

RM Secured Direct Lending PLC

Quarterly Fact Sheet

30th June 2021

Company Overview

ISIN - Ord's	GB00BYMTBG55
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 :
Discount Management Strategy	Share buy-backs if 6% discount or more ³
Shares in Issue Ord's	117,944,782
Share Price Ord's mid	90.00p
Investment Managers holding (shares)	1,262,325
Net Assets Ord's	£112,347,698
NAV per Share Ord's	95.25p
Share Price discount to NAV	5.51%

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: Singer Capital Markets
Advisory LLP and Peel Hunt LLP

Investment Manager

RM Capital Markets Limited, 4th Floor, 7 Castle Street,
Edinburgh EH2 3AH.

Portfolio Managers:

James.Robson@rm-funds.co.uk

Pietro.Nicholls@rm-funds.co.uk

Thomas.LeGrixDeLaSalle@rm-funds.co.uk

www.rm-funds.co.uk

Company Address: RM Secured Direct Lending PLC, 1st
Floor, Senator House, 85 Queen Victoria Street.
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 through loans sourced or originated by RM Funds, (the "Investment Manager" or "RM Capital Markets Limited"). Loans in which the Company invests are predominantly secured against assets such as business assets, real estate or plant and machinery and/or income streams such as accounts receivable.

Market Update

Global stock markets advanced further during Q2 as the vaccine rollout continued at pace, with stock market expectations that the economic rebound from the pandemic will generally be swift and strong.

From a fixed income viewpoint one of the most surprising aspects of Q2 was that despite the clear sign of inflationary pressures the UK the 10-year gilt yield fell during the period to circa 0.85%. This may be largely due to the market view that this rebound in economic activity which puts pressure on supplies is transitory. However, with the cost of goods rising and labour shortages evident within certain sectors it does seem as if the 10-year yields are vulnerable to a material movement higher.

Finally, for the fourth consecutive quarter, credit products have benefitted from continued positive market momentum – for this quarterly period the total return on the Markit IBOX EUR Liquid High Yield Index was +1.32% and the S&P European Leveraged Loan index was 1.1%.

NAV

The Company's NAV % Total Return for the month of June was +0.83%, which brings the NAV % Total Return for the quarter to +3.63%.

The Ordinary Share NAV as at 30th June 2021 was 95.25 pence per share. This monthly NAV return of -0.828 pence per share arose primarily from the ex-dividend effect of the 1.625 pence per share total ordinary dividend for the period Q1 2021, declared in May and paid in June 2021. Otherwise, there was positive interest income, net of expenses, of 0.517 pence per share and an increase in portfolio valuations of 0.262 pence per share.

Summary for June 2021 (pence per share)

Net interest income	+0.517p
Change in portfolio valuations	+0.280p
Payment of Dividend	-1.625p
Net NAV Movement	-0.828p



Company Activity

During the period the Company declared and paid a 1.625 pence per share dividend in respect of Q1 2021. This marks the 17th distribution for the Company all being at or above the Company's stated target. The Company's Zero Dividend Preference shares ("ZDPs") matured in April 2021 and were repaid with a final capital entitlement payable of 110.91p per ZDP share. The ZDPs were repaid from a new credit facility with OakNorth Bank which at the time of closing was neutral in terms of the Company's existing gross borrowings (9.90% on a net basis after taking account of cash balances).

Buyback Programme

No shares were repurchased by the Company during the period as the share price discount was within the target range of not greater than 6% discount. It is pleasing to see the discount below the 6% target and the Board and the Investment Manager remain focused on the share price returning to trading at a premium to NAV, as was the case for the first 36 months following IPO. Post quarter end the Board of the Company have announced and implemented a closed period buyback programme.

Portfolio Update

Investment Performance

Overall, it was a very strong quarter for the portfolio with a NAV % total return of 3.63% which is significantly ahead of the observable liquid high yield and leverage loan indices referred to within the Market Update section above. This above target return was largely due to a partial revaluation of investments which had been conservatively marked lower during the pandemic. The continued trajectory of the remaining investments which were marked lower during the pandemic is positive and valuations will be further reviewed by the independent valuation agent as 1) the economy continues to re-open post the lockdowns and 2) the underlying credit and financial metrics improve.

New Investments – Execution and rotation towards Social & Environmental Investments

During the period, several investments were made which align with the updated investment focus communicated by the Company and Investment Manager. These include investments across the social infrastructure segment, with each Investment secured over all assets of the borrower including property.

- **Social Infrastructure> Education: (CBILS)** £2m loan (loan ref 91) to a UK Education provider, secured over the school campus.
- **Social Infrastructure> Aged Care:** £13m commitment (loan ref 88). Loan to a modern care home development, with approximately 200 beds.
- **Social Infrastructure> Student Accommodation: (CBILS)** £5.0m loan (ref 92) secured over a portfolio of student accommodation assets across the UK.

In each instance the Investment Manager has underwritten the Loans against a variety of financial, business and credit metrics, and, where possible, eligible borrowers accessed the CBILS scheme, providing a further credit enhancement for the Investment Trust.

CBILS Loans

The CBILS scheme closed to new applications on the 31st March 2021, but pre-qualified prospective investments were permitted a grace period to reach financial close under the scheme rules. The portfolio CBILS exposure increased over the quarter from £19.5m to £32m with CBILS partially government guaranteed loans now representing 25% (from 15.8% at end of Q1) of the gross assets of the portfolio. All CBILS loans benefit from a UK Government Guarantee, protecting a minimum of 80% of the principal and 100% of the first year's interest.



Existing portfolio

Accommodation > Student Accommodation

During the quarter, the recovery against Loan ref 68 Student Accommodation in Coventry was completed. The asset is now fully owned by the Company. An Operations and Maintenance (“O&M”) Contract was signed with a reputable student accommodation provider (the “Operator”) to manage the lettings process. The asset is currently valued on a “day 1 basis”, i.e. open but with no trading history. The Investment Manager expects NAV growth from this asset in time, as occupancy becomes established and stabilised. The Investment Manager is encouraged by the valuations attached to both private and public transactions within the UK student accommodation sector. Within the short space of time since appointment the Operator reports pre-lettings for 2021/22 is currently at 20%, with the expectation of increased pre-lets during the summer period.

Non-Core > Manufacturing

Bienbauer’s (Loan ref: 39) performance continues to benefit from the economic reopening in Germany. The borrower’s management team notified the lending group of its intention to revert to paying the original loan payment terms of 50% cash / 50% PIK from Q3. This this will significantly reduce the overall percentage of the portfolio which is paid in PIK as they were the largest contributor to this during 2020.

Health & Well Being > Gym Royalty’s/Franchise

Energie Fitness (Loan ref:76) has seen significant growth in membership numbers which are now back above the 100,000-member level and are expected to be back at pre-lockdown levels by Q4 2021. Overall, the business is performing well with the recently announced Iberia Master Franchise entering pre-sales period for membership sales, multiple new UK site franchise agreements signed and the launch of the Empowered Brands concept, which seeks to partner with established health and wellness businesses to rollout UK and International franchises.



Company Portfolio at month end

34

Number of Loans

£128m

Total invested ⁱ

9.00%

Average Yield

2.74 years

Average Life

¹ actual capital invested, excludes undrawn commitments, includes investments yet to settle:

Largest 10 investments by value across the entire portfolio

Business Activity	Value (£m)	Expected Yield	WAL (years)
Asset Finance	10.19	8.00%	2.50
Hotel	8.29	9.23%	2.76
Automotive parts manufacturing	7.82	13.68%	1.49
Hotel	6.33	9.23%	2.76
Gym franchise	6.27	11.21%	3.73
Student Accommodation	5.78	9.23%	3.35
Student Accommodation	5.10	5.00%	2.00
Hotel	5.00	8.00%	2.48
Healthcare	5.00	7.50%	2.47
Student Accommodation	5.00	8.00%	2.91



Fund performance

	1 month	3 months	6 months	1 year	2 years	ITD
NAV Total Return %	0.83%	3.63%	4.99%	11.95%	11.77%	27.52%

2021													YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Dividends p	-	-	1.625	-	-	1.625	-	-	-	-	-	-	3.250p
NAV (Cum income) p	94.13	94.84	93.49	94.74	96.08	95.25	-	-	-	-	-	-	-
NAV Total Return %	0.26	0.76	0.28	1.34	1.42	0.83	-	-	-	-	-	-	4.99%
Net Interest Income p	0.21	0.56	0.45	0.51	0.68	0.52	-	-	-	-	-	-	2.94p

2020													YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Dividends p	-	-	1.70	-	-	1.625	-	-	1.625	-	-	1.625	6.575p
NAV (Cum income) p	98.31	98.74	86.64	89.10	91.14	91.16	91.56	91.97	91.58	91.91	93.66	93.88	-
NAV Total Return %	0.53	0.43	(10.53)	2.83	2.29	1.80	0.44	0.44	1.35	0.36	1.91	1.97	3.15%
Net Interest Income p	0.60	0.67	0.60	0.53	0.53	0.53	0.53	0.53	0.53	0.45	0.41	1.06	6.96p

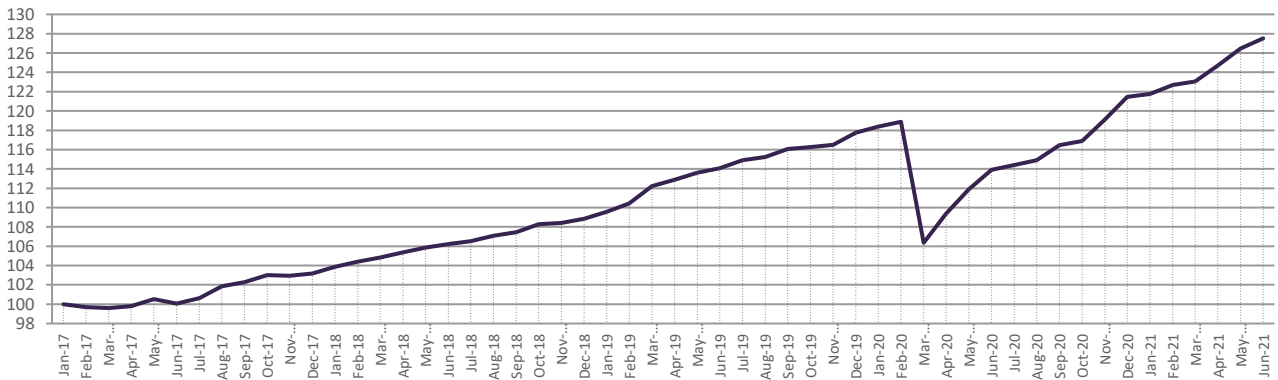
2019													YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Dividends p	-	-	1.625	-	-	2.00	-	-	1.625	-	-	1.70	6.95p
NAV (Cum income) p	97.62	98.38	98.36	98.95	99.59	98.00	98.69	99.00	98.05	98.24	98.45	97.79	-
NAV Total Return %	0.67	0.78	1.64	0.59	0.65	0.41	0.70	0.31	0.70	0.19	0.21	1.06	8.18%
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													YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
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													YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
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

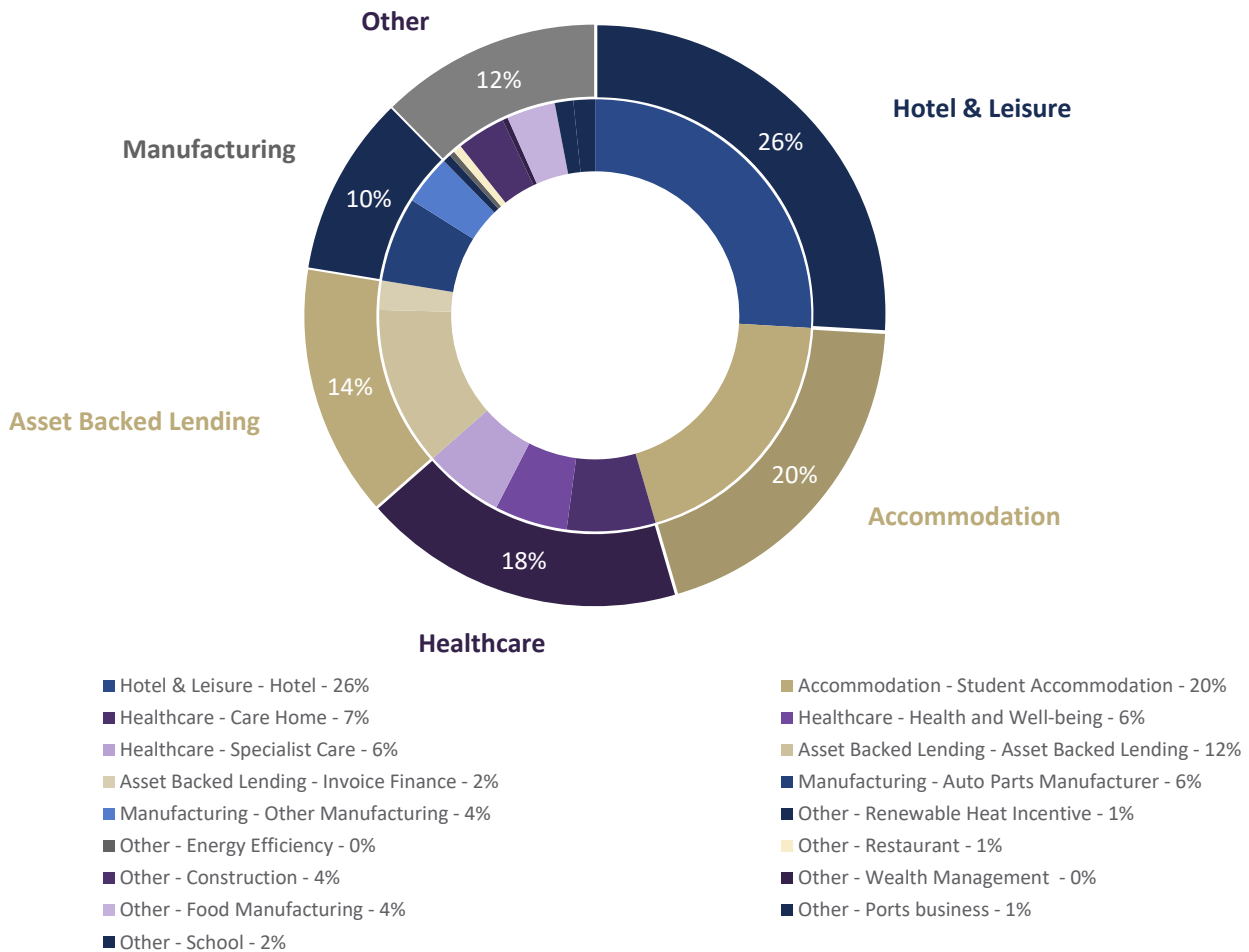


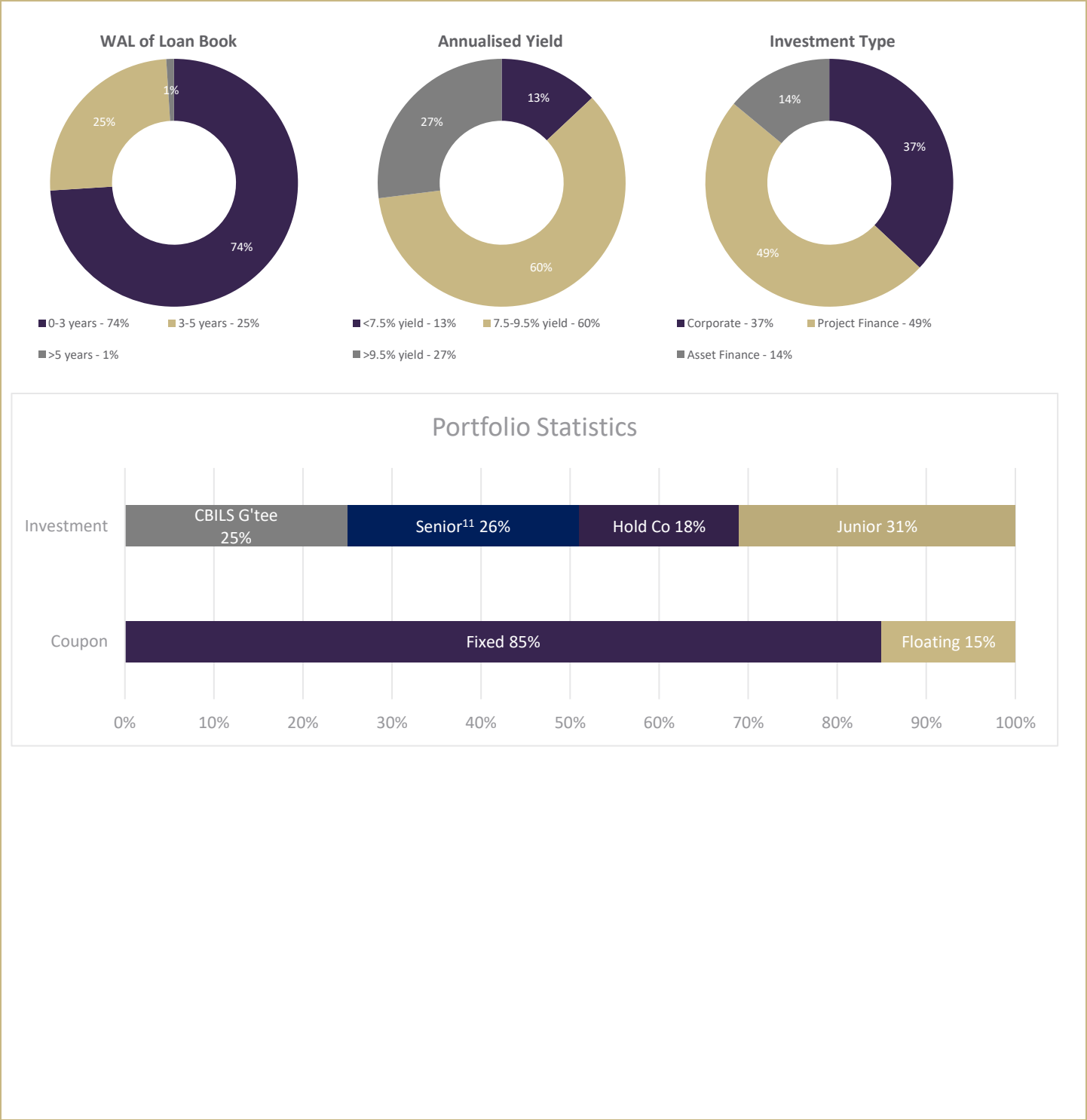
Cumulative NAV Performance since inception



Portfolio Statistics

Sector breakdown¹⁰







Loan Ref#	Borrower Name	Deal Type	Sector	Business Description	Nominal (£)	Market Value (£)	Valuer	Payment
60	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Asset Backed Lending	10,193,916	10,193,916	V Agent	Cash
66	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	8,504,440	8,291,829	V Agent	Cash
39	Beinbauer	Syndicated Loan	Manufacturing	Auto Parts Manufacturer	8,227,515	7,816,139	V Agent	PIK
67	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	6,490,560	6,328,296	V Agent	Cash
76	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	7,601,012	6,270,835	V Agent	PIK
74	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	5,930,000	5,781,750	V Agent	Cash
68	Equity	Equity	Accommodation	Student accommodation	5,100,000	5,100,000	V Agent	N/A
80	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	5,000,000	5,000,000	V Agent	Cash
82	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	5,000,000	5,000,000	V Agent	Cash
89	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	5,000,000	5,000,000	V Agent	Cash
86	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	5,000,000	4,875,000	V Agent	Cash
79	Private Loan - SPV	Bilateral Loan	Construction	Construction	4,500,000	4,500,000	V Agent	Cash
34	Valeo Foods	Syndicated Loan	Food and beverages	Food manufacturing	4,500,000	4,488,750	External	Cash
61	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Asset Backed Lending	4,469,939	4,469,939	V Agent	Cash
6	Elysium	Syndicated Loan	Healthcare	Specialist Care	4,500,000	4,427,820	External	Cash
12	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	4,420,000	4,243,200	V Agent	Cash
62	Trent Capital	Bilateral Loan	Manufacturing	Other Manufacturing	4,462,747	4,239,610	V Agent	PIK
73	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	4,000,000	4,000,000	V Agent	Cash
84	Private Loan - SPV	Bilateral Loan	Accommodation	Student accommodation	4,000,000	4,000,000	V Agent	Cash
16	Voyage Care	Bond	Healthcare	Specialist Care	3,000,000	2,906,250	External	Cash
64	Private Loan - SPV	Bilateral Loan	Asset Backed Lending	Invoice Finance	2,750,000	2,695,000	V Agent	Cash
58	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	3,606,245	2,632,559	V Agent	PIK
88	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	2,120,546	2,120,546	V Agent	Cash
91	Private Loan - SPV	Bilateral Loan	Childcare & Education	School	2,000,000	2,000,000	V Agent	Cash
71	Euroports	Syndicated Loan	Transport Assets	Ports business	1,714,237	1,705,666	External	Cash



83	Private Loan - SPV	Bilateral Loan	Healthcare	Care home	1,053,136	1,053,136	V Agent	Cash
69	Private Loan - SPV	Bilateral Loan	Hotel & Leisure	Hotel	900,000	855,000	V Agent	Cash
87	Private Loan - SPV	Bilateral Loan	Commercial Property	Restaurant	782,623	782,623	V Agent	Cash
78	Private Loan - SPV	Bilateral Loan	Energy Efficiency	Energy Efficiency	500,000	500,000	V Agent	Cash
81	Private Loan - SPV	Bilateral Loan	Finance	Wealth Management	500,000	500,000	V Agent	Cash
52	Private Loan - SPV	Bilateral Loan	Clean Energy	Renewable heat incentive	468,890	468,890	V Agent	Cash
76.1	Gym Franchise	Bilateral Loan	Healthcare	Health and Well-being	549,147	453,046	V Agent	PIK
63	Trent Capital (Fusion) RF	Bilateral Loan	Manufacturing	Other Manufacturing	871,625	371,416	V Agent	Cash
9	Private Loan - SPV	Bilateral Loan	Clean Energy	Renewable heat incentive	344,975	271,760	V Agent	Cash
				Total	128,061,553	123,342,976		

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. Fee 0.875% NAV up to £250m, 0.80% NAV above £250m less than £500m and 0.75% of the prevailing NAV above £500m NAV. Investment Manager will purchase a minimum of £10,000 of shares from this fee quarterly.
- Discount control mechanism triggers if shares trading at an average discount of more than six percent over previous 6-month trading period.
- Total Loans includes settled and unsettled investments and excludes commitments entered into which have not yet been funded.
- 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.
- The Final Capital Entitlement in respect of the ZDPs was paid to ZDP Shareholders on 6 April 2021 following which the ZDPs and their listing were cancelled.
- Percentages may not add up to 100% due to rounding.
- Senior position is inclusive of wholly owned scheme with no debt obligations.

Disclaimer

This Report is intended solely for the information of the person to whom it is provided by the Company, the Investment Manager or the Administrator. This Report does not constitute an offer or solicitation for the purchase or sale of any investment or financial instrument in the Company and should not be relied on by any person for the purpose of accounting, legal or tax advice or for making an investment decision. The payment of dividends and the repayment of capital are not guaranteed by the Company. Any forecast, projection or target is indicative only and not guaranteed in any way, and any opinions or views expressed in this Report are those of the Investment Manager, and do not constitute investment advice and are subject to change without notice, and neither the Company nor the Investment Manager is under any obligation to update such opinions. Whether the Company proceeds with any investment is dependent on multiple factors including, but not limited to the completion of satisfactory due diligence. Past performance is not a reliable indicator of future performance, and investors may not get back the original amount invested. Unless otherwise stated, the sources for all information contained in this report are the Investment Manager and the Administrator. Information contained in this Report is believed to be accurate at the date of publication, but none of the Company, the Investment Manager and the Administrator gives any representation or warranty as to the Report's accuracy or completeness. This report does not contain and is not to be taken as containing any financial product advice or financial product recommendation. None of the Company, the Investment Manager and the Administrator accepts any liability whatsoever for any loss (whether direct or indirect) arising from any use of this Report or its contents. RM Capital Markets Limited is authorised and regulated by the FCA, registered in Scotland (Registered Number: SC380707).