

Secured Income Fund Plc



Factsheet | 31 December 2020

Key Benefits

1. Diversified exposure to SME borrowers across key markets in the UK, Europe and USA.
2. Lending against business critical assets providing downside protection.

Fund Information

Key facts

Market Capitalisation	£35.0m
Share Price	66.50p
NAV	£41.3m
NAV per share	78.26p
Premium / (Discount)	-15.0%
Gearing	None
Management Fees²	0.75%
Ongoing charges	2.0%
Ticker	SSIF:LN
ISIN	GB00BYMK5S87

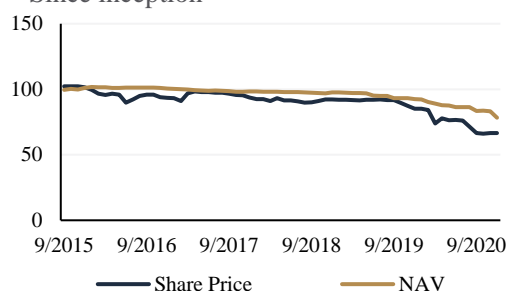
Investment Objective

The Secured Income Fund Plc is managed with the intention of realising all remaining assets in the Portfolio in a prudent manner consistent with the principles of good investment management and with a view to returning cash to Shareholders in an orderly manner.

The Company will pursue its investment objective by effecting an orderly realisation of its assets in a manner that seeks to achieve a balance between maximising the value received from those assets and making timely returns of capital to Shareholders. This process might include sales of individual assets, mainly structured as loans, or running off the Portfolio in accordance with the existing terms of the assets, or a combination of both.

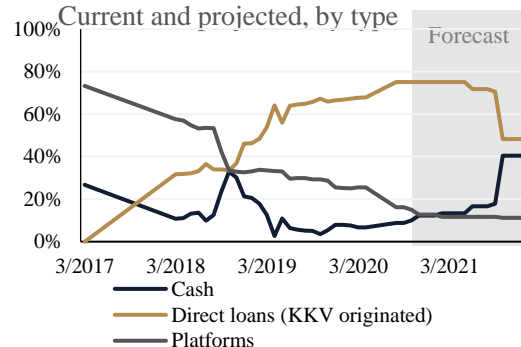
Share Price Performance

Since inception



Portfolio Exposure

Current and projected, by type



Performance¹

Total return, cum income, %

To 31/12/2020	SI	3y	1y	6m
Share price	0.39	-1.28	-8.88	-2.85
NAV	3.54	1.40	-3.37	-0.64

¹ Annualised for periods longer than one year.

12M discrete	31/12/2016 – 31/12/2017	31/12/2017 – 31/12/2018	31/12/2018 – 31/12/2019	31/12/2019 – 31/12/2020
Share price	7.42	5.80	-0.20	-8.88
NAV	4.93	6.02	1.78	-3.37

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

Fund Portfolio³

Top 10 Holdings (%)

Direct Loan	24.16%
Direct Loan	11.15%
Direct Loan	10.61%
Co-investment	8.83%
Direct Loan	6.78%
Direct Loan	6.33%
Direct Loan	5.33%
Direct Loan	4.82%
Direct Loan	4.76%
Co-investment	3.85%
Total	86.62%

Total number of holdings	19
Average loan size	£2.04m
Weighted average yield	9.90%

Portfolio exposure (%)

Direct Loans (KKV originated)	79.7	
Co-invested and solely owned debt	13.8	
Cash	6.0	
Peer-to-peer / Crowdfunded	0.5	

Geographical breakdown (%)

UK	72.4	
Europe	12.1	
US	11.7	
Offshore Britain	3.8	

Maturity breakdown (%)

0-6 months	11.4	
6-18 months	28.9	
18-36 months	39.7	
>36 months	20.0	



Weighted average maturity 2.0 years

Currency breakdown

GBP	£29,952,000	72.4%
USD	\$9,330,000	16.5%
EUR	€5,145,000	11.1%

No currency hedging used⁴

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.

December Investment Highlights

As we observed earlier in the year, direct lending strategies targeting Europe are poised to benefit from a windfall of new origination as high street banks start to tighten their lending criteria. 2020 proved to be a challenge as liquidity boosts from government supported loan schemes made the cost of this type of debt prohibitive. However we have observed from our own wholesale exposure that new business has been stable even through this latest lockdown period and our wholesale lenders expect a further increase as they step into the space vacated by the banks. For SIF, this has meant that amortisation for our wholesale borrowers has commenced without difficulty and we are confident that we will be able to return capital as scheduled in relation to these loans.

In addition, we have received a steady flow of cash from our film financing transactions and a payment from our largest venture debt exposure as another facility to a financial services business was successfully sold. The largest debt obligation of the venture debt

exposure has been taken onto the balance sheet having made arrangements for the management of this business to remain with the manager, allowing the platform to commence a faster wind-down.

Platform debt remains steady with two loans maturing leaving just seven loans with this counterparty. One of these is a property finance loan based in Gibraltar and with the successful close of a trade deal for the UK, we expect the final requirements for repayment to be achieved soon.

We have returned 8.50 pence to shareholders via dividend distribution since September 2020 and we continue to accumulate cash enabling us to continue with this policy.

Please note, we no longer hedge our foreign exchange exposures and provide details of the USD and EUR allocations in the data provided in the factsheet to allow shareholders to consider their own hedging, if they so required.

Disclaimer:

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Secured Income Fund plc

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