



# HADRIAN'S WALL SECURED INVESTMENTS LIMITED

## Quarterly Report – 30 June 2019

### 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 targets an annualised dividend of at least 6 pence per Ordinary Share.

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*
- *Equipment finance*
- *Specialised Financial Services*

For complete information about the Company and its investment objectives, refer to the prospectus and other documents available on [www.hadrianswallcapital.com/fund](http://www.hadrianswallcapital.com/fund).

### Company Update

The Company is fully invested and has drawn on its liquidity facility to fund investments. During the quarter, much of the Company's efforts were focused on working to achieve a successful resolution to three investments which are in the midst of a restructuring process. The Investment Adviser expects that these restructurings will ultimately be resolved in a manner that does not result in a material loss to the Company.

Two of these borrowers are in the wood pellet manufacturing business and each are in the process of agreeing joint venture agreements with companies in the pellet and biomass industries to operate their respective businesses. The third borrower is in the process of raising third party equity. The Company has downgraded each of these investments and allocated increased amounts of IFRS 9 loss reserves, which are reflected in the NAV. A case loss reserve has not been established at this time, however, the Company continues to monitor the situation closely.

The weighted average annualised portfolio yield before expenses and excluding upfront or other fees on invested assets is 9.5%. In respect of the second quarter of 2019, the Company has declared a dividend of 1.5 pence per Ordinary Share which is expected to be paid in September 2019.

### Investment Portfolio | Largest Individual Investments

Borrower Industry	Loan Amount (£)	% of NAV	WAL
Engineering	13,000,000	9.40%	3.3 years
Property Trading	10,500,000	7.59%	1.7 years
Manufacturing	10,427,735	7.54%	6.3 years
Manufacturing	6,532,552	4.72%	6.3 years
Retail	5,298,774	3.83%	2.5 years

### Investment Portfolio | Largest Originator Concentrations

Sector	Aggregate Exposure	Number of Loans or Leases	WAL
SME Leases	25,974,358	4,932	2.4 years
SME Loans	24,300,000	806	0.8 years
SME Receivables	15,700,000	259	3.5 years
SME Loans	15,500,000	76	2.8 years
SME Loans	7,000,000	8	3.8 years

### Company Overview as at 30 June 2019

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	145,170,463
Share price	91.50p
Market cap	£132.8m
Total net assets	£138.2m
NAV per share	95.25p
Share price discount	3.93%
Gearing	11.20%

### 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

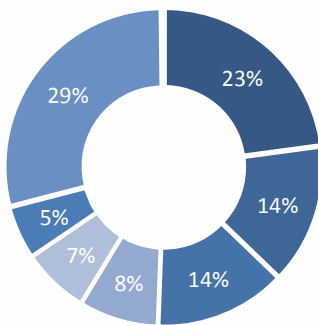
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**Note:** The net asset values and gross yields continue to be reported on an effective interest rate ("EIR") basis excluding certain adjustments which principally relate to upfront fees received. EIR reconciliations are provided in the Company's year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



## Investment Portfolio | Analysis

### Borrower Industry



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

Largest Individual Loan	13,000,000
Largest Originator Concentration	18.8%
Portfolio Remaining Weighted Average Life	2.6 years
Investment Yield Range	7.50-15.00%
Weighted Average Yield on Invested Assets	9.54%

## 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%	-0.23%	
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%	0.37%	0.40%	0.40%	0.13%	0.35%	0.59%	0.46%	0.46%	0.32%	4.69%	
2019	0.39%	0.29%	-0.01%	1.05%	-1.18%	-0.04%	-	-	-	-	-	-	0.50%	10.67%

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	-	-	1.50p	-	-	1.50p	-	-	6.00p	
2019	-	1.50p	-	-	1.50p	-	-	-	-	-	-	-	3.00p	13.20p

## NAV Total Return, Share Price Total Return, Premium (Discount) since launch – Ordinary Shares



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