

RM Secured Direct Lending PLC

Quarterly Fact Sheet

31st March 2021

Company Overview

ISIN - Ord's	GB00BYMTBG55
ISIN - ZDP's ⁹	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	117,944,782
Shares in issue ZDP's	10,869,950
Share Price Ord's mid	87.25p
Investment Managers holding (shares)	1,237,325
Total Loans	£123m ⁴
Net Assets Ord's	£110,263,669
Acc Cap Entitlement ZDP's ⁹	£12,042,815
NAV per Share Ord's	93.49p
Accrued Capital Entitlement per ZDP	110.79p
Share Price discount to NAV	6.67%

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

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

Investment Manager

RM Capital Markets Limited, 4th Floor, 7 Castle Street,
Edinburgh EH2 3AH.

Portfolio Managers:

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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 through loans sourced or originated by RM Capital Markets Limited, (the "Investment Manager" or "RM"). Loans in which the Company invests are predominantly secured against assets such as business assets, real estate or plant and machinery and/or income streams such as accounts receivable.

Market Update

Global stock markets performed well in Q1. This can be largely attributed to the continued vaccine rollout across developed nations and a large \$1.9trillion US stimulus package alongside an additional \$2 trillion infrastructure spending promise announced by President Biden.

The story of the quarter for fixed income investors was the rise seen in global government bond yields as the reflationary story spread. UK 10-year yields rose approximately 60bps; equating to a price movement of about 5% which should be seen in the context that UK 10-year yields started the year at circa 20bps.

For the third consecutive quarter, credit products have benefitted from continued positive market momentum – for this quarterly period the total return on the Markit IBOX EUR Liquid High Yield Index was +1.41% and the S&P European Leveraged Loan index was 2.07%.

NAV

The Company's NAV % Total Return for the month was +0.28%, which brings the NAV % Total Return for the quarter to 1.31%.

The Ordinary Share NAV as at 31st March 2021 was 93.49 pence per share. This monthly NAV return of (1.355) pence per share arose primarily from the ex-dividend effect of the 1.625 pence per share total ordinary dividend for the period Q4 2020, declared in February and paid in March 2021. Otherwise, there was positive net interest income net of expenses of 0.45 pence per share and a decrease in portfolio valuations and currency hedging costs of 0.18 pence per share.

Summary for month (pence per share)

Net interest income	+0.45
Change in portfolio valuations	-0.18
Payment of Dividend	-1.625
Net NAV Movement	-1.355



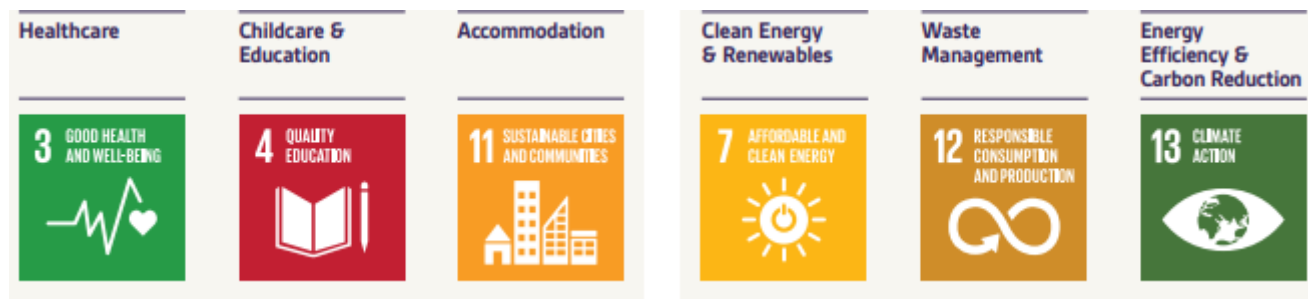
Company Activity

It was announced in the annual results released on 29th March 2021 that all new investment activity going forwards will see allocations to Social and Environmental Infrastructure with a focus on delivering against six specific UN Sustainable Development goal “SDG” outcomes.

The Investment Manager believes that the Company is uniquely positioned given the direct borrower relationships to allocate shareholders capital in an impactful way with a framework that will allow clear Impact reporting back to investors. This framework and Impact Score has been designed in conjunction with The Good Economy, a leading social advisory firm acting as the company’s third-party impact and ESG assurance provider, and draws upon many internationally recognised frameworks. The framework will be available on the Company website and the Investment Manager would be delighted to run any investors through the impact scoring process.

At the end of the quarter, approximately 30% of the portfolio was invested within infrastructure investments and we expect capital committed to Social & Environmental Infrastructure loans to increase over Q2.

The specific SDGs are:



During the quarter a 1.625 pence per share dividend in respect of Q4 2020 was announced and paid which was the final payment to meet the 6.5 pence per share dividend target for FY 2020.

The Company continued to purchase shares in the market with an additional 419,500 ordinary shares acquired at an average price of 87.32 pence, bringing the total number of ordinary shares held in treasury to 4,279,799. Both the Board and the Investment Manager remain focused on reducing the discount to -6% or lower.

Post period-end RM ZDP came to the end of its three-year life on 6th April with a final capital entitlement payable of approximately £12.1 million (110.91p per ZDP share), it was announced that replacement funding for the ZDPs has been agreed through a new £12 million loan facility with Oaknorth Bank which at the time of closing was neutral in terms of the Company's existing gross borrowings (9.90% on a net basis after taking account of cash balances). This remains significantly within the Company maximum borrowing limits of 20% of net asset value at the time of drawdown.



Portfolio Update

CBILS Loans

- £4.5m of HM Government guaranteed CBILS business written, representing c3.6% of Gross Assets. This brings the amount of CBILS exposure to £19.5m representing 15.8% of the gross assets of the portfolio.
- Further allocation from the British Business Bank will allow an increase in CBILS exposure, targeting 30% of portfolio by end of Q2 2021.

All CBILS loans benefit from a UK Government Guarantee, protecting 80% of the principal and 100% of the first year's interest.

New Investments

Social Infrastructure > Student accommodation: £4m loan ref 84 CBILS. Loan to a developer and operator of student accommodation.

Other > Wealth Management: £0.5m loan ref 81 CBILS. Loan to a wealth management business.

Existing portfolio

The existing portfolio is well positioned to capitalise on the easing of the economy as lockdown restrictions end. During the quarter, the recovery against Loan ref 68 Student Accommodation in Coventry was nearly completed as a new operator for the asset was selected and it is expected that the Company will take ownership of the asset in Q2 2021 as legal documents are well progressed. A large component of the costs of the recovery of this property was incurred during the month. The property is on track to be income producing from students in the 2021/2022 academic year.

During March it was announced that the operator for the hotel asset referenced by loan refs 58 and 80 will be Virgin Hotels. Further information is available [here](#).

Company Portfolio at month end

35

Number of Loans

£123m

Total invested ⁱ

8.51%

Average Yield

2.78 years

Average Life

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

Largest 10 loans by value across the entire portfolio

Business Activity	Loan Value (£m)	Expected Yield	WAL (years)
Asset Finance	9.99	8.16%	2.75
Hotel	8.08	9.47%	3.01
Automotive parts manufacturing	6.72	15.29%	1.74
Hotel	6.17	9.47%	3.01
Gym franchise	6.06	9.25%	3.98
Student Accommodation	5.78	9.23%	3.60
Hotel	5.00	8.00%	2.73
Healthcare	5.00	7.50%	2.72
Student Accommodation	4.75	0.00%	0.00
Building Contractor	4.50	8.00%	2.73



Fund performance

	1 month	3 months	6 months	1 year	2 years	ITD
NAV Total Return %	0.28%	1.31%	5.65%	15.58%	9.65%	23.05%

2021													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	1.625	-	-	-	-	-	-	-	-	-	1.625p
NAV (Cum income) p	94.13	94.84	93.49	-	-	-	-	-	-	-	-	-	-
NAV Total Return %	0.26	0.76	0.28	-	-	-	-	-	-	-	-	-	1.31%
Net Interest Income p	0.21	0.56	0.45	-	-	-	-	-	-	-	-	-	1.23

2020													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	1.70	-	-	1.625	-	-	1.625	-	-	1.625	6.575p
NAV (Cum income) p	98.31	98.74	86.64	89.10	91.14	91.16	91.56	91.97	91.58	91.91	93.66	93.88	-
NAV Total Return %	0.53	0.43	(10.53)	2.83	2.29	1.80	0.44	0.44	1.35	0.36	1.91	1.97	3.15%
Net Interest Income p	0.60	0.67	0.60	0.53	0.53	0.53	0.53	0.53	0.53	0.45	0.41	1.06	6.96p

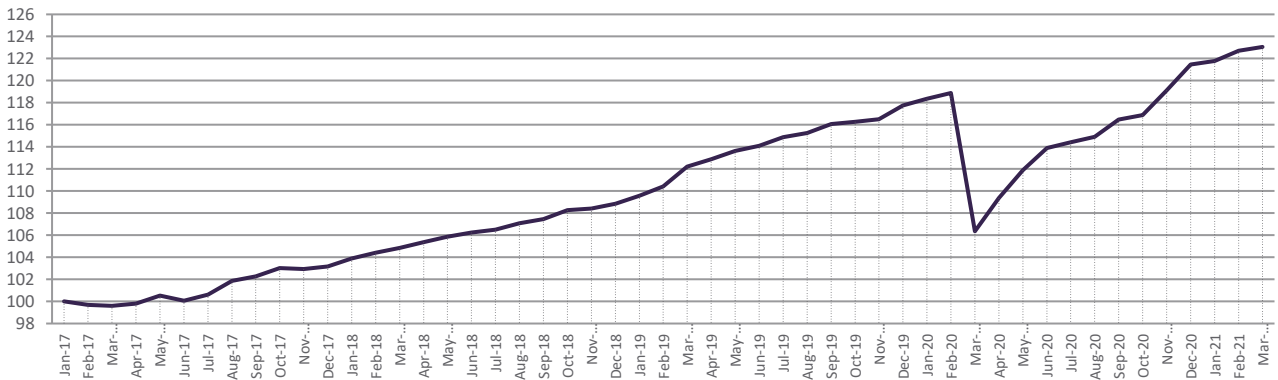
2019													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	1.625	-	-	2.00	-	-	1.625	-	-	1.70	6.95p
NAV (Cum income) p	97.62	98.38	98.36	98.95	99.59	98.00	98.69	99.00	98.05	98.24	98.45	97.79	-
NAV Total Return %	0.67	0.78	1.64	0.59	0.65	0.41	0.70	0.31	0.70	0.19	0.21	1.06	8.18%
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

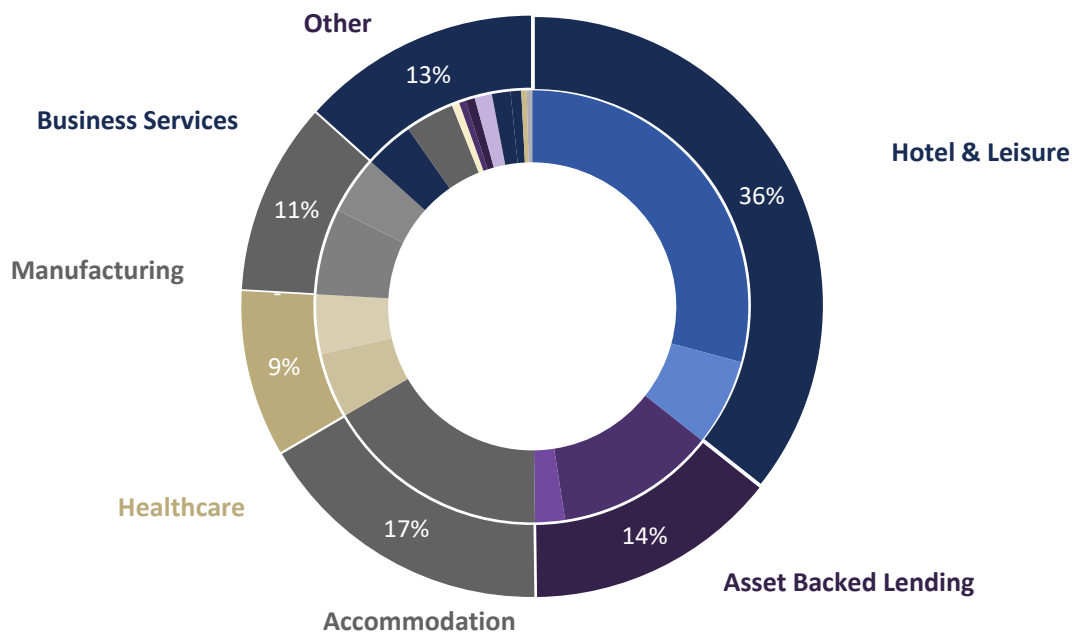


Cumulative NAV Performance since inception



Portfolio Statistics

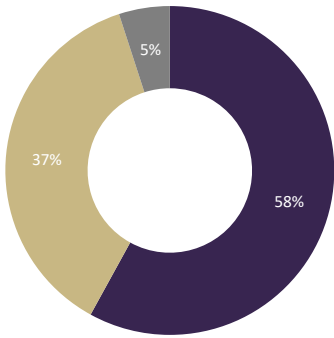
Sector breakdown, March 2021⁹



- Hotel & Leisure - Hotel - 29%
- Hotel & Leisure - Gym franchise - 7%
- Asset Backed Lending - Invoice Finance - 2%
- Accommodation - Student accommodation - 17%
- Healthcare - Diversified healthcare operator - 5%
- Healthcare - Care home - 4%
- Manufacturing - Auto-parts manufacturer - 6%
- Manufacturing - Manufacturing - 4%
- Other - Construction - 4%
- Other - Food manufacturing - 4%
- Other - Restaurant - 1%
- Other - Retail - 0.5%
- Other - Bridging loans - 1%
- Other - Forecourt operator - 1%
- Other - Ports business - 1%
- Other - Renewable heat incentive - 1%
- Other - Wealth Management - 0.4%
- Other - Energy Efficiency - 0.4%

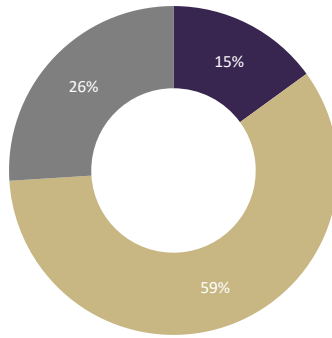


WAL of Loan Book



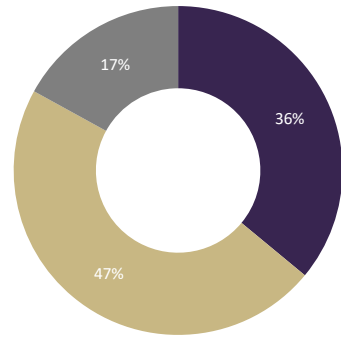
■ 0-3 years - 58% ■ 3-5 years - 37%
 ■ >5 years - 5%

Annualised Yield



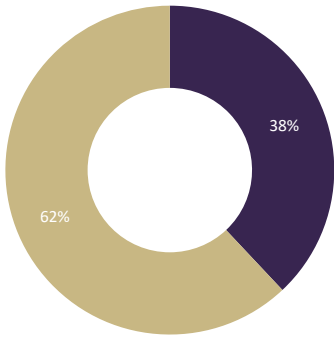
■ <7.5% yield - 15% ■ 7.5-9.5% yield - 59%
 ■ >9.5% yield - 26%

Investment Type



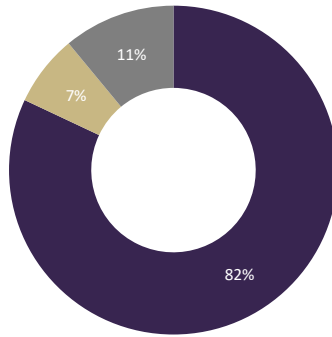
■ Corporate - 36% ■ Project Finance - 47%
 ■ Asset Finance - 17%

Ownership



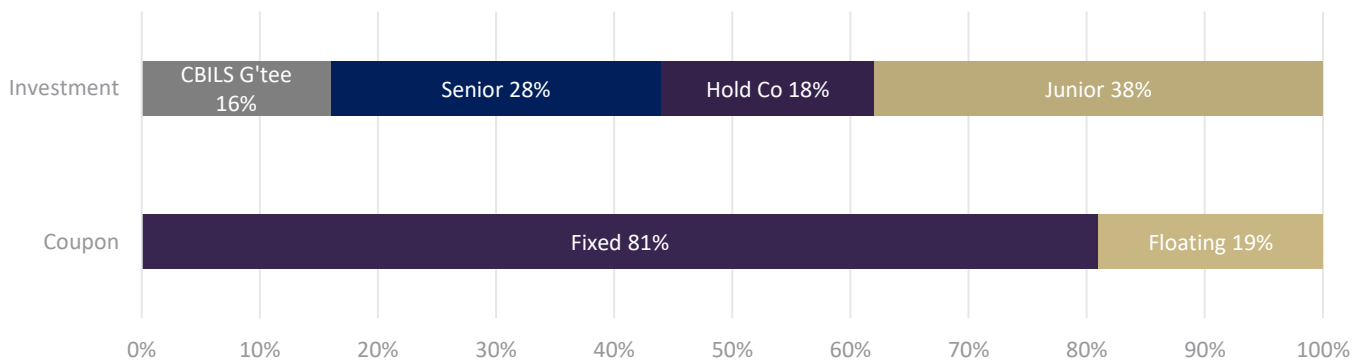
■ Private Non-Sponsor - 38%
 ■ Private Sponsor-Backed - 62%

Borrowers by Revenue



■ <£75m - 82% ■ £75m-150m - 7%
 ■ £150m+ - 11%

Portfolio Statistics





Loan Ref#	Borrower Name	Deal Type	Sector	Business Description	Nominal (£)	Market Value (£)	Valuer	Payment
60	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Asset Finance	10,193,916	9,990,038	V Agent	Cash
66	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	8,504,440	8,079,218	V Agent	Cash
39	Beinbauer	Syndicated Loan	Manufacturing	Auto-parts manufacturer	7,909,483	6,723,060	V Agent	PIK
76	Gym Franchise	Bilateral Loan	Hotel & Leisure	Gym franchise	7,349,972	6,063,727	V Agent	n/a
67	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	6,490,560	6,166,032	V Agent	Cash
68	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	6,318,120	4,750,000	V Agent	n/a
74	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	5,930,000	5,781,750	V Agent	Cash
80	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	5,000,000	5,000,000	V Agent	Cash
82	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	5,000,000	5,000,000	V Agent	Cash
79	Private Loan - SPV	Bilateral Loan	Construction	Construction	4,500,000	4,500,000	V Agent	Cash
34	Valeo Foods	Syndicated Loan	Food and beverages	Food manufacturing	4,500,000	4,455,000	External	Cash
61	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Asset Finance	4,469,939	4,380,540	V Agent	Cash
12	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	4,420,000	4,243,200	V Agent	Cash
62	Trent Capital	Bilateral Loan	Manufacturing	Manufacturing	4,385,424	4,166,153	V Agent	n/a
17	L'Oscar	Bilateral Loan	Hotel & Leisure	Hotel	4,100,000	4,100,000	V Agent	Cash
73	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	4,000,000	3,900,000	V Agent	Cash
84	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	4,000,000	4,000,000	V Agent	Cash
58	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	3,474,676	2,536,513	V Agent	PIK
75	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	3,400,000	3,315,000	V Agent	Cash
16	Voyage Care	Bond	Healthcare	Diversified healthcare operator	3,000,000	2,910,825	External	Cash
51	Mehiläinen	Syndicated Loan	Healthcare	Diversified healthcare operator	2,978,723	2,954,536	External	Cash
64	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Invoice Finance	2,750,000	2,612,500	V Agent	Cash
71	Euroports	Syndicated Loan	Transport Assets	Port's business	1,702,128	1,685,106	External	Cash
44	EG Group 2L	Syndicated Loan	Transport Assets	Forecourt operator	1,592,585	1,568,027	External	Cash



63	Trent Capital (Fusion) RF	Bilateral Loan	Manufacturing	Manufacturing	931,625	521,011	V Agent	Cash
69	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	900,000	855,000	V Agent	Cash
48	Private Loan - SPV	Bilateral Loan	Commercial Property	Bridging loans	868,079	824,675	V Agent	Cash
45	Private Loan - SPV	Bilateral Loan	Commercial Property	Restaurant	687,343	687,343	V Agent	Cash
28	Private Loan - SPV	Bilateral Loan	Commercial Property	Retail	606,213	606,213	V Agent	Cash
52	Private Loan - SPV	Bilateral Loan	Clean Energy & Renewables	Renewable heat incentive	586,855	586,855	V Agent	Cash
76.1	Gym Franchise	Bilateral Loan	Hotel & Leisure	Gym franchise	532,558	439,360	V Agent	n/a
78	Private Loan - SPV	Bilateral Loan	Energy Efficiency	Energy Efficiency	500,000	500,000	V Agent	Cash
81	Private Loan - SPV	Bilateral Loan	Finance	Wealth Management	500,000	500,000	V Agent	Cash
83	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	450,304	450,304	V Agent	Cash
9	Private Loan - SPV	Bilateral Loan	Clean Energy & Renewables	Renewable heat incentive	395,855	312,341	V Agent	Cash

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. Fee 0.875% NAV up to £250m, 0.80% NAV above £250m less than £500m and 0.75% of the prevailing NAV above £500m NAV. Investment Manager will purchase a minimum of £10,000 of shares from this fee quarterly.
- Discount control mechanism triggers if shares trading at an average discount of more than six percent over previous 6-month trading period.
- Total Loans includes settled and unsettled investments and excludes commitments entered into which have not yet been funded.
- 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.
- The Final Capital Entitlement in respect of the ZDPs was paid to ZDP Shareholders on 6 April 2021 following which the ZDPs and their listing were cancelled

Disclaimer

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