

RM Secured Direct Lending PLC

Quarterly Fact Sheet

31st December 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	122,224,581
Shares in issue ZDP's	10,869,950
Share Price Ord's mid	99.50p
Investment Managers holding (shares)	1,096,089
Total Assets	£131m ⁴
Net Assets Ord's	£119,528,082
Acc Cap Entitle ZDP's	£11,541,205
NAV per Share Ord's	97.79
Accrued Capital Entitlement per ZDP	106.18p
Share Price Premium	+ 1.75% 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

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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 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 accounts receivable.

Market Update

During Q4 2019, US, UK and European stock markets saw positive returns with corporate bond spreads benefitting from this buoyant sentiment. In addition, government bond yields rose to reflect this improvement in sentiment.

If one breaks this down into three key geographic areas, we can, at a high level, see the positive drivers: in the USA Q3 GDP data was stronger than expected and unemployment rates in Q4 were lower than forecast which indicates a strengthening economy – this is coupled with the US/China trade reaching a phase one agreement in their ongoing tariff saga. Within the Eurozone the IFO business survey in Germany showed marginal improvements, whilst the Eurozone Manufacturing PMI continued to decline to 45.9, the 10th straight month of contraction in factory activity across the region. The excellent stock market gains across the eurozone region in Q4 were therefore most likely driven by the relief of the phase one US/China trade deal and the positive global benefits to trade which this brings. The UK saw positive economic growth of 0.4% in Q3 with the landslide victory for the Conservative Party in December driving strong market performance in late Q4. Sterling rallied and all major UK equity indices saw good returns as a positive resolution is seen coming for the long running Brexit drama.

NAV

NAV % Total Return for the month was 1.06% and brings the NAV % Total Return for the year to 8.18%.

The Ordinary Share NAV as at 31st December 2019 was 97.79 pence. This monthly return of 1.06% arises from positive net interest income net of expenses of 1.03 pence and an increase in portfolio valuations and currency hedging costs of 0.02 pence to give a monthly return of 1.05 pence per share. The overall reduction of the NAV from November of c.65p is caused by the combined ex-dividend effect of the 1.70 pence total ordinary and special dividend declared and paid in December.

The Investment Manager will continue to use part of their management fee to purchase shares and will be notifying the market on or shortly after 16th January that the purchase for Q4 2019 has been completed, increasing their total direct holding to in excess of 1,096,089 shares.



Company & Portfolio Update

Over the quarter the portfolio has increased from £125m to £134m of invested capital with the average yield increasing by 2 bps to 8.84%. The portfolio consists of 34 investments split across 13 sectors. YTD there have been Loan repayments and divestments equating to £52m, 116 follow-on investments/drawdowns equating to £28m and 13 new transactions equating to capital deployed of £52m.

An interim dividend was declared for Q3 2019 and paid in December 2019 of 1.625 pence and an additional special dividend of 0.075pence was declared and paid on these dates following portfolio outperformance year to date. This gave a Q3 2019 total distribution of 1.7 pence per ordinary share and a calendar 2019 year to date distribution received for shareholders of 6.95 pence.

As noted to investors on 16th December via a portfolio update, Satcom Global repaid their credit facilities. This borrower was part of the initial portfolio at listing in 2016. RMDL had provided flexible financing, which culminated in 54 drawdowns over 3 years secured against physical assets and contracted cashflows. These Loans totalled \$10.4m and led to prepayment penalties which equated to 0.51 pence over the month of December being paid by Satcom to the Company.

The weighted average life of the Loans within the portfolio is 3.43 years (at end of Q3 it was 3.5 years) with a duration of just under 1.50 years. The low duration is important as it signifies that the portfolio does not have significant exposure to shifts in interest rate sentiment. The YTD NAV return is 8.18%, ahead the target 6.5 pence per share distribution target and is particularly pleasing.

The final piece of positive news from the Company's perspective is that an additional capital raise of £10m was secured in November. This brings the issued share capital to over £122m and was funded largely by new investors. This will allow the Company to continue to diversify the portfolio and in addition allows for the expense ratio to continue to be lowered by spreading the Company's fixed costs across a larger capital base.

New Investments in the Quarter

Hotel Transaction - A new £4m bilateral private Loan, secured over real estate and benefiting from a 30-year Full Repairing & Insuring "FRI" Lease with a listed hospitality group. Maturing in 5 years, coupon 9%.

Childcare - £5m participation to a private syndicated Loan to Busy Bees nurseries, a leading childcare provider operating 374 nurseries across the UK and Ireland. Maturing in 2.5 years, coupon Libor +475.

Student Accommodation - A new c.£6m bilateral private Loan to Uninn Group. This is a social infrastructure investment to fund four operating Student Accommodation assets located across key university cities, Newcastle, Sheffield, Leicester, and Coventry. Maturing in 5 years, coupon 9%.

Forecourt operators – An additional £2m participation in a private syndicated Loan to MFG, a leading independent forecourt operator within the UK, operating in excess of 900 sites and a further £2m participation in a private syndicated Loan to EG Group, the global independent forecourt operator and convenience retailer operating in excess of 5,000 sites. Maturing in circa 5 years, coupon L+450 and L+475 respectively.

Food & Beverage - An additional £2m investment in the debt instrument issued by Premier Food with a maturity in July 2022, coupon Libor+500.

Outlook & Pipeline

The Investment Manager remains confident in its ability to originate and close high-quality investments. It is focused on deploying and recycling capital into non-cyclical sectors, with real asset security and limited correlation to wider equity markets. The monitoring of the existing loans remains a priority, with all loans marked-to-market on a monthly basis reflecting perceived or actual risks to underlying Loan performance.



Company Portfolio at month end

34 Number of Loans **£134m** Total invested ⁱ **8.84%** Average Yield **3.43** years Average Life

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

Largest 10 loans by drawn amounts across the entire portfolio

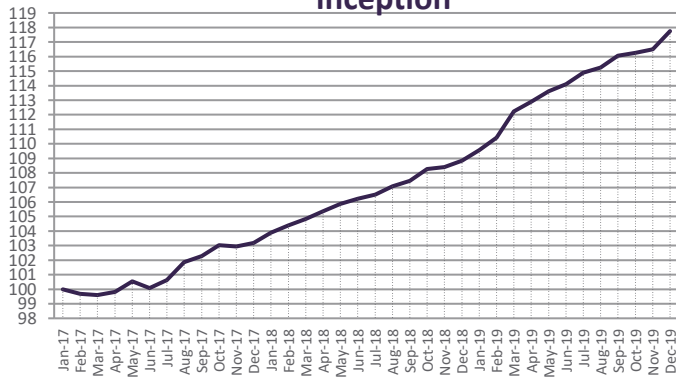
Business Activity	Loan Value (£m)	Expected Yield	WAL
Asset Finance	10.19	8.00%	3.98
Hospitality	8.50	9.00%	4.24
Hospitality	8.30	9.00%	4.24
Business Services	7.00	8.57%	4.88
Automotive Parts Manufacturing	6.72	12.00%	2.97
Forecourt Operator	6.70	5.53%	2.52
Gym Franchising	6.30	8.30%	6.57
Healthcare	6.00	7.52%	5.24
Student Accommodation	5.97	9.13%	0.74
Student Accommodation	5.93	9.00%	4.83

Fund performance

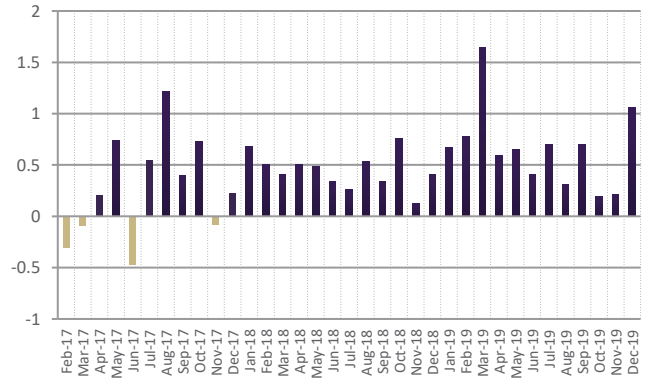
2019													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	1.625	-	-	2.00	-	-	1.625	-	-	1.70	6.950p
NAV (Cum income) p	97.62	98.38	98.36	98.95	99.59	98.00	98.69	99.00	98.05	98.24	98.45	97.79	-
NAV Total Return %	0.67	0.78	1.64	0.59	0.65	0.41	0.70	0.31	0.70	0.19	0.21	1.06	8.18%
Net Interest Income p	0.69	0.57	1.45	0.58	0.71	0.63	0.58	0.79	0.64	0.69	0.58	1.03	8.94p
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

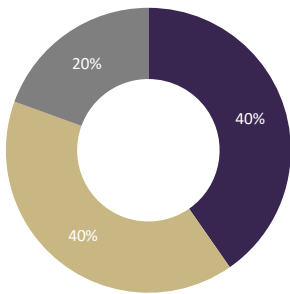


NAV monthly return %



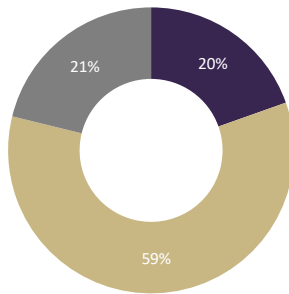
Portfolio Statistics

WAL of Loan Book



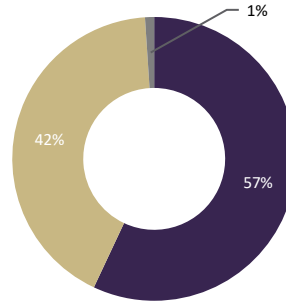
■ 0-3 years - 40%
 ■ 3-5 years - 40%
 ■ >5 years - 20%

Annualised Yield



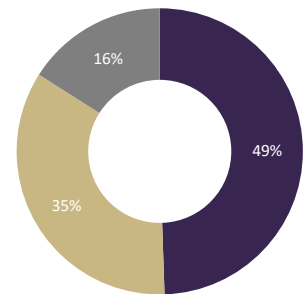
■ <7.5% yield - 20%
 ■ 7.5-9.5% yield - 59%
 ■ >9.5% yield - 21%

Coupon Type



■ Fixed - 55%
 ■ Floating - 44%
 ■ Index-linked - 1%

Investment Type



■ Senior - 49%
 ■ Junior - 35%
 ■ Holdco - 16%

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.
- Total Asset calculation is the sum of Net Assets, ZDPs and drawings of RCF, including loans closed but not settled.
- 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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