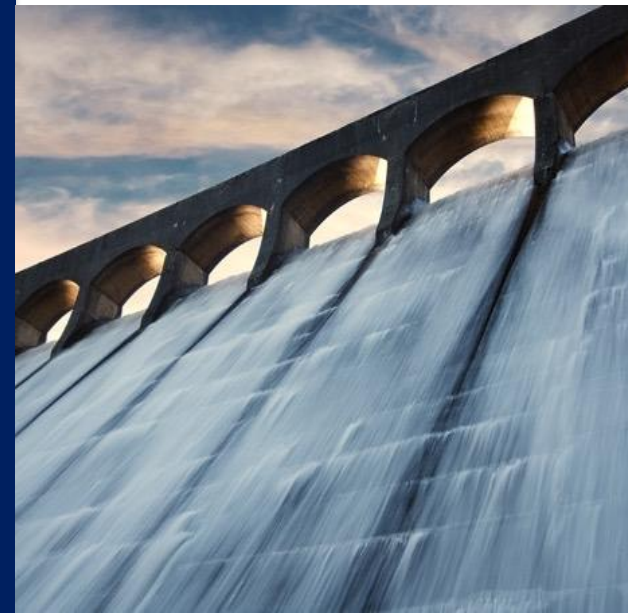


RM Infrastructure Bond Fund

Q1 2024 Presentation

Institutional Investors Only



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SVS RM Infrastructure Bond Investment Objectives

- **Objectives:**

- **Investment objective to target an income return greater than SONIA**

- **Target Sectors**

- **Regulated Infrastructure** – Focus on Power
- **Social Infrastructure** – Focus on Healthcare, Accommodation and Education
- **Economic Infrastructure** – Focus on Transportation and Telecommunication

- **Why infrastructure:**

- **Lower default rates than broader corporate sectors***
- Access to Inflation linked bond issuers / **inflation linked cash flows reduce borrower risk**
- Financing real assets with **tangible asset backing and better recovery profiles**

**Fund
Information**

- Low management fee, 0.45% F Class
 - F Class capped OCF 0.50%
 - Zero synthetic costs
 - IA Sector: Sterling Strategic Bond
 - Average rating currently BBB
 - Only Infrastructure focused fund in sector
-

• <https://www.spglobal.com/ratings/en/research/articles/221219-default-transition-and-recovery-2021-annual-infrastructure-default-and-rating-transition-study-12576939>
• Infrastructure has a comparatively smaller high-yield universe (10% of infrastructure issues) than the broader non-financial corporate sector (43%)

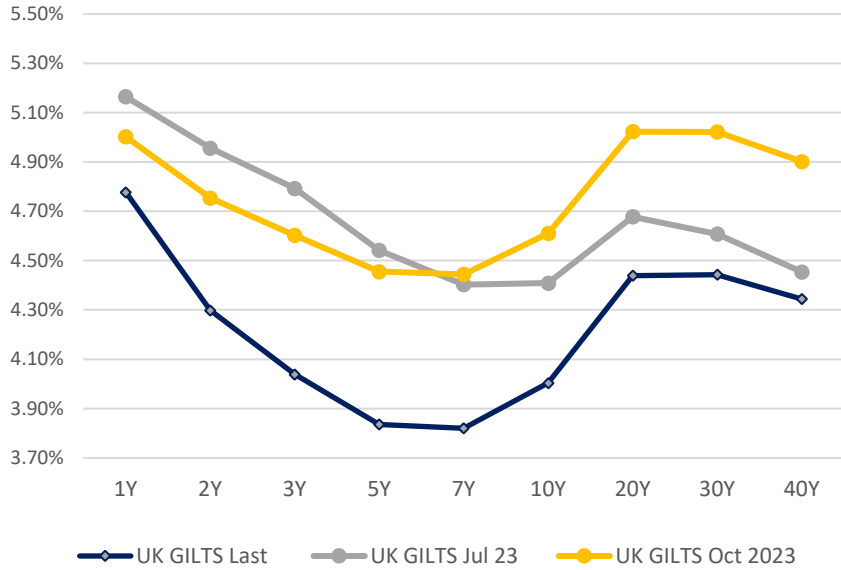
Appendix 1 Portfolio Overview

- Market overview
- Allocations process
- Model portfolio
- Simulated fund performance
- Market & portfolio outlook



Macro-Economic Conditions

UK GILTS & US Treasury Yield Curves (%)



Credit Spread Indices (bps)



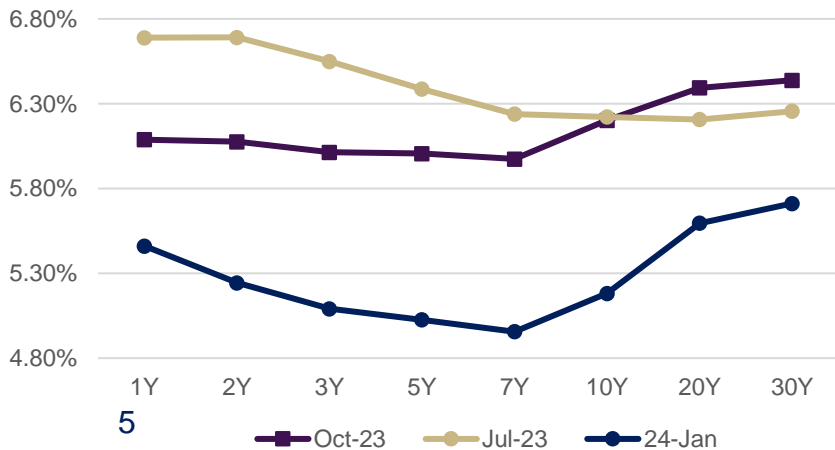
Yield curve shape

- Inverted – cause for concern as this usually predicates a recession
- Indicates tighter credit conditions as short dated financing is expensive.
- No real yield pick up being offered to extend.

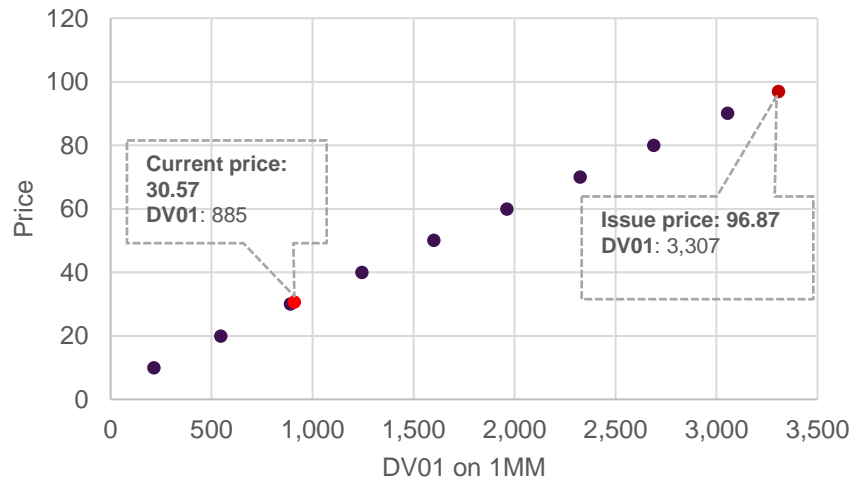
Credit Spreads

- Cautious outlook as tighter credit conditions should see an increase in defaults and wider credit spreads.
- Focus on higher quality, shorter dated credit now. Tactical movement up and down capital structure to play any volatility.

GBP UK Utilities Yield Curve Last (%)



UK GILT 0 1/2 2061



Allocation Shift

- Deep discount and high convexity bonds offer attractive risk/return opportunities to extend into at the correct time.
- The fund is poised to capitalise on this when rates cycle turns.

Source:
Bloomberg, 21st March 2024
Bank of England, Federal Reserve, RM Funds analysis
Robert H. Frank, Principles of Macroeconomics 2007

Allocation Process

- Defined and structured approach to risk taking
- Clear risk profile grading system for investor communication

Investment Guidelines:

- Issuer Limit 10%
- Issue Limit 5%
- >70% portfolio issuers IG
- No Illiquid Holdings/Securities
- <5% crossover in portfolio holdings with RMAI



Outlook	Risk-off	Neutral	Risk-on
Credit Profile	Upper	Neutral	Lower
Definition	90-100% Investment Grade	80-90% Investment Grade	70-80% Investment Grade
Duration Profile	Short	Neutral	Long
Definition	0-5 years	5-7 years	7-12 years

* Current positioning

Dynamic Changes in the Portfolio: A 9-month Overview

Q3 2023

Positioning

July **+0.92%** NAV monthly ret.

- Allocated into very front end with 2-year gilts yielding greater than 5.25%. Both credit and gilts short duration. Focus on IG credit.

August **+0.69%** NAV monthly ret.

- Underlying gilt yields fell during the month with specific focus in the front end as curve steepened
- Portfolio relatively unchanged throughout month as initial positioning and narrative played out.

September **+0.49%** NAV monthly ret.

- Front end of the yield curve continued to steepen; 5/10 year nearly flat.
- Remained short dated-high quality credit in anticipation of spread widening and credit decompression.
- Started to rotate longer-dated higher convexity gilts given normalisation of risk-free curve.

Q4 2023

Positioning

October **+0.39%** NAV monthly ret.

- Further yield curve steeping as long end yields rise 2-year yields fell.
- Narrative is that long end yields at 5% will stabilise.
- Credit continues to widen with Xover (HY) closing at 460 and Europe Main (IG) at 85.

November **+1.76%** NAV monthly ret.

- Very strong month for government bonds reflecting the expectations for central bank easing earlier than previously anticipated.
- Credit tightened materially with Xover (HY) going from 460 to 370 and Main (IG) tightening from 85 to 68.
- Credit remained firm, with new issuance coming towards the end of the month, particularly in the long-end of the curve
- Allocations remained largely unchanged

December **+3.16%** NAV monthly ret.

- Extended portfolio duration at the beginning of the month with some long-dated new issues
- Took advantage of the rally by selling gilts and some credits in the last week of the month.

Q1 2024

Positioning

January **-0.28%** NAV monthly ret.

- Went into January with a large cash balance to deploy after an expected pull-back.
- Expect yields to fall over the year but, after the December rally, a lot is priced in with 5 and 10-year gilt yields at 3.75%.
- Expect spreads to widen over the year, so maintain focus on short dated IG corporates/underweight HY.

February **-0.09%** NAV monthly ret.

- Extended duration during the month from 1.74 years to 4.70 years to capitalize on the increase in yields seen in early February.
- The running yield on the portfolio increased by 10bp over the month.
- The portfolio is well positioned for a reduction in yields as RM feel the recent pull back in prices has run its course

March

- Entered the month with shorter duration in anticipation of the chancellor's budget announcement on 6th March 2024.
- Spreads continue to tighten

Current Portfolio Positioning

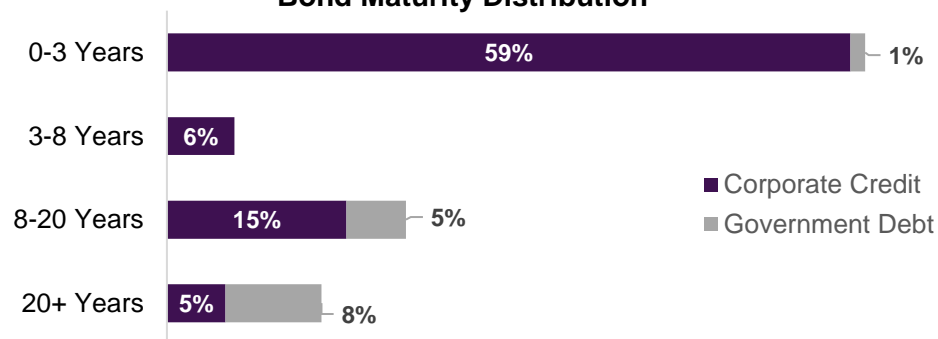
Portfolio Statistics

- Top #10 Exposure: c.47.5%
- # of Holdings: 25

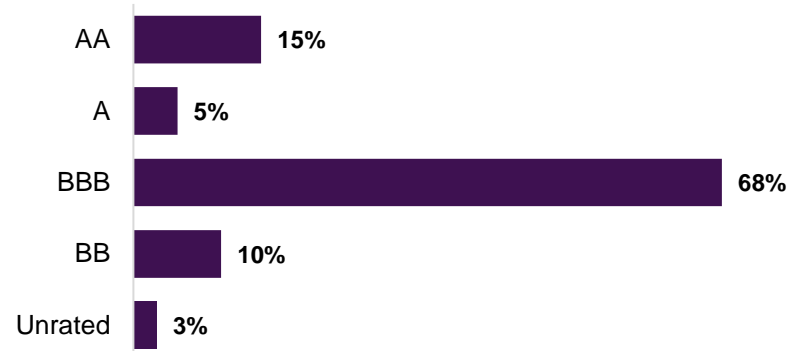
- Running Yield: 5.50%
- Distribution Yield*: 5.99%
- Option Adjusted Duration: 3.88 years
- YTW: 5.50%

- Economic Infrastructure: 23.3%
- Regulated Infrastructure: 44.9%
- Social Infrastructure: 9.1%
- Gilts/Cash: 22.8%

Bond Maturity Distribution



Bond Rating Allocation



TOP TEN HOLDINGS

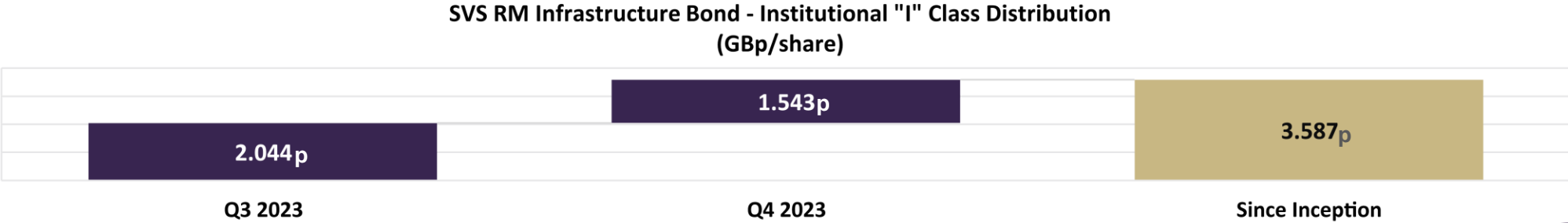
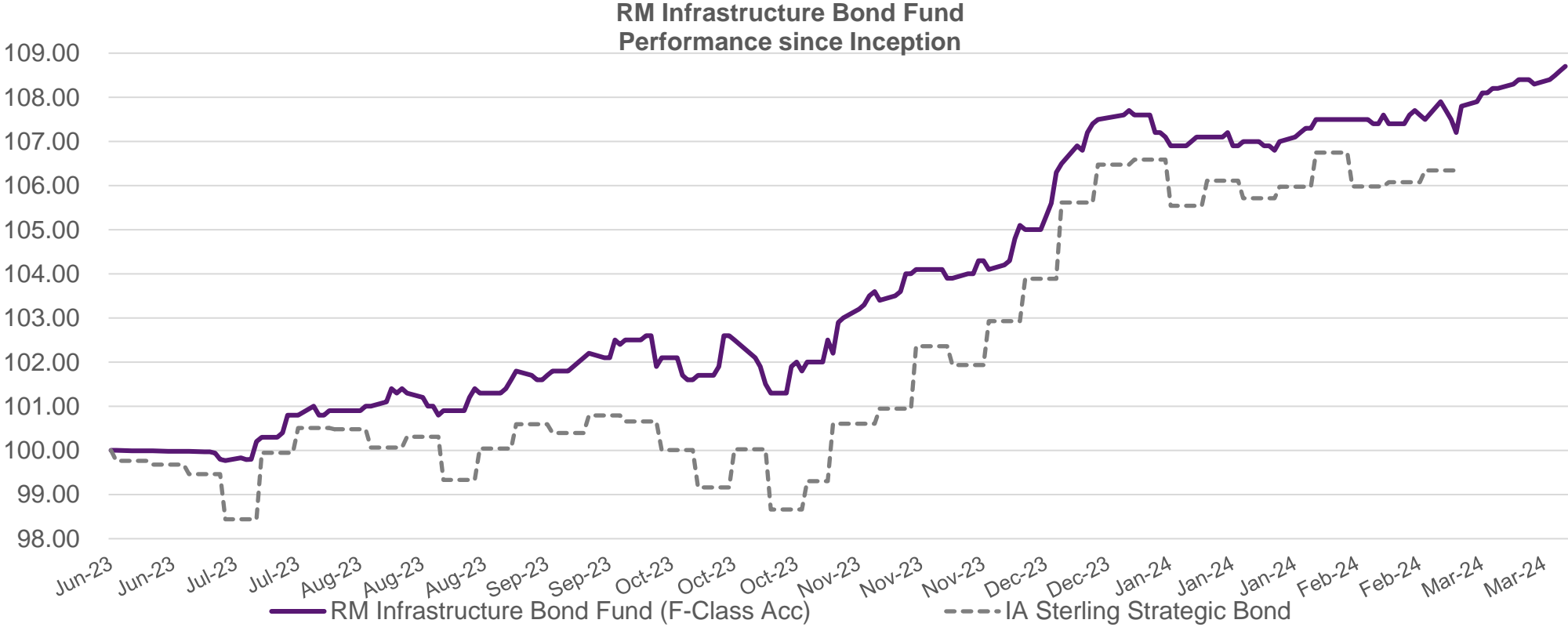
Issuer	Coupon	Maturity
Scottish and Southern Energy	8.375%	Nov 2028
Electricity Northwest	8.875%	Mar 2026
Southern Water Services	7.375%	Dec 2041
Associated British Ports	6.25%	Dec 2026
UK GILT	4.25%	Mar 2036
National Grid	6.00%	May 2025
Manchester Airports	4.125%	Apr 2024
Cadent Gas	5.625%	Jan 2036
Enel	5.625%	Aug 2024
Eastern Power Networks	5.375%	Feb 2042

Source: Bloomberg (29th February 2024)

Bond Ratings from Bloomberg Composite Credit Ratings

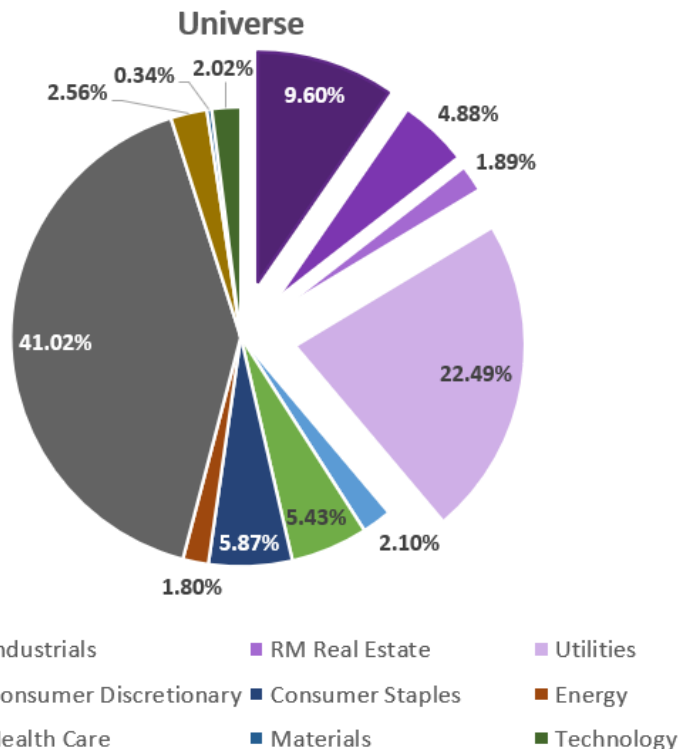
* Distribution yield reflects the last quarterly dividend annualized as a percentage yield of the GBP Income I class.

Actual Fund Performance (15th June 2023 – 21st March 2024)

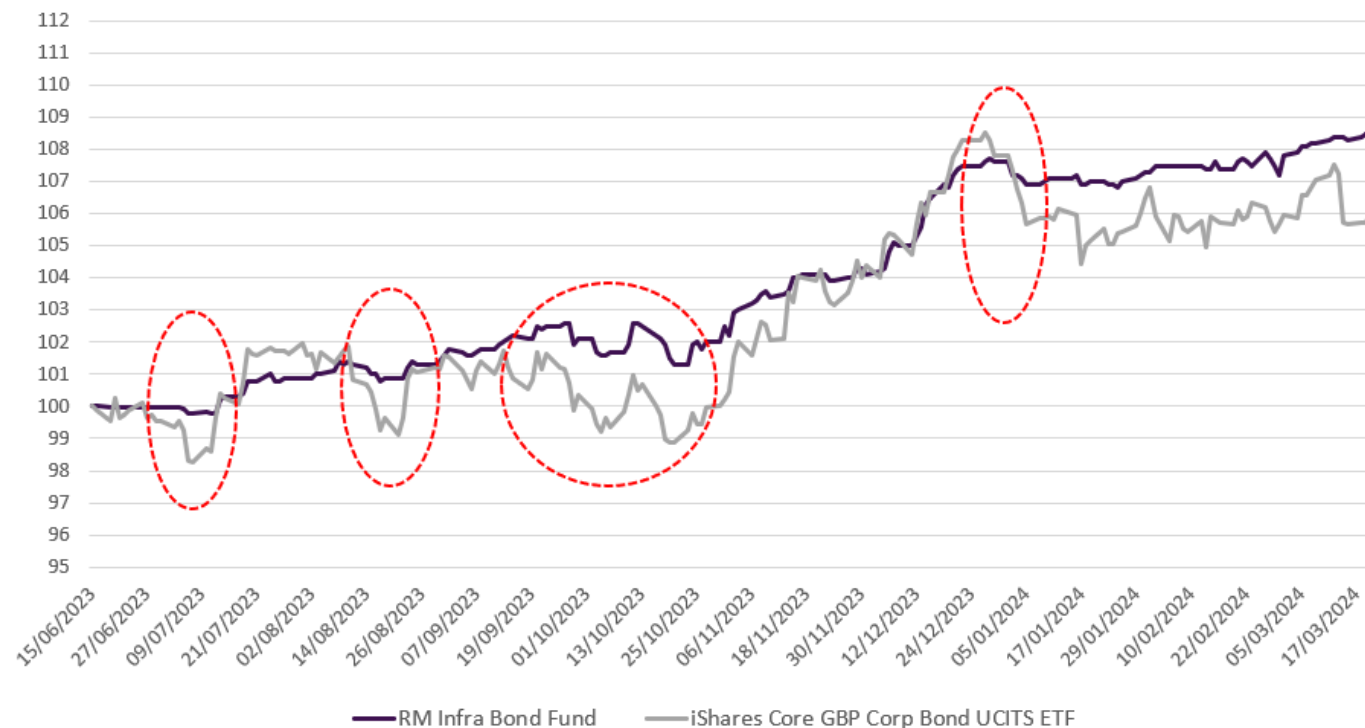


Actual Fund Performance vs Peer group

iShares Core GBP Corp Bond UCITS ETF vs RM Infrastructure Bond Fund



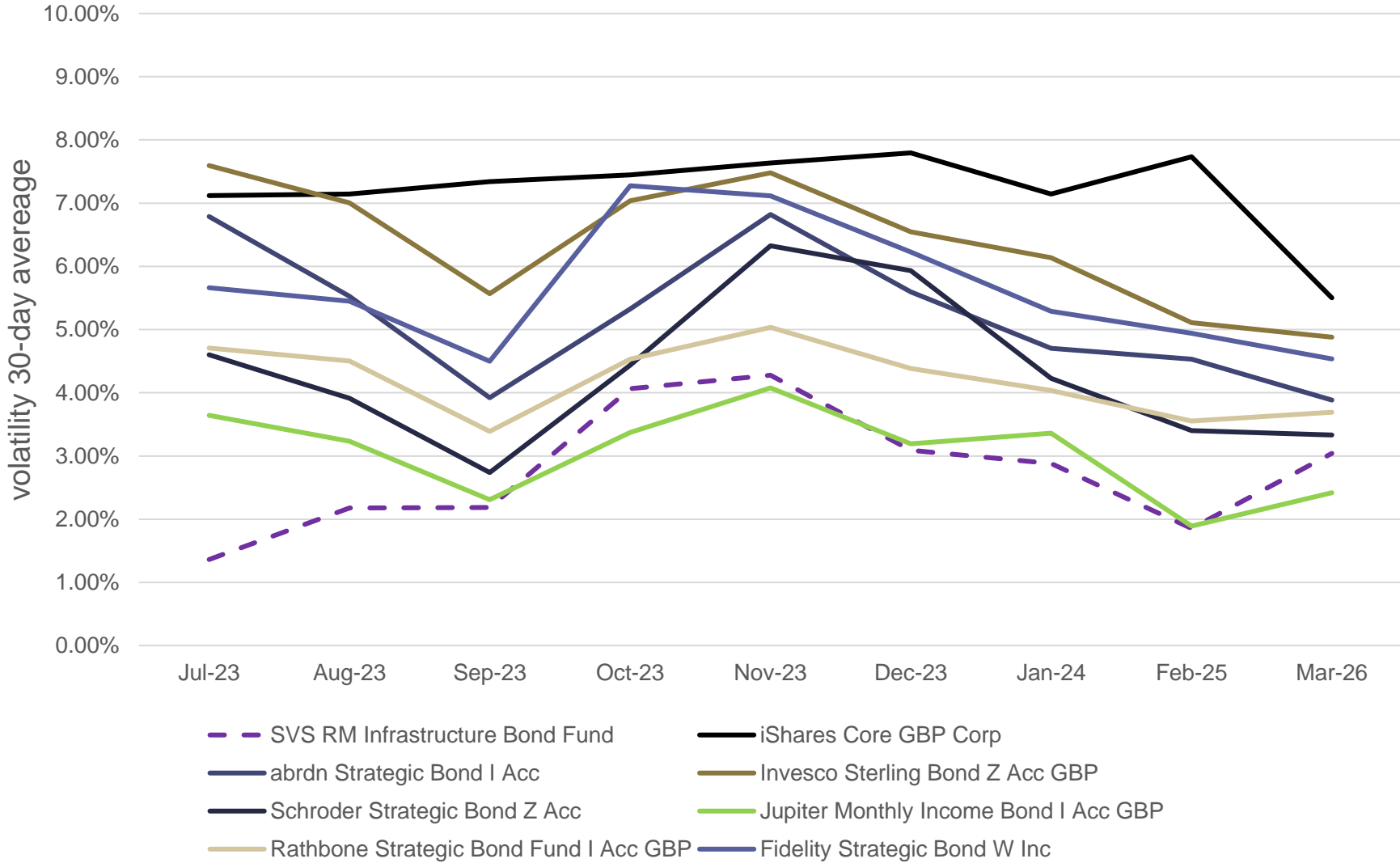
Relative Performance (Rebased 15/06/2023)



- **Since inception:**
 - **Volatility: 3.11%**
 - **Correlation with SLXX: 0.56**
- **38.86% of the RM IBF corporate bond universe overlaps with the iShares GBP Corp Bond UCITS ETF**
- **Lower volatility combined with the defensive nature of the sector significantly dampens drawdowns.**

Volatility Tracker

Monthly volatility vs IA Sterling Strategic Peers¹

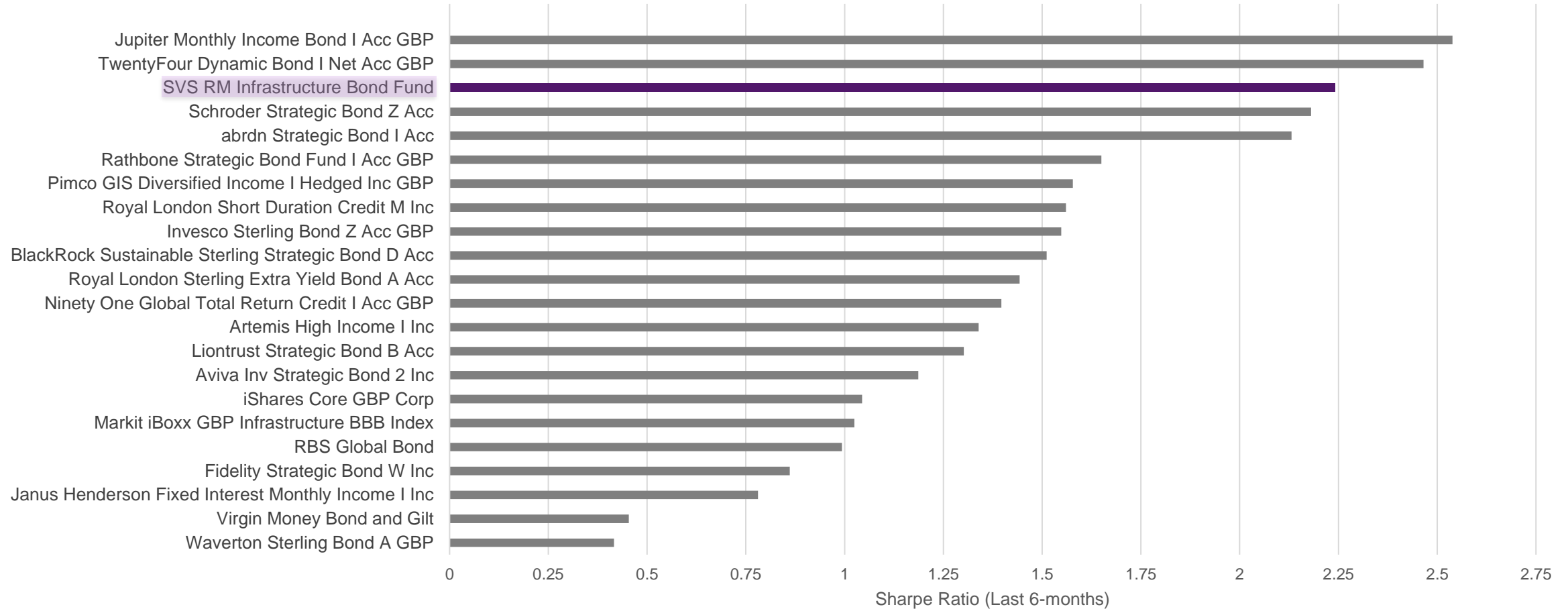


Peers are selected from those IA Sterling Strategic Bond Funds within a performance band 1% higher or lower of RM Infrastructure Bond Fund on a last 6-months basis.

Source: RM Funds, Bloomberg, Data 01/07/2023 – 25/03/2024 inclusive.

Sharpe Ratio vs IA Sterling Strategic Bond Peers

Sharpe Ratios vs Peers (Last 6-Months)



Market & Portfolio Outlook

- **2024 H1 Outlook**

- Overall economic conditions will slow due to tighter financial conditions seen over 2023.
- Expect government bond yields to be lower over the 2024 year and credit spreads wider.
- UK Gilt Curve will steepen.

- **Fund Positioning:**

- Volatility in rates and credit will allow for tactical positioning over the year.
- Currently short duration after the rally seen in December, expect a pull-back as a lot priced into market with 5 and 10 year gilts at 3.75%.
- Focus on short-dated IG, participate in new issues and stay underweight HY. Steepening yield curve will play into the fund's hands.
- Stay nimble, be wary of bond vigilantes given the elections are due this year in US/UK and any unfunded fiscal deficits could be punished heavily, such as we saw in December 2022 after the Truss mini budget.

Summary

RM Funds designed the SVS RM Infrastructure Bond Fund to generate income linked to SONIA and modest capital growth.

- ✓ **Defensive sector focus** - the only fund in IA Sterling Strategic Bond sector dedicated to thematic infrastructure investing.
- ✓ **Bond investments seek to reduce volatility whilst maintaining income.**
- ✓ **Portfolio Diversification:** Exposure to a **focused** yet diverse range of **investment themes**, underpinned by long-term structural factors
- ✓ **Active Stakeholder Engagement:** with ethical, social and corporate governance restrictions.
- ✓ **Experienced fixed income manager with dedicated infrastructure debt investing track record.**

Highly experienced
investment team led by
portfolio manager, James
Robson

Granular and diverse
investments underpinned
by contracted cash flows
and tangible assets

Potential for protection
against macro economic
conditions and market
volatility

Fund Information

Key Term	Details
Distributions:	Quarterly in arrears
Share Classes:	Income & Accumulation available
Currency:	GBP
Min Investment:	£5m Founder / Top-up £25 £10,000 Institutional / Top-up £25
Valuation / Trading:	Daily
Annual Management Charges "AMC"	Institutional: 0.55% Founder Class 0.45%
IA Sector:	Sterling Strategic Bond
	GBP Acc: GB00BR103F36 Founder Class "F" GBP Inc: GB00BR104D86 Founder Class "F"
	GBP Acc: GB00BR104F01 Institutional Class "I" GBP Inc: GB00BR104G18 Institutional Class "I"
ISINs & LEI numbers:	<p><u>LEI Sub Fund</u> SVS RM INFRASTRUCTURE BOND FUND - 213800HD6S44L44EHD57</p> <p><u>LEI Umbrella</u> SVS RM FUNDS ICVC - 213800KQVAFO5Q2P4N57</p>

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