

RM Secured Direct Lending PLC

Monthly Fact Sheet

31st August 2019



Company Overview

ISIN - Ord's	GB00BYMTBG55
ISIN - ZDP's	GB00BG1TSQ91
Ticker Ord's	RMDL
Dividend	Quarterly
Listing	Main Market LSE Premium Listing
Target Dividend Yield	6.5% p.a ¹
Management Fee	0.875% ² :
Discount Management Strategy	Share buy-backs if 6% discount or more ³
Shares in Issue Ord's	112,224,581
Shares in issue ZDP's	10,869,950
Share Price Ord's mid	101.50p
RMDL shares owned by manager & employees	£1.35m
Gross Assets	£128.0m ⁴
Net Assets Ord's	£111,097,042
Acc Cap Entitle ZDP's	£11,413,298
NAV per Share Ord's	99.00p
Accrued Capital Entitlement per ZDP	105.00p
Share Price Premium	+ 2.53% Ord's

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

Investment Manager

RM Capital Markets Limited, 7 Melville Crescent,
Edinburgh EH3 7JA

James Robson

Investment Management
+44 (0) 131 603 7069
James.Robson@rm-capital.co.uk

Pietro Nicholls

Investment Management
+44 (0) 20 3697 1768
Pietro.Nicholls@rm-capital.co.uk

www.rm-funds.co.uk

Company Address: RM Secured Direct Lending PLC,
Mermaid House, 2 Puddle Dock, London EC4V 3DB

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 by investing in Loans sourced by RM Funds (the "Investment Manager" or "RM"). The Loans in which the Company invests are predominantly secured against company assets, real estate or plant and machinery and/or income streams such as accounts receivable.

Portfolio Activity

As at the 31st August 2019, the Company's portfolio consisted of 35 debt investments with a weighted average yield of 8.67%, spread across 14 sectors, with a percentage split between fixed and floating rate debt of 57 to 43. The Investment Manager is focused on reducing interest rate risk by keeping the tenors on fixed rate investments generally shorter dated. Overall, the portfolio has the following approximate breakdown: 59% represented by directly originated private loans; 38% in club or syndicated private loans; and 3% in more liquid corporate debt. Consequently, private debt investments represent 97% of the portfolio.

The transaction highlights for the month are as follows:

- **énergie Fitness**, the leading low-cost fitness franchisor in the UK and Ireland; £6m new investment to provide a comprehensive financing package to support leading sustainable and impact investor, Bridges Fund Management, in its acquisition of **énergie Fitness**. The financing package includes senior secured term loan and revolving credit facilities. The health and fitness sector remains a fastgrowing market and with an increasing demand for high quality, low-cost operators. As the sole lender RMDL's Investment Manager has structured a highly covenanted, senior secured loan.
- Partial Divestment Forecourt Operator; £2m to part fund **énergie Fitness** above.
- Additional drawdowns to existing transactions previously documented and partially funded.

NAV & Pipeline

The NAV total return for the month was 0.31%, bringing the cumulative year to date figure to 5.89%.

The Ordinary Share NAV as at 31st August 2019 was 99.00 pence per share, which is 0.31 pence higher than at 31st July 2019, comprising interest income net of expenses of 0.79 pence and a decrease in portfolio valuations of 0.48 pence net of currency hedges.

The pipeline of transactions remains robust with the Investment Manager continuing to source and structure transactions which fit the strict credit criteria and the focused sector allocations which the Company is seeking.



Company Portfolio at month end

35

Number of Loans

£127m

Total invested ⁱ

8.67%

Average Yield

3.55 years

Average Life

ⁱ actual capital invested, excludes undrawn commitments, includes investments yet to settle;

Largest 10 loans by drawn amounts across the entire portfolio

Business Activity	Loan Nominal Value (£m)	Expected Yield	WAL
Asset Finance	10.19	8.00%	4.34
Telecommunications	9.08	11.16%	1.76
Hospitality	8.50	9.00%	4.60
Hospitality	8.30	9.00%	4.60
Business Services	7.00	6.48%	5.24
Automotive Parts Manufacturing	6.93	12.00%	3.33
Healthcare	6.00	6.33%	5.60
Gym franchising	6.00	8.26%	6.93
Hospitality	4.90	13.38%	0.29
Forecourt Operator	4.70	5.09%	2.88

Fund performance

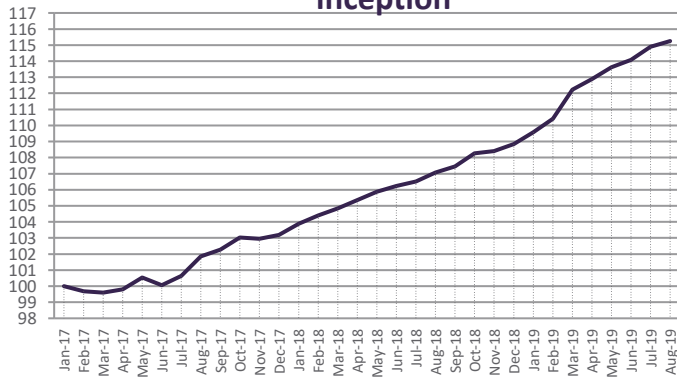
2019													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	1.625	-	-	2.00	-	-	-	-	-	-	3.625
NAV (Cum income) p	97.62	98.38	98.36	98.95	99.59	98.00	98.69	99.00	-	-	-	-	-
NAV Total Return %	0.67	0.78	1.64	0.59	0.65	0.41	0.70	0.31	-	-	-	-	5.89%
Net Interest Income p	0.69	0.57	1.45	0.58	0.71	0.63	0.58	0.79	-	-	-	-	6.11p

2018													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends (pence)	-	2.00	-	-	-	1.625	-	1.625	-	-	-	1.625	6.875p
NAV (Cum Income) p	99.26	97.76	98.17	98.66	99.14	97.85	98.11	97.01	97.34	98.08	98.20	96.98	-
NAV Total Return %	0.68	0.50	0.41	0.50	0.49	0.34	0.26	0.53	0.34	0.76	0.12	0.41	5.47%
Net Interest Income p	0.85	0.64	0.47	0.48	0.52	0.55	0.56	0.50	0.49	0.60	0.51	0.62	6.98p

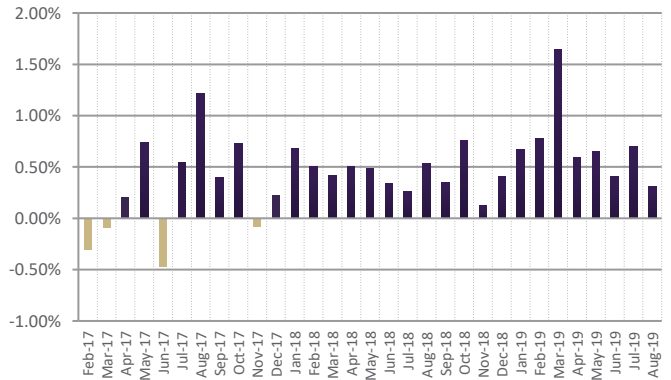
2017													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	-	-	-	0.20	-	0.20	-	-	1.80	-	2.20p
NAV (Cum income) p	97.70	97.40	97.31	97.51	98.23	97.57	98.11	99.11	99.51	100.24	98.36	98.59	-
NAV Total Return %	(0.31)	(0.31)	(0.09)	0.21	0.74	(0.47)	0.55	1.22	0.40	0.73	(0.08)	0.23	3.18%
Net Interest Income p	(0.20)	(0.13)	(0.03)	0.02	0.33	0.35	0.52	1.25	0.38	0.64	0.47	0.46	4.06p



Cumulative NAV Performance since inception

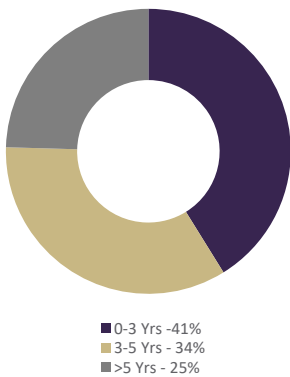


NAV monthly return %

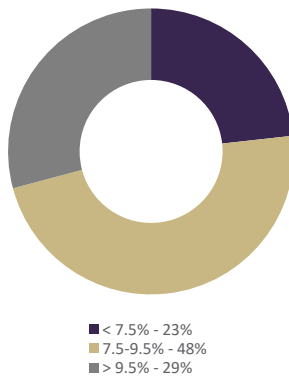


Portfolio Statistics

WAL of Loan Book



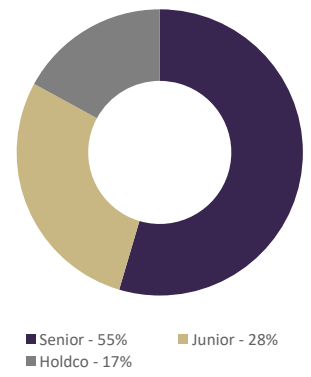
Annualised Yield



Coupon Type



Investment Type



Notes

- Dividend Yield based on IPO issue price. The target dividend should not be taken as an indication of the Company's expected future performance or results. The target dividend is a target only and there is no guarantee that it can or will be achieved and should not be seen as an indication of the Company's expected or actual return. Target returns are hypothetical and are neither guarantees nor predictions or projections of future performance. Actual events and conditions may differ materially from the assumptions used to establish the target dividend.
- Management fee on Net Assets including ZDP issue. 50% of the Management Fee is used by the Investment Manager to buy shares in the Company as part of the discount control mechanism and to align management interests with Shareholders
- Discount control mechanism triggers if shares trading at an average discount of more than six percent over previous 6-month trading period.
- Gross asset calculation is the sum of Net Assets, ZDPs and drawings of RCF.
- NAV total return % is calculated as NAV (cum income) at the end of the period, plus dividends declared during the period, divided by NAV (cum income) calculated on a per share basis at the start of the period.
- YTD NAV Total Return assumes dividends are reinvested at NAV and includes compounding.
- YTD Net Interest Income per share is the aggregate of the monthly net interest income per share figures based on the number of Ordinary shares in issue at the end of each respective month which can be diluted over the year by new Ordinary Shares being issued and therefore does not necessarily reflect the year end position for the Ordinary shareholders.
- Cumulative NAV performance rebased at 100 on Jan 2017 and assumes dividends are reinvested at NAV and includes compounding.

Disclaimer: This Report is intended solely for the information of the person to whom it is provided by the Company, the Investment Manager or the Administrator. This Report does not constitute an offer or solicitation for the purchase or sale of any investment or financial instrument in the Company and should not be relied on by any person for the purpose of accounting, legal or tax advice or for making an investment decision. The payment of dividends and the repayment of capital are not guaranteed by the Company. Any forecast, projection or target is indicative only and not guaranteed in any way, and any opinions or views expressed in this Report are those of the Investment Manager, and do not constitute investment advice and are subject to change without notice, and neither the Company nor the Investment Manager is under any obligation to update such opinions. Whether the Company proceeds with any investment is dependent on multiple factors including, but not limited to the completion of satisfactory due diligence. Past performance is not a reliable indicator of future performance, and investors may not get back the original amount invested. Unless otherwise stated, the sources for all information contained in this report are the Investment Manager and the Administrator. Information contained in this Report is believed to be accurate at the date of publication, but none of the Company, the Investment Manager and the Administrator gives any representation or warranty as to the Report's accuracy or completeness. This report does not contain and is not to be taken as containing any financial product advice or financial product recommendation. None of the Company, the Investment Manager and the Administrator accepts any liability whatsoever for any loss (whether direct or indirect) arising from any use of this Report or its contents. RM Capital Markets Limited is authorised and regulated by the FCA, registered in Scotland (Registered Number: SC380707).