

# RM Secured Direct Lending PLC

## Quarterly Fact Sheet

31 December 2017

### Company Overview

Listing Date (Ord's)	15/12/2016
ISIN - Ord's	GB00BYMTBG55
ISIN - C Shares	GB00BD884W63
Ticker Ord's / C Share	RMDL / RMCC
Dividend	Quarterly
Listing	Main Market LSE Premium Listing
Target Dividend Yield	6.5% p.a. <sup>1</sup>
Management Fee	0.875%*: 50% reinvested in shares
Discount Management Strategy	Share buy-backs if 6% discount or more <sup>2</sup>
Liquidity Opportunity	Year 4

### Data as at 31 December for Ordinary and C shares combined

Shares in Issue	87,300,000
Share Price Ords	102.50p
Share Price (C)	102.00p
Market Cap	£89.33m
Net Assets Ords	£56.4m
Net Assets (C)	£29.3m
NAV per Share Ords	98.59
NAV per Share (C)	97.84
NAV Frequency	Monthly
Share Price Premium/ Discount to NAV	+ 3.97% Ords + 4.25% (C)

### 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 saw the first rise in the Bank of England's interest rate from 0.25% to 0.5% and the guidance from policy makers is that any additional rate rises will be gradual and limited. The portfolio is well positioned to withstand such moves. Over the period, the proportion of the portfolio linked to interest rates has risen from 22% to 39% and these investments are expected to see an increase in returns. The fixed rate part of the portfolio is typically limited to shorter tenures, enabling greater flexibility to rapidly redeploy the proceeds into higher rate investments, as we move through the interest rate cycle.

Credit spreads have remained firm as there has been continued compression of yields within corporate credit, however the Investment Manager continues to identify opportunities which meet the Company's yield returns and risk profiles.

### Company Update

The Ordinary Shares NAV as at 31 December was 98.59 pence which is 0.23 pence higher than the end of November and is made of up interest income net of expenses of 0.46 pence and a decrease in asset valuations of 0.23.

### Fund Performance - as at 31 December 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	0.0	0.2	0.0	0.0	1.8	0.0	2.2
NAV (Cum Income) p	97.7	97.4	97.3	97.5	98.2	97.6	98.1	99.1	99.5	100.2	98.4	98.6	-
Total Return (%) – NAV & Div	(0.3)	(0.3)	(0.1)	0.2	0.7	(0.4)	0.5	1.2	0.4	0.74	(0.09)	0.23	2.78
Net Interest Income	(0.20)	(0.13)	(0.03)	0.02	0.33	0.35	0.52	1.25	0.38	0.64	0.47	0.46	4.06

## 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

### Investment Manager

RM Capital Markets Limited  
7 Melville Crescent  
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### James Robson

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### Company Address

RM Secured Direct Lending PLC  
Mermaid House  
2 Puddle Dock  
London  
EC4V 3DB

## Company Update continued

During the quarter the Company raised an additional £30m through an issue of C shares. The proceeds of this fund raise have been substantially invested with £22m committed, of which £15m has been drawn down. The Investment Manager expects that by the end of February the C share proceeds will be fully deployed on a cash basis. The Company also signed a Revolving Credit Facility ("RCF") of £10m with OakNorth Bank which will allow the Company to access additional capital in order to invest in its strong pipeline of opportunities and grow the portfolio. It is expected that the RCF will start to be drawn during February or March.

The Company has grown the portfolio to 24 debt investments across 13 sectors. Approximately 75% of the portfolio is in private bi-lateral or private club investments with the remainder in public debt transactions. The portfolio has £93m of commitments across the Ordinary and C share classes of which approximately £70m has been deployed on a cash basis.

The Investment Manager continues to originate and review numerous opportunities. It has made a number of debt investments, supported by strong security packages to a variety of established businesses. New transactions for the quarter include:

**Advertising:** £7.45m participation in a private lending group for Exterion Media in its senior secured term loan. Exterion is a leading out-of-home media company with limited leverage combined with an established portfolio of billboards, hoardings both digital and non-digital. The investment is secured across all of the company assets.

**Business Services:** £7m committed to a leading HR and payroll services firm as part of a private debt syndicate and is secured across the assets of the business on a senior secured basis. The high margin business is a clear market leader with strong customer retention, due to the nature of payroll services and a sizeable order book, giving regular and visible cashflows.

**Industrial:** €7m private debt transaction to a German manufacturer of automotive parts to the commercial truck industry in Germany. Given the inherently cyclical nature of the industry this was a well structured transaction with significant due diligence undertaken. The investment is junior secured with limited overall leverage within the business and appropriate lender covenants and documentation are in place to protect the investment.

**Energy:** £1.8m loan to Solarplicity, one of the leading energy providers in the UK, refinancing an operational solar park. This is RMDL's second loan to Solarplicity and is secured on a separate solar park where RMDL is the sole senior secured lender.

**Asset Finance:** Additional drawdowns for Praetura Asset Finance. As the portfolio of receivables has grown, RMDL has advanced additional funds under the existing documentation.

**Additional Investments:** The Investment Manager has made additional investments to existing portfolio companies, including Satcom, L'Oscar Hotel, Ardonagh Group and NewDay.

**Divestments and Maturities:** Over the period the Company divested its investment in the consumer discretionary sector and three real estate bridging loans totalling £2.85m were repaid or matured.

## Pipeline

The Investment Manager has a healthy pipeline of active opportunities which it has taken into 2018. These opportunities are at various stages of diligence and documentation and include student property, residential property and additional asset finance opportunities. It is the expectation of the Investment Manager that this pipeline of opportunities will be used to deploy all of the remaining C share proceeds as well as utilisation of the RCF by the end of March.

### Company Portfolio<sup>1</sup>

**24**

Number of Loans

**£92.9m**

Total Committed<sup>2</sup>

**8.07%** - Ords

**4.73%** - (C)

Average Portfolio Yield including cash.

**8.23%** - Ords

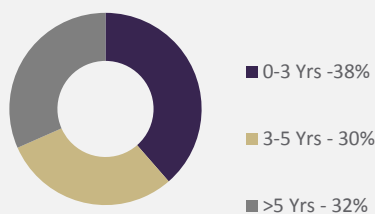
**9.62%** - (C)

Average Portfolio Yield excluding cash.

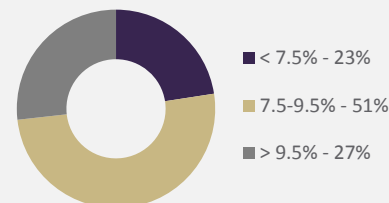
**3.69 years**

Average Life<sup>3</sup>

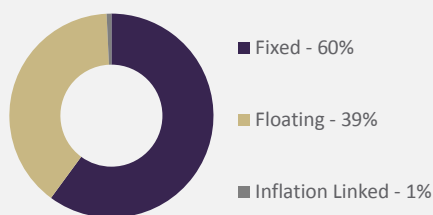
#### WAL of Loan Book



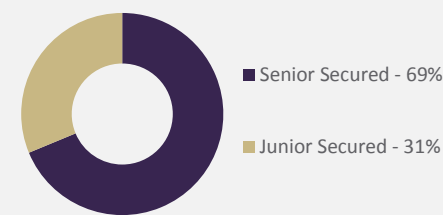
#### Annualised Yield



#### Coupon Type



#### Investment Type



### Largest 10 loans by drawn amounts across the entire portfolio

Business Activity	Loan Value (£m)	Expected Yield %	WAL <sup>3</sup>
Asset Finance	8.00	8.00	4.00
Advertising	7.45	9.15	4.71
Automotive Parts Manufacturing	6.26	11.00	5.00
Student Accommodation	4.42	9.50	2.28
Healthcare	4.00	5.87	4.25
Renewable Energy	4.00	7.00	2.34
Healthcare	4.00	8.94	5.33
Insurance Brokerage	4.00	8.27	5.54
Consumer Finance	3.25	8.11	6.09
Food Manufacturing	3.00	9.42	7.62

<sup>1</sup>As at 31 December 2017; <sup>2</sup>Committed funds exceeds investment capital as some facilities are subject to the Company having available funds at drawdown; <sup>3</sup>Weighted-Average Life and average yield based on drawn amounts

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