

# RM Secured Direct Lending PLC

## Monthly Fact Sheet

31 August 2017

### Company Overview

Listing Date	15/12/2016
ISIN	GB00BYMTBG55
Ticker	RMDL
Dividend	Quarterly
Listing	Main Market LSE Premium Listing
Target Dividend Yield p.a. <sup>1</sup>	6.5%*
Management Fee <sup>2</sup>	0.5%*: 50% reinvested in shares
Discount Management Strategy	Share buy-backs if 6% discount or more (over 6 months)
Liquidity Opportunity	Year 4

### Ordinary Shares as at 31 July

Shares in Issue	57,300,000
Share Price	102.25p
Market Cap	£58.6m
Gross Assets	£56.8m
Net Assets	£56.8m
NAV per Share	99.11p
NAV Frequency	Monthly
Share Price Premium/ Discount to NAV	+ 3.16%

### Non-Executive Directors

Norman Crighton (Chairman)  
Guy Heald  
Marlene Wood

### 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 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 account receivables. Uninvested cash or surplus capital may be invested on a temporary basis in a range of assets including money market instruments and government or corporate bonds which fit the Investment Policy.

### Company Update

The main event during the month was the pre-payment of two debt facilities in the Energy & Waste sector which totalled £5.15m. In order to pre-pay the loan the borrower was charged a pre-payment fee of £531,000 which is of immediate benefit to the Company. The Investment Manager has made two divestments with a face value of £5m within the more liquid lower yielding part of the portfolio in order to raise cash to deploy into soon to be closed, higher yielding opportunities. This is consistent with the investment strategy as outlined to investors and has increased the average yield on the portfolio to 8.28%.

During August, the Company closed two new transactions, each of £3m. The first, to Solarplicity, one of the UKs leading energy providers, refinanced an operational solar park. This is RMDL's fourth investment into UK renewable companies meaning the Company has financed 105MWs of renewable energy generation, equivalent to powering over 35,000 homes. The second investment was to Valeo Foods, a leading pan-European food producer with a portfolio of market leading brands with a broad and diversified product offering. The lower cost of their products offers a less cyclical investment exposure with stable and growing earnings, coupled with strong cashflow generation which makes it an attractive opportunity for RMDL.

Looking forward to September the pipeline of high quality opportunities is strong and the Board has announced the intention to raise further funds for the Company. This will enhance secondary market liquidity for existing investors and aims to reduce the total expense ratio by increasing the size of the Company relative to its fixed costs.

The NAV as at 31 August was 99.11 pence, 1.20 pence higher than the end of July and is made of up interest income net of expenses of 1.25 pence, a decrease in asset valuations of 0.05 pence and dividend accrued for payment in September of 0.2 pence.

### Fund Performance - as at 31 August 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends (%)	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.2	-	-	-	-	0.4
NAV (Cum Income) p	97.7	97.4	97.3	97.5	98.2	97.6	98.1	99.1	-	-	-	-	1.1
Total Return (%) – NAV & Dividends	(0.3)	(0.3)	(0.1)	0.2	0.7	(0.4)	0.5	1.2	-	-	-	-	1.5
Total Return (%) - Share Price & Dividends	2.0	0.0	(0.3)	0.0	0.3	0.2	0.3	0.2	-	-	-	-	2.7

<b>Advisory &amp; Administration</b>	<b>Company Portfolio<sup>1</sup></b>																																																										
<b>AIFM</b> International Fund Management Limited	<b>20</b>	<b>£63.0m</b>	<b>8.28%</b>	<b>3.90 years</b>																																																							
<b>Administrator &amp; Company Secretary</b> PraxisIFM Fund Services (UK) Ltd	<b>Number of Loans</b>	<b>Total Committed<sup>2</sup></b>	<b>Average Yield</b>	<b>Average Life</b>																																																							
<b>Valuation Agent</b> Mazars LLP	<b>Largest 10 loans<sup>3</sup></b>																																																										
<b>Legal Advisers</b> Gowling WLG (UK) LLP	<table><tr><th>Market Sector</th><th>Business Activity</th><th>Loan Value</th><th>Expected Yield %</th><th>WAL<sup>4</sup></th></tr><tr><td>Finance &amp; Insurance</td><td>Asset Finance</td><td>£5.50m</td><td>8.00%</td><td>4.34</td></tr><tr><td>Sovereign &amp; Public Finance</td><td>Student Accommodation</td><td>£4.42m</td><td>9.50%</td><td>2.62</td></tr><tr><td>Beverage &amp; Food</td><td>UK Restaurant Group</td><td>£4.00m</td><td>9.32%</td><td>4.92</td></tr><tr><td>Healthcare &amp; Pharma</td><td>Healthcare</td><td>£4.00m</td><td>6.15%</td><td>4.58</td></tr><tr><td>Energy &amp; Waste</td><td>Renewable Energy</td><td>£4.00m</td><td>7.00%</td><td>2.68</td></tr><tr><td>Healthcare &amp; Pharma</td><td>Healthcare</td><td>£4.00m</td><td>8.66%</td><td>5.67</td></tr><tr><td>Finance &amp; Insurance</td><td>Insurance Brokerage</td><td>£3.00m</td><td>8.35%</td><td>5.87</td></tr><tr><td>Energy &amp; Waste</td><td>Renewable Energy</td><td>£3.00m</td><td>8.00%</td><td>0.94</td></tr><tr><td>Beverage &amp; Food</td><td>Food Manufacturer</td><td>£3.00m</td><td>9.79%</td><td>7.96</td></tr><tr><td>Property</td><td>Property Bridging</td><td>£2.63m</td><td>8.62%</td><td>0.56</td></tr></table>				Market Sector	Business Activity	Loan Value	Expected Yield %	WAL <sup>4</sup>	Finance & Insurance	Asset Finance	£5.50m	8.00%	4.34	Sovereign & Public Finance	Student Accommodation	£4.42m	9.50%	2.62	Beverage & Food	UK Restaurant Group	£4.00m	9.32%	4.92	Healthcare & Pharma	Healthcare	£4.00m	6.15%	4.58	Energy & Waste	Renewable Energy	£4.00m	7.00%	2.68	Healthcare & Pharma	Healthcare	£4.00m	8.66%	5.67	Finance & Insurance	Insurance Brokerage	£3.00m	8.35%	5.87	Energy & Waste	Renewable Energy	£3.00m	8.00%	0.94	Beverage & Food	Food Manufacturer	£3.00m	9.79%	7.96	Property	Property Bridging	£2.63m	8.62%	0.56
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<b>Auditor</b> Ernst & Young LLP	<sup>1</sup> As at 31 August 2017; <sup>2</sup> Committed funds exceeds investment capital available by a margin as there is no legal obligation to fund above investable cash; <sup>3</sup> Largest 10 Loans by drawn or invested amounts, <sup>4</sup> Weighted-Average Life and average yield based on drawn amounts																																																										
<b>Corporate Broker</b> N+1 Singer Advisory LLP	<b>Portfolio Analysis</b>																																																										
<b>Investment Manager</b> RM Capital Markets Limited 7 Melville Crescent Edinburgh EH3 7JA	<div><div><b>WAL of Loan Book</b><ul style="list-style-type: none"><li>0-3 Yrs - 41%</li><li>3-5 Yrs - 30%</li><li>&gt;5 Yrs - 29%</li></ul></div><div><b>Annualised Yield</b><ul style="list-style-type: none"><li>&lt; 7.5% - 23%</li><li>7.5-9.5% - 53%</li><li>&gt; 9.5% - 24%</li></ul></div><div><b>Coupon Type</b><ul style="list-style-type: none"><li>Fixed - 81%</li><li>Floating - 19%</li><li>Inflation Linked - 1%</li></ul></div><div><b>Investment Type</b><ul style="list-style-type: none"><li>Senior Secured - 64%</li><li>Junior Secured - 36%</li></ul></div></div>																																																										
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