

KKV Secured Loan Fund - Ordinary



Factsheet | 30 June 2020

Investment Objective

The Fund's objective is to generate regular income for investor through collateralised investments in business-essential equipment and hard assets and in asset-and-equipment-based project financings.

Fund Information

Key facts

Share Price	31.90p
NAV	£219.6m
NAV per share	61.70p
Ticker	KKVL
ISIN	GG00BN56JF17
Management Fees	1% up to £300m 0.9% £300m-£500m 0.8% over £500m
Ongoing charges	1.22%

Key Benefits

1. Diversified exposure to SME borrowers across the UK, Europe and US.
2. Uncorrelated with stocks, bonds, real estate and commodities markets.
3. Lending against business-critical assets providing downside protection.

Performance

NAV Total Return¹, cum income, %

To 30/06/2020	Since Inception	5y	3y	1y	6m
Ordinary shares	-1.30	-2.48	-8.49	-31.24	-12.80

¹Annualised for periods longer than one year.

12M discrete	30/06/2015 – 30/06/2016	30/06/2016 – 30/06/2017	30/06/2017 – 30/06/2018	30/06/2018 – 30/06/2019	30/06/2019 – 30/06/2020
Ordinary shares	6.84	7.73	6.17	4.98	-31.24

Fund Portfolio²

Top 10 Holdings (%)

Equipment Leasing Portf.	15.14
Manufacturing	10.01
Solar Manufacturing	9.15
Heat and Power Centre	7.37
Anaerobic Digestion Plant	6.00
Vessels and Helicopters	5.95
Anaerobic Digestion Plant	5.73
Anaerobic Digestion Plant	4.75
Anaerobic Digestion Plant	4.19
IT & Telecom	3.72
Total	72.01

Total number of holdings 33

Weighted average yield³ 3.48%

Sector breakdown (%)

AD	29.2
Manufacturing	19.2
Diversified Portf.	15.1
CHP	9.8
IT & Telecom	6.4
Vessels	6.0
Wholesale Portf.	5.2
Paper Mill	1.6
Medical	1.4
Other	6.1

Geographical breakdown (%)

UK	52.0
USA	26.6
France	10.0
Netherlands	4.4
Other	7.0

Maturity breakdown (%)

<1 year	24.9
1-2 years	1.5
2-5 years	13.0
5-12 years	37.9
>12 years	22.7



Weighted average remaining term⁴

110 months

Currency breakdown (%)

GBP	46.5
USD	35.2
EUR	18.3



Currency hedged to GBP

None

² Portfolio exposures are calculated as the present balance outstanding plus investment receivables less any impairment/expected credit loss provision.

³ Calculated on entire portfolio (weighted average portfolio yield on performing investments calculated as 8.88%)

⁴ Calculated on entire portfolio (weighted average remaining on performing investments calculated as 66 months)



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.

June Investment Highlights

In our first NAV for the fund under KKV's stewardship, having reviewed the credits and taken into account the impact of Covid 19, we have impaired assets to the value of 12.11% representing 8.50p of NAV value. It has been a difficult decision but as we start in the path of stabilisation returning the fund to an income bearing vehicle, our impairments are based upon our assessment of the quality of the security and the overall likelihood of recovery.

In addition, having previously been given guidance that revaluation of the AD plant exposure would be benign, the latest draft assessment included the impact of lower power pricing with the valuation reduced by circa £6m. We consider this to be the bottom of the valuation and range as it was priced at the very bottom of the current crisis and should be considered in this context.

It is disappointing to report a negative NAV in our first month as manager but we have been transparent in our approach with Shareholders that as we pivot back to a portfolio capable of delivering income we have guided to expect the path to be a bumpy one as we reassess the more "deep value growth" like positions within the portfolio.

Disclaimer:

KKV Secured Loan Fund Limited (the "Company") is an investment company, incorporated in Guernsey with registered number 58519, whose shares have been admitted to trading on the Main Market of London Stock Exchange plc and the FCA's Official List. The Company is an alternative investment fund for the purposes of the Alternative Investment Fund Managers Directive. The Company has appointed International Fund Management Limited as its alternative investment fund manager, and KKV Investment Management Limited ("KKV") has been appointed as the Company's portfolio manager. This Factsheet is provided for information purposes only and should not be relied on by any person in making an investment decision. The value of investments and any income from them may go down as well as up and are not guaranteed. Investors may get back less than the original amount invested. Past performance is not a reliable indicator of future performance and investors may not get back the original amount invested. There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value. Whilst it is the intention to achieve the investment objectives of the Company, there can be no assurance that the objectives will be met. Any forecast, projection or target is indicative only and not guaranteed in any way, and any views expressed are those of KSL. KSL has used all reasonable endeavours to ensure the accuracy of information contained in this Factsheet, but it cannot guarantee the reliability, completeness or accuracy of such content. This material should not be considered as advice or an investment recommendation. No provider of information presented here, including index and ratings information, is liable for damages or losses of any type arising from use of their information. No warranty of accuracy is given and no liability in respect of any error or omission is accepted. For an overview of the terms of investment, risks and costs and charges please refer to the Annual Report, Pre-Investment Disclosure Document and Key Information Document from which the risk indicator is taken. If you are in any doubt as to the suitability of the Company for your investment needs please seek investment advice. This Factsheet is a financial promotion and is not intended to be investment advice. It is issued and approved solely for the purpose of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended) by Kvika Securities Ltd ("KSL") which is authorised and regulated by the Financial Conduct Authority. It is entered on the Financial Conduct Authority's register under registered number 538806. KSL is a private limited company incorporated in England (registered no. 06801718) with its registered office at 25 Upper Brook Street, London, England, W1K 7QD. KKV is a private limited company incorporated in England (registered no. 12475228) with its registered office at 25 Upper Brook Street, London, England, W1K 7QD. Copyright © (2020) Kvika Securities Ltd. All rights reserved.



KKV Investment Management

25 Upper Brook Street
Mayfair
London W1K 7QD
United Kingdom

For more information, please contact:

investor.communications@kkvim.com

Company Broker | Winterfloods Investment Trusts | +44 (0)203 100 0000

KKV Secured Loan Fund – Ordinary Share Class

Closed-ended Investment Company | **Listing:** London Stock Exchange Main Market
Domicile: Guernsey