



VT RM Alternative Income Fund

Monthly Factsheet – 31st October 2022

Company Overview		
Fund Name:	VT RM Alternative Income Fund	
Launch Date:	11 th June 2018	
Regulatory Status:	FCA Authorised	
Fund Size:	£241.62m	
Classification:	Non-Complex	
Sector:	IA Infrastructure	
Share Classes:	Income & Accumulation	
Currencies:	GBP, EUR, USD	
Share Class	ISIN	NAV
GBP Accumulation (I)	GB00BD6SVV68	126.90
GBP Accumulation(R)	GB00BYVZQ252	126.47
GBP Income (I)	GB00BD6SVR23	102.96
GBP Income (R)	GB00BYVZPZ16	100.95
Next Dividend Ex Date:	31/01/2023	
Dividend Pay Dates:	March, June, September, December.	
Annual Management Charges¹:	Institutional (F): 0.45% / OCF incl. synthetic costs: 1.06%	
	Institutional (I): 0.70% / OCF incl. synthetic costs: 1.35%	
	Retail (R): 0.80% / OCF incl. synthetic costs: 1.45%	
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 Investment Manager of the Fund has undertaken to absorb any costs that would otherwise cause the class F/I/R shares of the Fund to have ongoing charges (excluding underlying collective investment undertaking holding charges) in excess of 0.45% (F) and 0.85% (I & R) respectively.		
Due to FCA reporting requirements UCITS funds must now report synthetic costs from underlying investments within the OCF calculation (contained in the KIID). For the avoidance of doubt the cash amount charged by the Investment Manager has not changed.		
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.		

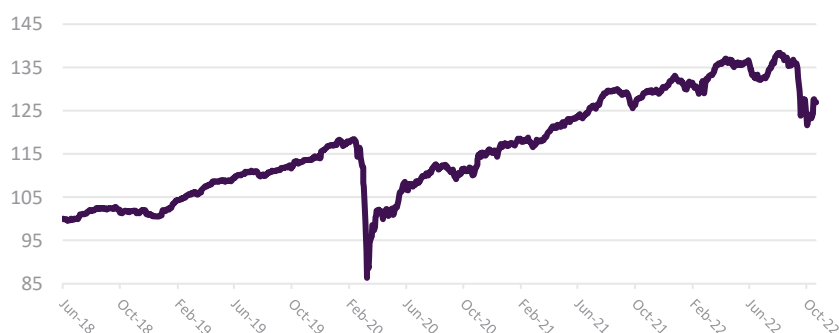
Overview

VT RM Alternative Income Fund (the “Fund” or “RMAI”) seeks to provide income whilst preserving capital over the medium to long-term. The 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 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. The fund’s percentage total return³ for the month of October was 0.19%. Since the Fund’s inception on the 11th of June 2018 the return has been 26.90% net of fees.

VT RM Alternative Income - Institutional - Accumulation Units
Unit Price



Period shown from 11th June 2018 to 31st October 2022. Capital is at risk; returns are not guaranteed, and past performance is no guarantee of future performance.

Portfolio Activity

During the period the Portfolio Manager and Investment team exited the fund’s investments in **HEIT: LN**, **PINT: LN** and **3IN: LN**. In addition, the following investments were trimmed: **TRIG: LN**, **JLEN: LN**, **FSFL: LN**, **TMI: LN** and **SHIP: LN**. The rationale for reducing the demand-based infrastructure holdings (**3IN: LN**, **PINT: LN**, **TMI: LN** and **SHIP: LN**), relate to the economic slowdown across the G8, with the Portfolio Manager favouring regulated assets. Regulated assets within the fund include bond holdings in National Grid, Thames Water and Heathrow airport. One new equity holding was established during the period, Primary Health Properties (**PHP: LN**)

National Grid, Senior Bonds (NGGLN): Is one of the largest public-listed utility companies globally. The Company is focused on both the transmission and distribution of electricity (dependent upon geography). The Company is a key part of the UK’s energy infrastructure network, and this represents around c.53% of the Groups assets. The rationale for investing within the energy transmission network relates, in part, to the increased political risk facing UK energy generation assets. Therefore, the decision was made to crystallise a proportion of the Fund’s gains within the renewable energy generation and storage segments, and to redeploy proceeds into energy transmission assets.



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Platforms

7IM	Interactive Investor
AJ Bell	James Hay
Aegon	Novia
AllFunds	Nucleus
Alliance Trust	Old Mutual
Ascentric (M&G)	Pershing
Aviva	Praemium
Charles Stanley	Raymond James
Cofunds	RL360
Elevate	Standard Life
Fidelity	Stocktrade
FNZ	Tillit
Fusion	Transact
Hargreaves Lansdown	Wealthtime
Hubwise	Zurich

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At the time of the investment, the bonds offered a more attractive yield than the National Grid equity, with the additional benefit of a more secure position within the group's capital structure. The bonds are rated Baa1/BBB+ (Moody's / S&P), with a staggered maturity between January 2023 and November 2023, providing the Portfolio Manager with optionality as to where to deploy cash proceeds upon maturity.

The fund has invested in several senior bonds within the investible universe, including energy transmission, digital infrastructure, water infrastructure, healthcare, accommodation, and supermarkets.

Please note, during the period the fund went ex-distribution.

Market Commentary

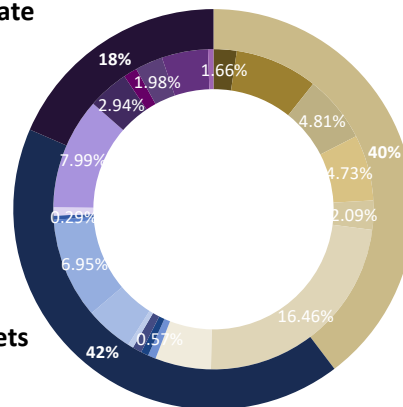
Domestically, the political situation calmed with a further change in government leadership. The UK macro data continued to outline a tricky picture for the BOE to navigate, with another high CPI print. Europe continues to see similar inflationary pressures driven by similar key inflationary components (energy, food etc).

Overall, October was a risk-on month. US equity markets traded higher, with the S&P 500 ETFs up c.+5.2%, and ETF's tracking the FTSE250 c.+3.5%. Turning to fixed income credit spreads, these tightened with the XO -80bps and IG -20bps - resulting in the iShares ETF tracking Core Corporate bonds popping c.+4.5% on the month.

The fund began to utilise its dry powder, rotating into bonds within the key thematic areas (as noted above), with fixed income credit accounting for c.42% of the fund's allocation. Please note, therefore, the synthetic OCF has fallen by c.29bps across each unit class as a result. There has been no change to the actual cash costs.

Allocation Split¹

Specialist Real Estate



Secured Real Assets

- Infrastructure - Demand - 1.7%
- Infrastructure - PPP - Core - 4.8%
- Infrastructure - Renewables, Other/Special - 2.1%
- Infrastructure - Renewables, Wind - 4%
- Debt - Asset Backed - Secured Loans - 0.6%
- Debt - CLOs - 0.5%
- Debt - Diversified - 0.4%
- Debt - Real Estate - 7%
- Property - Europe Commercial - 0.3%
- Property - Specialist (Healthcare) - 8%
- Property - Specialist (Residential) - 1%
- Property - Specialist (Social) - 3.3%
- Infrastructure - Digital - 5.9%
- Infrastructure - Renewables, Mixed - 4.7%
- Infrastructure - Renewables, Solar - 16.5%
- Debt - Direct Lending - 0.7%
- Debt - Government - 3.4%
- Debt - Specialist - 0.3%
- Property - Europe Regional - 0.6%
- Property - Specialist (Other) - 2.9%
- Property - Specialist (Retail) - 2%
- Property - UK Commercial - 0.4%

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

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NAV & Dividend History – 2022													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p ⁽¹⁾	1.2500	-	-	1.3467	-	-	1.2500	-	-	1.2908			5.14p
NAV ⁽²⁾	130.75	130.07	134.96	136.74	135.94	132.35	135.91	136.90	126.66	126.90			-
NAV monthly return ⁽²⁾	(1.38%)	(0.52%)	3.76%	1.32%	(0.58%)	(2.64%)	2.69%	0.73%	(7.48)	0.19%			(4.29%)

NAV & Dividend History – 2021													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p ⁽¹⁾	0.7516	-	-	1.8566	-	-	1.0027	-	-	1.3583	-	-	4.97p
NAV ⁽²⁾	117.36	117.90	118.43	121.53	123.13	124.38	127.61	129.65	127.03	129.03	129.01	132.58	-
NAV monthly return ⁽²⁾	0.67%	0.46%	0.45%	2.62%	1.31%	1.01%	2.60%	1.60%	(2.02%)	1.57%	(0.02%)	2.77%	13.73%

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	-	-	1.1795	-	-	5.05p
NAV ⁽²⁾	117.22	114.31	98.52	102.28	106.21	107.87	110.90	112.28	110.10	110.08	115.05	116.57	-
NAV monthly return ⁽²⁾	0.30%	(2.48%)	(13.82%)	3.82%	3.84%	1.57%	2.80%	1.25%	(1.94%)	(0.03%)	4.52%	1.33%	(0.26%)

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	-	-	1.4560	-	-	1.75p
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
NextEnergy Solar Fund Ltd	Infrastructure - Renewables, Solar	6.3%
Foresight Solar Fund Ltd	Infrastructure - Renewables, Solar	5.9%
MPW 2.55 12/05/23	Debt - Infrastructure	5.5%
THAMES 2 3/8 05/03/23	Debt - Infrastructure	4.7%
VOYCAR 5 7/8 02/15/27	Debt - Infrastructure	4.7%
Bluefield Solar Income Fund Ltd	Infrastructure - Renewables, Solar	3.7%
Digital 9 Infrastructure PLC	Infrastructure - Digital	3.7%
UKT 0 1/8 01/31/23	Debt - Government	3.3%
Renewables Infrastructure Group	Infrastructure - Renewables, Mixed	3.3%
VMED 5 04/15/27	Debt - Infrastructure	3.2%
Sienna Senior Living Inc	Property - Specialist (Healthcare)	3.0%
NGGLN 5 1/4 01/17/23	Debt - Infrastructure	2.5%
Primary Health Properties PLC	Property - Specialist (Healthcare)	2.5%
Civitas Social Housing PLC	Property - Specialist (Social)	2.4%
Hicl Infrastructure PLC	Infrastructure - PPP - Core	2.3%
Target Healthcare REIT PLC	Property - Specialist (Healthcare)	2.2%
NGGLN 3 5/8 11/06/23	Debt - Infrastructure	2.1%
Cordiant Digital Infrastructure	Infrastructure - Digital	2.0%
Gore Street Energy Storage Fund	Infrastructure - Renewables, Other/Special	2.0%
Supermarket Income Reit PLC	Property - Specialist (Retail)	1.9%
Greencoat Renewables PLC	Infrastructure - Renewables, Wind	1.8%
ASSDLN 4 1/2 02/16/26	Debt - Real Estate	1.7%
Daiwa House Logistics Trust	Property - Specialist (Other)	1.7%
EGBLFN 6 1/4 10/30/25	Debt - Real Estate	1.7%
VMED 4 1/4 01/15/30	Debt - Infrastructure	1.6%
Greencoat UK Wind PLC/Funds	Infrastructure - Renewables, Wind	1.4%
ASSDLN 3 1/4 02/16/26	Debt - Real Estate	1.3%
JLEN Environmental Assets Group	Infrastructure - Renewables, Mixed	1.3%
HTHROW 4 3/4 03/01/24	Debt - Infrastructure	1.3%
UNITEU 3.374 06/30/23	Debt - Infrastructure	1.2%
International Public Partnership	Infrastructure - PPP - Core	1.0%
GCP Infrastructure Investments	Infrastructure - PPP - Core	0.9%
Triple Point Social Housing REIT	Property - Specialist (Residential)	0.9%
MRWLN 5 1/2 11/04/27	Debt - Real Estate	0.9%
Taylor Maritime Investments Ltd	Infrastructure - Demand	0.9%
Home Reit PLC	Property - Specialist (Social)	0.8%
Dexus Convenience Retail REIT	Property - Specialist (Other)	0.7%
Tufton Oceanic Assets Ltd/The	Infrastructure - Demand	0.7%
Real Estate Credit Investments	Debt - Real Estate	0.7%
Greencoat Renewables PLC	Infrastructure - Renewables, Wind	0.6%
Schroder European Real Estate	Property - Europe Regional	0.6%
GCP Asset Backed Income Fund Ltd	Debt - Asset Backed - Secured Loans	0.5%
RM Infrastructure Income Plc	Debt - Infrastructure	0.5%
Fair Oaks Income Ltd	Debt - CLOs	0.5%
HTHROW 5 3/4 03/03/25	Debt - Infrastructure	0.5%
AEW UK REIT PLC	Property - UK Commercial	0.4%
TwentyFour Select Monthly Income	Debt - Diversified	0.4%
IPFLN 7 3/4 12/14/23	Debt - Direct Lending	0.4%
BBGI Global Infrastructure SA	Infrastructure - PPP - Core	0.3%
Global Net Lease Inc	Property - Specialist (Other)	0.3%
IPFLN 9 3/4 11/12/25	Debt - Direct Lending	0.3%
Tritax EuroBox PLC	Property - Europe Commercial	0.3%
Hipgnosis Songs Fund Ltd	Debt - Specialist	0.3%
BRUNT 6 02/25/25	Debt - Real Estate	0.3%
Charter Hall Social Infrastructure	Property - Specialist (Other)	0.1%
<i>Restricted Cash</i>		<i>0.0%</i>
<i>Unrestricted Cash</i>		<i>4.0%</i>

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