

## Quarterly factsheet 28 February 2023

Develop North PLC (DVNO) is an investment company listed on the LSE Main Market. It targets a 4.0p annual dividend and 5% NAV total return, through a diversified portfolio of fixed rate loans:

- Secured over land and/or property in the UK, primarily regional (i.e. loans to property developers)
- Targeted towards both residential and commercial property developments

## Review of the Quarter to 28 February 2023

The first quarter of the new financial year has seen the country repeatedly avoid a recession despite forecasts to the contrary. The new PM and Chancellor have regained the markets confidence despite a wide range of labour strikes across public sector services. Inflation remains stubbornly high with the Bank of England increasing interest rates to 4.25% at the time of writing and further rises expected. The labour market has remained buoyant and there are signs of distress particularly in the construction sector with some local North-East contractors going into administration.

Within DVNO, the quarter saw one new facility being provided to fund the purchase and development of The Croft Hotel, Croft on Tees, Yorkshire. This project sees the fund supporting the principals behind well established leisure operator, The Apartment Group, and offers exposure to the wedding sector which has remained resilient during the post-Covid recovery.

There were no exits in the quarter with partial redemptions continuing across several projects. The investment adviser reports a healthy pipeline and an anticipation of further completed deals over the coming months.

<b>1.1% NAV total return</b>	Attributed as follows (as a % of 30 Nov 2022 NAV): <ul style="list-style-type: none"> <li>• 1.2% increase in dividends paid</li> <li>• 0.1% decrease in NAV per share</li> </ul>
<b>1.0p dividends declared</b>	Interim dividends of 1.0p for the quarter to 30 November 2022 were declared March 2023.

### Key facts

**Ticker**

DVNO

**Launched**

24 January 2017

**Domicile**

UK

**Listing**

LSE Main Market

**Ordinary shares**

26,924,063

**Market cap**

£23.1m

**Share price**

81.5p

**NAV per share (cum income)**

81.69p

**Price discount to NAV**

0.23%

**Forecast Yield**

4.91%

**Dividends**

1.0p/quarter

**Dividend cover**

0.90

**Gearing**

18.2% (max. 30%)

**Portfolio Manager**

Tier One Capital Ltd

**Annual Management Fee (% of net assets)**

0.25% on assets from £0m to £100m

0.50% on assets above £100m

**Financial year end**

30 November

**Dividend payment dates**

Jan, Apr, Jul, Oct

**OCF**

2.76%

# Portfolio at a glance

18

Loans

£25.2m

Portfolio value

£1.4m

Average loan size

8.2%

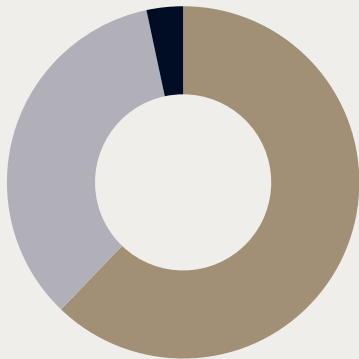
Average coupon

100%

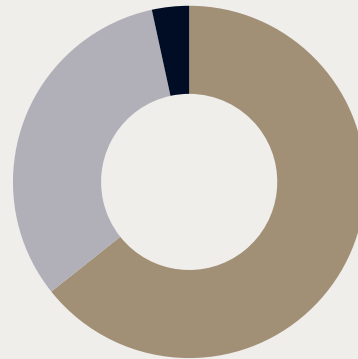
Secured

67.0%

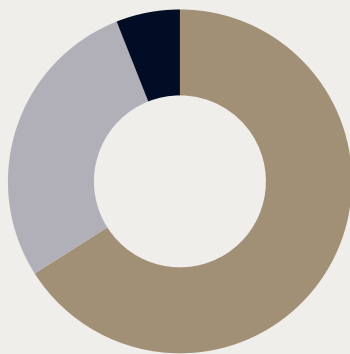
LTV



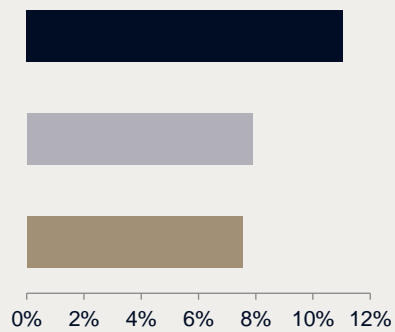
■ Residential  
■ Commercial  
■ Cash



■ North East  
■ Scotland  
■ Cash



■ Senior & Profit  
■ Senior  
■ Mezzanine



■ Senior  
■ Senior & Profit  
■ Mezzanine

## Investment risks

**The value of investments and any income will fluctuate, and investors may not get back the full amount invested. When making an investment into an investment trust you are buying shares in a company that is listed on a stock exchange.**

The price of the shares will be determined by supply and demand. Consequently, the share price of an investment trust may be higher or lower than the underlying net asset value of the investments in its portfolio and there can be no certainty that there will be liquidity in the shares. The investment trust may use borrowings to invest in the market. The use of borrowings may enhance total return when the investment trust's assets are rising, but it will have the opposite effect when asset values fall. The use of borrowings may increase the volatility of the share price and the net asset value per share. In certain circumstances the investment trust may be required to repay borrowings, and this could adversely affect income and capital returns.

## Important information

**This document is marketing material and is not intended as a recommendation to invest in any particular asset class, security or strategy.**

Regulatory requirements that require impartiality of investment/investment strategy are therefore not applicable nor are any prohibitions to trade before publication. The information provided is for illustrative purposes only, it should not be relied upon as a recommendation to buy or sell securities.

Where individuals or the business have expressed opinions, they are based on current on current market conditions, they may differ from those of other investment professionals and are subject to change without notice. For more information on our products, please refer to the relevant Key Information Document (KID), Alternative Investment Fund Managers Directive document (AIFMD), and the latest Annual or Half Yearly Financial Reports. This information can be found at [www.developnorth.co.uk](http://www.developnorth.co.uk).

## Further information

### **Portfolio manager**

Tier One Capital Ltd  
Eagle House, Asama Court  
Newcastle upon Tyne NE4 7YD  
T: 0191 222 0099  
E: [info@tieronecapital.co.uk](mailto:info@tieronecapital.co.uk)

### **Broker**

finncap  
1 Bartholomew Close,  
London, EC1A 7BL  
T: 020 7220 0557  
E: [wmarle@finncap.com](mailto:wmarle@finncap.com)