



HADRIAN'S WALL SECURED INVESTMENTS LIMITED

Quarterly Report – 30 September 2017

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. The Company will target an annualised dividend yield of at least 6 pence per Ordinary Share, which is expected to grow over time.

The Company invests in loans, which are predominantly secured upon a variety of asset types. The types of loans that the Company targets includes the following:

- *General commercial Loans to businesses:* This type of lending may be secured against a range of business assets, including, but not limited to, real estate, plant and machinery, inventory, trade receivables and intellectual property rights.
- *Equipment finance:* The Company may finance equipment, including agricultural equipment, industrial and manufacturing machinery, marine vessels, power generation and vehicles. Such Loans may be structured as equipment leases, as hire purchase contracts or as other types of loans and will typically be secured against the equipment.
- *Specialised Financial Services:* Specialised financial services companies provide finance to small businesses in the form of loans, leases or other financial. The Company may finance these financial services companies secured by the underlying loans, leases or other financial assets.

For complete information about the Company and its investment objectives, refer to the prospectus and other documents available on www.hadrianswallcapital.com/hwsil.

Company Update

Having fully deployed the proceeds of the IPO, the Company is focused on the deployment of the proceeds of the £45 million C Share fund raising. In the quarter ended 30 September 2017, the Company has reviewed approximately £80 million of transactions and executed commitment letters with borrowers in respect of £14 million of the C Share proceeds. The pipeline of investment opportunities remains robust and the Company continues to expect that the C Share proceeds will be deployed within nine months of the C share issuance. The Company is currently in advanced due diligence in relation to opportunities in excess of £20 million. This includes investments in power generation, hospitality and equipment finance.

The weighted average annualised portfolio gross yield, before expenses and exclusive of upfront fees, on invested assets is 8.7%.

In respect of the third quarter of 2017, the Company has declared a dividend of 1.5 pence per Ordinary Share which is expected to be paid in November 2017. The dividend is in line with the target yield.

Investment Portfolio | Ten Largest Investments

Borrower Industry	Loan Amount (£)	% of total assets	Initial WAL	Initial LTV
Engineering	8,000,000	6.52%	4.7 years	46%
Property Trading	6,500,000	5.29%	3.0 years	52%
Auto Leasing	6,500,000	5.29%	5.0 years	93%
Retail	5,535,000	4.51%	4.0 years	71%
Construction	3,958,500	3.22%	5.0 years	94%
Utilities	3,900,000	3.18%	2.5 years	89%
Manufacturing	3,200,000	2.61%	4.7 years	91%
Healthcare	2,340,000	1.91%	4.9 years	75%
Real Estate	1,700,000	1.38%	2.0 years	59%
Healthcare	1,385,000	1.13%	4.9 years	75%

Note

The net asset values and gross yields continue to be reported on an effective interest rate ("EIR") basis excluding certain adjustments which principally relate to upfront fees received. EIR reconciliations are provided in the Company's year end and interim financial statements.

Company Overview as at 30 September 2017

Registered number	61955
Financial year end	30 June
Dividend frequency	Quarterly
Traded on	LSE Main Market
NAV frequency	Monthly

Ordinary Shares

Listing date	20 June 2016
ISIN	GG00BYMYC345
Ticker	HWSL
Shares in issue	80,024,706
Share price	106.50p
Market cap	£85.2m
Total net assets	£78.5m
NAV per share	97.96p
Share price premium	8.71%
Gearing	None

C Shares

Listing date	31 May 2017
ISIN	GG00BDD98Q61
Ticker	HWSC
Shares in issue	45,224,862
Share price	101.00p
Market cap	£45.6m
Total net assets	£44.2m
NAV per share	97.71p
Share price premium	3.37%
Gearing	None

Management & Administration

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

The Company

Hadrian's Wall Secured Investments Ltd
Le Truchot
St Peter Port
Guernsey GY1 1GR

Website

www.hadrianswallcapital.com/hwsil

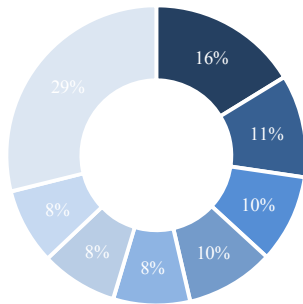
Contact Information

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Investment Portfolio | Analysis

Borrower Industry



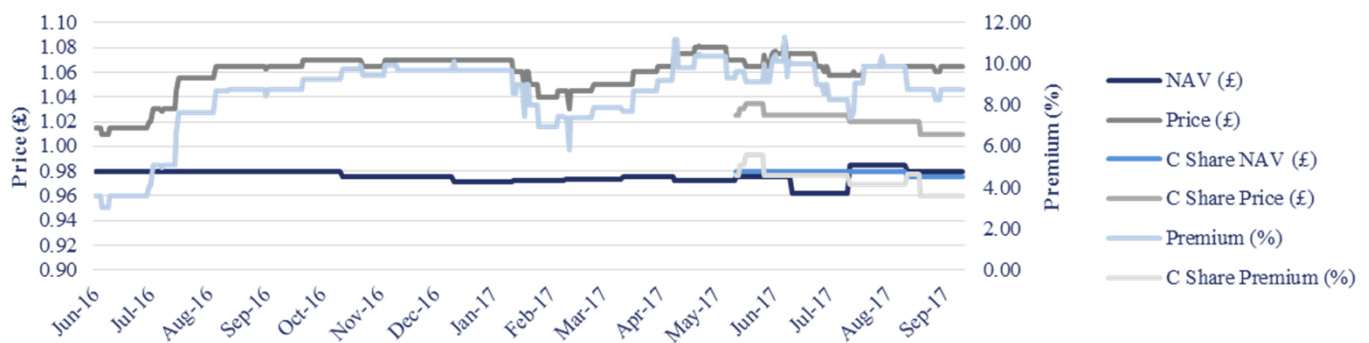
- Engineering
- Construction
- Manufacturing
- Retail trade, except of motor vehicles
- Property Trading
- Auto Leasing
- Healthcare
- Other

Largest Loan	8,000,000
Portfolio Weighted Average Life	3.5years
Portfolio Weighted Average LTV and Advance Rate	75.8%
Gross Investment Yield Range	7.50-11.00%

Ordinary Share Performance and Dividend Summary with Portfolio Composition

NAV (Cum Income) Performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	ITD
2016	-	-	-	-	-	-	-0.01%	-0.03%	-0.04%	-0.20%	0.01%	0.04%	-0.25%	-
2017	0.08%	0.06%	0.22%	0.36%	0.34%	0.46%	1.95%	-0.98	0.48				2.96%	2.71%
TR Share Price Performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	ITD
2016	-	-	-	-	-	-	3.00%	3.40%	0.00%	0.66%	0.00%	0.00%	7.20%	-
2017	-0.56%	-1.42%	0.48%	2.95%	-0.47%	0.47%	-0.23%	0.71%	0.00%				2.00%	9.20%
Dividend Per Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	ITD
2016	-	-	-	-	-	-	-	-	-	0.20p	-	-	0.20p	-
2017	0.40p	-	-	0.60p	-	-	1.5p						2.50p	2.70p

Share price, NAV per Share and Premium/(Discount) since launch – Ordinary and C Shares



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