



VT RM Alternative Income Fund

Monthly Factsheet – 29th February 2024

Company Overview

Fund Name:	VT RM Alternative Income Fund	
Launch Date:	11 th June 2018	
Regulatory Status:	FCA Authorised	
Fund Size:	£182.52m	
Classification:	Non-Complex	
Sector:	IA Infrastructure	
Share Classes:	Income & Accumulation	
Currencies:	GBP, EUR, USD	
Share Class	ISIN	NAV
GBP Accumulation (I)	GB00BD6SVV68	116.18
GBP Accumulation (R)	GB00BYVZQ252	115.67
GBP Income (I)	GB00BD6SVR23	86.97
GBP Income (R)	GB00BYVZPZ16	85.20
Next Dividend Ex Date:	30/04/2024	
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.

³Fund data is based upon the VT RM Alternative Income Fund Institutional GBP accumulation class.



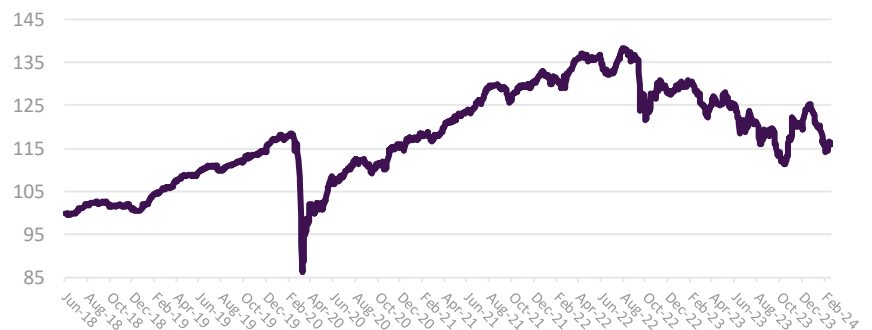
Overview

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 February was (2.70%). Since the Fund’s inception on the 11th of June 2018 the return has been 16.18% net of fees.

VT RM Alternative Income - Institutional - Accumulation Units
Unit Price



Period shown from 11th June 2018 to 29th February 2024. Capital is at risk; returns are not guaranteed, and past performance is no guarantee of future performance.

Portfolio Activity

As we ventured into February, the Portfolio Manager and the investment team adopted a cautious stance in anticipation of the forthcoming economic reports. The arrival of this data, particularly the unexpected deviation in the US CPI, a significant surge in US employment figures, a decrease in initial jobless claims, and varied core PCE results, led to a recalibration of expectations regarding early-year interest rate cuts. Notably, the likelihood of a rate cut by the US Federal Reserve in June was initially perceived at about 100% at the beginning of February, which adjusted to 58% by the month’s close. This shift significantly impacted market dynamics and, consequently, influenced our near-term tactical allocations.

In response to these developments, the Portfolio Manager, and Investment Team plan to further augment our investment in short-dated corporate bonds. This tactical move aims to diminish the “implied duration” risk associated with our bond proxy investments while simultaneously securing income through coupon payments and maintaining flexibility to adapt to potential market adjustments as central banks continue efforts to moderate inflation.

During this period, the team executed three purchasing transactions, all of which were incremental augmentations to existing positions in **TRIG: LN**, **GSF: LN**, and **EBOX: LN**.



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

Platforms

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Aviva
Charles Stanley
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Elevate
Fidelity
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Additionally, the fund realised gains from the maturity of two bonds, specifically UK Power Networks (**UKPONE**) and Heathrow Airport (**HTHROW**), effectively doubling our available unrestricted cash for investment. This newly available capital was strategically allocated after the month's end, details of which will be elaborated upon in the March report.

Market Commentary

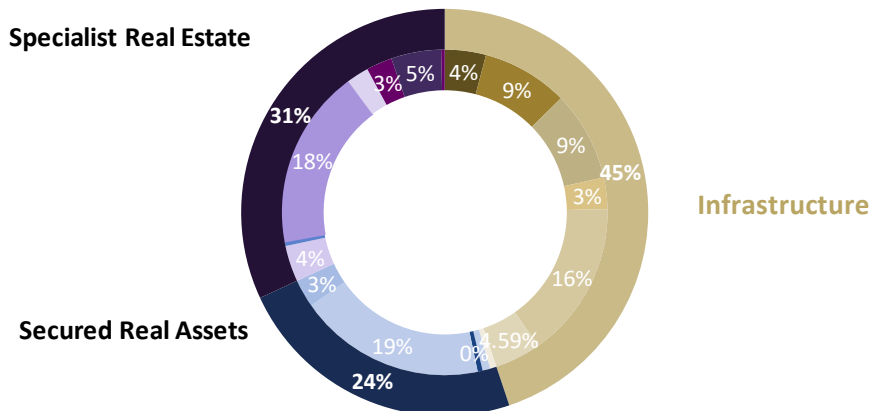
As the month began, our proprietary inflation models offered valuable foresight into the trajectory of US and UK inflation figures, steering our investment strategy with actionable insights. Yet, the broader economic landscape presents a nuanced scenario. The UK faces historically high corporate default rates, even as credit spreads persist in their narrow range.

In contrast to the complex macroeconomic indicators, Exchange-Traded Funds (ETFs) that follow the S&P 500 observed a notable increase of roughly 3.8% over the month. Concurrently, the yield on the US 10-year Treasury note experienced a significant expansion, widening by 36 basis points as the month concluded.

Turning our gaze to local markets, ETFs mirroring the performance of the FTSE All-share index saw a modest rise, ending the month approximately 0.45% higher. In the bond market, short-term gilt yields for 1 year widened by 30 basis points, and 10-year gilt yields increased by 18 basis points.

Focusing on the European credit sector, the Crossover (XO) credit spreads experienced a contraction of 25 basis points, indicating a tightening. Similarly, spreads in the investment-grade (IG) credit segment underwent a slight tightening, narrowing by around 5 basis points.

Allocation Split¹



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

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NAV & Dividend History – 2024													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p ⁽¹⁾	1.2668												1.2688
NAV ⁽²⁾	119.40	116.18											-
NAV monthly return ⁽²⁾	(4.38%)	(2.7%)											(6.96%)

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	120.35	124.87	-
NAV monthly return ⁽²⁾	0.41%	(0.62%)	(3.88%)	1.57%	(0.65%)	(3.17%)	0.72%	(2.03%)	(2.55%)	(2.32%)	6.32%	3.75%	(2.91%)

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
Foresight Solar Fund Ltd	Infrastructure - Renewables, Solar	5.3%
NextEnergy Solar Fund Ltd	Infrastructure - Renewables, Solar	5.2%
Primary Health Properties PLC	Property - Specialist (Healthcare)	5.1%
JLEN Environmental Assets Group	Infrastructure - Renewables, Mixed	5.0%
Supermarket Income Reit PLC	Property - Specialist (Retail)	4.7%
Bluefield Solar Income Fund Ltd	Infrastructure - Renewables, Solar	4.2%
Impact Healthcare Reit PLC	Property - Specialist (Healthcare)	4.1%
VMED 5 04/15/27	Debt - Infrastructure	4.0%
Target Healthcare REIT PLC	Property - Specialist (Healthcare)	3.7%
Renewables Infrastructure Group	Infrastructure - Renewables, Mixed	3.5%
Tritax EuroBox PLC	Property - Europe Commercial	3.4%
HicI Infrastructure PLC	Infrastructure - PPP - Core	3.3%
GTWICK 4 3/8 04/07/26	Debt - Infrastructure	3.2%
GCP Infrastructure Investments	Infrastructure - PPP - Core	3.2%
VOYCAR 5 7/8 02/15/27	Debt - Infrastructure	3.1%
Gore Street Energy Storage Fund	Infrastructure - Renewables, Other/Special	3.0%
ASSDLN 4 1/2 02/16/26	Debt - Real Estate	2.6%
Triple Point Social Housing REIT	Property - Specialist (Residential)	2.4%
VMED 4 1/4 01/15/30	Debt - Infrastructure	2.4%
Sienna Senior Living Inc	Property - Specialist (Healthcare)	2.3%
Greencoat UK Wind PLC/Funds	Infrastructure - Renewables, Wind	2.3%
Cordiant Digital Infrastructure	Infrastructure - Digital	2.2%
Greencoat Renewables PLC	Infrastructure - Renewables, Wind	2.1%
Daiwa House Logistics Trust	Property - Specialist (Other)	1.8%
HTHROW 4 3/4 03/01/24	Debt - Infrastructure	1.8%
Digital 9 Infrastructure PLC/Fund	Infrastructure - Digital	1.7%
International Public Partnership	Infrastructure - PPP - Core	1.6%
Assura PLC	Property - Specialist (Healthcare)	1.6%
UKPONE 5 3/4 03/08/24	Infrastructure - Electric Utility	1.1%
MAGAIR 4 1/8 04/02/24	Infrastructure - Airports & Seaports	1.1%
HTHROW 5 3/4 03/03/25	Debt - Infrastructure	1.0%
Fair Oaks Income Ltd	Debt - CLOs	0.7%
GCP Asset Backed Income Fund Ltd	Debt - Asset Backed - Secured Loans	0.6%
IPFLN 9 3/4 11/12/25	Debt - Direct Lending	0.5%
Schroder European Real Estate	Property - Europe Regional	0.4%
Home Reit PLC	Property - Specialist (Social)	0.3%
Dexus Convenience Retail REIT	Property - Specialist (Other)	0.4%
Restricted Cash		0.4%
Unrestricted Cash		4.7%

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