



RM Alternative Income Fund

Monthly Factsheet – 31st May 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	108.98
GBP Accumulation (R)	GB00BYVZQ252	108.87
GBP Income (I)	GB00BD6SVR23	104.56
GBP Income (R)	GB00BYVZPZ16	103.48
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	

¹The OCF (Ongoing Charges Figure) for all share classes is capped at 0.85%

²The 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 £1.0898 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, and Europe. Currency exposures are largely hedged back into GBP.

May marked an exceptionally busy month for both primary and follow-on capital markets activity within the alternatives universe with over 10 transactions announced, these transactions are expected to close by mid-June. A number of existing or watchlist holdings are raising capital including International Personal Finance, Sequoia Economic Infrastructure, Greencoat UK Wind, Eurobox, LXI REIT. RM often prefer to enter or increase our holdings via such placings for a number of reasons including 1) better entry price to current market price, and 2) lower transaction costs. The holdings page of the fact sheet details cash reserved for the various placings we have submitted orders for.

Aside from new issuance, the Portfolio Managers and Investment Analysts have met with circa fifteen companies and management teams this month to discuss their business, prospects, results and outlook. In terms of the fund’s monthly performance, this was positive despite volatility creeping back into the market, we remain vigilant to macro risks, and continue to position the portfolio accordingly.

Aquila European Renewables Fund (“AERI LN”) We wrote last month about USF’s IPO. Our investment thesis relating to AERI is very similar. A strong manager with an excellent track record in multiple European jurisdictions. The types of renewable energy assets AERI will invest in and have identified (Solar, Wind, Hydro) are similar to those which the RM Fund’s team have considerable experience in analysing. One of the key attractions as a diversifier is the lack of exposure to UK power prices, and UK regulatory environment, with the company specifically excluded from investing into UK power assets.

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	108.98	-	-	-	-	-	-	-	-

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

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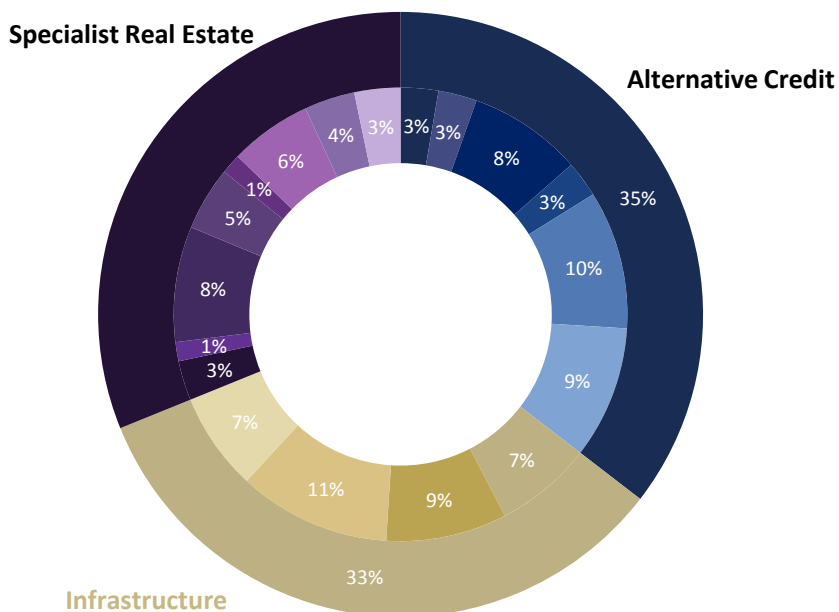
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Market Commentary

Macro set the agenda for the month of May, delivered via President Trump announcing (tweeting) tariff hikes on Chinese goods, and signed the month off with a similar (tweet) announcement focused on Mexico. The latter policy manoeuvre further supports our longer-term view that the US will systematically focus its attention on to other trading partners (such as Europe) in time.

On the domestic front, volatility reared it's head as Brexit related events have forced the resignation of the Prime Minister. The flash point will be the topic of no-deal vs soft Brexit and we expect further volatility across UK equities as we edge towards October. Tilting towards specific market factors affecting UK Alternative assets, the Labour Party published a "Nationalisation Plan", with corresponding rhetoric focused on specific assets (such as water utilities). The Portfolio Managers are acutely aware of the political, regulatory and Idiosyncratic risks – the fund has limited exposure to such assets covered within the nationalisation plan, never-the-less, we expect to reduce our UK macro risk over the coming month(s).

Allocation Split



- Debt - Asset Backed / Secured Loans - 3%
- Debt - CLOs - 3%
- Debt - Direct Lending - 8%
- Debt - Diversified - 3%
- Debt - Real Estate - 10%
- Debt - Specialist - 9%
- Infrastructure - PPP / Core - 7%
- Infrastructure - Renewables, Solar - 9%
- Infrastructure - Renewables, Wind - 11%
- Infrastructure - Renewables, Mixed - 7%
- Property - Europe Commercial - 3%
- Property - Europe Regional - 1%
- Property - Specialist (Healthcare) - 8%
- Property - Specialist (Residential) - 5%
- Property - Specialist (Retail) - 1%
- Property - Specialist (Student) - 6%
- Property - UK Commercial - 4%
- Property - UK Long Leases - 3%

Position	Sector Classification	% of the Portfolio
Greencoat UK Wind Plc	Infrastructure - Renewables, Wind	5.78%
Impact Healthcare Reit	Property - Specialist (Healthcare)	5.12%
Starwood European Real Estate Finance	Debt - Real Estate	3.74%
Real Estate Credit Investments	Debt - Real Estate	3.56%
Voyage Care 5.875 23	Debt - Specialist	3.15%
AMIGO LOANS 7 ½ 01/15/24	Debt - Direct Lending	2.93%
John Laing Environmental Assets Group	Infrastructure - Renewables, Mixed	2.50%
Tritax Big Box REIT PLC	Property - UK Long Leases	2.43%
Civitas Social Housing	Property - Specialist (Residential)	2.29%
Foresight Solar Fund	Infrastructure - Renewables, Solar	2.29%
Greencoat Renewables Plc	Infrastructure - Renewables, Wind	2.26%
HICL Infrastructure Company	Infrastructure - PPP / Core	2.22%
Empiric Student Property	Property - Specialist (Student)	2.21%
GCP Student Living	Property - Specialist (Student)	2.13%
Tritax EuroBox	Property - Europe Commercial	2.09%
RM Secured Direct Lending	Debt - Direct Lending	1.94%
TwentyFour Select Monthly Income	Debt - Diversified	1.91%
Renewables Infrastructure Group	Infrastructure - Renewables, Mixed	1.84%
AEW UK REIT	Property - UK Commercial	1.49%
US Solar Fund	Infrastructure - Renewables, Solar	1.46%
NewDay Floating 2023	Debt - Specialist	1.39%
NewDay 7.375% 2024	Debt - Specialist	1.39%
Bluefield Solar Income	Infrastructure - Renewables, Solar	1.34%
NextEnergy Solar	Infrastructure - Renewables, Solar	1.29%
Fair Oaks Income	Debt - CLOs	1.25%
International Public Partnerships	Infrastructure - PPP / Core	1.18%
Hipgnosis Song Fund Ltd	Debt - Specialist	1.08%
Triple Point Social Housing REIT	Property - Specialist (Residential)	1.07%
Warehouse REIT	Property - UK Commercial	1.06%
Supermarket Income Reit PLC	Property - Specialist (Retail)	1.06%
Schroder European REIT	Property - Europe Regional	1.00%
Target Healthcare REIT	Property - Specialist (Healthcare)	0.97%
Alcentra European Floating Rate	Debt - Asset Backed / Secured Loans	0.82%
International Personal Finance 5.75% 2021	Debt - Direct Lending	0.79%
3i Infrastructure	Infrastructure - PPP / Core	0.78%
GCP Infrastructure Investments	Infrastructure - PPP / Core	0.76%
NB Global Floating Rate Income	Debt - Asset Backed / Secured Loans	0.59%
GCP Asset Backed Income	Debt - Asset Backed / Secured Loans	0.58%
Atlantica Yield	Infrastructure - Renewables, Mixed	0.51%
Volta Finance	Debt - CLOs	0.43%
International Personal Finance 6.125% 2020	Debt - Direct Lending	0.36%
Blackstone/GSO Loan Financing	Debt - CLOs	0.36%
TransAlta Renewables	Infrastructure - Renewables, Mixed	0.32%
BBGI SICAV	Infrastructure - PPP / Core	0.21%
Urban Logistics REIT	Property - UK Commercial	0.13%
Cash (restricted)* Allocated to capital markets activities (placings, IPOs etc) which have not yet settled.		16.88%
Cash (unrestricted)		9.09%

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