

RM Secured Direct Lending PLC

Monthly Fact Sheet

31st July 2018

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
NAV per Share Ord's	98.11p
Accrued Capital Entitlement per ZDP	101.16p
Shares in Issue Ord's	98,724,581
Shares in issue ZDP's	10,869,950
Share Price Ord's mid	101.5p
Gross Assets	£108.6m
Net Assets Ord's	£96,855,916
Acc Cap Entitle ZDP's	£10,995,815
Share Price Premium	+ 3.5% Ord's

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 Capital Markets Limited, the "Investment Manager". The Loans in which the Company invests are predominantly secured against assets such as company assets, real estate or plant and machinery and/or income streams such as account receivables.

Portfolio activity

During the period the C shares converted to Ordinary Shares meaning the Company now has a market capitalisation of £101m as at 31st July. This enhanced size, combined with the Investment Manager's ability to source transactions, has generated a significant increase in pipeline opportunities. The Investment Manager remains highly selective and seeks only to pursue transactions which meet its rigorous credit criteria, security requirements and offer an appropriate risk adjusted return.

Three transactions were funded during the month. Two of these were additional drawdowns for previously documented borrowers, Satcom and L'Oscar Hotel. The third was a new investment in Mehilainen, a Finnish private health and social care provider. The Company participated in a private debt syndicate to support the acquisition of the borrower by CVC, a leading private equity sponsor, with over \$50bn AUM. The borrower is a leading provider of healthcare services, founded in 1909, which employs more than 14,000 people. Its services include outpatient clinics, occupational healthcare, specialist care and social care (including elderly, disabled, mental rehabilitation and child welfare). The Company's investment is denominated in Euros and was fully hedged back to GBP, providing an all-in yield in excess of 8%.

Over the period cash levels increased moderately as the Investment Manager divested two investments in order to part fund two transactions which are expected to close in August. The Investment Manager expects to utilise the Revolving Credit Facility to fund the remainder of these transactions.

NAV and Pipeline

The Ordinary Shares NAV as at 31 July was 98.11 pence which is 0.26 pence higher than the end of June and is made of up of interest income net of expenses of 0.56 pence and a decrease in portfolio valuations of 0.31 pence. As stated in the June Quarterly Update, the decrease in valuations is driven by sentiment and not by any change in credit fundamentals. The income generation of the portfolio remains strong and valuations are expected to recover as the risk of credit impairments remain unchanged.

Fund Performance – 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

Fund Performance – 2018

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends (pence)	-	2.00	-	-	-	1.625	-	-	-	-	-	-	3.625p
NAV (Cum Income) p	99.26	97.76	98.17	98.66	99.14	97.85	98.11	-	-	-	-	-	-
NAV Total Return %	0.68	0.50	0.41	0.50	0.49	0.34	0.26	-	-	-	-	-	3.21%
Net Interest Income p	0.85	0.64	0.47	0.48	0.52	0.55	0.56	-	-	-	-	-	4.07p



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

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Company Portfolio ⁱ

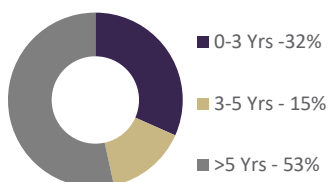
29 Number of Loans	£103m Total invested ⁱⁱ	8.28% Average Yield ⁱⁱⁱ	4.84 years Average Life
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Largest 10 loans by drawn amounts across the entire portfolio

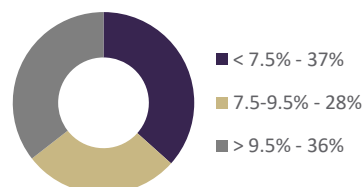
Business Activity	Loan Value (£m)	Expected Yield	WAL
Asset Finance	10.00	8.00%	4.42
Advertising	8.50	9.64%	5.13
Business Services	7.00	6.22%	7.32
Healthcare	6.56	5.88%	1.96
Automotive Parts Manufacturing	6.43	12.00%	5.41
Healthcare	5.48	6.15%	6.33
Telecommunications	5.31	11.50%	2.00
Child Care	5.05	9.00%	5.58
Forecourt Operator	4.46	8.81%	8.65
Student Accommodation	4.42	9.50%	2.45

ⁱ As at 31 July 2018; ⁱⁱ Actual capital invested, excludes undrawn commitments, includes investments yet to settle; ⁱⁱⁱ Av portfolio yields on Ord shares

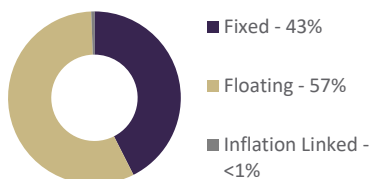
WAL of Loan Book



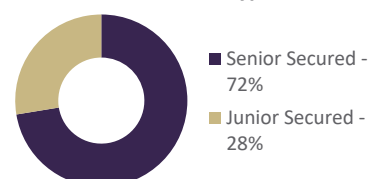
Annualised Yield



Coupon Type



Investment Type



Note: percentage figures may not add up to 100% due to rounding



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.
3. Discount control mechanism triggers if shares trading at an average discount of more than six percent over previous 6 month trading period.
4. 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.
5. YTD NAV Total Return assumes dividends are reinvested at NAV and includes compounding.
6. 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.

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