

RM Secured Direct Lending PLC

Monthly Fact Sheet

29th February 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	94.00p
Investment Managers holding (shares)	1,199,825
Total investments	£134m ⁴
Net Assets Ord's	£120,679,809
Acc Cap Entitle ZDP's	£11,604,028
NAV per Share Ord's	98.74p
Accrued Capital Entitlement per ZDP	106.75p
Share Price Premium	-7.60% 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 "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 29th February, the Company's portfolio consisted of 34 debt investments with a weighted average yield of 8.57%, diversified across 13 sectors, with the percentage split between fixed and floating rate of 54% to 46%. The Manager is focused on reducing interest rate risk by keeping the tenors on fixed rate investments generally short dated. The portfolio structure is 58% in bilateral private loans; 37% 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:

- Three further drawdowns to Loans with a previously documented borrower relating to Energy Efficiency Receivables and a repayment of a property bridging Loan.

NAV

The NAV total return for the month was 0.43%. This takes the one-year NAV total return to 7.7% and the cumulative NAV total return since IPO to 18.9%. The Ordinary Share NAV as at 29th February 2020 was 98.74 pence per share, which is 0.43 pence higher than at 31st January 2020, comprising interest income net of expenses of 0.67 pence per share and a decrease in portfolio valuations of 0.24 pence per share which includes all credit and currency movements.

The Board and the Manager believe that the discount to NAV at which the shares are currently trading is not down to any fundamental reasons relating to the portfolio. The Board is monitoring the situation.

Update on COVID-19 & portfolio resilience

During the month and post month end, both equity and credit markets experienced significant weakness which negatively impacted the Fund's share price but had limited impact on the Portfolio's externally evaluated NAV as at 29th February. As the dynamic COVID-19 situation evolves, the Manager is closely monitoring its portfolio. It is the view of the Manager that RMDL's portfolio of secured debt investments offers downside protection to capital, reduced volatility and above average yields given its diversification across real estate, hard assets, social infrastructure and "non-cyclical" mid-market-corporates.

The majority of the portfolio (66%) is evaluated by the Valuation Agent using information supplied by the Manager. The remaining 34% of the portfolio is marked via third party pricing source Markit, using the bid price of each security at month end. The Manager therefore believes that this portfolio valuation methodology at fair value is the most appropriate for investors and ensures that the portfolio NAV is reflective of the actual underlying security values. As at 13th March, secondary spreads have softened, and although the Manager expects this will affect portfolio valuations, it has seen no material portfolio valuation moves. Such pricing softness is expected to be temporary as markets digest the evolving situation, with the portfolio performing as expected. These Mark to Market movements are not directly credit related but are reflective of overall negative sentiment. The dividend cover remains robust providing a read across to underlying credit quality of the portfolio.

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;

8.57%

Average Yield

3.36years

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%	3.84
Hotel	8.50	9.00%	4.10
Hotel	8.30	9.00%	4.10
HR and payroll services	7.00	6.76%	4.73
Gym franchise	6.80	8.20%	6.43
Automotive parts manufacturing	6.75	12.00%	2.83
National forecourt operator, UK	6.70	4.77%	2.38
Student Accommodation	6.06	9.00%	0.60
Healthcare	6.00	6.28%	5.10
Student Accommodation	5.93	9.00%	4.68

Fund performance

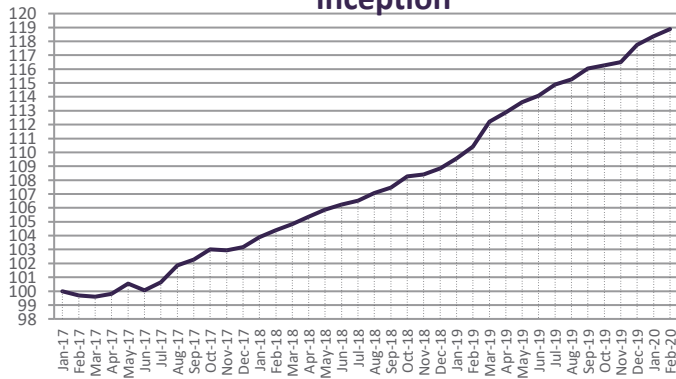
2020													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-											-
NAV (Cum income) p	98.31	98.74											-
NAV Total Return %	0.53	0.43											0.96%
Net Interest Income p	0.60	0.67											1.27p

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

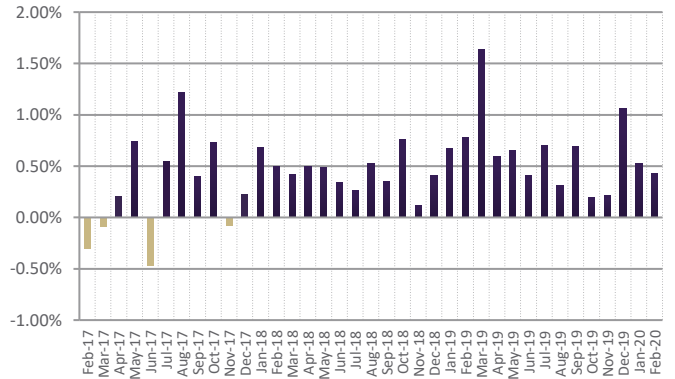
2018													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends (pence)	-	2.00	-	-	-	1.625	-	1.625	-	-	-	1.625	6.875p
NAV (Cum Income) p	99.26	97.76	98.17	98.66	99.14	97.85	98.11	97.01	97.34	98.08	98.20	96.98	-
NAV Total Return %	0.68	0.50	0.41	0.50	0.49	0.34	0.26	0.53	0.34	0.76	0.12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

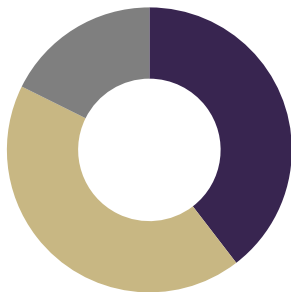


Performance since IPO

	1 month	3 months	6 months	1 year	2 years	ITD
NAV	0.4%	2.0%	3.2%	7.7%	13.9%	18.9%

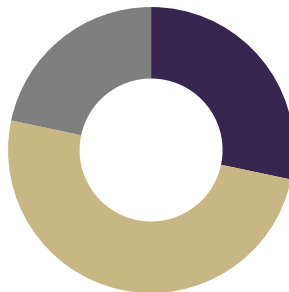
Portfolio Statistics

WAL of Loan Book



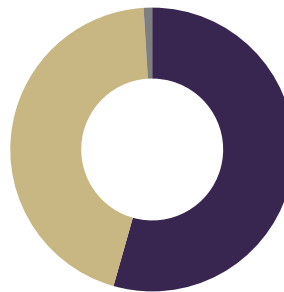
■ 0-3 years - 39%
■ 3-5 years - 43%
■ >5 years - 18%

Annualised Yield



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

Coupon Type



■ Fixed - 54%
■ Floating - 45%
■ Index-linked - 1%

Investment Type



■ Senior - 49%
■ Junior - 35%
■ Holdco - 16%

Notes

1. 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.
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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