

22 February 2021

RM FUNDS DUE TO LAUNCH NEW IMPACT CREDIT FUND

- *Providing funding to quality businesses that make a clear contribution to achieving the UN Sustainable Development Goals (SDGs)*
- *Deliver Triple Bottom Line Returns for investors – stable economic returns and downside protection for investors combined with social and environmental impact; targeted net income of 6% and 8% total return per annum*
- *Multiple frameworks in place to uphold ESG and impact standards, including third party assurance and impact reporting from The Good Economy*
- *Targeted fundraise of up to £200m*
- *Builds on success of RM Secured Direct Lending and track record of RM Funds*

RM Funds, the specialist asset manager focusing on alternative investments, announces the launch of its new RM Impact Credit Fund (RM ICF).

RM ICF will provide crucial funding support to quality businesses across the UK that make tangible, positive contributions to ESG outcomes that are linked to specific SDGs. These funds will be offered through the provision of non-benchmark sized loans worth up to £15m, focusing specifically on social infrastructure and environmental infrastructure themes.

The fund has a defensive investment focus while seeking to meet the following impact objectives: improve the supply of quality affordable housing and accommodation; childcare and education services; health and social care, and the availability of energy, recycling, waste and sustainable water solutions and the sustainability of buildings and transport.

The fund will make a proactive, meaningful contribution to improving core borrower ESG practice through active engagement with company management teams, a positive screening process, and the tracking of impact metrics. Alongside the use of SDGs, the fund will have an impact scoring system aligned with recognised global standards and initiatives, including the Principles for Responsible Investment (PRI) and the Impact Management Project (IMP).

RM Funds has partnered with The Good Economy “TGE” to provide third-party assurance of the Impact Management and Measurement framework. TGE will also report annually to investors to provide an independent view of the Fund’s impact performance.

For investors, the fund will generate a source of stable income through a targeted net income of 6% and an 8-10% total return [per annum]. It will also provide downside protection to investors through its focus on defensive sectors, alongside the use of appropriate covenants and lending secured against tangible assets.

RM ICF will initially target a fundraise of up to £200m.

RM ICF will build on the success of RM Secured Direct Lending, the firm's other secured direct lending fund, which has provided an average yield on loans of c.8% with c.£256m invested since its IPO in December 2016.

James Robson, RM Funds Chief Investment Officer, Commented:

“Despite being one of the world’s most advanced economies, the UK faces a range of pressing social and environmental challenges, not least arising out of growing social and economic inequality, meaning many people and parts of the UK are at risk of being ‘left behind’. There are many businesses

across the UK which are still underserved by traditional lenders, with borrowing requirements that are too complex for traditional bank lending and too small for institutional direct lending. We are delighted to launch the RM Impact Credit Fund to fill this significant funding gap which we refer to as “the missing middle”; providing crucial funding to quality UK businesses, and deliver Triple Bottom Line stable returns for investors, with clear positive outcomes for people and the planet.

In addition to implementing a variety of investment protocols to protect our investors, we will also hold the fund accountable in upholding clear ESG standards; whether through our direct engagement with management teams, our use of SDGs through the positive screening process and the IMM scoring system, or our partnership with The Good Economy. These remain deeply uncertain times in a rapidly changing world, yet we are convinced there are opportunities to allow UK businesses, investors and wider society to benefit from RM Funds socially conscious investment approach.”

For further information, please contact:

RM Funds- Investment Manager

James Robson
James Satterthwaite
Tel: 0131 603 7069

Tulchan Communications LLP - Financial PR

Elizabeth Snow
Oliver Norgate
Tel: 0207 353 4200

About RM Funds

RM Funds is an alternative asset manager. Founded in 2010, with offices in Edinburgh, and London, the firm manages capital on behalf of institutional investors, multi-asset allocators, wealth managers and retail investors. RM Funds is a trading name of RM Capital Markets Limited.

RM Funds is a signatory to the Principles of Responsible Investment.