



# VT RM Alternative Income Fund

Monthly Factsheet – 31<sup>st</sup> December 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>	£67.27m	
<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	116.88
GBP Accumulation (R)	GB00BYVZQ252	116.74
GBP Income (I)	GB00BD6SVR23	109.53
GBP Income (R)	GB00BYVZPZ16	108.35
<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 December was 2.07%. 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 £1.1688 net of fees<sup>3</sup>. The Institutional Accumulation class has returned 16.2% for the year which is very pleasing. The portfolio has gone into year end with slightly higher cash balances than usual due to year-end inflows and as the Investment Team await a busy January for corporate finance activity which will offer better entry points for a number of portfolio holdings than the secondary market.

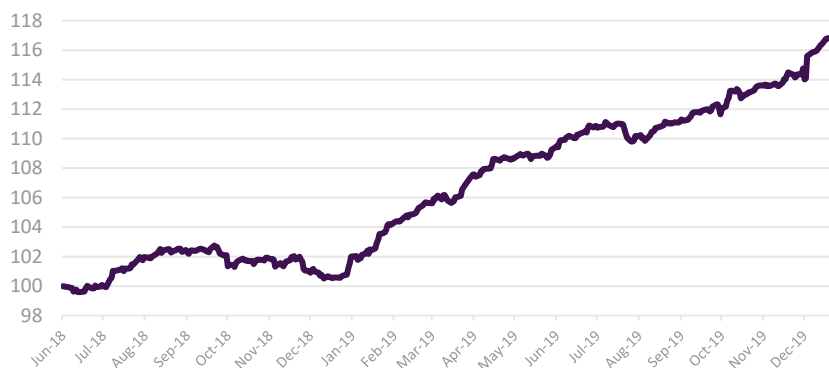
The portfolio has investments across developed markets, primarily in the UK, but also including modest holdings in the US, Canada, Australasia and Europe. Currency exposures are largely hedged back into GBP.

The investment team met with seven prospective and existing management teams and companies during the period, reflecting the wind down for the festive period.

As noted in the November factsheet, a number of capital markets transactions were due to close during the December period, a handful of which the fund was expected to, and did, participate in.

**Octopus Renewables Investment Trust (Ticker: ORIT LN, 3.00% allocation)** A new material position for the fund. We hold the Octopus Renewable Energy management team in high regard, with a track record within renewables dating back to the early days of the UK subsidy regime. The key attractions are 1) seed portfolio and the company’s strategy to mix between seasoned operational UK based assets, and the ability to capture more of the value chain and therefore yield by investing in shovel-ready construction assets, 2) the nature of the contracted cash flows and 3) the diversification across geographies.

VT RM Alternative Income - Institutional - Accumulation Units  
Unit Price



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

## Advisory & Administration

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### Platforms

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

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## Market Commentary

The month started with drama on both sides of the Atlantic with Trump (initially) reigniting concerns that a trade deal could be pushed back further - Two weeks later however a deal was tentatively sealed. On this side of the Atlantic, an influential poll indicating a hung parliament sent shivers down the spine of the markets, alas by mid-December the UK public had spoken and coupled with commentary from the US Fed provided global risk markets with a healthy Santa Claus rally.

The Fed stayed put and appears to be in a holding pattern on rates, further providing support to the equity markets.

## 2020 Outlook

Looking ahead to 2020, we expect volatility to pick up in Q1 within domestic risk assets as the market grapples with the practical aspects of the Conservative Party pushing through the Brexit mandate.

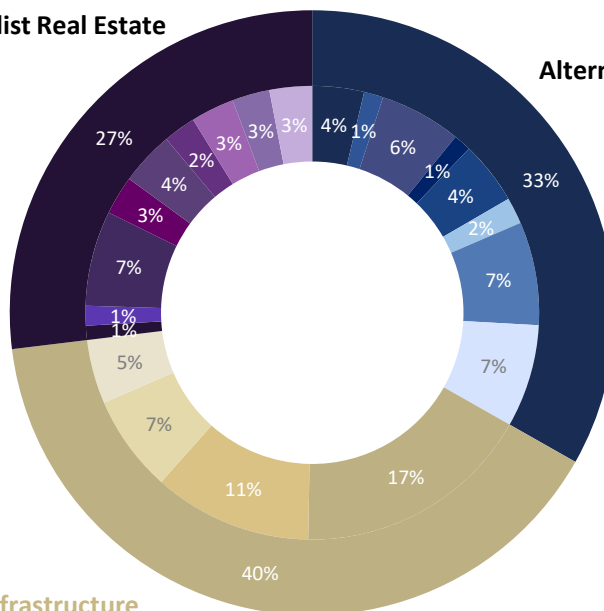
Europe, we remain cautious, with any hint of fiscal stimulus likely to drive markets higher, albeit economic fundamentals across the eurozone are mixed and the “healthy” eurozone economies seem reluctant to support their neighbours.

Looking towards the US, 2020 is an election year for the United States and therefore H2 and specifically late Q3 and early Q4 are likely to see colourful debate and policies emerge designed to court voters.

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

### Specialist Real Estate

### Alternative Credit



### Infrastructure

- Debt - Asset Backed / Secured Loans - 4%
- Debt - Direct Lending - 6%
- Debt - Government - 4%
- Debt - Real Estate - 7%
- Infrastructure - PPP / Core - 17%
- Infrastructure - Renewables, Solar - 7%
- Infrastructure - Renewables, Wind - 5%
- Property - Europe Commercial - 1%
- Property - Specialist (Healthcare) - 7%
- Property - Specialist (Residential) - 4%
- Property - Specialist (Student) - 3%
- Property - UK Long Leases - 3%
- Debt - CLOs - 1%
- Debt - Diversified - 1%
- Debt - Infrastructure - 2%
- Debt - Specialist - 7%
- Infrastructure - Renewables, Mixed - 11%
- Property - Europe Regional - 1%
- Property - Specialist (Other) - 3%
- Property - Specialist (Retail) - 2%
- Property - UK Commercial - 3%

<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	116.88	-
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%	2.07%	16.20%

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
International Public Partnerships	Infrastructure - PPP / Core	3.82%
UKT 4 3/4 03/0720	Debt - Government	3.74%
Impact Healthcare Reit	Property - Specialist (Healthcare)	3.54%
EGBLFN 6 1 4 10/30/25	Debt - Real Estate	3.36%
Renewables Infrastructure Group	Infrastructure - Renewables, Mixed	3.23%
Octopus Renewables Infrastructure Trust Plc	Infrastructure - Renewables, Mixed	3.00%
Civitas Social Housing	Property - Specialist (Residential)	2.91%
NewDay 7.375% 2024	Debt - Specialist	2.84%
HICL Infrastructure Company	Infrastructure - PPP / Core	2.73%
SDCL Energy Efficiency Income Trust plc	Infrastructure - PPP / Core	2.53%
Tritax Big Box REIT PLC	Property - UK Long Leases	2.53%
3i Infrastructure	Infrastructure - PPP / Core	2.42%
Foresight Solar Fund	Infrastructure - Renewables, Solar	2.41%
Empiric Student Property	Property - Specialist (Student)	2.32%
Voyage Care 5.875 23	Debt - Specialist	2.27%
Greencoat Renewables Plc	Infrastructure - Renewables, Wind	2.21%
Target Healthcare REIT	Property - Specialist (Healthcare)	2.00%
John Laing Environmental Assets Group	Infrastructure - Renewables, Mixed	1.97%
BBGI SICAV	Infrastructure - PPP / Core	1.96%
Supermarket Income Reit PLC	Property - Specialist (Retail)	1.93%
NextEnergy Solar	Infrastructure - Renewables, Solar	1.91%
LXI REIT Plc	Property - Specialist (Other)	1.89%
Greencoat UK Wind Plc	Infrastructure - Renewables, Wind	1.59%
Sequoia Economic Infrastructure	Debt - Infrastructure	1.57%
Starwood European Real Estate Finance	Debt - Real Estate	1.40%
Real Estate Credit Investments	Debt - Real Estate	1.37%
AMIGO LOANS 7 % 01/15/24	Debt - Direct Lending	1.33%
AEW UK REIT	Property - UK Commercial	1.27%
International Personal Finance 7.25%	Debt - Direct Lending	1.27%
International Personal Finance 5.75% 2021	Debt - Direct Lending	1.20%
Schroder European REIT	Property - Europe Regional	1.17%
GCP Asset Backed Income	Debt - Asset Backed / Secured Loans	1.13%
TwentyFour Select Monthly Income	Debt - Diversified	1.04%
Aquila European Renewables Income Fund PLC	Infrastructure - Renewables, Mixed	1.02%
Alcentra European Floating Rate	Debt - Asset Backed / Secured Loans	0.99%
NB Global Floating Rate Income	Debt - Asset Backed / Secured Loans	0.94%
RM Secured Direct Lending	Debt - Direct Lending	0.91%
Fair Oaks Income	Debt - CLOs	0.88%
Bluefield Solar Income	Infrastructure - Renewables, Solar	0.85%
Tritax EuroBox	Property - Europe Commercial	0.84%
GCP Infrastructure Investments	Infrastructure - PPP / Core	0.65%
Urban Logistics REIT	Property - UK Commercial	0.65%
US Solar Fund	Infrastructure - Renewables, Solar	0.59%
SONG C Class	Debt - Specialist	0.38%
Warehouse REIT	Property - UK Commercial	0.32%
Hipgnosis Song Fund Ltd	Debt - Specialist	0.31%
NewDay Floating 2023	Debt - Specialist	0.29%
Triple Point Social Housing REIT	Property - Specialist (Residential)	0.29%
Convenience Retail REIT	Property - Specialist (Other)	0.26%
GCP Student Living	Property - Specialist (Student)	0.25%
Blackstone/GSO Loan Financing	Debt - CLOs	0.19%
Charter Hall Education Trust	Property - Specialist (Other)	0.15%
International Personal Finance 6.125% 2020	Debt - Direct Lending	0.15%
Atlantica Yield	Infrastructure - Renewables, Mixed	0.12%
Infratil	Infrastructure - PPP / Core	0.11%
Primary Healthcare Properties	Property - Specialist (Healthcare)	0.10%
Volta Finance	Debt - CLOs	0.08%
TransAlta Renewables	Infrastructure - Renewables, Mixed	0.08%
Restricted Cash		0.54%
Unrestricted Cash		16.17%

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