

Secured Income Fund Plc



Factsheet | 31 August 2020

Investment Objective

The Secured Income Fund Plc is designed to provide shareholders with attractive risk-adjusted returns predominantly through investment in a range of SME loan assets and secured lending opportunities, diversified by way of asset class, geography and structure.

Key Benefits

1. Diversified exposure to SME borrowers across key markets in the UK, Europe and USA
2. Targeted annual dividend of 7p per share paid quarterly and as loans mature or are refinanced.
3. Lending against business critical assets providing downside protection

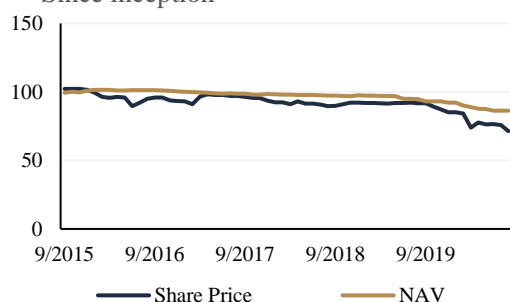
Fund Information

Key facts

Market Capitalisation	£37.7m
Share Price	71.50p
NAV	£45.5m
NAV per share	86.40p
Premium / (Discount)	-17.2%
Gearing	None
Management Fees²	1.0% up to £250m
Ongoing charges	2.0%
Ticker	SSIF:LN
ISIN	GB00BYMK5S87

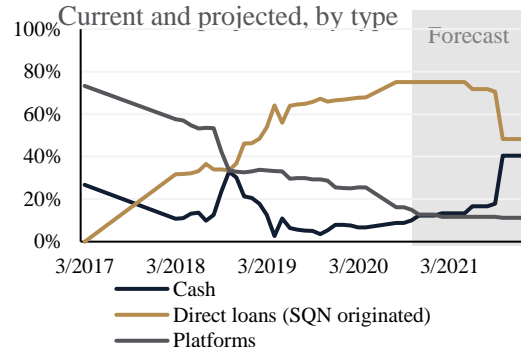
Share Price Performance

Since inception



Portfolio Exposure

Current and projected, by type



Performance¹

Total return, cum income, %

To 31/08/2020	SI	3y	1y	6m
Share price	-0.05	-2.55	-15.05	-11.11
NAV	4.20	2.70	-1.63	-0.25

¹ Annualised for periods longer than one year.

12M discrete	31/08/2016 – 31/08/2017	31/08/2017 – 31/08/2018	31/08/2018 – 31/08/2019	31/08/2019 – 31/08/2020
Share price	10.18	-1.25	10.30	-15.05
NAV	4.66	5.21	4.67	-1.63

² As per the resolution detailed in the Circular issued on 20th August 2020, the management fee will be reduced to 0.75% for 12 months from 18th September 2020.

Fund Portfolio³

Top 10 Holdings (%)

Direct Loan	21.94%
Co-investment	12.93%
Direct Loan	9.85%
Direct Loan	9.18%
Direct Loan	6.82%
Direct Loan	6.25%
Direct Loan	5.61%
Direct Loan	5.04%
Direct Loan	4.30%
Direct Loan	3.40%
Total	85.32%

Total number of holdings 22

Average loan size £1.83m

Weighted average yield 9.63%

Portfolio exposure (%)

Direct Loans (KKV originated)	75.3	<div style="width: 75.3%;"></div>
Co-invested and solely owned debt	17.8	<div style="width: 17.8%;"></div>
Cash (incl. committed cash)	6.4	<div style="width: 6.4%;"></div>
Peer-to-peer / Crowdfunded	0.5	<div style="width: 0.5%;"></div>

Geographical breakdown (%)

UK	74.6	<div style="width: 74.6%;"></div>
US	11.3	<div style="width: 11.3%;"></div>
Europe	10.7	<div style="width: 10.7%;"></div>
Offshore Britain	3.4	<div style="width: 3.4%;"></div>

Maturity breakdown (%)

0-6 months	13.8	<div style="width: 13.8%;"></div>
6-18 months	26.7	<div style="width: 26.7%;"></div>
18-36 mos.	29.3	<div style="width: 29.3%;"></div>
>36 months	30.2	<div style="width: 30.2%;"></div>



Weighted average maturity 2.5 years

Currency breakdown

GBP	£33,590,000	74.7%
USD	\$9,416,000	15.7%
EUR	€4,885,000	9.7%

Currency hedged to GBP⁴ 100%

³ Portfolio exposures are calculated as the present balance outstanding plus investment receivables less any impairment/ expected credit loss provision.

⁴ Please note currency hedging was removed during September 2020



Dawn Kendall
CIO & Lead Fund Manager

Dawn has 34 years' experience in financial services, including 25 years' experience managing fixed income portfolios at distinguished financial institutions, including in her role as Partner and Portfolio Manager at TwentyFour Asset Management, as CIO for IAM, a fund of hedge funds, and Portfolio Manager for The Codelouf Trust, a family office. Additionally, Dawn has held senior investment and management positions at Newton, Axa (Architas) and Investec Wealth. Dawn has a degree in European and English Law and an MBA.

August Investment Highlights

During August we have continued to monitor our exposures very closely with regular updates from our borrowers. We have been pleased to observe an improvement in the performance of our direct loan exposure with borrowers reporting better performance in terms of sales and general business activity. Our loan to a manufacturing business in Ireland will recommence amortisation as scheduled in October and we have noted that our wholesale counterparties have recommenced lending and have maintained good collections data for existing clients. We awarded a six month Covid-19 extension to a legacy peer to peer provider and have seen more cash returned by our venture debt platform. This has allowed us to maintain a healthy cash cushion and expect to be able to return more capital to Shareholders in Q4.

Prior to the decision to wind the company down, we had maintained a full hedge of non-GBP currency exposures. In order to reduce costs and to release margin, the decision was taken to remove these hedges and we took advantage of a period of relative strength for Sterling to close out the positions post end of August. However, due to the time lapse for

NAV publication we consider it appropriate to flag this to allow Shareholders to make their own hedging arrangements if they wish to do so. Henceforth, we shall report FX exposures in percentage and cash terms on the monthly factsheet.

In addition, we would like to flag that as of the publication of the July factsheet, we adjusted the way in which we report wholesale and platform positions. Prior to the transfer of the business to KKV, these had been considered on a look-through basis but as the platform exposures were starting to reduce and the fund enters its wind down phase, we now include these positions as single assets. Whereas before, we had only listed the loans in the top ten that were considered a single risk exposure. As a consequence, our largest loan exposure is now shown as 21.94% of the portfolio however this represents a wholesale position with a total of 372 underlying loans with an average size of £28,840 (data as at end July 2020).

Disclaimer:

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Secured Income Fund plc

Closed-ended Investment Company | **Listing:** London Stock Exchange Main Market Specialist Segment | **Domicile:** UK