

RM Secured Direct Lending PLC

Monthly Fact Sheet

31st January 2020

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	98.00p
Investment Managers holding (shares)	1,199,825
Total investments	£134m ⁴
Net Assets Ord’s	£120,159,952
Acc Cap Entitle ZDP’s	£11,573,706
NAV per Share Ord’s	98.31p
Accrued Capital Entitlement per ZDP	106.47p
Share Price Premium	-0.32% 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 +44 (0) 131 603 706’9 James.Robson@rm-funds.co.uk Pietro Nicholls +44 (0) 20 3697 1768 Pietro.Nicholls@rm-funds.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 January, the Company’s portfolio consisted of 34 debt investments with a weighted average yield of 8.58%, spread across 13 sectors, with a percentage split between fixed and floating rate of 55% to 45%. The Investment Manager is focused on reducing interest rate risk by keeping the tenors on fixed rate investments generally shorter dated.

The portfolio has the following breakdown: 59% in bilateral private loans; 36% in club or syndicated private loans; and 5% in more liquid corporate debt. Consequently, private debt investments represent 95% of the portfolio.

The transaction highlights for the month are as follows:

- six further drawdowns to Loans previously documented with two borrowers. These loans relate to Social Infrastructure and Energy Efficiency (Student Accommodation & Receivables Finance).
- Two partial repayments of Loans.

In addition to this the Investment Manager is finalising Due Diligence and documentation for a Loan secured against an hotel which formed part of the pipeline for the capital raise conducted in Q4 2019. This will conclude the pipeline for this sector and the manager will continue to focus on sourcing Social Infrastructure assets such as Healthcare and Childcare opportunities secured on business assets and real estate.

NAV

The NAV total return for the month was 0.51%. This takes the 1 year NAV total return to 8% and the cumulative NAV total return since IPO to 18.4%.

The Ordinary Share NAV as at 31st January 2020 was 98.31 pence per share, which is 0.52 pence higher than at 31st December 2019, comprising interest income net of expenses of 0.60 pence per share and a decrease in portfolio valuations of 0.08 pence per share which includes all credit and currency movements.

Company Portfolio at month end

34

Number of Loans

£134m

Total invested ⁱ

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

8.58%

Average Yield

3.42years

Average Life

Largest 10 loans by drawn amounts across the entire portfolio

Business Activity	Loan Value (£m)	Expected Yield %	WAL ³
Asset Finance	10.19	8.00%	3.92
Hotel	8.50	9.00%	4.18
Hotel	8.30	9.00%	4.18
HR and payroll services	7.00	6.70%	4.81
Gym franchise	6.80	8.26%	6.51
National forecourt operator, UK	6.70	4.81%	2.45
Automotive parts manufacturing	6.64	12.00%	2.91
Student Accommodation	6.06	9.00%	0.68
Healthcare	6.00	6.40%	5.18
Student Accommodation	5.93	9.00%	4.76

Fund performance

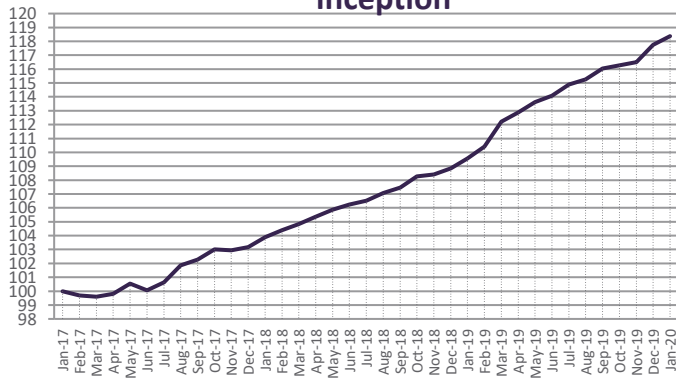
2020													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	-	-	-	-	-	-	-	-	-	-	-
NAV (Cum income) p	98.31												-
NAV Total Return %	0.53												0.53%
Net Interest Income p	0.60												0.60p

2019													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	1.625	-	-	2.00	-	-	1.625	-	-	1.70	6.95p
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

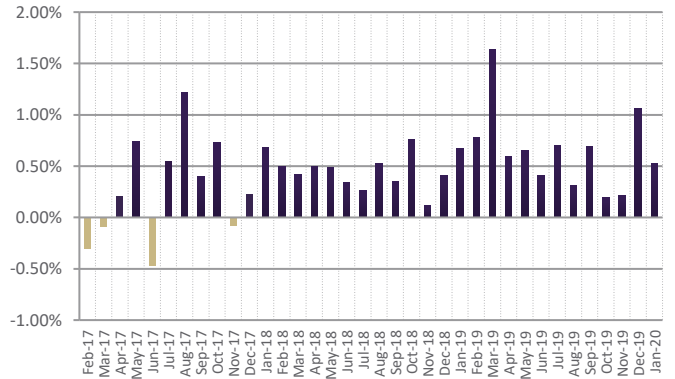
2018													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends (pence)	-	2.00	-	-	-	1.625	-	1.625	-	-	-	1.625	6.875p
NAV (Cum Income) p	99.26	97.76	98.17	98.66	99.14	97.85	98.11	97.01	97.34	98.08	98.20	96.98	-
NAV Total Return %	0.68	0.50	0.41	0.50	0.49	0.34	0.26	0.53	0.34	0.76	0.12	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 %

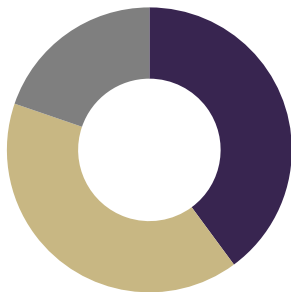


Performance since IPO

	1 month	3 months	6 months	1 year	2 years	ITD
NAV	0.5%	1.8%	3.0%	8.0%	14.0%	18.4%

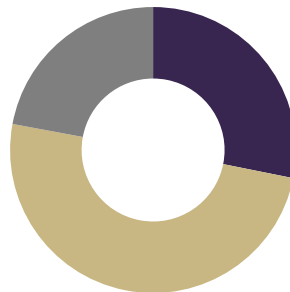
Portfolio Statistics

WAL of Loan Book



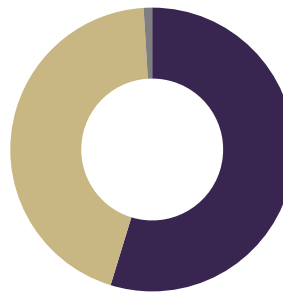
■ 0-3 years - 40%
■ 3-5 years - 40%
■ >5 years - 20%

Annualised Yield



■ <7.5% yield - 28%
■ 7.5-9.5% yield - 50%
■ >9.5% yield - 22%

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.
- Gross asset calculation is the sum of Net Assets, ZDPs and drawings of RCF and 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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