

# RM Secured Direct Lending PLC

## Monthly Fact Sheet

28<sup>th</sup> February 2021



### Company Overview

ISIN – Ords	GB00BYMTBG55
ISIN – ZDPs	GB00BG1TSQ91
Ticker Ords	RMDL
Dividend	Quarterly
Listing	Main Market LSE Premium Listing
Target Dividend	6.5 pence <sup>1</sup>
Management Fee	0.875% <sup>2</sup>
Discount Management Strategy	Shares buy-backs if 6% discount or more <sup>3</sup>
Shares in Issue Ords (ex. treasury shares)	117,944,782
Shares in issue ZDPs	10,869,950
Share Price Ords mid	87.25p
Investment Manager's holding (shares)	1,249,825
Total investments	£130m <sup>4</sup>
Net Assets Ords	£111,862,900
Acc Cap Entitle ZDPs	£12,008,218
NAV per Share Ords	94.84p
Accrued Capital Entitlement per ZDP	110.47p
Share Price Discount	-8.00%

#### 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 Funds, a trading name of RM Capital Markets Ltd

[www.rm-funds.co.uk](http://www.rm-funds.co.uk)

Portfolio Managers :

[James.Robson@rm-funds.co.uk](mailto:James.Robson@rm-funds.co.uk)

[Pietro.Nicholls@rm-funds.co.uk](mailto:Pietro.Nicholls@rm-funds.co.uk)

[Thomas.LeGrixDeLaSalle@rm-funds.co.uk](mailto:Thomas.LeGrixDeLaSalle@rm-funds.co.uk)

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 +0.76% which takes the NAV % Total return to +6.77% over the past 6 months. The Ordinary Share NAV as at 28<sup>th</sup> February 2021 was 94.84 pence per Ordinary Share, which is 0.71 pence higher than on 31<sup>st</sup> January 2021. This overall gain comprises interest income net of expenses of 0.56 pence per Ordinary Share and increases in portfolio valuations of 0.15 pence per Ordinary Share (which includes all credit and currency movements and gains from share buy-backs).

During the month the Company declared a dividend of an interim dividend of 1.625 pence per ordinary share in respect of the period from 1 October 2020 to 31 December 2020. This provides dividend cover of 1.21x and an earnings surplus of 1.096 pence per ordinary share in relation to 31 December 2020, which is transferred to revenue reserves. The ex-dividend date is 4<sup>th</sup> March and payment date 26<sup>th</sup> March.

The Company repurchased a total of 160,000 Ordinary Shares during the month at an average price of 87.81 pence per Ordinary Share, being an average discount of 7.41% to the latest February 2021 NAV. The Board and the Investment Manager continue to monitor the share price discount to NAV. This brings the total number of shares held in treasury to 4,279,799.

### Portfolio Activity

As of 28<sup>th</sup> February, the Company's portfolio consisted of 36 debt investments with a yield of 8.30%, diversified across 15 sectors and split 77% fixed rate and 23% floating rate. The portfolio structure is 75% in bilateral private loans, 23% in syndicated private loans, and, 2% in corporate bonds.

The full portfolio is set out on the page 5 of this factsheet. There were two new investments during February totalling £4.5m which were eligible for CBILS, bringing the total portfolio exposure to CBILS eligible loans to 15%. The Investment Manager is targeting in the near-term a portfolio allocation of 22.5% under the CBILS scheme. The first transaction was £4m (loan reference 84) to a developer and operator of student accommodation assets with a c. 60% LTV ratio; and the second investment (loan reference 81) was to a growing wealth management business with a Debt/EBITDA metric of c. 2.8x. Both loans are senior and secured over the businesses' assets and cash-flows.

Post month end, the Chancellor announced the Recovery Loan Scheme as the follow on to the CBILS. This expands on the CBIL scheme and allows for loans of up to £10m to benefit from the same 80% UK Government Guarantee.

The ZDP shares come to the end of their 3-year life on 6 April 2021, with a final capital entitlement payable of 110.91p per ZDP share. The ZDP shares are not expected to be rolled over and a separate announcement will shortly be made regarding their repayment, cancellation and refinancing.



## Fund performance

	1 month	3 months	6 months	1 year	2 years	Inception to date
<b>NAV Total Return %</b>	0.76%	3.01%	6.77%	3.21%	11.13%	22.70%

2021													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-											-
NAV (Cum income) p	94.13	94.84											-
NAV Total Return %	0.26	0.76											1.02%
Net Interest Income p	0.21	0.56											0.77p

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	6.97p

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	6.79p

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



### Company Portfolio at month end

**36**

Number of Loans

**£130m**

Total invested <sup>i</sup>

<sup>i</sup> actual capital invested, excludes undrawn commitments, includes investments yet to settle;

**8.30%**

Average Yield

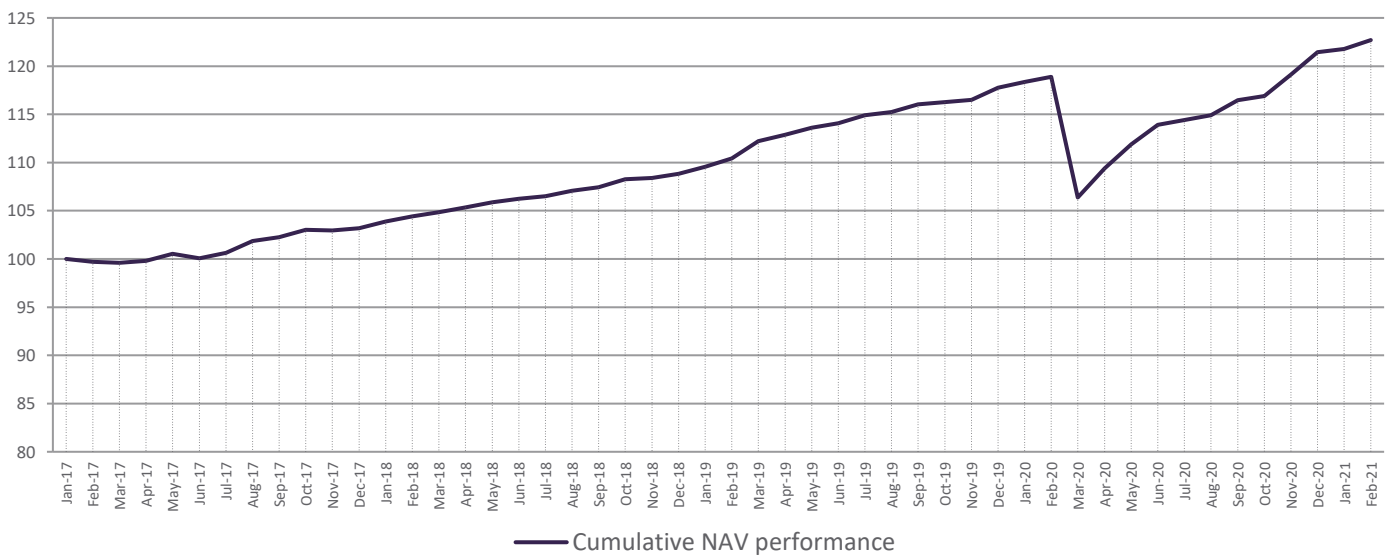
**2.86**years

Average Life

### Largest 10 loans by value

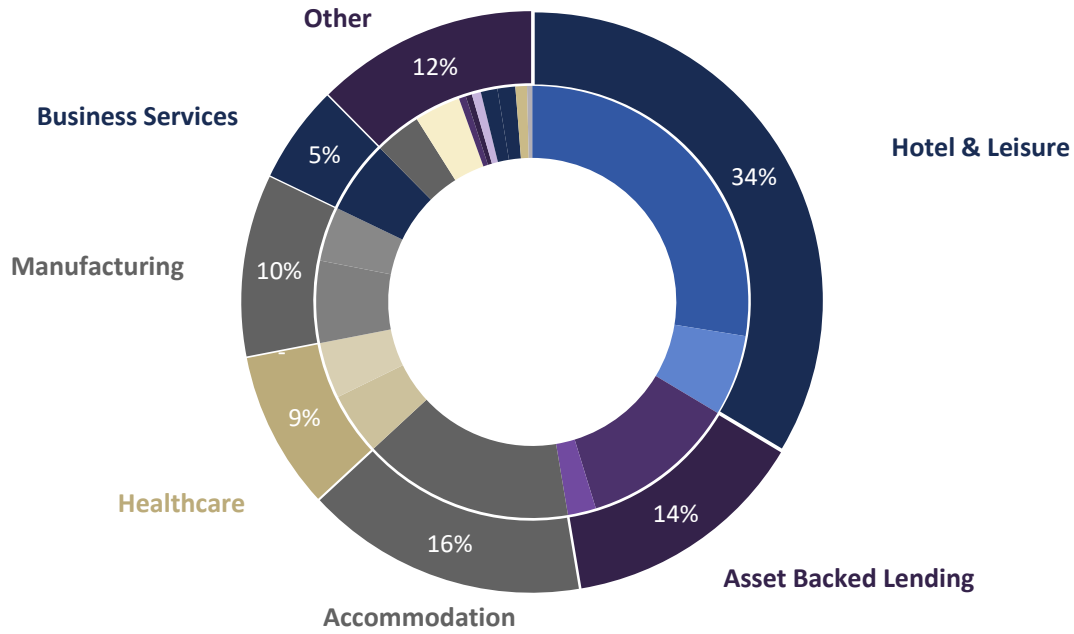
Business Activity	Loan Value (£m)	Expected Yield %	WAL <sup>3</sup>
Asset Finance	9.99	8.16%	2.84
Hotel	8.08	9.47%	3.10
Automotive parts manufacturing	6.77	15.29%	1.83
HR and payroll services	6.35	5.94%	3.93
Hotel	6.17	9.47%	3.10
Gym franchise	6.06	9.25%	4.06
Student Accommodation	5.78	9.23%	3.68
Hotel	5.00	8.00%	2.82
Healthcare	5.00	7.50%	2.80
Student Accommodation	4.75	0.00%	0.00

### NAV % Total Returns To Date





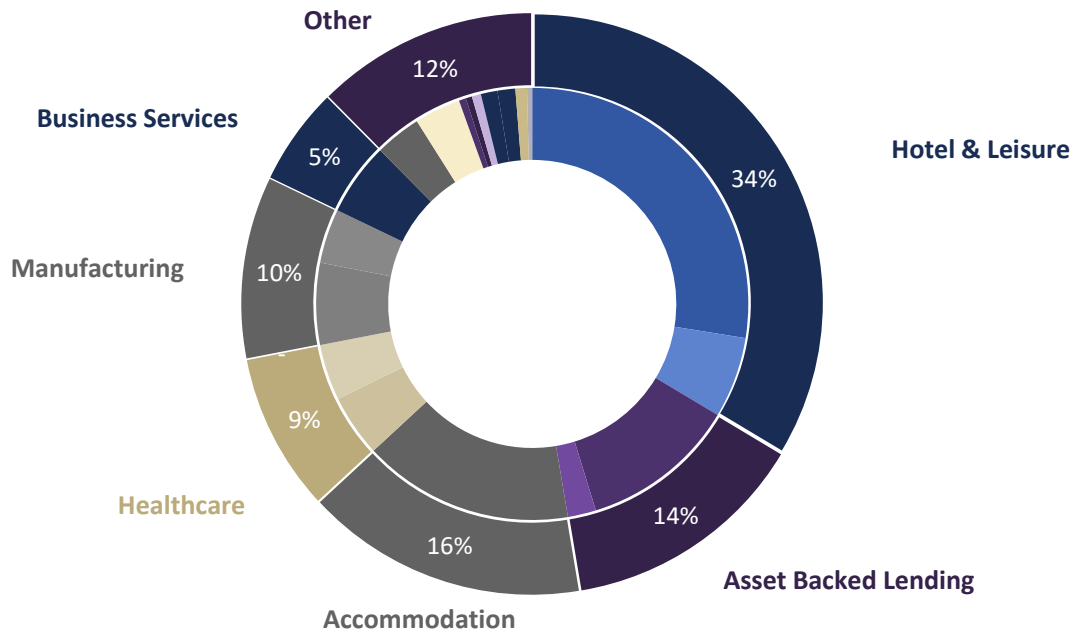
## Sector breakdown, January 2021<sup>9</sup>



- Hotel & Leisure - Hotel - 28%
- Hotel & Leisure - Gym franchise - 6%
- Asset Backed Lending - Asset Finance - 12%
- Asset Backed Lending - Invoice Finance - 2%
- Accommodation - Student accommodation - 16%
- Healthcare - Diversified healthcare operator - 5%
- Healthcare - Care home - 4%
- Manufacturing - Auto-parts manufacturer - 6%
- Manufacturing - Manufacturing - 4%
- Business Services - HR Payroll services - 5%
- Other - Construction - 3%
- Other - Food manufacturing - 3%
- 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 - Energy Efficiency - 0.4%

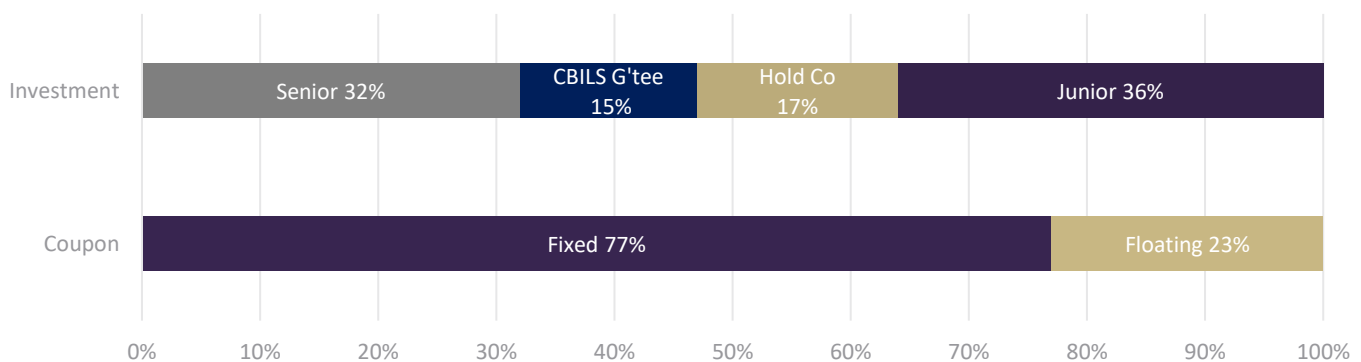


## Sector breakdown, February 2021<sup>9</sup>



- Hotel & Leisure - Hotel - 28%
- Hotel & Leisure - Gym franchise - 6%
- Asset Backed Lending - Asset Finance - 12%
- Asset Backed Lending - Invoice Finance - 2%
- Accommodation - Student accommodation - 16%
- Healthcare - Diversified healthcare operator - 5%
- Healthcare - Care home - 4%
- Manufacturing - Auto-parts manufacturer - 6%
- Manufacturing - Manufacturing - 4%
- Business Services - HR Payroll services - 5%
- Other - Construction - 3%
- Other - Food manufacturing - 3%
- Other - Restaurant - 1%
- Other - Retail - 0.5%
- Other - Bridging loans - 1%
- Other - Forcourt operator - 1%
- Other - Ports business - 1%
- Other - Renewable heat incentive - 1%
- Other - Energy Efficiency - 0.4%

## Portfolio Statistics





Ref	Borrower Name	Deal Type	Sector	Subsector	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	7,966,100	6,771,185	V Agent	PIK
76	Gym Franchise	Bilateral Loan	Hotel & Leisure	Gym franchise	7,349,972	6,063,727	V Agent	PIK
37	Zellis (previously NGA)	Syndicated Loan	Business Services	HR Payroll services	7,097,041	6,351,852	External	Cash/PIK
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	6,168,120	4,750,008	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	Cash
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	Bilateral Loan	Accommodation	Student accommodation	4,000,000	4,000,000	V Agent	Cash
75	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	3,400,000	3,315,000	V Agent	Cash
58	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	3,430,966	2,504,605	V Agent	PIK
51	Mehiläinen	Syndicated Loan	Healthcare	Diversified healthcare operator	3,032,929	3,019,038	External	Cash
16	Voyage Care	Bond	Healthcare	Diversified healthcare operator	3,000,000	2,907,500	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	1,733,102	1,728,769	External	Cash
44	EG Group 2L	Syndicated Loan	Transport Assets	Forecourt operator	1,621,566	1,614,269	External	Cash
63	Trent Capital (Fusion) RF	Bilateral Loan	Manufacturing	Manufacturing	897,877	556,415	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	888,079	843,675	V Agent	Cash
52	Private Loan - SPV	Bilateral Loan	Clean Energy & Renewables	Renewable heat incentive	701,595	701,595	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
76.1	Gym Franchise	Bilateral Loan	Hotel & Leisure	Gym franchise	532,558	439,360	V Agent	PIK
78	Private Loan - SPV	Bilateral Loan	Energy Efficiency	Energy Efficiency	500,000	500,000	V Agent	Cash
81	Private Loan	Bilateral Loan	Finance - Asset Finance	Finance - Asset Finance	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	421,295	332,414	V Agent	Cash



#### 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.
9. Percentages may not add up to 100% due to rounding.

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