

# RM Infrastructure Income PLC

## Quarterly Fact Sheet

30<sup>th</sup> September 2021

### Company Overview

ISIN - Ord's	GB00BYMTBG55
Ticker Ord's	RMII
Dividend	Quarterly
Listing	Main Market LSE Premium Listing
Target Dividend Yield	6.5% p.a. <sup>1</sup>
Management Fee	0.875% <sup>2</sup> :
Discount Management Strategy	Share buy-backs if 6% discount or more <sup>3</sup>
Shares in Issue Ord's	117,944,782
Share Price Ord's mid	89.00p
Investment Managers holding (shares)	1,262,325
Net Assets Ord's	£114,027,472
NAV per Share Ord's	96.68p
Share Price discount to NAV	7.94%

#### Non-Executive Directors

Norman Crighton (Chairman)  
Guy Heald  
Marlene Wood

#### Advisory & Administration

AIFM: International Fund Management Limited

Administrator & Company Secretary:  
PraxisIFM Fund Services (UK) Ltd

Valuation Agent: Mazars LLP

Legal Advisers: Gowling WLG (UK) LLP

Auditor: Ernst & Young LLP

Joint Corporate Brokers: Singer Capital Markets  
Advisory LLP and Peel Hunt LLP

#### Investment Manager

RM Capital Markets Limited, 4<sup>th</sup> Floor, 7 Castle Street,  
Edinburgh EH2 3AH.

Portfolio Managers:

[James.Robson@rm-funds.co.uk](mailto:James.Robson@rm-funds.co.uk)

[Pietro.Nicholls@rm-funds.co.uk](mailto:Pietro.Nicholls@rm-funds.co.uk)

[Thomas.LeGrixDeLaSalle@rm-funds.co.uk](mailto:Thomas.LeGrixDeLaSalle@rm-funds.co.uk)

[www.rm-funds.co.uk](http://www.rm-funds.co.uk)

Company Address: RM Secured Direct Lending PLC, 1<sup>st</sup>  
Floor, Senator House, 85 Queen Victoria Street.  
London. EC4V 4AB.

### Overview

RM Infrastructure Income PLC ("RMII" or the "Company") is a closed-ended investment trust established to invest in a portfolio of secured debt instruments. The Company aims to generate attractive and regular dividends by investing in Loans sourced by RM Funds (the "Investment Manager" or "RM"). The Loans in which the Company invests are predominantly secured against company assets, real estate or plant and machinery and/or income streams such as accounts receivable.

### NAV

The Company's NAV % Total Return for the month of September was +0.63%, which brings the NAV % Total Return for the quarter to +3.20%.

The Ordinary Share NAV as at 30<sup>th</sup> September 2021 was 96.68 pence per share. This monthly NAV return of -1.008 pence per share arose primarily from the ex-dividend effect of the 1.625 pence per share total ordinary dividend for the period Q2 2021, declared in August and paid in September 2021. Otherwise, there was positive interest income, net of expenses, of 0.683 pence per share and a decrease in portfolio valuations of 0.066 pence per share.

#### Summary for September 2021 (pence per share)

Net interest income	+0.683p
Change in portfolio valuations	-0.066p
Payment of Dividend	-1.625p
Net NAV Movement	-1.008p

### Market Update

Equity markets became more volatile as inflationary pressures persisted. Energy prices rose consistently during the quarter with labour shortages, specifically within the haulage sector, further disrupting supply chains. UK 10-year yields closed the quarter at a very low level of circa 1% and there are clear risks that should market expectations change with regards to the transitory nature of these inflationary pressures, the UK government yield curve could move materially higher. At RM Funds, our view is that this could cause credit market shocks and consider this to be one of the largest risks currently facing the market.

## Company Activity

During the period the Company declared and paid a 1.625 pence per share dividend in respect of Q2 2021. This marks the 18<sup>th</sup> distribution for the Company all being at or above the Company's stated target and 29.1 pence returned as income distributions to investors since IPO.

In May 2021, the Investment Manager announced the refining of the Company's focus to social & environmental infrastructure and it is pleasing to see the journey of the portfolio's rotation into these core sectors. Currently the core sectors represent nearly 50%, a circa 15% increase from the 35% as of May 2021 and this is expected to continue at pace with a target of 55% by Year End 21 and 75 % by Year end 2022.

**Finally, there will be an update release on Monday 18<sup>th</sup> October at 8am with regards to the progress of RM Funds as a Recovery Loan Scheme "RLS" lender and RMII as a funding partner to this.**

## Portfolio Update

Overall, Q3 was a very strong quarter for the portfolio with a NAV % total return of +3.20%. This above target return was largely driven by the revaluation of some of the loans that had been conservatively marked down during the COVID pandemic. This positive revaluation momentum is expected to continue over the remainder of 2021 / early 2022 with some remaining reserves taken in March 2020 yet to be released.

Valuation movements for the quarter are shown below:

- **76. Energie Fitness** – business has returned to circa 94% of pre-COVID trading levels and moved back to cash pay starting 1<sup>st</sup> September 2021. Moved from 82.5% to 92.5% of nominal value.
- **66 & 67. Hotel exposure** – the two largest hotel loans have had an uninterrupted debt service throughout the pandemic and have a material liquidity reserve controlled by the lender. Moved from 97.5% to 100% of nominal value.
- **39. Beinbauer** – the loan reverted to its original cash / PIK interest payment mechanism and has credit metrics which are improved from the initial underwriting stage. Moved from 95% to 100% of nominal value.
- **64. Invoice Finance** – business has shown exceptional resilience throughout COVID and significantly improved its interest cover ratio and leverage metrics vs. pre-COVID levels. Moved from 98% to 100% of nominal value.
- **68. Student Accommodation** – the property is now fully occupied (100%) for the 2021/22 academic cycle. Moved from 96% to 100% of nominal value.
- **12. Student Accommodation** – the portfolio is well positioned to achieve near full occupancy for the 2021/22 academic cycle, with current occupancy at nearly 85%. Moved from 97.5% to 100% of nominal value.
- **79 & 86. Hotel Glasgow** – Although the refurbishment works are progressing well with practical completion expected late Q1/22, due to minor delays and some inflationary pressures which are being closely monitored, CBILS loans were marked from 100% to 97% of nominal value.

The reporting quarter was relatively quiet in terms of new investments. There were 7 scheduled drawdowns under the two healthcare construction loans totalling circa £3.9m. With regards to repayments, one of the portfolio's non-core loans, Valeo (Loan ref: 34), an Irish food-based business, repaid the full £4.5m nominal outstanding. Post the reporting period, this was reinvested within one of the Company's core sector, healthcare, with an investment in Voyage Care 1<sup>st</sup> Lien.

Finally, in light of the current inflationary concerns, the Investment Manager remains confident in regard to the low interest rate sensitivity of the portfolio. This is mainly due to the short duration of the portfolio with a weighted average loan life of circa 2.5 years and the manager will continue investing in short duration high coupon loans. The investments ultimately allow the Investment Manager to minimise any duration risk.

## Company Portfolio at month end

# 34

Number of Loans

# £132m

Total invested <sup>i</sup>

# 8.90%

Average Yield

# 2.49 years

Average Life

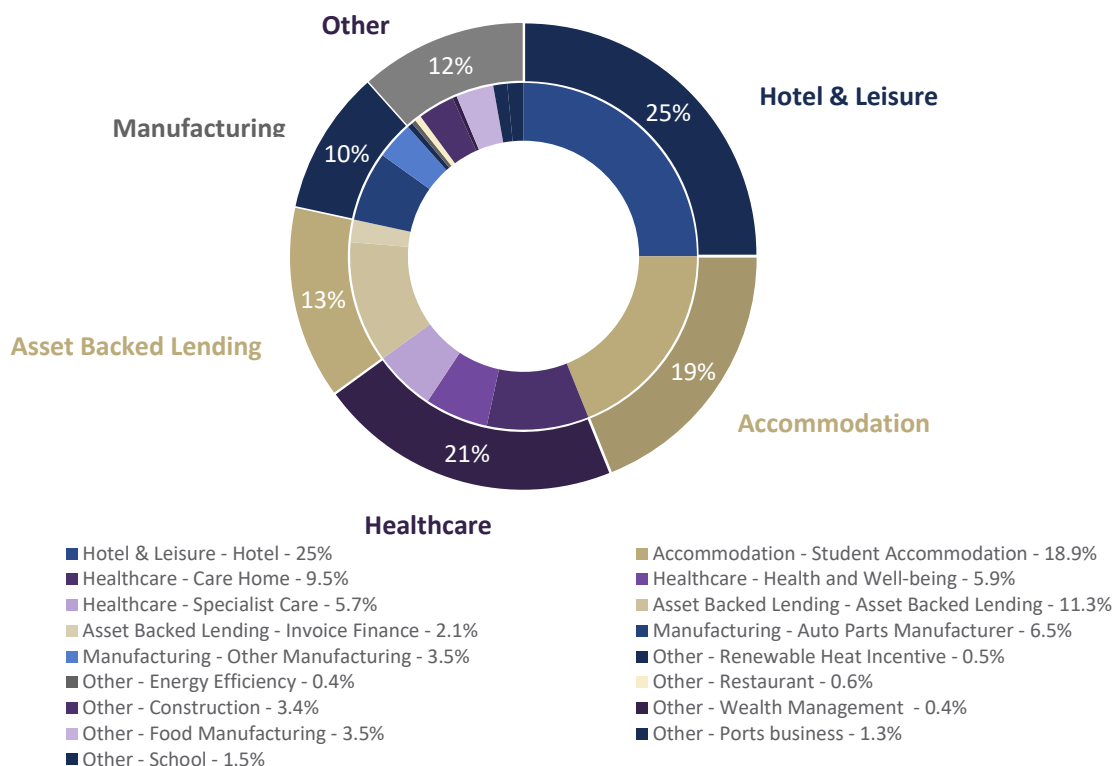
<sup>i</sup> actual capital invested, excludes undrawn commitments, includes investments yet to settle:

## Largest 10 investments by value across the entire portfolio

Business Activity	Value (£m)	Expected Yield	WAL (years)
Asset Finance	10.19	8.00%	2.25
Real Estate	8.50	9.00%	2.51
Manufacturing	8.37	12.00%	1.24
Healthcare and fitness	7.15	10.00%	3.48
Real Estate	6.49	9.00%	2.51
Social Infrastructure	5.93	9.00%	3.10
Social Infrastructure	5.21	9.25%	2.52
Social Infrastructure	5.10	6.00%	1.75
Real Estate	5.00	7.69%	2.56
Social Infrastructure	5.00	8.00%	2.66

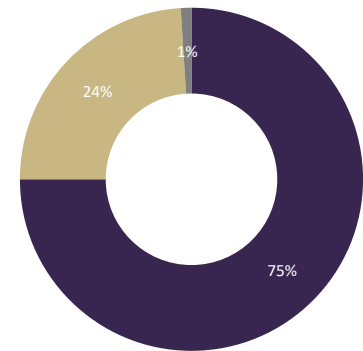
## Portfolio Statistics

### Sector breakdown<sup>10</sup>



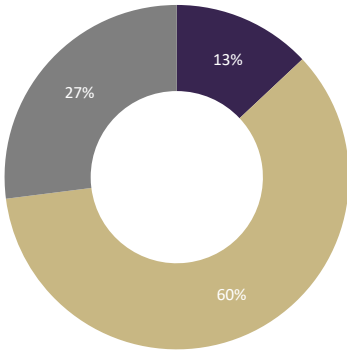
Portfolio Statistics

WAL of Loan Book



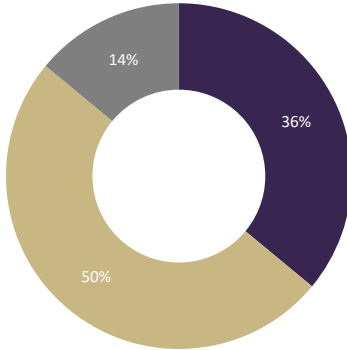
0-3 years - 75%  
3-5 years - 24%  
>5 years - 1%

Annualised Yield

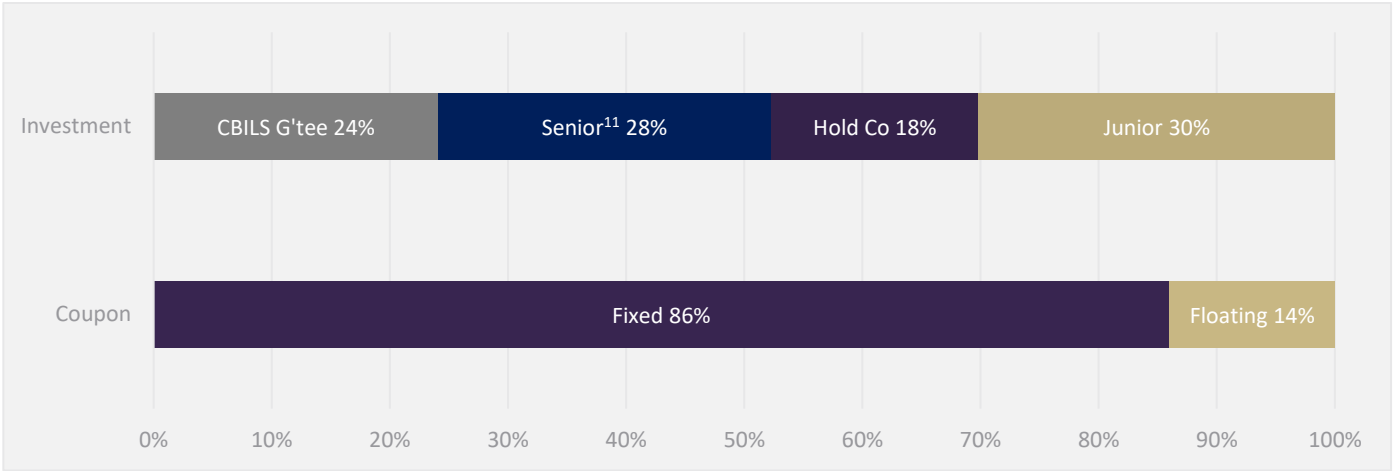


<7.5% yield - 13%  
7.5-9.5% yield - 60%  
>9.5% yield - 27%

Investment Type



Corporate - 36%  
Project Finance - 50%  
Asset Finance - 14%



## Fund performance

	1 month	3 months	6 months	1 year	2 years	ITD
<b>NAV Total Return %</b>	0.63%	3.20%	6.95%	12.99%	13.41%	31.60%

2021													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	1.625	-	-	1.625	-	-	1.625	-	-	-	4.875p
NAV (Cum income) p	94.13	94.84	93.49	94.74	96.08	95.25	95.6	97.69	96.68	-	-	-	
NAV Total Return %	0.26	0.76	0.28	1.34	1.42	0.83	0.37	2.18	0.63	-	-	-	8.35%
Net Interest Income p	0.21	0.56	0.45	0.51	0.68	0.52	0.59	0.58	0.68	-	-	-	4.78p

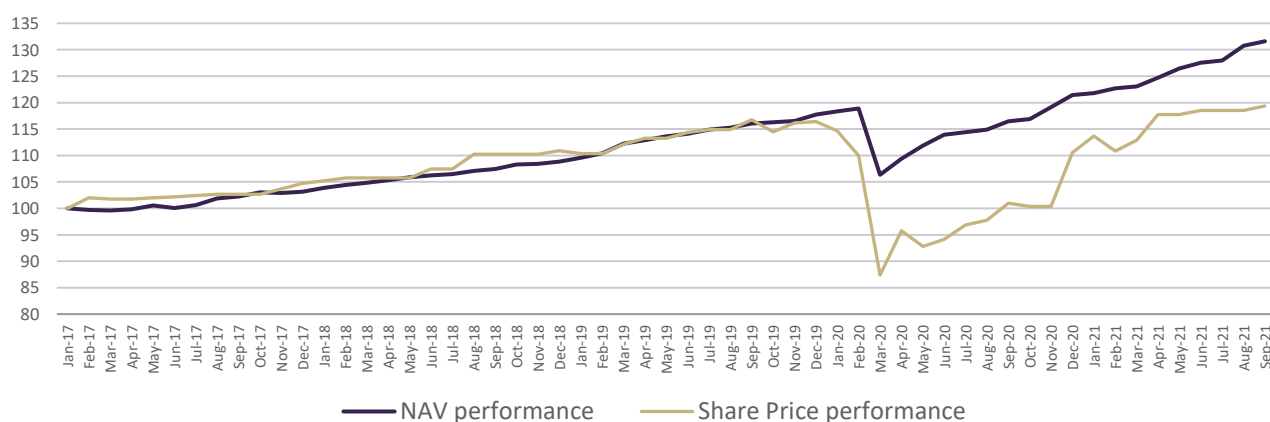
2020													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	1.70	-	-	1.625	-	-	1.625	-	-	1.625	6.575p
NAV (Cum income) p	98.31	98.74	86.64	89.10	91.14	91.16	91.56	91.97	91.58	91.91	93.66	93.88	-
NAV Total Return %	0.53	0.43	(10.53)	2.83	2.29	1.80	0.44	0.44	1.35	0.36	1.91	1.97	3.15%
Net Interest Income p	0.60	0.67	0.60	0.53	0.53	0.53	0.53	0.53	0.53	0.45	0.41	1.06	6.96p

2019													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	1.625	-	-	2.00	-	-	1.625	-	-	1.70	6.95p
NAV (Cum income) p	97.62	98.38	98.36	98.95	99.59	98.00	98.69	99.00	98.05	98.24	98.45	97.79	-
NAV Total Return %	0.67	0.78	1.64	0.59	0.65	0.41	0.70	0.31	0.70	0.19	0.21	1.06	8.18%
Net Interest Income p	0.69	0.57	1.45	0.58	0.71	0.63	0.58	0.79	0.64	0.69	0.58	1.03	8.94p

2018													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends (pence)	-	2.00	-	-	-	1.625	-	1.625	-	-	-	1.625	6.875p
NAV (Cum Income) p	99.26	97.76	98.17	98.66	99.14	97.85	98.11	97.01	97.34	98.08	98.20	96.98	-
NAV Total Return %	0.68	0.50	0.41	0.50	0.49	0.34	0.26	0.53	0.34	0.76	0.12	0.41	5.47%
Net Interest Income p	0.85	0.64	0.47	0.48	0.52	0.55	0.56	0.50	0.49	0.60	0.51	0.62	6.98p

2017													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	-	-	-	0.20	-	0.20	-	-	1.80	-	2.20p
NAV (Cum income) p	97.70	97.40	97.31	97.51	98.23	97.57	98.11	99.11	99.51	100.24	98.36	98.59	-
NAV Total Return %	(0.31)	(0.31)	(0.09)	0.21	0.74	(0.47)	0.55	1.22	0.40	0.73	(0.08)	0.23	3.18%
Net Interest Income p	(0.20)	(0.13)	(0.03)	0.02	0.33	0.35	0.52	1.25	0.38	0.64	0.47	0.46	4.06p

### Cumulative Total Return since inception



## Portfolio Statistics

Loan Ref#	Borrower Name	Deal Type	Sector	Business Description	Nominal (£)	Market Value (£)	Valuer	Payment
60	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Asset Backed Lending	10,193,916	10,193,916	V Agent	Cash
66	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	8,504,440	8,504,440	V Agent	Cash
39	Beinbauer	Syndicated Loan	Manufacturing	Auto Parts Manufacturer	8,373,047	8,373,047	V Agent	PIK/Cash
76	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	7,724,554	7,145,212	V Agent	Cash
67	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	6,490,560	6,490,560	V Agent	Cash
74	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	5,930,000	5,930,000	V Agent	Cash
88	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	5,206,274	5,206,274	V Agent	Cash
68	Equity	Equity	Accommodation	Student accommodation	5,100,000	5,100,000	V Agent	N/A
82	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	5,000,000	5,000,000	V Agent	Cash
89	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	5,000,000	5,000,000	V Agent	Cash
86	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	5,000,000	4,875,000	V Agent	Cash
80	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	5,000,000	4,850,000	V Agent	Cash
34	Valeo Foods	Syndicated Loan	Food and beverages	Food manufacturing	4,500,000	4,494,375	External	Cash
61	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Asset Backed Lending	4,469,939	4,469,939	V Agent	Cash
12	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	4,420,000	4,420,000	V Agent	Cash
79	Private Loan - SPV	Bilateral Loan	Construction	Construction	4,500,000	4,365,000	V Agent	Cash
6	Elysium	Syndicated Loan	Healthcare	Specialist Care	4,500,000	4,409,055	External	Cash
62	Trent Capital	Bilateral Loan	Manufacturing	Other Manufacturing	4,557,911	4,330,015	V Agent	PIK
73	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	4,000,000	4,000,000	V Agent	Cash
84	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	4,000,000	4,000,000	V Agent	Cash
16	Voyage Care	Bond	Healthcare	Specialist Care	3,000,000	2,910,000	External	Cash
64	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Invoice Finance	2,750,000	2,750,000	V Agent	Cash
58	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	3,744,316	2,733,351	V Agent	PIK
91	Private Loan - SPV	Bilateral Loan	Childcare & Education	School	2,000,000	2,000,000	V Agent	Cash
83	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	1,782,771	1,713,918	V Agent	Cash
71	Euroports	Syndicated Loan	Transport Assets	Ports business	1,718,213	1,713,918	External	Cash
69	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	900,000	855,000	V Agent	Cash
87	Private Loan - SPV	Bilateral Loan	Commercial Property	Restaurant	782,623	782,623	V Agent	Cash
76.1	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	566,523	524,033	V Agent	PIK

78	Private Loan - SPV	Bilateral Loan	Energy Efficiency	Energy Efficiency	500,000	500,000	V Agent	Cash
81	Private Loan - SPV	Bilateral Loan	Finance	Wealth Management	500,000	500,000	V Agent	Cash
52	Private Loan - SPV	Bilateral Loan	Clean Energy	Renewable heat incentive	348,808	348,808	V Agent	Cash
9	Private Loan - SPV	Bilateral Loan	Clean Energy	Renewable heat incentive	319,535	255,145	V Agent	Cash
63	Trent Capital (Fusion) RF	Bilateral Loan	Manufacturing	Other Manufacturing	699,545	298,090	V Agent	Cash
Total					132,322,740	129,279,817		

#### Notes

1. Dividend Yield based on IPO issue price. The target dividend should not be taken as an indication of the Company's expected future performance or results. The target dividend is a target only and there is no guarantee that it can or will be achieved and should not be seen as an indication of the Company's expected or actual return. Target returns are hypothetical and are neither guarantees nor predictions or projections of future performance. Actual events and conditions may differ materially from the assumptions used to establish the target dividend.
2. Management fee on Net Assets including ZDP issue. Fee 0.875% NAV up to £250m, 0.80% NAV above £250m less than £500m and 0.75% of the prevailing NAV above £500m NAV. Investment Manager will purchase a minimum of £10,000 of shares from this fee quarterly.
3. Discount control mechanism triggers if shares trading at an average discount of more than six percent over previous 6-month trading period.
4. Total Loans includes settled and unsettled investments and excludes commitments entered into which have not yet been funded.
5. NAV total return % is calculated as NAV (cum income) at the end of the period, plus dividends declared during the period, divided by NAV (cum income) calculated on a per share basis at the start of the period.
6. YTD NAV Total Return assumes dividends are reinvested at NAV and includes compounding.
7. YTD Net Interest Income per share is the aggregate of the monthly net interest income per share figures based on the number of Ordinary shares in issue at the end of each respective month which can be diluted over the year by new Ordinary Shares being issued and therefore does not necessarily reflect the year end position for the Ordinary shareholders.
8. Cumulative NAV performance rebased at 100 on Jan 2017 and assumes dividends are reinvested at NAV and includes compounding.
9. The Final Capital Entitlement in respect of the ZDPs was paid to ZDP Shareholders on 6 April 2021 following which the ZDPs and their listing were cancelled.
10. Percentages may not add up to 100% due to rounding.
11. Senior position is inclusive of wholly owned scheme with no debt obligations.

#### Disclaimer

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