

RM Infrastructure Bond Fund

Q1 2026

Institutional Investors Only



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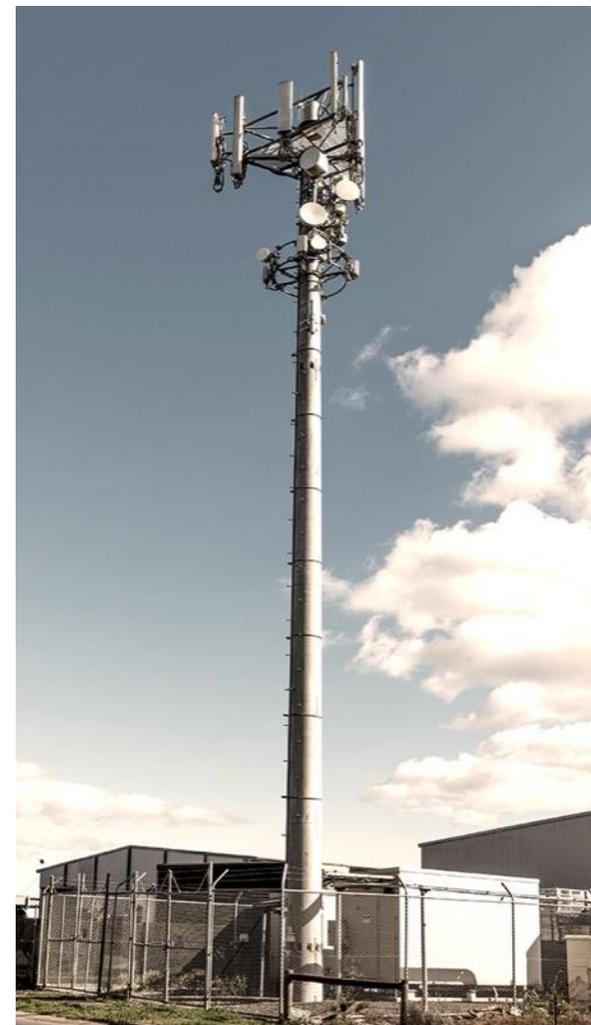
Investment Process

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Summary

Fund Terms

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About RM Funds

- Firm Snapshot
- Senior Leadership



About RM Funds

RM Funds is a specialist in alternative investment management

- RM currently manages public and private market strategies, including:
 - **Direct Lending Strategy:** RM Infrastructure Income PLC (“RMII”)
 - **Listed Real Assets Strategy:** VT RM Alternative Income Fund (“RMAI”)
 - **Infrastructure Debt Strategy:** SVS RM Infrastructure Bond Fund (“IBF”)
 - **Total Return Strategy:** SVS RM Defensive Capital Fund (“DCF”)

- RM has an experienced Investment Team and additional support staff including distribution, finance, compliance and legal support.

VT RM Alternative Income fund ratings



2010	Specialists	c.£400m	£50bn+	c£1.5bn
RM was founded	in alternative investment management	assets under management	Trading execution platform	of transactions advised on by RM

RM Funds – Senior Leadership

Fund Management Leadership



James Robson
Board Director, Investment Committee Member

- Chief Investment Officer, Lead PM SVS RM Infra Bond Fund, Co RMAI
- Former Head of European Corporate Credit Trading HSBC
- Chair, Risk Committee, RM Funds
- 25+ years' experience

Investment Team Experience

- Investment Team focused on Liquid and Illiquid alternative securities/assets
- 360-degree perspective - from lead advisory, financing, liability management, trading and investment / asset management
- Senior team have 100+ years of investment experience and have worked together for the best part of a decade
- Boots on the ground approach to investing
- Supported by proprietary technology platform

Firm Senior Executive Management



Henry Chaplin (Chair)
Board Director, Risk Committee Member

- 30+ years' experience
- Extensive experience in private equity and corporate finance
- Non-Executive Director, Singer Capital Markets



Pietro Nicholls
Board Director, Investment Committee Member

- Expertise in structuring and managing alternative investments including public and private securities and real assets
- Extensive experience advising listed, unlisted and government related entities on financing, risk management and corporate finance
- 18 years' experience



James Satterthwaite
Board Director, ESG Committee Chair

- 18 years' experience in sales & trading
- Extensive experience across institutional sales and fund distribution
- Chair, ESG Committee, RM Funds



Douglas Graham
Finance Director

- 19 years' experience in strategy, corporate finance and fund administration

Fund & Strategy Overview

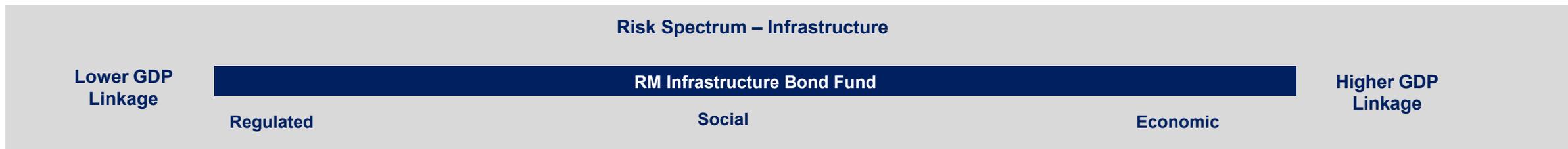
- About the Fund
- Key Investment Themes
- Portfolio
- Fund Performance
- Outlook



SVS RM Infrastructure Bond Investment Objectives

- Investment strategy to allocate into corporate credit focused on infrastructure assets
 - Regulated Infrastructure
 - Social Infrastructure
 - Economic Infrastructure
- Investment Objective
 - **Income** – Investment objective to target an income return greater SONIA.
 - **Defensive focus** – should be viewed as core fixed income IG holding/allocation.
- **Soft Targets:**
 - Capital preservation, **volatility target <5%**, (actual 12-month: 2.9%).
 - To outperform peers within the IA Sterling Strategic Bond Index.

-
- 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
-



¹ <https://www.spglobal.com/ratings/en/research/articles/221219-default-transition-and-recovery-2021-annual-infrastructure-default-and-rating-transition-study-12576939>

Characteristics of Infrastructure as an Asset Class

1. Stable and Predictable Cash Flows

- Revenues derived from essential services tied to asset availability, not market demand.
- Cashflows linked to long-term contracts and/or regulatory regimes.
 - E.g. National Grid's electricity transmission bonds are backed by RIIO-3 revenues, with long-term PPAs for renewable projects.

2. Strong Regulatory Frameworks

- Infrastructure often operates under government oversight, in the case of water, gas and electricity distribution capping returns on equity. Strong political reluctance to let these institutions fail.
 - E.g. Ofwat 2025-30 PR24 RoE capped at 4.14% (CPIH-deflated).
 - E.g. Feb 2025 Thames Water £3bn rescue loan.

3. Large Physical Asset Bases

- Infrastructure companies have very large physical asset bases to secure over, and CAPEX-heavy businesses make for consistent issuers to the capital markets.
 - E.g. Thames Tideway £4.5bn, 25km infrastructure project.

4. Private Sponsorship with Long-term Strategic Focus

- Backed by institutional private sponsors with long-term investment horizons. Non-listed private sponsors incentives for annuity-like returns. Less likely to chase short-term return on equity.

Sources: <https://www.legislation.gov.uk/ukpga/2012/16>, <https://www.legislation.gov.uk/ukpga/2000/8>, <https://researchbriefings.files.parliament.uk/documents/CDP-2025-0074/CDP-2025-0074.pdf>

What Does That Mean for a Fixed Income Allocator?

1. Historically lower default rates

- Lower default rates compared to the broader corporate bond universe, providing **resilience to economic cycles**¹.

2. Defensive spread performance in market stress

- Consistently **muted spread widening** compared with broader corporate market during stress events, protecting the downside.

3. Tangible asset backing enhances recovery

- By financing real, essential assets, it provides stronger collateral and **improved recovery outcomes in adverse scenarios**.

4. Equity owners share the same long-term strategic focus of bondholders

- Aligned incentives as equity owners (e.g. Pension Funds) are **less likely to prioritise short-term return on equity**. They seek to maintain prudent leverage, ample cash coverage, and **annuity-like returns**.

5. Natural monopolies and typically operating in highly regulated environments

- High barriers to entry create a **sustainable competitive advantage** for incumbents, leading to **clear and stable cash flows**.

¹ <https://www.spglobal.com/ratings/en/research/articles/221219-default-transition-and-recovery-2021-annual-infrastructure-default-and-rating-transition-study-12576939>

Security Profile

Enhanced Downside Protection

- Infrastructure bonds are more likely to be **secured by physical assets**, typically offering **robust collateral** and **improved recovery** prospects in the event of default.
- Unlike many corporate or financial issuers that rely on softer forms of security, such as receivables, intellectual property, or equity pledges, infrastructure borrowers typically provide direct **security over tangible, long-lived assets** like real estate, plant & equipment, and essential public infrastructure.
- This not only **increases recovery values** during stressed scenarios but also improves the negotiating position of bondholders throughout the life of the instrument.



“Security over real, productive assets enhances investor protection and reduces capital loss risk - making infrastructure bonds a more defensible position in volatile markets.”

Rather than...

- ✗ Accounts Receivable
- ✗ Technology Licenses
- ✗ Franchise Rights
- ✗ Intellectual Property
- ✗ Equity Pledges
- ✗ Loan Pools

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

£198 billion

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

c.42% of UK energy

Came from renewables in Q1 2023

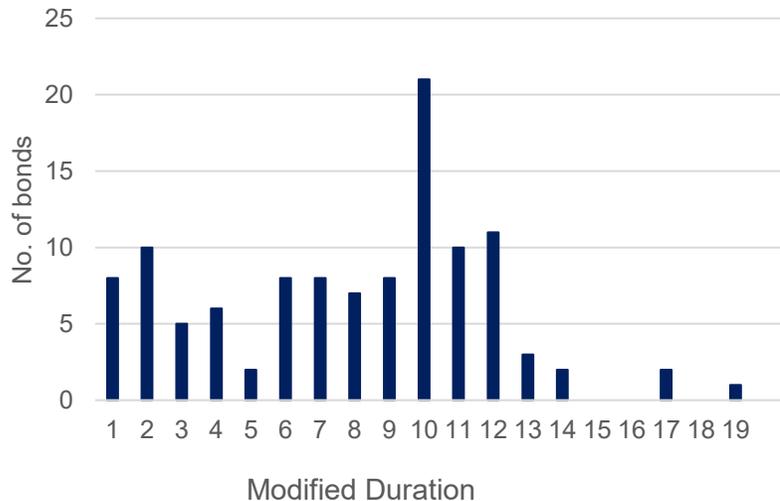
INVESTMENT CHARACTERISTICS

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

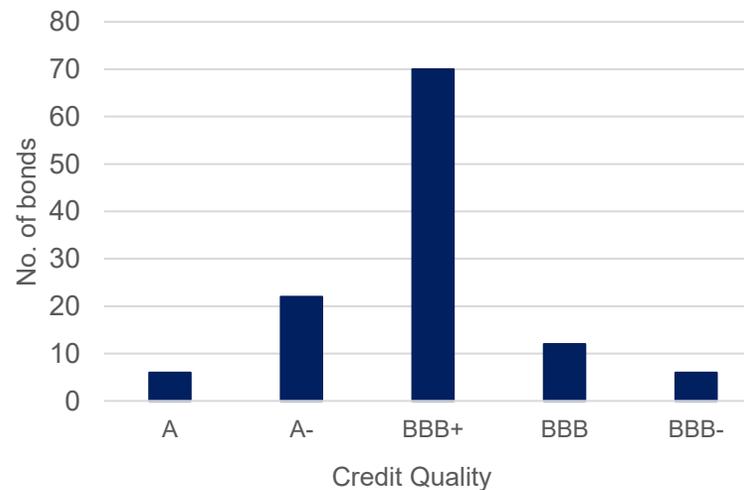
Fundamental Analysis – Electricity Transmission & Distribution

- **Critical infrastructure, predictable revenues, government support.**
- UK Electricity Transmission is operated by four companies.
 - **Long-distance x High-voltage**
- UK Electricity Distribution is divided into 14 regions and operated by six companies.
 - **Regional x Low-voltage**
- The investable universe consists of approximately 115 sterling bonds, covering a broad duration spectrum.
- Excluding hybrids, all bonds are rated investment-grade.

Duration Profile of UK Electricity Transmission & Distribution



Credit Profile of UK Electricity Transmission & Distribution



Transmission







Distribution



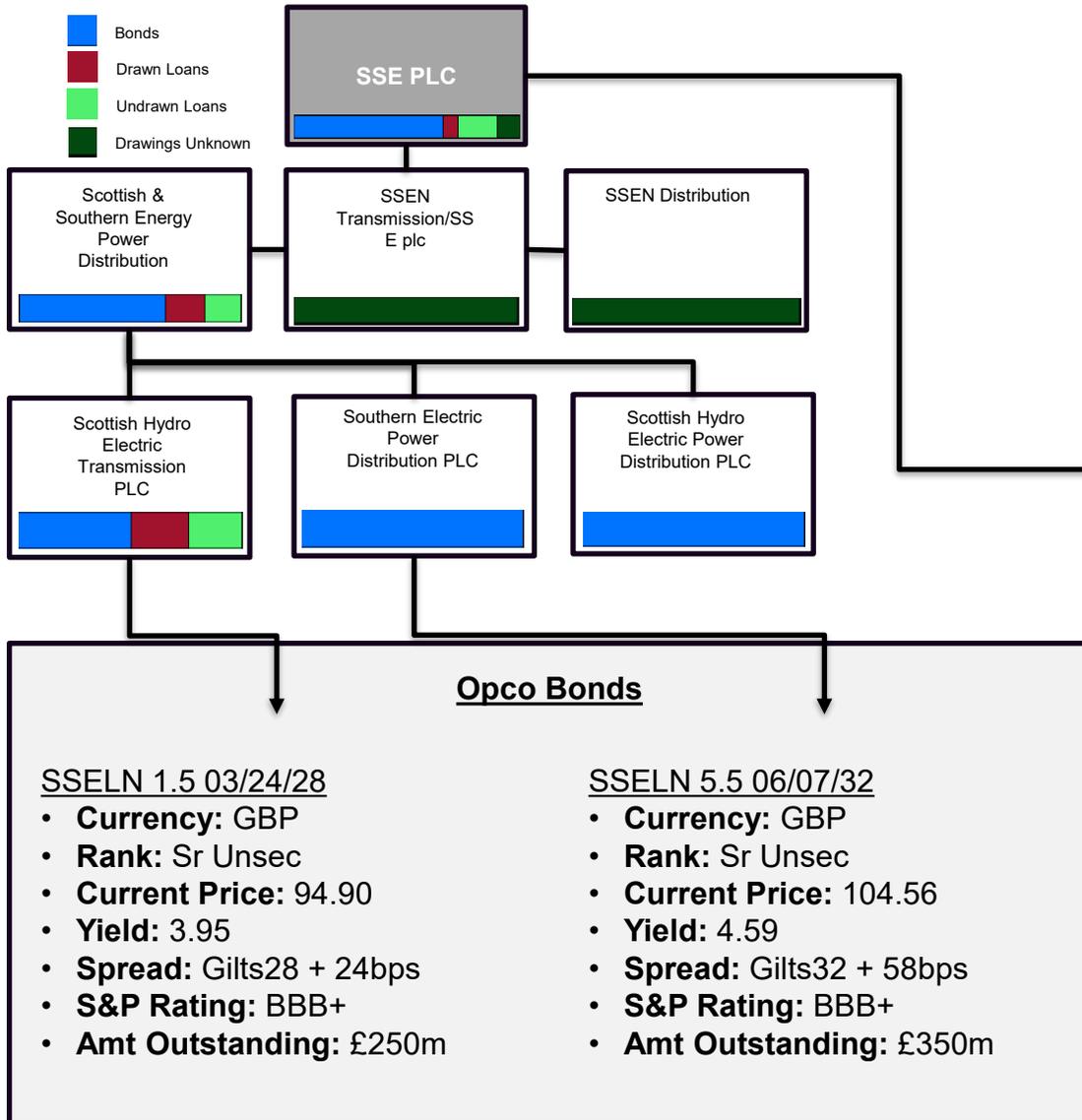







Source(s): Bloomberg , 16th January 2026, RM Funds analysis, Nationwide Utilities.

Fundamental Analysis – SSE PLC



Holdco Bonds

SSELN 3.74 PERP

- **Currency:** GBP
- **Rank:** Jr Sub Unsec
- **Current Price:** 99.90
- **Yield:** 5.47
- **Spread:** Gilts26 + 217
- **S&P Rating:** BBB-
- **Amt Outstanding:** £600m

SSELN 8.375 11/20/28

- **Currency:** GBP
- **Rank:** Sr Unsec
- **Current Price:** 111.07
- **Yield:** 4.10
- **Spread:** Gilts28 + 51
- **S&P Rating:** BBB+
- **Amt Outstanding:** £500m

Opco Bonds

SSELN 1.5 03/24/28

- **Currency:** GBP
- **Rank:** Sr Unsec
- **Current Price:** 94.90
- **Yield:** 3.95
- **Spread:** Gilts28 + 24bps
- **S&P Rating:** BBB+
- **Amt Outstanding:** £250m

SSELN 5.5 06/07/32

- **Currency:** GBP
- **Rank:** Sr Unsec
- **Current Price:** 104.56
- **Yield:** 4.59
- **Spread:** Gilts32 + 58bps
- **S&P Rating:** BBB+
- **Amt Outstanding:** £350m

SSE PLC Summary Stats

- SSE's business model encompasses the full energy lifecycle – from generation to transmission and distribution.
 - **£16.6bn market cap**
 - **£9.5bn total debt**
 - **£10.5bn 24/25 revenue**
- Certain Holdco bonds currently yield higher than the Dividend Yield (3.88%).
 - 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 forecast to grow c. 7% between 2023-26.

SSE PLC	2022	2023	2024
Net-Debt/EBITDA	3.6	2.4	2.4
Interest Cover Ratio ⁽¹⁾	6.8	-3.7	3.4
Debt to Assets	34%	32%	31%

Source(s): Bloomberg , 16th January 2026, RM Funds analysis.
 (1) Interest Cover Ratio calculated as EBITDA – CAPEX / Interest.

Offshore Transmission Owners (OFTOs)

GMOFTO 2.778 02/17/34

Rating: **Baa2**
 Yield: **5.39%**
 Price: **89.93**
 Location: **North Wales**
 5y Average Availability: **98.60%**
 Missed 98% target: 2021
 Amortizing: £201m outstanding
 Distance to shore: 15km

TCDUDG 3.158 11/12/38

Rating: **Baa1**
 Yield: **5.28%**
 Price: **87.50**
 Location: **Norfolk**
 5y Average Availability: **99.65%**
 Missed 98% target: N/A
 Amortizing: £223m outstanding
 Distance to shore: 32km

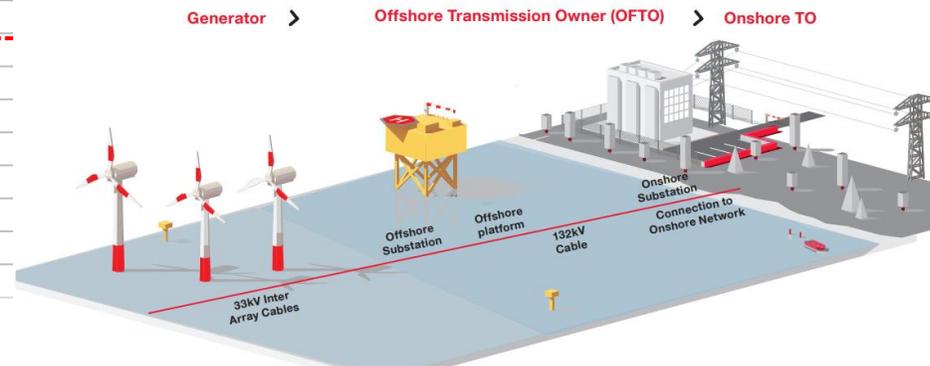
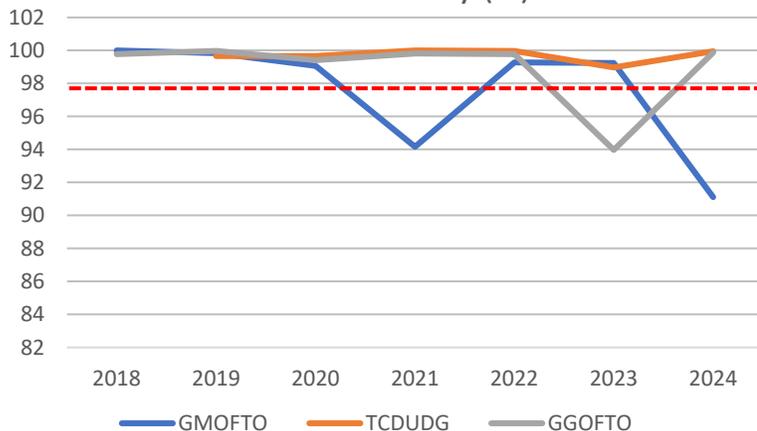
GGOFTO 4.137 11/29/32

Rating: **A3**
 Yield: **4.69**
 Price: **98.17**
 Location: **Suffolk**
 5y Average Availability: **99.77%**
 Missed 98% target: N/A
 Amortizing: £174m outstanding
 Distance to shore: 23km

Key Characteristics

- OFTOs are responsible for owning and operating the transmission 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(s): Bloomberg , 16th January 2026, 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
- ✓ Contacted cash flows with government entities and blue-chip counterparties

Fundamental Analysis – Social Infrastructure



Assura Summary Stats

The UK's leading diversified healthcare REIT.

- **633 Properties**
- **Property Value: £3.2 bn**
- Essential service Assets including Hospitals, GP surgeries, and Ambulance Hubs that are leased to the NHS on long-term rental contracts.
- **90% of rent roll paid by NHS or Tier 1 healthcare operators**
- **Occupancy: 99% with 13-yr WAULT**
- Majority of portfolio rents are index-linked.
- Deleveraging strategy well underway and on track.

AGRFIN 1.625 06/30/33

- **Currency:** GBP
- **Rank:** Sr Unsec
- **Current Price:** 78.19
- **Yield:** 5.17
- **Spread:** Gilts33 +100
- **Deal size:** £300m



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 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 2025.

ASPR 4.674 03/31/40

- **Currency:** GBP
- **Rank:** Sr Sec
- **Current Price:** 96.3
- **Yield:** 5.22
- **Spread:** Gilts33 + 93
- **Amt outstanding:** £654m

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. With over 10 million residents in each³

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
(£400mm)

5-year GBP400mm

Term and EIB Loans (GBP)
(£70mm)

Term Loans GBP70mm

EMTN Programme
(£738.6mm)

ABP Finance PLC 6.25 26 GBP500mm

ABP Finance PLC FRN 33
ABP Finance PLC FRN 32

US Private Placement
(£1872mm)

GBP USPP GBP1355mm
USD USPP GBP467.9mm
JPY USPP GBP49.2mm

Currency: GBP
Rank: 1st lien snr sec
Coupon: 6.25 Fixed
Current Price: 101.84
Yield: 4.13
Spread: Gilts26 + 77bp
Rating: BBB+

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.
- 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.

ABP	2022	2023	2024
Net-Debt/EBITDA	6.5	6.8	7.3
Interest Cover Ratio	2.4	2.2	2.0

Source: Bloomberg , 16th January 2025, RM Funds analysis.

Appendix 1 Portfolio Overview

- Market overview
- Allocations process
- Model portfolio
- Fund performance
- Market & portfolio outlook



2026 - A Year about Curve Positioning and Carry

Rates: Curve steepening, fiscal deficit concerns, inflation sticky but not 'scary'

Q1 Theme: Lower yields. Front-end outperformance

- Economic slowdown, increased labour market slack and weaker growth
- Wage growth and inflation sticky, but not scary.

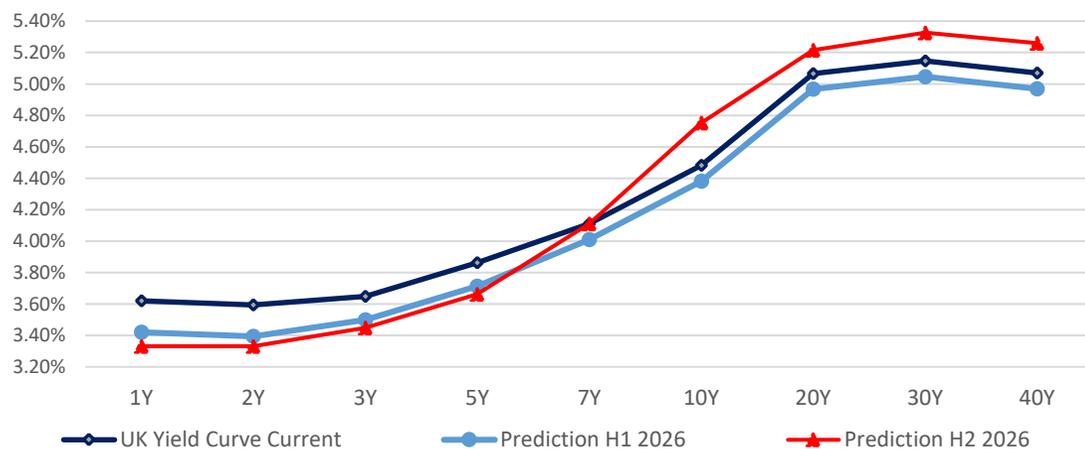
Expectation: BoE settle at 3.25% terminal rate by June 2026, then hold.

Q2 & H2 Theme: Bear steepening of the yield curve

- Large H2 gilt issuance program (+£130bn net supply).
- Quantitative tightening (+£70bn net supply).
- Heightened political risk premia in UK rates.

Expectation: 10-year gilts to 4.75% by December

UK GILTS Yield Curves (%)



Credit: Attractive all-in yields, but HY spreads likely to widen

High Yield Theme: Downside skew dominates

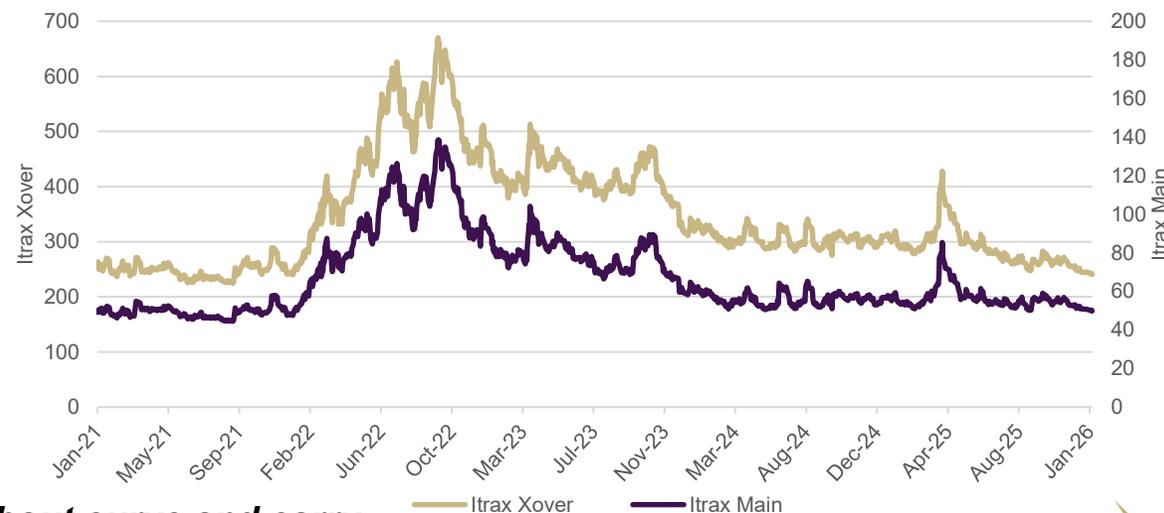
- Macro risks elevated but credit at its tight = outcomes skewed to downside for high-yield, less so for investment grade.

Expectation: Mild decompression in H1 driven by increased supply amid favorable issuance conditions. Increased chance of 'credit event' amid uncertain macro and geopolitics.

Investment Grade Theme: Strong Fundamentals

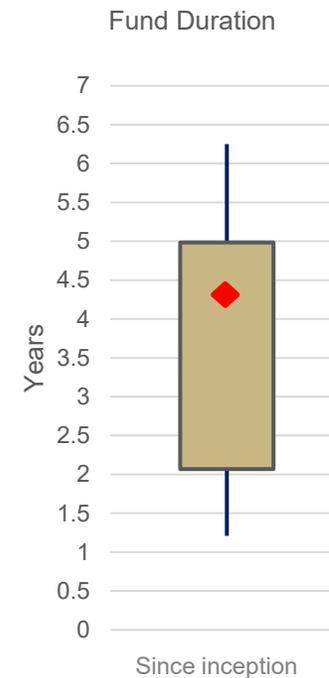
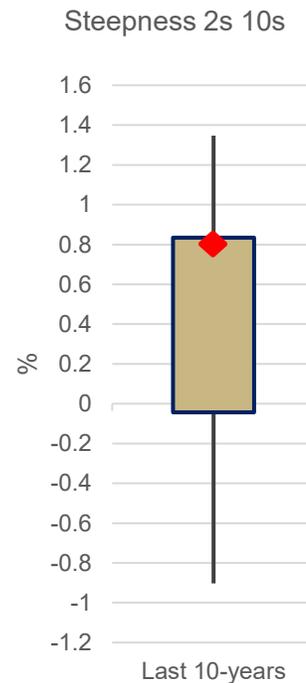
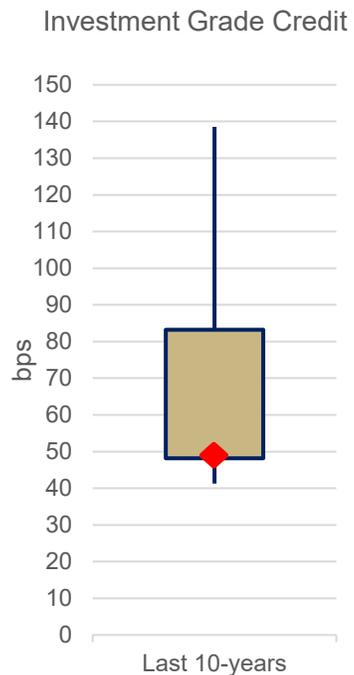
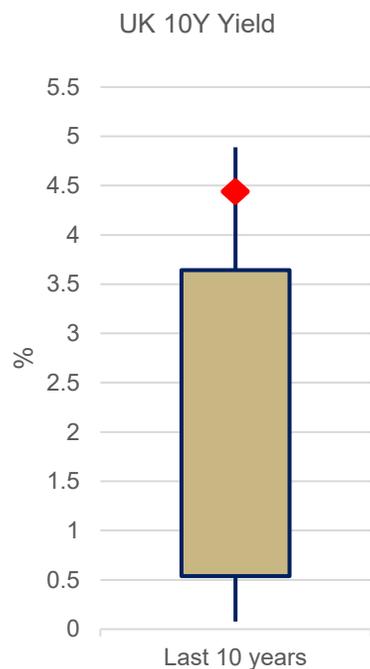
- IG Corporate balance sheets strong by historic standards.
- However, tech-sector issuances growing weight within IG indices is a concern.

Expectation: High quality Investment Grade will outperform Gilts and High Yield



Overall, 2026 is a year about curve and carry

Where are we?



Around fair value; not obviously cheap.

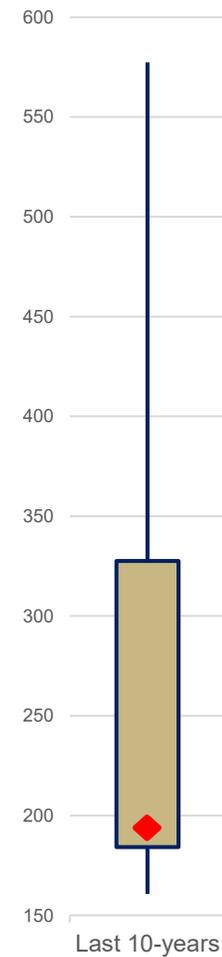
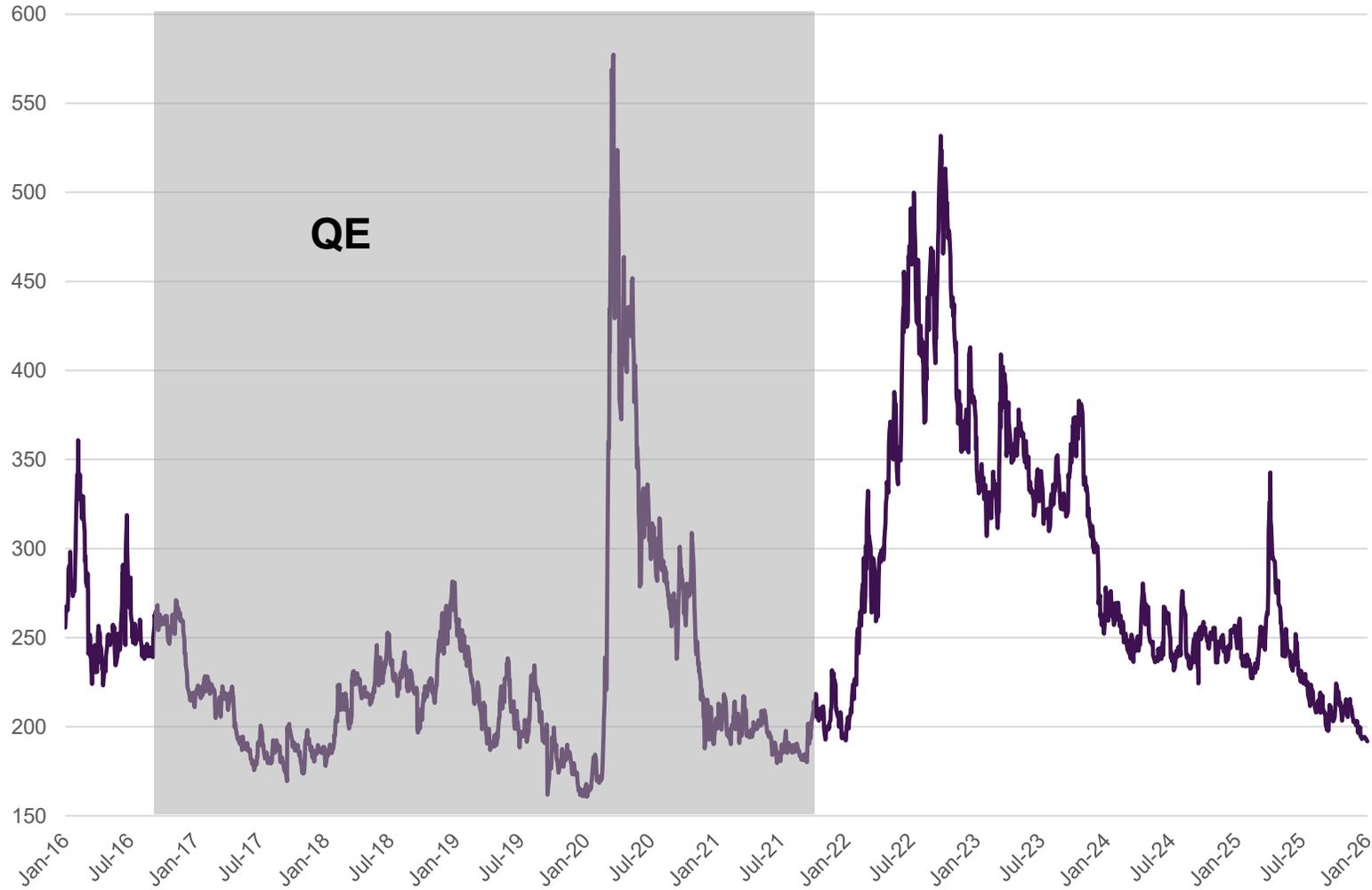
Tight, with limited room to compress.

Already steep - bias toward more steepening.

Still short vs market but anticipate more shortening.

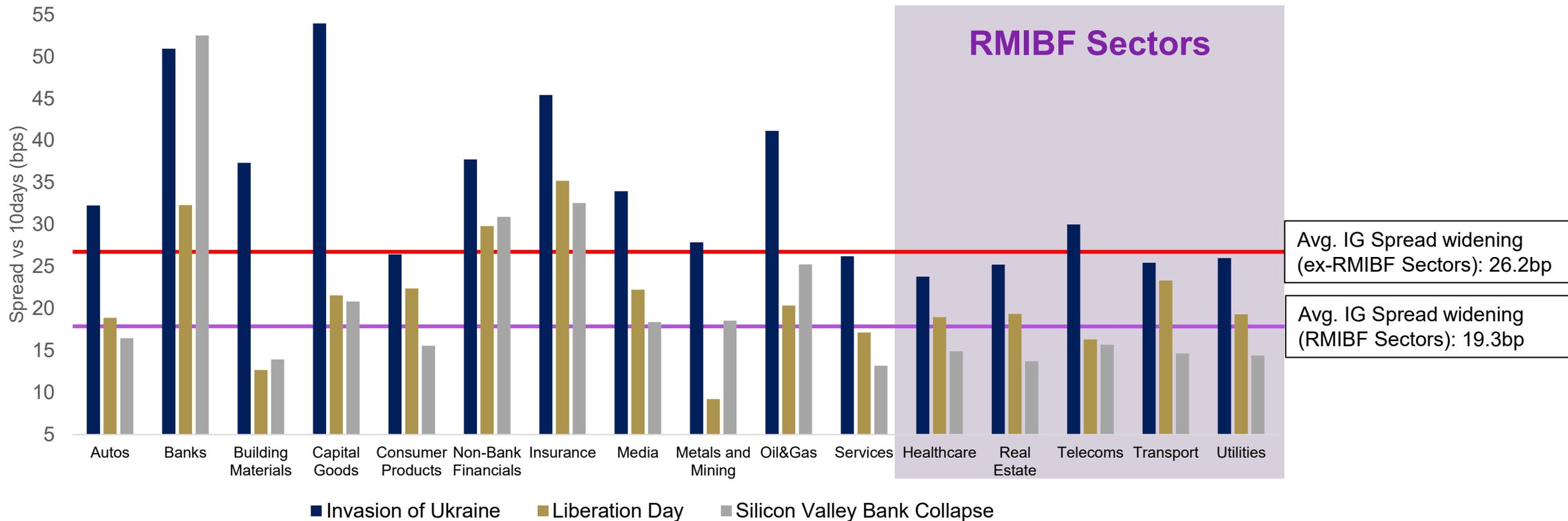
Post QE High-Yield Compression is over

High Yield Compression post QE



- The high-yield trade has worked exceptionally well over the last 3-years.
- High-yield spreads have compressed into Investment grade reducing the differential to levels last seen in the QE era.
- BUT...we think this trade has run its course.
- History tells us that high-yield does not compress into investment-grade much further, particularly now that we have moved into QT.
- The portfolio will therefore have a strong IG bias throughout 2026, until and unless we see considerable HY widening that would compel us to re-enter.

Infrastructure's Defensive Spread Performance in Market Stress



- Analysed yield changes across three major credit stress events (1 day prior vs 10 days after): Outbreak of Ukraine War, Silicon Valley Bank collapse, and Liberation Day, our sectors showed **limited spread widening** versus the broader investment-grade credit market.
- Data reflects investment-grade sterling credit spreads from one day before each event to ten days after, providing a snapshot of immediate market impact.
- Overall, our sectors consistently outperformed during sharp market-wide spread widening episodes, reinforcing their role as **defensive anchors in credit portfolios**.

Allocation Framework

- 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

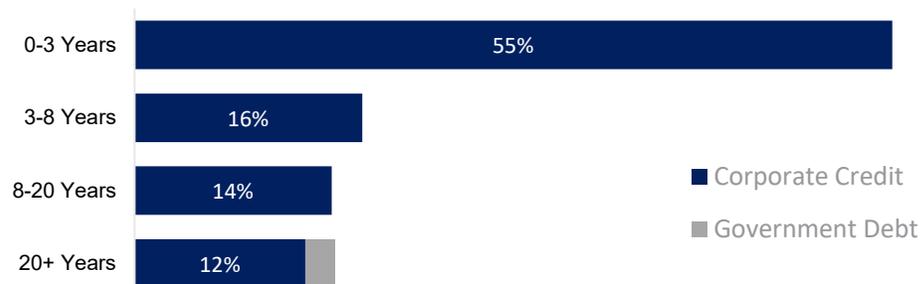
* Current positioning

Current Portfolio Positioning

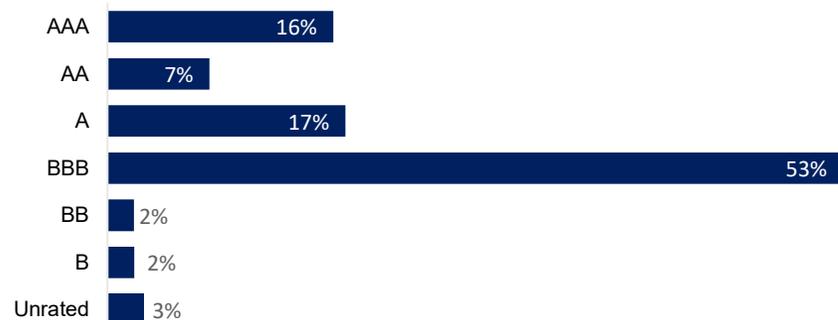
Portfolio Statistics

- Top #10 Exposure: 28.5%
- # of Holdings: 58
- Running Yield: 4.92%
- Distribution Yield*: 5.15%
- Duration: 4.36 years
- YTW: 5.12%
- Economic Infrastructure: 34%
- Regulated Infrastructure: 30%
- Social Infrastructure: 12%
- Gilts/Cash/Near Cash: 23%

Bond Maturity Distribution



Bond Rating Allocation



TOP TEN HOLDINGS

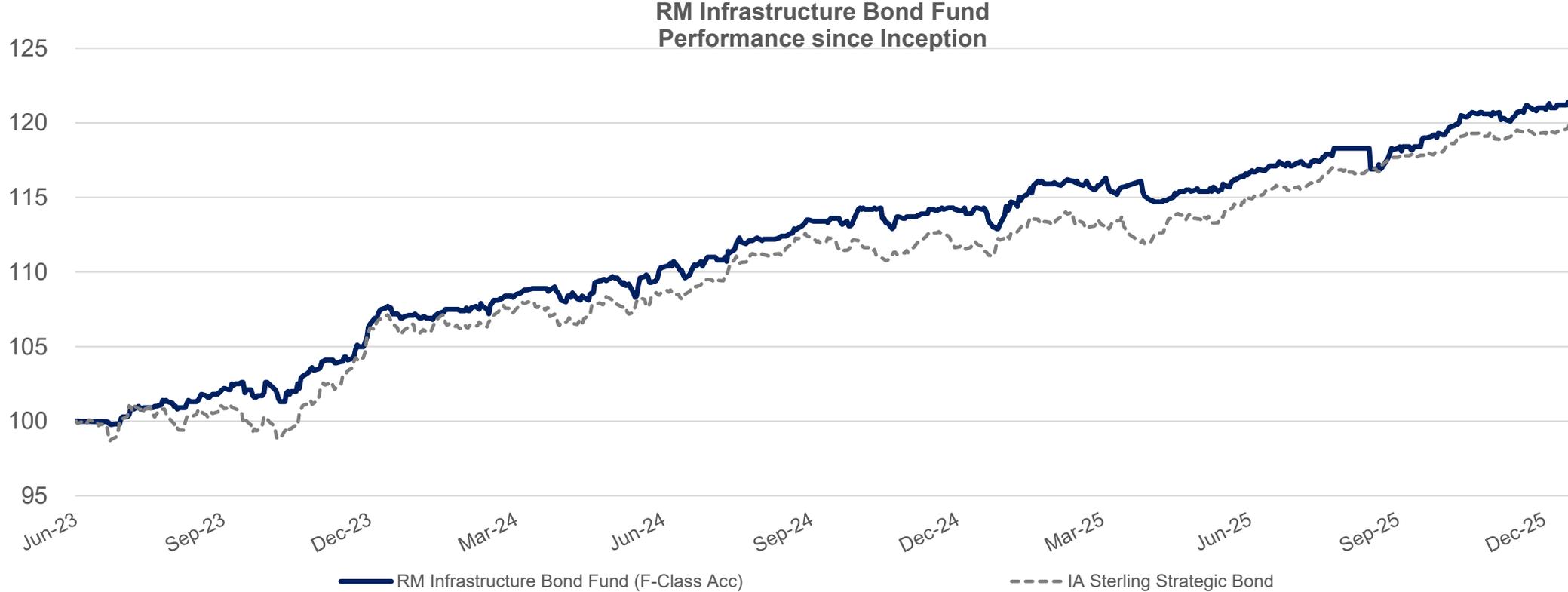
Issuer	Maturity	% of Fund
Electricity Northwest	Mar 2026	3.6%
SSE	Nov 2028	3.0%
Heathrow Airport	Dec 2026	2.9%
Pennon Water	Sep 2031	2.7%
America Movil	Oct 2026	2.7%
UK Power Networks	Jun 2026	2.7%
Gatwick Airport	Mar 2026	2.7%
Bupa	Nov 2045	2.7%
SSE	PERP	2.7%
Asian Development Bank	Feb 2026	2.7%

Source: Bloomberg, 31st December 2026

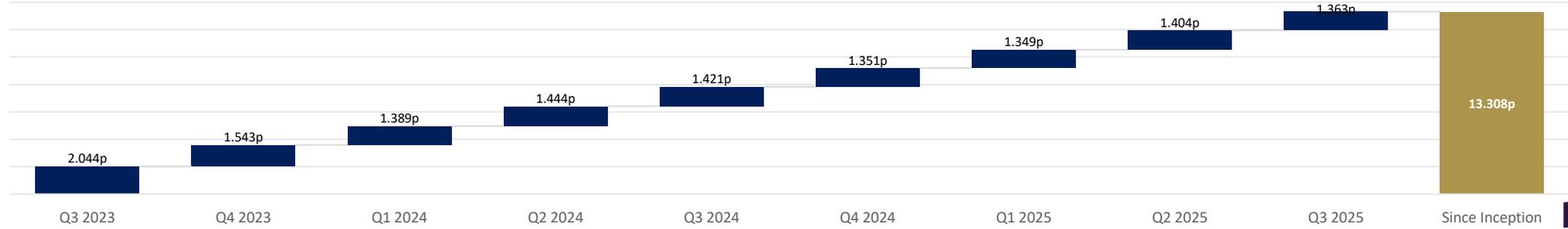
Bond Ratings from Bloomberg Composite Credit Ratings

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

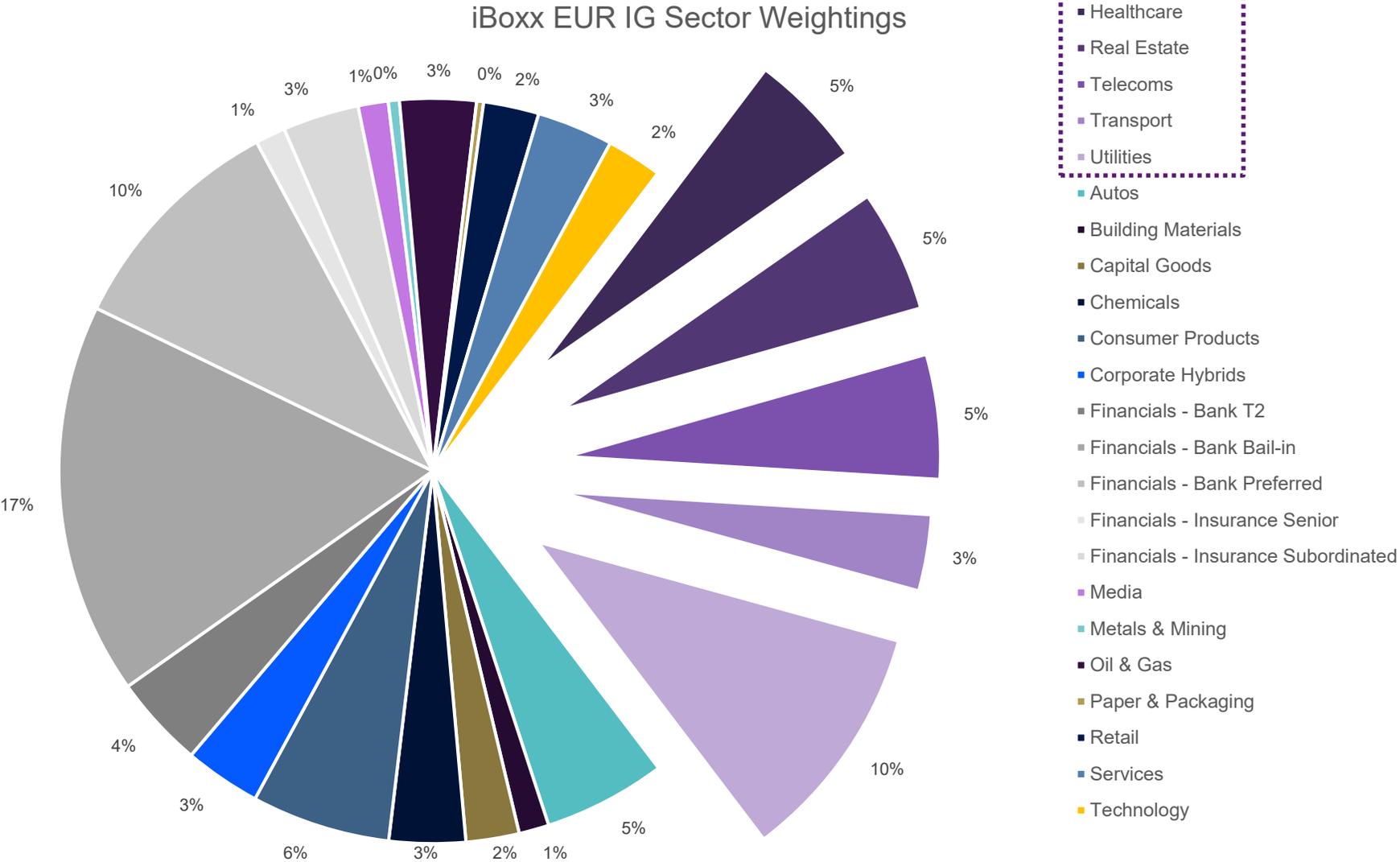
Fund Performance (15th June 2023 – 31st December 2025)



SVS RM Infrastructure Bond - Institutional "I" Class Distribution (GBP/share)¹



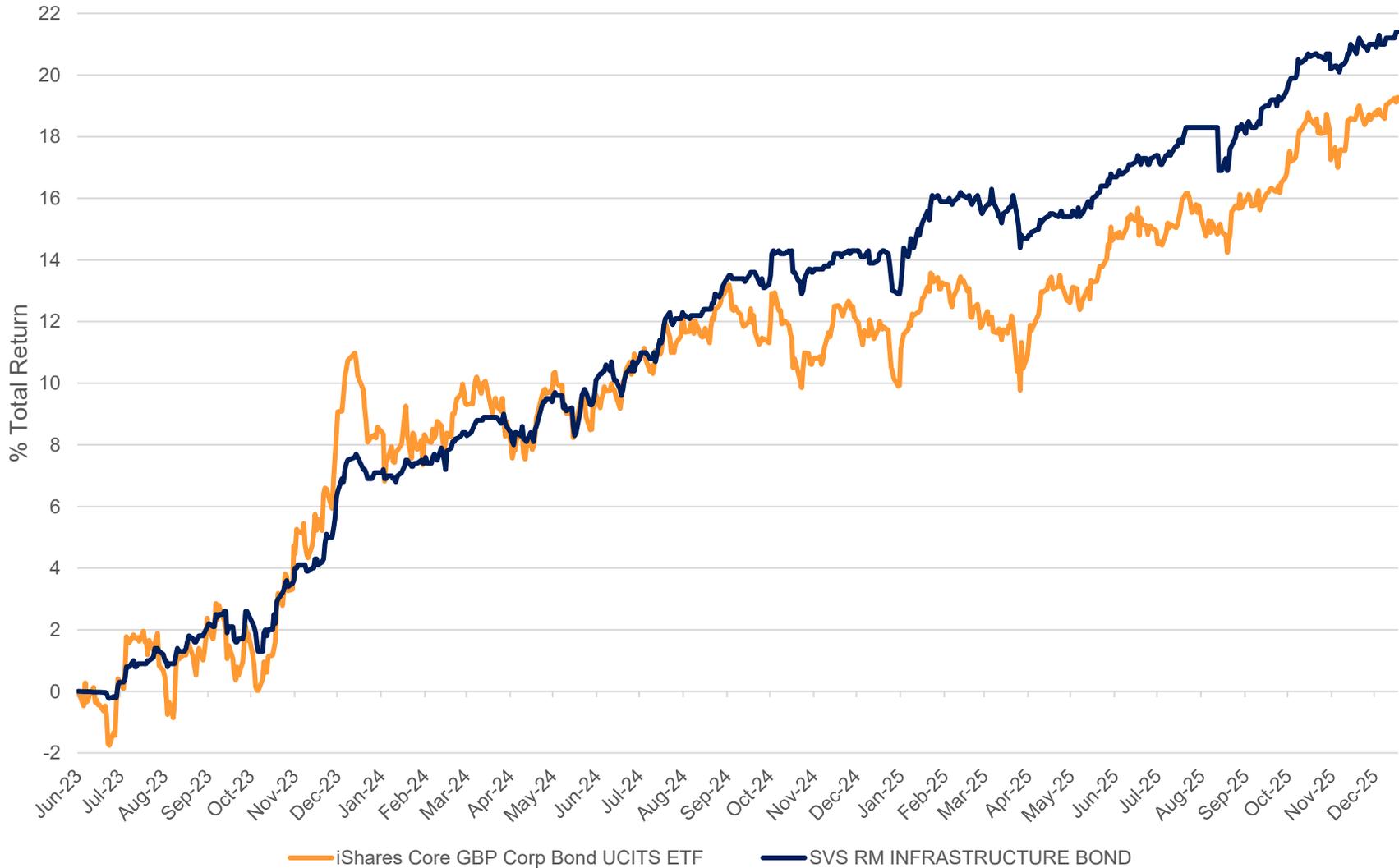
Fund Performance vs Passive Peers



- RM IBF selects from a small sub-set (c. 30%) of the investment grade corporate bond universe.
- We consider these sectors to be more defensive in nature thanks to their tendency to produce contracted cashflows. Indeed, their large asset bases also offer better recovery profiles in events of default.¹

Source: Bloomberg (25th July 2025)
¹ <https://www.spglobal.com/ratings/en/research/articles/221219-default-transition-and-recovery-2021-annual-infrastructure-default-and-rating-transition-study-12576939>

RM IBF vs Passive Peers



- Active bond funds tend to outperform passive indices because bond indices are heavily weighted toward large, highly indebted issuers, which carry greater financial risk, leading to weaker performance.¹
- In 2024, active funds in the IA Sterling Strategic Bond Index outperformed passive indices within the sector by 5.2%²
- Lower volatility combined with the defensive nature of IBF's sector selection significantly dampens drawdowns.

	Performance (ITD)	Volatility (360-day)
SVS RM INFRA	21.4%	2.8%
SLXX	19.0%	5.2%

Source: Bloomberg (31st December 2026)

^{1,2} <https://www.trustnet.com/news/13434247/the-sectors-where-it-paid-to-go-active-in-2024-and-where-it-didnt>

Market & Portfolio Outlook

2026 H1 Outlook

- **Rates & Duration:** Near term economic momentum to slow, driving gilt yields lower through Q1 & Q2. This should provide a favourable window to add duration. In H2 2026, we expect yields to move higher - particularly in the 10Y - as gilt issuance and QT accelerate and political leadership risks begin to manifest, warranting a reduction in fund duration.
- **Credit Allocation:** Maintain a clear bias to high-quality IG over HY. Credit markets appear vulnerable, with valuations at multi-decade tights and HY spreads extremely compressed on IG. We expect credit weakness and spread decompression. Most at risk are private credit, leveraged loans, HY then finally IG.
- **Security Selection:** Core IG and infrastructure issuers continue to offer compelling all-in yields with defensive spread characteristics. Selectivity and discipline will be important in 2026 given late-cycle risks and asymmetric downside in lower-quality credits.

Fund Positioning:

- Core longs via very high-quality credit within core infrastructure names.
- Use gilts and gilt futures for tactical duration positioning where required.
- Staying nimble and wary of bond vigilantes given that unfunded fiscal deficits are likely to be punished heavily.

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 £400m AUM.

Macro Analysis & Review

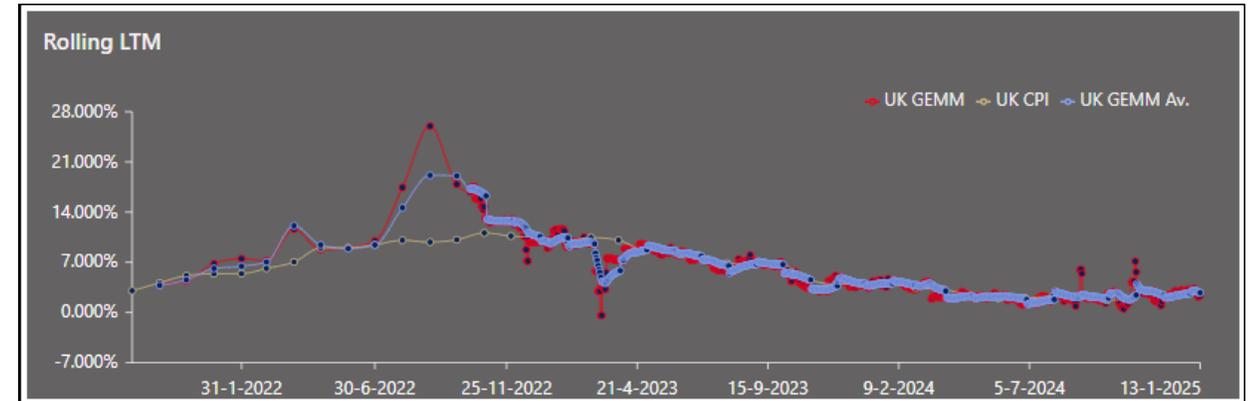
Investment Team Time: up to 25%

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.



- 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:

- 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.
- For the Bond Fund, SDGs of particular focus have been 6. Clean Water and Sanitation and 11. Sustainable Cities and Communities, but mostly from a risk perspective.

ESG in Fixed Income

- Bondholders are not shareholders: no voting rights, no ownership of corporate externalities.
- Unlike for equity holders, ESG is not about engagement, activism or corporate influence, but more about **risk** and **allocation**.

1. Risk Management Framework

ESG factors assessed for impact on credit quality and default risk.

Examples:

Water Companies – fines for wastewater treatment failures creating financial and reputational liabilities.

Social Housing – Energy Performance Certificate (EPC) ratings affecting costs and tenant affordability.

2. Allocation Decisions

- Targeted exposure to **Green, Social & Sustainable (GSS) Bonds**.
- Channeling capital to projects with positive environmental and social outcomes.

Provider	A %	B %	C %	D %	E %	F %	G %
Platform Housing Group	0.5%	21.9%	53.6%	22.2%	1.6%	0.2%	0.0%
L&Q	0.3%	11.9%	60.9%	25.4%	1.3%	0.1%	0.0%
Peabody (post-merger)	0.7%	21.0%	57.0%	20.0%	1.3%	0.0%	0.0%
Sanctuary	0.3%	15.9%	54.1%	27.7%	4.6%	0.3%	0.0%
Sovereign Network Group (SNG)	0.3%	14.4%	54.6%	28.3%	2.0%	0.3%	0.0%
The Guinness Partnership	0.0%	8.0%	69.0%	21.0%	2.0%	0.0%	0.0%
Riverside	0.1%	14.9%	35.4%	16.2%	2.3%	0.2%	30.9%
Orbit	0.5%	23.4%	61.5%	13.4%	1.2%	0.0%	0.0%
Places for People	0.4%	14.3%	67.0%	17.3%	0.9%	0.2%	0.0%
Clarion	0.0%	0.0%	74.6%	0.0%	25.4%	0.0%	0.0%

Company	EA Criminal Fines (2020–2024)	Ofwat Civil Sanctions / Penalty (2020–2025)	Total
Anglian Water	£2,650,000.00	£62,800,000.00	£65,450,000.000
Thames Water	£13,600,000.00	£104,500,000.00	£118,100,000.000
Severn Trent	£3,572,000.00	£0	£3,572,000.000
South West Water	£2,150,000.00	£24,000,000.00	£26,150,000.000
Southern Water	£90,330,000.00	£126,000,000.00	£216,330,000.000
Yorkshire Water	£1,600,750.00	£40,000,000.00	£41,600,750.000
Northumbrian Water	£780,000.00	£15,700,000.00	£16,480,000.000
Wessex Water	£500,000.00	£0	£500,000.000
United Utilities	£0	£0	£0.000
Welsh Water	£1,624,000.00	£39,400,000.00	£41,024,000.000

GSS Fixed Income

Green Bonds

- Proceeds dedicated exclusively to environmental projects (renewables, clean transport, energy efficiency).
- Use of proceeds is ring-fenced for green only projects.

Sustainability Bonds

- Funds a blend of environmental and social projects, e.g. green buildings and healthcare.
- Broader impact scope but still use-of-proceeds based like Green or Social bonds.

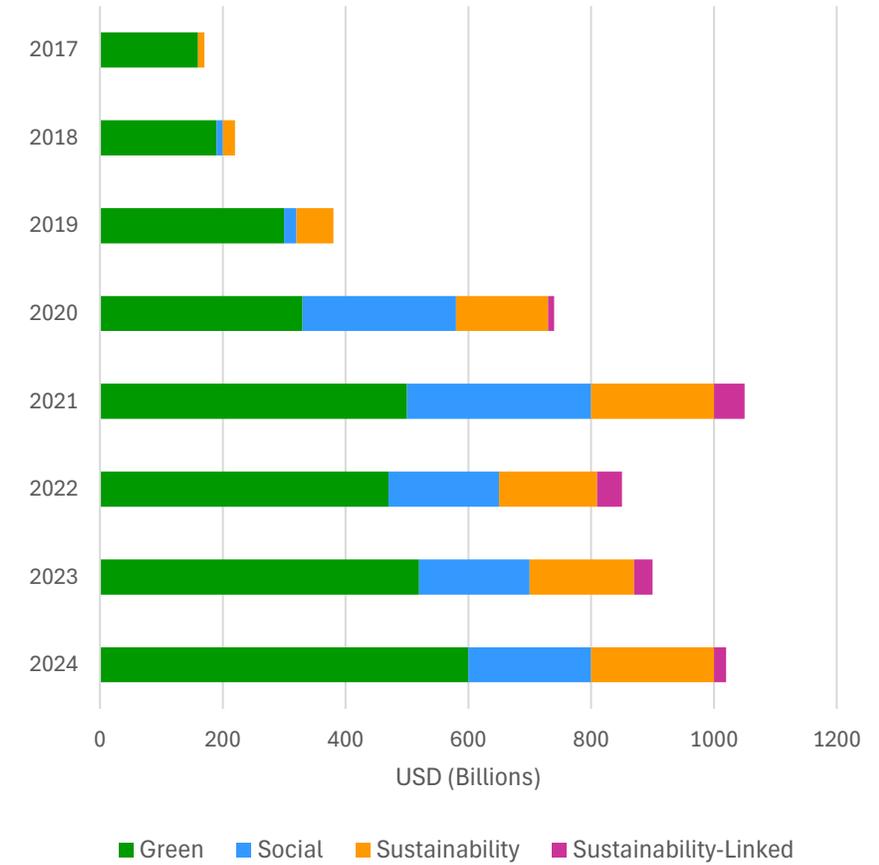
Social Bonds

- Proceeds allocated to social projects only, such as affordable housing, education, or inclusion.
- Targets measurable improvements in social welfare and equity.

Sustainability-Linked Bonds

- Not use-of-proceeds based. Any project can be financed, but bond economics (like coupon) are linked to the achievement of pre-determined issuer-level sustainability performance targets.
- Creates financial incentives (step-up/step-down in coupon) tied to achieving ESG targets.

Global GSS Fixed Income Issuance



Infrastructure GSS Fixed Income

- As at 31st July 2025, **22.40%** of the portfolio is allocated to GSS Fixed Income. (18.30% at 30th June 2025)
 - **5.5%** Green; **14.8%** Sustainability; **2.1%** Social
- Since inception, 23% of total allocations have been to GSS Fixed Income instruments. For allocations to bonds with an issue date after 2020, 45% of those are GSS bonds.
- Would expect GSS Bonds to increase proportionally (c. 40-50%) within the portfolio as issuers refinance legacy bonds.
- Given the high-Capex nature of the issuers the fund allocates to, and the large amounts of Green Capex required to align with net-zero targets, we expect the largest allocation to be to be Green and Sustainability Bonds.
- Engagement with issuers tends to only be during the syndication process.

SVS RM Infrastructure Bond Fund
GSS Allocations



Examples of GSS Allocations

SSELN 5 1/2 01/15/44; Green Bond



- £500m Green Bond, 20-year, 5.5% coupon
- Use of Proceeds exclusively for financing critical low-carbon infrastructure – renewable energy generation, energy storage, and corresponding transmission and distribution.
- Aligned with ICMA Green Bond Principles: transparent use-of-proceeds framework.
- **SDGs:** 7. Affordable & Clean Energy & 13. Climate Action
- SSE: UK's **largest** green bond issuer with £4.9bn outstanding

NWG 3.575 09/12/32; Social Bond



- €1bn Social Bond, 7-year, 3.575% coupon
- A Social Bond whose proceeds were used for financing loans to 41 not-for-profit, registered housing associations in the UK, developing/acquiring an estimated 395 new housing units.
- Supported by NatWest's GSS bond framework with annual impact reporting.
- **SDGs:** 10. Reduced Inequalities & 11. Sustainable Cities & Communities

AGRFIN 1 5/8 06/30/2033; Sustainability Bond



- £300m Sustainability Bond, 12-year, 1.625% coupon
- Sustainability Bond whose net proceeds have been used to finance the improvement of the EPC ratings of their Hospital and GP Surgeries building stock to EPC rating B or better and to improve community access to essential healthcare services.
- Robust Sustainable Finance Framework. Includes a Sustainable Finance Working Group for project selection, annual impact reporting, transparent proceeds allocation.
- **SDGs:** 3. Good Health & Wellbeing & 11. Sustainable Cities & Communities

HTHROW 6 03/05/32; Sustainability-Linked Bond



- £500m Sustainability-linked Bond, 10-year, 6% coupon
- SPTs: 1) Reducing *'in-the-air'* carbon emissions by 15% and 2) *'on-the-ground'* emissions by 46.2% by 2030, using 2019 as a baseline year.
- If Heathrow fail to achieve either target, the coupon steps-up by 25bps

Fundamental Analysis

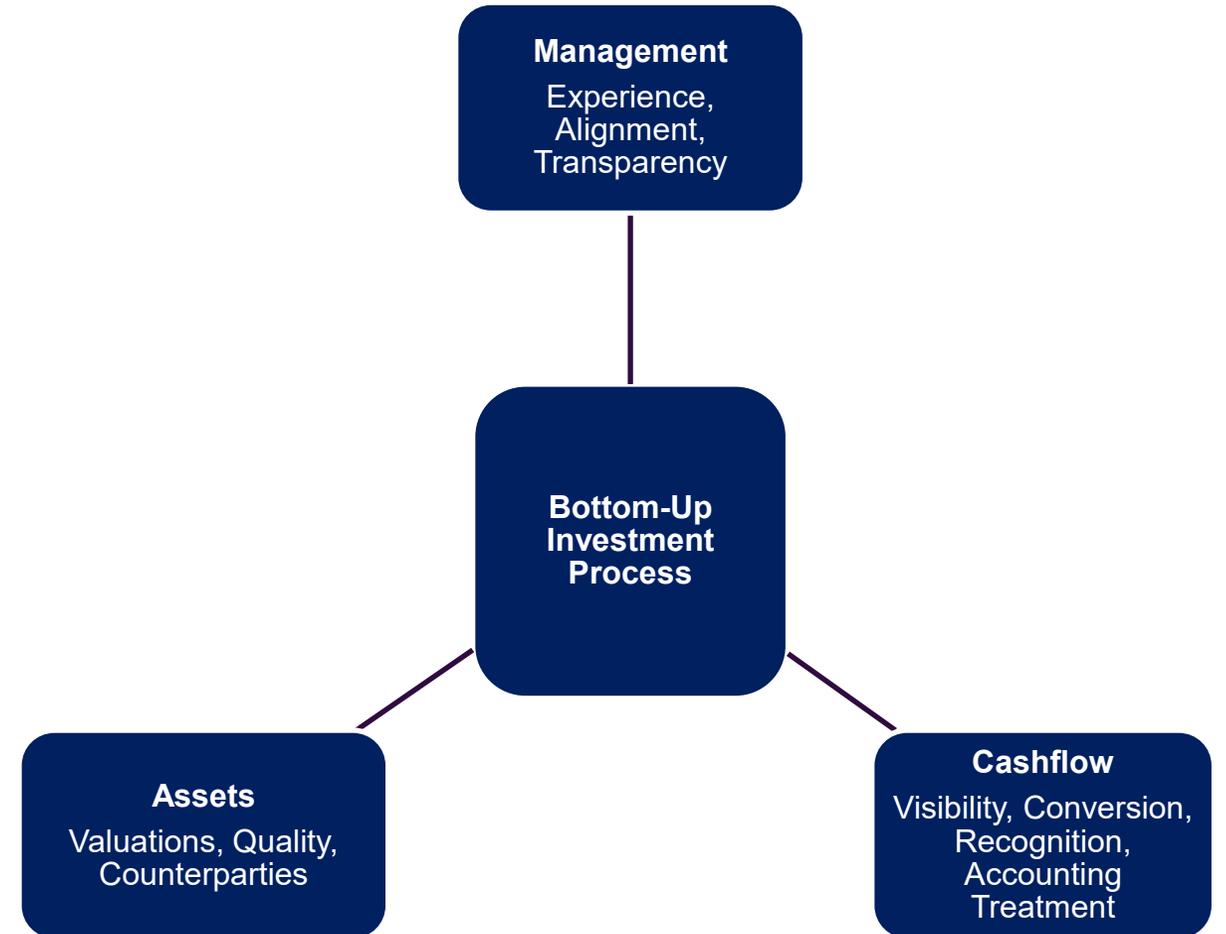
Investment Team Time: Up to c.50%

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 Settings

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:

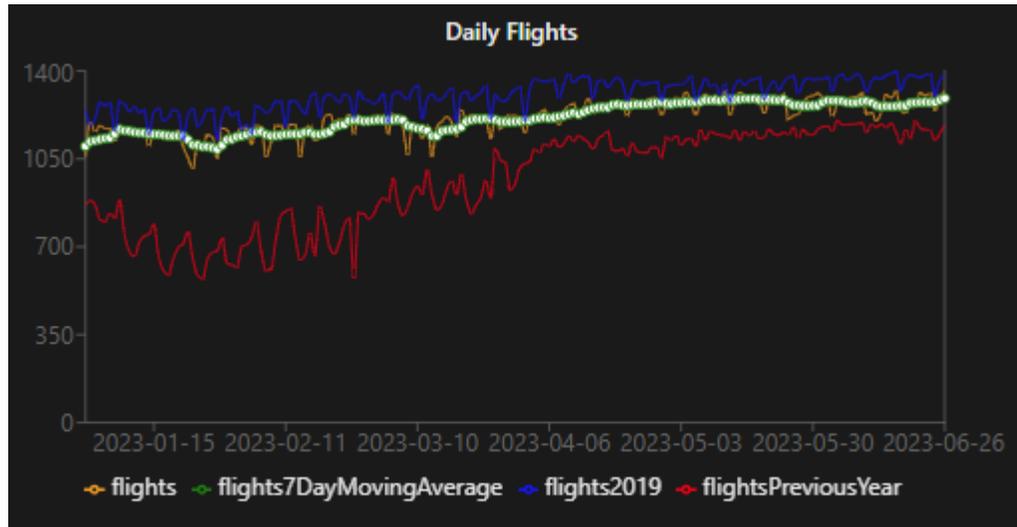
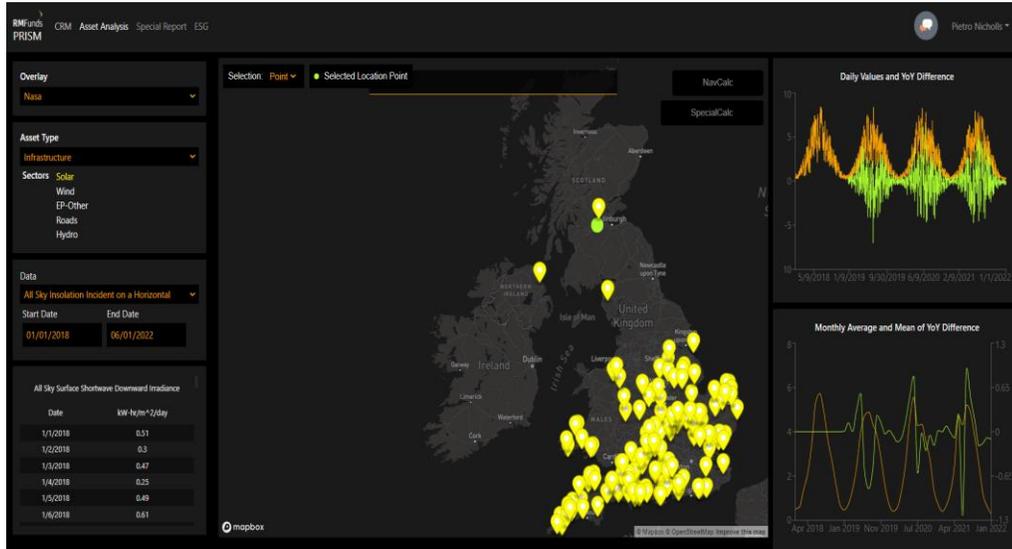
Key liquidity counterparties

- 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



Fund Information

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

Contact Information

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

