

RM Secured Direct Lending PLC

Monthly Fact Sheet

31st August 2020



Company Overview

ISIN – Ords	GB00BYMTBG55
ISIN – ZDPs	GB00BG1TSQ91
Ticker Ords	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 Ords (ex. treasury shares)	120,084,581
Shares in issue ZDPs	10,869,950
Share Price Ords mid	80.00p
Investment Manager's holding (shares)	1,224,825
Total investments	£128m ⁴
Net Assets Ords	£110,437,685
Acc Cap Entitle ZDPs	£11,856,590
NAV per Share Ords	91.97p
Accrued Capital Entitlement per ZDP	108.62p
Share Price Discount	-13.0% Ords

Non-Executive Directors

Norman Crighton (Chairman)
Guy Heald
Marlene Wood

Advisory & Administration

AIFM: International Fund Management Limited

Administrator & Company Secretary:

PraxisFM Fund Services (UK) Ltd

Valuation Agent: Mazars LLP

Legal Advisers: Gowling WLG (UK) LLP

Auditor: Ernst & Young LLP

Joint Corporate Brokers: N+1 Singer Advisory LLP and Peel Hunt LLP

Investment Manager

RM Capital Markets Limited, 7 Melville Crescent, Edinburgh EH3 7JA

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Company Address: RM Secured Direct Lending PLC, 1st Floor, Senator House, 85 Queen Victoria Street, London, EC4V 4AB

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.

NAV

The NAV total return for the month was 0.45%. The Ordinary Share NAV as at 31st August 2020 was 91.97 pence per share, which is 0.41 pence higher than at 31st July 2020, comprising interest income net of expenses of 0.53 pence per share and losses in portfolio valuations of 0.12 pence per share which includes all credit and currency movements and gains from share buy-backs.

The Company repurchased a total of 1.175m shares during the month at an average price of 77.51 pence being an average discount of 15.7% to the latest August NAV. The Board and the Investment Manager continue to monitor this share price discount to NAV.

Portfolio Activity

There were no significant investments during August. As at 31st August, the Company's portfolio consisted of 33 debt investments with a running yield of 8.89%, diversified across 13 sectors, with the percentage split between fixed and floating rate of 66% to 34%. The portfolio structure is 63% in bilateral private loans; 35% in syndicated private loans; and 2% in corporate bonds. The full portfolio is displayed on the last page of this factsheet.

August was a busy month for portfolio investments with hotels and gyms being in their first full month of re-opening and the new Hotel Management Agreement (as referred to in our July factsheet) being signed as expected for the one development asset within the portfolio. A detailed portfolio update will be given on the interim results call for investors on 16th September at 2pm and a full transcript will be available afterwards on the company website <https://rmdl.co.uk/investor-centre/investor-relations>.

CBILS

The Coronavirus Business Interruption Loan Scheme (CBILS) provides financial support to smaller businesses (SMEs) across the UK that are losing revenue, and seeing their cashflow disrupted, as a result of the COVID-19 outbreak. The scheme enables lenders to provide loans of up to £5m, and the government provides a Business Interruption Payment "BIP" option, whereby the first 12 months of interest on the loan and some upfront fees are paid by the Government. The scheme provides the lender with a Government backed, partial guarantee (80%) against the balance of the finance whilst the borrower remains liable for the debt.

RM Funds was accredited as a CBILS lender on 19th August and RMDL was recognised as the funding partner. RMDL is therefore the only listed debt fund with access to the CBILS scheme which supports new loans into our focus areas, whilst supporting British businesses and protecting shareholders capital by reducing downside exposures. The Investment Manager sees this as a major credit enhancement for any eligible new loans which can be facilitated under the scheme.

<https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/>



Pipeline

The CBILS scheme is due to finish at the end of September and the Investment Manager is progressing on several transactions which will be eligible under the scheme.

Investor Relations

The Company will be hosting an investor call at 14:00 BST 16th September 2020. To register, please click the following link:

<https://www.speakservecloud.com/register-for-call/286f13fd-85e4-4ec0-a27a-ddb92b273b9f>

Fund performance

	1 month	3 months	6 months	1 year	2 years	ITD
NAV Total Return %	0.45%	(2.71%)	(3.34%)	(0.29%)	7.32%	14.9%

2020													YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Dividends p	-	-	1.625	-	-	1.625	-	-	-	-	-	-	3.25p
NAV (Cum income) p	98.31	98.74	86.64	89.10	91.14	91.16	91.56	91.97	-	-	-	-	-
NAV Total Return %	0.53	0.43	(10.53)	2.83	2.29	1.80	0.44	0.44	-	-	-	-	-2.40%
Net Interest Income p	0.60	0.67	0.60	0.53	0.53	0.53	0.53	0.53	-	-	-	-	4.52p

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



Company Portfolio at month end

33

Number of Loans

£127m

Total invested ⁱ

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

8.89%

Average Yield

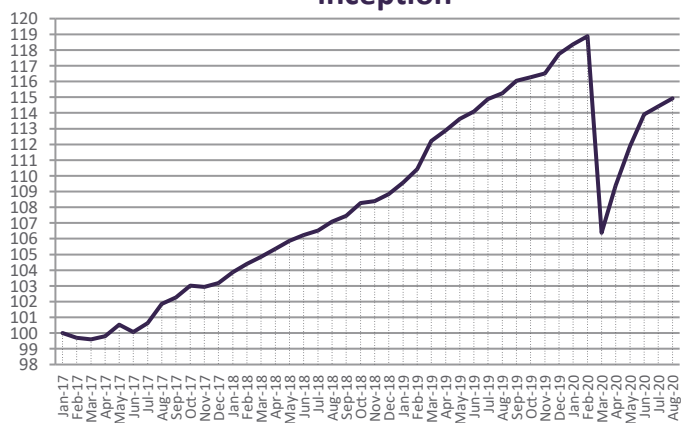
3.09 years

Average Life

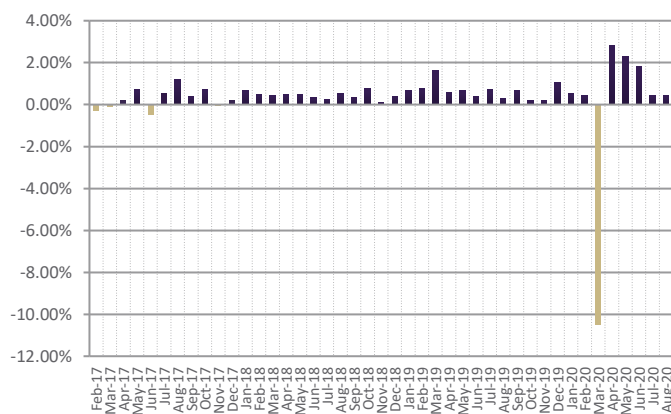
Largest 10 loans by value

Business Activity	Loan Value (£m)	Expected Yield %	WAL ³
Asset Finance	9.99	8.16%	3.33
Hotel	8.08	9.47%	3.59
Hotel	7.88	9.47%	3.59
Gym franchise	6.41	10.28%	4.56
Automotive parts manufacturing	5.96	16.77%	2.32
Student Accommodation	5.91	9.23%	4.18
Student Accommodation	5.84	9.47%	0.09
Healthcare	5.55	5.77%	4.59
Childcare nurseries	4.72	5.12%	1.68
Asset Finance	4.38	8.16%	3.33

Cumulative NAV Performance since inception

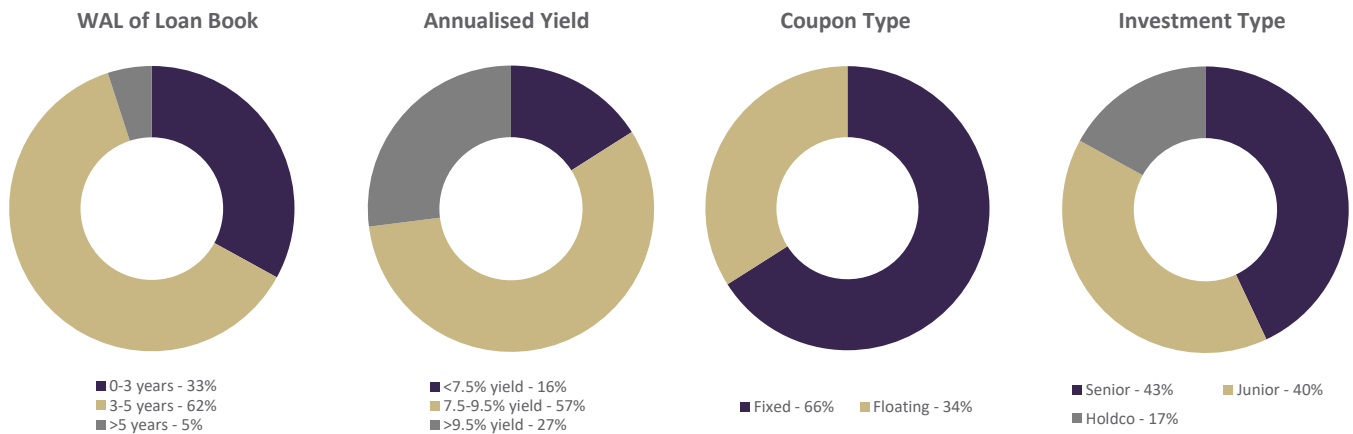


NAV monthly return %





Portfolio Statistics



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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Ref	Borrower Name	Deal Type	Sector	Business Description	Nominal	Market Value	LTV	Payment	Valuer
1	Private Loan - SPV	Bilateral Loan	Asset Finance	U.K. focused asset backed lending	10,193,916	9,990,038	71%	Cash	V Agent
2	Private Loan - SPV	Bilateral Loan	Hotel	Five U.K. prime location regional city hotels.	8,504,440	8,079,218	80%	Cash	V Agent
3	Private Loan - SPV	Bilateral Loan	Hotel	Five U.K. prime location regional city hotels.	8,295,560	7,880,782	80%	Cash	V Agent
4	Beinbauer	Syndicated Loan	Automotive parts manufacturing	Automotive Parts Manufacturing (euros)	7,696,048	5,964,437	75%	PIK	V Agent
5	Gym Franchise	Bilateral Loan	Gym franchise	Owner operator of gym franchising	7,124,178	6,411,760	81%	PIK	V Agent
6	Zellis (previously NGA)	Syndicated Loan	HR and payroll services	HR and payroll services	7,000,000	4,182,500	78%	Cash	External
7	Private Loan - SPV	Bilateral Loan	Student Accommodation	Coventry based purpose built student accommodation - prime location	6,143,120	5,835,964	89%	Cash	V Agent
8	Private Loan - SPV	Bilateral Loan	Student Accommodation	Five purpose built student accommodations, prime regional U.K. cities	6,063,059	5,911,483	76%	PIK	V Agent
9	Elysium	Syndicated Loan	Healthcare	Providing acute and age care services	6,000,000	5,550,000	71%	Cash	External
10	Private Loan - SPV	Bilateral Loan	Hotel	Hotel development, Glasgow	5,165,965	3,336,438	90%	n/a	Mazars
11	Busy Bees Childcare	Syndicated Loan	Childcare nurseries	Leading childcare nursery group within the UK	5,000,000	4,722,500	60%	Cash	External
12	Valeo Foods	Syndicated Loan	Food manufacturing	Manufacturer of staple food goods	4,500,000	3,825,000	76%	Cash	External
13	Private Loan - SPV	Bilateral Loan	Asset Finance	U.K. focused asset backed lending	4,469,939	4,380,540	71%	Cash	V Agent
14	Private Loan - SPV	Bilateral Loan	Student Accommodation	Operational student accommodation based in Glasgow	4,420,000	4,331,600	69%	Cash	V Agent
15	L'Oscar	Bilateral Loan	Hotel	Boutique central London hotel	4,100,000	4,100,000	65%	Cash	V Agent
16	Trent Capital	Bilateral Loan	Manufacturing & Energy Efficiency	Boiler manufacturer and energy efficiency measure installer	4,085,424	3,881,153	86%	PIK	V Agent
17	Private Loan - SPV	Bilateral Loan	Hotel	Cambridge based recently built hotel - prime location	4,000,000	3,900,000	74%	Cash	V Agent
18	Private Loan - SPV	Bilateral Loan	Hotel	Hotel situated by Bristol airport.	3,400,000	3,315,000	67%	Cash	V Agent
19	Mehiläinen	Syndicated Loan	Healthcare	Finnish private provider of healthcare and care services (euros)	3,124,721	2,781,002	65%	Cash	External
20	Voyage Care	Bond	Healthcare	Providing nursing, dementia and aged care facilities	3,000,000	2,631,000	53%	Cash	External
21	EG Group	Syndicated Loan	Global forecourt operator	Global forecourt operator	2,962,272	2,843,781	46%	Cash	External
22	Private Loan - SPV	Bilateral Loan	Invoice Finance	U.K. focused Invoice discounting	2,750,000	2,612,500	8%	Cash	V Agent
23	Euroports	Syndicated Loan	Port-infrastructure	European ports business with worldwide operations.	1,785,555	1,714,133	69%	Cash	External
24	EG Group 2L	Syndicated Loan	Global forecourt operator	Global forecourt operator (euros)	1,670,643	1,607,994	47%	Cash	External
25	Private Loan - SPV	Bilateral Loan	RHI Receivables	Payments from domestic renewable heat scheme	1,188,273	1,188,273	85%	Cash	V Agent
26	Trent Capital (Fusion) RF	Bilateral Loan	Manufacturing & Energy Efficiency	Boiler manufacturer and energy efficiency measure installer	1,007,752	906,977	90%	Cash	V Agent
27	Private Loan - SPV	Bilateral Loan	Hotels	Travellodge Hotel located in Morecombe, Lancashire	900,000	855,000	75%	Cash	V Agent
28	Private Loan - SPV	Bilateral Loan	Property Bridging	Residential property	882,862	838,719	69%	Cash	V Agent
29	Private Loan - SPV	Bilateral Loan	Property Bridging	Business premises	687,343	687,343	63%	PIK	V Agent
30	Gym Franchise	Bilateral Loan	Gym franchise	Owner operator of gym franchising	500,000	450,000	n/a	n/a	V Agent
31	Private Loan - SPV	Bilateral Loan	Property Bridging	Residential property	500,000	500,000	57%	Cash	V Agent
32	Private Loan - SPV	Bilateral Loan	RHI Receivables	Payments from domestic renewable heat scheme	472,175	362,866	85%	Cash	V Agent