

RM Infrastructure Income PLC

Quarterly Fact Sheet

31st December 2023

Company Overview

ISIN	GB00BYMTBG55
Ticker	RMII
Dividend	Quarterly
Listing	Main Market LSE Premium Listing
Target Annual Dividend	6.5p ¹
Current Cash Yield	8.75%
Management Fee	0.875% ²
Discount Management Strategy	n/a ³
Shares in Issue	117,586,359
Share Price mid	74.25p
Investment Manager's holding (shares)	1,329,125
Net Assets	£106,236,265
NAV per Share	90.35p
Share Price discount to NAV	17.82%

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.

On 20 December 2023, at General Meeting shareholders approved the implementation of the Managed Wind-down of the Company as further described in the Circular published on 30 November 2023. Accordingly, at that time the Company's investment objective was restated as follows: *"The Company aims to conduct an orderly realisation of the assets of the Company, to be effected in a manner that seeks to achieve a balance between returning cash to Shareholders promptly and maximising value."*

NAV & Share Price Performance

The Company's NAV % Total Return for the month of December was 1.80%, which brings the NAV % Total Return for the quarter to 1.59%.

The NAV % Total Return over the last twelve months was 4.83% and inception to date (ITD) 43.85%.

The Ordinary Share NAV as at 31st December 2023 was 90.35 pence per share. This monthly NAV return of 0.003 pence per share arose primarily from the ex-dividend effect of the 1.625 pence per Ordinary Share dividend for the period Q3 2023, declared and paid in December 2023. Otherwise, there was positive interest income, net of expenses, of 0.556 pence per share and an increase in portfolio valuations of 1.07 pence per share.

Summary for December 2023 (pence per share)

Net interest income	+0.556p
Change in portfolio valuations	+1.072p
Payment of Dividend (Q4 2023)	-1.625p
Net NAV Movement	+0.003p

Since inception, the portfolio's valuation approach has been based around fair value where the independent third-party valuation agent looks at observable pricing for similar sectors and values the assets based upon where comparables are valued. This incorporates the broader market returns as well as any idiosyncratic risks. Through review of the latest iteration of the extant IPEV guidelines and discussions with the Company's valuation agent and a review of industry practice in light of the change in guidelines, the Company has now moved to a valuation process that is driven by a yield-based methodology. This change has given an uplift to the portfolio valuation over the month.

Market Update

Government bonds saw a big reversal in the final quarter with 5-year yields moving from 4.6% to 3.45% over the quarter and this was the same picture across the gilt curve. Credit spreads moved in from 450 to end the year at 310 in ITRX Crossover index. So overall it was an exceptional quarter for fixed income products.

	Total Return (%)		
	1yr	3yr	5yr
RM Infrastructure Income NAV	4.83%	18.44%	32.17%
RM Infrastructure Income Share Price	-4.63%	7.66%	7.28%
S&P European Leveraged Loan Index	5.16%	-1.50%	-1.40%
iShares Core Corp Bond UCITS ETF GBP	8.53%	-14.85%	3.09%

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 1.69 years. The weighted average yield of the portfolio has increased to 10.91% at the end of the reporting period, a widening in yield of 53bps versus September 2023 or 176bps versus same period last year.

We outline below the key investment activities for Q4 2023:

New Investments:

Given the outcome of the Board's strategic review and the resulting Shareholder-approved managed wind down of the Company, 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.

Material Repayments:

- **Healthcare, Ref #82:** £5m
- **Healthcare, Ref #83:** £2.8m
- **Accommodation, Ref #84:** £4m

In addition, during the reporting quarter, the Company claimed against its CBILS guarantee for investment loans Ref #78 and Ref #89, successfully recovering £4.4m in aggregate, in line with book values. Proceeds of said guarantee payment receipts have been utilised in repayment of the Company's outstanding leverage.

The Company is also expecting prepayment at par of investment loan Ref #71 during the month of January 2024.

As disclosed in December 2023, the Company has Investment loans (Ref #58, #80, #92 and #79) junior secured against and / or exposed to the Virgin Clyde Street Hotel in the city-centre of Glasgow, Scotland. The senior secured lender has initiated an administration process to recover value with the hotel now being closed. The Company's total nominal outstanding balance in respect of said loans is circa £15m, with investment loans Ref #80, #92 and #79 (or circa 83% of nominal outstanding) underwritten via the Coronavirus Business Interruption Loan Scheme ("CBILS") and / or the Recovery Loan Scheme ("RLS") which benefit from a partial contractual government-backed guarantee. CBILS and RLS related investment loans have all been marked at their guarantee level, and as a result, RM does not foresee any further write downs of these loans. We are currently forecasting CBILS and RLS claims being made towards the end of H2-2024 with funds being received in December 2024 – this has been factored in the Portfolio's duration workings. Investment loan Ref #58 benefits from a valuable additional 3rd party security package and has therefore been valued accordingly by the valuation agent.

Finally, the Company has been pursuing a legal claim against the former main contractor of investment loan Ref #68, a wholly owned 79 beds student accommodation located in the city centre of Coventry-UK, since September 2022 via an adjudication process. On the 2nd of January 2024, RMII was successfully awarded circa £1.2m by the adjudicator (or circa 1 pence per Ordinary Share), with circa 90% of said sums now having been received in cleared funds. Following a lengthy legal process, it is very pleasing to be able to deliver a positive value accretive outcome for Shareholders.

All leverage facilities were fully repaid during the reporting quarter with the Company now completely ungeared. Current cash balance sits at circa £9m. The Company will seek to hold circa £6m in unrestricted cash reserves to fund undrawn committed facilities and other Company-related working capital requirements. This is expected to start decreasing in Q2-2024 as and when undrawn committed facilities are utilised.

Company Portfolio at month end

31

Number of investments

£101m

Total invested⁹

10.91%

Average Yield

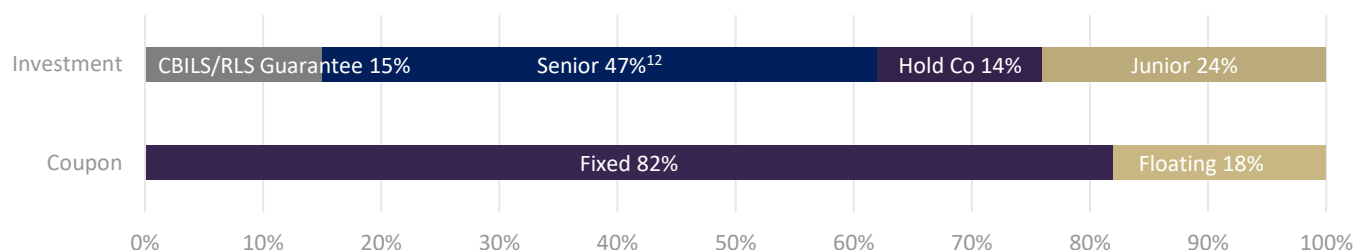
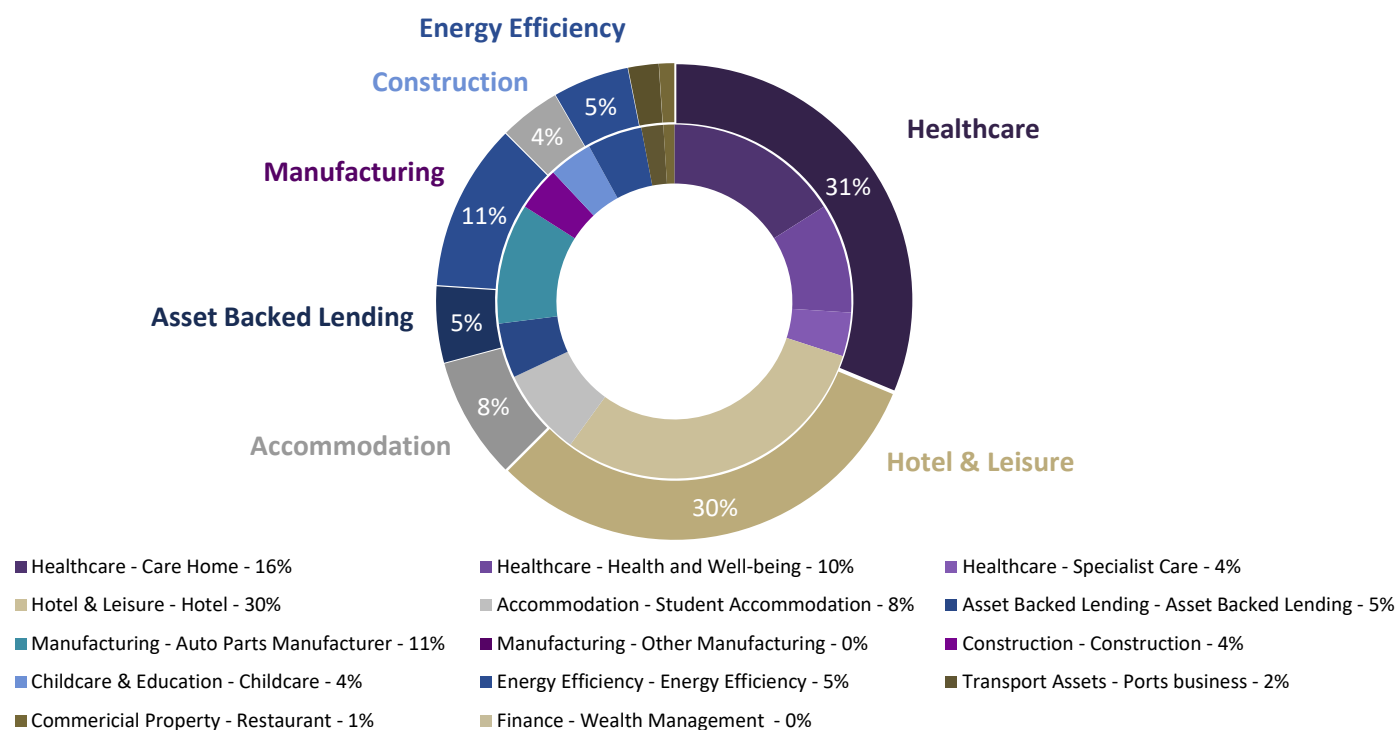
1.69 years

Average Life¹⁰

Largest 10 investments by value across the entire portfolio

Business Activity	Value (£m)	Expected Yield	WAL (years)
Healthcare	12.87	10.15%	1.52
Manufacturing	10.02	16.02%	2.25
Healthcare	8.55	11.67%	1.23
Hotel & Leisure	8.50	9.43%	2.26
Hotel & Leisure	5.54	9.43%	2.26
Healthcare	5.00	8.04%	3.13
Hotel & Leisure	5.00	10.84%	0.98
Asset Backed Lending	4.69	9.97%	0.25
Construction	4.50	10.84%	0.98
Accommodation	4.43	7.99%	0.98

Sector breakdown, December 2023¹¹



Fund performance

	1 month	3 months	6 months	1 year	2 years	ITD
NAV Total Return %	1.80%	1.59%	2.12%	4.83%	10.05%	43.85%

2023													
	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	93.10	93.49	92.10	92.19	92.62	91.68	92.20	91.80	90.53	91.17	90.35	90.35	-
NAV Total Return %	0.66	0.41	0.26	0.09	0.46	0.75	0.57	(0.44)	0.39	0.71	(0.91)	1.80	4.83
Net Interest Income p	0.61	0.62	0.52	0.25	0.54	0.69	0.60	0.59	0.43	0.50	0.41	0.56	6.30

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

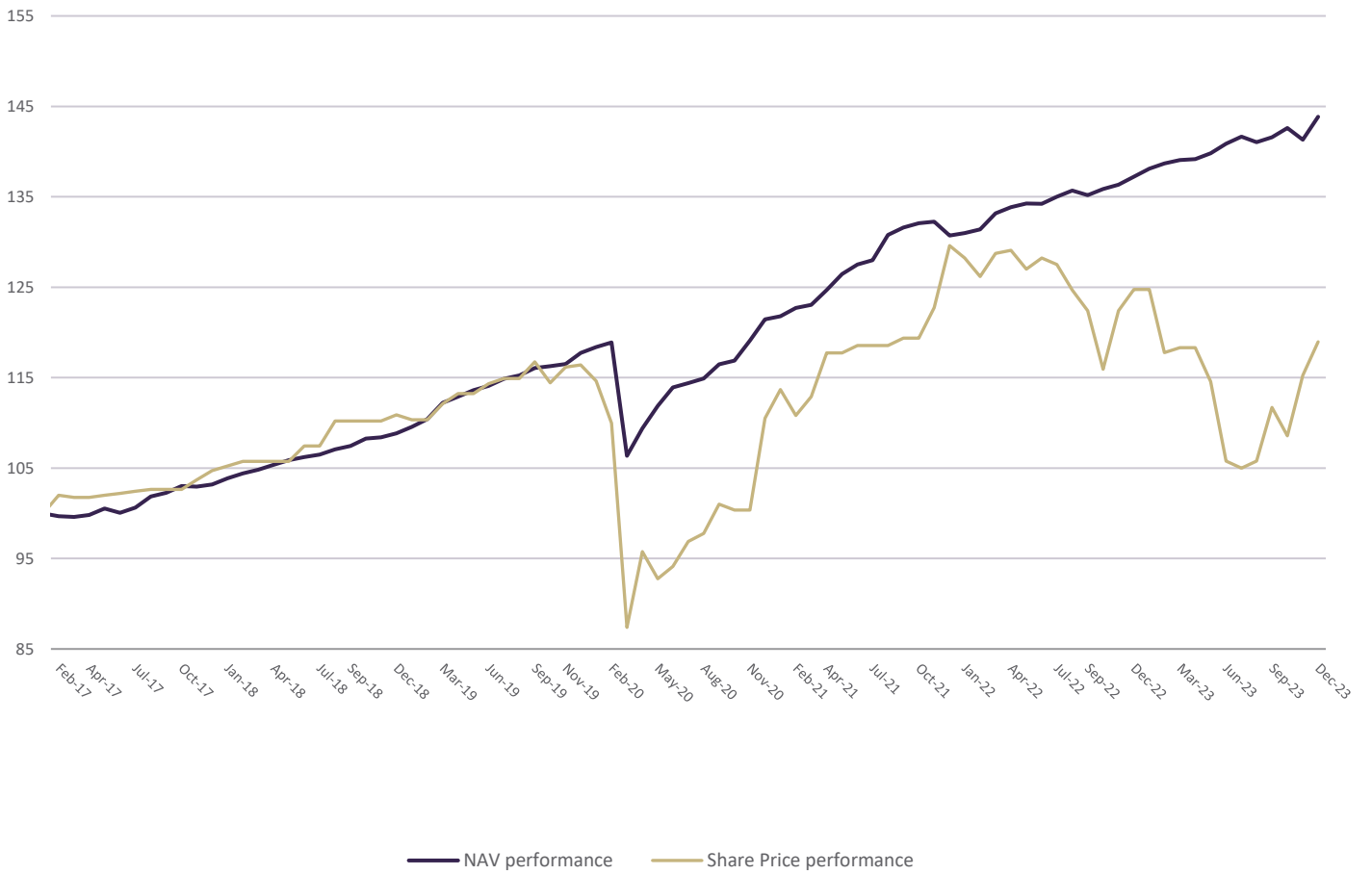
2019													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Dividends p	-	-	1.625	-	-	2.00	-	-	1.625	-	-	1.70	6.95
NAV (Cum income) p	97.62	98.38	98.36	98.95	99.59	98.00	98.69	99.00	98.05	98.24	98.45	97.79	-
NAV Total Return %	0.67	0.78	1.64	0.59	0.65	0.41	0.70	0.31	0.70	0.19	0.21	1.06	8.18
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	12,994,338	V Agent	Cash
39	Beinbauer	Syndicated Loan	Manufacturing	Auto Parts Manufacturer	10,022,097	9,980,275	V Agent	PIK/Cash
76	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	8,553,696	8,798,765	V Agent	Cash
66	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	8,504,440	8,115,336	V Agent	Cash
67	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	5,540,560	5,287,063	V Agent	Cash
15	Voyage Care	Bond	Healthcare	Specialist Care	5,000,000	3,654,167	External	Cash
80	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	5,000,000	3,690,514	V Agent	Cash
60	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Asset Backed Lending	4,693,916	4,707,150	V Agent	Cash
79	Private Loan - SPV	Bilateral Loan	Construction	Construction	4,500,000	3,321,462	V Agent	Cash
12	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	4,430,000	4,434,438	V Agent	Cash
73	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	4,000,000	4,178,126	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	3,259,437	3,026,936	V Agent	PIK
58	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	3,107,657	2,697,306	V Agent	PIK
99	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	2,881,472	2,907,875	V Agent	Cash
92	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	2,458,629	1,814,721	V Agent	Cash
95a	Private Loan - SPV	Bilateral Loan	Childcare & Education	Childcare	2,349,061	2,132,123	V Agent	Cash
71	Euroports	Syndicated Loan	Transport Assets	Ports business	1,733,853	1,681,838	External	Cash
96	Private Loan - SPV	Bilateral Loan	Energy Efficiency	Energy Efficiency	1,584,700	1,647,955	V Agent	Cash
97a	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	1,258,536	1,286,099	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	796,761	V Agent	Cash
76.1	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	747,017	765,684	V Agent	PIK
98	Private Loan - SPV	Bilateral Loan	Childcare & Education	Childcare	742,500	791,403	V Agent	Cash
63	Trent Capital (Fusion) RF	Bilateral Loan	Energy Efficiency	Energy Efficiency	612,844	0	V Agent	PIK
97b	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	566,036	568,330	V Agent	Cash
81	Private Loan - SPV	Bilateral Loan	Finance	Wealth Management	500,000	501,839	V Agent	Cash
95b	Private Loan - SPV	Bilateral Loan	Childcare & Education	Childcare	468,212	444,630	V Agent	Cash
91	Private Loan - SPV	Bilateral Loan	Childcare & Education	School	450,000	448,467	V Agent	Cash
94a	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	228,170	239,265	V Agent	Cash
52	Private Loan - SPV	Bilateral Loan	Clean Energy	Renewable heat incentive	13,496	13,665	V Agent	Cash
	Sum				101,390,298	94,045,792		

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 no longer applicable given the restated Company's objective of realising assets as per the Shareholders-approved Managed Wind-down.
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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