

RM Infrastructure Income PLC

Quarterly Fact Sheet

30th September 2023

Company Overview

ISIN	GB00BYMTBG55
Ticker	RMII
Dividend	Quarterly
Listing	Main Market LSE Premium Listing
Target Annual Dividend	6.5p ¹
Current Cash Yield	9.12%
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	71.25p
Investment Manager's holding (shares)	1,329,125
Net Assets	£106,449,602
NAV per Share	90.53p
Share Price discount to NAV	21.30%

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

Corporate Broker: Singer Capital Markets Advisory 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 September was 0.39%, which brings the NAV % Total Return for the quarter to 0.52%.

The NAV % Total Return over the last twelve months was 4.74% and inception to date 41.59%.

The Ordinary Share NAV as at 30th September 2023 was 90.53 pence per share. This monthly NAV return of -1.268 pence per share arose primarily from the ex-dividend effect of the 1.625 pence per share ordinary dividend for the period Q3 2023, declared and paid in September 2023. Otherwise, there was positive interest income, net of expenses, of 0.426 pence per share and a decrease in portfolio valuations of 0.07 pence per share.

Summary for September 2023 (pence per share)

Net interest income	+0.426p
Change in portfolio valuations	-0.069p
Payment of Dividend (Q2 2023)	-1.625p
Net NAV Movement	-1.268p

Shareholder consultation update

On 6 September 2023, the Company announced that following an extensive consultation with its advisers and shareholders regarding the future strategy of the Company, and although shareholders have been overwhelmingly supportive of the Company's management and performance, the Board has decided to put forward proposals for a managed wind down of the Company.

The Board intends to publish a shareholder circular by the end of October 2023 to convene a general meeting at which it will seek approval from shareholders for the managed wind down and any other related matters required to facilitate an orderly realisation.

Market Update

Fixed income products, especially sovereign bonds, have dominated the news flow during this third quarter of 2023. The higher for longer rhetoric from Central Banks from both sides of the Atlantic, has translated into a steepening of the UK yield curve at the tail end as well as a tightening of the yield curve inversion at the front of the curve. Although on track to continue its downward trajectory, UK inflation remains high with the labour market showing signs of resiliency. We remain cautious regarding duration risk and have positioned the portfolio accordingly.

Credit spreads, as measured by the Markit ITRX European Crossover Index, saw a widening of circa 25bps during September, commencing at circa 400bps and ending the month at circa 427bps. Since the month end, it reached a peak of circa 461bps after gradually reverting back to circa 430bps. This is in line with our previous comments whereby RM believes that spreads are / were probably at their tightest levels and decompression would soon materialise. As the monetary tightening effects continue to feed through the financial system and as credit conditions continue to deteriorate, it is RM's view that credit spreads will continue their decompression journey, in line with what we have seen in the sovereign yield space.

	Total Return (%)		
	1yr	3yr	5yr
RM Infrastructure Income NAV	4.74%	21.58%	31.78%
RM Infrastructure Income Share Price	-8.73%	10.61%	1.36%
S&P European Leveraged Loan Index	6.08%	1.75%	-2.69%
Ishares Core Corp Bond UCITS ETF GBP	7.98%	-18.46%	-5.34%

Portfolio Update

The Investment Manager remains confident with regards to the low interest rate sensitivity of the portfolio. This is largely driven by its short average duration, which is currently 1.53 years. The weighted average yield of the portfolio has increased to 10.38% at the end of the reporting period, a widening in yield of 26bps versus June 2023 or 151bps versus same period last year.

We outline below the key investment activities for Q3 2023:

New investments

- **Childcare & Education, Ref 98:** c.£0.8m

Material Repayments:

- **Asset Finance, Ref 60:** £2m
- **Hotel & Leisure, Ref 86:** £5m

Post period end, the Company successfully completed the prepayment at par of investment loan #82 and #83, receiving c.£7.8m.

Given the outcome of the Board's strategic review and the resulting proposed managed wind down recommendation, which will be put to a Shareholders' vote in November 2023, there will be no new investments (save for drawdowns against committed facilities) unless the Board considers that doing so will maximise returns to shareholders in the timeframe in which the Company will otherwise be dealing with the managed wind down.

As such, available free cash is currently being utilised in repayment of the outstanding leverage facilities. During the reporting period, the RCF was fully repaid with a £2.2m repayment and the Term Loan saw a £1m repayment. Post period end, a further £5.8m was repaid on the Term Loan with a current outstanding balance of c.£5.2m. We anticipate that by end of Q4 2023, the TLB will have been repaid in full.

Company Portfolio at month end

36

Number of
investments

£119m

Total invested⁹

10.38%

Average Yield

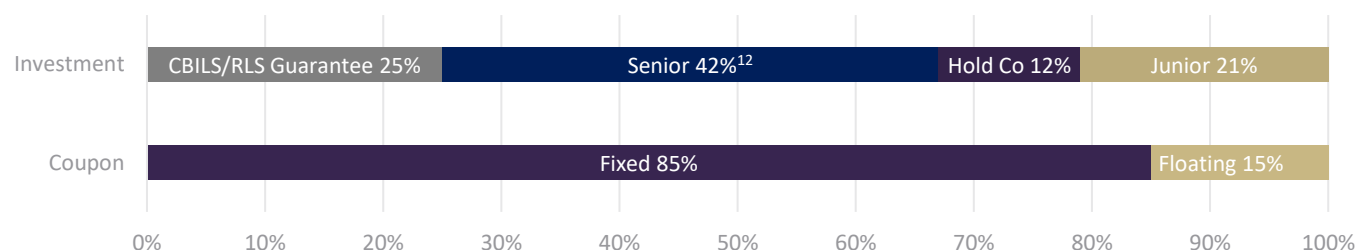
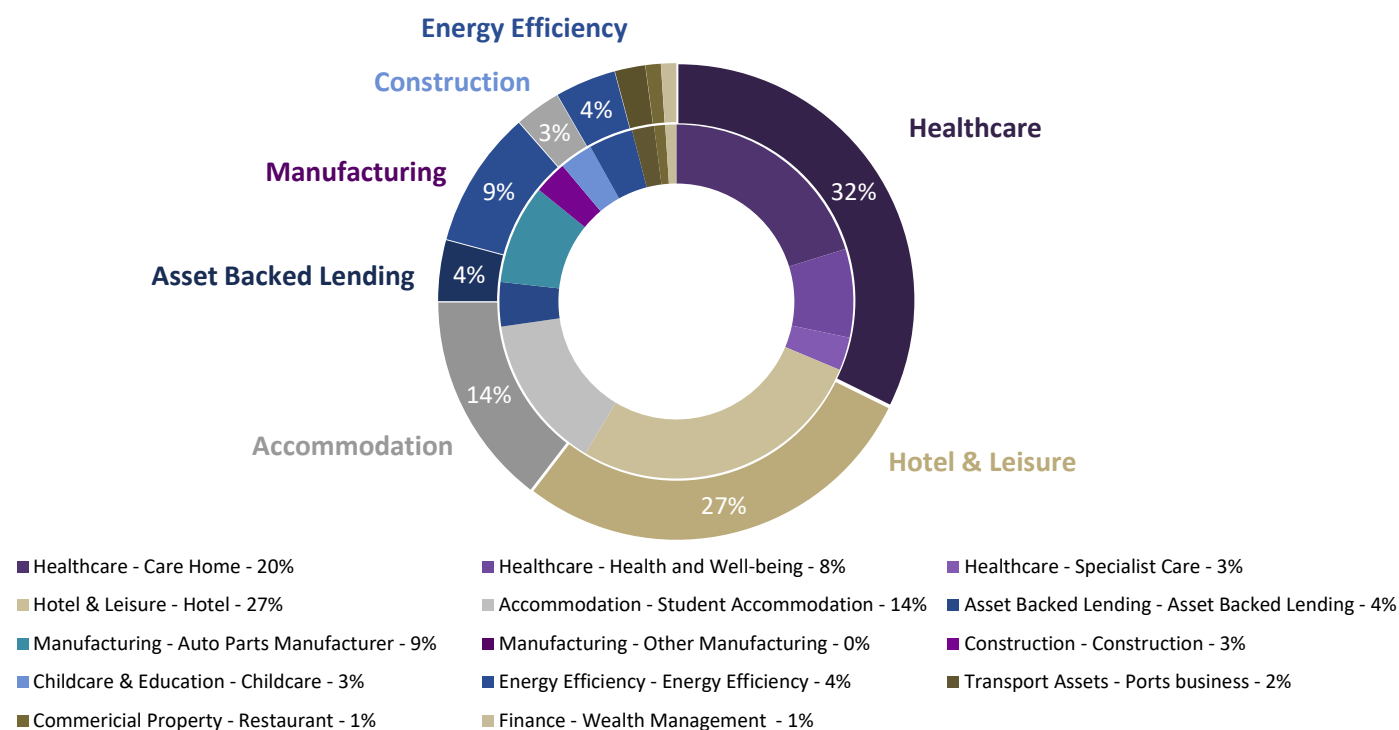
1.53 years

Average Life¹⁰

Largest 10 investments by value across the entire portfolio

Business Activity	Value (£m)	Expected Yield	WAL (years)
Healthcare	12.87	10.37%	0.77
Manufacturing	9.87	15.64%	2.50
Hotel & Leisure	8.50	9.10%	2.51
Healthcare	8.49	12.22%	1.48
Hotel & Leisure	5.54	9.10%	2.51
Healthcare	5.00	7.79%	3.38
Hotel & Leisure	5.00	10.00%	1.23
Healthcare	5.00	7.50%	<i>Prepaid post period end</i>
Accommodation	5.00	10.00%	0.08
Asset Backed Lending	4.69	8.00%	0.25

Sector breakdown, September 2023¹¹

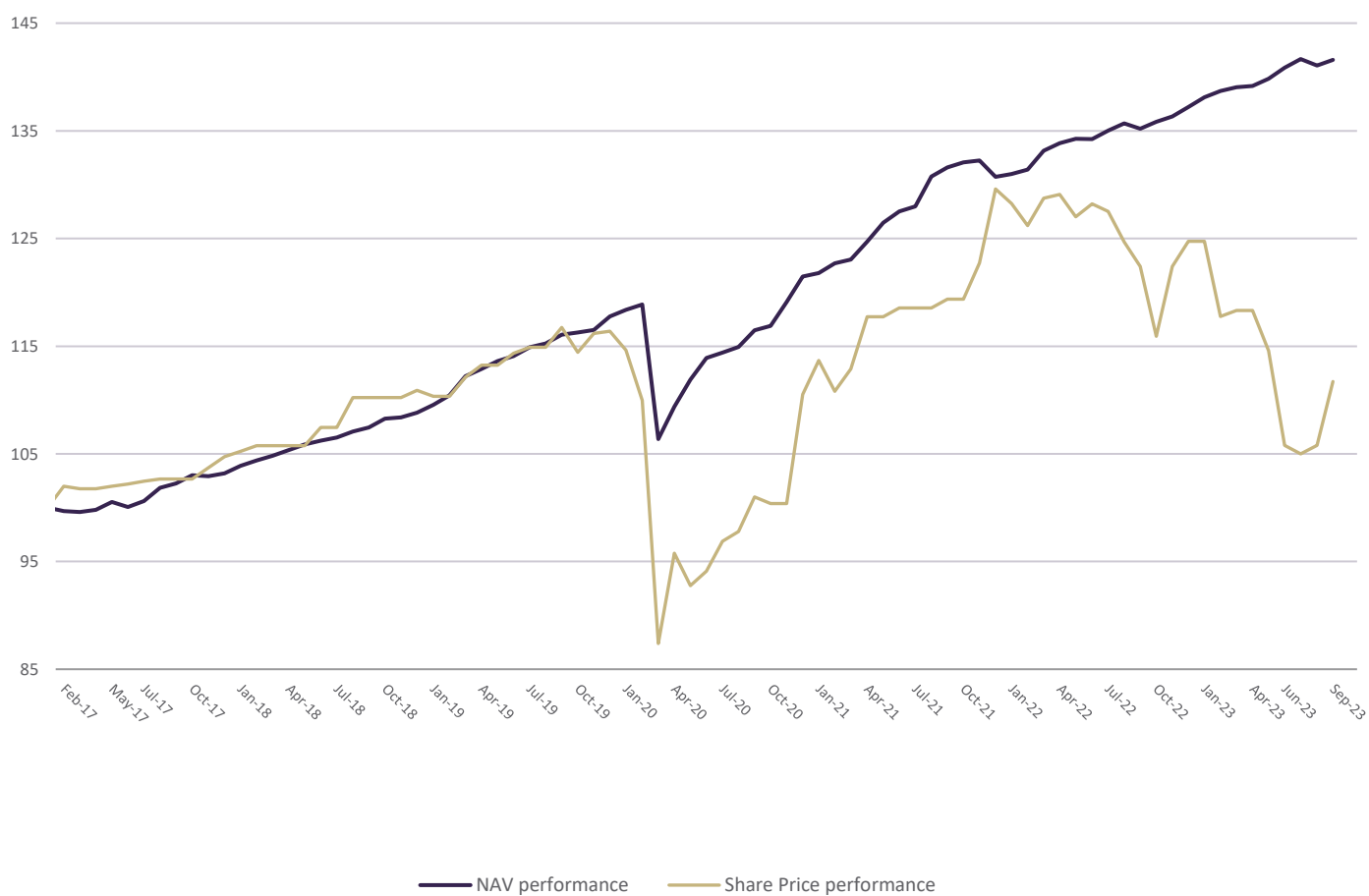


Fund performance

	1 month			3 months		6 months		1 year		2 years		ITD	
NAV Total Return %	0.39%			0.52%		1.83%		4.74%		7.60%		41.59%	
2023													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Dividends p	-	-	1.625	-	-	1.625	-	-	1.625				4.875
NAV (Cum income) p	93.10	93.49	92.10	92.19	92.62	91.68	92.20	91.80	90.53				-
NAV Total Return %	0.66	0.41	0.26	0.09	0.46	0.75	0.57	(0.44)	0.39				3.19
Net Interest Income p	0.61	0.62	0.52	0.25	0.54	0.69	0.60	0.59	0.43				4.84
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	9,867,324	9,832,670	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	8,492,674	8,341,155	V Agent	Cash
67	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	5,540,560	5,479,113	V Agent	Cash
15	Private Loan - SPV	Bond	Healthcare	Specialist Care	5,000,000	3,769,445	External	Cash
80	Voyage Care	Bilateral Loan	Hotel & Leisure	Hotel	5,000,000	4,000,000	V Agent	Cash
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	4,000,000	V Agent	Cash
60	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Asset Backed Lending	4,693,916	4,693,916	V Agent	Cash
79	Private Loan - SPV	Bilateral Loan	Construction	Construction	4,500,000	3,600,000	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	Private Loan - SPV	Equity	Accommodation	Student accommodation	3,600,000	3,119,261	V Agent	N/A
62	Equity	Bilateral Loan	Energy Efficiency	Energy Efficiency	3,189,942	2,800,929	V Agent	PIK
58	Trent Capital	Bilateral Loan	Hotel & Leisure	Hotel	2,919,779	2,469,996	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	2,796,462	V Agent	Cash
92	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	2,458,629	1,966,903	V Agent	Cash
95a	Private Loan - SPV	Bilateral Loan	Childcare & Education	Childcare	2,349,061	2,344,363	V Agent	Cash
71	Private Loan - SPV	Syndicated Loan	Transport Assets	Ports business	1,733,252	1,723,512	External	Cash
97a	Euroports	Bilateral Loan	Healthcare	Care home	1,089,306	1,089,306	V Agent	Cash
96	Private Loan - SPV	Bilateral Loan	Energy Efficiency	Energy Efficiency	1,050,000	1,043,821	V Agent	Cash
74	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	930,000	0	V Agent	Cash
87	Private Loan - SPV	Bilateral Loan	Commercial Property	Restaurant	782,623	773,253	V Agent	Cash
98	Private Loan - SPV	Bilateral Loan	Childcare & Education	Childcare	742,500	742,500	V Agent	Cash
76	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	724,309	711,386	V Agent	PIK
63	Trent Capital (Fusion) RF	Bilateral Loan	Energy Efficiency	Energy Efficiency	617,844	0	V Agent	PIK
97b	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	525,171	525,171	V Agent	Cash
78	Private Loan - SPV	Bilateral Loan	Energy Efficiency	Energy Efficiency	500,000	400,000	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	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	235,910	228,109	V Agent	Cash
52	Private Loan - SPV	Bilateral Loan	Clean Energy	Renewable heat incentive	58,099	57,794	V Agent	Cash
	Sum				117,502,831	109,267,400		

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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