

# RM Secured Direct Lending PLC

## Monthly Fact Sheet

31<sup>st</sup> July 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 <sup>1</sup>
Management Fee	0.875% <sup>2</sup> :
Discount Management Strategy	Share buy-backs if 6% discount or more <sup>3</sup>
Shares in Issue Ord's	112,224,581
Shares in issue ZDP's	10,869,950
Share Price Ord's mid	101.50p
Gross Assets	£127.6m <sup>4</sup>
Net Assets Ord's	£110,751,580
Acc Cap Entitle ZDP's	£11,429,855
NAV per Share Ord's	98.69p
Accrued Capital Entitlement per ZDP	104.69p
Share Price Premium	+ 2.85% 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](http://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 31<sup>st</sup> July 2019, the Company's portfolio consisted of 36 debt investments with a weighted average yield of 8.62%, spread across 13 sectors, with a split between fixed and floating rate debt of 60/40. 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: 56% represented by directly originated private loans; 39% in club or syndicated private loans; and 5% in more liquid corporate debt. Consequently, private debt investments represent 95% of the portfolio.

Despite a Loan repayment of £4m in the month, the portfolio size remained largely unchanged at £125m. The repaid Loan was made in 2017 and scheduled for repayment in 2019; it is pleasing to see the portfolio continue to mature and for capital to be recycled into new investment opportunities.

The transaction highlights are as follows:

- Euroports, a leading European port infrastructure operator: €2m participation in private syndicated facility maturing 2026 paying Euribor +775. This investment follows the key theme for the Company of investing in real assets with visible cashflows. In addition, there is significant sponsor equity support sitting below the RMDL investment and the business offers substantial asset and cash flow coverage.
- Hydro transaction repaid: £4m
- Student accommodation in Coventry: one and a half year tenor, 9%. Two further drawdowns of £0.43m.
- Energy efficiency revolving receivables facility, four further drawdowns of £0.21m.
- Telecommunications equipment: three year tenor 10.5%: four further drawdowns of \$0.56m
- Partial divestment: Voyage Care 5.875% 2023, £0.25m
- Residential property development: 7.5% maturity 2020, the ninth drawdown £0.20m
- Manufacturing and energy efficiency: 8% three year tenor, £0.15m second drawdown.

### NAV

The NAV total return for the month was 0.70%, bringing the cumulative year to date figure to 5.56%.

The Ordinary Share NAV as at 31<sup>st</sup> July 2019 was 98.69 pence per share, which is 0.69 pence higher than at 30<sup>th</sup> June 2019, comprising interest income net of expenses of 0.58 pence and an increase in portfolio valuations of 0.11 pence net of currency hedges.



### Company Portfolio at month end

<b>36</b>	<b>£125m</b>	<b>8.62%</b>	<b>3.39</b> years
Number of Loans	Total invested <sup>i</sup>	Average Yield	Average Life

<sup>i</sup> 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%	4.42
Telecommunications	8.72	11.16%	1.84
Hospitality	8.50	9.00%	4.68
Hospitality	8.30	9.00%	4.68
Business Services	7.00	6.50%	5.32
Automotive Parts Manufacturing	6.99	12.00%	3.41
Forecourt Operator	6.70	5.09%	2.96
Healthcare	6.00	6.22%	5.68
Hospitality	4.77	12.18%	0.29
Food manufacturing	4.50	9.48%	6.02

## Fund performance

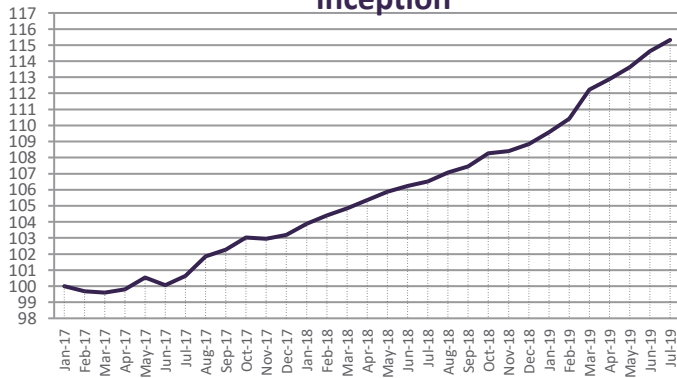
2019													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	1.625	-	-	2.00	-	-	-	-	-	-	3.625
NAV (Cum income) p	97.62	98.38	98.36	98.95	99.59	98.00	98.69	-	-	-	-	-	-
NAV Total Return %	0.67	0.78	1.64	0.59	0.65	0.41	0.70	-	-	-	-	-	5.56%
Net Interest Income p	0.69	0.57	0.56	0.58	0.71	0.63	0.58	-	-	-	-	-	4.32p

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

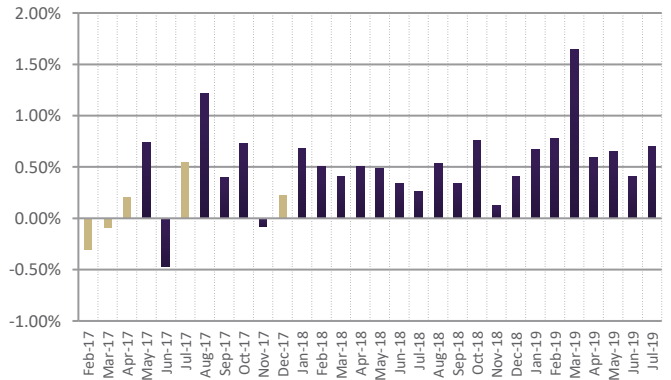
2017													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	-	-	-	0.20	-	0.20	-	-	1.80	-	2.20p
NAV (Cum income) p	97.70	97.40	97.31	97.51	98.23	97.57	98.11	99.11	99.51	100.24	98.36	98.59	-
NAV Total Return %	(0.31)	(0.31)	(0.09)	0.21	0.74	(0.47)	0.55	1.22	0.40	0.73	(0.08)	0.23	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

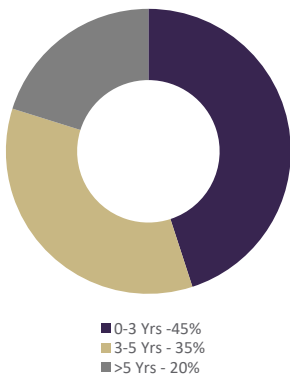


### NAV monthly return %

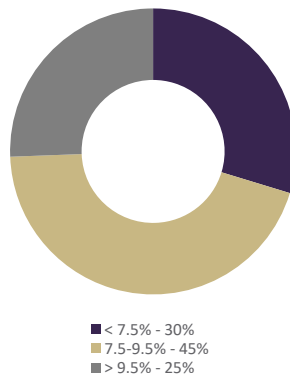


### Portfolio Statistics

WAL of Loan Book



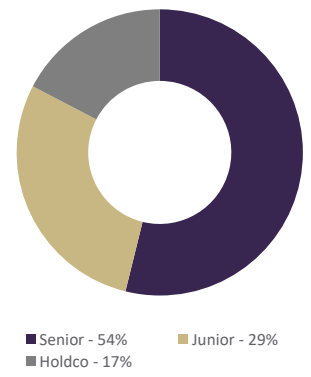
Annualised Yield



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.

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