SVS RM Defensive Capital Fund

Webinar

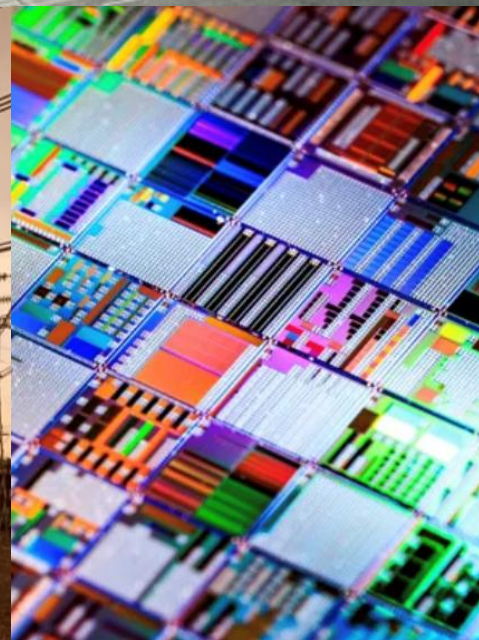
July 2026

Institutional Investors Only

RMFunds







Disclaimer

Disclaimer

All information and opinions contained in this document has been provided by RM Capital Markets Limited ("Company"), which is authorised and regulated by the Financial Conduct Authority, and have not been independently verified as to their accuracy by either the Company or any other party. Whilst the information contained in this document has been prepared in good faith, no representation or warranty, express or implied, is given by the Company or any of its directors, partners, members, officers, affiliates, employees, advisers or agents (and any warranty expressed or implied by statute is hereby excluded) as to the accuracy or completeness of the contents of this document or any other document or information supplied, or which may be supplied at any time or any opinions or projections expressed herein or therein, nor is any such party under any obligation to update this document or correct any inaccuracies or omissions in it which may exist or become apparent. All information herein is subject to amendment although no obligation to update such information or correct inaccuracies is accepted.

The projected financial information contained in this document is based on judgemental estimates and assumptions made by the Company, about circumstances and events that have not yet taken place. Accordingly, there can be no assurance that the projected results will be attained. In particular, but without prejudice to the generality of the foregoing, no representation or warranty whatsoever is given in relation to the reasonableness or achievability of the projections contained in this document or in relation to the bases and assumptions underlying such projections and you must satisfy yourself in relation to the reasonableness, achievability and accuracy thereof.

No responsibility or liability is accepted by the Company for any loss or damage howsoever arising that you may suffer as a result of any decision by you to rely on any of the contents of this document and any and all responsibility and liability is expressly disclaimed by the Company and any of its directors, partners, officers, affiliates, employees, advisers or agents.

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 Company 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 Company 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.

The Company and its affiliated companies, employees, or individuals connected to them, 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.

Distribution

This document may not be circulated or distributed in circumstances that would constitute a public offering of securities under the relevant legislation of any country, including, without limitation, the UK. This document does not constitute, and may not be used for the purpose of, an offer or an invitation to subscribe for shares or other securities by a person in any jurisdiction (i) in which such offer or invitation is not authorised, (ii) in which the person making such offer or invitation is not qualified to do so, or (iii) to any person to whom it is unlawful to make such an offer or invitation. It is the responsibility of recipients to satisfy themselves as to full compliance with the applicable laws and regulations of any territory in connection with this document.

This document has not been approved for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, this document is only being distributed to you on the basis that you have previously confirmed that you are an investment professional within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or that another relevant exemption applies.

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

RMFunds

In This Presentation

- Fund overview
- Performance
- The AI bubble
- Fund positioning







RMFunds

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 Bond 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.

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

(1) GBPUSD c.1.358

SVS RM Defensive Capital Fund Overview

The Defensive Capital Fund strategy was launched in 2010 and was acquired by RM Funds in 2024

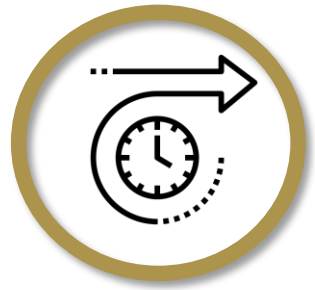
Investment Objectives



Preserve Capital



Positive absolute return over a rolling three-year period



Capital growth over the long-term (5+ years)

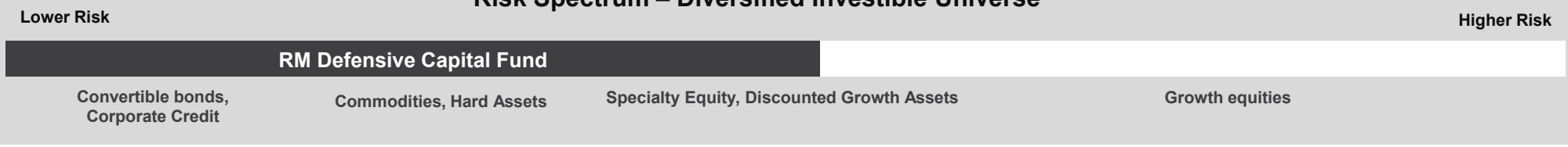
Aims to deliver **lower volatility returns** relative to the wider market, by investing in alternative assets that do not necessarily rely on market growth for positive returns.

It offers investors a **diversified, actively managed** fund which will provide exposure to a broad range of **under-researched, undervalued, and overlooked alternative assets**.

Sector: IA Absolute Return

Fees: 0.55%

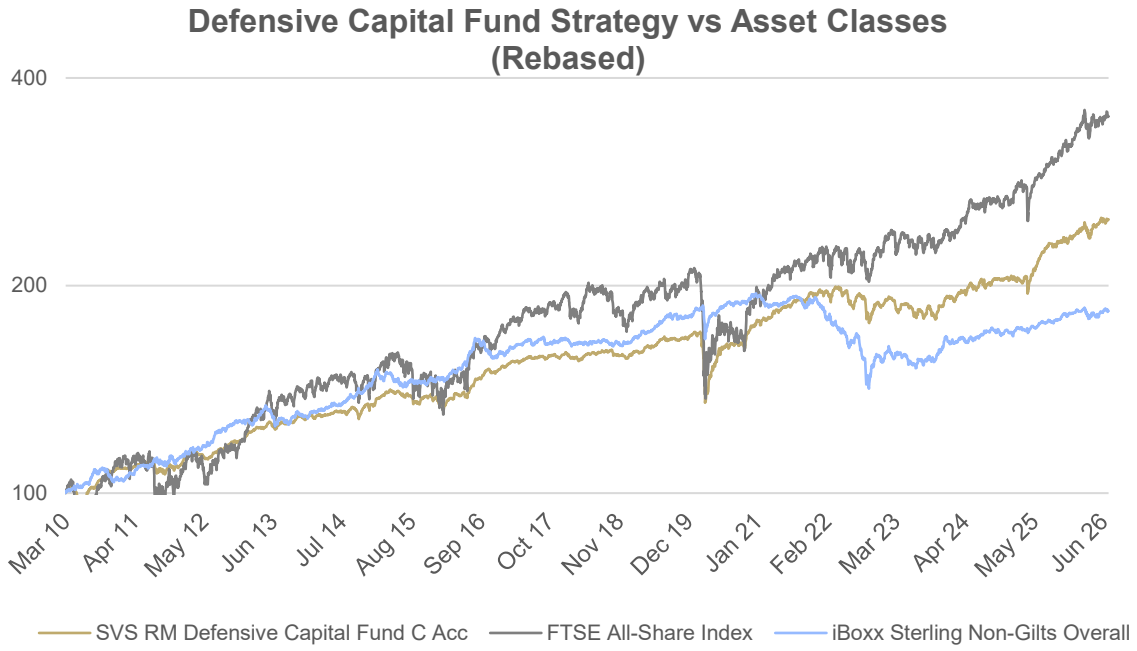
Risk Spectrum – Diversified Investible Universe



- Chart an indication of risks only and a summary of typical risks for different asset classes. Please see Key Information document for fund risk rating.

RMFunds

RMDCF Relative Performance & Track Record



Comparative Performance	Total Return (inception)	Volatility (360 day)	Sharpe Ratio (1Y)	Correlation (2Y / 1Y)
SVS RM Defensive Capital Fund C Acc	149.4%	7.6%	1.6	1.00
iBoxx Sterling Non-Gilts Overall	83.8%	4.0%	0.1	0.3 / 0.4
FTSE All-Share Index	252.0%	12.7%	1.5	0.5 / 0.4

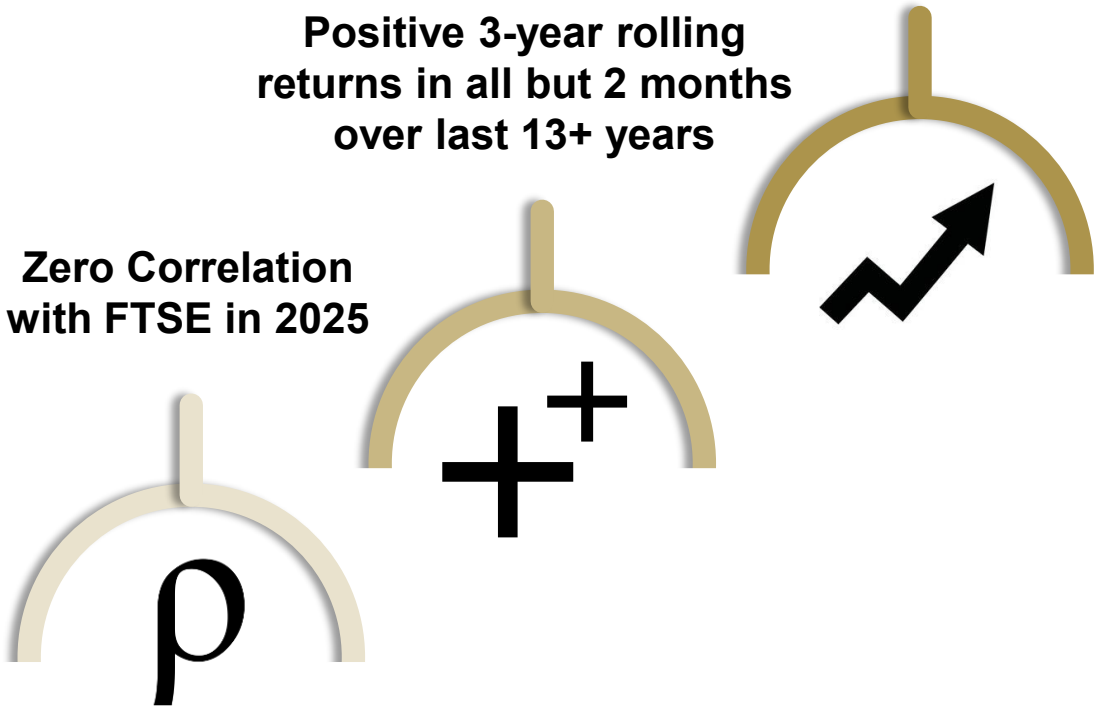
Comments:

- Volatility sits between bonds and equities, but with better risk-adjusted returns.
- "New" era of higher rates combined with unusually attractive valuations.

Outperformed TAR sector over 1, 3, 5, and 10 years

Positive 3-year rolling returns in all but 2 months over last 13+ years

Zero Correlation with FTSE in 2025



Source: Bloomberg Data 15/03/2010 to 10/07/2026 inclusive. Correlations monthly

RMFunds

2026 YTD performance

- 2025: best year ever at +15.2%
- 2026: +5.4% (to 10th July)
- Real Assets the best segment
  - bids for Amedeo Air Four+, US Solar and Bluefield Solar. New River REIT
- Discounted Assets:
  - Georgia Capital, UzNIF IPO, IP Group

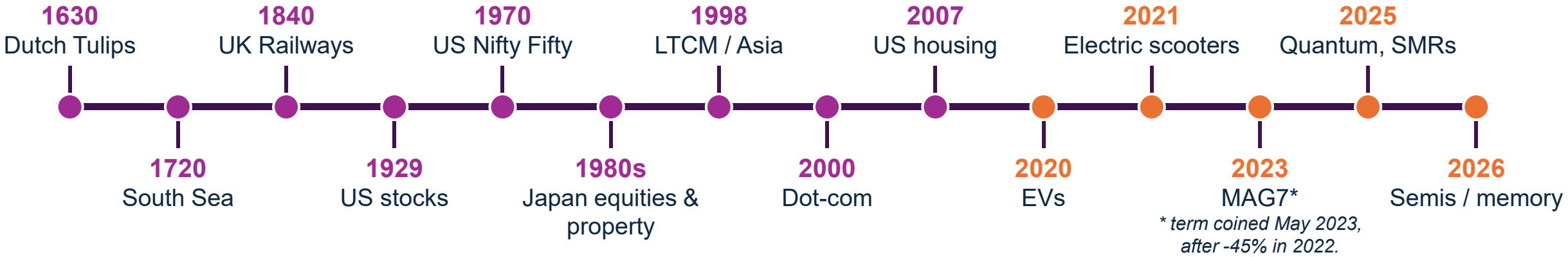
Asset class	*Jan 26*	*Feb 26*	*Mar 26*	*Apr 26*	*May 26*	*Jun 26*	*Jul 26*	*2026*
Autocalls	-	-	-	-	-	-	-	-
Other Structured Notes	0.0%	0.1%	(0.0%)	0.1%	0.0%	0.0%	0.0%	0.3%
Investment co convertibles								
Convertibles	0.1%	0.2%	(0.4%)	0.1%	0.2%	0.1%	0.1%	0.3%
Discounted Assets	0.5%	0.8%	(1.7%)	0.9%	1.2%	0.1%	0.2%	2.0%
Structured Credit	0.0%	(0.0%)	(0.0%)	0.0%	0.0%	0.0%	(0.0%)	(0.0%)
Specialist Lending	(0.1%)	0.3%	(0.4%)	0.3%	0.1%	0.2%	0.0%	0.4%
Fixed Return	0.0%	0.1%	(0.0%)	(0.0%)	0.0%	0.0%	0.0%	0.1%
Real Assets	0.4%	0.7%	(1.3%)	1.5%	1.2%	(0.0%)	0.1%	2.8%
Hedges	(0.1%)	0.0%	(0.1%)	0.0%	(0.1%)	(0.2%)	(0.0%)	(0.5%)
Other	0.7%	0.5%	(1.2%)	0.4%	(0.0%)	(0.8%)	0.0%	(0.5%)
Liquidity	-	-	-	-	-	0.0%	(0.0%)	0.0%
FFX	0.2%	(0.2%)	(0.2%)	0.2%	(0.0%)	(0.1%)	0.0%	0.0%
reconciliation (incl OCF, timing, FX, divis)	(0.1%)	0.4%	0.4%	(0.1%)	0.1%	0.1%	(0.3%)	0.2%
DCF class C	***1.6%***	***2.7%***	***(4.9%)***	***3.4%***	***2.7%***	***(0.5%)***	***0.2%***	***5.0%***

RMFunds

A brief history of bubbles

- Frequency seems to be increasing

- The 2020s: five bubbles in just six years



RMFunds

AI “bottlenecks”

- LLMs (private companies so far). Total value: $2tn+
- GPUs (NVDA). $5tn
- Memory chips (Samsung, SK Hynix). $3tn
- Physical data centres (Fermi, Coreweave). $0.5bn
- Power (GE Vernova). $1tn
- Miners? (copper etc)
- Asia/EM: almost every “Asia” or “EM” fund now has TSMC as its largest holding. MSCI Asia is 23% TSMC, SK Hynix, Samsung
- Total: $15tn (vs S&P500 $60tn)
- Holders of US equities will be feeling well off
    - Which will be helping the real economy
- A popping of the bubble could put all of this into reverse

Source: Bloomberg

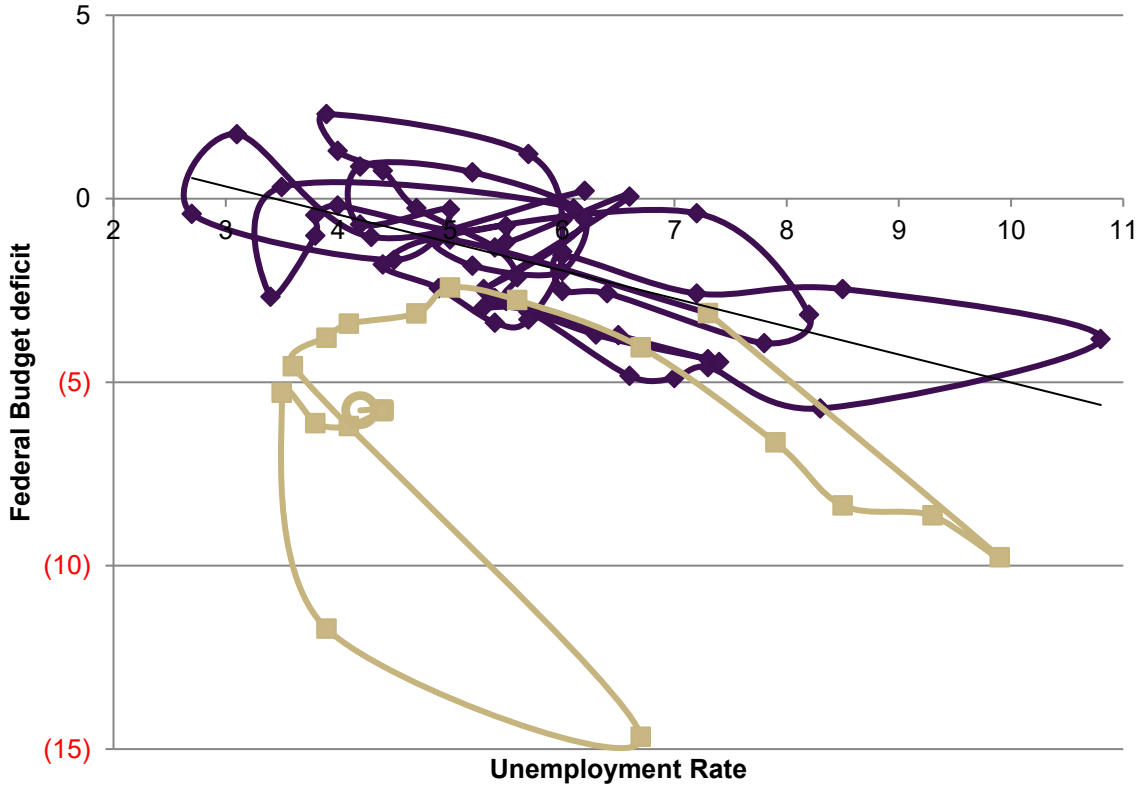
RMFunds

Investment expenditure

- AI-related expenditure dominating, crowding out other investment.
  - *Minus* 2% y/y ex-AI
  - $1tn forecast over the next 6y is more than all US interstates, or railroads, 4x Apollo programme
- Hyperscaler free cash flow forecast to be negative now
  - Hence issuing bonds
- What's the ROI likely to be if memory prices are up 7x?

And the economy is deficit-financed

- Historically with this low level of unemployment the US budget should be balanced
- Instead a 6% deficit
- Households and businesses are on the other side of the balance sheet, i.e. excess profits
- Might the bond markets force an end to fiscal profligacy?



Source: FRED

RMFunds

We seen this film before

- A new, nascent technology
- Will clearly positively impact the economy
- Large capital requirements
- Timing, and who the winners are, is still unclear

Episode 2 also features:

- Democratisation of investment: easy-to-use retail platforms
- Availability of leveraged investing (margin trading, leveraged ETFs)
- Social media (Reddit's r/wallstreetbets): could exacerbate trend-following, "FOMO" and hence momentum
- Passives: increasing AuM of passives which are forced buyers of larger companies. Although too easy for active managers to blame passives?

What's the catalyst?

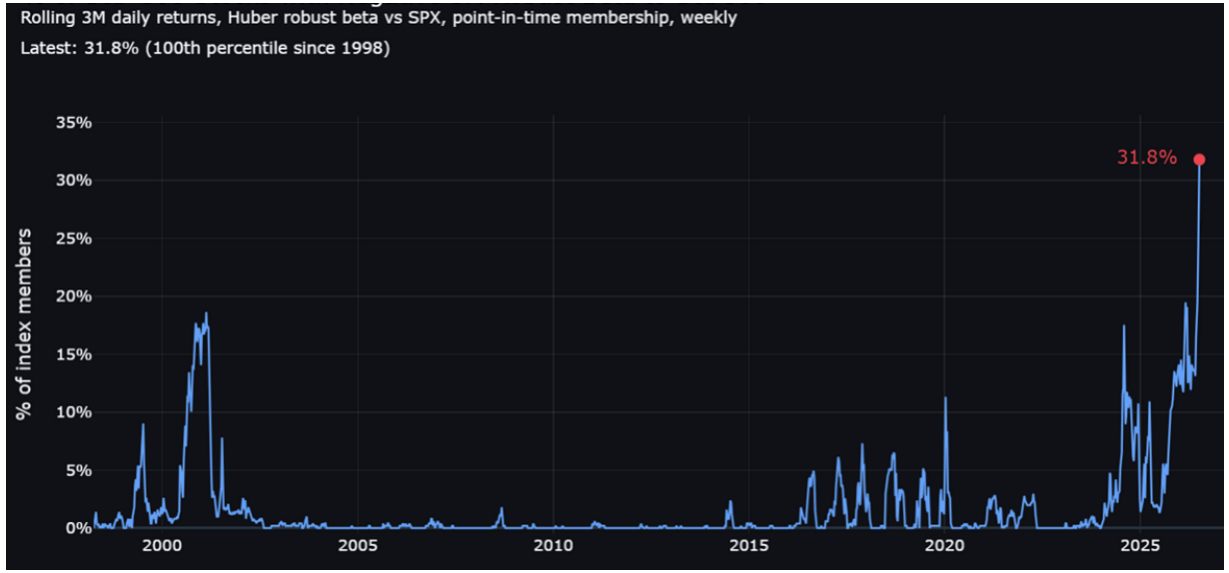
- Hard to find what catalysts were for historical events
  - LTCM: Russia default?
  - Dotcom: lastminute.com IPO?
  - US housing: a money market fund "breaking the buck" and a hedge fund gating?
- So not sure it's worth spending time trying to identify?
  - More important is to recognise the *fragility* of the system
  - Valuations especially important

- De-equitisation switching to net equity issuance
- US rate rises to combat oil-related (and AI-capex-related) inflation?
- JGB rates rising

- Timing is of course very hard

Sector rotation

- It seems other sectors may have been used to finance going long AI
- So a sell-off in AI could lead to rallies elsewhere, e.g.
  - High dividend yielders
  - Gold miners
  - Vietnam, China
  - Small caps
  - Oil & gas
  - Defence
  - Crypto
- We are opportunistically adding to these themes



Source: Argonaut Capital

RMFunds

Example Holdings

Income: Biopharma Credit

Loans to companies with FDA-approved drugs

-7% discount

>9% dividend yield



Growth: Vietnam equities

Vietnam Enterprises, VinaCapital and Vietnam Holding

7%+ GDP growth

10x P/E, 15% RoE

-15% average discount

Diversifier: Baker Steel

Listed and unlisted mining holdings

Tungsten, cement, gold

-28% discount

Hedges: Tail-risk hedges

Investment bank-issued hedges, which should do very well in a sell-off, but without costing much money in a flat or rising market

+40% returns over Liberation Day, +100% COVID

Equity index put options

Source: Bloomberg, Data as 9th July 2026

RMFunds

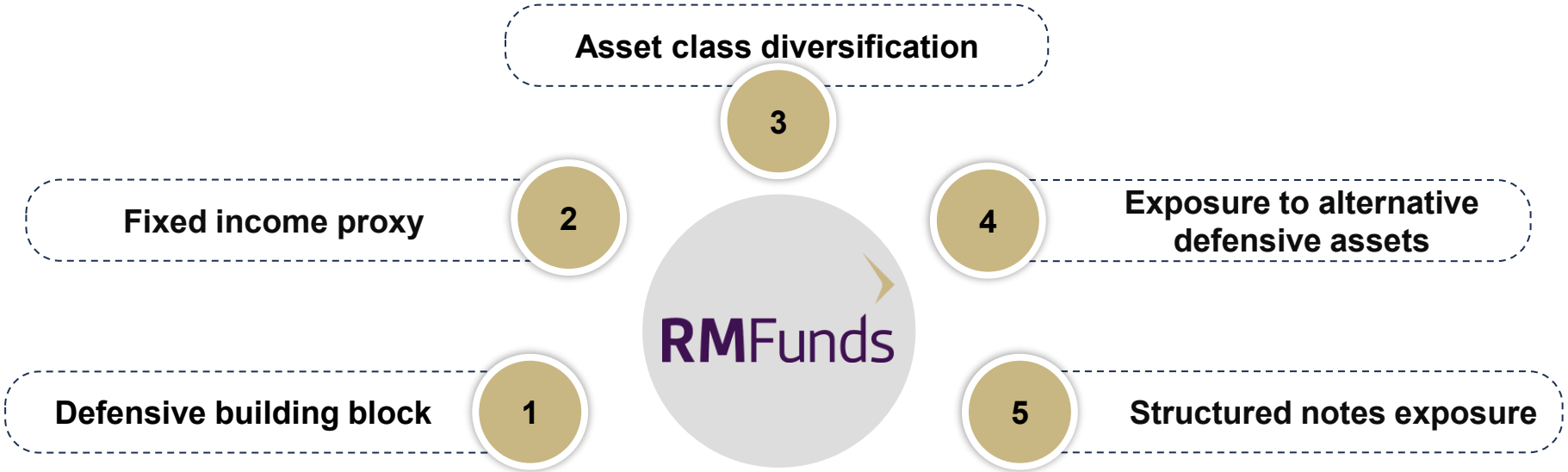
How Can the Defensive Capital Fund Be Utilised?

As a defensive building block without sacrificing growth potential, given the fund's lower volatility profile and focus on minimising downside risk.

- Well-suited to Defensive/Cautious/Balanced portfolios, and as an alternative to fixed income.

To provide exposure to assets that are less accessible to investors directly, investing in best ideas across alternatives on an unconstrained basis.

- Limited exposure to traditional fixed income and equities, positioning the fund as a portfolio diversifier – differentiated asset mix.



Calendar year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
DCF Performance (%)	11.7	1.0	8.8	8.3	3.9	2.7	9.6	5.0	-1.2	8.0	3.5	12.2	-4.6	2.8	6.7	15.2	5.4

Source: Defensive Capital Fund, Bloomberg
Data as of 10th July 2026

RMFunds

RM Funds – Research Capability

Lead Manager



Dr Niall O'Connor

Lead Fund Manager

- Lead Fund Manager for DCF strategy at Brooks Macdonald since 2019, prior Co-Manager from 2015
- Expertise in public markets, including structured products and convertibles
- PhD, Theoretical Physics, MA (Cantab), BA Physics
- 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

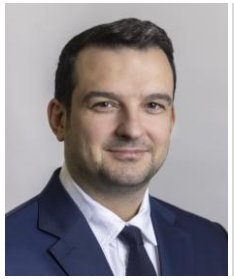
Portfolio Managers



James Robson

RM Infrastructure Bond Fund

James has over 20 years of experience investing and trading bonds and loans and other credit products. In addition, James is the lead portfolio manager for the SVS RM Infrastructure Bond Fund, dedicated to investing across public credit assets within the infrastructure segment.



Pietro Nicholls

RM Alternative Income Fund

Pietro has 15 years of experience in investment banking, capital markets, project finance and corporate lending. Pietro is the lead Portfolio Manager for the VT RM Alternative Income UCITS daily dealing funds focused on real assets and infrastructure which was launched in 2018.

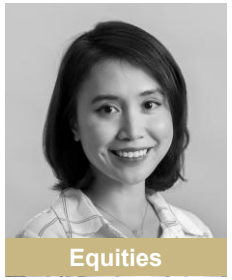


Thomas Le Grix de La Salle, CFA

RM Infrastructure Income

Thomas has 7 years of experience in capital markets, project finance, asset backed and corporate lending and is a Portfolio Manager focused on private credit at RM Funds. He has been a key member of the investment team since the first private credit strategy launch in 2016.

Analyst Team



Equities

Dr Phuong Anh (June) Tran

Senior Investment Analyst

June has a PHD in Finance and her research interest involves the impact of responsible investment in asset pricing and stock and bond markets.



Rates & Credit

Ollie Farr

Investment Analyst

Ollie joined RM in June 2023 having completed an MSc in Climate Change Finance and Investment at the University of Edinburgh. In his study, he had a particular interest in the new issue premium of sustainability-linked bonds versus their vanilla counterparts.

RMFunds

Contact Information

Investment Management

Dr Niall O'Connor: 0203 540 4618 / niall.oconnor@rm-funds.co.uk

Distribution

James Satterthwaite: +44 7905 270487 / james.satterthwaite@rm-funds.co.uk
David Watts: +44 7402 810068 / david.watts@rm-funds.co.uk



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



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

RMFunds

Registered in Scotland No SC380707

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

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