



VT RM Alternative Income Fund

Monthly Factsheet – 30th April 2020

Company Overview

Fund Name:	VT RM Alternative Income Fund	
Launch Date:	11 th June 2018	
Regulatory Status:	FCA Authorised	
Fund Size:	£82.90m	
Classification:	Non-Complex	
Sector:	IA Specialist	
Share Classes:	Income & Accumulation	
Currencies:	GBP, EUR, USD	
Share Class	ISIN	NAV
GBP Accumulation (I)	GB00BD6SVV68	102.28
GBP Accumulation (R)	GB00BYVZQ252	102.12
GBP Income (I)	GB00BD6SVR23	93.37
GBP Income (R)	GB00BYVZPZ16	92.37
Next Dividend Ex Date:	31/07/2020	
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	

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

²The 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.

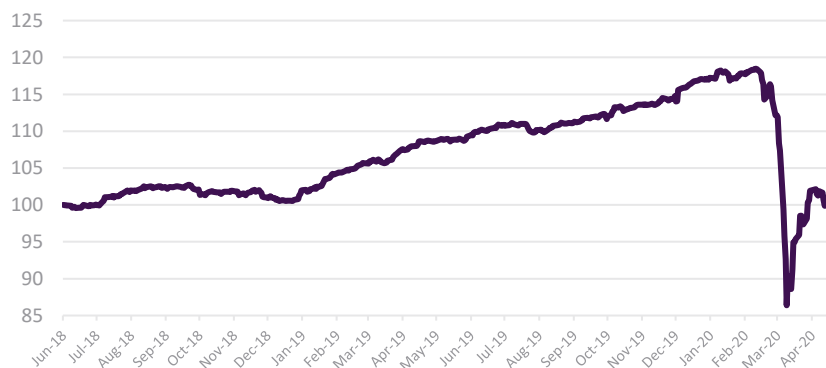
Portfolio Activity

The Fund’s total return for the month of April was 3.82%. The long-only fund produced a positive return during the month. 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 changed from £1.00 to £1.02 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. The Investment Team had numerous conference calls with management teams and to further discuss asset and business performance within the context of the global health pandemic.

No new holdings were added during the month. During the period we continued to rebalance the portfolio towards assets/holdings which demonstrate a high degree of cash flow visibility and are well capitalised. The fund declared a distribution of 1.3842p per unit.

Supermarket REIT (Ticker: SUPR: LN) Holding: 3.94%. During the month the company announced a capital raise to take advantage of market opportunities. We have been vocal in our support of the management team at SUPR. The investment grade / near investment grade counterparty risk, combined with both a high degree of contracted cashflows (c.10-15+ years) and a strong balance sheet / low gearing – provides a very attractive investment for the current market conditions. The transaction specifics were also attractive, with the capital raise coming at a c.5.7% discount to the closing price and eligible for the 1.46p dividend. We increased our position by c.1%.

VT RM Alternative Income - Institutional - Accumulation Units
Unit Price



Period shown from 11th June 2018 to 30th April 2020. 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

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Aegon
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Aviva
Charles Stanley
Cofunds
Elevate
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Market Commentary

The initial wave of COVID-19 related macro data began hitting the tapes during the month. Mostly confirming the challenging global economic outlook markets priced in during March. As we have previously noted, we expect Q2 macro data to be a write-off but the key roadmap to recovery will depend on how Governments address the reopening of their respective economy. The new index to watch is the “R” number as we believe especially in the UK and Europe politicians will be data led and the R number is likely a key metric in this decision process.

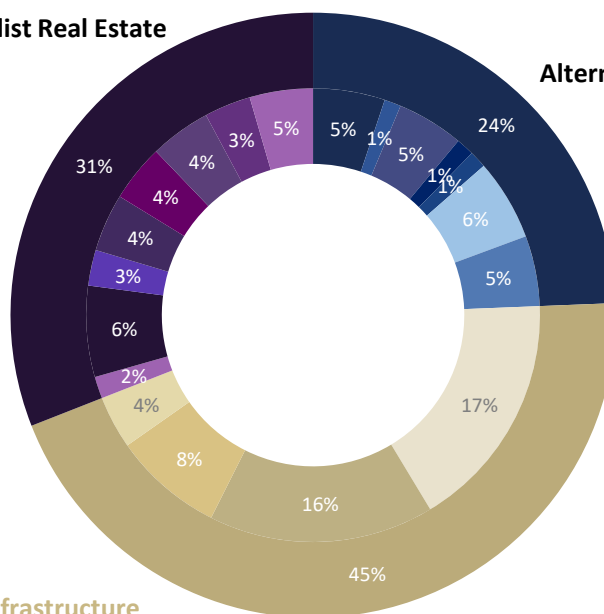
Our current working assumption is that we will see a UK recession last for approximately five quarters, with characteristics of this recession resembling those of the early 1970s oil shocks – which ultimately translated into a government-imposed reduction in economic productivity (the three-day working week).

During the period the investment team conducted an assessment of the constituents of the FTSE 100 and the Bloomberg Barclays Euro Investment grade corporate bond index. Our research identified that c.42% of companies within the FTSE 100 had suspended dividends and c.90% of the constituents within the Bloomberg Barclays Investment grade euro corporate bond index had yields of between negative and less than 2.50%. This provides an interesting contrast to the distribution target of the fund of 5% / 5p on the issue price.

Allocation Split¹

Specialist Real Estate

Alternative Credit



Infrastructure

- Debt - Asset Backed / Secured Loans
- Debt - CLOs
- Debt - Direct Lending
- Debt - Diversified
- Debt - Infrastructure
- Debt - Real Estate
- Debt - Specialist
- Infrastructure - PPP / Core
- Infrastructure - Renewables, Mixed
- Infrastructure - Renewables, Solar
- Infrastructure - Renewables, Wind
- Property - Europe Regional
- Property - Specialist (Healthcare)
- Property - Specialist (Other)
- Property - Specialist (Residential)
- Property - Specialist (Retail)
- Property - Specialist (Student)
- Property - UK Commercial
- Property - UK Long Leases

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

NAV & Dividend History – 2020													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p ⁽¹⁾	1.2500	-	-	1.3842	-	-	-	-	-	-	-	-	2.63p
NAV ⁽²⁾	117.22	114.31	98.52	102.28	-	-	-	-	-	-	-	-	-
NAV monthly return ⁽²⁾	0.30%	(2.48%)	(13.82%)	3.82%	-	-	-	-	-	-	-	-	(12.49%)

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	-	-	1.2500	-	-	4.97p
NAV ⁽²⁾	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 ⁽²⁾	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 ⁽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
John Laing Environmental Assets Group	Infrastructure - Renewables, Mixed	7.34%
Tritax Big Box REIT PLC	Property - UK Long Leases	4.36%
HICL Infrastructure Company	Infrastructure - PPP / Core	4.15%
Civitas Social Housing	Property - Specialist (Residential)	3.99%
Supermarket Income Reit PLC	Property - Specialist (Retail)	3.94%
Empiric Student Property	Property - Specialist (Student)	3.86%
Impact Healthcare Reit	Property - Specialist (Healthcare)	3.81%
International Public Partnerships	Infrastructure - PPP / Core	3.71%
Renewables Infrastructure Group	Infrastructure - Renewables, Mixed	3.30%
3i Infrastructure	Infrastructure - PPP / Core	3.15%
NewDay 7.375% 2024	Debt - Specialist	2.99%
Foresight Solar Fund	Infrastructure - Renewables, Solar	2.89%
NextEnergy Solar	Infrastructure - Renewables, Solar	2.66%
NB Global Floating Rate Income	Debt - Asset Backed / Secured Loans	2.43%
Aquila European Renewables Income Fund PLC	Infrastructure - Renewables, Mixed	2.38%
EGBLFN 6 1 4 10/30/25	Debt - Real Estate	2.38%
Octopus Renewables Infrastructure Trust Plc	Infrastructure - Renewables, Mixed	2.36%
BBGI SICAV	Infrastructure - PPP / Core	2.10%
Greencoat Renewables Plc	Infrastructure - Renewables, Wind	2.02%
Urban Logistics REIT	Property - UK Commercial	1.97%
SDCL Energy Efficiency Income Trust plc	Infrastructure - PPP / Core	1.92%
LXI REIT Plc	Property - Specialist (Other)	1.83%
Target Healthcare REIT	Property - Specialist (Healthcare)	1.76%
Voyage Care 5.875 23	Debt - Specialist	1.69%
Greencoat UK Wind Plc	Infrastructure - Renewables, Wind	1.64%
AMIGO LOANS 7 ½ 01/15/24	Debt - Direct Lending	1.61%
Schroder European REIT	Property - Europe Regional	1.51%
Real Estate Credit Investments	Debt - Real Estate	1.49%
Alcentra European Floating Rate	Debt - Asset Backed / Secured Loans	1.33%
GCP Infrastructure Investments	Infrastructure - PPP / Core	1.31%
Bluefield Solar Income	Infrastructure - Renewables, Solar	1.25%
TwentyFour Select Monthly Income	Debt - Diversified	1.24%
AEW UK REIT	Property - UK Commercial	1.24%
GCP Asset Backed Income	Debt - Asset Backed / Secured Loans	1.19%
Talk Talk 3.875 2025	Debt - Infrastructure	1.18%
Starwood European Real Estate Finance	Debt - Real Estate	1.06%
US Solar Fund	Infrastructure - Renewables, Solar	0.80%
Assura Plc	Property - Specialist (Healthcare)	0.71%
BRUNTWOOD BOND 2 PLC	Debt - Real Estate	0.68%
Blackstone/GSO Loan Financing	Debt - CLOs	0.68%
International Personal Finance 5.75% 2021	Debt - Direct Lending	0.65%
RM Secured Direct Lending	Debt - Direct Lending	0.62%
International Personal Finance 6.125% 2020	Debt - Direct Lending	0.59%
International Personal Finance 7.25%	Debt - Direct Lending	0.59%
JERRGB 4.875 01/15/26	Debt - Direct Lending	0.54%
Fair Oaks Income	Debt - CLOs	0.43%
Convenience Retail REIT	Property - Specialist (Other)	0.39%
GCP Student Living	Property - Specialist (Student)	0.34%
Charter Hall Education Trust	Property - Specialist (Other)	0.24%
NewDay Floating 2023	Debt - Specialist	0.16%
Infratil	Infrastructure - PPP / Core	0.10%
Atlantica Yield	Infrastructure - Renewables, Mixed	0.10%
TransAlta Renewables	Infrastructure - Renewables, Mixed	0.06%
Volta Finance	Debt - CLOs	0.04%
Resstricted Cash		1.86%
Unrestricted Cash		1.37%

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