

RM Secured Direct Lending PLC

Monthly Fact Sheet

30 June 2017

Company Overview

Listing Date	15/12/2016
ISIN	GB00BYMTBG55
Ticker	RMDL
Dividend	Quarterly
Listing	Main Market LSE Premium Listing
Target Dividend Yield p.a. ¹	6.5%*
Management Fee ²	0.5%*: 50% reinvested in shares
Discount Management Strategy	Share buy-backs if 6% discount or more (over 6 months)
Liquidity Opportunity	Year 4

Ordinary Shares as at 30 June

Shares in Issue	57,300,000
Share Price	102.00p
Market Cap	£58.4m
Gross Assets	£55.9m
Net Assets	£55.9m
NAV per Share	97.57
NAV Frequency	Monthly
Share Price Premium/ Discount to NAV	+ 4.5

Non-Executive Directors

Norman Crighton (Chairman)
Guy Heald
Marlene Wood

Overview

RM Secured Direct Lending Plc ("RMDL" or the "Company") is a closed-ended investment trust established to invest in a portfolio of secured debt instruments.

The Company aims to generate attractive and regular dividends through loans sourced or originated by the Investment Manager with a degree of inflation protection through index-linked returns where appropriate. Loans in which the Company invests are predominantly secured against assets such as real estate or plant and machinery and/or income streams such as account receivables. Uninvested cash or surplus capital may be invested on a temporary basis in a range of assets including money market instruments and government or corporate bonds which fit the Investment Policy.

Market Update

The quarter has seen increased market volatility due to the UK election and Brexit uncertainty combined with global Central Banks comments regarding policy tightening. This has had the effect of moving credit spreads wider and overall bond yields higher along with providing further domestic currency weakness. RMDL has very limited exposure to currency movements as under 1% of the portfolio is unhedged. As Libor rises the portfolio is generally well positioned given approximately 25% is deployed in Libor or Inflation linked Loans and of the fixed rate loans approximately 30% have a maturity of under three years.

The Company has grown the portfolio to 18 debt investments across 10 sectors. Approximately 20% of the investments are in public debt transactions with the remainder split between club transactions, private bilateral loans or cash. The portfolio has £58m of commitments of which £42m has been deployed on a cash basis.

A Net Asset Value ("NAV") announcement has been published today for the period to 30 June with the NAV per share being 97.57p. A dividend of 0.2p was paid during the month of June.

Fund Performance - as at 30 June 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends (%)	0.0	0.0	0.0	0.0	0.0	0.2	-	-	-	-	-	-	0.2
Share Price Total Return (%)	2.0	0.0	(0.3)	0.0	0.3	0.0	-	-	-	-	-	-	2.0
NAV (Cum Income) p	97.7	97.4	97.3	97.5	98.2	97.6	-	-	-	-	-	-	-
Total Return (%) – NAV & Dividends	(0.3)	(0.3)	(0.1)	0.2	0.7	(0.4)	-	-	-	-	-	-	(0.2)
Total Return (%) - Share Price & Dividends	2.0	0.0	(0.3)	0.0	0.3	0.2	-	-	-	-	-	-	2.2

Advisory & Administration

AIFM

International Fund Management Limited

Administrator & Company Secretary

PraxisIFM Fund Services (UK) Ltd

Valuation Agent

Mazars LLP

Legal Advisers

Gowling WLG (UK) LLP

Auditor

Ernst & Young LLP

Corporate Broker

N+1 Singer Advisory LLP

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Company Address

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Company Update

The Investment Manager has reviewed a number of opportunities over the period and has made good progress with further cash deployment into established businesses across a variety of sectors, supported by strong security packages. New transactions for the quarter include:

Voyage Care 6-year Secured Notes: Investment across the capital structure of £4.7m achieving a blended yield of circa 8.5%. Voyage Care is the UK's largest provider of critical care to people who have severe learning disabilities and related disorders. This is a business with historically stable and substantial cash flow generation underpinned by long-term contracts and multi-year framework agreements with Local Authorities providing strong revenue visibility. This is enhanced further by security over a significant real estate portfolio comprised of 237 freehold and long-leasehold properties with a valuation of £360m equating to a 1.4x asset cover.

Three Private Bespoke Energy transactions: Three transactions totalling £9.2m with an average net yield of just under 8%. These transactions are well secured on assets which will be generating environmentally friendly energy across the hydro power and biofuel sectors.

- **Biofuel Transactions:** Two transactions totalling £5.2m secured over 6 biofuel power plants across the UK. Key highlights are the significant asset values combined with long term feedstock agreements & revenues derived from Power Purchase Agreements and Renewable Energy Certificates (ROCs).
- **Hydro Transaction:** £4m secured over a hydroelectric power station. Repaid via landowner lease payments from operator. Key highlights are the structural seniority of the transaction coupled with the long term economic life of the underlying asset.

NewDay: £2m investment in 7-year Senior Secured Notes paying 7.4%. Leading UK consumer finance provider, specialising in the near-prime and partner/loyalty card segments of the UK credit card market. Notable partners include Debenhams, House of Fraser, Laura Ashley and Arcadia Group, with recently announced strategic partnerships including Amazon and Thompson Travel Group. NewDay has proven performance throughout the cycle demonstrating its robust credit risk-management expertise, underpinned by access to a stable and flexible attractive funding programme with ample liquidity. Its significant equity buffer (c£600m) enhances credit-worthiness and demonstrates the strong commitment from the business owners.

Property Bridging: There have been three drawdowns totalling £3.5m across the facilities which were established and announced in Q1. The average yield is in excess of 8% with LTV sub 65%. Given the low leverage, short-dated tenors and secure nature of these property transactions it is expected that in Q3 Property Bridging will see the largest increase within the portfolio. The borrowers might be individuals or corporates as the due diligence conducted and security charged is comparable.

Asset Finance: The quarter has seen additional drawdowns against the facilities set up in Q1 for domestic boilers and marine satellite communications. This part of the portfolio is expected to grow as drawdowns continue against established facilities.

Pipeline

The Investment Manager has a healthy pipeline of active opportunities including the following:

Asset Finance: the Investment Manager expects to close a private transaction of £5.5m to part fund a portfolio of circa 500 assets.

Construction Finance: 77 mixed used development in central London.

Renewable Energy: 3x senior investments, secured over renewable energy generation assets located in the UK, with contracted cash flows from investment grade counterparties.

Hospitality & Leisure: significant hotel transaction backed by a 20 year FRI lease with implied investment grade counterparties

Company Portfolio¹

18

Number of Loans

£58m

Total Committed²

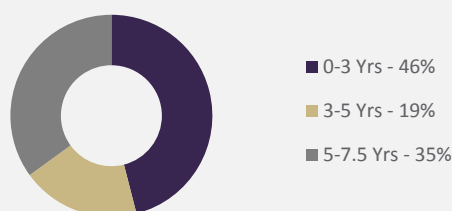
7.72%

Average Yield*

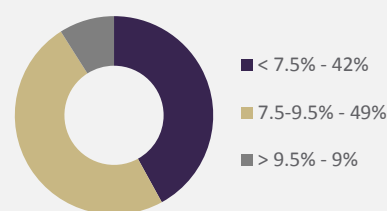
3.89 years

Average Life³

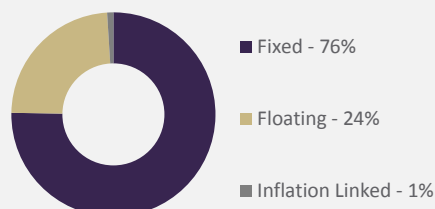
WAL of Loan Book



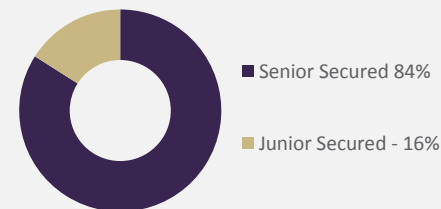
Annualised Yield



Coupon Type



Investment Type



Largest 10 loans by drawn amounts

Market Sector	Business Activity	Loan Value	Expected Yield %	WAL ³
Healthcare & Pharma	Care provider	£4.70m	8.5%	6.00
Sov & Public Finance	Student accommodation	£4.42m	9.5%	2.75
Services (Consumer)	Forecourt operator	£4.08m	5.38%	5.50
Beverage, & Food	UK based Restaurant Group	£4.00m	8.63%	5.20
Healthcare & Pharma	Care provider	£4.00m	6.00%	4.90
Energy (Electricity)	Power plant	£4.00m	7.00%	3.00
Fire (Insurance)	Insurance Broking	£3.00m	8.38%	4.00
Energy (Electricity)	Power plant	£2.57m	8.00%	3.00
Energy (Electricity)	Power plant	£2.57m	8.00%	3.00
Fire (Finance)	Consumer finance	£2.00m	8.00%	6.50

¹As at 30 June 2017; ²Committed funds exceeds investment capital available by a margin as not all Loans drawn at the same time; ³Weighted-Average Life and average yield based on drawn amounts

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