



# HADRIAN'S WALL SECURED INVESTMENTS LIMITED

## Quarterly Report – September 2016

### Overview

Hadrian's Wall Secured Investments Limited (the "Company") is a Guernsey-domiciled, closed-ended investment company, whose shares are traded on the Main Market of the LSE.

The Company's investment objective is to provide Shareholders with regular, sustainable dividends and to generate capital appreciation through exposure, directly or indirectly, to primarily secured loans originated across a variety of channels, assets and industry segments. Once the IPO proceeds are substantially invested, the Company will target an annualised dividend yield of at least 6 per cent. of the Issue Price, which is expected to grow over time.

The Company provides loans to under-served segments of the UK Small and Mid-sized Enterprises ("SME"s) market with a typical individual loan size of £1 million to £6 million. Generally, the Company directly lends to operating businesses to fund capital assets and for general corporate purposes. Loans are secured by a range of collateral, including transportation equipment, production equipment, property, inventory and financial assets.

This is a summary only; full details of the Company and its investment policy, including investment restrictions, are set out in the prospectus published on 31 May 2016.

### Company Update

This is the Company's first quarterly report since its IPO on 20 June 2016, the week of the Brexit vote. Market reaction to the unexpected result of the Brexit vote understandably put a number of transactions on hold in July while companies reassessed their positions. This was followed by the usual August holiday slowdown in activity before the market returned to new business in September. Activity has now restarted, and our pipeline has begun to build.

We are pleased to report that we are on track to deploy our capital over the next few months and expect to be fully committed during the first quarter of 2017. After taking into account the temporary hiatus following the Brexit vote, our investment expectation is consistent with our target of fully deploying our initial capital within six months. The typical transaction process for an investment takes approximately 45-90 days from inquiry to close.

To date we have evaluated over £145 million of transactions, of which some £30 million is in process and £5 million closed in September. This first £5 million is a 5-year loan to a company providing auto leases, with a 9% yield on amounts drawn.

The pipeline of lending opportunities remains strong and diversified. The most notable difference between the actual transactions we are seeing and our initial expectations is that the average loan size is slightly larger than we had anticipated. We see this as a credit positive as we are able to allocate more resources to each loan.

The range of transactions for which we are mandated or evaluating is diverse. This includes companies in the manufacturing, equipment leasing, property management and service sectors. The range of collateral includes production equipment, transportation equipment, property, trade receivables, inventory, point of sale equipment and intellectual property. We remain uncomfortable with property development and spot invoice finance at this time and do not anticipate investing in these sectors in the medium term.

The Company expects to declare its maiden dividend shortly in respect of its first quarter. The Company has a strong visible pipeline of transactions meeting the Company's return objective and expects to achieve the targeted level of dividends on an annualised basis once the capital is fully deployed.

\* For further details please refer to the Company's prospectus published on 31 May 2016

### Company Overview

Listing date	20 June 2016
ISIN	GG00BYMYC345
Registered number	61955
Ticker	HWSL
Financial year end	30 June
Dividend frequency	Quarterly
Traded on	LSE Main Market

### Ordinary Shares

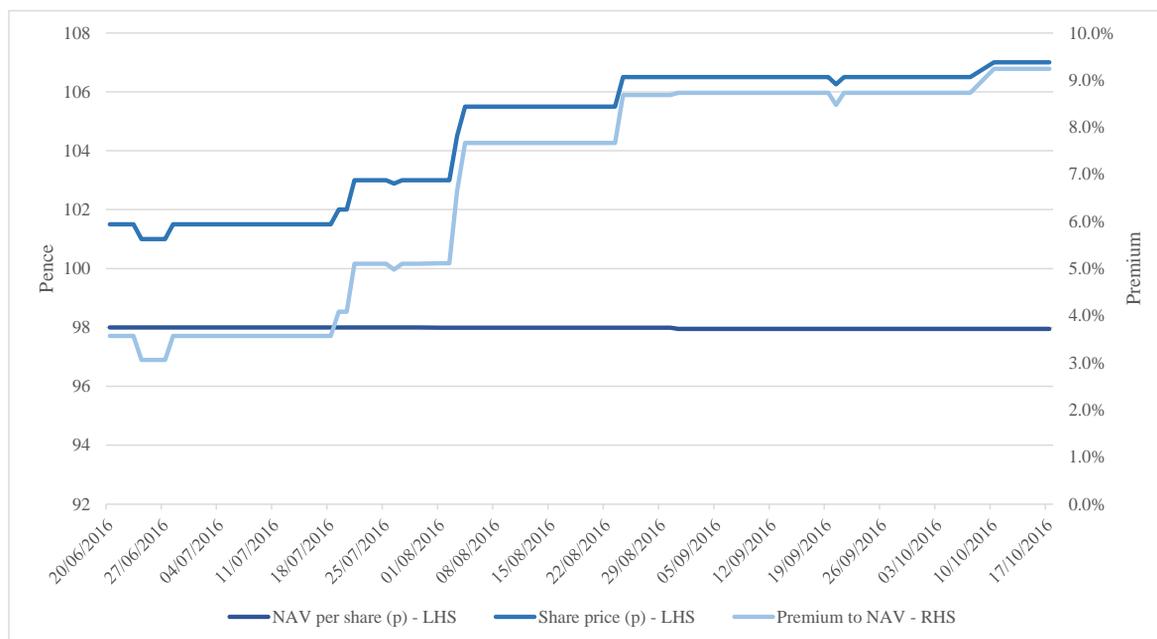
Shares in issue	80,024,706
Share price	106.50p
Market cap	£85.2m
Total net assets	£78.3m
Cum-income NAV per share	97.91p
NAV publication frequency	Monthly
Share price premium to NAV	8.8%
Gearing	None

### Management & Administration\*

Investment advisor	Hadrian's Wall Capital Limited
Management Fee	1% of net assets*
AIFM	International Fund Managed Limited
Administrator	Praxis Fund Services
Board	David Warr – Chairman John Falla Paul Craig Nigel Ward



## Share Price, NAV per Share and Premium since launch



Source: Thomson Reuters Datastream, the Company

### The Company

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Website [www.hadrianswallcapital.com/hwsil](http://www.hadrianswallcapital.com/hwsil)

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