

# RM Infrastructure Income PLC

## Quarterly Fact Sheet

30<sup>th</sup> September 2022

### 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	117,840,988
Share Price Ord's mid	85.00p
Investment Manager's holding (shares)	1,291,625
Net Assets Ord's	£109,268,799
NAV per Share Ord's	92.726
Share Price discount to NAV	8.33%

#### Non-Executive Directors

Norman Crichton (Chairman)  
Guy Heald  
Marlene Wood

#### Advisory & Administration

AIFM: International Fund Management Limited

Administrator & Company Secretary:  
Sanne Fund Services (UK) Limited

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)  
[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 Infrastructure Income plc, 125  
London Wall, London, EC2Y 5AS.

### Overview

RM Infrastructure Income PLC ("RMII" or the "Company") is a specialist social and environmental infrastructure secured lender. The Company aims to generate attractive and regular dividends by investing in loans sourced by RM Capital Markets Limited (the "Investment Manager", "RM" or "RM Funds"). 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 & Share price performance

The Company's NAV % Total Return for the month of September was -0.37%, which brings the NAV % Total Return for the quarter to +0.72%.

The NAV % Total Return over the last twelve months was +2.73%, since January 2020 pre-COVID-19 pandemic the NAV % Total Return has been +14.81%, since January 2022 the NAV % Total Return has been +3.42% and inception to date has been +35.19%.

The Ordinary Share NAV as at 30<sup>th</sup> September 2022 was 92.726 pence per share. This monthly NAV return of -1.971 pence per share arose primarily from the ex-dividend effect of the 1.625 pence per share ordinary dividend for the period Q2 2022, declared in August 2022 and paid in September 2022. Otherwise, there was positive interest income, net of expenses, of 0.469 pence per share and a decrease in portfolio valuations of 0.815 pence per share.

The decrease in portfolio valuations arose due to the mark to market of Level 2 assets and an increase of 50bps of yield attributed to the fixed rate Level 3 assets to reflect some of the increase in the underlying government yield curve which moved dramatically higher over the month of September, particularly after the mini budget.

#### Summary for September 2022 (pence per share)

Net interest income	+0.469p
Change in portfolio valuations	-0.815p
Payment of Dividend (Q2 2022)	-1.625p
Net NAV Movement	-1.971p

The net interest income includes an accounting adjustment during the month of September, and would have been circa +0.523p without it.

The closing mid-market share price at the quarter-end was 85 pence which is 2 pence lower than the opening mid-market share price at the start of the year and represents a total shareholder return<sup>12</sup> of +2.53% over the twelve months to 30<sup>th</sup> September 2022.

## Market Update

Credit spreads closed the period slightly wider and saw significant volatility with an initial Markit ITRX European Crossover Index tightening from 590 into 460 before moving to close the quarter at 640. The real story was in the rates markets as UK government bond yields rose steadily through the quarter and then accelerated significantly after the mini budget. As the yield increases accelerated, Liability Driven Investment “LDI” strategies sold assets to meet margin calls which put further pressure across all risk assets and in particular UK government bonds. This doom loop was stabilised by the Bank of England intervening in the UK government bond market, however, systemic risk is now back on investors’ minds.

It is also notable that the shape of the UK yield curve moved as the spread between 2 year and 10 year gilts started the quarter at circa +35bps and closed the period at -20bps. This is a leading indicator of recession within the UK and is an indicator of weak credit and growth.

RMII has significantly outperformed benchmark loan and bond indices year to date, in FY2022 with a share price total return of -5.56% versus -13.60% for the S&P European Leverage Loan Index Total Return and -25.74% for the Ishares Core Corp Bond UCITS ETF GBP.

	Total Return	
	YTD	ITD
<b>RM Infrastructure Income NAV</b>	<b>+3.42%</b>	<b>+35.19%</b>
<b>RM Infrastructure Income Share Price</b>	<b>-5.56%</b>	<b>+22.40%</b>
S&P European Leveraged Loan Index	-13.60%	-0.10%
Ishares Core Corp Bond UCITS ETF GBP	-25.74%	-21.65%

## Portfolio Update

The Investment Manager remains confident with regards to the low interest rate sensitivity of the portfolio, despite the persistently high inflation levels and likely further interest rate hikes by global central banks. This is largely driven by the short duration nature of the portfolio which is currently 1.70 years which in turn means that loans can be repaid relatively quickly and reinvested at higher yields.

The Investment Manager has continued to focus on investments under its enhanced monitoring list and during the third quarter of 2022 the Investment Manager, reached positive outcomes for two of the three investments:

- **Social Infrastructure – Student Accommodation, Ref 68:** A wholly-owned purpose-built student accommodation property based in Coventry (80 beds). After extensive remedial works, predominantly required by non-compliant cladding, the Company has now successfully received approval from the relevant authorities to occupy the property which is now being tenanted by students. We note that the property benefits from a number of key attributes that will enable it to outperform in a stagflation environment; namely (i) the property offers low weekly rates (sub £100/week) which should lead to high demand with residents with lower disposable income and (ii) the property benefits from solar rooftop panels providing direct power to the building and its appliances. In addition, the Company has served its legal claim letter to the former main contractor, with a claim amount in excess of £3m (c.2.5p/share). This claim has not been valued yet within the Company’s NAV.
- **Environmental Infrastructure – Energy Efficiency, Ref 62 & 63:** Loans to a business that sells energy-efficient heating & cooling devices (electric boilers, air source heat pumps etc.). The loan has been reduced by approximately £600,000 over the quarter as the borrower has conducted asset sales. It is expected that this loan balance will continue to reduce over the final quarter. Operationally the business is trading well with several new material buyers of zero carbon home heating products (electric boilers & Air Source Heat Pumps “ASHP”) contributing to profitability.

The last investment remaining under RM’s enhanced monitoring list relates to the Clyde St investment, a Glasgow-based hotel development (Ref 58, 79, 80 & 92). The Borrower has been facing well-publicised construction delays driven by inflationary pressures, supply chain issues and labour shortages within the construction sector. The result of this is evidenced by their inability to reach practical completion within the previously forecasted timing. Limited works remain to be completed on site, as such, with practical completion now confirmed to be at year-end 2022, and, the Operator, Virgin Hotels, has started to market the rooms for this year-end.

In terms of new investments, scheduled drawdowns and repayments / prepayments during the reporting quarter, activity was limited as outlined below:

**Increased investments**

- Social Infrastructure – Aged Care, Ref 88: c.£950,000
- Social Infrastructure – Health & Well-being, Ref 76: £12,500
- Environmental Infrastructure – Energy Efficiency, Ref 96: £400,000

**New Investments**

- Social Infrastructure – Childcare, Ref 95: £3,000,000

**Repayment:**

- Non-Core – Other Manufacturing, Ref 62: c.£780,000
- Social Infrastructure – Health and Well-being, Ref 94: c.£56,000
- Environmental Infrastructure – Renewable Heat Incentive, Ref 9&52: £140,000

**Partial Divestment**

- Social Infrastructure – Health and Well-being, Ref 15 (Voyage Care 1L): £2,500,000

A quarterly update webinar from the Investment Manager can be viewed via the following link <https://rm-funds.co.uk/2022/10/rmii-third-quarter-investor-update/> and on the RM Funds website.

## Company Portfolio at month end

# 37

Number of Loans

# £133m

Total invested <sup>i</sup>

# 8.87%

Average Yield

# 1.70 years

Average Life

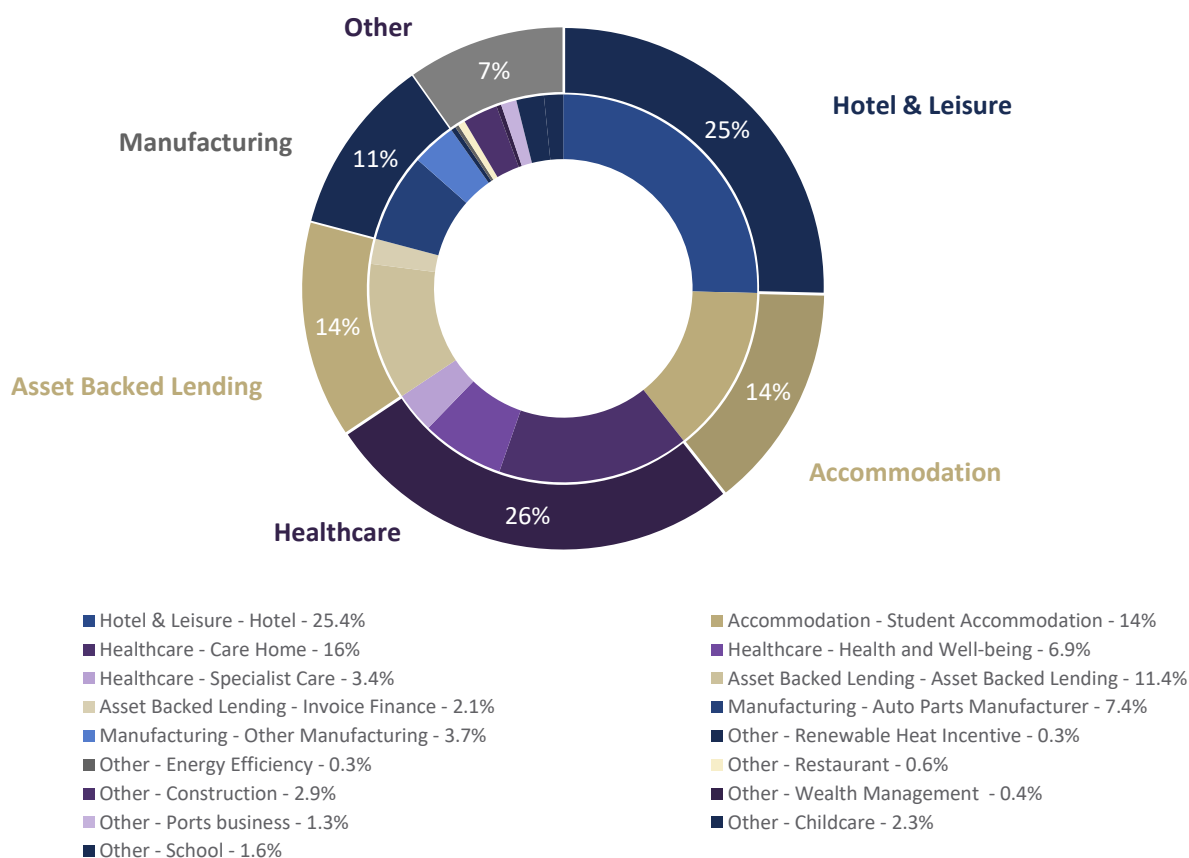
<sup>i</sup> actual capital invested, excludes undrawn commitments, includes investments yet to settle

## Largest 10 investments by value across the entire portfolio

Business Activity	Value (£m)	Expected Yield	WAL (years)
Healthcare	12.83	9.35%	1.52
Asset Backed Lending	10.19	8.07%	1.25
Manufacturing	9.41	13.05%	1.50
Hotel & Leisure	8.50	9.10%	1.51
Healthcare	7.96	9.42%	2.48
Hotel & Leisure	6.49	9.10%	1.51
Healthcare	5.00	6.74%	4.38
Hotel & Leisure	5.00	9.79%	1.23
Healthcare	5.00	7.57%	1.22
Hotel & Leisure	5.00	7.59%	1.56

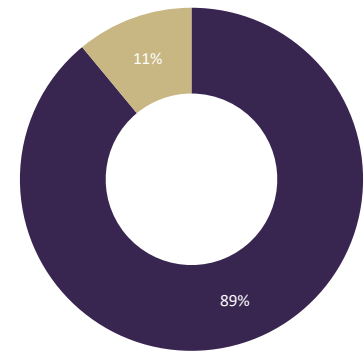
## Portfolio Statistics

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



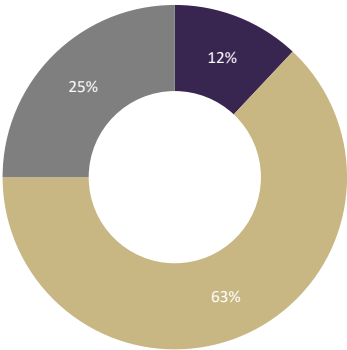
Portfolio Statistics

WAL of Loan Book



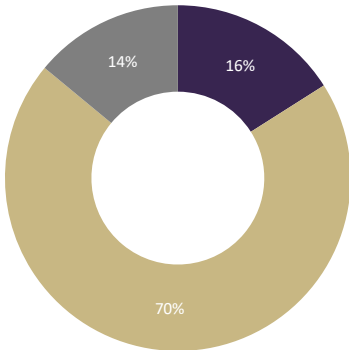
0-3 years - 89%  
3-5 years - 11%  
>5 years - 0%

Annualised Yield

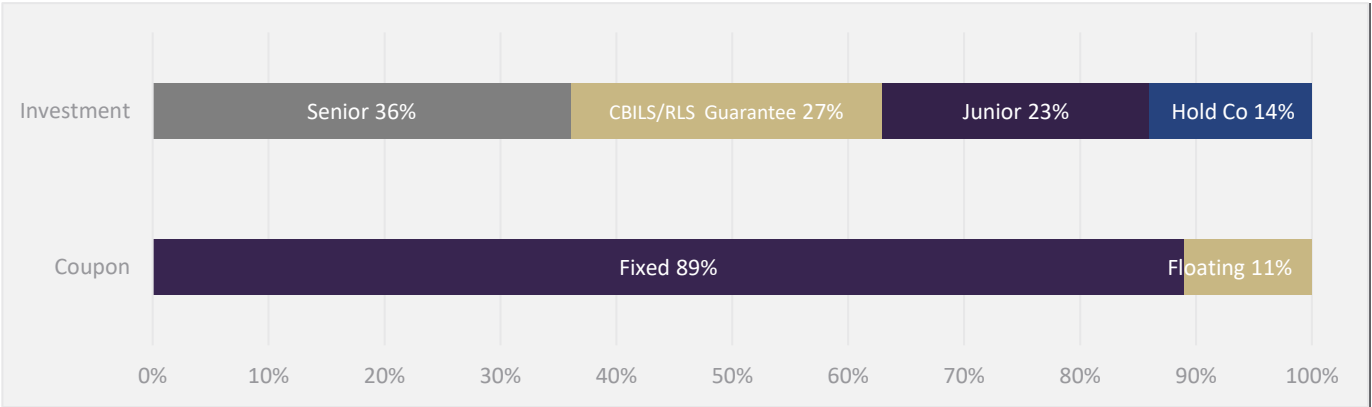


<7.5% yield - 12%  
7.5-9.5% yield - 63%  
>9.5% yield - 25%

Investment Type



Corporate - 16%  
Project Finance - 70%  
Asset Finance - 14%



## Fund performance

	1 month	3 months	6 months	1 year	2 years	ITD
<b>NAV Total Return %</b>	(0.37%)	0.72%	1.53%	2.73%	16.08%	35.19%

<b>2022</b>													
	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	94.60	94.89	94.54	95.04	95.32	93.68	94.24	94.70	92.73				-
NAV Total Return %	0.20	0.31	1.34	0.53	0.30	(0.02)	0.60	0.49	(0.37)				3.42%
Net Interest Income p	0.37	0.53	0.57	0.54	0.52	0.62	0.53	0.60	0.47				4.74

<b>2021</b>													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec*	Total
Dividends p	-	-	1.625	-	-	1.625	-	-	1.625	-	-	1.625	6.50p
NAV (Cum income) p	94.13	94.84	93.49	94.74	96.08	95.25	95.6	97.69	96.68	97.03	97.16	94.41	-
NAV Total Return %	0.26	0.76	0.28	1.34	1.42	0.83	0.37	2.18	0.63	0.36	0.13	(1.16)	7.62%
Net Interest Income p	0.21	0.56	0.45	0.51	0.68	0.52	0.59	0.58	0.68	0.49	0.51	0.49	6.27p

<b>2020</b>													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
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

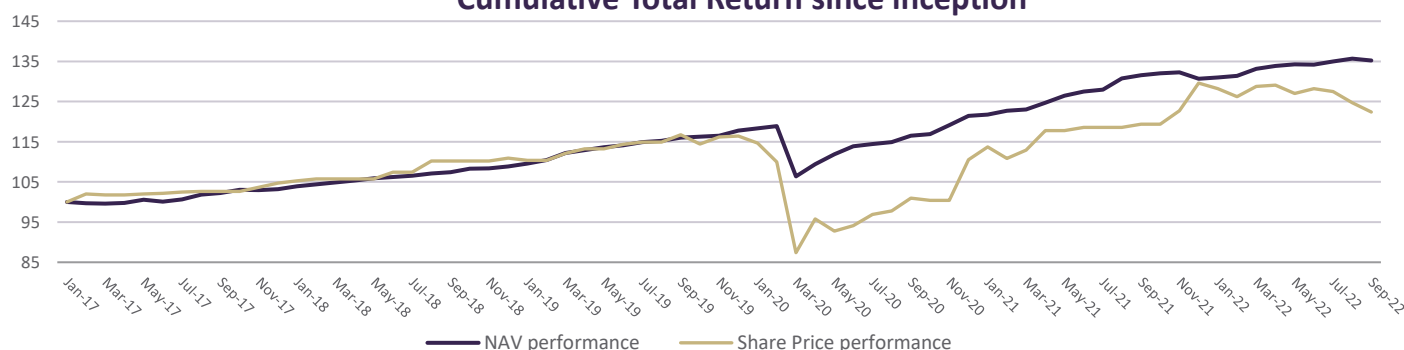
<b>2019</b>													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Dividends p	-	-	1.625	-	-	2.00	-	-	1.625	-	-	1.70	6.95p
NAV (Cum income) p	97.62	98.38	98.36	98.95	99.59	98.00	98.69	99.00	98.05	98.24	98.45	97.79	-
NAV Total Return %	0.67	0.78	1.64	0.59	0.65	0.41	0.70	0.31	0.70	0.19	0.21	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

<b>2018</b>													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
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

<b>2017</b>													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
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

\*December 2021, January 2022 and February 2022 NAV have been adjusted for the costs of the cladding replacement at Coventry Student Accommodation (Loan ref 68), which became known in March 2022, as further described in the 2021 Annual Report and Accounts

### Cumulative Total Return since inception<sup>8</sup>



## Portfolio Statistics

Loan Ref#	Borrower Name	Deal Type	Sector	Business Description	Nominal (£)	Market Value (£)	Valuer	Payment
88	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	12,828,220	12,684,966	V Agent	Cash
60	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Asset Backed Lending	10,193,916	10,099,434	V Agent	Cash
39	Beinbauer	Syndicated Loan	Manufacturing	Auto Parts Manufacturer	9,410,726	9,377,676	V Agent	PIK
66	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	8,504,440	8,410,122	V Agent	Cash
76	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	7,962,055	7,820,003	V Agent	Cash
67	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	6,490,560	6,418,577	V Agent	Cash
15	Voyage Care	Bond	Healthcare	Specialist Care	5,000,000	4,361,459	External	Cash
80	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	5,000,000	4,085,178	V Agent	Cash
82	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	5,000,000	4,954,904	V Agent	Cash
86	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	5,000,000	4,942,918	V Agent	Cash
89	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	5,000,000	4,939,466	V Agent	Cash
79	Private Loan - SPV	Bilateral Loan	Construction	Construction	4,500,000	3,676,660	V Agent	Cash
61	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Asset Backed Lending	4,469,939	4,373,731	V Agent	Cash
12	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	4,422,500	4,382,189	V Agent	Cash
73	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	4,000,000	3,938,378	V Agent	Cash
84	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	4,000,000	3,958,630	V Agent	Cash
62	Trent Capital	Bilateral Loan	Manufacturing	Other Manufacturing	3,948,803	3,749,523	V Agent	PIK
68	Equity	Equity	Accommodation	Student accommodation	3,600,000	3,592,800	V Agent	N/A
83	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	2,796,462	2,771,240	V Agent	Cash
64	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Invoice Finance	2,750,000	2,722,877	V Agent	Cash
95a	Private Loan - SPV	Bilateral Loan	Childcare & Education	Childcare	2,481,061	2,476,099	V Agent	Cash
92	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	2,458,629	2,008,787	V Agent	Cash
58	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	2,313,078	1,681,690	V Agent	PIK
91	Private Loan - SPV	Bilateral Loan	Childcare & Education	School	2,000,000	1,975,748	V Agent	Cash
71	Euroports	Syndicated Loan	Transport Assets	Ports business	1,755,926	1,606,673	External	Cash
74	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	930,000	915,870	V Agent	Cash
69	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	930,000	882,804	V Agent	Cash
87	Private Loan - SPV	Bilateral Loan	Commercial Property	Restaurant	782,623	773,253	V Agent	Cash
96	Private Loan - SPV	Bilateral Loan	Manufacturing	Other Manufacturing	700,000	695,881	V Agent	Cash
63	Trent Capital (Fusion) RF	Bilateral Loan	Manufacturing	Other Manufacturing	699,545	199,972	V Agent	PIK
76.1	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	640,694	629,263	V Agent	PIK
78	Private Loan - SPV	Bilateral Loan	Energy Efficiency	Energy Efficiency	500,000	398,748	V Agent	Cash
81	Private Loan - SPV	Bilateral Loan	Finance	Wealth Management	500,000	494,848	V Agent	Cash
95b	Private Loan - SPV	Bilateral Loan	Childcare & Education	Childcare	496,212	495,220	V Agent	Cash
94a	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	294,131	284,405	V Agent	Cash
52	Private Loan - SPV	Bilateral Loan	Clean Energy	Renewable heat incentive	288,966	287,451	V Agent	Cash
9	Private Loan - SPV	Bilateral Loan	Clean Energy	Renewable heat incentive	139,658	138,907	V Agent	Cash
Total					132,788,144	127,206,347		

#### 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. 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.
10. Percentages may not add up to 100% due to rounding.
11. Senior position is inclusive of wholly owned scheme with no debt obligations.
12. Shareholder total return % is calculated as share price at the end of the period, plus dividends received during the period, divided by share price at the start of the period.

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