



RM Alternative Income Fund

Monthly Factsheet – 30th September 2019

Company Overview		
Fund Name:	VT RM Alternative Income Fund	
Launch Date:	11 th June 2018	
Regulatory Status:	FCA Authorised	
Fund Size:	£29.75m	
Classification:	Non-Complex	
Sector:	IA Specialist	
Share Classes:	Income & Accumulation	
Currencies:	GBP, EUR, USD	
Share Class	ISIN	NAV
GBP Accumulation (I)	GB00BD6SVV68	111.99
GBP Accumulation (R)	GB00BYVZQ252	111.87
GBP Income (I)	GB00BD6SVR23	106.18
GBP Income (R)	GB00BYVZPZ16	105.06
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.		
³ Fund data is based upon the VT RM Alternative Income Fund Institutional GBP accumulation class.		

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 September was 0.74%. 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 £1.1199 net of fees³. 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.

No new holdings were added during the period. The current net YTD return of the fund is 11.33%³.

The Portfolio Managers and Investment Team conducted a number of site due diligence exercises during the month, and held meetings with circa 15 management teams. Six existing holdings announced follow-on issuance during the period, providing the portfolio managers with the opportunity to allocate without purchasing in the open market thereby reducing costs and capturing a modest degree of alpha.

VT RM Alternative Income - Institutional - Accumulation Units
Unit Price



Period shown from 11th June 2018 to 30th September 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

7IM
AJ Bell
Aegon
AllFunds
Alliance Trust
Ascentric
Aviva
Charles Stanley
Cofunds
Fidelity
FNZ
Fusion
Hargreaves Lansdown
Hubwise
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Novia
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If your platform is not listed, please contact our distribution team or Valu-Trac directly.

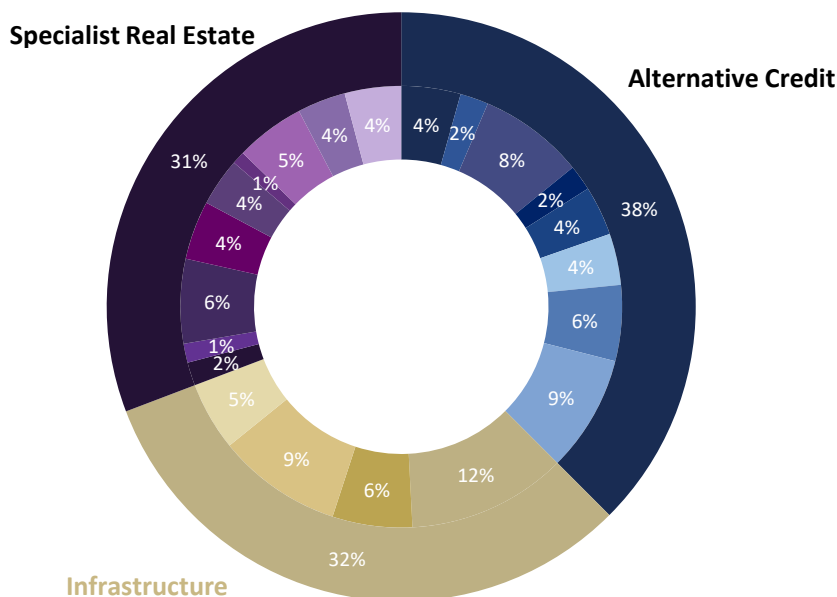
Market Commentary

The US administration's position on the US/China trade war softened whilst the Fed cut rates by 25bps as the economic data created mixed messages. The surprising news was the US repo market turmoil which blindsided many participants forcing the Fed to inject short-term liquidity.

Meanwhile in Europe the ECB prepared its opening gambit by launching a fresh round of quantitative easing set at €20bn per month 'for as long as it takes'. Whilst this leaves the ECB with considerable room to expand its balance sheet in the event eurozone economies deteriorate further, the key impact for investors will be the almost certain disappearance of positive yields in government bonds and credit assets. A recent piece of analysis published by RM Funds demonstrates the challenges ahead for asset allocators, of the 2,727 euro-denominated IG corporate bonds (accounting for c€1.2trn) within Barclays Bloomberg index, c22% are negative yielding, and 82% have a yield less than or equal to eurozone inflation. On the domestic front Brexit negotiations took one step forward and the one step back.

Looking ahead the markets are starting to price in further rate cuts in the US, and in Europe fiscal stimulus looks to be required alongside the ECB's monetary easing.

Allocation Split¹



■ Debt - Asset Backed / Secured Loans - 4%	■ Debt - CLOs - 2%
■ Debt - Direct Lending - 8%	■ Debt - Diversified - 2%
■ Debt - Government - 4%	■ Debt - Infrastructure - 4%
■ Debt - Real Estate - 6%	■ Debt - Specialist - 9%
■ Infrastructure - PPP / Core - 12%	■ Infrastructure - Renewables, Mixed - 6%
■ Infrastructure - Renewables, Solar - 9%	■ Infrastructure - Renewables, Wind - 5%
■ Property - Europe Commercial - 2%	■ Property - Europe Regional - 1%
■ Property - Specialist (Healthcare) - 6%	■ Property - Specialist (Other) - 4%
■ Property - Specialist (Residential) - 4%	■ Property - Specialist (Retail) - 1%

¹Percentages may not add up to 100% due to rounding. Excludes cash and cash equivalents.

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	111.16	111.99	-	-	-	-
NAV monthly return ⁽²⁾	2.93%	1.55%	0.84%	2.34%	0.44%	1.24%	0.29%	0.46%	0.74%	-	-	-	11.33%

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	-
NAV monthly return ⁽²⁾	-	-	-	-	-	0.02%	1.22%	1.10%	0.16%	(0.87%)	0.18%	(1.19%)	0.59%

⁽¹⁾ Institutional GBP Income Class ⁽²⁾ Institutional GBP Accumulation

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Position	Sector Classification	% of the Portfolio
International Public Partnerships	Infrastructure - PPP / Core	4.38%
BBGI SICAV	Infrastructure - PPP / Core	4.19%
Tritax Big Box REIT PLC	Property - UK Long Leases	3.88%
Foresight Solar Fund	Infrastructure - Renewables, Solar	3.87%
Voyage Care 5.875 23	Debt - Specialist	3.68%
Sequoia Economic Infrastructure	Debt - Infrastructure	3.54%
LXI REIT Plc	Property - Specialist (Other)	3.46%
UKT 4 3/4 03/0720	Debt - Government	3.44%
Target Healthcare REIT	Property - Specialist (Healthcare)	3.29%
Greencoat UK Wind Plc	Infrastructure - Renewables, Wind	3.11%
Starwood European Real Estate Finance	Debt - Real Estate	3.08%
NewDay 7.375% 2024	Debt - Specialist	3.03%
Empiric Student Property	Property - Specialist (Student)	2.87%
International Personal Finance 7.25%	Debt - Direct Lending	2.78%
Civitas Social Housing	Property - Specialist (Residential)	2.64%
GCP Asset Backed Income	Debt - Asset Backed / Secured Loans	2.55%
Impact Healthcare Reit	Property - Specialist (Healthcare)	2.45%
Aquila European Renewables Income Fund PLC	Infrastructure - Renewables, Mixed	2.42%
Real Estate Credit Investments	Debt - Real Estate	2.17%
AEW UK REIT	Property - UK Commercial	1.98%
NextEnergy Solar	Infrastructure - Renewables, Solar	1.93%
GCP Student Living	Property - Specialist (Student)	1.92%
AMIGO LOANS 7 ½ 01/15/24	Debt - Direct Lending	1.80%
TwentyFour Select Monthly Income	Debt - Diversified	1.76%
RM Secured Direct Lending	Debt - Direct Lending	1.76%
John Laing Environmental Assets Group	Infrastructure - Renewables, Mixed	1.63%
Tritax EuroBox	Property - Europe Commercial	1.61%
Greencoat Renewables Plc	Infrastructure - Renewables, Wind	1.59%
Bluefield Solar Income	Infrastructure - Renewables, Solar	1.49%
US Solar Fund	Infrastructure - Renewables, Solar	1.35%
Fair Oaks Income	Debt - CLOs	1.34%
Schroder European REIT	Property - Europe Regional	1.30%
3i Infrastructure	Infrastructure - PPP / Core	1.26%
Renewables Infrastructure Group	Infrastructure - Renewables, Mixed	1.06%
GCP Infrastructure Investments	Infrastructure - PPP / Core	0.95%
International Personal Finance 5.75% 2021	Debt - Direct Lending	0.95%
Supermarket Income Reit PLC	Property - Specialist (Retail)	0.89%
Alcentra European Floating Rate	Debt - Asset Backed / Secured Loans	0.83%
NB Global Floating Rate Income	Debt - Asset Backed / Secured Loans	0.70%
Urban Logistics REIT	Property - UK Commercial	0.70%
Hipgnosis Song Fund Ltd	Debt - Specialist	0.70%
Warehouse REIT	Property - UK Commercial	0.67%
Triple Point Social Housing REIT	Property - Specialist (Residential)	0.66%
NewDay Floating 2023	Debt - Specialist	0.63%
Blackstone/GSO Loan Financing	Debt - CLOs	0.42%
Charter Hall Education Trust	Property - Specialist (Other)	0.40%
Atlantica Yield	Infrastructure - Renewables, Mixed	0.27%
Infratil	Infrastructure - PPP / Core	0.24%
Convenience Retail REIT	Property - Specialist (Other)	0.21%
Volta Finance	Debt - CLOs	0.19%
TransAlta Renewables	Infrastructure - Renewables, Mixed	0.16%
Primary Healthcare Properties	Property - Specialist (Healthcare)	0.03%
Cash		5.82%

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