



# RM Alternative Income Fund

Monthly Factsheet – 31<sup>st</sup> August 2019

## Company Overview

<b>Fund Name:</b>	VT RM Alternative Income Fund	
<b>Launch Date:</b>	11 <sup>th</sup> June 2018	
<b>Regulatory Status:</b>	FCA Authorised	
<b>Classification:</b>	Non-Complex	
<b>Sector:</b>	IA Specialist	
<b>Share Classes:</b>	Income & Accumulation Institutional & Retail	
<b>Currencies:</b>	GBP, EUR, USD	
<b>Share Class</b>	<b>ISIN</b>	<b>NAV</b>
GBP Accumulation (I)	GB00BD6SVV68	111.16
GBP Accumulation (R)	GB00BYVZQ252	111.04
GBP Income (I)	GB00BD6SVR23	105.39
GBP Income (R)	GB00BYVZPZ16	104.29
<b>Next Dividend Ex Date:</b>	31/10/2019	
<b>Dividend Pay Dates:</b>	March, June, September, December.	
<b>Annual Management Charges<sup>1</sup>:</b>	Institutional (I): 0.70% Retail (R): 0.80%	
<b>Target Fund Objectives<sup>2</sup>:</b>	Capital preservation 5.00% Net Dividend on issue price 7-8% Total Return on issue price over medium term	
<b>Dealing Frequency:</b>	Daily Liquidity	
<b>Valuation Frequency:</b>	Daily	

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

<sup>2</sup>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

The Fund’s total return for the month of August was 0.46%. 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 to £1.1116 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, Australasia and Europe. Currency exposures are largely hedged back into GBP.

August was a positive month for the fund’s performance. The investment team met with a couple of Management teams during the month – this is expected given the seasonal UK holidays.

During the month three holdings were added to the fund. Convenience REIT, a holding the fund had previously held, Charter Hall Education Trust, and Infratil Limited.

**Charter Hall Education Trust (“CQE AU”)** primarily operates 430 childcare nurseries in major cities across Australia. The Company has a wider mandate to invest across the social infrastructure segment which we expect will drive capital element of the total return moving forward. Our investment thesis is underpinned by a number of factors including 1) socio-demographic considerations, 2) healthy balance sheet with strong cash flow coverage, 3) long-dated assets with weighted average lease of c.9.9 years and 4) non-UK GBP / diversifier.

VT RM Alternative Income - Institutional - Accumulation Units  
Unit Price



Period shown from 11<sup>th</sup> June 2018 to 31<sup>st</sup> August 2019. Capital is at risk, returns are not guaranteed and past performance is no

## Advisory & Administration

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The prospectus, KIID, and Investment Updates can be found on our website. [www.rm-funds.co.uk](http://www.rm-funds.co.uk)

### Platforms

7IM  
AJ Bell  
Aegon  
AllFunds  
Alliance Trust  
Ascentric  
Aviva  
Charles Stanley  
Cofunds  
FNZ  
Fusion  
Hargreaves Lansdown  
Hubwise  
Interactive Investor  
Novia  
Old Mutual  
Pershing  
Raymond James  
RL360  
Standard Life  
Transact  
Zurich

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

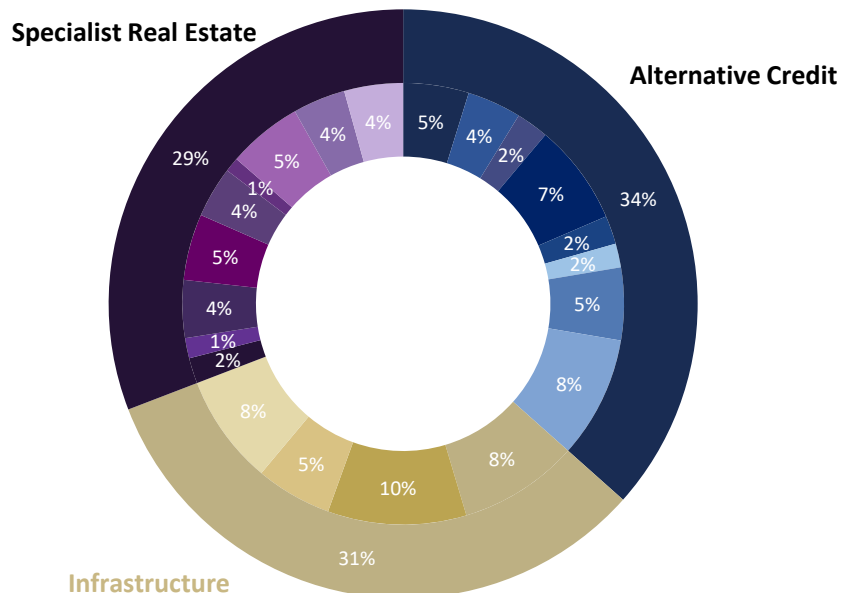
guarantee of future performance.

**Infratil Limited ("IFT NZ")** is a holding company which owns and operates a number of Australian and New Zealand based infrastructure assets in areas which the Portfolio Managers and Investment team believe are undergoing a significant period of structural change (digitisation of services, decarbonisation, ageing populations etc). The main holdings include renewables, telecommunications assets, care homes and data centres.

## Market Commentary

Volatility increased significantly during the period starting late July with sharp asset price moves across equities, credit and rates on the back of thin volume and continued concerns over the US/China trade war. More generally geo-politics and global macro data continued to dominate the narrative for the month. Looking towards Europe, German industrial production and the snap Italian elections caused significant risk-off trades within the Eurozone, driving the entire bund yield curve negative and prompting the ECB to consider introducing a further round of monetary stimulus.

## Allocation Split<sup>1</sup>



- Debt - Asset Backed / Secured Loans - 5%
- Debt - CLOs - 2%
- Debt - Diversified - 2%
- Debt - Real Estate - 5%
- Infrastructure - PPP / Core - 8%
- Infrastructure - Renewables, Wind - 5%
- Property - Europe Commercial - 2%
- Property - Specialist (Healthcare) - 4%
- Property - Specialist (Residential) - 4%
- Debt - Government - 4%
- Debt - Direct Lending - 7%
- Debt - Infrastructure - 2%
- Debt - Specialist - 8%
- Infrastructure - Renewables, Solar - 10%
- Infrastructure - Renewables, Mixed - 8%
- Property - Europe Regional - 1%
- Property - Specialist (Other) - 5%
- Property - Specialist (Retail) - 1%

<sup>1</sup>Percentages may not add up to 100% due to rounding.

NAV & Dividend History – 2019													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p <sup>(1)</sup>	1.2472	-	-	1.2218	-	-	1.2500	-	-	-	-	-	3.72p
NAV <sup>(2)</sup>	103.54	105.14	106.03	108.51	108.98	110.33	110.65	111.16	-	-	-	-	-
NAV monthly return <sup>(2)</sup>	2.93%	1.55%	0.84%	2.34%	0.44%	1.24%	0.29%	0.46%	-	-	-	-	10.51%

NAV & Dividend History – 2018													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p <sup>(1)</sup>	-	-	-	-	-	-	0.2977	-	-	1.4591	-	-	1.76p
NAV <sup>(2)</sup>	-	-	-	-	-	100.02	101.23	102.35	102.51	101.62	101.80	100.59	-
NAV monthly return <sup>(2)</sup>	-	-	-	-	-	0.02%	1.22%	1.10%	0.16%	(0.87%)	0.18%	(1.19%)	0.59%

<sup>(1)</sup> Institutional GBP Income Class      <sup>(2)</sup> Institutional GBP Accumulation

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Position	Sector Classification	% of the Portfolio
BBGI SICAV	Infrastructure - PPP / Core	4.67%
Foresight Solar Fund	Infrastructure - Renewables, Solar	4.23%
Tritax Big Box REIT PLC	Property - UK Long Leases	4.05%
LXI REIT Plc	Property - Specialist (Other)	3.85%
UKT 3.75 2019	Debt - Government	3.73%
Voyage Care 5.875 23	Debt - Specialist	3.67%
Greencoat UK Wind Plc	Infrastructure - Renewables, Wind	3.38%
NewDay 7.375% 2024	Debt - Specialist	3.27%
Empiric Student Property	Property - Specialist (Student)	3.20%
International Personal Finance 7.25%	Debt - Direct Lending	3.12%
Civitas Social Housing	Property - Specialist (Residential)	2.84%
GCP Asset Backed Income	Debt - Asset Backed / Secured Loans	2.81%
Impact Healthcare Reit	Property - Specialist (Healthcare)	2.77%
Aquila European Renewables Income Fund PLC	Infrastructure - Renewables, Mixed	2.73%
Starwood European Real Estate Finance	Debt - Real Estate	2.61%
John Laing Environmental Assets Group	Infrastructure - Renewables, Mixed	2.46%
Real Estate Credit Investments	Debt - Real Estate	2.38%
NextEnergy Solar	Infrastructure - Renewables, Solar	2.11%
AEW UK REIT	Property - UK Commercial	2.10%
TwentyFour Select Monthly Income	Debt - Diversified	1.96%
RM Secured Direct Lending	Debt - Direct Lending	1.95%
GCP Student Living	Property - Specialist (Student)	1.94%
Renewables Infrastructure Group	Infrastructure - Renewables, Mixed	1.93%
Greencoat Renewables Plc	Infrastructure - Renewables, Wind	1.86%
Tritax EuroBox	Property - Europe Commercial	1.76%
Bluefield Solar Income	Infrastructure - Renewables, Solar	1.64%
Sequoia Economic Infrastructure	Debt - Infrastructure	1.64%
US Solar Fund	Infrastructure - Renewables, Solar	1.55%
Fair Oaks Income	Debt - CLOs	1.52%
AMIGO LOANS 7 % 01/15/24	Debt - Direct Lending	1.51%
3i Infrastructure	Infrastructure - PPP / Core	1.43%
Schroder European REIT	Property - Europe Regional	1.39%
Target Healthcare REIT	Property - Specialist (Healthcare)	1.20%
GCP Infrastructure Investments	Infrastructure - PPP / Core	1.04%
Supermarket Income Reit PLC	Property - Specialist (Retail)	1.00%
Alcentra European Floating Rate	Debt - Asset Backed / Secured Loans	0.93%
International Public Partnerships	Infrastructure - PPP / Core	0.88%
Urban Logistics REIT	Property - UK Commercial	0.77%
NB Global Floating Rate Income	Debt - Asset Backed / Secured Loans	0.77%
Hipgnosis Song Fund Ltd	Debt - Specialist	0.76%
Warehouse REIT	Property - UK Commercial	0.75%
NewDay Floating 2023	Debt - Specialist	0.69%
Triple Point Social Housing REIT	Property - Specialist (Residential)	0.67%
Blackstone/GSO Loan Financing	Debt - CLOs	0.49%
Charter Hall Education Trust	Property - Specialist (Other)	0.47%
International Personal Finance 5.75% 2021	Debt - Direct Lending	0.37%
Atlantica Yield	Infrastructure - Renewables, Mixed	0.30%
Infratil	Infrastructure - PPP / Core	0.25%
Convenience Retail REIT	Property - Specialist (Other)	0.24%
Volta Finance	Debt - CLOs	0.22%
TransAlta Renewables	Infrastructure - Renewables, Mixed	0.17%
Cash		5.96%

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