

Secured Income Fund Plc



Factsheet | 31 May 2021

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	£28.2m
Share Price	53.50p
NAV	£21.5m
NAV per share	40.84p
Premium / (Discount)	31.0%
Gearing	None
Management Fees²	0.75%
Ongoing charges	2.0%
Ticker	SSIF:LN
ISIN	GB00BYMK5S87

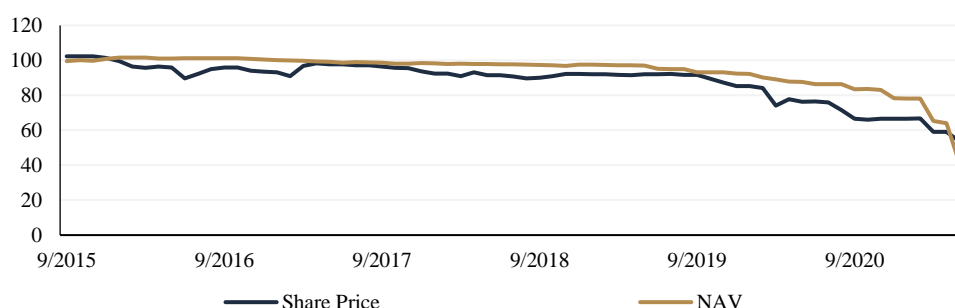
Investment Objective

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



Performance¹

Total return, cum income, %

To 31/05/2021	SI	3y	1y	6m
Share price	2.62	2.77	11.40	18.54
NAV	-1.85	-8.67	-26.45	-27.02

¹ Annualised for periods longer than one year.

12M discrete	31/05/2017 – 31/05/2018	31/05/2018 – 31/05/2019	31/05/2019 – 31/05/2020	31/05/2020 – 31/05/2021
Share price	0.04	8.31	-10.05	11.40
NAV	5.29	6.20	-2.47	-26.45

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	26.11%
Direct Loan	19.94%
Co-investment	8.66%
Direct Loan	8.18%
Direct Loan	3.15%
Direct Loan	3.13%
Direct Loan	3.03%
Direct Loan	2.82%
Direct Loan	2.64%
Direct Loan	1.52%
Total	80.63%

Total number of holdings 14

Average loan size £1.26m

Weighted average yield 7.55%

Portfolio exposure (%)

Direct Loans (KKV originated)	72.9	
Cash	18.2	
Co-invested and solely owned debt	9.0	
Peer-to-peer / Crowdfunded	0.0	

Geographical breakdown (%)

UK	69.5	
Europe	21.4	
US	9.1	

Maturity breakdown (%)

0-6 months	49.2	
6-18 months	6.2	
18-36 months	27.8	
>36 months	16.8	



Weighted average maturity 1.5 years

Currency breakdown

GBP	£14,636,000	67.9%
USD	\$3,759,000	12.3%
EUR	€4,289,000	19.9%

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.

May Investment Highlights

During May, the Company made a distribution of £3,686,224 to Shareholders via an issue and redemption of B Shares. The capital proceeds were equivalent to 7 pence per Ordinary Share.

The Manager has carried out a detailed review of the Film Production Financing portfolio and has presented a number of findings to the Board. There have been delays in recouping the contracted cash flows in the form of tax credits, receipts and presold income. For the Future Sales element, previously anticipated large upfront payments are now considered highly unlikely to be received. Finally, given the impact of the pandemic on the film industry, there has been a need to shift to longer tail earn outs on the loans. As a result of these findings, we have revised down our advised valuations of these loans.

There has been a sale of business assets within the US Healthcare Services company, which has rendered the business economically unviable. We are in the process of reviewing the available options in order to ensure the best possible outcome for shareholders.

There is one performing loan remaining with our final peer to peer lending platform, which is due to mature in August 2021.

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