



# RM Alternative Income Fund

Monthly Factsheet – 30<sup>th</sup> November 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>Fund Size:</b>	£55.99m	
<b>Classification:</b>	Non-Complex	
<b>Sector:</b>	IA Specialist	
<b>Share Classes:</b>	Income & Accumulation	
<b>Currencies:</b>	GBP, EUR, USD	
<b>Share Class</b>	<b>ISIN</b>	<b>NAV</b>
GBP Accumulation (I)	GB00BD6SVV68	114.50
GBP Accumulation (R)	GB00BYVZQ252	114.37
GBP Income (I)	GB00BD6SVR23	107.30
GBP Income (R)	GB00BYVZPZ16	106.15
<b>Next Dividend Ex Date:</b>	31/01/2020	
<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.

<sup>3</sup> 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

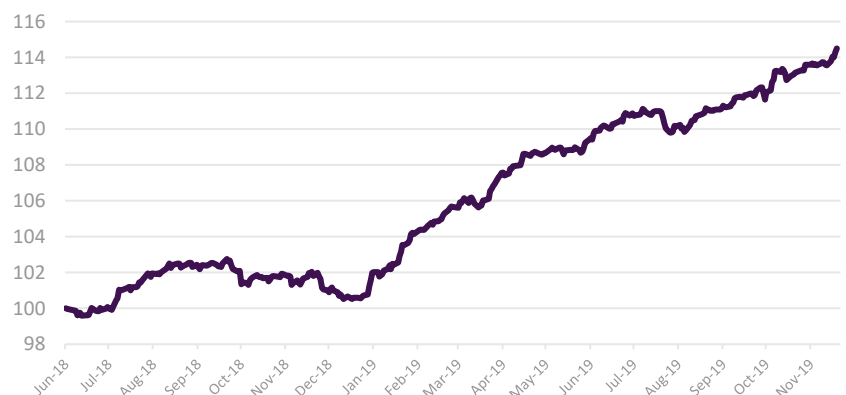
The Fund’s total return for the month of November was 1.20%. Since the Fund’s inception on the 11th June 2018, the net asset valuation per share of the VT RM Alternative Income Fund (the “Fund” or “RMAI”) has increased from £1 to £1.1450 net of fees<sup>3</sup>. The portfolio has investments across developed 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.

A number of adjustments were made to allocations, in part due to the Portfolio Managers’ and Investment Team’s views that market volatility will increase over the coming month(s).

The Investment team and Portfolio Managers met with 21 management teams, marking a material increase in corporate activity over the period. A number of IPOs and follow-on offerings were announced during the period. The Portfolio Managers expect the fund to participate in 3 of these transactions, with circa £6.9m of cash allocated at month end for investment into said transactions, all three deals are expected to close in early December.

**EG Group (Ticker: EGBLFN 6.25 25s, 3.99% Allocation)** We have previously highlighted our interest in forecourt operators such as those listed in Australia (Viva Energy, and APN Convenience Retail). EG Group is fast becoming the largest operator globally, with a footprint of over 3500+ locations, across the US, Europe and Australia. The business offers a relatively simple proposition, with the bond being highly liquid, senior secured, backed by real assets and generating a risk-adjusted return in excess of equity securities from similar operators.

VT RM Alternative Income - Institutional - Accumulation Units  
Unit Price



Period shown from 11<sup>th</sup> June 2018 to 30<sup>th</sup> November 2019. Capital is at risk; returns are not guaranteed and past performance is no guarantee of future performance.

## Advisory & Administration

**ACD**  
Valu-Trac Investment Management LTD

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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  
Fidelity  
FNZ  
Fusion  
Hargreaves Lansdown  
Hubwise  
Interactive Investor  
Novia  
Old Mutual  
Pershing  
Raymond James  
RL360  
Standard Life  
Stocktrade  
Transact  
Zurich

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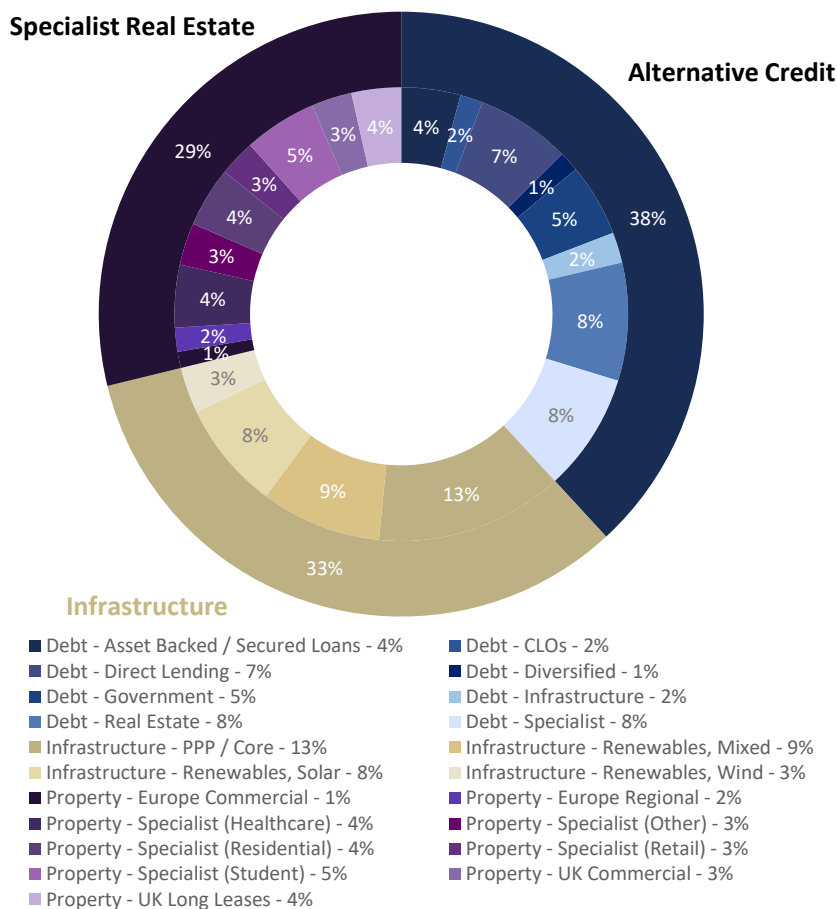
## Market Commentary

The month was best characterised as being muted. The lack of major macro-economic data and or geo-political dramas is welcomed. News of an imminent trade deal between the US and China feels like it's always just around the corner, but with the US moving to pass legislation in support of HK, a move that's not likely to win favours in mainland China – we don't expect a resolution any time soon. Looking towards APAC for a moment, we noted the comments made by the RBA's Governor Dr Philip Lowe, who poured water over the prospect of QE lead stimulus being injected into the Australian economy.

Towards Europe, Christine Lagarde reiterated her predecessor's stance on the need for fiscal stimulus, although it's likely policy makers and the markets will be watching to see if any of the recent round of QE will lift markets, and the eurozone economies.

Domestically market activity was surprisingly buoyant possibly off the back of recent General Election polling data indicating a material lead for the Conservative Party.

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



<sup>1</sup>Percentages 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 <sup>(1)</sup>	1.2472	-	-	1.2218	-	-	1.2500	-	-	1.2500	-	-	4.97p
NAV <sup>(2)</sup>	103.54	105.14	106.03	108.51	108.98	110.33	110.65	111.16	111.99	113.14	114.50	-	-
NAV monthly return <sup>(2)</sup>	2.93%	1.55%	0.84%	2.34%	0.44%	1.24%	0.29%	0.46%	0.74%	1.03%	1.20%	-	13.83%

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
UKT 4 3/4 03/0720	Debt - Government	4.51%
EGBLFN 6 1 4 10/30/25	Debt - Real Estate	3.99%
Renewables Infrastructure Group	Infrastructure - Renewables, Mixed	3.69%
NewDay 7.375% 2024	Debt - Specialist	3.41%
Civitas Social Housing	Property - Specialist (Residential)	3.38%
Tritax Big Box REIT PLC	Property - UK Long Leases	3.07%
3i Infrastructure	Infrastructure - PPP / Core	2.86%
Empiric Student Property	Property - Specialist (Student)	2.80%
Foresight Solar Fund	Infrastructure - Renewables, Solar	2.74%
Voyage Care 5.875 23	Debt - Specialist	2.71%
International Public Partnerships	Infrastructure - PPP / Core	2.41%
Target Healthcare REIT	Property - Specialist (Healthcare)	2.40%
BBGI SICAV	Infrastructure - PPP / Core	2.35%
John Laing Environmental Assets Group	Infrastructure - Renewables, Mixed	2.30%
NextEnergy Solar	Infrastructure - Renewables, Solar	2.27%
Supermarket Income Reit PLC	Property - Specialist (Retail)	2.26%
LXI REIT Plc	Property - Specialist (Other)	2.10%
HICL Infrastructure Company	Infrastructure - PPP / Core	1.99%
Sequoia Economic Infrastructure	Debt - Infrastructure	1.89%
Greencoat UK Wind Plc	Infrastructure - Renewables, Wind	1.87%
GCP Student Living	Property - Specialist (Student)	1.71%
Starwood European Real Estate Finance	Debt - Real Estate	1.66%
Real Estate Credit Investments	Debt - Real Estate	1.64%
AMIGO LOANS 7 % 01/15/24	Debt - Direct Lending	1.61%
International Personal Finance 7.25%	Debt - Direct Lending	1.50%
Schroder European REIT	Property - Europe Regional	1.49%
AEW UK REIT	Property - UK Commercial	1.42%
International Personal Finance 5.75% 2021	Debt - Direct Lending	1.42%
GCP Asset Backed Income	Debt - Asset Backed / Secured Loans	1.36%
Impact Healthcare Reit	Property - Specialist (Healthcare)	1.35%
Aquila European Renewables Income Fund PLC	Infrastructure - Renewables, Mixed	1.24%
TwentyFour Select Monthly Income	Debt - Diversified	1.23%
Alcentra European Floating Rate	Debt - Asset Backed / Secured Loans	1.19%
SDCL Energy Efficiency Income Trust plc	Infrastructure - PPP / Core	1.12%
NB Global Floating Rate Income	Debt - Asset Backed / Secured Loans	1.10%
Fair Oaks Income	Debt - CLOs	1.08%
Tritax EuroBox	Property - Europe Commercial	1.00%
Bluefield Solar Income	Infrastructure - Renewables, Solar	0.99%
Greencoat Renewables Plc	Infrastructure - Renewables, Wind	0.98%
RM Secured Direct Lending	Debt - Direct Lending	0.94%
GCP Infrastructure Investments	Infrastructure - PPP / Core	0.78%
Urban Logistics REIT	Property - UK Commercial	0.71%
US Solar Fund	Infrastructure - Renewables, Solar	0.69%
SONG C Class	Debt - Specialist	0.46%
Hipgnosis Song Fund Ltd	Debt - Specialist	0.38%
Warehouse REIT	Property - UK Commercial	0.36%
International Personal Finance 6.125% 2020	Debt - Direct Lending	0.36%
NewDay Floating 2023	Debt - Specialist	0.35%
Triple Point Social Housing REIT	Property - Specialist (Residential)	0.34%
Convenience Retail REIT	Property - Specialist (Other)	0.31%
Blackstone/GSO Loan Financing	Debt - CLOs	0.22%
Charter Hall Education Trust	Property - Specialist (Other)	0.20%
Atlantica Yield	Infrastructure - Renewables, Mixed	0.15%
Infratil	Infrastructure - PPP / Core	0.12%
Primary Healthcare Properties	Property - Specialist (Healthcare)	0.11%
Volta Finance	Debt - CLOs	0.09%
TransAlta Renewables	Infrastructure - Renewables, Mixed	0.09%
<b>Restricted Cash</b>		<b>0.50%</b>
<b>Unrestricted Cash</b>		<b>12.76%</b>

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