



# HADRIAN'S WALL SECURED INVESTMENTS LIMITED

## Quarterly Report – 31 March 2018

### 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 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](http://www.hadrianswallcapital.com/hwsil).

### Company Update

The Company has currently deployed capital totalling £104 million as of 31 March 2018, including closed loans and committed loans in documentation. This amount represents approximately 73% of the total capital of the Company, with all amounts attributable to the Ordinary Shares.

Certain transactions the Company expected to close in the first quarter were delayed or aborted for a variety of reasons, however, the Company is continuing to negotiate certain of these loans as well as additional potential loans and the investment opportunities for the Company remain robust. Consequently, the Company projects that the capital of the Company attributable to the Ordinary Shares will be fully deployed before the end of the second quarter and deployment of the capital attributable to the C Shares will have commenced.

The Company converted its then outstanding C-Shares into Ordinary shares at a conversion ratio of 0.9951 on 23 February and now has 125,027,953 Ordinary shares outstanding. It subsequently announced a follow-on C-share offering and successfully issued 20,074,263 shares at a price of 100 pence per C-share on 13 March. The weighted average annualised portfolio yield before expenses and excluding upfront or other fees on invested assets is 9.0%. In respect of the first quarter of 2018, the Company has declared a dividend of 1.5 pence per Ordinary Share which is to be paid in May 2018.

### Investment Portfolio | Largest Investments

Borrower Industry	Loan Amount (£)	% of NAV	Initial WAL	Initial LTV
Property Trading	10,000,000	6.98%	3.0 years	52%
Engineering	8,000,000	5.58%	4.7 years	46%
Auto Leasing	6,500,000	4.54%	5.0 years	93%
Retail	5,535,000	3.86%	4.0 years	71%
Construction	3,958,500	2.76%	5.0 years	94%
Utilities	3,900,000	2.72%	2.5 years	89%
Manufacturing	3,200,000	2.23%	4.7 years	91%
Real Estate	1,700,000	1.19%	2.0 years	59%

#### 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 31 March 2018

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	125,027,953
Share price	99.00p
Market cap	£123.7m
Total net assets	£123.6m
NAV per share	98.86p
Share price premium	0.14%
Gearing	None

### C Shares

Listing date	13 March 2018
ISIN	GG00BG04CB85
Ticker	HWSC
Shares in issue	20,074,263
Share price	102.00p
Market cap	£20.4m
Total net assets	£19.6m
NAV per share	97.94p
Share price premium	4.14%
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](http://www.hadrianswallcapital.com/hwsil)

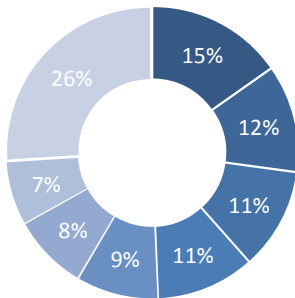
### Contact Information

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## Investment Portfolio | Analysis

### Borrower Industry



- Professional, scientific & technical
- Construction
- Manufacturing
- Property Trading
- Admin & Support
- Retail trade, except of motor vehicles
- Auto Leasing
- Other

Largest Loan	10,000,000
Portfolio Remaining Weighted Average Life	3.2 years
Portfolio Weighted Average LTV and Advance Rate	76.6%
Investment Yield Range	7.50-11.00%
Weighted Average Yield on Invested Assets	8.99%

### 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%	0.54%	1.36%	0.84%	5.71%	-
2018	0.53%	0.34%	0.37%	-	-	-	-	-	-	-	-	-	1.24%	6.70%

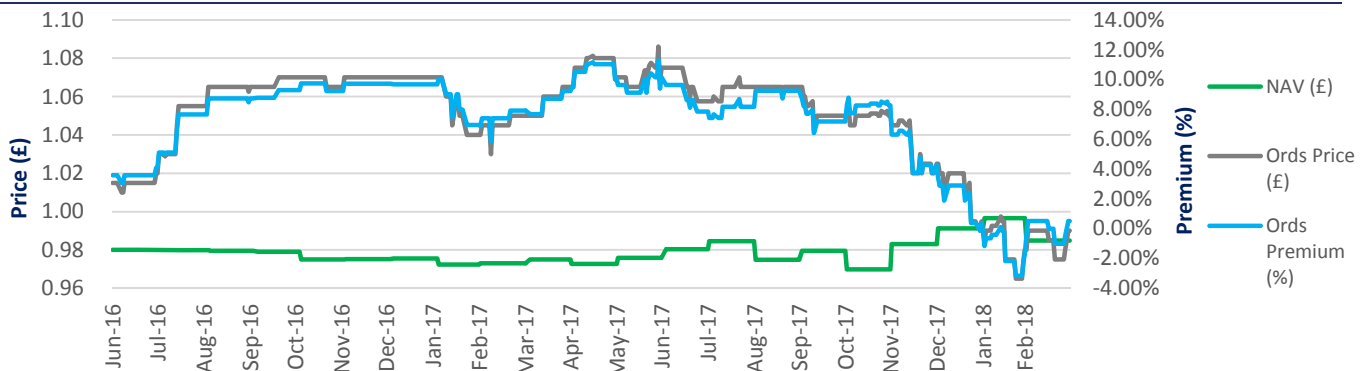
  

TR Share Price Performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	ITD
2016	-	-	-	-	-	-	3.00%	3.40%	0.00%	0.66%	0.00%	0.00%	7.20%	-
2017	-0.56%	-1.42%	0.48%	2.95%	-0.47%	0.47%	-0.23%	0.71%	0.00%	0.00%	-0.48%	-1.91%	-0.46%	-
2018	-3.41%	0.51%	1.02%	-	-	-	-	-	-	-	-	-	-1.89%	4.70%

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	-	-	1.50p	-	-	1.50p	-	-	4.00p	-
2018	-	1.50p	-	-	-	-	-	-	-	-	-	-	1.50p	5.70p

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



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