

# RM Secured Direct Lending PLC

## Quarterly Fact Sheet

30 September 2017

### Company Overview

Listing Date	15/12/2016
ISIN	GB00BYMTBG55
Ticker	RMDL
Dividend	Quarterly
Listing	Main Market LSE Premium Listing
Target Dividend Yield p.a <sup>1</sup>	6.5%
Management Fee <sup>2</sup>	0.5%: 50% reinvested in shares
Discount Management Strategy	Share buy-backs if 6% discount or more (over 6 months)
Liquidity Opportunity	Year 4

### Ordinary Shares as at 30 September

Shares in Issue	57,300,000
Share Price	102.25p
Market Cap	£58.6m
Gross Assets	£57.0m
Net Assets	£57.0m
NAV per Share	99.51
NAV Frequency	Monthly
Share Price Premium/Discount to NAV	+2.75%

### Non-Executive Directors

Norman Crighton (Chairman)  
Guy Heald  
Marlene Wood

### 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 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. Uninvested 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.

### Market Update

Despite ongoing negative news flow with regards to progress from the Brexit negotiations, recent unsettling news coming out of Spain coupled with the escalating tensions between the US and North Korea, credit markets have been surprisingly calm over this quarter. Continued concerns have been raised by the Bank of England over the level of consumer debt and there is increased talk of interest rate rises, potentially during the latter stages of 2017. All of these factors give rise to heightened caution with regards to a potentially weaker macroeconomic backdrop over the medium term.

The Company has grown the portfolio to 21 debt investments across 10 sectors. Approximately 75% of the portfolio is in private bi-lateral or private club Loans with the remainder in public debt transactions. The portfolio has £68m of commitments of which approximately £51m has been deployed on a cash basis. Over the period there have been two divestments, one pre-payment and one loan maturity.

The NAV as at 30 September was 99.51 pence which is 0.40 pence higher than the end of August and is made of up interest income net of expenses of 0.38 pence and an increase in asset valuations of 0.02 pence.

### Fund Performance - as at 30 September 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	-	-	-	0.4
NAV (Cum Income) p	97.7	97.4	97.3	97.5	98.2	97.6	98.1	99.1	99.5	-	-	-	1.5
Total Return (%) – NAV & Dividends	(0.3)	(0.3)	(0.1)	0.2	0.7	(0.4)	0.5	1.2	0.4	-	-	-	1.9
Total Return (%) - Share Price & Dividends	2.0	0.0	(0.3)	0.0	0.3	0.2	0.3	0.2	0.0	-	-	-	2.7

## 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

RM Capital Markets Limited

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### Company Address

RM Secured Direct Lending PLC

Mermaid House

2 Puddle Dock

London

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## Company Update

**The Investment Manager has reviewed a number of opportunities over the period and has made good progress with further cash deployment into established businesses across a variety of sectors, supported by strong security packages. New transactions for the quarter include:**

**Asset Finance Business:** In July a £5.5m loan to a specialist asset finance business. The investment is secured over a portfolio of c. 500 discrete assets (including plant, equipment and associated cash flows). The investment supports funding to underlying UK businesses across a range of sectors.

**Industrial Corporate:** In July a €2m participation in the debt refinancing of a leading provider of rigid and semi-rigid plastic films used in packaging. The primary end markets include pharmaceutical, medical devices as well as food and beverages.

**Energy:** £3m Loan to Solarplicity in August, one of the UKs leading energy providers, refinancing an operational solar park. This is RMDL's fourth investment into UK renewable companies meaning the Company has financed 105MWs of renewable energy generation, equivalent to powering over 35,000 homes.

**Food Manufacturer:** Participation of £3m as part of a larger refinancing to Valeo Foods in August, a leading pan-European food producer with a portfolio of market leading brands with a broad and diversified product offering. The lower cost of their products offers a less cyclical investment exposure with stable and growing earnings, coupled with strong cashflow generation which makes it an attractive opportunity for RMDL.

**Property:** In September a £4.9m investment with a day one drawdown of £2.6m to Strawberry Star, a property development company. The use of proceeds to purchase and develop a mixed-use site in Wandsworth into 77 residential units, flexible work space and restaurant accommodation. The credit highlights of the transaction were the limited leverage with significant funding committed by Strawberry Star.

**Pre-payment of Facilities:** During the quarter, the Investment Manager saw early repayment of two debt facilities in the Energy & Waste sector which totalled £5.15m. In order to pre-pay the loan the borrower was charged a pre-payment fee of £531,000 which is of immediate benefit to the Company. The Investment Manager has made two divestments with a face value of £5m within the more liquid lower yielding part of the portfolio in order to raise cash to deploy into soon to be closed, higher yielding opportunities. This is consistent with the investment strategy as outlined to investors and has increased the average yield on the portfolio to 8.26%. Finally, one of the shorter dated property bridging loans was repaid.

### Fundraise update

September was a busy month as the Investment Manager looked to finalise the deployment of remaining investable cash balances which was largely completed by month end. Concurrent to this, a number of investor meetings were held towards the end of September and additional meetings scheduled for early October as the Investment Manager seeks to raise additional capital for the Company.

## Fundraise update continued

As previously outlined the Investment Manager is bringing forward a pipeline of Loan opportunities with the intention of funding these via the implementation of a revolving credit facility with bank counterparty or in conjunction with an additional capital raise.

### Pipeline

The Investment Manager has a healthy pipeline of active opportunities and is expecting to closing the second drawdown for Solarplicity in early October. A second specialist finance transaction is in advanced stages along with a participation in a senior secured private debt transaction for a mid-sized pan European outdoor advertising company with prime urban assets. There are also a number of drawdowns expected over the coming period for existing commitments. Whilst these commitments have already been documented the Company is not obligated to provide funding. In total the current pipeline of opportunities is in excess of £100m which is why the investment Manager is seeking to raise additional capital as previously outlined.

### Company Portfolio<sup>1</sup>

**21**

Number of Loans

**£68.0m**

Total Committed<sup>2</sup>

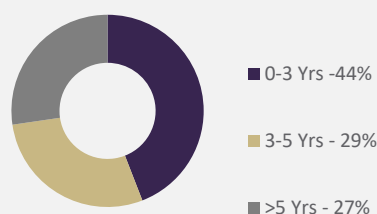
**8.26%**

Average Yield\*

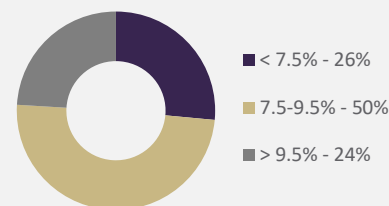
**3.74 years**

Average Life<sup>3</sup>

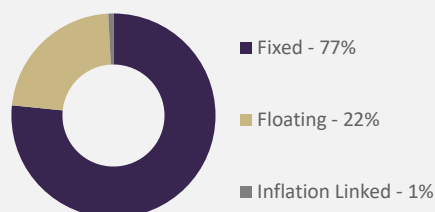
WAL of Loan Book



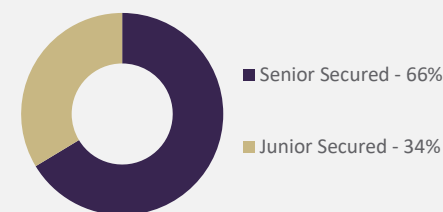
Annualised Yield



Coupon Type



Investment Type



### Largest 10 loans by drawn amounts

Market Sector	Business Activity	Loan Value	Expected Yield %	WAL <sup>3</sup>
Finance & Insurance	Asset Finance	£5.50m	8.00%	4.23
Sovereign & Public Finance	Student Accommodation	£4.42m	9.50%	2.51
Beverage & Food	UK Restaurant Group	£4.00m	9.43%	4.81
Healthcare & Pharma	Healthcare	£4.00m	6.11%	4.47
Energy & Waste	Renewable Energy	£4.00m	7.00%	2.57
Healthcare & Pharma	Healthcare	£4.00m	8.67%	5.56
Finance & Insurance	Insurance Brokerage	£3.00m	8.54%	5.77
Energy & Waste	Renewable Energy	£3.00m	8.00%	0.83
Beverage & Food	Food Manufacturer	£3.00m	9.69%	7.85
Construction & Building	Residential Development	£2.60m	6.99%	2.38

<sup>1</sup>As at 30 September 2017; <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

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