

# Fact Sheet

## OVERVIEW

Real Estate Credit Investments (RECI) is a closed-ended investment company which originates and invests in real estate debt secured by commercial or residential properties in the United Kingdom and Western Europe.

The Investment Objective of the Company is to provide Shareholders with attractive and stable returns, primarily in the form of quarterly dividends, by exposure to a diversified portfolio of real estate credit investments, predominantly comprising real estate loans and bonds.

## MONTHLY UPDATE

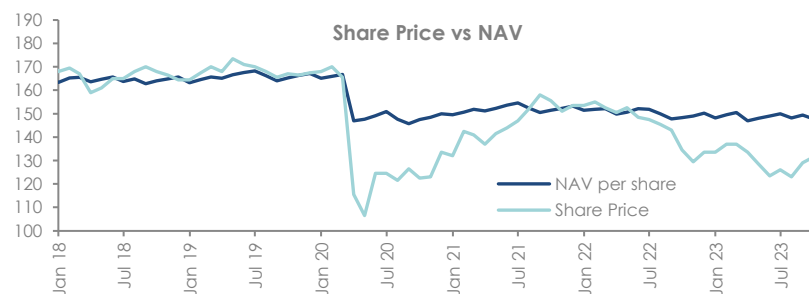
As at 30 September 2023, the Company was exposed to a diversified, partially inflation protected portfolio of 45 investments with a valuation of £334m.

A dividend of 3.0p per share was declared on 14 September 2023 and paid on 13 October 2023.

A full attribution of changes in the NAV per share is presented in the table:

<b>August NAV</b>	<b>149.5p</b>
Interest income	1.0p
Asset valuations	0.3p
FX	0.1p
Expenses	(0.2)p
Dividend	(3.0)p
<b>September NAV</b>	<b>147.7p</b>

## PERFORMANCE



Total Return <sup>3</sup>	MTD	YTD	1 yr	3 yr	5 yr
NAV	-1.2%	3.8%	5.8%	24.6%	30.2%

Past performance is not a guide to the future. The potential for profit is accompanied by the possibility of loss.

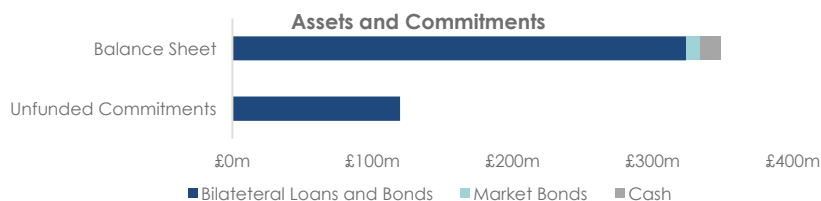
## PORTFOLIO BREAKDOWN

Investment Portfolio<sup>4</sup>  
**£334.1m**

Number of Positions  
**45**

WA Yield<sup>5</sup>  
**10.4%**

WA LTV  
**60.1%**



## COMPANY INFORMATION

Bloomberg Ticker	RECI LN Equity
ISIN	GB00B0HW5366
Legal Structure	Closed End Fund
Domicile	Guernsey
Traded CCY	GBP
Launch Date	December 2005
Financial Year End	31 March 2024
Next AGM	September 2024
Dividend Frequency	Quarterly
Investment Manager	Cheyne Capital
Portfolio Managers	Ravi Stickney, Richard Lang
Management Fee	1.25% of NAV
Performance Fee	20% above 7% hurdle

## ORDINARY SHARE CLASS

Shares in Issue	229.3m
Share Price	131.5p
Market Capitalisation	£301.6m
NAV <sup>1</sup>	147.7p
Net Assets <sup>1</sup>	£338.8m
Share Price Discount to NAV	(11.0)%

## NAV

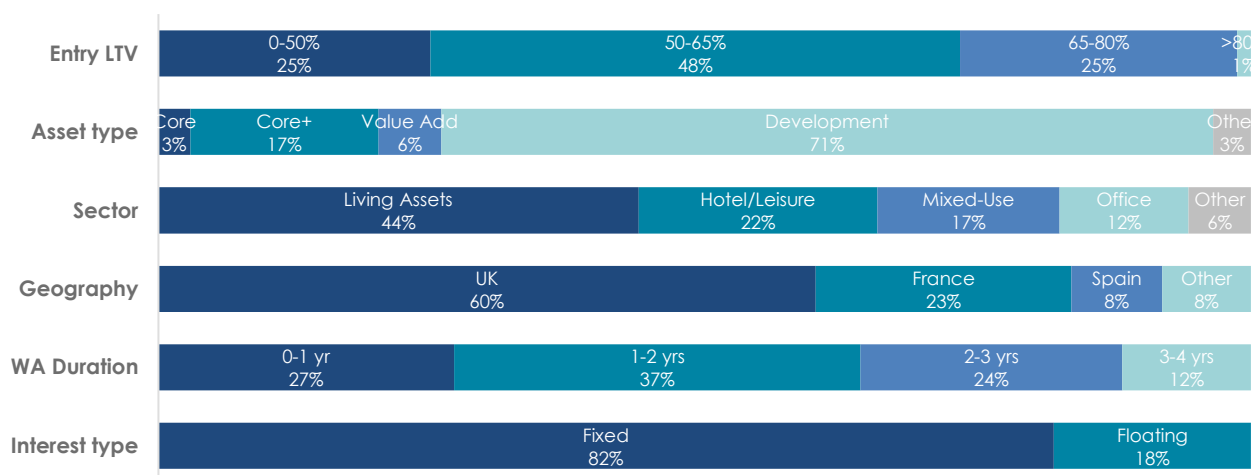
Investments	£334.1m
Cash	£14.9m
NAV	£338.8m

## DIVIDEND INFORMATION

Dividends paid/declared <sup>2</sup>	12.0p
Dividend Yield on Share Price	9.1%

	No of Positions	Investment Portfolio Value (Gross)	Investment Portfolio Value (Net)	% of GAV	Current Levered Yield
<b>Bilateral Loans &amp; Bonds</b>	30	£389.6m	£323.8m	92.8%	9.8%
<b>Market Bonds</b>	15	£35.1m	£10.3m	3.0%	29.1%
<b>Cash</b>			£14.9m	4.3%	
<b>GAV/W.A.</b>			<b>£349.0m</b>	<b>100.0%</b>	<b>10.4%</b>

## PORTFOLIO SUMMARY (by commitment)



## TOP 10 POSITIONS (by commitment)

	Deal Description	Commitment	% of NAV	Entry LTV	Investment Strategy	Sector	Country	Asset Type <sup>6</sup>
1	Max II	£82.4m	11.0%	48%	Senior Loan	Mixed-Use	United Kingdom	Development
2	Fusion BXT Senior	£45.2m	4.8%	58%	Senior Loan	Student Accommodation	United Kingdom	Development
3	Fulton	£32.7m	3.4%	67%	Senior Loan	Residential	United Kingdom	Development
4	Colisee	£30.9m	8.8%	58%	Senior Loan	Office	France	Value Add/Transitional
5	Hoxton	£22.8m	6.9%	59%	Senior Loan	Office	United Kingdom	Core+
6	Sabina	£22.4m	4.4%	49%	Senior Loan	Residential	Spain	Development
7	Balto	£20.6m	5.9%	36%	Senior Loan	Housebuilder	France	Development
8	Airport Hotel	£20.4m	2.7%	65%	Senior Loan	Hotel	Finland	Development
9	Perseus	£19.9m	4.7%	80%	Senior Loan	Hotel	France	Development
10	RS Kensington	£19.7m	5.4%	60%	Senior Loan	Assisted Living	United Kingdom	Core+

## BILATERAL LOAN AND BOND PORTFOLIO SUMMARY (by commitment)

## MARKET BOND PORTFOLIO SUMMARY

Number of assets	30	Number of assets	15
Total committed capital <sup>7</sup>	£523.2m	Gross fair value	£35.1m
Total capital deployed <sup>7</sup>	£405.2m	Net fair value	£10.3m
Leverage deployed <sup>8</sup>	£37.7m	Leverage deployed <sup>8</sup>	£24.9m
Drawn fair value (gross)	£389.6m	Weighted average unlevered yield <sup>9</sup>	12.6%
Drawn fair value (net)	£323.8m	Weighted average levered yield <sup>10</sup>	29.1%
Weighted average unlevered yield <sup>9</sup>	9.5%	Weighted average LTV <sup>11</sup>	53.3%
Weighted average portfolio yield <sup>10</sup>	9.8%	Weighted average life (yrs)	2.7
Weighted average LTV <sup>11</sup>	60.9%		
Weighted average life (yrs)	1.5		

## FINANCING SUMMARY

	Balance Sheet Leverage <sup>12</sup>	Contingent Liabilities	Cash	Net Effective Leverage	Asset Level Structured Funding
£ Amount	£59.7m	£3.0m	£14.9m	£47.8m	£30.6m
% of NAV <sup>13</sup>	17.6%	0.9%	4.4%	14.1%	9.0%
W/A cost of finance	6.8%	-	-	-	8.4%

## Footnotes

1. Unaudited estimated figures produced by Cheyne Capital. Final audited values may be materially different from the numbers shown. The NAV of the Company's investments are a function of the following: Mark to market on its listed, public market bond portfolio; and the Manager's valuation of its bilateral loan book on a fair value basis, rather than amortised cost (senior and mezzanine loans), which recognise potential future impairments in accordance with IFRS 9. IFRS 9 uses an expected credit loss impairment model. This means RECI accounts for expected credit losses at initial recognition and changes to expected credit losses at each monthly reporting date to reflect changes in credit risk since initial recognition. Since 1 March 2020, the Manager has reflected its assessment of the long term negative impact of COVID 19 on real estate markets and to the long term potential recovery of its loan assets. These fair value adjustments applied to the bilateral loan book since 1 March 2020 are not realised losses.
2. Based on dividends paid/declared in the twelve month period to this fact sheet date. Dividend yield based on last reported dividend and share price at fact sheet date.
3. Total NAV return assumes dividends are reinvested. YTD = Calendar year, 1yr = last 12 months, 3 yr = last 36 months, 5yr = last 60 months. Total NAV Return calculations are based on a rolling model.
4. Investment Portfolio is based on the drawn Fair Value of bonds and loans, net of all leverage.
5. The weighted average effective yield is based on Cheyne Capital's pricing assumptions and actual returns may differ materially from those expressed or implied herein. This is levered yield weighted against the net dirty fair value of the investments.
6. Asset type definitions:
  - Core** – assets that benefit from having long term income
  - Core +** – assets that benefit from having strong current income, but do require some measure of asset management to optimise its income profile and term
  - Value add / transitional** – assets that require asset management (typically refurbishment) and re-letting to secure a core income profile
7. Gross of all leverage
8. Balance sheet leverage which includes the 25% partial recourse on the asset level financing.
9. The weighted average effective yield is based on Cheyne Capital's pricing assumptions and actual returns may differ materially from those expressed or implied herein. Bond yields are presented as yield to stated maturity (and considering the current marked price) on the underlying loans in the CMBS.
10. Reflects average levered current yields weighted by the net fair value of each investment. Some loans also enjoy equity upside participation, which is only recognised following evidenced delivery, which can result in significant incremental gains in excess of the accounting yield. The yield is based on Cheyne Capital's pricing assumptions and actual returns may differ materially from those expressed or implied herein. The portfolio includes listed notes, of which some are leveraged.
11. The weighted average LTV has been calculated by Cheyne Capital by reference to the entry value ascribed to the collateral by Cheyne Capital. In determining these values, Cheyne Capital has undertaken its own internal valuation of the underlying collateral. Such valuations have not been subject to independent verification or review.
12. Bond portfolio is only partially leveraged. The Company is not utilising its maximum capacity for leverage. See Financing Summary for further details.
13. RECI has a limit on balance sheet leverage of 40% of NAV, as stated in its borrowing policy.

**All figures are as at 30 September 2023 unless specified otherwise.**

Further information on the Company including the latest share price, prospectus and financial statements may be found at [www.https://realestatecreditinvestments.com](https://realestatecreditinvestments.com) and is available from Cheyne Capital Management at [richard.lang@cheynecapital.com](mailto:richard.lang@cheynecapital.com) or on +44 (0) 207 968 7328.

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Past performance is not a reliable indicator of future results.

Among the risks we wish to call to the particular attention of recipients are the following:

- (1) RECI's investment programme is speculative in nature and entails substantial risks;
- (2) the investments of RECI may be subject to sudden and large falls in price or value and there could be a large loss upon realisation of a holder's investment, which could equal the total amount invested;
- (3) as there is no recognised market for many of the investments of RECI, it may be difficult or impossible for RECI to obtain complete and/or reliable information about the value of such investments or the extent of the risks to which such investments are exposed;
- (4) the use of a single investment manager could mean a lack of diversification and, consequently, higher risk, and may depend upon the services of key personnel, and if certain or all of them become unavailable, RECI may suffer losses;
- (5) Cheyne Capital will receive performance-based remuneration;
- (6) the market price of shares in RECI does not necessarily reflect its underlying net asset value; and
- (7) the price of shares (and the income from them) can go down as well as up and may be affected by changes in rates of exchange.