



VT RM Alternative Income Fund

Monthly Factsheet – 31st October 2023

Company Overview

Fund Name:	VT RM Alternative Income Fund	
Launch Date:	11 th June 2018	
Regulatory Status:	FCA Authorised	
Fund Size:	£160.54m	
Classification:	Non-Complex	
Sector:	IA Infrastructure	
Share Classes:	Income & Accumulation	
Currencies:	GBP, EUR, USD	
Share Class	ISIN	NAV
GBP Accumulation (I)	GB00BD6SVV68	113.20
GBP Accumulation(R)	GB00BYVZQ252	112.73
GBP Income (I)	GB00BD6SVR23	85.95
GBP Income (R)	GB00BYVZPZ16	84.20
Next Dividend Ex Date:	31/01/2024	
Dividend Pay Dates:	March, June, September, December.	
Annual Management Charges¹:	Institutional (F): 0.45% / OCF incl. synthetic costs: 1.10%	
	Institutional (I): 0.70% / OCF incl. synthetic costs: 1.38%	
	Retail (R): 0.80% / OCF incl. synthetic costs: 1.48%	
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 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.

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.



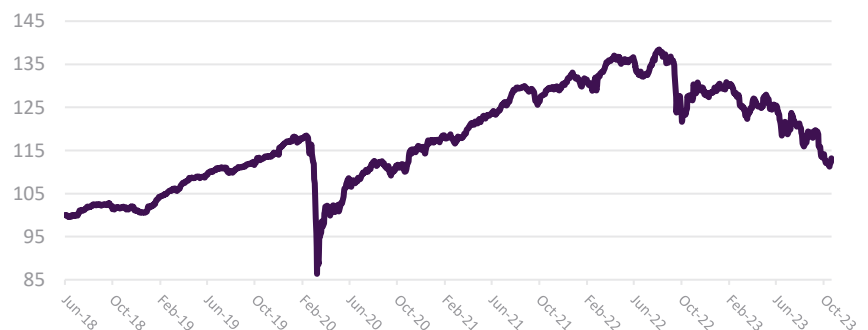
Overview

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 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 (2.32%). Since the Fund’s inception on the 11th of June 2018 the return has been 13.20% net of fees.

VT RM Alternative Income - Institutional - Accumulation Units
Unit Price



Period shown from 11th June 2018 to 31st October 2023. Capital is at risk; returns are not guaranteed, and past performance is no guarantee of future performance.

Portfolio Activity

The Portfolio Manager and Investment Team maintained an active presence throughout the reporting period. As highlighted in our recent webinar presentation, the Portfolio Manager holds the view that the market has already factored in the bottom, prompting the investment team to initiate strategic repositioning of the fund to capitalise on the anticipated revaluation within the listed real asset sector. Key investment activities during this period included:

Target Healthcare REIT (THRL: LN): THRL has exhibited a solid trading performance post-global health pandemic, featuring a fully covered dividend, secured debt structure, modest Loan-to-Value (LTV) ratio, and high-quality purpose-built aged care accommodation in a market with enduring structural support. The stock is trading at a discount of over 30% to its Net Asset Value (NAV), presenting an attractive entry point to augment the fund's exposure.

Supermarket Income REIT (SUPR: LN): This company was covered in the previous monthly factsheet, during the period the fund increased its exposure to the security.



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The prospectus, KIID, and Investment Updates can be found on our website. www.rm-funds.co.uk

Platforms

7IM
AJ Bell
Aegon
AllFunds
Alliance Trust
Ascentric (M&G)
Aviva
Charles Stanley
Cofunds
Elevate
Fidelity
FNZ
Fusion
Hargreaves Lansdown
Hubwise

Interactive Investor
James Hay
Novia
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RL360
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Stocktrade
Tillit
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HICL Infrastructure (HICL: LN): The Investment team augmented their position in HICL due to an appealing discount opportunity. HICL's asset portfolio includes availability-based, inflation-linked cashflows, which are expected to perform favourably as the economy enters a late-cycle phase. A clear catalyst for the company's performance is the shift in implied future interest rates.

Charter Hall Social Infrastructure REIT (CQE: AU): The fund decided to exit its investment in CQE. While the company operates in an attractive segment overall, the Australian economy is displaying characteristics indicative of a recession. However, the primary motivation for this decision lies in the relative value, with the Portfolio Manager identifying social-focused real estate assets in the UK as exceptionally appealing.

AEW UK REIT PLC (AEWU: LN): The fund divested its position during this period. Despite an effective asset management strategy, concerns arose due to an uncovered dividend in a higher rate environment. However, the primary driver for divestment stemmed from the pursuit of relative value opportunities. By reallocating into similarly yielding companies with covered dividends and conservative funding, trading at discounts of 20-35% to NAV, a superior risk-adjusted return could be achieved.

In closing, during this period, the fund declared a quarterly distribution of 1.5653p per unit (Institutional Income Class), representing a substantial increase compared to previous years' distributions.

Market Commentary

The markets experienced a general risk-off sentiment during the month. Exchange-traded funds (ETFs) tracking the S&P and FTSE All-Share declined by approximately 2.20% and 2.90%, respectively. Additionally, European high-yield credit spreads widened by around 10 basis points.

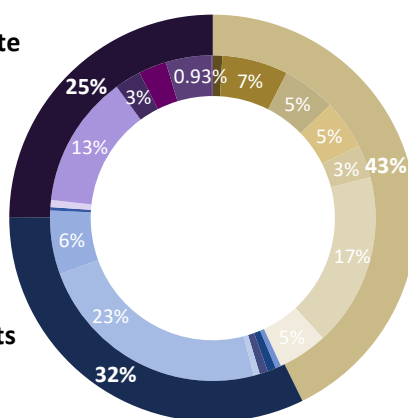
This risk-off sentiment was driven by the Consumer Price Index (CPI) print, which met expectations with a flat reading. Furthermore, hawkish comments from central bankers directed market attention towards the "higher for longer" narrative. However, the peak in treasury yields suggested that the market was beginning to factor in the bottom, especially as other macroeconomic indicators, such as wage growth, began to exhibit signs of weakness.

Allocation Split¹

Specialist Real Estate

Secured Real Assets

Infrastructure



- Infrastructure - Demand - 0.9%
- Infrastructure - PPP - Core - 5.2%
- Infrastructure - Renewables, Other/Special - 3.2%
- Infrastructure - Renewables, Wind - 4.9%
- Infrastructure - Digital - 6.5%
- Infrastructure - Renewables, Mixed - 4.9%
- Infrastructure - Renewables, Solar - 17.1%
- Debt - Asset Backed - Secured Loans - 0.6%
- Debt - CLOs - 0.8%
- Debt - Diversified - 0.6%
- Debt - Real Estate - 6.3%
- Debt - Infrastructure - 23.3%
- Debt - Specialist - 0%
- Property - Europe Commercial - 0.3%
- Property - Specialist (Healthcare) - 13%
- Property - Specialist (Residential) - 2.7%
- Property - UK Commercial - 0.1%
- Debt - Direct Lending - 0.8%
- Debt - Infrastructure - 23.3%
- Debt - Specialist - 0%
- Property - Europe Regional - 0.7%
- Property - Specialist (Other) - 2.6%
- Property - Specialist (Retail) - 4.5%

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

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NAV & Dividend History – 2023													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p ⁽¹⁾	1.2969	-	-	1.6172	-	-	1.8677	-	-	1.5653			6.35p
NAV ⁽²⁾	129.14	128.33	123.35	125.29	124.47	120.52	121.39	118.93	115.89	113.20			-
NAV monthly return ⁽²⁾	0.41%	(0.62%)	(3.88%)	1.57%	(0.65%)	(3.17%)	0.72%	(2.03%)	(2.55%)	(2.32%)			(11.98%)

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	129.20	128.61	-
NAV monthly return ⁽²⁾	(1.38%)	(0.52%)	3.76%	1.32%	(0.58%)	(2.64%)	2.69%	0.73%	(7.48)	0.19%	1.81%	(0.45%)	(2.99%)

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%
Primary Health Properties PLC	Property - Specialist (Healthcare)	5.8%
VMED 5 04/15/27	Debt - Infrastructure	4.9%
Bluefield Solar Income Fund Ltd	Infrastructure - Renewables, Solar	4.7%
Supermarket Income Reit PLC	Property - Specialist (Retail)	4.4%
VOYCAR 5 7/8 02/15/27	Debt - Infrastructure	4.2%
Digital 9 Infrastructure PLC/Fund	Infrastructure - Digital	4.1%
Renewables Infrastructure Group	Infrastructure - Renewables, Mixed	3.9%
Target Healthcare REIT PLC	Property - Specialist (Healthcare)	3.5%
GTWICK 4 3/8 04/07/26	Debt - Infrastructure	3.5%
Gore Street Energy Storage Fund	Infrastructure - Renewables, Other/Special	3.2%
Hicl Infrastructure PLC	Infrastructure - PPP - Core	3.1%
ASSDLN 4 1/2 02/16/26	Debt - Real Estate	2.8%
Triple Point Social Housing REIT	Property - Specialist (Residential)	2.7%
Greencoat UK Wind PLC/Funds	Infrastructure - Renewables, Wind	2.6%
Sienna Senior Living Income	Property - Specialist (Healthcare)	2.6%
VMED 4 1/4 01/15/30	Debt - Infrastructure	2.5%
IRM 3 7/8 11/15/25	Debt - Infrastructure	2.4%
Cordiant Digital Infrastructure	Infrastructure - Digital	2.3%
Greencoat Renewables PLC	Infrastructure - Renewables, Wind	2.2%
HTHROW 4 3/4 03/01/24	Debt - Infrastructure	2.0%
Daiwa House Logistics Trust	Property - Specialist (Other)	2.0%
NGGLN 3 5/8 11/06/23	Debt - Infrastructure	2.0%
EGBLFN 6 1/4 10/30/25	Debt - Real Estate	1.9%
MRWLN 5 1/2 11/04/27	Debt - Real Estate	1.5%
International Public Partnership	Infrastructure - PPP - Core	1.2%
HTHROW 5 3/4 03/03/25	Debt - Infrastructure	1.1%
Impact Healthcare Reit PLC	Property - Specialist (Healthcare)	1.0%
Taylor Maritime Investments Ltd	Infrastructure - Demand	0.9%
GCP Infrastructure Investments	Infrastructure - PPP - Core	0.9%
JLEN Environmental Assets Group	Infrastructure - Renewables, Mixed	0.9%
Home Reit PLC	Property - Specialist (Social)	0.9%
Fair Oaks Income Ltd	Debt - CLOs	0.8%
Schroder European Real Estate	Property - Europe Regional	0.7%
Dexus Convenience Retail REIT	Property - Specialist (Other)	0.6%
TwentyFour Select Monthly Incom	Debt - Diversified	0.6%
GCP Asset Backed Income Fund Ltd	Debt - Asset Backed - Secured Loans	0.5%
IPFLN 9 3/4 11/12/25	Debt - Direct Lending	0.5%
RM Infrastructure Income Plc	Debt - Infrastructure	0.3%
Tritax EuroBox PLC	Property - Europe Commercial	0.3%
IPFLN 7 3/4 12/14/23	Debt - Direct Lending	0.3%
AEW UK REIT PLC	Property - UK Commercial	0.1%
Charter Hall Social Infrastructure	Property - Specialist (Other)	0.02%
Restricted Cash		0.0%
Unrestricted Cash		1.6%

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