



RM Alternative Income Fund

Monthly Factsheet – 30th April 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 | 108.51 |
| GBP Accumulation (R) | GB00BYVZQ252 | 108.39 |
| GBP Income (I) | GB00BD6SVR23 | 104.10 |
| GBP Income (R) | GB00BYVZP216 | 103.03 |
| Next Dividend Ex Date: | 31/07/2019 | |
| 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 £1.085 net of fees. Fund data is based upon the VT RM Alternative Income Fund Institutional GBP accumulation class. The portfolio has investments 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.

April was another positive month for the fund’s performance. The fund went ex on the 30th April with the next distribution date being 31st July 2019. The cash position reported at the end of the period (c.11%) is the result of month-end inflows and the partial reserving of cash for capital markets activities (placings & initial public offerings) which were announced during the period but will not close until May.

US Solar Fund (“USF LN”) the Fund participated in the initial public offering of USF – RM Funds met with the management team whom impressed us with their track record within the renewable energy infrastructure sector and across multiple jurisdictions (Australian and the US). A key attraction was certain key differentiators to those of the existing renewable energy holdings within the portfolio including jurisdiction, and revenue strategy (long-term 15yr+ PPAs, with zero merchant/floating power risks).

Civitas Social Housing (“CSH LN”) in early April the stock suffered a significant share price fall post the publication of a report by the social housing regulator on the risk profile of certain sector counterparties. The RM Funds investment team monitors the social housing sector closely through our existing exposure (SOHO) and via other Issuers – such risks are factored into our analysis. The Fund used this event as an opportunistic time to purchase given the share price at the time was in excess of a 20% discount to NAV. In the Portfolio Managers view this offered an attractive entry point which is reflective of the risks. The dividend is covered, and offers potential upside via share price appreciation.

| NAV & Dividend History – 2019 | | | | | | | | | | | | | |
|-------------------------------|--------|--------|--------|--------|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
| Dividends p ⁽¹⁾ | 1.2472 | - | - | 1.2218 | - | - | - | - | - | - | - | - | 2.47p |
| NAV ⁽²⁾ | 103.54 | 105.14 | 106.03 | 108.51 | - | - | - | - | - | - | - | - | - |

| NAV & Dividend History – 2018 | | | | | | | | | | | | | |
|-------------------------------|-----|-----|-----|-----|-----|--------|--------|--------|--------|--------|--------|--------|-------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
| Dividends p ⁽¹⁾ | - | - | - | - | - | - | 0.2977 | - | - | 1.4591 | - | - | 1.76p |
| 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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If your platform is not listed, please contact our distribution team or Valu-Trac directly.

Amigo Loans (“AMIGLN 7.625% 24s”) – the Fund invested in the senior secured bonds maturing in 2024. These offer a defined return profile and sit senior to the Amigo Loans equity holders. We are attracted to the Company’s business model, conservative pricing of risk and management team. The company has a c£1bn equity market capitalisation.

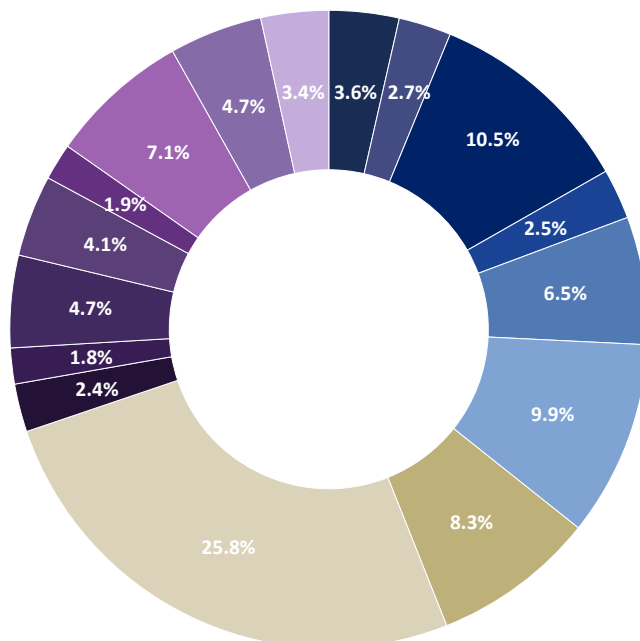
Market Commentary

During the month the US economy continued its upward trajectory – after such a strong start to H1 2019, any signs of inflation picking up will reduce the probability of a Fed rate cut during H2. Equity markets continued to rally and credit spreads across HY continued to tighten. In our minds eye the markets are overheating after a breakneck rally and are due a pull back.

Eurozone economies exhibited a handful of positive signs during the period however our outlook on the eurozone remains unchanged. Growth forecasts (if any) remain downbeat and the ECB faces the real possibility of dealing with stagflation in member countries.

On the domestic front, Brexit headwinds temporarily subsided with UK monetary policy remaining in neutral whilst uncertainty remains.

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

| Position | Sector Classification | % of the Portfolio |
|--|-------------------------------------|--------------------|
| Greencoat Renewables Plc | Infrastructure - Renewables | 4.71% |
| Amigo Loans 7 ½ 01/15/24 | Debt - Direct Lending | 4.64% |
| Renewables Infrastructure Group | Infrastructure - Renewables | 4.34% |
| John Laing Environmental Assets Group | Infrastructure - Renewables | 3.96% |
| Foresight Solar Fund | Infrastructure - Renewables | 3.82% |
| GCP Student Living | Property - Specialist (Student) | 3.40% |
| RM Secured Direct Lending | Debt - Direct Lending | 3.11% |
| Tritax Big Box REIT PLC | Property - UK Long Leases | 3.11% |
| Starwood European Real Estate Finance | Debt - Real Estate | 3.09% |
| Empiric Student Property | Property - Specialist (Student) | 3.06% |
| Voyage Care 5.875 23 | Debt - Specialist | 2.82% |
| Real Estate Credit Investments | Debt - Real Estate | 2.81% |
| Impact Healthcare Reit | Property - Specialist (Healthcare) | 2.70% |
| HICL Infrastructure Company | Infrastructure - PPP / Core | 2.70% |
| AEW UK REIT | Property - UK Commercial | 2.34% |
| US Solar Fund | Infrastructure - Renewables | 2.31% |
| TwentyFour Select Monthly Income | Debt - Diversified | 2.30% |
| Bluefield Solar Income | Infrastructure - Renewables | 2.25% |
| NewDay 7.375% 2024 | Debt - Specialist | 2.25% |
| NewDay Floating 2023 | Debt - Specialist | 2.23% |
| Tritax EuroBox | Property - Europe Commercial | 2.21% |
| International Public Partnerships | Infrastructure - PPP / Core | 2.03% |
| Triple Point Social Housing REIT | Property - Specialist (Residential) | 1.88% |
| Warehouse REIT | Property - UK Commercial | 1.75% |
| Hipgnosis Song Fund Ltd | Debt - Specialist | 1.73% |
| Supermarket Income Reit PLC | Property - Specialist (Retail) | 1.70% |
| Schroder European REIT | Property - Europe Regional | 1.66% |
| Target Healthcare REIT | Property - Specialist (Healthcare) | 1.57% |
| Civitas Social Housing | Property - Specialist (Residential) | 1.47% |
| Alcentra European Floating Rate | Debt - Asset Backed / Secured Loans | 1.32% |
| 3i Infrastructure | Infrastructure - PPP / Core | 1.26% |
| International Personal Finance 5.75% 2021 | Debt - Direct Lending | 1.24% |
| GCP Infrastructure Investments | Infrastructure - PPP / Core | 1.24% |
| Fair Oaks Income | Debt - CLOs | 1.19% |
| NB Global Floating Rate Income | Debt - Asset Backed / Secured Loans | 0.96% |
| GCP Asset Backed Income | Debt - Asset Backed / Secured Loans | 0.96% |
| Atlantica Yield | Infrastructure - Renewables | 0.74% |
| Volta Finance | Debt - CLOs | 0.68% |
| NextEnergy Solar | Infrastructure - Renewables | 0.59% |
| International Personal Finance 6.125% 2020 | Debt - Direct Lending | 0.58% |
| Blackstone/GSO Loan Financing | Debt - CLOs | 0.58% |
| TransAlta Renewables | Infrastructure - Renewables | 0.52% |
| Residential Secure Income | Property - Specialist (Residential) | 0.39% |
| BBGI SICAV | Infrastructure - PPP / Core | 0.35% |
| Greencoat UK Wind Plc | Infrastructure - Renewables | 0.24% |
| Urban Logistics REIT | Property - UK Commercial | 0.18% |
| Cash | | 9.02% |

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