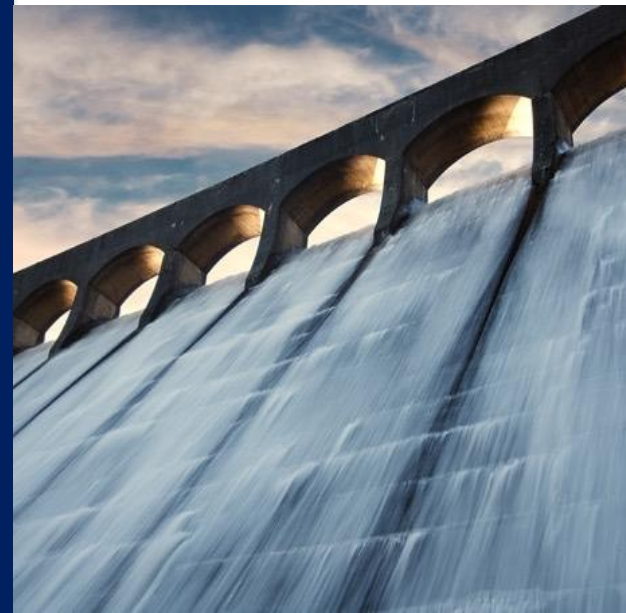


RM Infrastructure Bond Fund

Q2 2024 Presentation

Institutional Investors Only



Disclaimer

This presentation ("Presentation") is an advertisement and not a prospectus for the purposes of EU Directive 2003/71/EC or Part VI of the Financial Services and Markets Act 2000 ("FSMA"). Investors should not subscribe for shares referred to in this Presentation except on the basis of information in the prospectus (the "Prospectus"), which contains important risk factors, and other information. Copies of the Prospectus are available at the Company's registered office and on its website: www.rm-funds.co.uk. **It is only intended for experienced investors and your capital is at risk.** The contents of this Presentation have been approved for the purposes of section 21 of FSMA by, and are being issued by, RM Capital Markets Limited, company number SC380707, whose registered office is at 7 Castle Street, 4th Floor, Edinburgh, EH3 7JA (the "Investment Manager"). The Investment Manager is authorised and regulated by the Financial Conduct Authority (registration number 562209). The Investment Manager is not providing, and will not provide, legal, tax, accounting or investment advice in relation to the shares and is not responsible for any advice you may receive from any third party.

Any application or investment must only be made on the basis of the relevant documentation of the investment, such as, for example, prospectus, key investor information document (KIID), supplementary information document (SID) or terms and conditions. The information in this Presentation does not constitute any investment, tax, legal or other advice. Persons who do not have professional experience in matters relating to investments should always consult with an independent financial adviser before making any investment decision. Any opinion expressed on individual funds, services or products represent the views of the individual at the time of preparation and should not be interpreted as a personal recommendation to buy or sell or otherwise trade all or any of the investments that may be referred to. The relevant documentation can be downloaded from www.rm-funds.co.uk. The investments referred to in this Presentation may not be suitable for all investors. If you are in any doubt as to the suitability of the shares for your circumstances, you should seek independent advice from a tax adviser or investment professional, as appropriate, and from your stockbroker. This advertisement does not constitute an offer or recommendation concerning the shares referred to in this advertisement. This advertisement is not for distribution or publication in any jurisdiction outside the UK.

The information in this Presentation is presented by the Investment Manager using all reasonable skill, care and diligence and has been obtained from or is based on third party sources believed to be reliable but is not guaranteed as to its accuracy, completeness or timeliness, nor is it a complete statement or summary of any securities, markets or developments referred to. Recipients should not regard the information within this Presentation as a substitute for the exercise of their own judgment. The information in this Presentation has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. In the absence of detailed information about you, your circumstances or your investment portfolio, the information does not in any way constitute investment advice. If you have any doubt about any of the information presented, please consult your stockbroker, accountant, bank manager or other independent financial advisor.

The hypothetical performance measurements are illustrative only and offer no guarantee of future performance, profitable or unprofitable, actual or theoretical. Since hypothetical performance measurements do not represent actual trading they may not reflect the impact that material economic or market factors might have made on a portfolio manager's decisions were the portfolio manager actually managing a client's money. Any opinions expressed in this Presentation are subject to change without notice and the Investment Manager is not under any obligation to update or keep current the information contained herein. Sources for all tables and graphs herein are those of the Investment Manager unless otherwise indicated. The information provided is "as is" without any express or implied warranty of any kind including warranties of merchantability, non-infringement of intellectual property, or fitness for any purpose. Because some jurisdictions prohibit the exclusion or limitation of liability for consequential or incidental damages, the above limitation may not apply to you.

Users are therefore warned not to rely exclusively on the comments or conclusions within the Presentation but to carry out their own due diligence before making their own decisions. Unless otherwise stated securities prices and indices used within this publication are sourced or derived from data supplied by Bloomberg LP.

The Investment Manager and its affiliated companies, employees, or individuals connected to it, may have or have had interests of long or short positions in, and may at any time make purchases and/or sales as principal or agent in, the relevant securities or related financial instruments discussed in this Presentation.

Not for release, publication or distribution, directly or indirectly, in or into the United States of America (including its territories or possessions, any state of the United States of America and the District of Columbia). Neither this document nor any copy of it may be taken or transmitted directly or indirectly into Australia, Canada or Japan or the Republic of South Africa. This document does not constitute the distribution of any information or the making of any offer or solicitation by anyone in any jurisdiction in which such distribution or offer is not authorised or to any person to whom it is unlawful to distribute such a document or make such an offer or solicitation.

In this Presentation

About RM Funds: Page 4

Firm Overview

Senior Leadership

Fund & Strategy Overview: Page 7

Investment Objectives

Investible Universe

Appendix 1: Page 14

Market Conditions

Model Portfolio Construction

Simulated Fund Performance

Market Outlook

Appendix 2: Page 20

Investment Process

Appendix 3: Page 28

Summary

Fund Terms

Contact Information



About RM Funds

- Firm Snapshot
- Senior Leadership



About RM Funds

RM Funds is a specialist in alternative investment management

- RM was founded in 2010.
- Award winning – **Alternative Credit Fund Manager of the Year 2017 and 2018. Runner-up 2019.**
- Offices in London and Edinburgh.
- RM currently manages:
 - **Public and Private Credit Strategy: RM Infrastructure Income** (Listed LSE)
 - **Alternative Income Strategy: VT RM Alternative Income**(UCITS)
 - **Real Estate: Community Healthcare** (Private Investment Vehicle)

VT RM Alternative Income fund ratings



RM was
founded in
2010

Specialists
in alternative investment
management

c.£340m
assets under
management

£50bn+
Trading execution
platform

c.£1.5bn
of transactions advised
on by RM

(1) Source(s):1: Bloomberg, 2: Bloomberg, RM Funds 3: RM Funds
GBPUSD c.1.28

RM Funds – Senior Leadership

Fund Management Leadership



James Robson
Portfolio Manager, Investment Committee Member

- Former Head HSBC Corporate Credit Trading
- Lead PM listed private credit fund
- 25 years in credit trading and fund management

Investment Team Experience

- Investment Team focused on Liquid and Illiquid alternative securities/assets
- Team based on a pool system – strong bench
- 360 degree perspective - from lead advisory, financing, liability management, trading and investment / asset management
- Boots on the ground approach to investing

Firm Senior Management Team



Henry Chaplin (Chair)
Investment Committee Member

- 30 Years experience
- Deep experience in private equity and corporate finance
- Infrastructure asset investment manager (Hydro)



Pietro Nicholls
Investment Committee Member

- 16 years experience across a range of capital markets areas, arranged financing and advisory of over £1.5bn of infrastructure assets at RM.
- Lead portfolio manager RM Infrastructure Income



Douglas Graham
Finance Director

- 19 Years experience in strategy, corporate finance and fund administration



James Satterthwaite
Head of Distribution

- 16 Years experience in credit sales & fixed income
- Chair, ESG Committee, RM Funds

Fund & Strategy Overview

- About the Fund
- Key Investment Themes
- Portfolio
- Fund Performance
- Outlook



SVS RM Infrastructure Bond Investment Objectives

The SVS RM Infrastructure Bond Fund (the “Fund”) launches in June 2023.

- Objectives:

- Investment objective to target an income return greater than SONIA

- Soft Targets:

- Capital preservation, **volatility target <5%**
- **Defensive focus** – should be viewed as core IG holding/allocation
- **Actively managed**, allowing the Investment Manager to gain exposure to public bonds across the whole range of fixed income assets, from Government bonds to corporate bonds, that are both high yield and investment grade. **Maximizing risk adjusted returns.**

- 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

Risk Spectrum – Infrastructure

Lower GDP
Linkage

Regulated

RM Infrastructure Bond Fund

Social

Economic

Higher GDP
Linkage

* <https://www.spglobal.com/ratings/en/research/articles/221219-default-transition-and-recovery-2021-annual-infrastructure-default-and-rating-transition-study-12576939>

Regulated Infrastructure

Regulated infrastructure

- Provision of **essential services which cannot be easily or efficiently replicated.**
- **Highly regulated to reduce likelihood of market failures – protect consumers whilst ensuring reasonable returns on investment.**
- **Demand for utility/network infrastructure is non-cyclical and relatively stable over time – price elasticity of demand is low.**
- Usually have **large asset bases**, with significant ongoing capex requirements – **frequent issuers/established credit curves.**

Notable Areas of Investment

- ***Electricity and renewable energy generation*** – essential in decarbonising the grid, meeting net-Zero targets and moving away from a society reliant on gas for energy/heat. £198bn has been spent on renewable power infrastructure since 2010. EV demand as cars move to 100% electric by 2030.
- ***Transmission and distribution*** – moving power from generation sources to consumer. Huge connectivity demand - £200bn worth of projects sitting in the connections queue; delays of 10 years, with the longest connection queues in Europe. Mission-critical infrastructure.

“Decarbonising heating is the biggest infrastructure challenge for building a net zero economy and rapid action is needed: emissions from heat need to reduce by around 50 per cent by 2035 and to near zero by 2050 from 2019 levels”

SUMMARY STATISTICS

£198billion

estimated to have been spent on renewable power infrastructure since 2010.

c.42% of UK energy

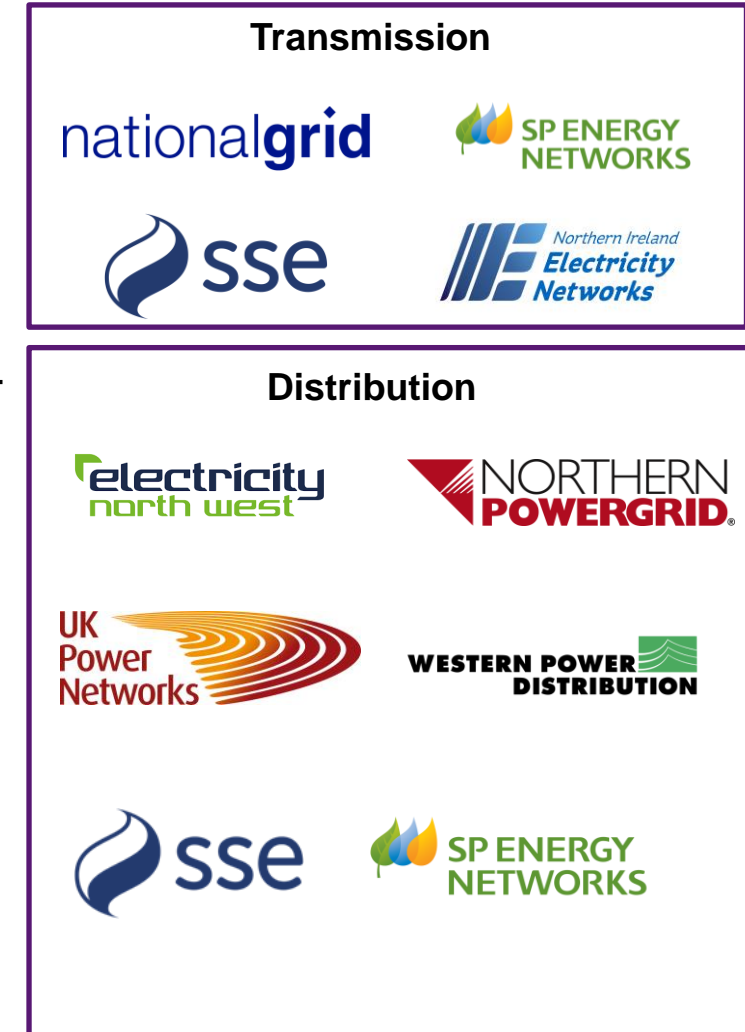
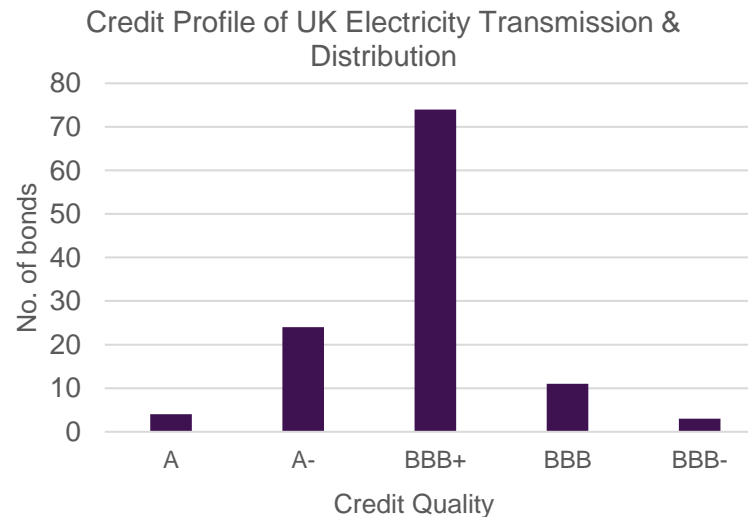
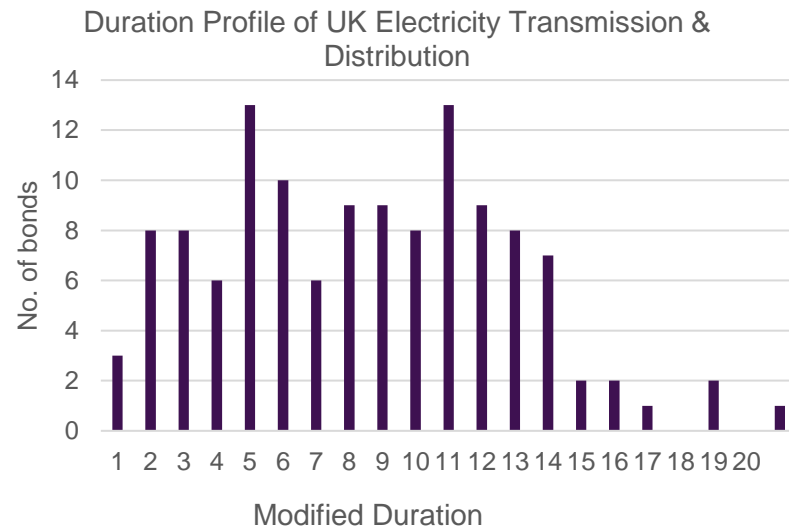
Came from renewables in Q1 2023

INVESTMENT CHARACTERISTICS

- ✓ Non-cyclical industries
- ✓ “Essential products” produce stable cash flows
- ✓ Strong capital markets activity meaning good opportunity set

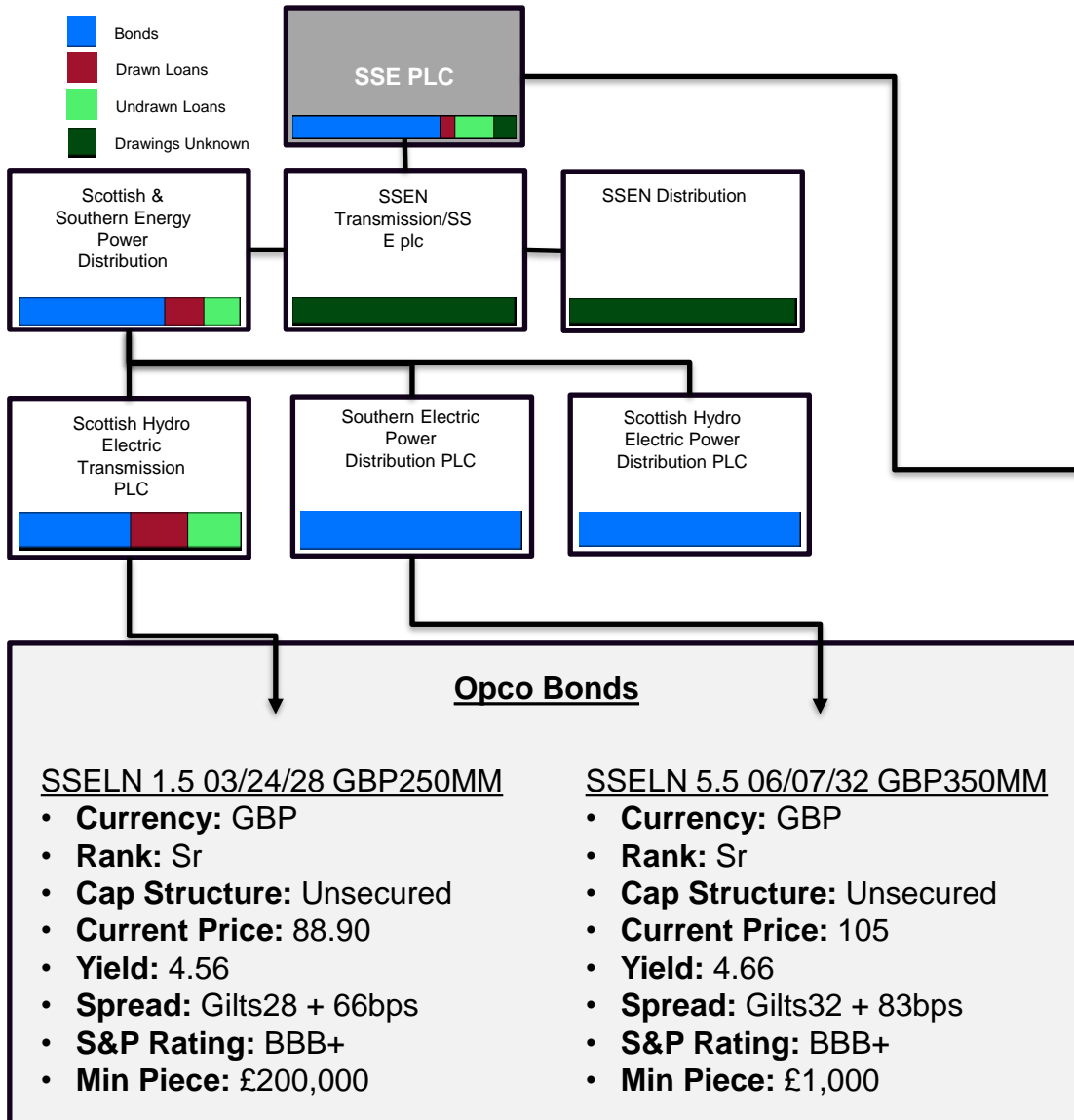
Fundamental Analysis – Electricity Transmission & Distribution

- Critical infrastructure, predictable revenues, government support
- UK Electricity Transmission is run by four companies.
 - Long-distance x High-Voltage
- UK Electricity Distribution is divided into 14 regions and operated by 6 companies.
 - Regional x Low-Voltage
- The eligible universe to invest in is 128 bonds, large duration spectrum, and all within our core investment-grade credit bucket.
- From an allocations perspective, as our macro-outlook changes, we can remain agile and flexible and continue to know the small number of underlying businesses very well.



Source:
Source: Bloomberg , 27th March 2024, RM Funds analysis
Nationwide Utilities

Fundamental Analysis - SSE PLC



Preferred Holdco Bonds

SSELN 3.74 PERP GBP600MM

- **Currency:** GBP
- **Rank:** Jr Sub
- **Cap Structure:** Unsecured
- **Current Price:** 95.87
- **Yield:** 5.86
- **Spread:** Gilts26 + 170
- **S&P Rating:** BBB-
- **Min Piece:** £100,000

SSELN 8.375 11/20/28 GBP500MM

- **Currency:** GBP
- **Rank:** Sr
- **Cap Structure:** Unsecured
- **Current Price:** 115.14
- **Yield:** 4.60
- **Spread:** Gilts28 + 80
- **S&P Rating:** BBB+
- **Min Piece:** £50,000

SSE PLC Summary Stats

- **SSE's business model encompasses the full energy lifecycle – from generation to transmission and distribution.**
 - **£17.7bn market cap**
 - **£9.0bn total debt**
 - **£12.5bn 22/23 revenue**
- **Certain Holdco bonds currently yield higher than the Dividend Yield (6.15%).**
 - And the dividend yield outlook is negative as SSE is expected to spend heavily in renewables CAPEX in 2024/25 (expected 30% cut 2024)
- Regulated Asset Value expected to grow c. 7% between 2023-26

SSE PLC	2022	2021	2020
Net-Debt/EBITDA	2.0	2.4	5.7
Interest Cover Ratio ¹	6.8	5.9	2.4
LTV	46%	62%	75%

Source: Bloomberg , 27th March 2024, RM Funds analysis
Interest Cover Ratio calculated as EBITDA – CAPEX / Interest

Offshore Transmission Owners (OFTOs)

GMOFTO 2.778 02/17/34

Amount Outstanding: **£226m**
 Rank:
 Yield: **5.47**
 Mid-Price: **87.37**
 Location: North Wals
 5y Average Availability: **98.60%**
 Missed 98% target: 2021
 Amortizing
 Distance to shore: 15km

TCDUDG 3.158 11/12/38

Amount Outstanding: **£237m**
 Rank:
 Yield: **5.18**
 Mid-Price: **86.50**
 Location: Norfolk
 5y Average Availability: **99.65%**
 Missed 98% target: N/A
 Amortizing
 Distance to shore: 32km

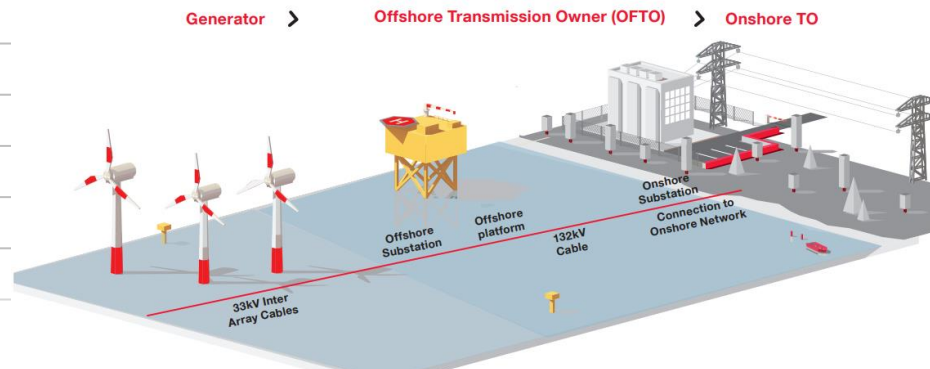
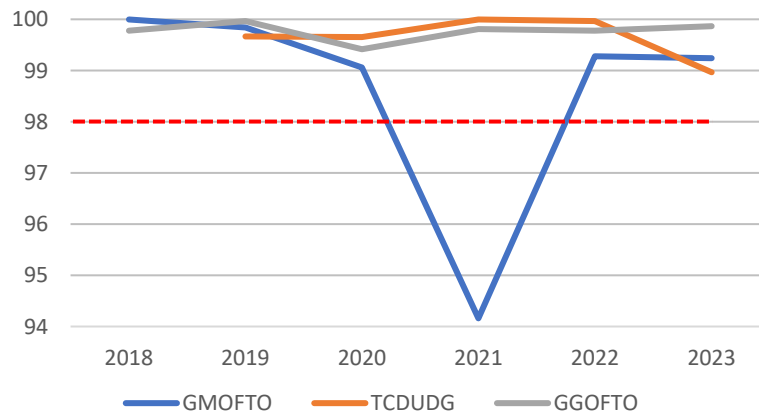
GGOFTO 4.137 11/29/32

Amount Outstanding: **£197m**
 Rank:
 Yield: **5.08**
 Mid-Price: **96.00**
 Location: Suffolk
 5y Average Availability: **99.77%**
 Missed 98% target: N/A
 Amortizing
 Distance to shore: 23km

Key Characteristics

- OFTOs are responsible for owning, operating and maintaining the infrastructure that connects offshore wind farms to onshore grids.
- Revenue is generated by ensuring the transmission infrastructure is “**available**” to transmit electricity onshore.
- Therefore, no exposure to the generating asset, offering **non-cyclical** cash flows.
- OFTOs receive revenues via a “Tender Revenue Stream” (TRS) from National Grid Electricity Transmission (NGET), a ring-fenced OFGEM-regulated investment grade business.
- The TRS is **RPI-linked** and subject to -10% / +5% penalty and incentive scheme with deductions/bonuses based around achieving a 98% availability target.
- Therefore, revenue cannot fall below 90% of the Base Revenue even if the asset is 100% **unavailable**.
- The statistics show a consistent narrow spread around the 98% target.
- In the event that the wind farm ceases to operate, NGET’s obligation to pay the OFTO continues.

OFTO Availability (%)



Source: Bloomberg , 27th March 2024, RM Funds analysis

Social Infrastructure

Social Infrastructure

- **Vital infrastructure assets** occupied by people during their life cycle – physical real estate **providing social services to communities**.
- **Typically, local government, NHS or highly granular cashflows offer contracted and robust income streams.**
- **Underpinned by structural growth drivers** – growing and **ageing populations**, and *demand/supply imbalances*.
- **Supported by central government policies** to increase access to services, reduce inequalities and implement levelling-up proposals.

Notable Areas of Investment

- **Healthcare** – *includes multi-disciplinary hospitals, GP surgeries and aged care facilities. Critical support and care services for communities, with increasing demand from an ageing population. The total number of people over the age of 60 is predicted to grow from c.962M in 2017 to c.2.1bn worldwide by 2050.*
- **Accommodation** – *includes residential assets such as regulated social housing, private-rented sector (PRS) and supported living. Substantial requirement for affordable, high-quality housing from a rising population – the UK government is seeking housing supply of 300,000 new homes a year, chronic undersupply.*
- **Education** – *includes nurseries, schools, student accommodation and universities. The education sector continues to grow, and assets/services are needed to meet this growing demand.*

SUMMARY STATISTICS

3.8m estimated

homes available for social rent in England in 2021.

681,000 estimated

Student beds in 2020 with supply of beds increasing to match demand

£5.5bn estimated

Value of childcare market in England

INVESTMENT CHARACTERISTICS

- ✓ Underpinned by long-term growth drivers
- ✓ Supported by central Government policies
- ✓ Contracted cash flows with government entities and blue-chip counterparties

Fundamental Analysis – Social Infrastructure



PHP Summary Stats

Leading investor in modern primary healthcare real-estate in the UK & Ireland

- **512 Properties**
- **Property Value: £2.8 bn**
- Majority of facilities are GP surgeries leased to the NHS on long-term rental contracts.
- **89% of rent roll paid directly / indirectly by govt bodies**
- **Occupancy: 99.6% with little exposure to ccles**
- 97% of PHP debt either fixed or hedged
- Rental uplifts are at their highest in 10 years, thanks to heavy focus on rent reviews in 2022/23
- Recent expansion into Ireland has offered higher property yields and lower cost of capital. More growth in this market expected.

PHP 2.875 07/15/25

- **Currency:** GBP
- **Rank:** Sr
- **Cap Structure:** Unsecured
- **Current Price:** 98.00
- **Yield:** 4.5
- **Spread:** Gilts25 +1
- **Deal size:** £150m



Aspire Defence Summary Stats

Aspire Defence is an SPV set up to deliver the 35-year Project Allenby Connaught which build and refurbish accommodation for 18,400 army personnel or c. 20% of the British Army.

- **Construction commenced in March 2006**
- **c.350 buildings constructed so far, c.200 remaining**
- **Lifetime deal value: c. £8bn**
- **£1.56bn construction program**
- Aspire Defence is a JV between KBR Innisfree, HICL, and InfraRed
- Credit ratings from S&P and Moody's have consistently improved from BBB- and Baa3 at project inception to AA- and A3 respectively in 2023.

ASPR 4.674 03/31/40

- **Currency:** GBP
- **Rank:** Sr
- **Cap Structure:** Secured
- **Current Price:** 98.0
- **Yield:** 4.93
- **Spread:** Gilts33 + 100
- **Deal size:** £880m
- **S&P Rating:** AA-
- **Ambac Wrapped**

Economic Infrastructure

Economic Infrastructure

- Infrastructure **focused on the movement of people, products and data** – a **broad opportunity set** providing the **greatest exposure to GDP-linked returns**.
- **Attractive growth rates across core sectors, underpinned by population increases, disruption to traditional business models and the transition to a digital economy.**
- **Potential for income and capital growth, with tactical allocations through the economic cycle.**
- High regulatory oversight delivers stable operating frameworks.

Notable Areas of Investment

- **Transportation (airports, shipping, road, rail, subways, ferries)** – *Transportation usage has continued to rise over the past 30 years in the UK, with the government announcing over £40bn of capital investment in transport over the next 2 financial years. Investments have the potential to generate revenue from user fees, fixed payments for availability, or a combination of both.*
- **Telecommunications and digital infrastructure (broadband, mobile networks, data connectivity, data centres)** - *The World Economic Forum expects the digital economy to reach £23 trillion by 2025, up from \$11.5trillion in 2016. Digital infrastructure is the backbone for the digital age. Large capex requirements, combined with growing and stable cashflows, supports issuance in public bond markets.*

SUMMARY STATISTICS

c.2 Billion

Expected growth in the **World's population** by 2050, an increase of **c.35%** ¹

c.1 Billion tons

Additional tons of crop will need to be produced to feed the population²

43 Megacities

by 2030 rise of the megacity, with over 10 million residents³

INVESTMENT CHARACTERISTICS

- ✓ Population growth driving attractive supply / demand dynamic
- ✓ Income and capital growth prospects

Sources:

¹National Geographic, OECD

²OCED, Global Food System, How we feed the world

³2018 Revision of World Urbanization Prospects, May 2018.

Fundamental Analysis – Associated British Ports (ABP)

Super senior Revolving Credit Facility (£70mm)

5-year GBP350mm
(RCF £70mm drawn as of Dec 2022)

Term and EIB Loans (GBP) (£249mm)

Term Loans GBP120mm
EIB Loans GBP129mm

EMTN Programme (£738.6mm)

ABP Finance PLC 6.25 26 GBP500mm

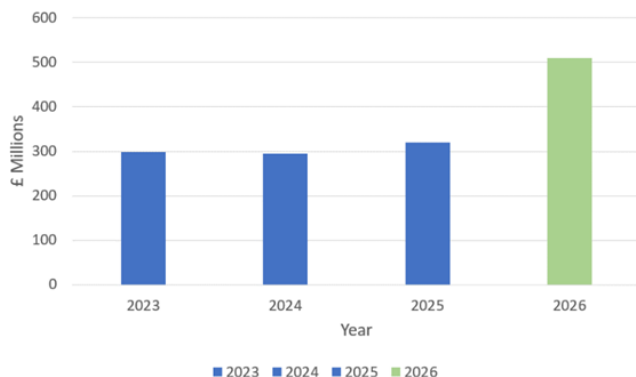
ABP Finance PLC 3.5 23 EUR70mm
ABP Finance PLC FRN 33 GBP80mm
ABP Finance PLC FRN 32 USD50mm

US Private Placement (£346.9mm)

USPP GBP903.8mm
USPP USD283.3mm
USPP JPY63.6mm

Currency: GBP
Rank: 1st lien
Cap Structure: Sr Secured
Coupon: 6.25 Fixed
Current Price: 102.8
Yield: 5.10
Spread: Gilts26 + 100bp
Moody's Rating: Baa2
Min Piece: £100,000

ABP Maturity Profile (Drawn Debt and Available Facilities)



ABP	2022	2021	2020
Net-Debt/EBITDA	6.5	6.8	7.3
Interest Cover Ratio	2.4	2.2	2.0

Associated British Ports – SUMMARY STATS

- Seaport owner-operator handling c. £150billion of UK trade annually (c.25% of the UK's seaborne trade)
- Revenues generated from long-dated rental agreements, harbour pilotage, and conservancy services
 - **49% of revenues guaranteed**
- Largely unaffected by fluctuations in port traffic and freight volumes, leading to low operational risk, and stable cash flows. Stability of cash flows also aided by long-dated customer contracts with minimum volume guarantees and fixed revenue arrangements
- ABP have full and freehold ownership of its assets
 - **3,743 ha of coastal real-estate, including 960 ha of prime development land**
- Strong record of regular access to banks and capital markets mitigate refinancing risk.
- Smooth debt maturity profile, arising from its largely unconcentrated bullet maturities.
- Consistent Net-Debt/EBIT, which has a buffer under the 7.5x covenant level. If under threat, there is ample flexibility in the dividend and, to a lesser extent, growth CapEx.

Source:
Source: Bloomberg , 27th March 2024, RM Funds analysis

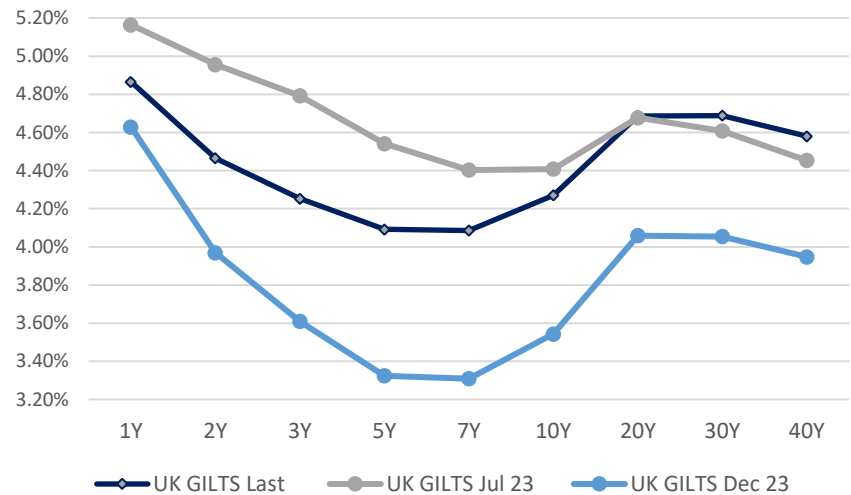
Appendix 1 Portfolio Overview

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

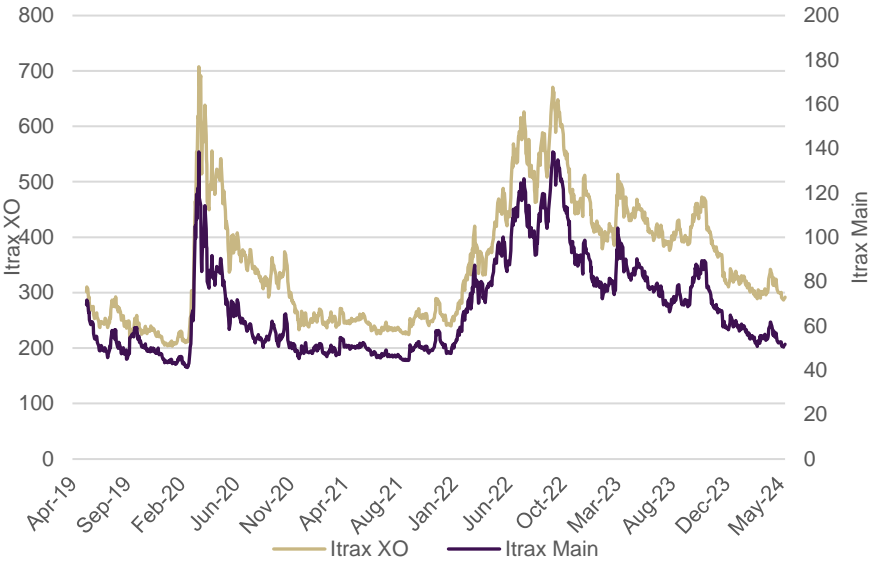


Macro-Economic Conditions

UK GILTS & US Treasury Yield Curves (%)



Credit Spread Indices (bps)



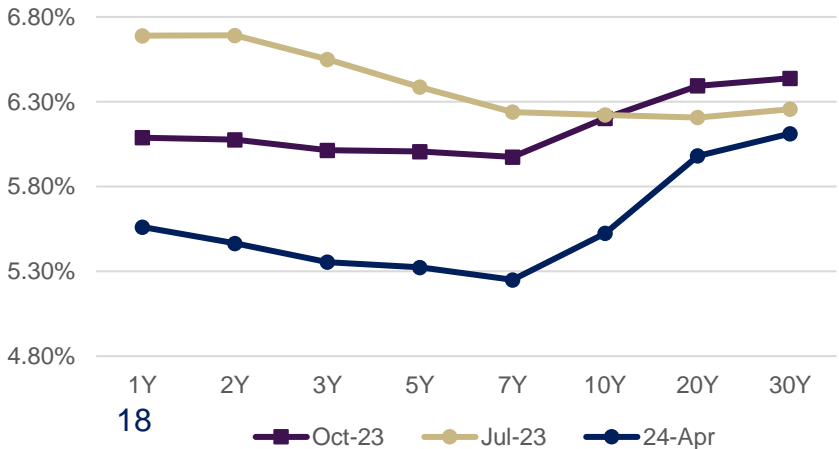
Yield curve shape

- 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.

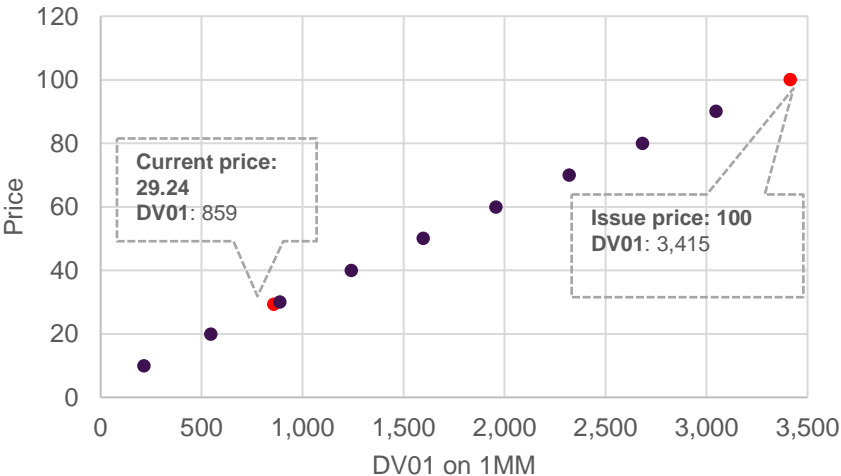
Credit Spreads

- 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 ½ 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 , 24th May 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: 10-months since inception

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-thatyear yields fell.
- Narrative is 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 **+1.59%** NAV monthly ret.

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

Q2 2024

Positioning

April **-0.55%** NAV monthly ret.

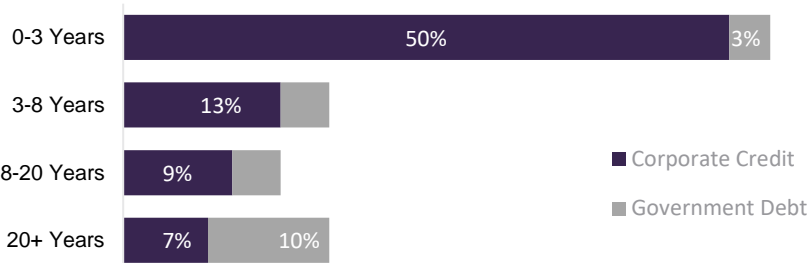
- Portfolio duration was extended throughout the month from 1.74 years to 4.93 years – principally through the tactical use of government bonds
- Spreads continued to tighten throughout the month. Credit exposure still remains in the short end in anticipation of a material widening in the coming months.
- Allocated into two new issues: Manchester Airport and Platform Housing Association

Current Portfolio Positioning

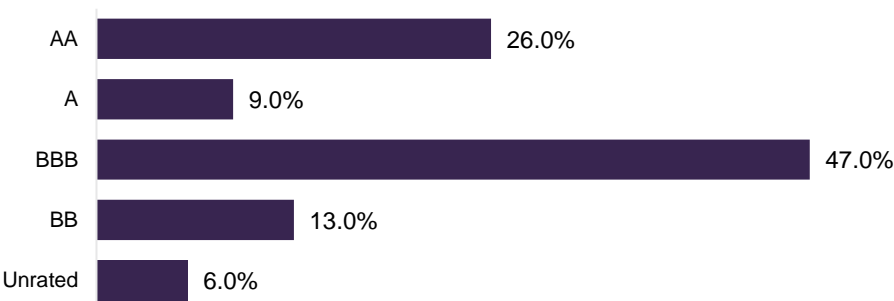
Portfolio Statistics

- Top #10 Exposure: c.39.8%
- # of Holdings: 30
- Running Yield: 5.52%
- Distribution Yield*: 5.89%
- Option Adjusted Duration: 6.16 years
- YTW: 5.52%
- Economic Infrastructure: 30%
- Regulated Infrastructure: 31%
- Social Infrastructure: 15%
- Gilts/Cash: 23%

Bond Maturity Distribution



Bond Rating Allocation



TOP TEN HOLDINGS

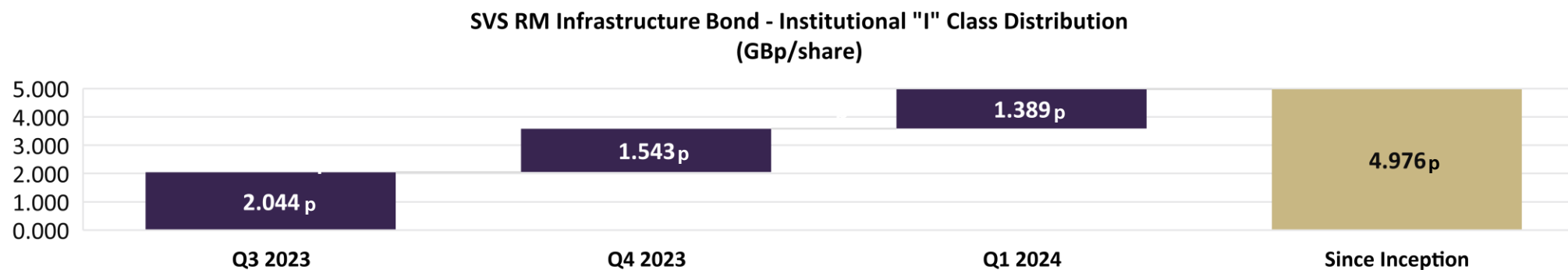
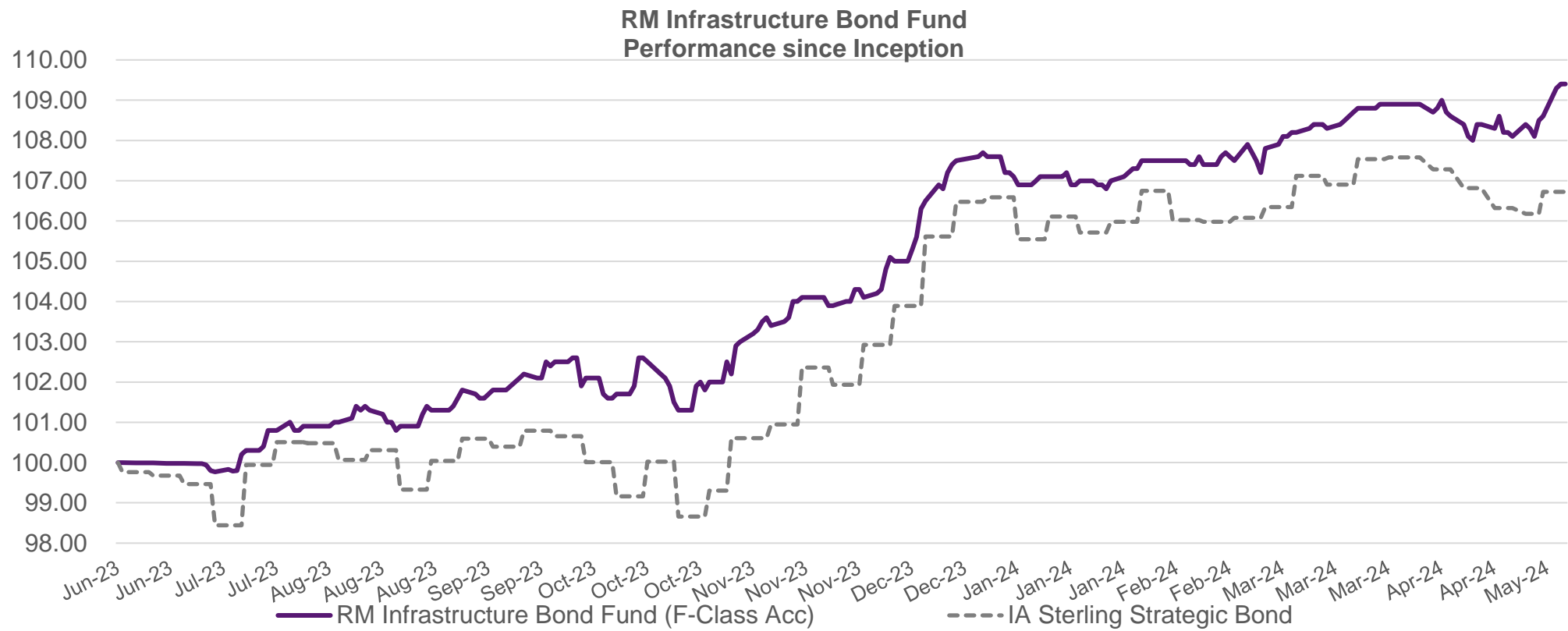
Issuer	Coupon	Maturity
UK Power Networks	8.50%	Mar 2025
Heathrow	6.625%	Mar 2031
Scottish and Southern Energy	8.375%	Nov 2028
UK GILT	6.00%	Dec 2028
Electricity Northwest	8.875%	Mar 2026
Associated British Ports	6.25%	Dec 2026
Northern Ireland Electricity Networks	6.375%	Jun 2026
Saltaire Finance	4.818%	Dec 2033
Manchester Airport	5.75%	Sep 2042
Gatwick Airport	6.125%	Mar 2026

Source: Bloomberg (31st March 2024)

Bond Ratings from Bloomberg Composite Credit Ratings

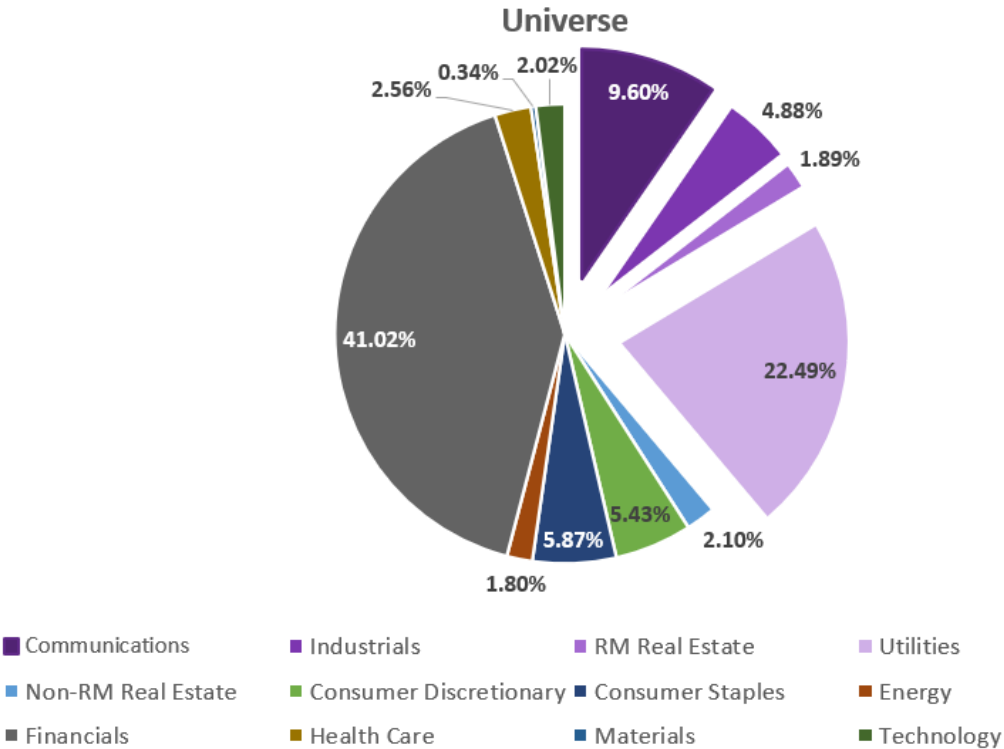
* Distribution yield reflects the last quarterly dividend annualized as a percentage yield of the GBP Income I class.

Actual Fund Performance (15th June 2023 – 7th May 2024)

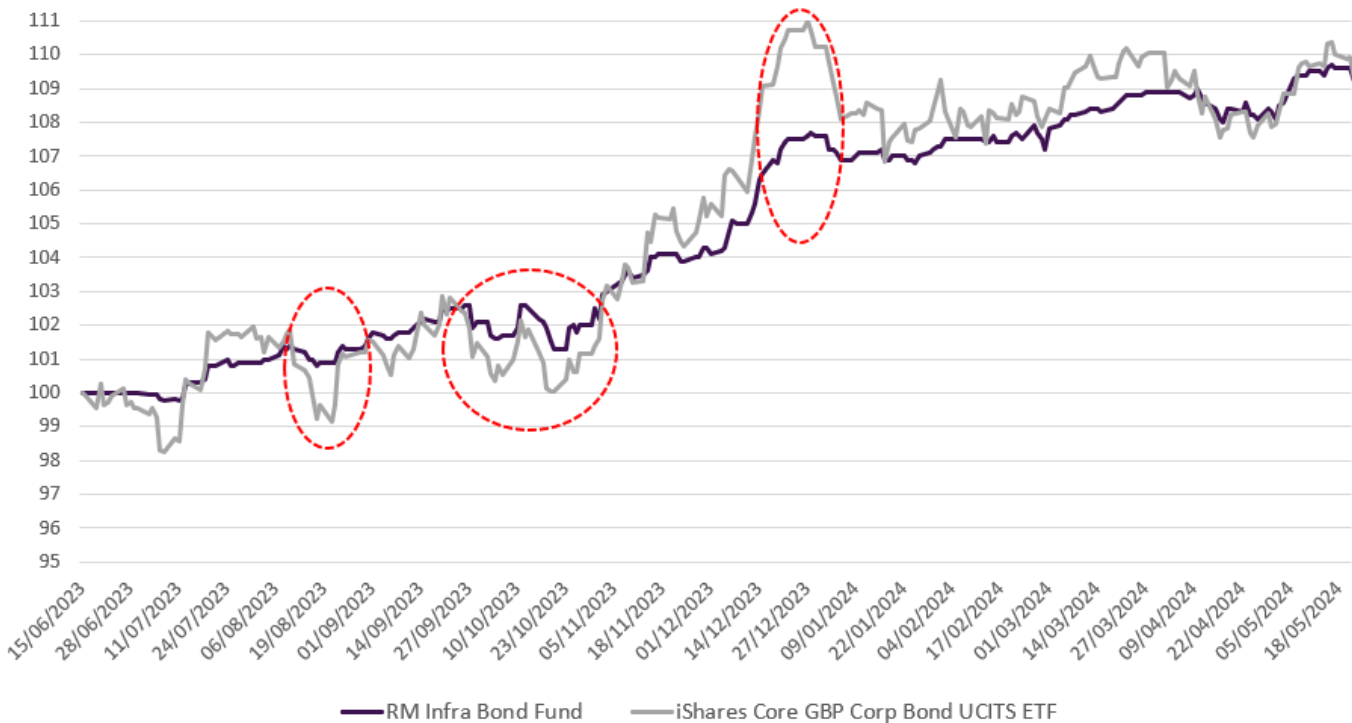


Fund Performance vs iShares GBP Core Corp Bond ETF

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

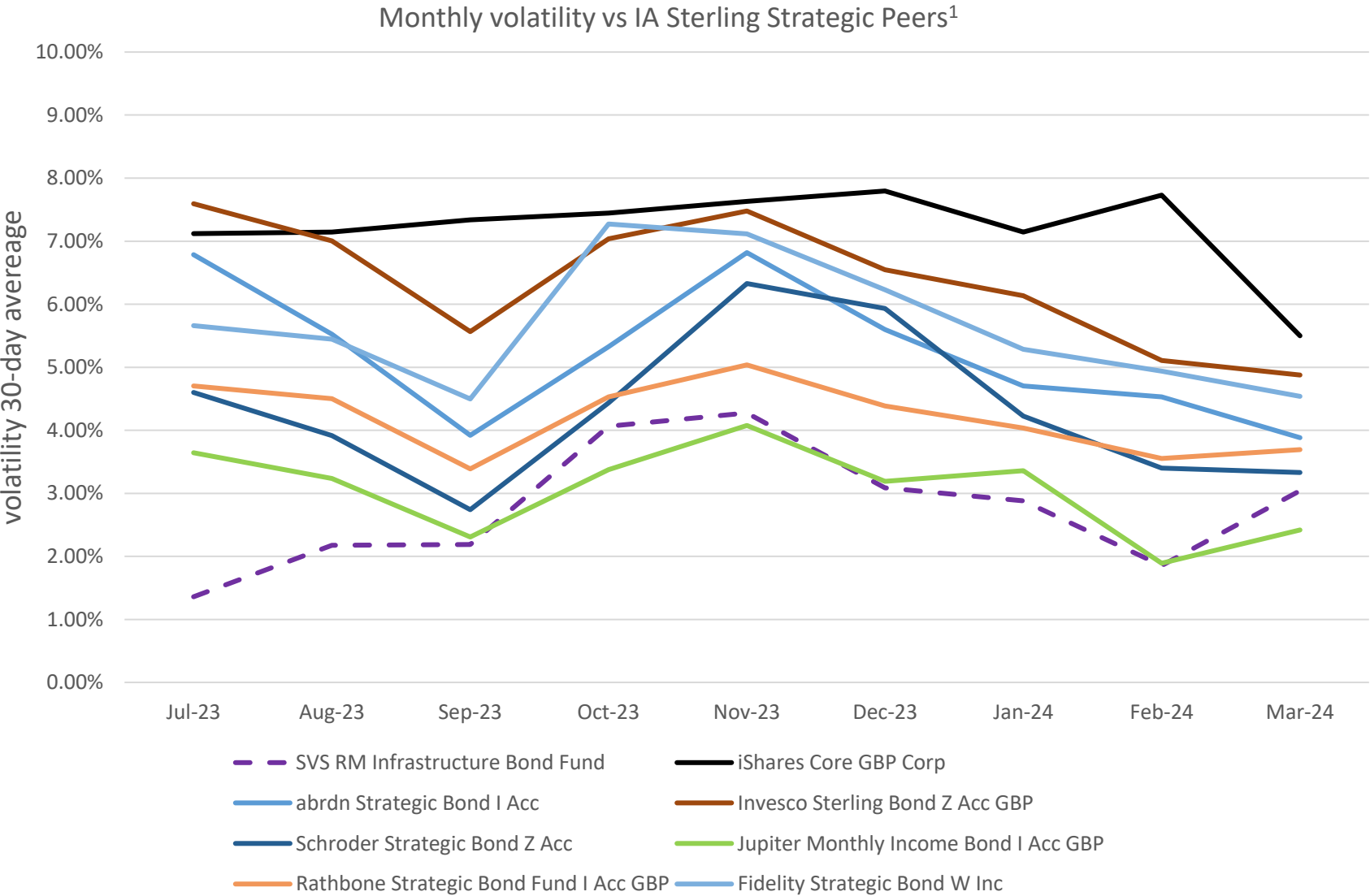


Total Return Relative Performance (Rebased 15/06/2023)



- Since inception:
 - Volatility: 2.91%
 - Correlation with SLXX: 0.45
- 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.

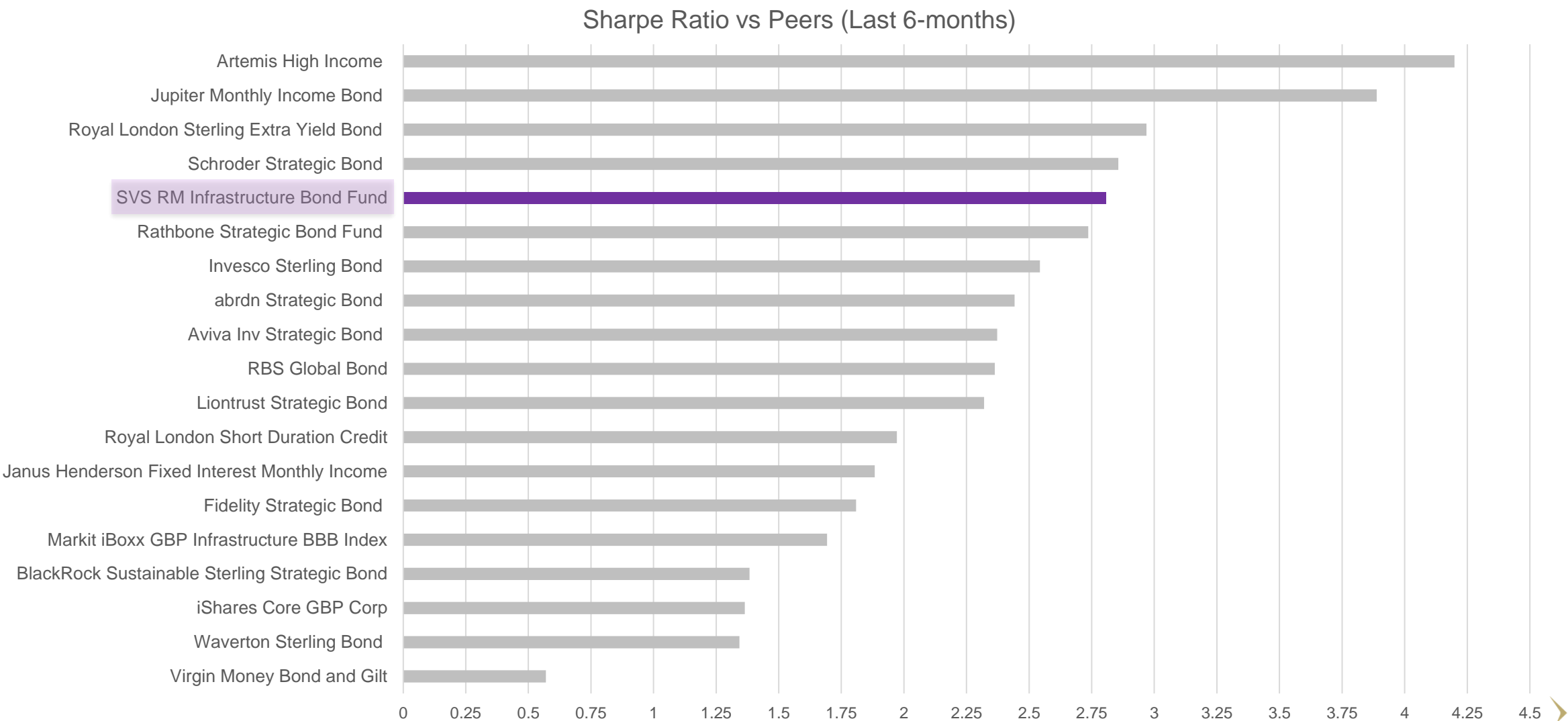
Volatility Tracker



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



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 market weight duration after the pullback seen since January.
- 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

Appendix 2

Investment Process Overview

- 360 degrees investment Process
- Macro analysis
- ESG
- Fundamental analysis
- Technical analysis
- Execution
- Monitoring



360° Investment Process

- **Top-down macro view to identify key investment themes** – supports allocation strategy.
- Idea-led **fundamental bottom-up analysis drives investment selection.**
- Technical considerations and **Investment execution** can **generate alpha** and **reduce costs.**
- **Portfolio and Investment hedging strategy** as fund grows to protect fund if there are sharp moves in rates or credit spreads.
- **Flexible allocation approach across capital structure and maturities** to **control exposure to risk assets** through a market cycle.



Rigorous investment process, with a focus on both top-down and bottom-up analysis to support investment decisions.

ESG/PRI FACTORS

- Active engagement

TECHNICAL CONSIDERATIONS

- Liquidity and Execution Risks
- Volatility, Correlation and Hedging

Considerable expertise, resources and market access allows us to source the best investments for investors.

SPECIALIST MANAGER

- Award winning investment team, with an established track record
- Long-standing relationships with market counterparties, provides deep access to liquidity and investment opportunities
- In-house securities platform, providing proprietary data-driven insights to support the investment process
- Circa £340m AUM

Macro Analysis & Review

Investment Team Time: up to 25%

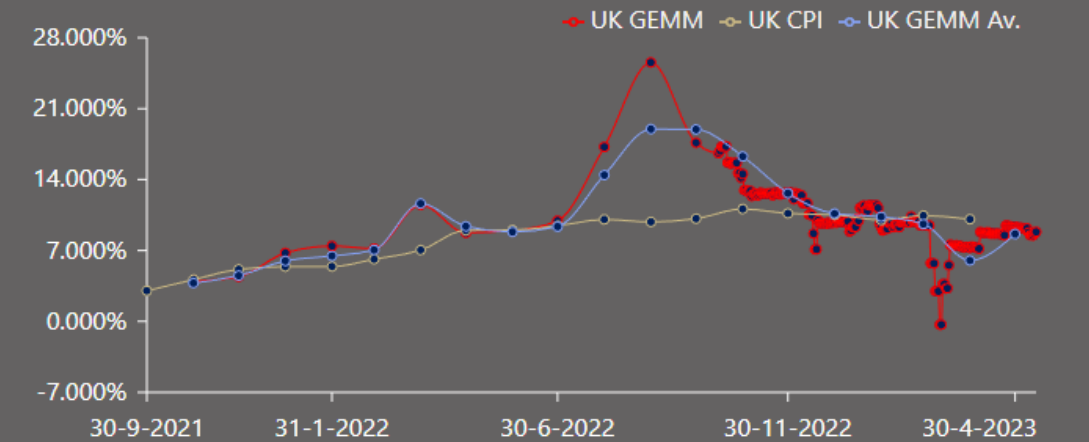
Key Metrics:

- GDP
- Payrolls
- Housing Sales/Starts etc
- Interest Rate Expectations
- Inflation Expectations
- Cyclical macro factors

Why?

- Macro-economic information is a key determinant of monetary policy.
- Direction of travel for inflation and interest rates is a key determinant of where to position on the interest rate curve.
- Macro factors are key determinants of credit conditions and the drivers of credit spreads. Guides where to allocate on the credit curve and which securities to be allocating into.
- Drive views on any credit or interest rate macro portfolio hedging.

Rolling LTM



- Proprietary investment and analytics platform, PRISM, noted the live uptick in pricing
- Ahead of monthly data reporting from BOE
- Real-time view on inflation

ESG Review



Investment Team Time: c.5%

Key Metrics:

- C.100 metrics we monitor via RM bespoke DDQ
- UN Sustainable Development Goals
- Specific areas include: suitability management, environmental impact, labour practices, health & safety, diversity & inclusion, supply chain management, leadership & governance and business ethics
- Concludes with engagement with investee company where appropriate

Why?

- We utilize a negative ESG screen to remove sectors or holdings which breach the firm's Responsible Investment Policy ("RI").
- The investment team consider ESG factors whilst investors, as they in themselves are important considerations, such as the Governance and Transparency of a prospective holding.
- The firm aims to move towards an SFDR 8 categorization during 2023/2024, once the final framework is agreed.

Fundamental Analysis

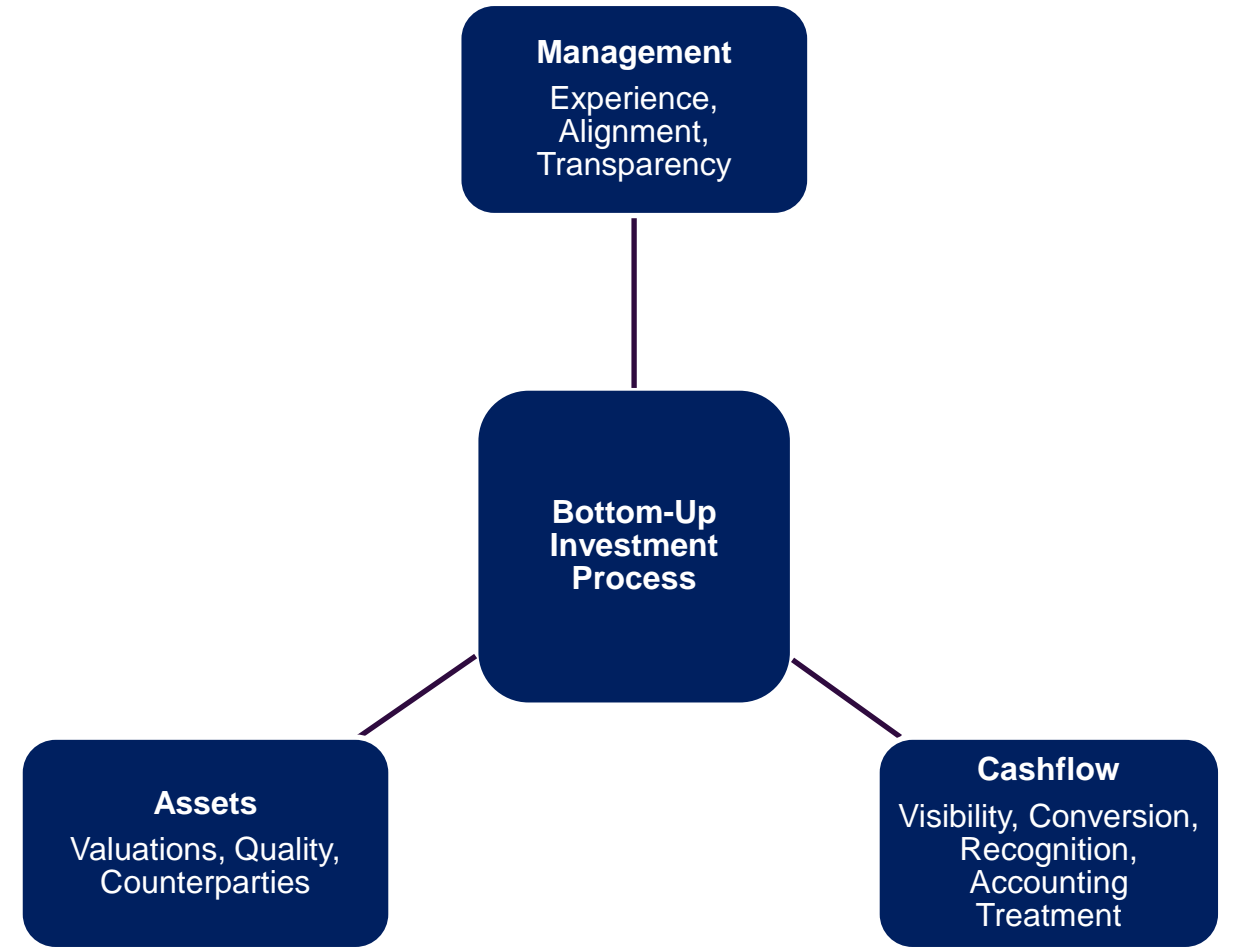
Investment Team Time: Up to c.50%

Three tasks in order driven by macro & thematic:

- **Sectoral analysis and selection**
- **Issuer analysis and selection**
- **Specific issue analysis and selection**

Issuer analysis:

- **Management:** Board, Governance, Transparency and Alignment
- **Financial Statements:** Cash Generation, Revenue Recognition.
- **Assets:** Counterparties, Valuation Policy, Capital Structure, leverage.



Liquidity, Technical Factors & Portfolio Construction

EDF 6 1/4 05/30/28			Setting
Side	Investor Buys	Rating	BBB
Size	5,000,000	B/A Spread	48.3
Implementation Shortfall (IS) Cost vs. Size			
Size	Trade Cost	Prob of Exec*	
100,000	14	99	
500,000	12	95	
1,000,000	13	89	
5,000,000	23	47	
10,000,000	30	19	
25,000,000	43	1	
50,000,000	56	0	
Daily Executable Volume*		4.7MM (Prob 50%)	
		9.7MM (Prob 20%)	
Security Details			

Why?

- A key focus is ensuring we only invest in liquid public securities, with ample daily liquidity to accommodate any inflows/outflows that a daily-dealing fund requires.
- The investment team approach from two perspectives, a bottom-up liquidity tree (for each issue) and a liquidity ladder (top-down) at the fund level (considering ADV, inflows/outflows etc).

Investment Team Time: c.20%

Critically important as all over-the-counter securities.

MIFID II has improved price visibility – however, investment manager and firm DNA based around secondary trading of credit products:

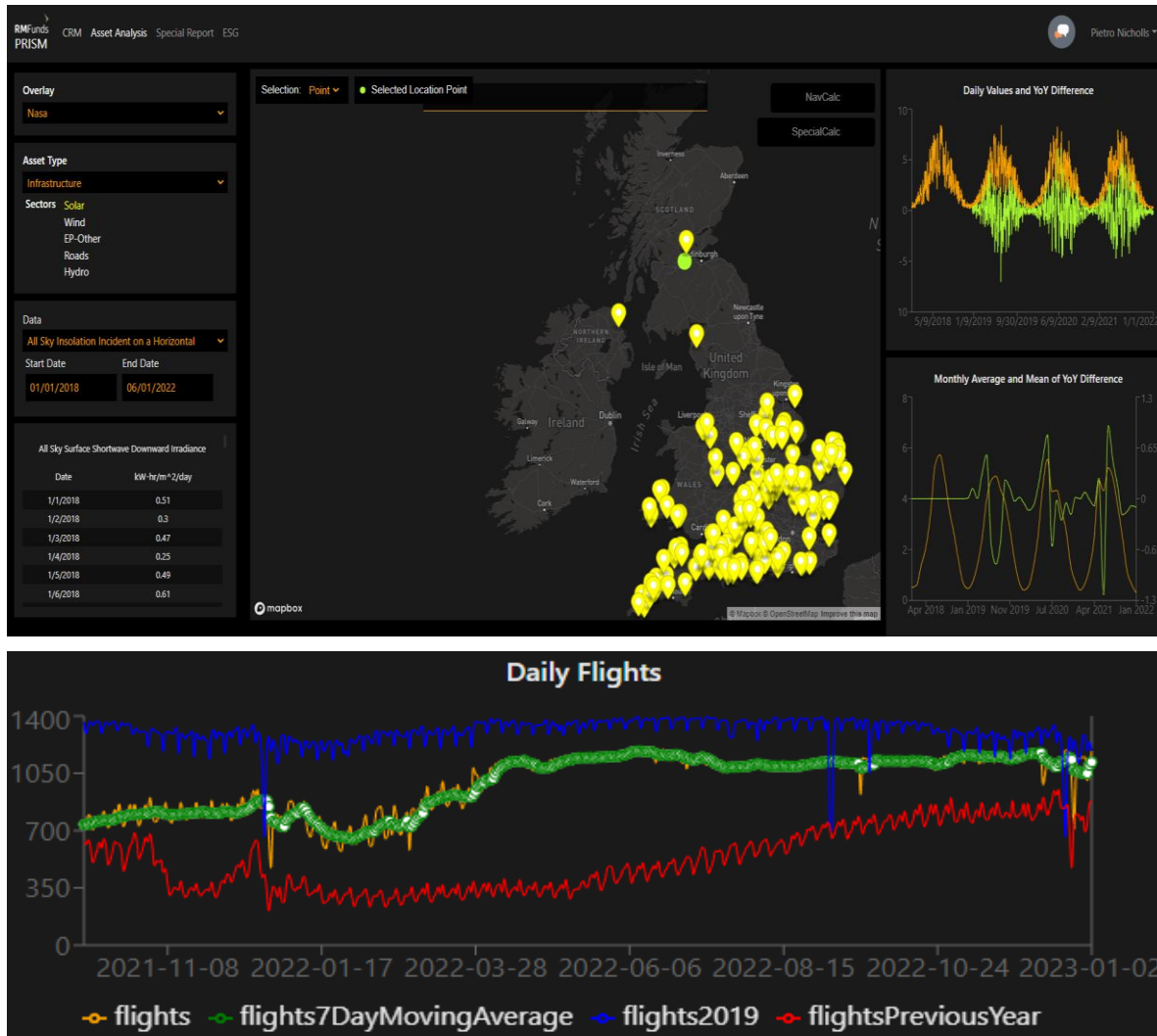
Key liquidity counterparties

- JPM
- Barclays
- Goldman Sachs
- Morgan Stanley
- HSBC
- Agency brokers for C2C access
- Bloomberg MTF

Key Priorities

- Liquidity Tree and Ladder
- Portfolio and issuer metrics for volatility and correlation
- Position sizing/weighting

Post-Investment Monitoring



Investment Team Time: ongoing as part of fundamental analysis

Key Metrics:

- Various metrics, fundamentally leverage and interest rate risk, but sectoral specific considerations, for example:
- For Economic infrastructure: GDP-linkage, asset life, demand trajectory.
- For Social infrastructure: average lease length or counterparty risk, issuer funding profile.
- Regulated infrastructure: power prices, resource generation, discount rates, OpEx costs, tax, asset life.

Why?

- The RM Funds investment team develop proprietary tools to assist in the analysis and monitoring of investments, ranging from renewables, toll roads, airports, supermarkets, student accommodation and care homes to esoteric assets such as music royalties.
- Our ability to commission reports by third party experts, supported by our technology and experience, provides an investment and risk management edge.

Stewardship

Our Approach:

- ✓ **ESG Incorporation**
 - ✓ ESG is integrated into our investment process

- ✓ **Active Ownership / Stewardship**
 - ✓ We **engage with Boards and stakeholders to drive disclosure.**
 - ✓ In the public companies we invest-in, **we advocate for gender representation, sustainability and action on the climate and energy use.**
 - ✓ ESG is an investment tool. **The “G” in ESG is the most important investment consideration**, the management of a business by its owners or sponsor has significant implications for the performance of an investment.
 - ✓ We agitate for change where we feel this can deliver triple bottom line returns and lower the cost of capital for corporates
 - ✓ We encourage companies to report on their ESG progress

Appendix 3 Summary Information

- Summary
- Fund Terms
- Contact Details



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>

Contact Information

Investment Management

James Robson James.robson@rm-funds.co.uk

Pietro Nicholls Pietro.nicholls@rm-funds.co.uk



Head Office: 4th Floor, 7 Castle Street, Edinburgh, EH2 3AH

Distribution

James Satterthwaite: james.satterthwaite@rm-funds.co.uk

David Watts: David.watts@rm-funds.co.uk



London Office: 42 New Broad Street, London, EC2M 1JD

Registered in Scotland No SC380707

Registered Office: 7 Castle Street, Edinburgh, EH2 3AH

RM Capital Markets Limited is authorised and regulated by the Financial Conduct Authority (Number 562209)

