

RM Secured Direct Lending PLC

Monthly Fact Sheet

31 October 2017

Company Overview

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

Data as at 31 October for Ordinary and C shares combined

Shares in Issue	87,300,000
Share Price Ords	102.25p
Share Price (C)	102.00p
Market Cap	£89.20m
Gross Assets	£89.20m
Net Assets Ords	£57.5m
Net Assets (C)	£29.4m
NAV per Share Ords	100.24
NAV per Share (C)	98.00
NAV Frequency	Monthly
Share Price Premium/ Discount to NAV	+ 2.00% Ords + 4.10% (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.

Company Update

The Company raised £30m in October through the issue of 30,000,000 new C shares, which brings the combined share capital of both share classes to 87,300,000. The share classes will merge on a NAV to NAV basis on the earlier of when the C shares are 85% invested or six months from admission. On a cash basis during the month, the Ordinary shares were fully invested and the funds recently raised will start to be significantly deployed from early November.

The Investment Manager closed another strategic investment, initially of £2.5m, with Exterion Media, a leading out-of-home media company with an established portfolio of billboards, hoardings, digital and non-digital displays. There is strong cash flow visibility given its unique position as the sole advertising provider to London Rail on behalf of TfL since 1994. The investment is in the senior secured aspect of the capital structure as part of a private club of lenders.

The Company has also reduced its exposure to consumer discretionary spend by lowering exposure to casual fast dining from £4m to £2.5m, as capital was rotated in the portfolio for a second drawdown of £1.8m to Solarplicity to fund a UK solar park.

Additional drawdowns for existing borrowers occurred over the month as the Company increased investments to Praetura Asset Finance, L'Oscar hotel and property bridge funding. The Investment Manager remains cautious on the economic outlook and the interest rate environment. As a consequence senior secured investments as a proportion of the portfolio has increased from 66% to 70% and exposure to coupons linked to libor have increased from 22% to 26%.

The NAV as at 31 October was 100.24 pence which is 0.73 pence higher than the end of September and is made up of interest income net of expenses of 0.64 pence and an increase in asset valuations of 0.09 pence.

Fund Performance - as at 31 October 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	-	-	0.4
NAV (Cum Income) p	97.7	97.4	97.3	97.5	98.2	97.6	98.1	99.1	99.5	100.2	-	-	2.25
Total Return (%) – NAV & Div	(0.3)	(0.3)	(0.1)	0.2	0.7	(0.4)	0.5	1.2	0.4	0.74	-	-	2.65
Total Return - Share Px & Div	2.0	0.0	(0.3)	0.0	0.3	0.2	0.3	0.2	0.0	0.0	-	-	2.7

<p>Advisory & Administration</p> <p>AIFM International Fund Management Limited</p> <p>Administrator & Company Secretary PraxisIFM Fund Services (UK) Ltd</p> <p>Valuation Agent Mazars LLP</p> <p>Legal Advisers Gowling WLG (UK) LLP</p> <p>Auditor Ernst & Young LLP</p> <p>Corporate Broker N+1 Singer Advisory LLP</p> <p>Investment Manager RM Capital Markets Limited 7 Melville Crescent Edinburgh EH3 7JA</p> <p>James Robson Investment Management +44 (0) 131 603 7069 James.Robson@rm-capital.co.uk</p> <p>Pietro Nicholls Investment Management +44 (0) 20 3697 1768 Pietro.Nicholls@rm-capital.co.uk www.rm-funds.co.uk</p> <p>Company Address RM Secured Direct Lending PLC Mermaid House 2 Puddle Dock London EC4V 3DB</p>	<p>Revolving Credit Facility</p> <p>Post month end, the Company announced it had secured a £10m Revolving Credit Facility (“RCF”) with OakNorth bank which will provide the Company with flexible capital for maintaining and preserving liquidity and for general corporate purposes including to invest in the substantial pipeline of investment opportunities. The Company will not incur any non-utilisation fees in connection with the facility.</p> <hr/> <p>Company Portfolio¹</p> <table border="1"> <tr> <td>23</td> <td>£71.9m</td> <td>8.33%</td> <td>3.62 years</td> </tr> <tr> <td>Number of Loans</td> <td>Total Committed²</td> <td>Average Yield</td> <td>Average Life</td> </tr> </table> <hr/> <p>Largest 10 loans³</p> <table border="1"> <thead> <tr> <th>Business Activity</th> <th>Loan Value (£m)</th> <th>Expected Yield %</th> <th>WAL⁴</th> </tr> </thead> <tbody> <tr> <td>Asset finance</td> <td>£6.50</td> <td>8.00</td> <td>4.17</td> </tr> <tr> <td>Student Accommodation</td> <td>£4.42</td> <td>9.50</td> <td>2.45</td> </tr> <tr> <td>Healthcare</td> <td>£4.00</td> <td>5.72</td> <td>4.41</td> </tr> <tr> <td>Renewable Energy</td> <td>£4.00</td> <td>7.00</td> <td>2.51</td> </tr> <tr> <td>Healthcare</td> <td>£4.00</td> <td>8.92</td> <td>5.50</td> </tr> <tr> <td>Insurance Brokerage</td> <td>£3.00</td> <td>8.10</td> <td>5.71</td> </tr> <tr> <td>Renewable Energy</td> <td>£3.00</td> <td>8.00</td> <td>0.75</td> </tr> <tr> <td>Food Manufacturer</td> <td>£3.00</td> <td>9.34</td> <td>7.79</td> </tr> <tr> <td>Property Bridging</td> <td>£2.78</td> <td>8.00</td> <td>0.39</td> </tr> <tr> <td>Residential Development</td> <td>£2.60</td> <td>7.14</td> <td>2.32</td> </tr> </tbody> </table> <p>¹At 31 October 2017; ²Committed funds exceeds investment capital available by a margin as there is no legal obligation to fund above investable cash; ³Largest 10 Loans by drawn or invested amounts, ⁴Weighted-Average Life and average yield based on drawn amounts</p> <hr/> <p>Portfolio Analysis</p> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <p>WAL of Loan Book</p> <ul style="list-style-type: none"> 0-3 Yrs - 45% 3-5 Yrs - 30% >5 Yrs - 25% </div> <div style="width: 50%;"> <p>Annualised Yield</p> <ul style="list-style-type: none"> < 7.5% - 25% 7.5-9.5% - 54% > 9.5% - 21% </div> <div style="width: 50%;"> <p>Coupon Type</p> <ul style="list-style-type: none"> Fixed - 73% Floating - 26% Inflation Linked - 1% </div> <div style="width: 50%;"> <p>Investment Type</p> <ul style="list-style-type: none"> Senior Secured - 70% Junior Secured - 30% </div> </div>	23	£71.9m	8.33%	3.62 years	Number of Loans	Total Committed²	Average Yield	Average Life	Business Activity	Loan Value (£m)	Expected Yield %	WAL ⁴	Asset finance	£6.50	8.00	4.17	Student Accommodation	£4.42	9.50	2.45	Healthcare	£4.00	5.72	4.41	Renewable Energy	£4.00	7.00	2.51	Healthcare	£4.00	8.92	5.50	Insurance Brokerage	£3.00	8.10	5.71	Renewable Energy	£3.00	8.00	0.75	Food Manufacturer	£3.00	9.34	7.79	Property Bridging	£2.78	8.00	0.39	Residential Development	£2.60	7.14	2.32
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