

RM Secured Direct Lending PLC

Monthly Fact Sheet

31st October 2020

Company Overview

ISIN – Ords	GB00BYMTBG55
ISIN – ZDPs	GB00BG1TSQ91
Ticker Ords	RMDL
Dividend	Quarterly
Listing	Main Market LSE Premium Listing
Target Dividend	6.5 pence ¹
Management Fee	0.875% ²
Discount Management Strategy	Share buy-backs if 6% discount or more ³
Shares in Issue Ords (ex. treasury shares)	119,632,554
Shares in issue ZDPs	10,869,950
Share Price Ords mid	80.50p
Investment Manager's holding (shares)	1,237,325
Total investments	£126m ⁴
Net Assets Ords	£109,953,456
Acc Cap Entitle ZDPs	£11,874,481
NAV per Share Ords	91.91p
Accrued Capital Entitlement per ZDP	109.24p
Share Price Discount	-12.4%

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

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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 0.36%. The Ordinary Share NAV as at 31st October 2020 was 91.91 pence per Ordinary Share, which is 0.33 pence higher than at 30th September 2020. This overall gain comprises interest income net of expenses of 0.45 pence per Ordinary Share and reductions in portfolio valuations of 0.12 pence per Ordinary Share (which includes all credit and currency movements and gains from share buy-backs).

The Company repurchased a total of 103,027 Ordinary Shares during the month at an average price of 79.00 pence, being an average discount of 14.0% to the latest October NAV. The Board and the Investment Manager continue to monitor this share price discount to NAV. This brings the year to date purchases of shares by the Company and the total number held in treasury to 2,592,027.

Portfolio Activity

As at 31st October, the Company's portfolio consisted of 33 debt investments with a running yield of 8.90%, diversified across 13 sectors, and, with the percentage split between fixed and floating rate of 67% to 33%. The portfolio structure is 65% in bilateral private loans; 33% in syndicated private loans; and 2% in corporate bonds. The full portfolio is displayed on the last page of this factsheet. There were no new investments during October.

Regarding the loan identified as Ref 68, the borrower of a newly built and vacant purpose-built student accommodation asset in Coventry is agreeing final terms with an operator so marketing can begin to source tenants for the Spring 2021 term. The loan was marked lower from 93% to 90% of face value during the month to reflect the fact of i) second lockdown concerns and ii) that the value is being impacted by the vacant nature of the building.

For Energie Fitness gym franchise business (Loan Ref: 76), October was a strong period ahead of the second lock-down. Under the new leadership team, Energie Fitness has sold five new franchises and has an excellent pipeline of multi-site operators looking to launch under the Energie Fitness brand in 2021. In addition to signing two new international agreements covering Iberia and India, it has launched a new multi-channel service catering to customers' evolving fitness requirements. The business had positive trading EBITDA going into the second lock-down and a robust contingency plan to deal with restricted operations. Due to the increased business risk arising from the second lockdown, as their gym network has been closed, the loan was marked from 90% to 87.5% of face value during the month.

Corona Virus Business Interruption Loan Scheme ("CBILS")

The CBILS scheme has been extended by the Government to the end of January and the main focus for new business remains supporting eligible companies and repositioning the portfolio exposure to CBILS counterparties / HM Government.



Fund performance

	1 month	3 months	6 months	1 year	2 years	ITD
NAV Total Return %	0.36%	2.16%	6.86%	0.53%	7.96%	16.88%

2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends p	-	-	1.625	-	-	1.625	-	-	1.625				4.875p
NAV (Cum income) p	98.31	98.74	86.64	89.10	91.14	91.16	91.56	91.97	91.58	91.91			-
NAV Total Return %	0.53	0.43	(10.53)	2.83	2.29	1.80	0.44	0.44	1.35	0.36			-0.73%
Net Interest Income p	0.60	0.67	0.60	0.53	0.53	0.53	0.53	0.53	0.53	0.45			5.49p

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



Company Portfolio at month end

33

Number of Loans

£126m

Total invested ⁱ

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

8.90%

Average Yield

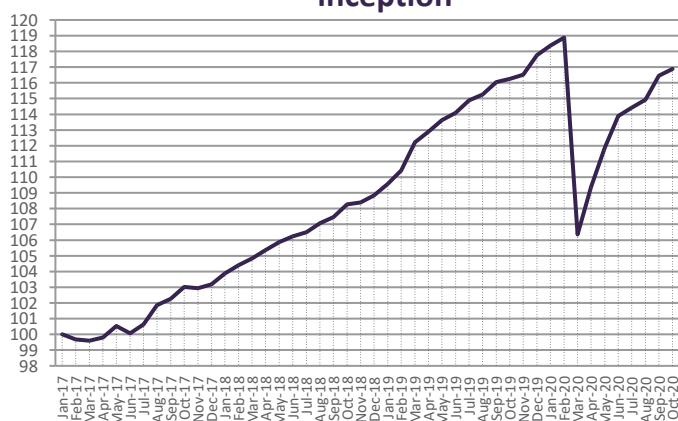
2.96years

Average Life

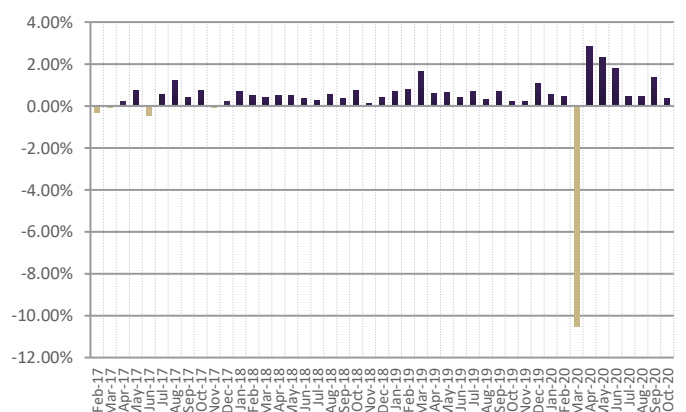
Largest 10 loans by value

Business Activity	Loan Value (£m)	Expected Yield %	WAL ³
Asset Finance	9.99	8.16%	3.17
Hotel	8.08	9.47%	3.43
Hotel	7.88	9.47%	3.43
Gym franchise	6.33	10.57%	4.39
Automotive parts manufacturing	6.14	16.77%	2.16
Student Accommodation	5.78	9.23%	4.01
Healthcare	5.67	5.60%	4.43
Student Accommodation	5.53	10.00%	-
HR and payroll services	4.90	7.57%	4.06
Asset Finance	4.38	8.16%	3.17

Cumulative NAV Performance since inception



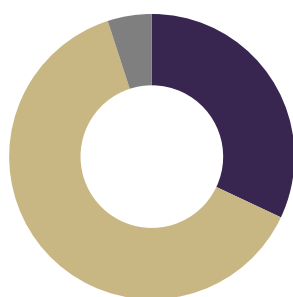
NAV monthly return %





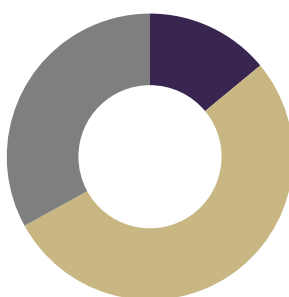
Portfolio Statistics

WAL of Loan Book



■ 0-3 years - 32%
■ 3-5 years - 63%
■ >5 years - 5%

Annualised Yield



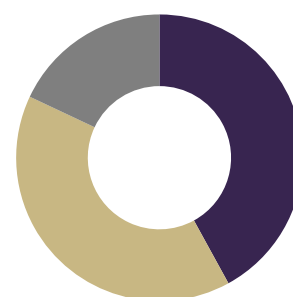
■ <7.5% yield - 14%
■ 7.5-9.5% yield - 53%
■ >9.5% yield - 33%

Coupon Type



■ Fixed - 67% ■ Floating - 33%

Investment Type



■ Senior - 42% ■ Junior - 40%
■ Holdco - 18%

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.

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Ref	Borrower Name	Deal Type	Sector	Business Description	Nominal	Market Value	LTV	Payment	Valuer
60	Private Loan - SPV	Bilateral Loan	Asset Finance	U.K. focused asset backed lending	10,193,916	9,990,038	68.5%	Cash	V Agent
66	Private Loan - SPV	Bilateral Loan	Hotel	Five U.K. prime location regional city hotels.	8,504,440	8,079,218	70.9%	Cash	V Agent
67	Private Loan - SPV	Bilateral Loan	Hotel	Five U.K. prime location regional city hotels.	8,295,560	7,880,782	70.9%	Cash	V Agent
39	Beinbauer	Syndicated Loan	Automotive parts manufacturing	Automotive Parts Manufacturing	7,919,812	6,137,854	83.2%	PIK	V Agent
76	Gym Franchise	Bilateral Loan	Gym franchise	Owner operator of gym franchising	7,237,276	6,332,617	n/a	PIK	V Agent
37	Zellis (previously NGA)	Syndicated Loan	HR and payroll services	HR and payroll services	7,000,000	4,897,060	78.1%	Cash	External
68	Private Loan - SPV	Bilateral Loan	Student Accommodation	Coventry based purpose-built student accommodation - prime location.	6,143,120	5,528,808	74.4%	PIK	V Agent
6	Elysium	Syndicated Loan	Healthcare	Providing acute and age care services	6,000,000	5,670,000	71.8%	Cash	External
74	Private Loan - SPV	Bilateral Loan	Student Accommodation	Six purpose-built student accommodations located in prime regional U.K. cities	5,930,000	5,781,750	76.4%	Cash	V Agent
58	Private Loan - SPV	Bilateral Loan	Hotel	Hotel development, Glasgow	5,165,965	3,336,438	90.9%	n/a	V Agent
34	Valeo Foods	Syndicated Loan	Food manufacturing	Manufacturer of staple food goods	4,500,000	4,140,000	61.2%	Cash	External
61	Private Loan - SPV	Bilateral Loan	Asset Finance	U.K. focused asset backed lending	4,469,939	4,380,540	68.5%	Cash	V Agent
12	Private Loan - SPV	Bilateral Loan	Student Accommodation	Operational student accommodation based in Glasgow	4,420,000	4,243,200	62.5%	Cash	V Agent
17	L'Oscar	Bilateral Loan	Hotel	Boutique central London hotel	4,100,000	4,100,000	64.0%	Cash	V Agent
62	Trent Capital	Bilateral Loan	Manufacturing & Energy Efficiency	Boiler manufacturer and energy efficiency measure installer	4,085,424	3,881,153	85.0%	Cash	V Agent
73	Private Loan - SPV	Bilateral Loan	Hotel	Cambridge based recently built hotel - prime location	4,000,000	3,900,000	71.2%	Cash	V Agent
75	Private Loan - SPV	Bilateral Loan	Hotel	Hotel situated by Bristol airport.	3,400,000	3,315,000	59.1%	Cash	V Agent
51	Mehiläinen	Syndicated Loan	Healthcare	Finnish private provider of healthcare and care services	3,146,633	3,044,368	44.3%	Cash	External
16	Voyage Care	Bond	Healthcare	Providing nursing, dementia and aged care facilities	3,000,000	2,697,050	61.0%	Cash	External
41	EG Group	Syndicated Loan	Global forecourt operator	Global forecourt operator	2,954,695	2,712,795	49.3%	Cash	External
64	Private Loan - SPV	Bilateral Loan	Invoice Finance	U.K. focused Invoice discounting	2,750,000	2,612,500	58.1%	Cash	V Agent
54	Busy Bees Childcare	Syndicated Loan	Childcare nurseries	Leading childcare nursery group within the UK	2,500,000	2,355,000	58.4%	Cash	External
71	Euroports	Syndicated Loan	Port-infrastructure	European ports business with worldwide operations.	1,798,076	1,762,115	52.1%	Cash	External
44	EG Group 2L	Syndicated Loan	Global forecourt operator	Global forecourt operator	1,682,358	1,581,417	51.6%	Cash	External
52	Private Loan - SPV	Bilateral Loan	RHI Receivables	Payments from domestic renewable heat scheme	1,067,000	1,067,000	85.0%	Cash	V Agent
63	Trent Capital (Fusion) RF	Bilateral Loan	Manufacturing & Energy Efficiency	Boiler manufacturer and energy efficiency measure installer	974,544	877,090	90.0%	Cash	V Agent
69	Private Loan - SPV	Bilateral Loan	Hotels	Travelodge Hotel located in Morecombe, Lancashire	900,000	855,000	67.2%	Cash	V Agent
48	Private Loan - SPV	Bilateral Loan	Property Bridging	Residential property	882,862	838,719	69.0%	Cash	V Agent
45	Private Loan - SPV	Bilateral Loan	Property Bridging	Business premises	687,343	687,343	62.9%	Cash	V Agent
28	Private Loan - SPV	Bilateral Loan	Property Bridging	Residential property	606,213	606,213	56.2%	PIK	V Agent
76	Gym Franchise	Bilateral Loan	Gym franchise	Owner operator of gym franchising	522,033	456,779	n/a	PIK	V Agent
78	Private Loan - SPV	Bilateral Loan	Energy Efficiency	Provider of energy efficiency measures	500,000	500,000	40.0%	Cash	V Agent
9	Private Loan - SPV	Bilateral Loan	RHI Receivables	Payments from domestic renewable heat scheme	446,735	347,872	85.0%	Cash	V Agent