

RM Secured Direct Lending PLC

Monthly Fact Sheet

30th April 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	6.5 pence ¹
Management Fee	0.875% ²
Discount Management Strategy	Share buy-backs if 6% discount or more ³
Shares in Issue Ord's	121,724,581
Shares in issue ZDP's	10,869,950
Share Price Ord's mid	80.00p
Investment Managers holding (shares)	1,199,825
Total investments	£136m ⁴
Net Assets Ord's	£108,452,533
Acc Cap Entitle ZDP's	£11,669,694
NAV per Share Ord's	89.10p
Accrued Capital Entitlement per ZDP	107.36p
Share Price Premium	-10.20% 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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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.

Market Update

The market saw a recovery in sentiment during April as governments globally sought to introduce and or increase policy measures to help businesses through this lockdown period. This improved risk appetite across markets meant credit spreads retraced from the wider levels seen during March and resulted in modest valuation gains for the portfolio during the month.

NAV

The NAV total return for the month was 2.83%. This takes the one-year NAV total return to (3.1%) and the cumulative NAV total return since IPO to 9.4%.

The Ordinary Share NAV as at 30th April 2020 was 89.10 pence per share, which is 2.46 pence higher than at 31st March 2020, comprising interest income net of expenses of 0.53 pence per share and an increase in portfolio valuations of 1.93 pence per share which includes all credit and currency movements.

During the month the Company purchased 500,000 shares at 72.50 pence. After the month end the Company purchased a further 35,000 shares at 79 pence. These will all be held in treasury.

Portfolio Activity

As at the 30th April, the Company's portfolio consisted of 34 debt investments with a running yield of 9.48%, diversified across 13 sectors, with the percentage split between fixed and floating rate of 56% to 44%. The portfolio structure is 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 Company declared a dividend of 1.625p per ordinary share with respect to the period Q1 2020. The ex-dividend date is 5th June.

No new investments were made during the period as the focus for the Investment Manager remains on managing the existing portfolio. Within the top 10 investments which represents circa 50% of the portfolio, eight paid interest in cash as expected during the period. The two remaining holdings utilised the structural features of their loan terms to pay interest via Payment-in-Kind (PIK). The Investment Manager continues to closely monitor the entire portfolio and support borrowers where necessary. A number of other portfolio companies who provide lender reporting monthly had positive updates. These updates started to cover the period of the lockdown in March.



The key highlights of the portfolio's activities during April include:

- Asset Finance – post period end RM Funds received the quarterly (to 31st March) collateral review from the third-party provider engaged to provide such services to the Company. For Quarter One 96% of the portfolio is performing, broadly in line with previous reporting periods and operating as per the financial model base case.
- The two largest hotel investments: RMDL received their scheduled quarterly interest payment during the month. The sites currently remain closed.
- The Automotive Parts investment in Germany: the company is seeking to restart production (in line with the management forecasts given at the start of this crisis), which supports cautious optimism that the supply chain is restarting - this note is using the PIK feature within the documentation allowing the borrower to conserve cash which will be required for working capital as operations restart.
- The Gym Operator: the sponsor and the lender are in negotiations regarding the need for additional working capital – whilst discussions take place the lender is allowing the borrower to conserve cash and has PIK documentation in place.
- The two student accommodation investments: RMDL continues to receive interest as both have interest reserves which can be utilised.
- Two other hotel transactions: RMDL continues to receive interest as both have interest reserves which can be utilised.

The Investment Manager's key priority remains on the protection of capital, and collection of its economic interests.

Post month end the Board and the Investment Manager reached agreement with regards to the extension of the Investment Management Agreement "IMA". The Board would like to take this opportunity to explain more fully the rationale behind the agreement reached. Norman Crighton, Chairman, commented;

"The Board is pleased to have secured the services of RM Funds for another three years at the same fee rate which has been in place since the launch of the Company in 2016. At 0.875% per annum the agreement secures RMDL Shareholders one of the best, and lowest cost, deals in the debt sector. In addition the Board is delighted that RM Funds has agreed to continue to align its interests with Shareholders by purchasing shares in the market using a portion of their management fees.

The portfolio has been constructed by RM with the majority of investments being bespoke loan agreements which are highly complex, with numerous covenants. The portfolio has a weighted average life of 3.25 years so the Board aligned the Investment Management Agreement with the life of the portfolio, and believes there is no group better positioned to manage your investments.

By extending the IMA at the same fee rate and ensuring RM Funds continue to buy shares in the market, Shareholders have the ongoing alignment of the Investment Manager, and security of their continued services through what could be a volatile period. "

If you have any questions for the Board please do not hesitate to contact Singers and we will respond as soon as possible.

NAV Total Return % Performance since IPO

	1 month	3 months	6 months	1 year	2 years	ITD
NAV	2.8%	(7.6%)	(5.9%)	(3.1%)	3.8%	9.4%



Fund performance

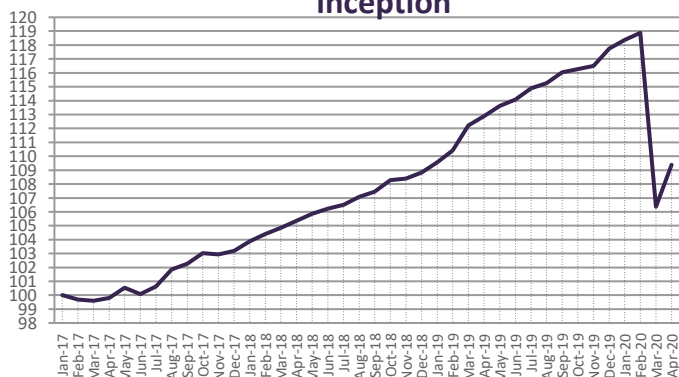
2020													YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Dividends p	-	-	1.70										1.70p
NAV (Cum income) p	98.31	98.74	86.64	89.10									-
NAV Total Return %	0.53	0.43	(10.53%)	2.83%									-7.11%
Net Interest Income p	0.60	0.67	0.60	0.53									2.39p

2019													YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
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

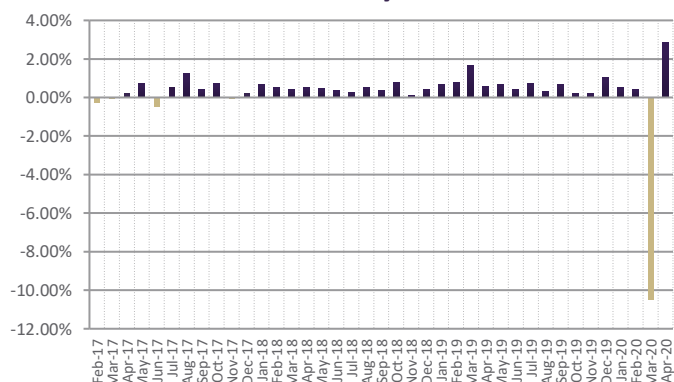
2018													YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Dividends (pence)	-	2.00	-	-	-	1.625	-	1.625	-	-	-	1.625	6.875p
NAV (Cum Income) p	99.26	97.76	98.17	98.66	99.14	97.85	98.11	97.01	97.34	98.08	98.20	96.98	-
NAV Total Return %	0.68	0.50	0.41	0.50	0.49	0.34	0.26	0.53	0.34	0.76	0.12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





Company Portfolio at month end

34

Number of Loans

£136m

Total invested ⁱ

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

9.48%

Average Yield

3.25years

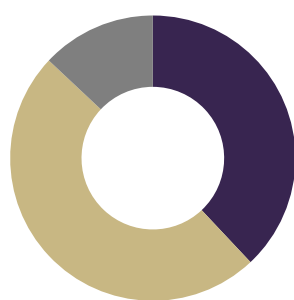
Average Life

Largest 10 loans by drawn amounts across the entire portfolio

Business Activity	Loan Value (£m)	Expected Yield %	WAL ³
Asset Finance	10.19	8.16%	3.67
Hotel	8.50	9.47%	3.93
Hotel	8.30	9.47%	3.93
Automotive parts manufacturing	7.10	15.00%	2.66
HR and payroll services	7.00	9.16%	4.57
Gym Royalty Franchising	6.80	9.05%	6.26
National forecourt operator, UK	6.70	5.80%	2.21
Student Accommodation	6.14	9.23%	0.43
Healthcare	6.00	7.27%	4.93
Student Accommodation	5.93	9.23%	4.52

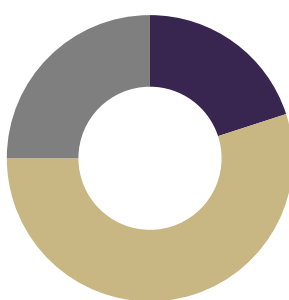
Portfolio Statistics

WAL of Loan Book



■ 0-3 years - 38%
■ 3-5 years - 49%
■ >5 years - 13%

Annualised Yield



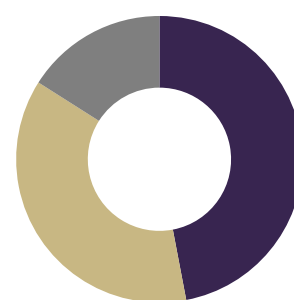
■ <7.5% yield - 20%
■ 7.5-9.5% yield - 55%
■ >9.5% yield - 25%

Coupon Type



■ Fixed - 56% ■ Floating - 44%

Investment Type



■ Senior - 47% ■ Junior - 37%
■ Holdco - 16%



Full portfolio summary update:

Borrower	Rank	Business Description	Nominal m	Manager Comment	Valuer
Private Loan-SPV	Holdco	U.K. focused asset backed lending	£10.1	Intereste serviced. Covenants met. Recent Collateral report confirms.	V Agent
Private Loan-SPV	Jnr	Three U.K. prime location regional city hotels.	£8.5	Interest serviced. Hotels closed.	V Agent
Private Loan-SPV	Jnr	Two U.K. prime location regional city hotels.	£8.3	Interest serviced. Hotels closed.	V Agent
Beinbauer	Holdco	Automotive Parts Manufacturing	€ 7.9	PIK interest accruing. Post Covid-19 production restarting slowly.	V Agent
Zellis	Snr	HR and payroll services	£7.0	Information reporting received. Interest serviced.	External
Motor Fuel Group	Snr	National forecourt operator, UK	£6.7	Information reporting received. Interest serviced.	External
Gym Franchise	Snr	Owner operator of gym franchising	£6.8	Working capital required; in discussion with borrower about additional funding. PIK accruing.	V Agent
Elysium	Snr	Providing acute and age care services	£6.0	Information reporting received. Interest serviced.	External
Private Loan-SPV	Snr	Coventry based purpose-built student accommodation - prime location.	£5.9	Utilising interest reserve account.	V Agent
Private Loan-SPV	Jnr	Five purpose-built student accommodations located in prime regional U.K. cities	£5.9	Utilising interest reserve account.	V Agent
Private Loan-SPV	Jnr	Hotel development, Glasgow	£5.1	Development of hotel had paused pre-Covid due to cost over-run. Negotiating with sponsor and proposed tenant with regards to agreeing funding for scheme completion.	V Agent
Busy Bees Childcare	Snr	Leading childcare nursery group within the UK	£5.0	Information reporting received. Interest serviced.	External



Valeo Foods	Holdco	Manufacturer of staple food goods	£4.5	Information reporting received. Interest serviced.	External
Private Loan - SPV	Snr	Operational student accommodation based in Glasgow	£4.4	Clarifying with operator expenses as project revenues held in segregated account; interest rolling up whilst this is being agreed, funds held in this segregated account.	V Agent
Private Loan-SPV	Jnr	U.K. focused asset backed lending	£4.4	Interested serviced. Covenants met. Collateral report confirms.	V Agent
Private Loan-SPV	Jnr	Cambridge based recently built hotel - prime location	£4.0	Utilising interest reserve account.	V Agent
Trent Capital	Snr	Boiler manufacturer and energy efficiency measure installer	£3.7	Information reporting received. Interest serviced. Production largely on hold until mid-June.	V Agent
Mehiläinen	Jnr	Finnish private provider of healthcare and care services	€ 3.5	Information reporting received. Interest serviced.	External
Premier Foods	Snr	Britain's largest food manufacturing company.	£3.5	Information reporting received. Interest serviced.	External
Private Loan-SPV	Jnr	Hotel located at Bristol	£3.4m	Utilising interest reserve account	V Agent
L'Oscar A& B	Snr	Boutique central London hotel	£4.0	Facility to be extended.Terms being agreed with borrower. Interest serviced.	V Agent
Voyage Care	Jnr	Providing nursing, dementia and aged care facilities	£3.0	Information reporting received. Interest serviced.	External
EG Group	Snr	Global forecourt operator	£2.9	Information reporting received. Interest serviced.	External
Praetura Commercial	Snr	U.K. focused Invoice discounting	£2.7	Interested serviced. Covenants met. Collateral report confirmed.	V Agent
Euroports	Jnr	European ports business with worldwide operations.	€2.0	Information reporting due. Interest serviced.	External



EG Group 2L	Jnr	Global forecourt operator	€ 1.8	Information reporting received. Interest serviced.	External
Private Loan-SPV	Snr	Property Bridging - residential	£1.8	Overdue – security being enforced. 2x residential properties – Limited LTV suv 65% Senior secured.	V Agent
Trent Capital	Snr	Boiler manufacturer and energy efficiency measure installer	£0.850	Receivables facility reducing as not being utilised whilst business is not operating COVID.	V Agent
Private Loan-SPV	Snr	Payments from domestic renewable heat scheme	£1.4	Interested serviced.	V Agent
Private Loan-SPV	Jnr	Travelodge Hotel	£0.9	Interested serviced. Utilising interest reserve.	V Agent
Private Loan-SPV	Snr	Business premises	£0.6	Loan extended by 12 months – 3 month PIK.	V Agent
Private Loan - SPV	Snr	Payments from domestic renewable heat scheme	£0.5	Principal being repaid by RHI payments.	V Agent
Private Loan - SPV	Snr	Property Bridging - residential	£0.5	Interest being serviced.	V Agent

Notes

1. 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.
2. Management fee on Net Assets including ZDP issue. A proportion of the management fee is used by the Investment Manager to buy shares in the Company to align management interests with Shareholders
3. Discount control mechanism triggers if shares trading at an average discount of more than six percent over previous 6-month trading period.
4. Gross asset calculation is the sum of Net Assets, ZDPs and drawings of RCF and Loans closed but not settled.
5. 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.
6. YTD NAV Total Return assumes dividends are reinvested at NAV and includes compounding.
7. 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.
8. Cumulative NAV performance rebased at 100 on Jan 2017 and assumes dividends are reinvested at NAV and includes compounding.

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