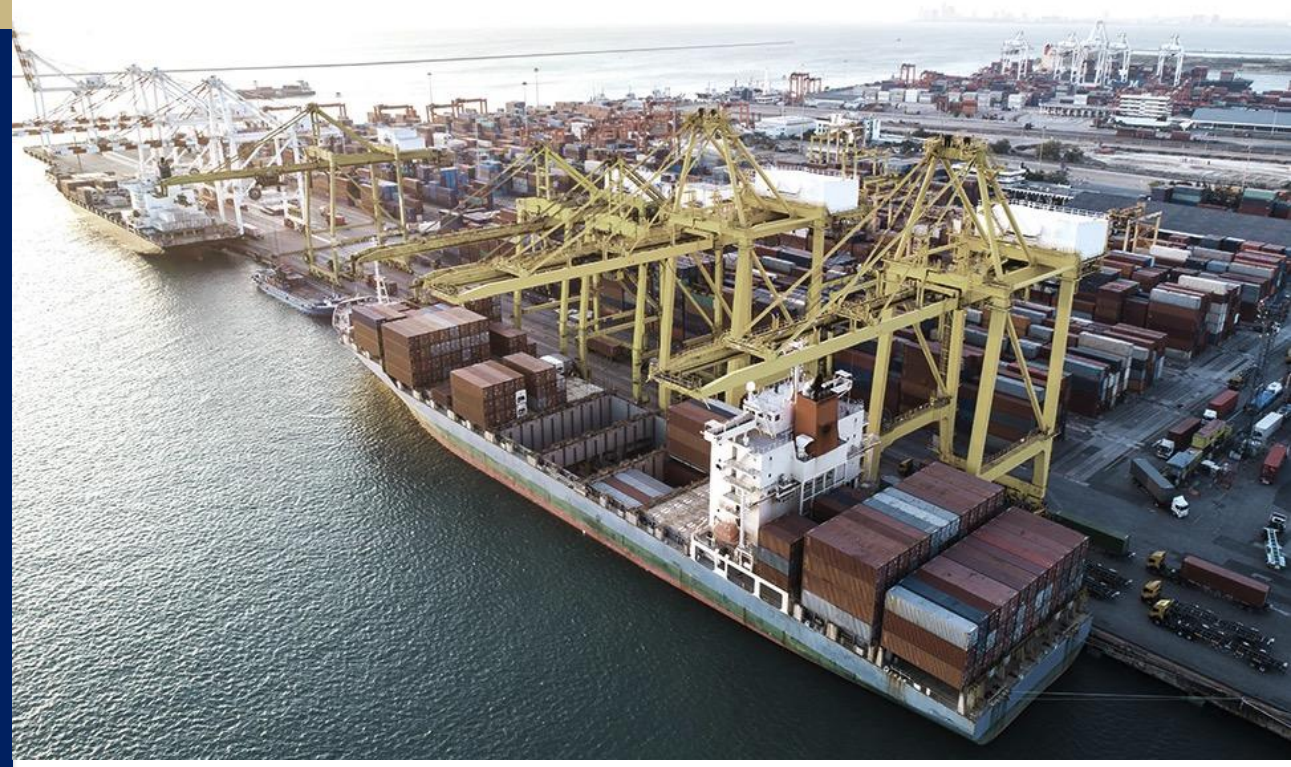
RM Infrastructure Bond Fund

Q3 2026

Institutional Investors Only

RMFunds







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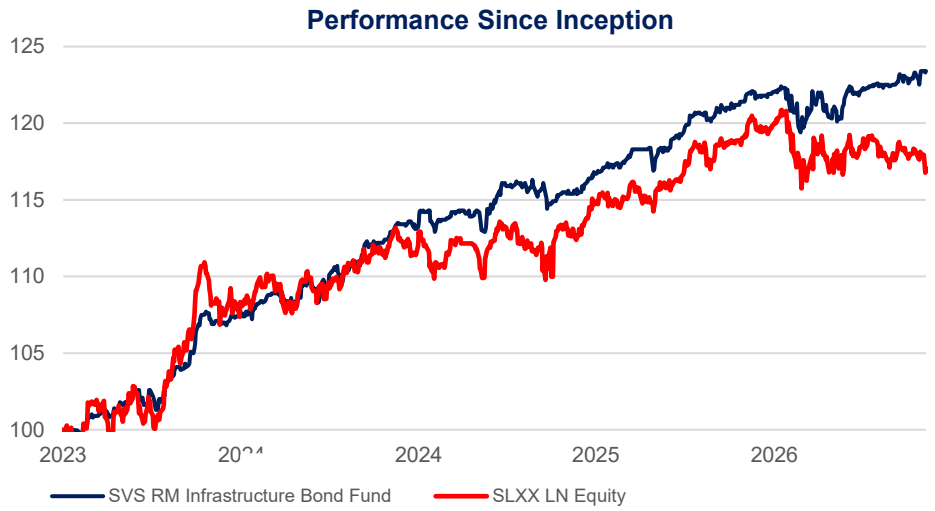
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SVS RM Infrastructure Bond Fund Overview

Portfolio Management Team

James Robson
Ollie Farr



What does this fund provide?

Core Portfolio

- Core allocation to investment grade corporate bonds in the infrastructure sector
- This provides the defensive building block and the engine for yield

Active Credit Strategies

- Relative value trading across sectors, issuers, and capital structures
- Very selective exposure to high-quality high yield

Tactical rates overlay

- Yield curve positioning
- Duration hedging

1-Year	2-Year	3-Year	Volatility (360 day)	# of Holdings
4.3%	**9.1%**	**21.2%**	**3.4%**	**65**

Source: Bloomberg, 11/09/2026

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Investment Strategy

- **Investment strategy to allocate into corporate credit focused on infrastructure assets**
  - Regulated Infrastructure
  - Social Infrastructure
  - Economic Infrastructure
- **Investment Objective**
  - **Investment objective to target an income return greater than SONIA**
  - **Defensive focus –** should be viewed as core fixed income IG holding/allocation**.**
- **Soft Targets:**
  - Capital preservation, **volatility target <5%,** (actual 12 month 3.3%)
  - Lower default rates than broader corporate sectors, real assets, inflation linked cashflows

Fund Information

- Low management fee, 0.45% F Class
- F Class capped OCF 0.50%
- Zero synthetic costs
- Transactions Costs: 0.01%
- IA Sector: Sterling Strategic Bond
- Average rating currently BBB
- Only Infrastructure focused fund in sector

Risk Spectrum – Infrastructure



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

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Characteristics of Infrastructure Debt as an Asset Class

Essential Services

Revenues derived from essential services tied to asset availability, not market demand.

Cashflows linked to long-term contracts and/or regulatory regimes.

Regulated Monopolies

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 and a natural competitive advantage for incumbents

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.

Long-Term Capital

Equity backed by institutional private sponsors with long-term investment horizons. Non-listed private sponsors (e.g. Pensions) share the desire for annuity-like returns.

Defensive Spread Performance in Market Stress

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

Historically Lower Default Rates

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

Enhanced Recovery

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

Prudent Leverage

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.



30-50%

Less Spread Widening in Credit Events[1]



4x

Lower Default Rate vs non-Financial Corporates[2]



c.30%

Higher Recovery vs Standard Corporate Bonds[3]

Source(s):
[1]Bloomberg, Accessed 31/01/2026, RM Funds Research
[2]Macquarie Asset Management (2024), Infrastructure Debt: First Among Equals, Figure 8
[3]Macquarie Asset Management (2024), Infrastructure Debt: First Among Equals, Figure 9

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Rates and Credit Snapshot

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

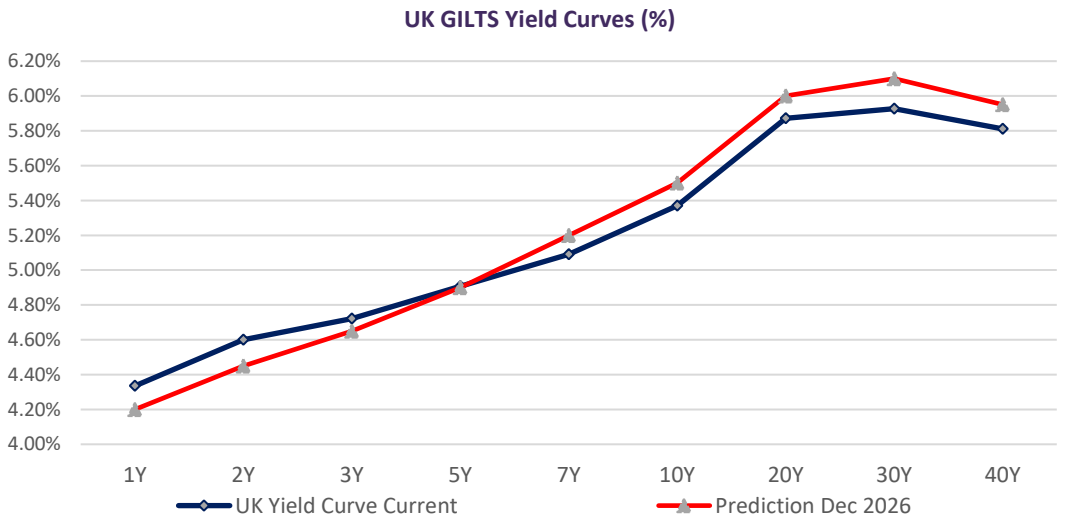
H2 Themes

Energy inflation broadening to other sectors

Expectation: BoE to hike to 4.25% by December 2026.

- Large H2 gilt issuance program (+£130bn net supply) keeping pressure on 10Y + more quantitative tightening (+£70bn net supply).
- UK Political risk now materializing into fiscal risk. Headroom shrinking.
- Expectation for fiscal rule manipulation

Expectation: 10-year gilts to 5.25% - 5.50% by December 2026



Credit: Attractive all-in yields, but HY spreads risk decompression

IG Theme: Strong Technicals & Resilient Fundamentals

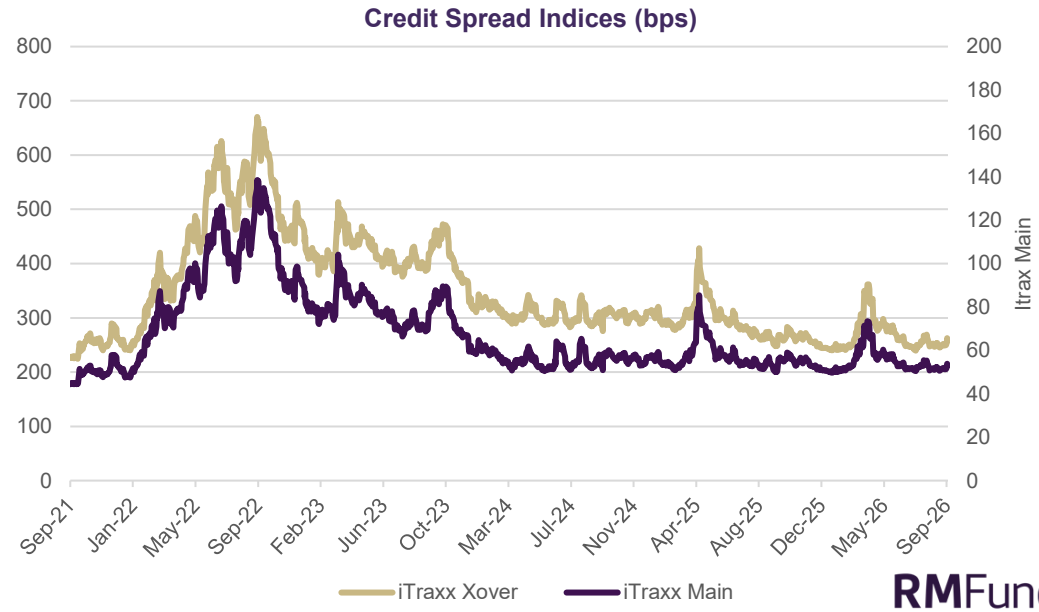
Sterling IG supported by favorable supply dynamics

Balance sheets are robust and rating momentum remains positive.

Investment grade credit spreads will continue to compress as gilt yields rise

2027 maturity wall for high yield and leveraged loans making for a worrying refinancing backdrop under materially higher funding costs.

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

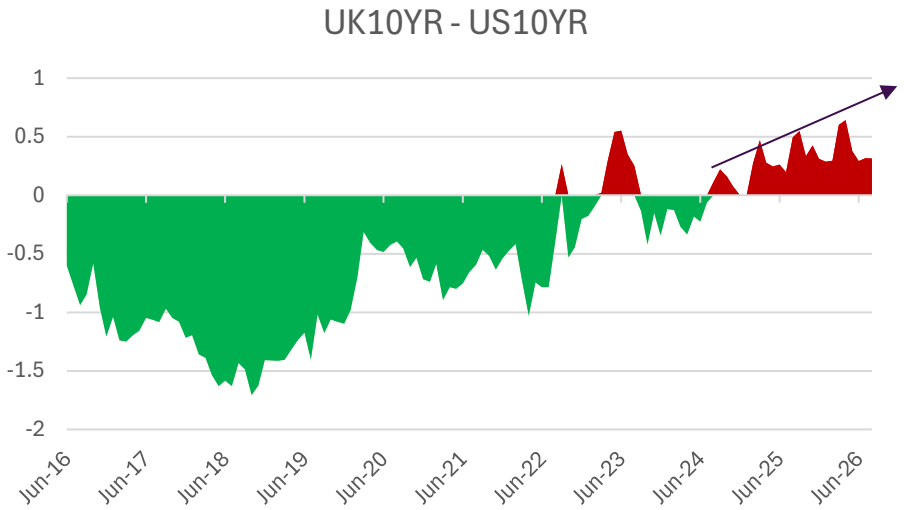


Source: Bloomberg, 11/09/2026; Bank of England Data, Barclays

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H2: All eyes on fiscal sustainability

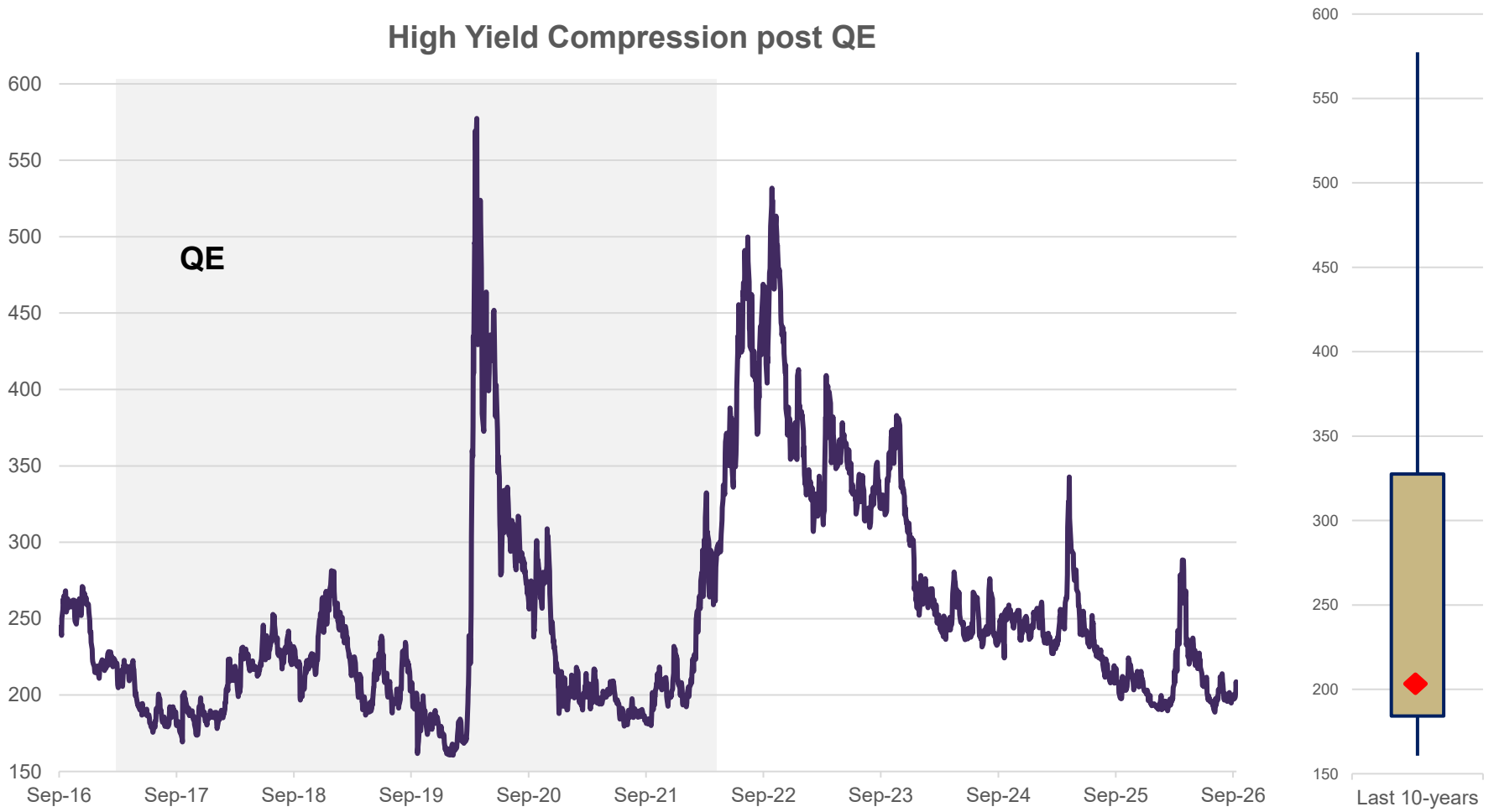
Theme	June 2026	September 2026
Political risk	Potential leadership change	Burnham in power. Fiscal flexibility signaled
Fiscal Headroom	Erosion risk	Headroom halved since June to £12bn
Defense spending	Ratcheting higher	3% of GDP by 2030 expected; financing still unresolved
Borrowing vs OBR	Exceeding forecasts	Continued overshoot. Surprise deficit in July
Debt Servicing	Growing constraint	Record costs; 30Y at 5.89%
BoE/supply	QT + DMO issuance headwind	QT ongoing; BoE now under pressure to hike
Inflation / Monetary	Less of a primary concern in June	War on-off-on. Energy inflation broadening to other sectors. 5 hikes priced by Dec 2027
Growth	Sub-1% trend growth	Unchanged. Elongation of Iran adds headwind
Positioning	Low duration through H2 2026	Maintain low duration. 28th October budget key risk event





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The Case for Quality as High-Yield Compression Peaks

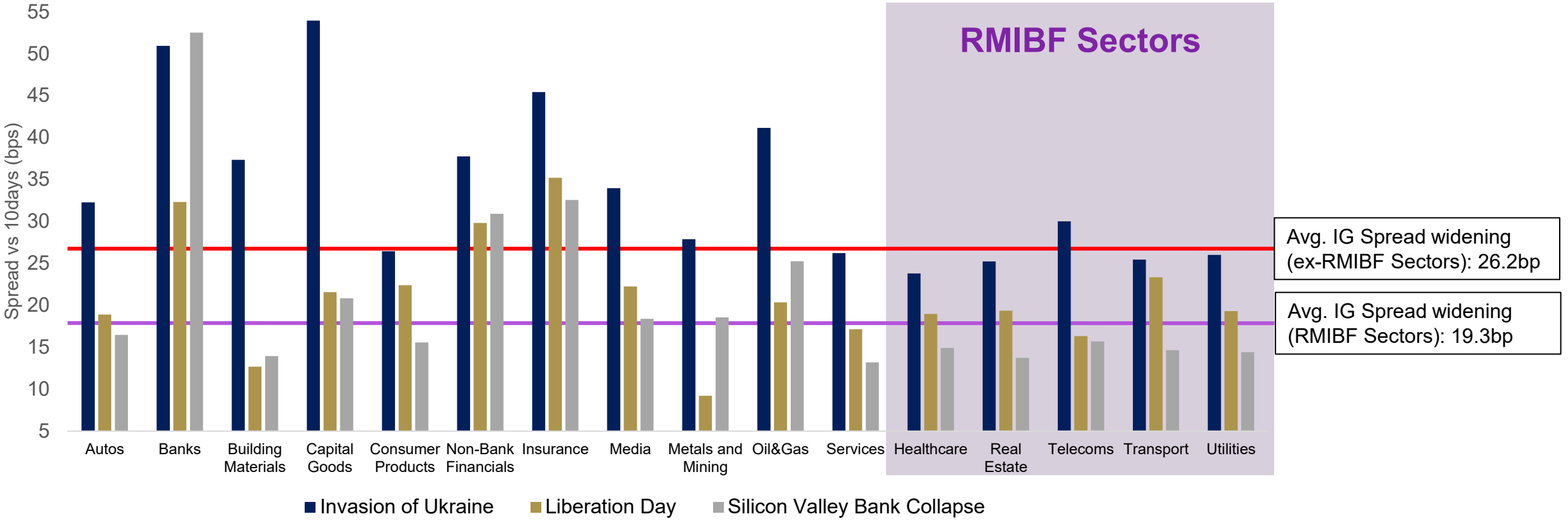


- The high-yield trade has worked exceptionally well over the last 3-years.
- High-yield spreads have compressed into Investment grade reducing the differential to levels last seen during QE.
- BUT…we think this trade has run its course.
- History tells us that high-yield does not compress into investment-grade much further, particularly now that we have moved into QT.

Source: Bloomberg, 11/09/2026

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Defensive Spread Performance in Market Stress



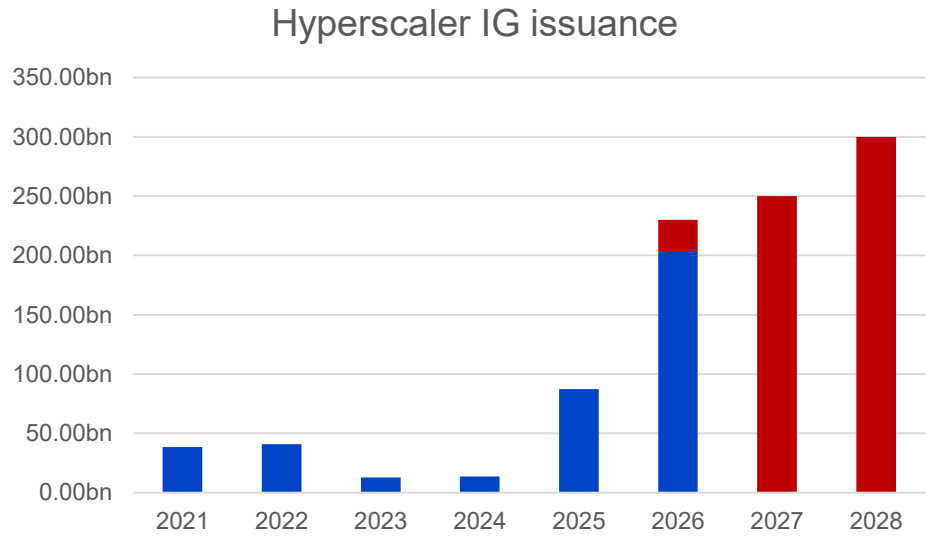
- Analysed yield changes across three major credit stress events (1 day prior vs 10 days after): Outbreak of Ukraine War, Silicon Valley Bank collapse, and Liberation Day, our sectors showed **limited spread widening** versus the broader investment-grade credit market.
- Data reflects investment-grade 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**.

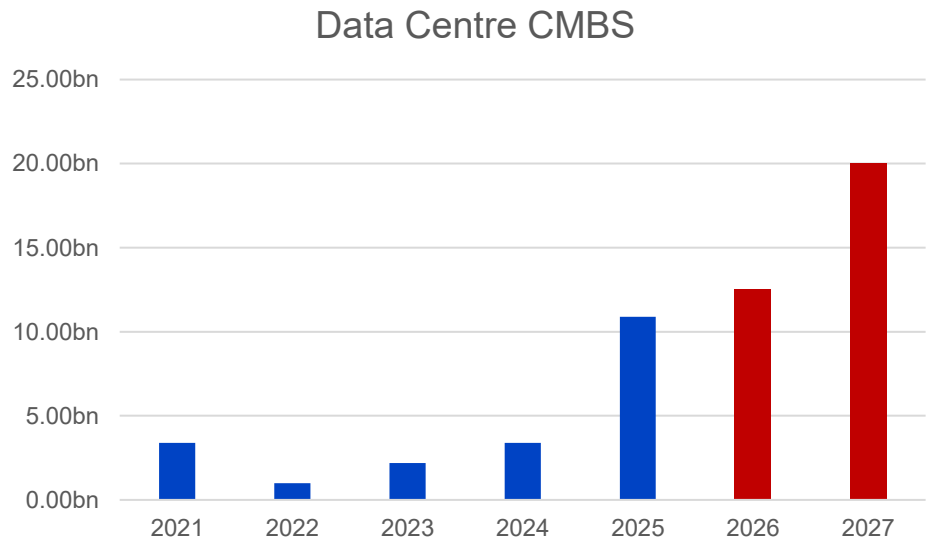
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AAA-rated AI?

The AI capex cycle is now being funded by global IG indices, at spreads that do not pay for obsolescence, duration or concentration risk.

- Technology now 8% of the US Corporate IG Index. The six largest hyperscalers ~5%, double their share of two years ago. And supply is still accelerating…[1]
- And already underperforming – Tech has been the worst performing IG sector YTD.
- c.$2.4tn of AI capex already committed by the top four hyperscalers; free cash flow cannot cover it, so the balance goes to IG Indices.[2] [3]
- The next wave warrants even more caution. OpenAI and Anthropic are lobbying rating agencies for IG ratings despite pre-profitability [4]
- Data center CMBS shares a similar problem





Sources: 1. Tasos Vossos & Ronan Martin, "Hyperscalers Are Dragging Down Bond Gauges Across Global Markets", Bloomberg, 17 July 2026
2. Bank of America, 12 January 2026 - hyperscalers likely to issue between $140bn and $300bn of corporate bonds annually over the next three years
3. Paula Seligson, "AI's $3 Trillion Build-Out Spurs Debt Boom and Creates New Risk", Bloomberg Markets, 2 February 2026
4. "OpenAI, Anthropic Seek Investment-Grade Ratings Ahead of Potential IPOs to Cut AI Borrowing Costs", Financial Times, September 2026

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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**



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*

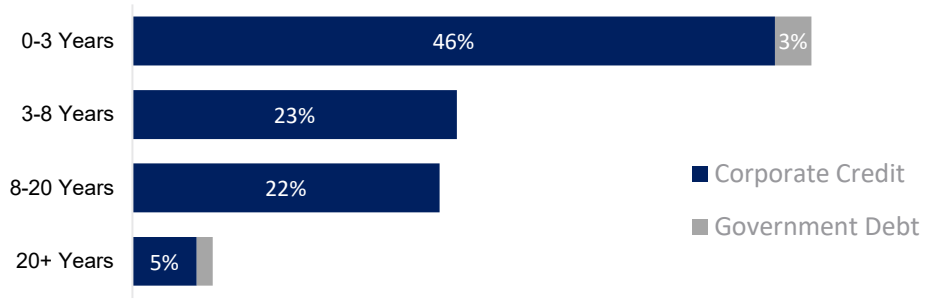
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Current Portfolio Positioning

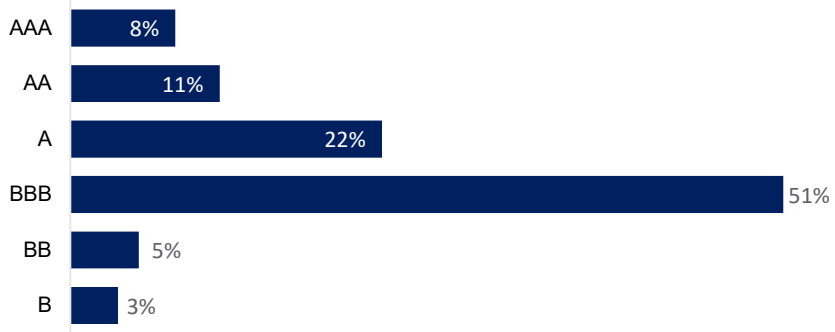
Portfolio Statistics

- **Top #10 Exposure: 25.9%**
- **# of Holdings: 65**
- **% of Potfolio IG: 92%**
- **Distribution Yield*: 5.12%**
- **Duration: 0.2 years**
- **Economic Infrastructure: 33%**
- **Regulated Infrastructure: 32%**
- **Social Infrastructure: 21%**
- **Gilts/Cash/Near Cash: 14%**

Bond Maturity Distribution



Bond Rating Allocation



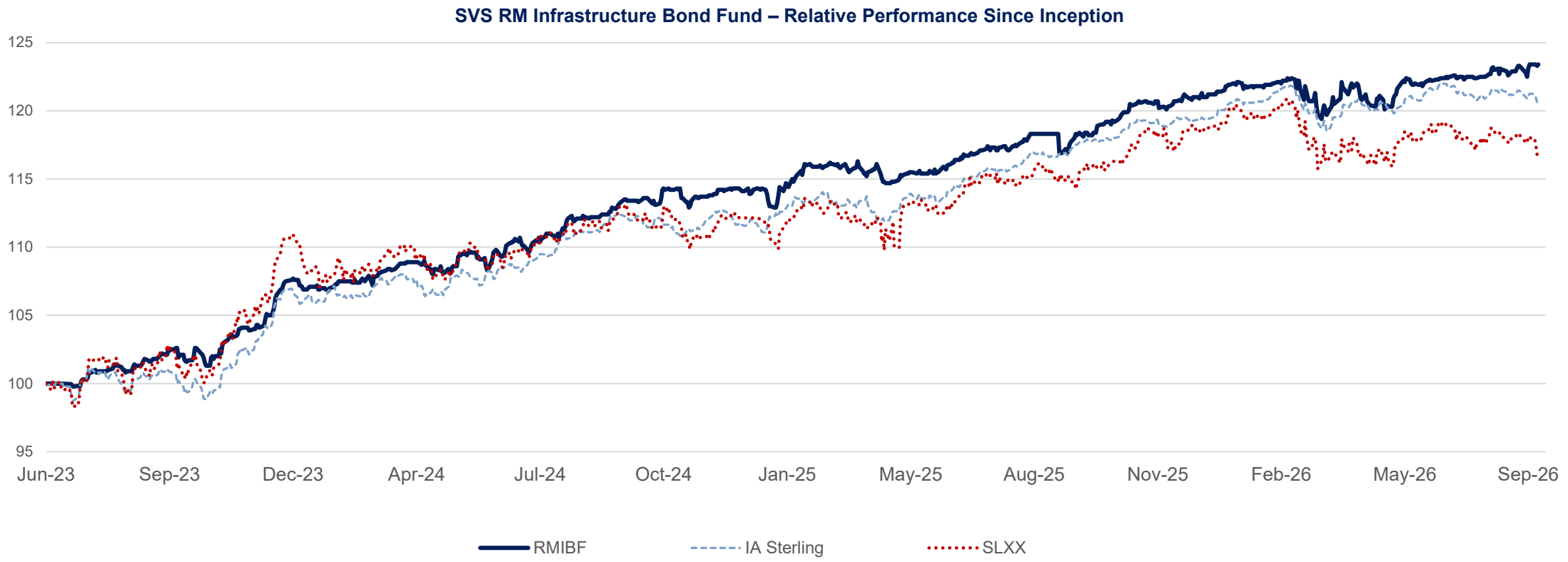
TOP TEN HOLDINGS

Issuer	Maturity	% of Fund
European Investment Bank	Dec 2028	3.4%
Scottish & Southern Energy	Nov 2028	2.7%
Heathrow	Dec 2026	2.6%
UK Gilt	Dec 2028	2.6%
Welsh Water	Mar 2028	2.5%
Sky	May 2027	2.5%
Gatwick Airport	Nov 2030	2.5%
Pennon	Sep 2031	2.4%
Bupa	Nov 2045	2.4%
Manchester Airport	Sep 2036	2.3%

Source(s): Bloomberg, 31st March 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.*

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RMIBF Relative Performance

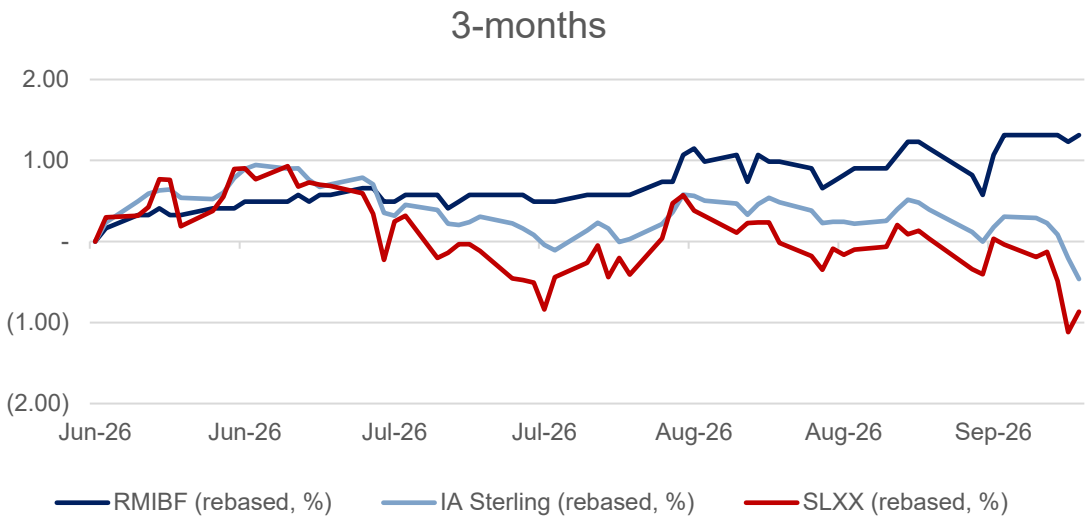


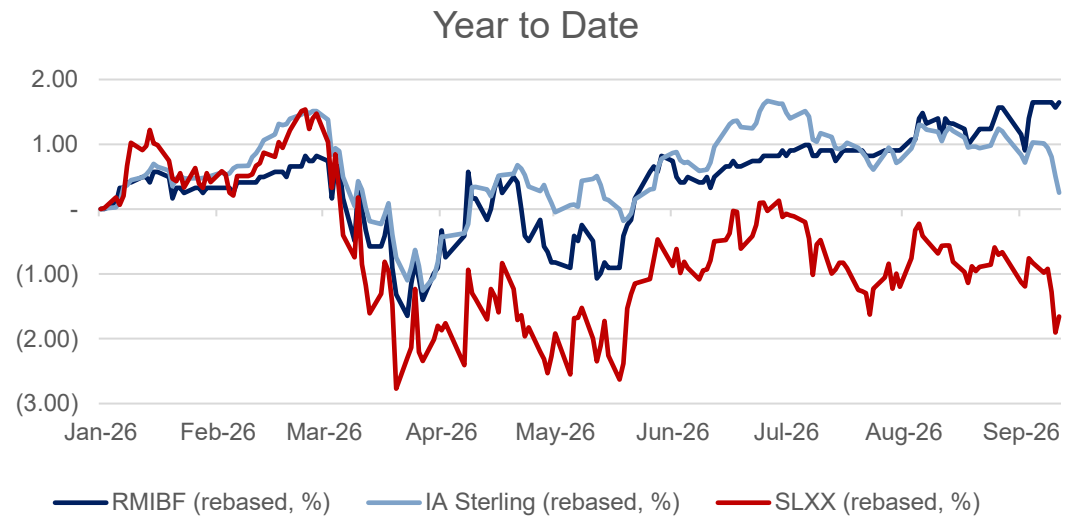
Comparative Performance	Total Return (inception)	Total Return (Annualised)	Volatility (360-day)	Volatility (30-day)
SVS RM Infrastructure Bond Fund F Class Accumulation	23.4%	7.2%	3.3%	3.0%
IA Sterling Strategic Bond Index	20.3%	6.3%	n/a	n/a
iShares Core GBP Corp (Passive)	17.1%	5.3%	5.9%	4.8%

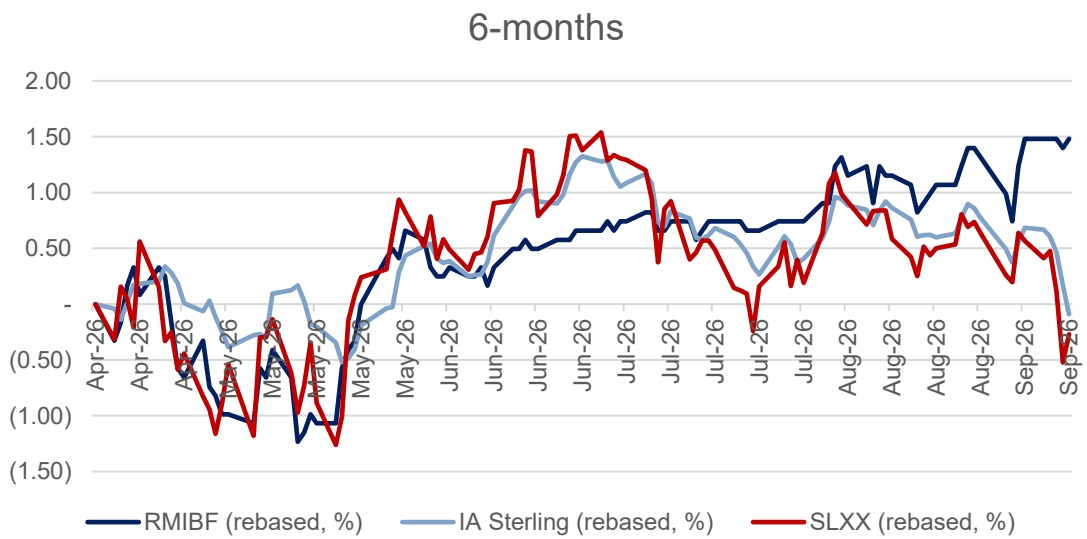
Source: Bloomberg Data 15th June 2023 to 11th September 2026 inclusive.

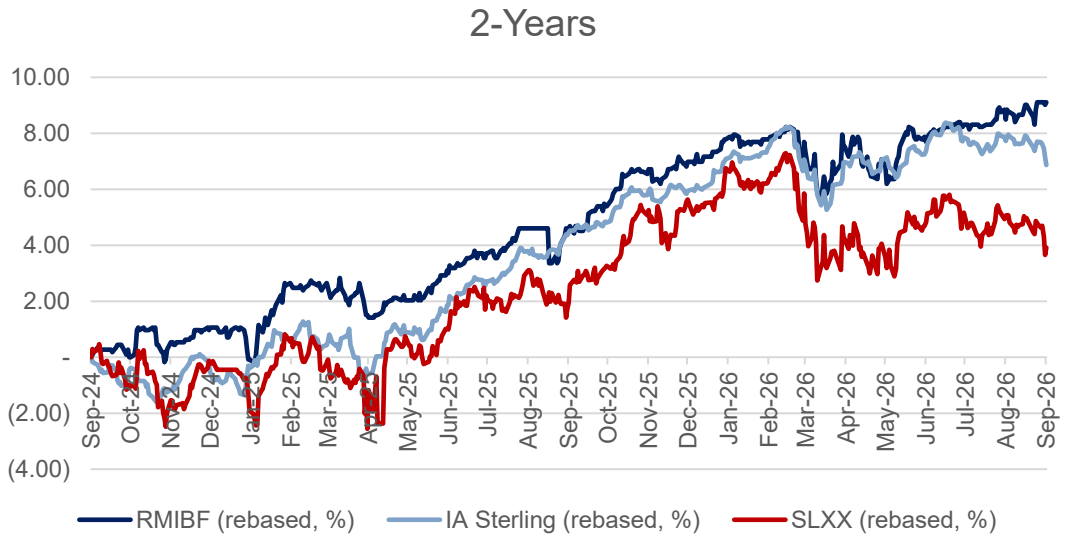
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Why has the fund outperformed?









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Why has the fund outperformed?

Credit

- **Credit allocation discipline.** Maintained high-quality investment grade exposure since inception. We are now entering a period of rising dispersion across credit markets.
- **Infrastructure Focus.** Contracted nature of the cashflows of our issuers has been rewarded unlike the likes of retail, software, autos and tech.
- **Selective high yield use.** High yield allocated only where conviction was highest, with strict internal limits - exposure has not exceeded 10% of the fund.
- **Disciplined new issue selection.** Primary market participation guided by strict relative value discipline.

Rates

- **Strategic curve positioning.** Overweight allocations to targeted segments of the Sterling curve, expressed mainly through cash bonds.
- **Tactical, event-driven trades.** Fast to act around market-moving events, using rates derivatives with the ability to hedge the fund's duration back to zero swiftly.

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Appendix 1
Portfolio Overview

- Key Investment Themes
- Portfolio Construction
- ESG







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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

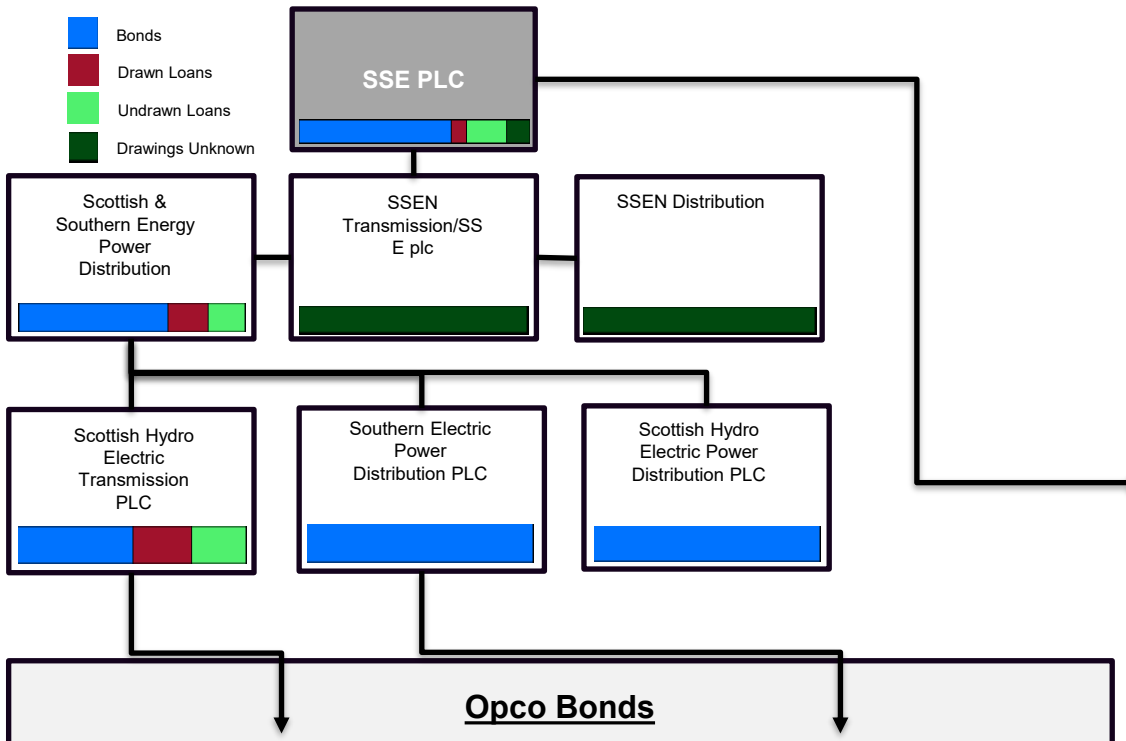
Came from renewables in Q1 2023

INVESTMENT CHARACTERISTICS

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

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Fundamental Analysis – SSE PLC



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

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

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.

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 population[2]

43 Megacities

by 2030. With over 10 million residents in each [3]

INVESTMENT CHARACTERISTICS

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

Sources:
[1]National Geographic, OECD
[2]OCED, Global Food System, How we feed the world
[3]2018 Revision of World Urbanization Prospects, May 2018.

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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+

ABP	2022	2023	2024
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.**
- **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: Bloomberg , 16th January 2025, 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

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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

ASPR 4.674 03/31/40

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

Aspire Defence Summary Stats

Aspire Defense 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.**

Source: Bloomberg , 16th January 2026, RM Funds analysis
Interest cover ratio calculated as Net Rental Income to net interest cover

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.

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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**

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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

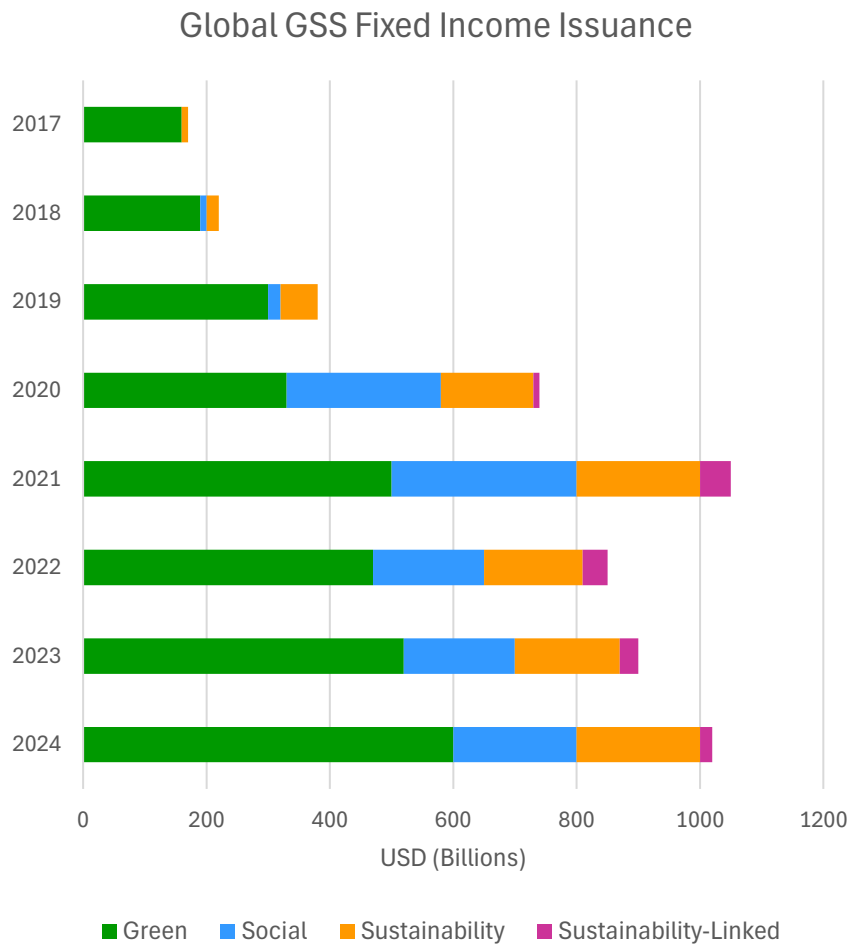
- Funds a blend of environmental and social projects, e.g. green buildings and healthcare.
- Broader impact scope but still use-of-proceeds based like Green or Social bonds.

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

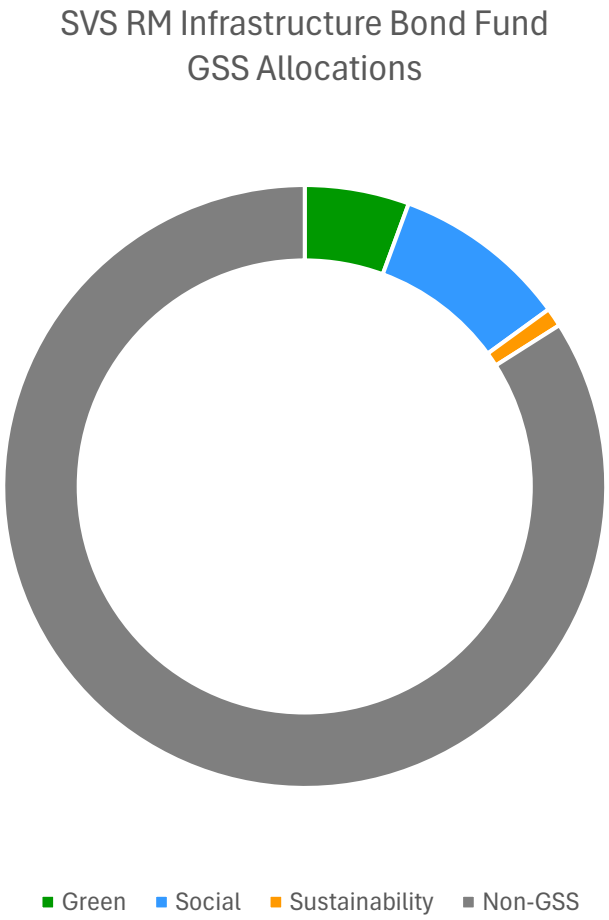
- Not use-of-proceeds based. Any project can be financed, but bond economics (like coupon) are linked to the achievement of pre-determined issuer-level sustainability performance targets.
- Creates financial incentives (step-up/step-down in coupon) tied to achieving ESG targets.



RMFunds

Infrastructure GSS Fixed Income

- As at 27 February 2026, **17%** of the portfolio is allocated to GSS fixed income instruments, comprising **9.3%** Green bonds, **7.0%** Sustainability bonds, and **1.0%** Social bonds.
- Since inception, 23% of total allocations have been made to GSS fixed income instruments. Focusing specifically on bonds issued after 2020, 45% of allocations have been to GSS-labelled bonds, reflecting the growing presence of this market segment among infrastructure issuers.
- We expect the proportion of GSS bonds within the portfolio to increase over time, potentially reaching c.40–50%, as issuers refinance legacy debt with labelled instruments and increasingly access the GSS market for new funding.
- Given the capital-intensive nature of the infrastructure sector, and the substantial green investment required for infrastructure issuers - particularly utilities - to align with net-zero targets, we expect the majority of GSS exposure to remain concentrated in Green and Sustainability bonds, rather than Social bonds.



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