrastructure - PPP / Core	0.39%
GCP Infrastructure Investments	Infrastructure - PPP / Core	0.38%
Greencoat UK Wind Plc	Infrastructure - Renewables	0.28%
Urban Logistics REIT	Property - UK Commercial	0.21%
Convenience Retail REIT	Property - Specialist (Other)	0.13%
Cash		7.07%

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