

# RM Secured Direct Lending PLC

## Monthly Fact Sheet

28 February 2018

### Company Overview

Listing Date - Ords	15/12/2016
ISIN - Ords	GB00BYMTBG55
ISIN - CShares	GB00BD884W63
Ticker Ords / CShare	RMDL / RMCC
Dividend	Quarterly
Listing	Main Market LSE Premium Listing
Target Dividend Yield	6.5% p.a. <sup>1</sup>
Management Fee	0.875%*: 50% reinvested in shares
Discount Management Strategy	Share buy-backs if 6% discount or more <sup>2</sup>
Liquidity Opportunity	Year 4

### Data as at 28 February for Ordinary and C shares combined

Shares in Issue	87,300,000
Share Price Ords mid	101.5p
Share Price (C) mid	102.0p
Market Cap	£88.7m
Net Assets Ords	£56.0m
Net Assets (C)	£29.4m
NAV per Share Ords	97.76p
NAV per Share (C)	98.13p
NAV Frequency	Monthly
Share Price Premium/ Discount to NAV	+ 3.8% Ords + 3.9% (C)

### 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 through loans sourced or originated by, RM Capital Markets Limited, (the "Investment Manager") with a degree of inflation protection through index-linked returns where appropriate. Loans in which the Company invests are predominantly secured against assets such as real estate or plant and machinery and/or income streams such as account receivables. Un-invested cash or surplus capital may be invested on a temporary basis in a range of assets including money market instruments and government or corporate bonds which fit the Investment Policy.

### Company Update

On 14 February, the Investment Manager notified the Board that in excess of 85% of the funds raised from the C Share issue in October 2017 had been invested and the Calculation Date was set for 28 February. The Conversion Ratio for the C Shares to be converted into Ordinary Shares has also been announced today via RNS.

On 15 February, the Company declared its 4<sup>th</sup> interim dividend for the period from 1 October 2017 to 31 December 2017 of 2 pence per Ordinary Share. This brings the total dividends paid for the financial year ended 31 December 2017 to 4.2 pence, which is above the stated IPO dividend target of 4 pence per share. The Company is targeting a 6.5 pence dividend per share for the year ending 31 December 2018\*.

### Capital Raise Update

The Company announced on 12 March that it has published a Prospectus in relation to a proposed Offer for Subscription, Initial Placing and Initial Intermediaries Offer of C Shares and implementation of a Share Issuance Programme, together with, a Placing of ZDP Shares and implementation of a Placing Programme of ZDP Shares by RM ZDP plc, a wholly owned subsidiary of the Company. On 5 March, the Company published a Circular and Notice of General Meeting in anticipation of the above proposed issue.

### NAV

The Ordinary Shares NAV as at 28 February was 97.76 pence which is 1.50 points lower than the end of January and is made of up a dividend accrued to be paid in March of 2.0 pence, interest income net of expenses of 0.64 pence and a decrease in portfolio valuations of 0.14 pence.

*\*This is a target only and not a profit forecast. There can be no assurance that the target can or will be met and should not be taken as an indication of the Company's expected or actual future results.*

### Fund Performance – 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends (%)	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.2	0.0	0.0	1.8	0.0	2.2
NAV (Cum Income) p	97.7	97.4	97.3	97.5	98.2	97.6	98.1	99.1	99.5	100.2	98.4	98.6	-
Total Return (%) – NAV & Div	(0.3)	(0.3)	(0.1)	0.2	0.7	(0.4)	0.5	1.2	0.4	0.74	(0.09)	0.23	2.78
Net Interest Income	(0.20)	(0.13)	(0.03)	0.02	0.33	0.35	0.52	1.25	0.38	0.64	0.47	0.46	4.06

### Fund Performance - as at 28 February 2018

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Dividends (%)	0.0	2.0	-	-	-	-	-	-	-	-	-	-	2.0
NAV (Cum Income) p	99.3	97.8	-	-	-	-	-	-	-	-	-	-	-
Total Return (%) –NAV & Div	0.66	0.50	-	-	-	-	-	-	-	-	-	-	1.16
Net Interest Income	0.85	0.64	-	-	-	-	-	-	-	-	-	-	1.49

<p><b>Non-Executive Directors</b> Norman Crighton (Chairman) Guy Heald Marlene Wood</p> <p><b>Advisory &amp; Administration</b></p> <p><b>AIFM</b> International Fund Management Limited</p> <p><b>Administrator &amp; Company Secretary</b> Praxis IFM Fund Services (UK) Ltd</p> <p><b>Valuation Agent</b> Mazars LLP</p>	<p><b>Portfolio Activity</b> The Company closed a £5m investment to a children’s nursery group based in the south east of England. This private debt transaction is a senior secured loan and is typical of the harder to finance opportunities which the Company specialises in. The Company provided a flexible debt facility allowing the borrower to draw down funds on day one with additional potential drawdowns available as the nursery group expands. This is exactly the type of flexible funding which can differentiate RMDL versus the more traditional funding options available to borrowers. Over the month end the Company provided additional funding for Praetura Asset Finance. This investment and an additional investment in the Motor Fuel Group debt syndicate of £4.0m meant that the Company had to start to draw down on the Revolving Credit Facility (“RCF”) provided by OakNorth Bank. The Investment Manager plans to continue to draw on the RCF ahead of the proposed additional capital raise.</p> <p><b>Pipeline</b> The Investment Manager has identified an attractive pipeline of opportunities to invest in which in total is in excess of £150m, including £41million of commitments for existing borrowers.</p>																																																				
<p><b>Legal Advisers</b> Gowling WLG (UK) LLP</p> <p><b>Auditor</b> Ernst &amp; Young LLP</p> <p><b>Corporate Broker</b> N+1 Singer Advisory LLP</p> <p><b>Investment Manager</b> RM Capital Markets Limited 7 Melville Crescent Edinburgh EH3 7JA</p> <p><b>James Robson</b> Investment Management +44 (0) 131 603 7069 James.Robson@rm-capital.co.uk</p> <p><b>Pietro Nicholls</b> Investment Management +44 (0) 20 3697 1768 Pietro.Nicholls@rm-capital.co.uk</p> <p>www.rm-funds.co.uk</p> <p><b>Company Address</b> RM Secured Direct Lending PLC Mermaid House 2 Puddle Dock London EC4V 3DB</p>	<p><b>Company Portfolio<sup>1</sup></b></p> <table border="1"> <tr> <td><b>26</b></td> <td><b>£88.0m</b></td> <td><b>8.18%/8.20%</b></td> <td><b>4.13 years</b></td> </tr> <tr> <td><i>Number of Loans</i></td> <td><i>Total Committed<sup>2</sup></i></td> <td><i>Average Yield<sup>4</sup></i></td> <td><i>Average Life</i></td> </tr> </table> <p><b>Largest 10 loans by drawn amounts across the entire portfolio</b></p> <table border="1"> <thead> <tr> <th>Business Activity</th> <th>Loan Value (£m)</th> <th>Expected Yield %</th> <th>WAL<sup>3</sup></th> </tr> </thead> <tbody> <tr> <td>Asset Finance</td> <td>8.00</td> <td>8.00</td> <td>3.84</td> </tr> <tr> <td>Business Services</td> <td>7.00</td> <td>5.97</td> <td>6.74</td> </tr> <tr> <td>Automotive Parts Manufacturing</td> <td>6.22</td> <td>12.00</td> <td>4.83</td> </tr> <tr> <td>Advertising</td> <td>5.91</td> <td>9.15</td> <td>4.55</td> </tr> <tr> <td>Childcare</td> <td>5.00</td> <td>9.00</td> <td>5.00</td> </tr> <tr> <td>Student Accommodation</td> <td>4.42</td> <td>9.50</td> <td>1.87</td> </tr> <tr> <td>Healthcare</td> <td>4.00</td> <td>5.91</td> <td>6.14</td> </tr> <tr> <td>Renewable Energy</td> <td>4.00</td> <td>7.00</td> <td>2.09</td> </tr> <tr> <td>Healthcare</td> <td>4.00</td> <td>8.89</td> <td>5.68</td> </tr> <tr> <td>Insurance Brokerage</td> <td>4.00</td> <td>8.21</td> <td>5.38</td> </tr> </tbody> </table> <p><sup>1</sup> As at 28 February 2018; <sup>2</sup> Committed funds exceeds investment capital as some facilities are subject to the Company having available funds at drawdown; <sup>3</sup> Weighted-Average Life and average yield based on drawn amounts; <sup>4</sup> Av portfolio yield including cash/excluding cash Ord shares</p>	<b>26</b>	<b>£88.0m</b>	<b>8.18%/8.20%</b>	<b>4.13 years</b>	<i>Number of Loans</i>	<i>Total Committed<sup>2</sup></i>	<i>Average Yield<sup>4</sup></i>	<i>Average Life</i>	Business Activity	Loan Value (£m)	Expected Yield %	WAL <sup>3</sup>	Asset Finance	8.00	8.00	3.84	Business Services	7.00	5.97	6.74	Automotive Parts Manufacturing	6.22	12.00	4.83	Advertising	5.91	9.15	4.55	Childcare	5.00	9.00	5.00	Student Accommodation	4.42	9.50	1.87	Healthcare	4.00	5.91	6.14	Renewable Energy	4.00	7.00	2.09	Healthcare	4.00	8.89	5.68	Insurance Brokerage	4.00	8.21	5.38
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	<p><b>Portfolio Analysis</b></p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="443 1254 798 1545"> <p><b>WAL of Loan Book</b></p> <ul style="list-style-type: none"> <li>0-3 Yrs - 32%</li> <li>3-5 Yrs - 32%</li> <li>&gt;5 Yrs - 37%</li> </ul> </div> <div data-bbox="798 1254 1532 1545"> <p><b>Annualised Yield</b></p> <ul style="list-style-type: none"> <li>&lt; 7.5% - 38%</li> <li>7.5-9.5% - 38%</li> <li>&gt; 9.5% - 24%</li> </ul> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div data-bbox="443 1545 798 1800"> <p><b>Coupon Type</b></p> <ul style="list-style-type: none"> <li>Fixed - 47%</li> <li>Floating - 52%</li> <li>Inflation Linked - 1%</li> </ul> </div> <div data-bbox="798 1545 1532 1800"> <p><b>Investment Type</b></p> <ul style="list-style-type: none"> <li>Senior Secured - 73%</li> <li>Junior Secured - 27%</li> </ul> </div> </div>																																																				

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