



VT RM Alternative Income Fund

Monthly Factsheet – 31st July 2020

Company Overview

| | | |
|---------------------------|-------------------------------|------------|
| Fund Name: | VT RM Alternative Income Fund | |
| Launch Date: | 11 th June 2018 | |
| Regulatory Status: | FCA Authorised | |
| Fund Size: | £84.95m | |
| Classification: | Non-Complex | |
| Sector: | IA Specialist | |
| Share Classes: | Income & Accumulation | |
| Currencies: | GBP, EUR, USD | |
| Share Class | ISIN | NAV |
| GBP Accumulation (I) | GB00BD6SVV68 | 110.90 |
| GBP Accumulation (R) | GB00BYVZQ252 | 110.71 |
| GBP Income (I) | GB00BD6SVR23 | 99.97 |
| GBP Income (R) | GB00BYVZPZ16 | 98.92 |

| | |
|-------------------------------|------------|
| Next Dividend Ex Date: | 31/10/2020 |
|-------------------------------|------------|

| | |
|----------------------------|-----------------------------------|
| Dividend Pay Dates: | March, June, September, December. |
|----------------------------|-----------------------------------|

| | |
|---|--------------------------|
| Annual Management Charges¹: | Institutional (F): 0.50% |
| | 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

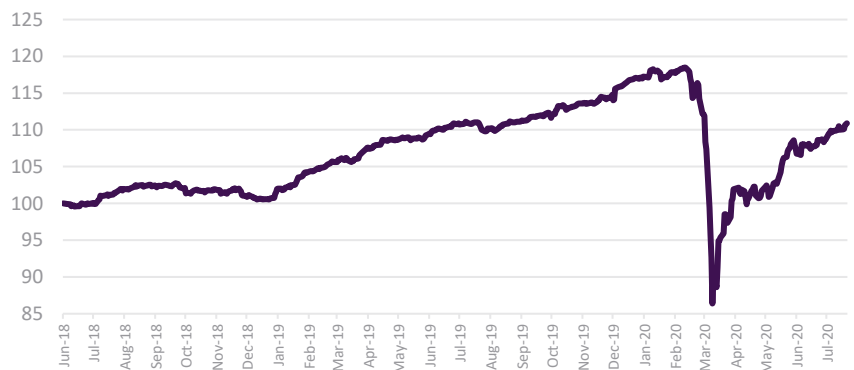
VT RM Alternative Income Fund (the “Fund” or “RMAI”) seeks to provide income whilst preserving capital over the medium to long-term. The focus is real asset investments across three sectors; Secured Real Assets, Infrastructure and Specialist Real Estate. The Fund seeks to meet its objectives by investing in listed equities and other transferable securities (including, REITs and Investment Trusts) whose primary activity or exposure is within the alternative income sectors. 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.

Monthly NAV Performance & Dividend

The Fund’s percentage total return³ for the month of July was 2.80% Since the Fund’s inception on the 11th June 2018 the return has been 10.9% net of fees.

The Fund went ex-dividend for the Fund’s first accounting quarter of the 2020/2021 financial year; the distribution was 1.2313p for the Institutional Income Class. The target distribution yield of 5.00% remains on-track. The portfolio is comprised of liquid 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.

VT RM Alternative Income - Institutional - Accumulation Units
Unit Price



Period shown from 11th June 2018 to 31st July 2020. Capital is at risk; returns are not guaranteed and past performance is no guarantee of future performance.

Portfolio Activity

At the portfolio level the objective for the month was to reduce risk and take profits given the strong gains of recent months. This was achieved via a partial sale of **JLEN Environmental Assets (JLEN: LN)** at a circa 20% premium to NAV, whilst increasing our position in **Next Solar Energy Fund (NESF: LN)** with a more modest premium to NAV. This has reduced the JLEN exposure from 3.70% to 3.17% of fund assets. It is our expectation that JLEN will be seeking to raise capital over the coming months which will offer an attractive re-entry point.

In addition, the Investment team capitalised on the recent price appreciation of the **New Day Senior Secured Bonds (NEMEAN 7 3/8 02/01/24)** and reduced exposure from 4.04% to 1.98% of fund assets within the name. The New Day business is well run, with strong corporate governance and an excellent management team, and has performed well since the March lock-down; however the risks are that as we look forward to the government Furlough scheme tapering off, unemployment is likely to rise considerably - with the

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performance of New Day highly correlated to employment figures, there are increased risks to a worse second half for the business.

Finally, the other area of interest during the month was within the Specialist Real Estate segment as the Investment team continued to deploy capital into businesses owning social infrastructure assets such as care homes, specifically **Target Healthcare REIT (THRL: LN)** and **Impact Healthcare REIT (IHR: LN)**. Despite the adverse commentary around the care sector in the press, our various holdings and their management teams have delivered sound results in very challenging market conditions. RM Funds feel strongly that these businesses offer both social and financial benefits to the Fund's investors.

Market Commentary

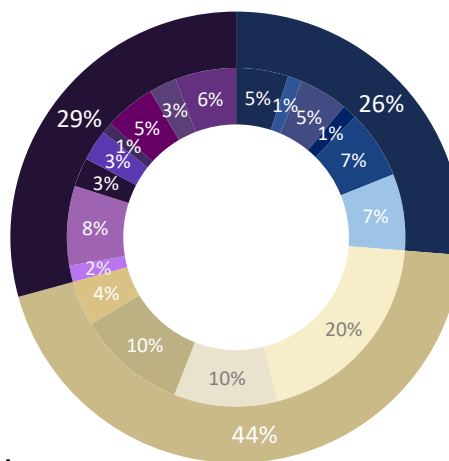
Overall, the month of July was a tougher environment for global equity markets: doubts reappeared as to how countries can really exit the lockdown in the absence of a vaccine. The US appeared to be fighting fires on all fronts, including geo-political, economic and health policy. With a Presidential election only months away, we expect volatility moving into Q4 2020. In Europe markets wax and waned on news that the EU had reached an agreement on a €750bn recovery fund. However towards the end of July second wave concerns began to materialise, with the Australia State of Victoria declaring a state of disaster, and certain counties in the UK facing local lock-down.

As we closed out the month, the US Congress began discussing a range of fiscal measures to support businesses and citizens -concern will undoubtedly be raised about monetary inflation. Whilst the markets appear fragile, the Investment team believe a focus on real assets providing essential services, from renewable energy generation to healthcare and online delivery fulfilment, provides a material degree of confidence both in terms of earnings/distributions but also stability of the underlying asset valuations.

Allocation Split¹

Specialist Real Estate

Secured Real Assets



Infrastructure

- Debt - Asset Backed / Secured Loans
- Debt - CLOs
- Debt - Direct Lending
- Debt - Diversified
- Debt - Real Estate
- Debt - Specialist
- Infrastructure - PPP / Core
- Infrastructure - Renewables, Solar
- Infrastructure - Renewables, Wind
- Infrastructure - Renewables, Mixed
- 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 | - | - | 1.2313 | - | - | - | - | - | 3.87p |
| NAV ⁽²⁾ | 117.22 | 114.31 | 98.52 | 102.28 | 106.21 | 107.87 | 110.90 | - | - | - | - | - | - |
| NAV monthly return ⁽²⁾ | 0.30% | (2.48%) | (13.82%) | 3.82% | 3.84% | 1.57% | 2.80 | - | - | - | - | - | (5.12%) |

| 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
 Capital is at risk; returns are not guaranteed and past performance is no guarantee of future performance.

| <i>Position</i> | <i>Sector Classification</i> | <i>% of the Portfolio</i> |
|--------------------------------|-------------------------------------|---------------------------|
| Tritax Big Box REIT PLC | Property - UK Long Leases | 5.25% |
| Hicl Infrastructure PLC | Infrastructure - PPP - Core | 4.41% |
| Empiric Student Property PLC | Property - Specialist (Student) | 4.36% |
| Impact Healthcare Reit PLC | Property - Specialist (Healthcare) | 4.18% |
| NextEnergy Solar Fund Ltd | Infrastructure - Renewables, Solar | 4.11% |
| Renewables Infrastructure Grou | Infrastructure - Renewables, Mixed | 4.02% |
| International Public Partnersh | Infrastructure - PPP - Core | 3.83% |
| 3i Infrastructure PLC | Infrastructure - PPP - Core | 3.41% |
| Foresight Solar Fund Ltd | Infrastructure - Renewables, Solar | 3.30% |
| JLEN Environmental Assets Grou | Infrastructure - Renewables, Mixed | 3.17% |
| Hipgnosis Songs Fund Ltd/The F | Debt - Specialist | 2.97% |
| Sdcl Energy Efficiency Income | Infrastructure - PPP - Core | 2.71% |
| Civitas Social Housing PLC | Property - Specialist (Residential) | 2.68% |
| EGBLFN 6 1/4 10/30/25 | Debt - Real Estate | 2.66% |
| NB Global Floating Rate Income | Debt - Asset Backed - Secured Loans | 2.65% |
| Target Healthcare REIT PLC | Property - Specialist (Healthcare) | 2.45% |
| Greencoat Renewables PLC | Infrastructure - Renewables, Wind | 2.20% |
| BBGI SICAV SA/Fund | Infrastructure - PPP - Core | 2.15% |
| LXI REIT plc | Property - Specialist (Other) | 1.80% |
| NEMEAN 7 3/8 02/01/24 | Debt - Specialist | 1.77% |
| Greencoat UK Wind PLC/Funds | Infrastructure - Renewables, Wind | 1.72% |
| VOYCAR 5 7/8 05/01/23 | Debt - Specialist | 1.65% |
| Real Estate Credit Investments | Debt - Real Estate | 1.60% |
| AEW UK REIT PLC | Property - UK Commercial | 1.52% |
| Schroder European Real Estate | Property - Europe Regional | 1.41% |
| AMIGLN 7 5/8 01/15/24 | Debt - Direct Lending | 1.40% |
| TwentyFour Select Monthly Inco | Debt - Diversified | 1.30% |
| GCP Infrastructure Investments | Infrastructure - PPP - Core | 1.27% |
| IPFLN 5 3/4 04/07/21 | Debt - Direct Lending | 1.27% |
| Bluefield Solar Income Fund Lt | Infrastructure - Renewables, Solar | 1.26% |
| Aquila European Renewables Inc | Infrastructure - Renewables, Mixed | 1.21% |
| GCP Asset Backed Income Fund L | Debt - Asset Backed - Secured Loans | 1.18% |
| Supermarket Income Reit PLC | Property - Specialist (Retail) | 0.97% |
| Starwood European Real Estate | Debt - Real Estate | 0.94% |
| IPFLN 7 3/4 12/14/23 | Debt - Direct Lending | 0.92% |
| Urban Logistics REIT PLC | Property - UK Commercial | 0.85% |
| US Solar Fund PLC/Fund | Infrastructure - Renewables, Solar | 0.74% |
| Blackstone/GSO Loan Financing | Debt - CLOs | 0.72% |
| BRUNT 6 02/25/25 | Debt - Real Estate | 0.69% |
| Alcentra European Floating Rat | Debt - Asset Backed - Secured Loans | 0.66% |
| RM Secured Direct Lending plc | Debt - Direct Lending | 0.60% |
| Fair Oaks Income Ltd | Debt - CLOs | 0.51% |
| APN Convenience Retail REIT | Property - Specialist (Other) | 0.44% |
| Octopus Renewables Infrastruct | Infrastructure - Renewables, Mixed | 0.33% |
| Charter Hall Social Infrastruc | Property - Specialist (Other) | 0.25% |
| NEMEAN Float 02/01/23 | Debt - Specialist | 0.21% |
| Primary Health Properties PLC | Property - Specialist (Healthcare) | 0.14% |
| Atlantica Sustainable Infrastr | Infrastructure - Renewables, Mixed | 0.11% |
| Infratil Ltd | Infrastructure - PPP - Core | 0.10% |
| Assura PLC | Property - Specialist (Healthcare) | 0.09% |
| TransAlta Renewables Inc | Infrastructure - Renewables, Mixed | 0.06% |
| <i>Restricted Cash</i> | | <i>0.86%</i> |
| <i>Unrestricted Cash</i> | | <i>8.95%</i> |

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