

RM Infrastructure Income PLC

Monthly Fact Sheet

30th June 2023

Company Overview

ISIN	GB00BYMTBG55
Ticker	RMII
Dividend	Quarterly
Listing	Main Market LSE Premium Listing
Target Annual Dividend	6.5p ¹
Current Cash Yield	9.42%
Management Fee	0.875% ²
Discount Management Strategy	Share buy-backs if 6% discount or more ³
Shares in Issue	117,586,359
Share Price mid	69.00p
Investment Manager's holding (shares)	1,329,125
Net Assets	£107,804,587
NAV per Share	91.68p
Share Price discount to NAV	24.74%

Non-Executive Directors

Norman Crighton (Chairman)
Guy Heald
Marlene Wood

Advisory & Administration

AIFM: FundRock Management Company (Guernsey) Limited

Administrator & Company Secretary:
Apex Listed Companies Services (UK) Limited

Valuation Agent: Mazars LLP

Legal Advisers: Travers Smith LLP

Auditor: Ernst & Young LLP

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

Investment Manager

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

Portfolio Managers:

James.Robson@rm-funds.co.uk

Thomas.LeGrixDeLaSalle@rm-funds.co.uk

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 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, 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 June was 0.75%, which brings the NAV % Total Return for the quarter to 1.31%.

The NAV % Total Return over the last twelve months was 4.95% and inception to date 40.87%.

The Ordinary Share NAV as at 30th June 2023 was 91.68 pence per share. This monthly NAV return of -0.927 pence per share arose primarily from the ex-dividend effect of the 1.625 pence per share ordinary dividend for the period Q1 2023, declared and paid in June 2023. Otherwise, there was positive interest income, net of expenses, of 0.687 pence per share and an increase in portfolio valuations of 0.01 pence per share.

Summary for June 2023 (pence per share)

Net interest income	+0.687p
Change in portfolio valuations	+0.011p
Payment of Dividend (Q1 2023)	-1.625p
Net NAV Movement	-0.927p

Market Update

Overall, a challenging period for fixed income products which continue to be dominated by the persistent UK inflation backdrop. This has been highlighted by the continued increase in UK government yields, especially at the front end of the UK yield curve which has led to further UK gilt yield curve inversion. Indeed, the 2-year government bond yield has risen 350bps since June 2022 of which circa 180bps has occurred during 2023.

Credit spreads, as measured by the Markit ITRX European Crossover Index, saw a limited reduction in the risk premium opening at 425bps in April and closing at 400bps at the end of the quarter. Given the shape of the UK yield curve, which has seen its inversion widening during the quarter, RM is of the view that we have probably seen the tightest point for credit spreads in the near to medium-term as credit conditions are set to deteriorate with financing becoming more expensive.

In light of the above and although it is disappointing to report a lower than target NAV % Total Return for the quarter, we believe RMII has maintained its medium to long-term outperformance versus other observable benchmark loan and bond indices in Q2 2023 as outlined in the below table:

	Total Return (%)		
	1yr	3yr	5yr
RM Infrastructure Income NAV	4.95	23.67	32.60
RM Infrastructure Income Share Price	-19.41	9.79	-3.82
S&P European Leveraged Loan Index	5.37	1.27	-4.15
Ishares Core Corp Bond UCITS ETF GBP	-6.06	-19.36	-7.27

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 average duration nature of the portfolio, which is currently 1.91 years. This in turn means that loans can be repaid relatively quickly and reinvested within the higher yielding environment. This can be evidenced by the weighted average yield of the portfolio, which has increased to 10.02% at the end of the reporting period, a widening in yield of 37bps versus Q1-2023 or 129bps versus same period last year. In conjunction with this, the Investment 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.

We outline below the key investment activities for Q2 2023:

New investments

- **Hotel & Leisure, Ref 99:** c.£2,880k

Material Repayments:

- **Asset Finance, Ref 60:** c.£1,500k
- **Hotel & Leisure, Ref 69:** c.£950k

Post period end, in line with the stated objective of exiting the Company's exposure to its non-core asset-backed lending – Ref 60, the Company received a further repayment of £1.5m, bringing the outstanding balance down to c.£5m.

Shareholder consultation update

On 23 May 2023, the Company announced that as part of its review of the Company's strategy, it would undertake a shareholder consultation. Since that announcement, the Board, the Investment Manager, and the Company's joint brokers have consulted widely with RMII's major shareholders.

In general, consulted shareholders were overwhelmingly supportive of the Company's management and performance, as well as its investment focus and strategy. Shareholders did however highlight the Company's small scale which has created challenges in generating improved liquidity in the Company's shares and restricted the Company's ability to grow. To that end, it was determined that reducing the size of the Company through a partial exit opportunity would only exacerbate these challenges.

The Board remains conscious of the size of the Company, the discount to which the shares trade and the need to maximise shareholder value and the Board expects to put forward proposals regarding the future of the Company as soon as possible.

Company Portfolio at month end

37

Number of
investments

£123m

Total invested⁹

10.02%

Average Yield

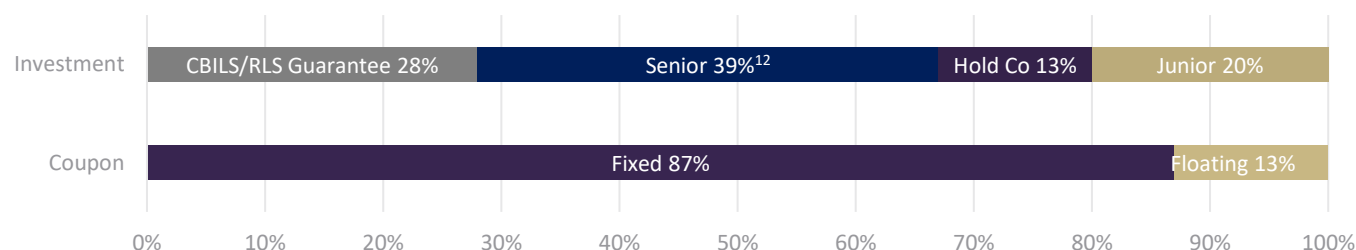
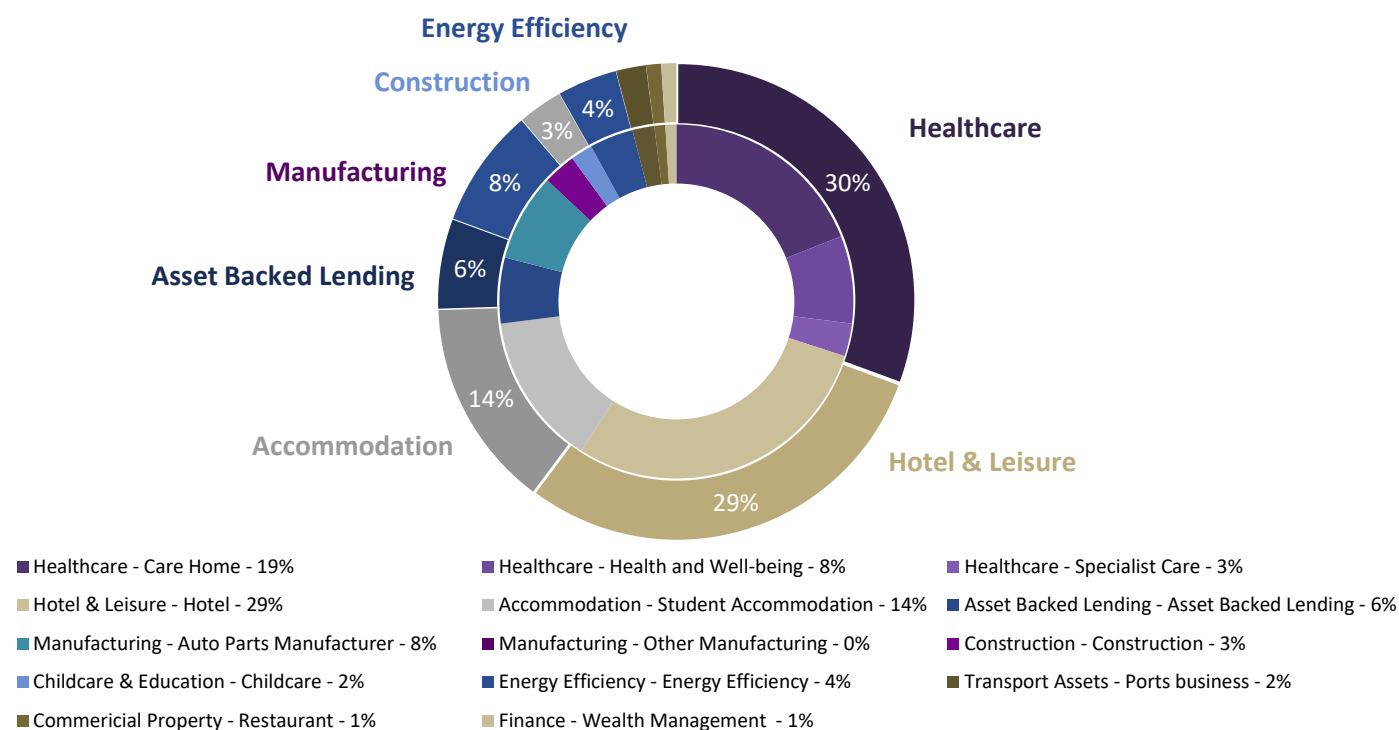
1.91 years

Average Life¹⁰

Largest 10 investments by value across the entire portfolio

Business Activity	Value (£m)	Expected Yield	WAL (years)
Healthcare	12.87	10.37%	1.02
Manufacturing	9.64	15.11%	2.75
Hotel & Leisure	8.50	9.10%	2.76
Healthcare	8.33	12.22%	1.73
Asset Backed Lending	6.69	8.00%	0.50
Hotel & Leisure	5.54	9.10%	2.76
Healthcare	5.00	7.31%	3.63
Hotel & Leisure	5.00	9.79%	1.48
Healthcare	5.00	7.57%	2.47
Hotel & Leisure	5.00	7.59%	1.06

Sector breakdown, June 2023¹¹

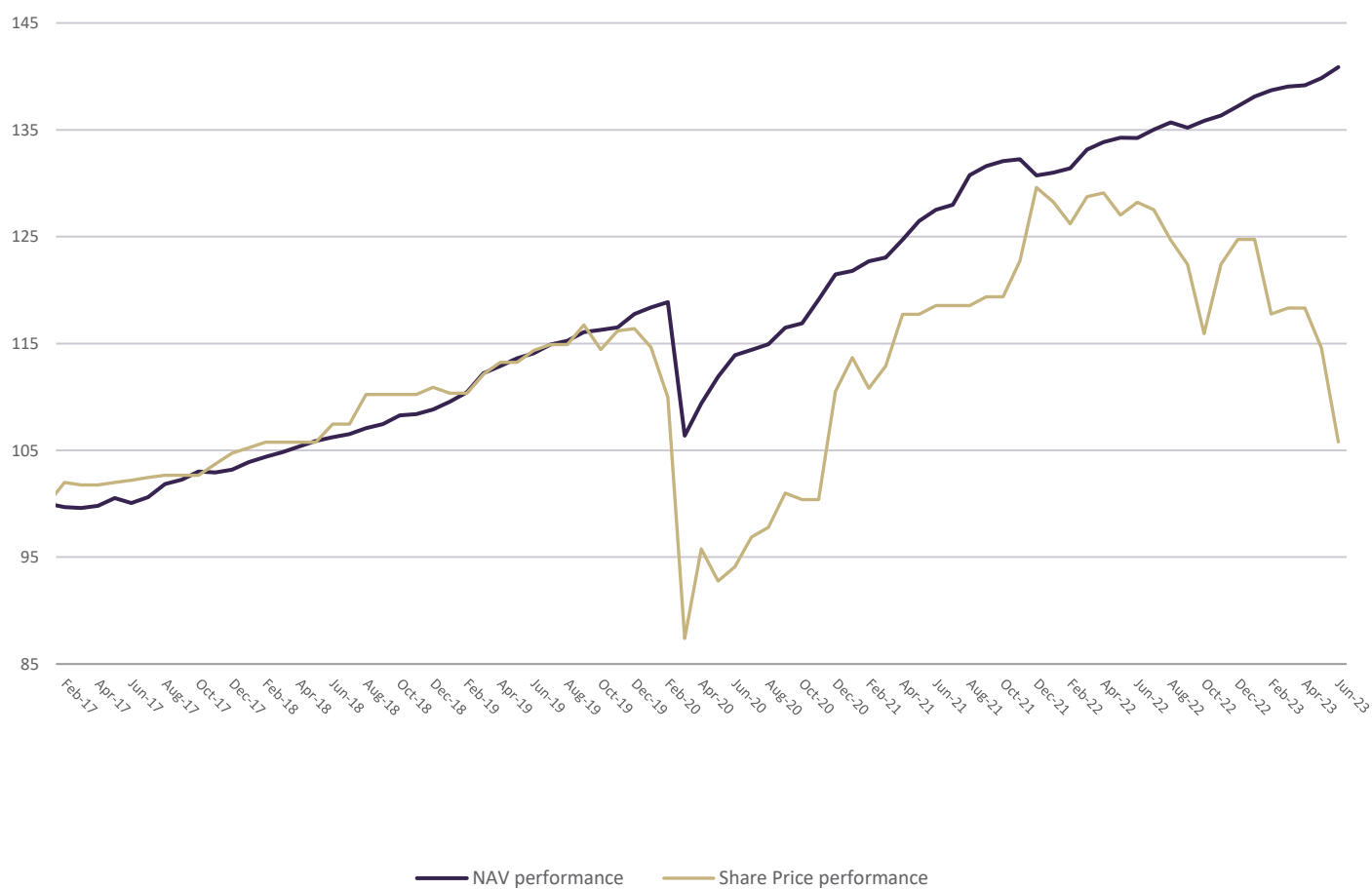


Fund performance

	1 month			3 months		6 months		1 year		2 years		ITD	
NAV Total Return %	0.75%			1.31%		2.66%		4.95%		10.47%		40.87%	
2023													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Dividends p	-	-	1.625	-	-	1.625							3.25
NAV (Cum income) p	93.10	93.49	92.10	92.19	92.62	91.68							-
NAV Total Return %	0.66	0.41	0.26	0.09	0.46	0.75							2.66
Net Interest Income p	0.61	0.62	0.52	0.25	0.54	0.69							3.23
2022													
	Jan*	Feb*	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Dividends p	-	-	1.625	-	-	1.625	-	-	1.625	-	-	1.625	6.50
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
2021													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec*	Total
Dividends p	-	-	1.625	-	-	1.625	-	-	1.625	-	-	1.625	6.50
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	6.27
2020													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Dividends p	-	-	1.70	-	-	1.625	-	-	1.625	-	-	1.625	6.575
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	6.96
2019													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Dividends p	-	-	1.625	-	-	2.00	-	-	1.625	-	-	1.70	6.95
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	8.94
2018													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Dividends (pence)	-	2.00	-	-	-	1.625	-	1.625	-	-	-	1.625	6.875
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	6.98
2017													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Dividends p	-	-	-	-	-	0.20	-	0.20	-	-	1.80	-	2.20
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	4.06

*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 inception⁸



Portfolio Statistics

Ref	Borrower Name	Deal Type	Sector	Subsector	Nominal (£)	Market Value (£)	Valuer	Payment
88	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	12,871,346	12,727,610	V Agent	Cash
39	Beinbauer	Syndicated Loan	Manufacturing	Auto Parts Manufacturer	9,636,468	9,602,624	V Agent	PIK/Cash
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	8,332,334	8,183,676	V Agent	PIK/Cash
60	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Asset Backed Lending	6,693,916	6,693,916	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	4,019,532	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	4,000,000	V Agent	Cash
79	Private Loan - SPV	Bilateral Loan	Construction	Construction	4,500,000	3,676,660	V Agent	Cash
12	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	4,430,000	4,430,000	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	3,119,261	V Agent	N/A
62	Trent Capital	Bilateral Loan	Energy Efficiency	Energy Efficiency	3,121,818	2,964,273	V Agent	PIK
99	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	2,881,472	2,881,472	V Agent	Cash
83	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	2,796,462	2,771,240	V Agent	Cash
58	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	2,743,261	2,430,400	V Agent	PIK
92	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	2,458,629	2,008,787	V Agent	Cash
95a	Private Loan - SPV	Bilateral Loan	Childcare & Education	Childcare	2,349,061	2,344,363	V Agent	Cash
71	Euroports	Syndicated Loan	Transport Assets	Ports business	1,718,656	1,678,921	External	Cash
74	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	930,000	915,870	V Agent	Cash
97a	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	928,833	928,833	V Agent	Cash
96	Private Loan - SPV	Bilateral Loan	Energy Efficiency	Energy Efficiency	835,000	830,086	V Agent	Cash
87	Private Loan - SPV	Bilateral Loan	Commercial Property	Restaurant	782,623	773,253	V Agent	Cash
76.1	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	702,282	689,752	V Agent	PIK
63	Trent Capital (Fusion) RF	Bilateral Loan	Energy Efficiency	Energy Efficiency	652,987	0	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
97b	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	483,869	483,869	V Agent	Cash
95b	Private Loan - SPV	Bilateral Loan	Childcare & Education	Childcare	468,212	467,276	V Agent	Cash
91	Private Loan - SPV	Bilateral Loan	Childcare & Education	School	450,000	450,000	V Agent	Cash
94a	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	243,650	235,593	V Agent	Cash
52	Private Loan - SPV	Bilateral Loan	Clean Energy	Renewable heat incentive	94,370	93,875	V Agent	Cash
9	Private Loan - SPV	Bilateral Loan	Clean Energy	Renewable heat incentive	23,778	23,650	V Agent	Cash
	Sum				122,774,027	116,087,633		

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, by way of a repurchase of ordinary shares, applicable 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. Actual capital invested, excludes undrawn commitments, includes investments yet to settle.
10. Based on Investment Manager's maturity profile assessment and excludes repayment ranking priorities regarding leverage.
11. Percentages may not add up to 100% due to rounding.
12. Senior position is inclusive of wholly owned scheme with no debt obligations.

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