

RM Secured Direct Lending PLC

Quarterly Fact Sheet

31 March 2018

Company Overview

Listing Date - Ord's	15/12/2016
ISIN - Ord's	GB00BYMTBG55
Ticker Ord's	RMDL
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
Shares in Issue	87,415,374
Share Price Ord's mid	101.5p
Market Cap	£88.7m
Net Assets Ord's	£85.8m
NAV per Share Ord's	98.17p
NAV Frequency	Monthly
Share Price Premium/ Discount to NAV	+ 3.4% Ord's

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.

Market Update

The key market takeaway from Q1 2018 has been the increase in volatility across asset classes. Equities have had a dramatic sell off, and government bond yields have risen – driven by a raft of factors both domestically (rising interest rate environment, consumer pressures, etc) and globally (trade wars, tech regulation etc). Traded corporate credit has been weak across both investment grade and high yield. In addition, there has been continued strength of GBP versus both USD and EUR. Despite the market conditions the NAV of the Company has remained stable – the Investment Manager believes this is principally due to a significant percentage of floating rate exposure which will benefit from any rate rises and also the fact that the portfolio is largely focused on businesses less prone to being affected by the broader economic cycle. Furthermore, hedges, put in place for the non-GBP investments, have mitigated the currency movements.

Capital Raise Update

The Company announced on 12 March that it had published a Prospectus in relation to a proposed Offer for Subscription, Initial Placing and Initial Intermediaries Offer of C Shares and implementation of a Share Issuance Programme, together with, a Placing of ZDP Shares and implementation of a placing programme of ZDP Shares by RM ZDP plc, a wholly owned subsidiary of the Company. On 27 March, the Company announced that it had raised £11.3m via the issue of C Shares and £10.8m via the Placing of ZDP Shares.

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 31st March 2018

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends (%)	0.0	2.0	0.0	-	-	-	-	-	-	-	-	-	2.0
NAV (Cum Income) p	99.3	97.8	98.2	-	-	-	-	-	-	-	-	-	-
NAV Return	0.66	0.50	0.41	-	-	-	-	-	-	-	-	-	1.57
Net Interest Income	0.85	0.64	0.47	-	-	-	-	-	-	-	-	-	1.96



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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Company Update

On 14 February, the Investment Manager notified the Board that in excess of 85% of the funds raised from the C Share issue in October 2017 had been invested and the Calculation Date was set for 28 February. The Conversion Ratio for the C Shares to be converted into Ordinary Shares was announced on 14 March and these shares converted to give a total ordinary share capital of the Company of £87,415,374.

Over the quarter there has been a number of repayments and pre-payments as well as additional drawdowns from existing facilities. Highlights are as follows:

Energy Assets: Two loan repayments totalling £4.8m. Due to the loan documentation being structured with a minimum term for interest payments there was an additional income benefit in January from this pre-payment.

Children's Nursery: £5m investment to a children's nursery in the south east of England. The debt ranks senior secured and provided a day one investment of circa £3.7m with an allowance for the additional £1.3m to be drawn subject to meeting approvals from the Investment Manager at the time of drawing. Such flexible financing structures differentiates the Company from other more traditional funding options available to the borrower.

Asset Finance: As the asset pool has grown for the borrower which the Company supports additional funding has been released. This additional funding has been £1.5m over the quarter and takes the total investment to £9.5m which is the largest exposure within the portfolio. This is secured over the lease/rental income and circa 1,000 separate pieces of equipment such as tractors, HGVs, and diggers.

Healthcare: Elysium Healthcare announced during March the intention to refinance their term loan facility. The Company currently has a £4m investment in this senior facility which is libor linked and secured over the assets and cashflows of the business. The repayment at par of the facility will lead to a circa 2% gain from the March month end which will be reflected when the transaction closes during April. Furthermore, the Company expect to participate in the new lending syndicate.

Pipeline

The Investment Manager has identified an attractive pipeline of opportunities to invest in as outlined during the recent capital raising. The focus for the Investment Manager is to convert the most attractive opportunities into investments for the Company and thus reduce any cash drag on the new funds raised. It is also the intention of the Investment Manager to optimise the portfolio yield over the coming months as the pipeline opportunities are brought forward.

NAV

The Ordinary Shares NAV as at 31 March was 98.17 pence which is 0.41 points higher than the end of February and is made up of interest income net of expenses of 0.47 pence and a decrease in portfolio valuations of 0.06 pence.

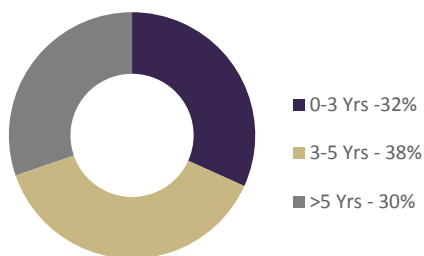


Portfolio Analysis

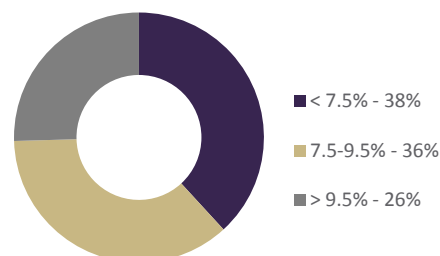
Company Portfolio¹

Number of Loans	25
Total Committed Cash	£88.0m
Average Gross Portfolio Yield	8.26%
Average Life ²	3.99 years

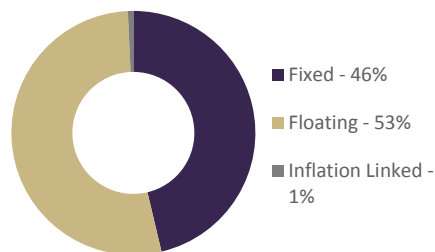
WAL of Loan Book



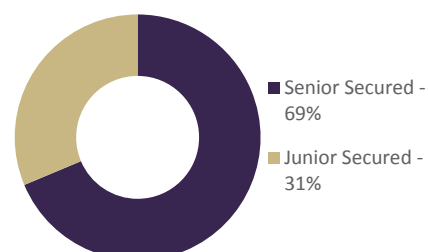
Annualised Yield



Coupon Type



Investment Type



Largest 10 loans by drawn amounts across the entire portfolio

Business Activity	Loan Value (£m)	Expected Yield %	WAL ³
Asset Finance	9.50	8.00	3.76
Advertising	8.50	9.23	4.47
Business Services	7.00	6.09	6.65
Automotive Parts Manufacturing	6.22	12.00	4.75
Student Accomodation	4.42	9.50	1.78
Healthcare	4.00	6.06	5.67
Renewable Energy	4.00	7.00	2.00
Insurance Brokerage	4.00	8.19	5.29
Forecourt Operator	4.00	5.48	6.84
Forecourt Operator	4.00	5.22	4.29

1. As at 31 March 2018;; 2 Weighted-Average Life and average yield based on drawn amounts;

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