

RM Secured Direct Lending PLC

Monthly Fact Sheet

31st January 2019

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 : 50% reinvested in shares
Discount Management Strategy	Share buy-backs if 6% discount or more ³
Shares in Issue Ord's	98,724,581
Shares in issue ZDP's	10,869,950
Share Price Ord's mid	101.00p
Gross Assets	£107.5m
Net Assets Ord's	£96,377,363
Acc Cap Entitle ZDP's	£11,186,926
NAV per Share Ord's	97.62p
Accrued Capital Entitlement per ZDP	102.91p
Share Price Premium	+ 3.5% 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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Company Address: RM Secured Direct Lending PLC,
Mermaid House, 2 Puddle Dock, London EC4V 3DB

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"). 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

January was a busy month for the Company and the Investment Manager with two loans; a term loan and a revolving credit facility, reached financial close. The Company had one repayment of circa £6.5m and eight drawdowns by existing borrowers. The revolving credit facility is notable as it is secured by a revolving pool of receivables, offers an attractive risk-adjusted rate of return, and with minimal exposure to duration risk.

The new term loan to a UK based manufacturer, which closed during the month, is the tenth largest within the portfolio. In addition to first ranking security over the corporate there is additional property pledged as security, fully collateralising the loan quantum. The cash coupon on the loan is 8%, however the Investment Manager expects the loan to generate a mid-teens IRR upon exit / repayment of the facility.

Credit markets have continued to experience volatility. RM Funds' house view is one of caution but optimism. Since Q1 2017, the Investment Manager has actively avoided and managed the portfolio away from investments in cyclical sectors and businesses with a strong correlation to the wider macroeconomic markets. It will continue to maintain its credit and investment discipline, remaining focused on security, cash flow, quality management teams and control (in the form of financial and information covenants).

NAV & Pipeline

The Ordinary Share NAV as at 31 January 2019 was 97.62 pence per share which is 0.64 pence higher than at 31 December 2018 and is made up of interest income net of expenses of 0.69 pence and a decrease in portfolio valuations of 0.05 pence net of currency hedges.

The pipeline remains robust with a number of transactions progressing through due diligence.

On 8 January 2019, the Investment Manager announced that during the month of December it had deployed all cash available for investment and had subsequently utilised £2.4m of its £10m Revolving Credit Facility ("RCF"). The Investment Manager now expects to be substantially drawn on its RCF towards the end of February and is looking forward to meeting with investors over the last two weeks of February to discuss the pipeline, portfolio and the outlook for the rest of the year.



Company Portfolio ⁱ

36

Number of Loans

£106m

Total invested ⁱⁱ

8.65%

Average Yield

3.60 years

Average Life

ⁱ As at 31 January 2019;

ⁱⁱ Actual capital invested, excludes undrawn commitments, includes investments yet to settle;

Largest 10 loans by drawn amounts across the entire portfolio

Business Activity	Loan Value (£m)	Expected Yield	WAL
Forecourt Operator	8.70	5.56%	3.44
Asset Finance	8.59	8.00%	4.90
Telecommunications	7.42	11.50%	2.08
Business Services	7.00	6.37%	5.79
Automotive Parts Manufacturing	6.11	12.00%	3.89
Healthcare	6.00	6.30%	6.16
Childcare	5.15	9.91%	4.06
Student Accommodation	4.42	9.50%	0.92
Forecourt Operator	4.36	8.95%	7.13
Heating manufacturing and installation	4.11	8.00%	2.94

Fund performance

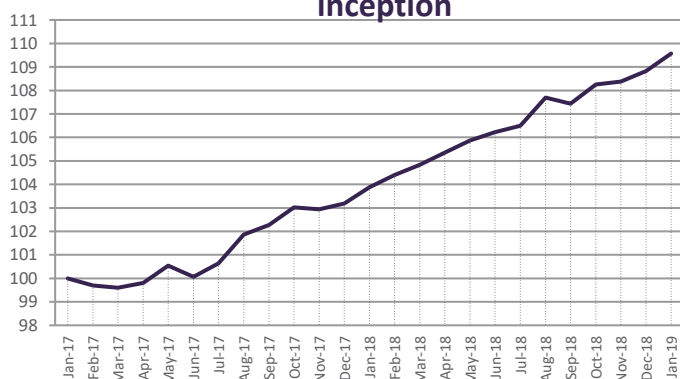
2019													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	-	-	-	-	-	-	-	-	-	-	-
NAV (Cum income) p	97.62	-	-	-	-	-	-	-	-	-	-	-	-
NAV Total Return %	0.67	-	-	-	-	-	-	-	-	-	-	-	0.67%
Net Interest Income p	0.69	-	-	-	-	-	-	-	-	-	-	-	0.69p

2018													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends (pence)	-	2.00	-	-	-	1.625	-	1.625	-	-	-	1.63	6.88p
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

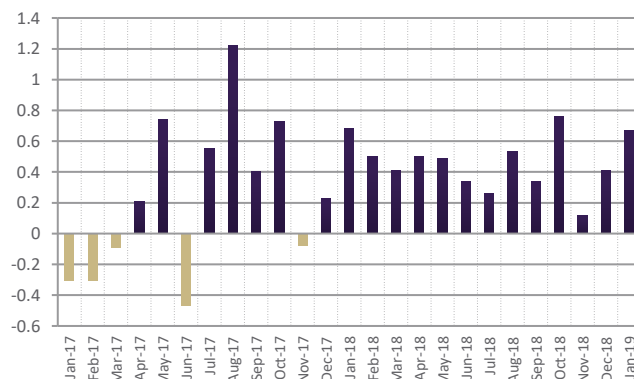
2017													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	-	-	-	0.20	-	0.20	-	-	1.80	-	2.20p
NAV (Cum income) p	97.70	97.40	97.31	97.51	98.23	97.57	98.11	99.11	99.51	100.24	98.36	98.59	-
NAV Total Return %	(0.31)	(0.31)	(0.09)	0.21	0.74	(0.47)	0.55	1.22	0.40	0.73	(0.08)	0.23	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

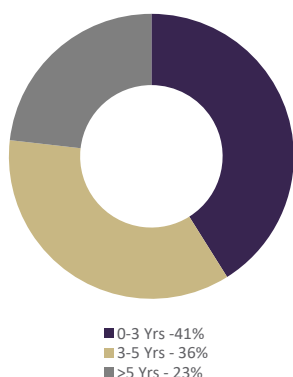


NAV monthly return %

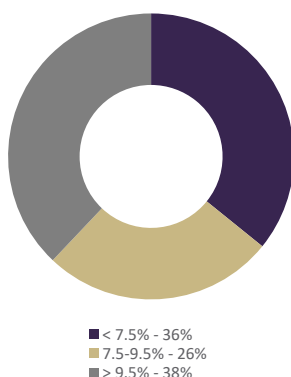


Portfolio Statistics

WAL of Loan Book



Annualised Yield



Coupon Type



Investment Type



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.
- Discount control mechanism triggers if shares trading at an average discount of more than six percent over previous 6 month trading period.
- 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.

Disclaimer

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