

# RM Infrastructure Income PLC

## Quarterly Fact Sheet

31<sup>st</sup> December 2022

### Company Overview

ISIN - Ord's	GB00BYMTBG55
Ticker Ord's	RMII
Dividend	Quarterly
Listing	Main Market LSE Premium Listing
Target Dividend	6.5 pence p.a. <sup>1</sup>
Current Dividend Yield	7.65%
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	117,636,359
Share Price Ord's mid	85.00p
Investment Manager's holding (shares)	1,291,625
Net Assets Ord's	108,807,765
NAV per Share Ord's	92.50
Share Price discount to NAV	8.10%

### Non-Executive Directors

Norman Crighton (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 December was 0.66%, which brings the NAV % Total Return for the quarter to 1.50%.

The NAV % Total Return over the last twelve months was 4.98% and inception to date 37.22%.

The Ordinary Share NAV as at 31<sup>st</sup> December 2022 was 92.50 pence per share. This monthly NAV return of -1.009 pence per share arose primarily from the ex-dividend effect of the 1.625 pence per share ordinary dividend for the period Q3 2022, declared in November 2022 and paid in December 2022. Otherwise, there was positive interest income, net of expenses, of 0.568 pence per share and an increase in portfolio valuations of 0.048 pence per share.

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

Net interest income	+0.568p
Change in portfolio valuations	+0.048p
Payment of Dividend (Q3 2022)	-1.625p
Net NAV Movement	-1.009p

During the month of December 2022 and post period-end, the Company purchased c.250k shares as part of its buyback program. The Board and the Investment Manager remain focused on reducing the discount to Net Asset Value.

## Market Update

Peak inflation fear and the instability created by Liz Truss had started to pass as the quarter began, as evidenced by government bond yields starting to fall again. Overall, it was a strong quarter for both risk assets and government bonds as equities rallied and the 2-year UK government bond yield fell from a high of circa 4.4% to finish the period at circa 3.5%. There was a similar shift in yields for the long end of the government bond market, which had been particularly affected by LDI unwinds, with cash prices for the UKT 0.5% 61 touching 28 cents on the £ in early October and finishing the quarter at 35 cents on the £.

Credit spreads saw a material reduction in the risk premium with the Markit ITRX European Crossover Index peaking at 650 in early October and then steadily reducing over the period to finish at 475. Post period end this trend has continued with spreads touching nearly 400 today. It is likely that these are the tightest levels we will see in this index for the remainder of the year and thus the widening applied to the Level 3 assets, of 70bps in June and September 2022, have not been reversed by the Investment Manager nor the Valuation Agent until we see economic indicators giving indications that can justify this spread compression within these more liquid indices. In the view of RM Funds, this is pragmatic and what investors would expect; to reduce volatility within the fund as we expect further spread widening from these more liquid indices during 2023.

RMII has significantly outperformed benchmark loan and bond indices in FY2022 as outlined in the below table;

	Total Return		
	1yr	3yr	5yr
<b>RM Infrastructure Income NAV</b>	<b>4.98%</b>	<b>16.54%</b>	<b>33.00%</b>
<b>RM Infrastructure Income Share Price</b>	<b>-3.75%</b>	<b>7.16%</b>	<b>19.11%</b>
S&P European Leveraged Loan Index	-7.05%	-7.06%	-8.13%
Ishares Core Corp Bond UCITS ETF GBP	-15.40%	-14.52%	-7.50%

## Portfolio Update

The Investment Manager remains confident with regards to the low interest rate sensitivity of the portfolio. This is largely driven by the short duration nature of the portfolio, which is currently 1.50 years, which in turn means that loans can be repaid relatively quickly and reinvested at higher yields. This has been evidenced during the quarter as a number of loans written over previous years were repaid and the capital redeployed into higher yielding loans. In conjunction with this, the portfolio manager has been seeking to increase security with a move up the capital structure by recycling this capital into senior secured loans and reducing mezzanine or junior lending exposure. The portfolio yield has thus increased over the quarter by 28bps from 8.87% to 9.15%.

### Increased investments

- **Social Infrastructure – Aged Care, Ref 88:** c.£5,000
- **Environmental Infrastructure – Energy Efficiency, Ref 96:** £70,000
- **Non-Core – Hotel & Leisure, Ref 69:** £7,500

### New Investments

- **Social Infrastructure – Care Home, Ref 97a&b:** £6,200,000 committed (c.£1.1m drawn in period)

### Repayments:

- **Environmental Infrastructure – Energy Efficiency, Ref 96:** £70,000
- **Environmental Infrastructure – Energy Efficiency, Ref 62:** £1,000,000
- **Environmental Infrastructure – Renewable Heat Incentive, Ref 9&52:** £150,000
- **Social Infrastructure – Childcare, Ref 95a&b:** £120,000
- **Social Infrastructure – Health and Well-being, Ref 94:** c.£7,700
- **Social Infrastructure – Childcare & Education, Ref 91:** £1,550,000
- **Non-Core – Asset Backed Lending, Ref 64:** £2,750,000
- **Non-Core – Asset Backed Lending, Ref 60:** £2,000,000
- **Non-Core – Hotel & Leisure, Ref 67:** £950,000

A quarterly update webinar from the Investment Manager is scheduled for Tuesday 19<sup>th</sup> January 2-3pm and registration can be made here:

[https://us06web.zoom.us/webinar/register/WN\\_oBbZJhtFRiWqkGlu\\_7t6DQ](https://us06web.zoom.us/webinar/register/WN_oBbZJhtFRiWqkGlu_7t6DQ).

## Company Portfolio at month end

# 38

Number of Loans

# £126m

Total invested <sup>i</sup>

# 9.15%

Average Yield

# 1.50 years

Average Life

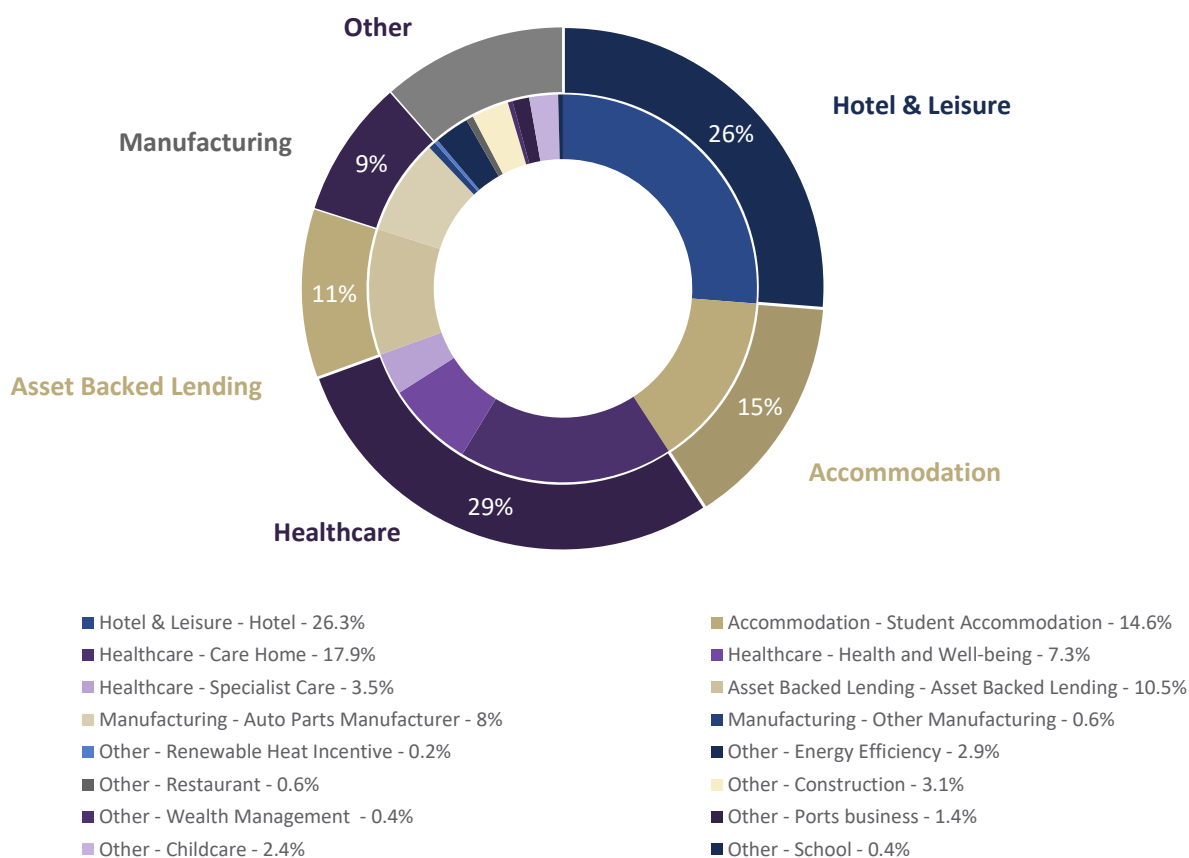
<sup>i</sup> actual capital invested, excludes undrawn commitments, includes investments yet to settle

## Largest 10 investments by value across the entire portfolio

Business Activity	Value (£m)	Expected Yield	Weighted Average Life (years)
Healthcare	12.83	9.35%	1.27
Manufacturing	9.66	14.21%	1.25
Hotel & Leisure	8.50	9.10%	1.26
Asset Backed Lending	8.19	8.07%	1.00
Healthcare	7.96	9.42%	2.23
Hotel & Leisure	5.54	9.10%	1.26
Healthcare	5.00	6.98%	4.13
Hotel & Leisure	5.00	9.79%	0.98
Healthcare	5.00	7.57%	0.97
Hotel & Leisure	5.00	7.59%	1.31

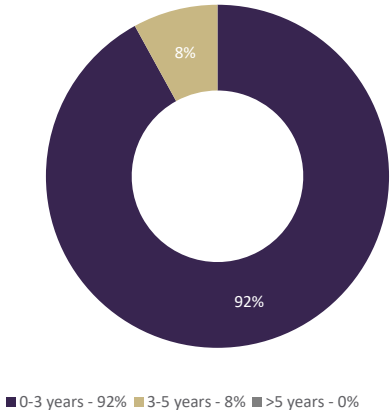
## Portfolio Statistics

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

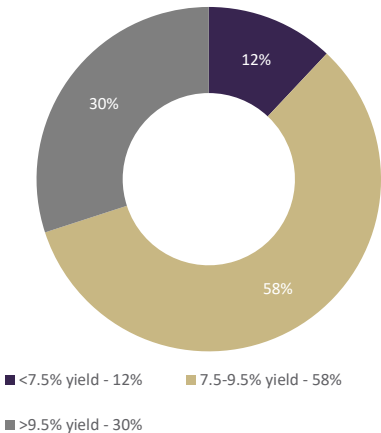


Portfolio Statistics

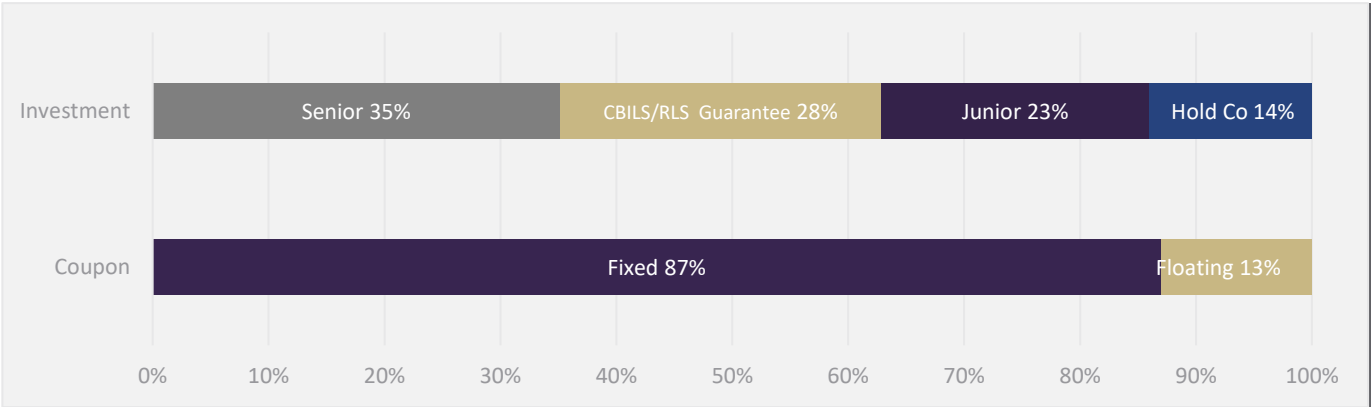
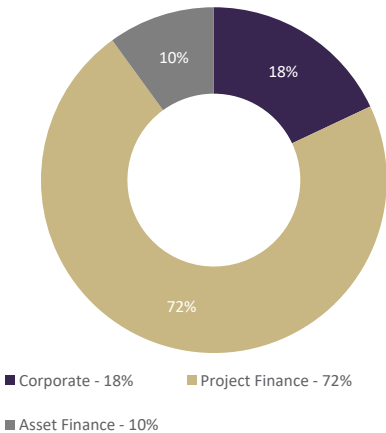
Weighted Avg. Life of Loan Book



Annualised Yield



Investment Type



## Fund performance

	1 month	3 months	6 months	1 year	2 years	ITD
<b>NAV Total Return %</b>	0.66%	1.50%	2.23%	4.98%	12.98%	37.22%

<b>2022</b>													
	Jan*	Feb*	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Dividends p	-	-	1.625	-	-	1.625	-	-	1.625	-	-	1.625	6.5p
NAV (Cum income) p	94.60	94.89	94.54	95.04	95.32	93.68	94.24	94.70	92.73	93.18	93.50	92.50	-
NAV Total Return %	0.20	0.31	1.34	0.53	0.30	(0.02)	0.60	0.49	(0.37)	0.49	0.35	0.66	4.98%
Net Interest Income p	0.37	0.53	0.57	0.54	0.52	0.62	0.53	0.60	0.47	0.54	0.49	0.57	6.33

<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

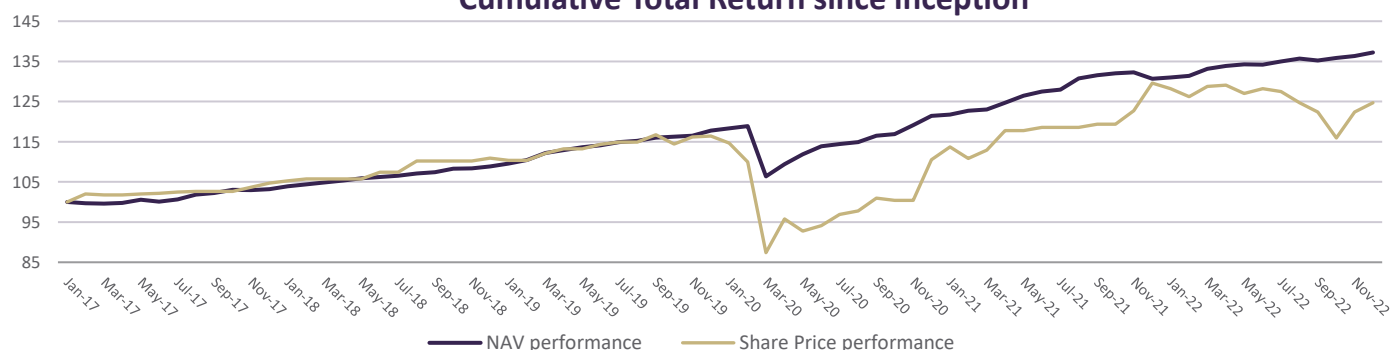
<b>2019</b>													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Dividends p	-	-	1.625	-	-	2.00	-	-	1.625	-	-	1.70	6.95p
NAV (Cum income) p	97.62	98.38	98.36	98.95	99.59	98.00	98.69	99.00	98.05	98.24	98.45	97.79	-
NAV Total Return %	0.67	0.78	1.64	0.59	0.65	0.41	0.70	0.31	0.70	0.19	0.21	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	12,833,220	12,689,910	V Agent	Cash
39	Beinbauer	Syndicated Loan	Manufacturing	Auto Parts Manufacturer	9,663,522	9,629,584	V Agent	PIK/Cash
66	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	8,504,440	8,410,122	V Agent	Cash
60	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Asset Backed Lending	8,193,916	8,117,971	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	5,540,560	5,479,113	V Agent	Cash
15	Voyage Care	Bond	Healthcare	Specialist Care	5,000,000	4,208,334	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	4,589,466	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	4,428,509	V Agent	Cash
12	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	4,422,500	4,422,500	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
68	Equity	Equity	Accommodation	Student accommodation	3,600,000	3,592,800	V Agent	N/A
62	Trent Capital	Bilateral Loan	Energy Efficiency	Energy Efficiency	3,011,643	2,859,658	V Agent	PIK
83	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	2,796,462	2,771,240	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	2,401,638	1,746,076	V Agent	PIK
95a	Private Loan - SPV	Bilateral Loan	Childcare & Education	Childcare	2,381,061	2,376,299	V Agent	Cash
71	Euroports	Syndicated Loan	Transport Assets	Ports business	1,770,695	1,664,453	External	Cash
69	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	937,500	889,924	V Agent	Cash
74	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	930,000	915,870	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	Energy Efficiency	Energy Efficiency	699,545	199,972	V Agent	PIK
76.1	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	660,838	649,048	V Agent	PIK
97a	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	680,460	680,460	V Agent	Cash
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	476,212	475,260	V Agent	Cash
91	Private Loan - SPV	Bilateral Loan	Childcare & Education	School	450,000	450,000	V Agent	Cash
97b	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	420,115	420,115	V Agent	Cash
94a	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	286,391	276,920	V Agent	Cash
52	Private Loan - SPV	Bilateral Loan	Clean Energy	Renewable heat incentive	165,121	164,256	V Agent	Cash
9	Private Loan - SPV	Bilateral Loan	Clean Energy	Renewable heat incentive	114,218	113,604	V Agent	Cash
Total					125,813,302	119,969,650		

#### Notes

1. 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. NAV Total Return assumes dividends are reinvested at NAV and includes compounding.
7. 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.

#### Disclaimer

This Report is intended solely for the information of the person to whom it is provided by the Company, the Investment Manager or the Administrator. This Report does not constitute an offer or solicitation for the purchase or sale of any investment or financial instrument in the Company and should not be relied on by any person for the purpose of accounting, legal or tax advice or for making an investment decision. The payment of dividends and the repayment of capital are not guaranteed by the Company. Any forecast, projection or target is indicative only and not guaranteed in any way, and any opinions or views expressed in this Report are those of the Investment Manager, and do not constitute investment advice and are subject to change without notice, and neither the Company nor the Investment Manager is under any obligation to update such opinions. Whether the Company proceeds with any investment is dependent on multiple factors including, but not limited to the completion of satisfactory due diligence. Past performance is not a reliable indicator of future performance, and investors may not get back the original amount invested. Unless otherwise stated, the sources for all information contained in this report are the Investment Manager and the Administrator. Information contained in this Report is believed to be accurate at the date of publication, but none of the Company, the Investment Manager and the Administrator gives any representation or warranty as to the Report's accuracy or completeness. This report does not contain and is not to be taken as containing any financial product advice or financial product recommendation. None of the Company, the Investment Manager and the Administrator accepts any liability whatsoever for any loss (whether direct or indirect) arising from any use of this Report or its contents. RM Capital Markets Limited is authorised and regulated by the FCA, registered in Scotland (Registered Number: SC380707).