

RM Secured Direct Lending PLC

Monthly Fact Sheet

31 January 2018

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 January for Ordinary and C shares combined

Shares in Issue	87,300,000
Share Price Ords	103.00p
Share Price (C)	102.00p
Market Cap	£89.60m
Net Assets Ords	£56.87m
Net Assets (C)	£29.47m
NAV per Share Ords	99.26p
NAV per Share (C)	98.06p
NAV Frequency	Monthly
Share Price Premium/ Discount to NAV	+ 3.76% Ords + 4.01% (C)

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, RM Capital Markets Limited, (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. Un-invested 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

January was an active month for the Company with one new investment, two loan pre-payments with associated pre-payment fees, two drawdowns against existing facilities and one divestment. In addition, on 14 February 2018, the Investment Manager notified the Board that in excess of 85% of the funds raised from the C share issue in October 2017 has been invested. This will allow for a Calculation Date to be set for 28 February with a view to announcing the Conversion Ratio for the C Shares to be converted into Ordinary Shares on or around 14 March 2018.

Portfolio Activity

The new investment was a £1.4m private loan secured over a commercial real-estate asset being constructed in London. The Company currently has limited development risk in the portfolio, with less than 5% across both share classes. The key strengths of this transaction included the limited leverage and considerable experience of the developer. The Investment Manager remains cautious of overall valuations at this point in the economic cycle, but still sees excellent opportunities such as this investment.

The two loan pre-payments totalling £4.8m were secured against two operating solar PV assets. These facilities were structured by the Investment Manager and are documented to have bespoke minimum terms. This specific transaction had a 12 month minimum term and the subsequent early redemption meant interest on the full period was paid. Additional drawdowns were made to L 'Oscar Hotel and to Satcom. The divestment was to reduce exposure to Newday ahead of the FCA findings into the Credit Card Market Study which could have a negative regulatory impact on the business.

Fund Performance - 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

Fund Performance - as at 31 January 2018

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends (%)	0.0	-	-	-	-	-	-	-	-	-	-	-	0.0
NAV (Cum Income) p	99.3	-	-	-	-	-	-	-	-	-	-	-	-
Total Return (%) – NAV & Div	0.66	-	-	-	-	-	-	-	-	-	-	-	0.66
Net Interest Income	0.85	-	-	-	-	-	-	-	-	-	-	-	0.85

Non-Executive Directors

Norman Crighton (Chairman)
Guy Heald
Marlene Wood

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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Intention to Raise Further Capital

The Investment Manager continues to identify an attractive pipeline of opportunities in its target sectors that meet its investment criteria. In order to continue to capitalise on these opportunities and grow the portfolio, the Company aims to raise further capital following the expiry of the 12 month placing programme put in place at the time of the IPO. A number of different fund raising structures are currently being explored including a further issue of C Shares, an intermediaries offer, another 12 month share issuance programme and an issue of zero dividend preference shares.

NAV

The Ordinary Shares NAV as at 31 January was 99.26 pence which is 0.67 pence higher than the end of December and is made up of interest income net of expenses of 0.85 pence and a decrease in portfolio valuations of 0.18 pence.

Company Portfolio¹

23	£86.5m	7.4%/8.4%	3.66 years
<i>Number of Loans</i>	<i>Total Committed²</i>	<i>Average Yield⁴</i>	<i>Average Life</i>

Largest 10 loans by drawn amounts across the entire portfolio

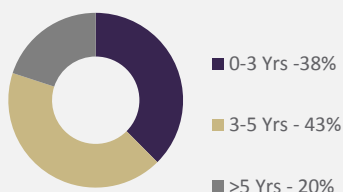
Business Activity	Loan Value (£m)	Expected Yield %	WAL ³
Asset Finance	8.00	8.00	3.90
Advertising	7.45	9.15	4.61
Automotive Parts Manufacturing	6.12	12.00	4.90
Student Accommodation	4.42	9.50	2.18
Healthcare	4.00	5.85	4.14
Renewable Energy	4.00	7.00	2.24
Healthcare	4.00	8.89	5.23
Insurance Brokerage	4.00	8.21	5.44
Food Manufacturing	3.00	9.34	7.52
Property Development	2.60	7.22	2.05

¹As at 31 January 2018; ²Committed funds exceeds investment capital as some facilities are subject to the Company having available funds at drawdown; ³Weighted-Average Life and average yield based on drawn amounts;

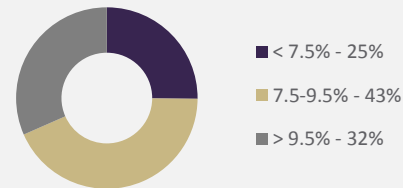
⁴Av portfolio yield including cash/excluding cash Ord shares

Portfolio Analysis

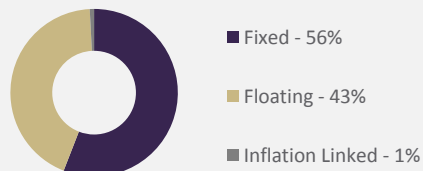
WAL of Loan Book



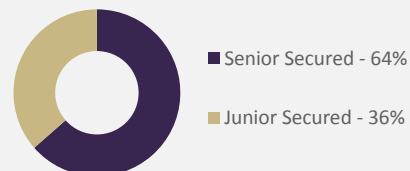
Annualised Yield



Coupon Type



Investment Type



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