



RM Alternative Income Fund

Monthly Factsheet – 31st July 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	110.65
GBP Accumulation (R)	GB00BYVZQ252	110.53
GBP Income (I)	GB00BD6SVR23	104.91
GBP Income (R)	GB00BYVZPZ16	103.81
Next Dividend Ex Date:	31/10/2019	
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 to £1.1065 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.

July was a positive month for the fund’s performance. A distribution of 1.25p per unit was declared on the 31st July - this was reflected across the respective Income class prices. No new positions were taken during the period. The investment team met with 14 companies during the period.

New and follow-on primary issuance was muted as the market took its seasonal holiday. The Portfolio Managers took the opportunity to modestly rebalance the portfolio, with an increase in allocation (+6%) to our specialist real estate segment. We continue to seek protection from inflation, and expect inflation to remain elevated for the foreseeable future in part due to a weaker sterling currency.

Infrastructure and in particular renewable energy assets are a healthy source of inflation linked cash flows, however we continue to remain in a holding pattern (and await a better entry point) as premiums remain elevated across the latter segment.

VT RM Alternative Income - Institutional - Accumulation Units
Unit Price



Period shown from 11th June 2018 to 31st July 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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AJ Bell
Aegon
AllFunds
Alliance Trust
Ascentric
Aviva
Charles Stanley
Cofunds
FNZ
Fusion
Hargreaves Lansdown
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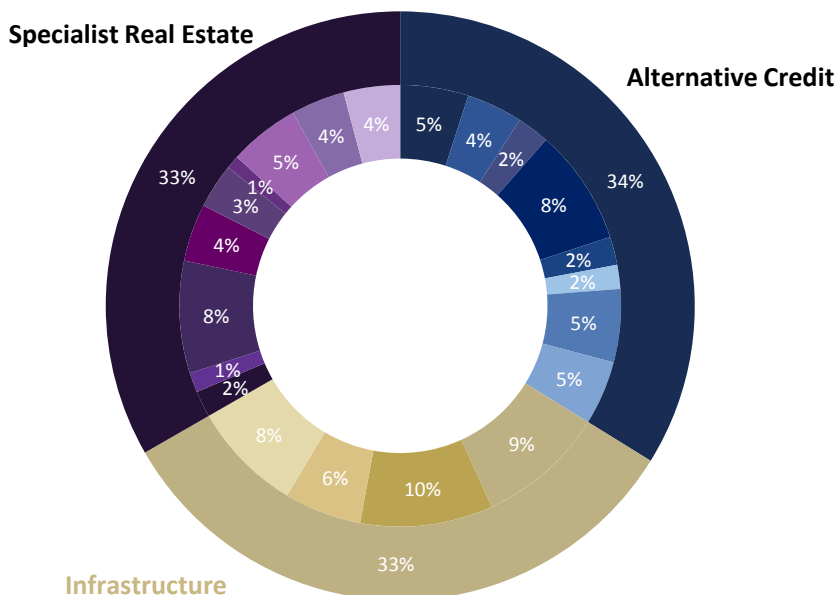
If your platform is not listed, please contact our distribution team or Valu-Trac directly.

Market Commentary

We flagged to our investors in March and April that we expected a considerable pick up in asset price volatility as we moved into Q3 and H2 - as we closed the books for the month a flurry of macro-economic and political data/events came to the forefront, with the US Fed providing (un)clear guidance around “mid-cycle” adjustments, Trump imposing a further 10% tariff on Chinese goods, Asian data looked particularly weak with HK likely to slip into a technical recession (see trade wars). Closer to home the ECB continued its holding pattern (but is gearing up for stimulus) as did the BOE. The latter institution’s Governor providing additional comments around the possibility of a hard Brexit scenario.

Such a wave of negative data will likely impact sentiment and lead to a modest correction of asset prices in the near-term. The Portfolio Managers and the Investment team will continue to focus on preserving capital and generating attractive income for our unit holders.

Allocation Split¹



¹Percentages 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 ⁽¹⁾	1.2472	-	-	1.2218	-	-	1.2500	-	-	-	-	-	3.72p
NAV ⁽²⁾	103.54	105.14	106.03	108.51	108.98	110.33	110.65	-	-	-	-	-	-

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

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Position	Sector Classification	% of the Portfolio
BBGI SICAV	Infrastructure - PPP / Core	4.76%
International Personal Finance 7.25%	Debt - Direct Lending	4.02%
Foresight Solar Fund	Infrastructure - Renewables, Solar	4.02%
LXI REIT Plc	Property - Specialist (Other)	3.97%
UKT 3.75 2019	Debt – Government	3.92%
Tritax Big Box REIT PLC	Property - UK Long Leases	3.91%
Voyage Care 5.875 23	Debt – Specialist	3.83%
Greencoat UK Wind Plc	Infrastructure - Renewables, Wind	3.49%
NewDay 7.375% 2024	Debt – Specialist	3.12%
Empiric Student Property	Property - Specialist (Student)	2.93%
GCP Asset Backed Income	Debt - Asset Backed / Secured Loans	2.91%
Impact Healthcare Reit	Property - Specialist (Healthcare)	2.87%
Aquila European Renewables Income Fund PLC	Infrastructure - Renewables, Mixed	2.78%
Starwood European Real Estate Finance	Debt - Real Estate	2.63%
John Laing Environmental Assets Group	Infrastructure - Renewables, Mixed	2.55%
Civitas Social Housing	Property - Specialist (Residential)	2.46%
Real Estate Credit Investments	Debt - Real Estate	2.39%
AEW UK REIT	Property - UK Commercial	2.27%
RM Secured Direct Lending	Debt - Direct Lending	2.01%
NextEnergy Solar	Infrastructure - Renewables, Solar	1.96%
TwentyFour Select Monthly Income	Debt – Diversified	1.94%
GCP Student Living	Property - Specialist (Student)	1.92%
Renewables Infrastructure Group	Infrastructure - Renewables, Mixed	1.85%
Greencoat Renewables Plc	Infrastructure - Renewables, Wind	1.83%
Tritax EuroBox	Property - Europe Commercial	1.83%
Sequoia Economic Infrastructure	Debt – Infrastructure	1.65%
Bluefield Solar Income	Infrastructure - Renewables, Solar	1.63%
US Solar Fund	Infrastructure - Renewables, Solar	1.62%
AMIGO LOANS 7 % 01/15/24	Debt - Direct Lending	1.58%
Fair Oaks Income	Debt – CLOs	1.58%
3i Infrastructure	Infrastructure - PPP / Core	1.40%
Schroder European REIT	Property - Europe Regional	1.36%
Target Healthcare REIT	Property - Specialist (Healthcare)	1.10%
GCP Infrastructure Investments	Infrastructure - PPP / Core	1.07%
Alcentra European Floating Rate	Debt - Asset Backed / Secured Loans	0.96%
Supermarket Income Reit PLC	Property - Specialist (Retail)	0.92%
International Public Partnerships	Infrastructure - PPP / Core	0.89%
NB Global Floating Rate Income	Debt - Asset Backed / Secured Loans	0.80%
NewDay Floating 2023	Debt – Specialist	0.73%
Urban Logistics REIT	Property - UK Commercial	0.72%
Warehouse REIT	Property - UK Commercial	0.71%
HICL Infrastructure Company	Infrastructure - PPP / Core	0.70%
Triple Point Social Housing REIT	Property - Specialist (Residential)	0.65%
Hipgnosis Song Fund Ltd	Debt – Specialist	0.59%
Blackstone/GSO Loan Financing	Debt – CLOs	0.42%
International Personal Finance 5.75% 2021	Debt - Direct Lending	0.40%
Atlantica Yield	Infrastructure - Renewables, Mixed	0.30%
Volta Finance	Debt – CLOs	0.24%
TransAlta Renewables	Infrastructure - Renewables, Mixed	0.19%
Cash		5.62%

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