

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 31 October 2023, the Company was invested in a diversified portfolio of 36 investments with a valuation of £321.4m.

RECI continues to take advantage of the highly accretive wider opportunities in senior mortgage lending, with continued transition from its Market Bonds into attractive yielding Senior Loans.

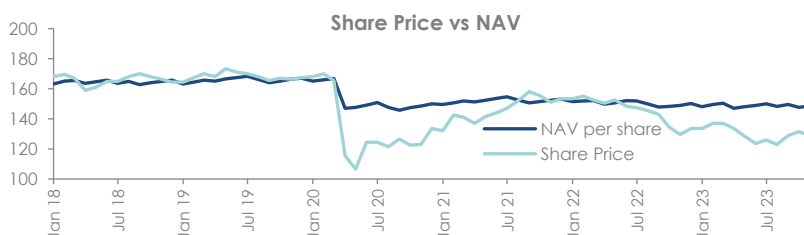
Despite wider market challenges in October, RECI successfully realised £5.9m (net of repo financing) of value from its Market Bond portfolio, realising a small loss equivalent to 0.4p per share against the NAV; these proceeds will be reinvested in senior secured mortgage loans on attractive terms.

Cash Balance as at 31 October 2023 was £22.7m.

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

September NAV	147.7p
Interest income	1.1p
Asset valuations	(0.4)p
FX	0.1p
Expenses	(0.2)p
October NAV	148.4p

PERFORMANCE



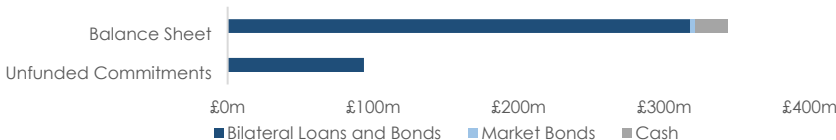
Total Return ³	MTD	YTD	1 yr	3 yr	5 yr
NAV	0.5%	6.4%	8.0%	26.9%	32.9%

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

PORTFOLIO BREAKDOWN

Investment Portfolio ⁴	Number of Positions	WA Yield ⁵	WA LTV
£321.4m	36	10.1%	61.1%

Assets and Commitments



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	129.0p
Market Capitalisation	£295.8m
NAV ¹	148.4p
Net Assets ¹	£340.4m
Share Price Discount to NAV	(13.1)%

NAV

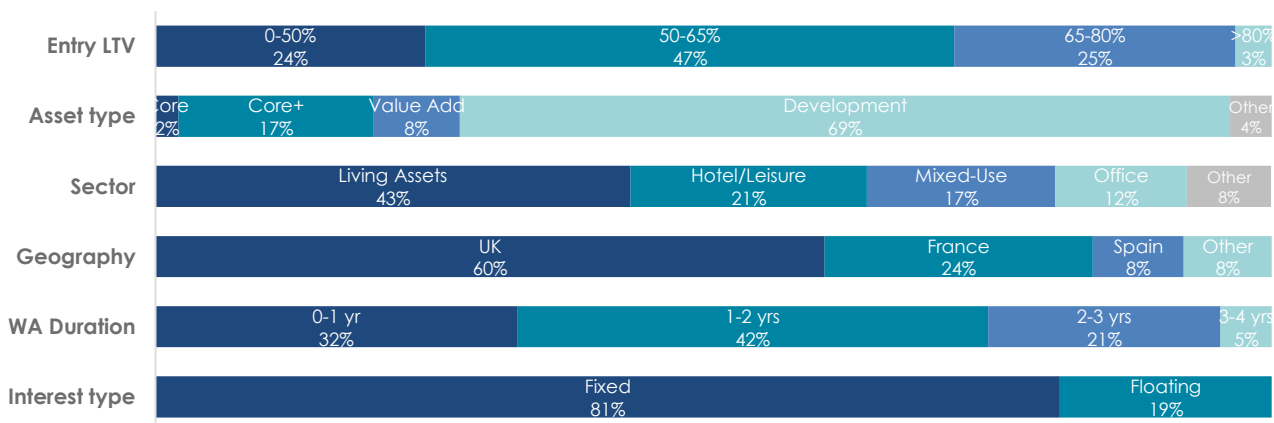
Investments	£321.4m
Available Cash	£22.7m
Cash Held as Collateral	£7.7m
NAV	£340.4m

DIVIDEND INFORMATION

Dividends paid/declared ²	12.0p
Dividend Yield on Share Price	9.3%

	No of Positions	Investment Portfolio Value (Gross)	Investment Portfolio Value (Net)	% of GAV	Current Levered Yield
Bilateral Loans & Bonds	29	£383.5m	£317.8m	92.4%	9.8%
Market Bonds	7	£9.2m	£3.6m	1.0%	36.5%
Cash⁶			£22.7m	6.6%	
GAV/W.A.	36		£344.1m	100.0%	10.1%

PORTFOLIO SUMMARY (by commitment)



TOP 10 POSITIONS (by commitment)

	Deal Description	Commitment	% of NAV	Entry LTV	Investment Strategy	Sector	Country	Asset Type ⁷
1	Light industrial, office and mid-market residential asset portfolio in the UK.	£82.4m	11.1%	48%	Senior Loan	Mixed-Use	United Kingdom	Development
2	Student accommodation development in London.	£45.2m	5.0%	58%	Senior Loan	Student Accommodation	United Kingdom	Development
3	Residential, affordable housing and mixed-use scheme over five blocks within Greater London.	£32.7m	3.4%	67%	Senior Loan	Residential	United Kingdom	Development
4	Refurbishment and extension of a freehold office building in Saint Ouen, Paris	£30.9m	8.8%	58%	Senior Loan	Office	France	Value Add/Transitional
5	Fully let 98,246 sq ft new grade A office block located in Hoxton, London	£22.8m	7.0%	59%	Senior Loan	Office	United Kingdom	Core+
6	Build-for-sale luxury villa development	£22.4m	4.4%	49%	Senior Loan	Residential	Spain	Development
7	Income producing residential developer in France	£20.6m	5.7%	36%	Senior Loan	Housebuilder	France	Development
8	Finland hotel development in progress. Expected completion in Q3 2024	£20.4m	3.2%	65%	Senior Loan	Hotel	Finland	Development
9	French Hotels in Nice and Paris. Development in progress. Expected completion in Q3 2024	£19.9m	5.0%	80%	Senior Loan	Hotel	France	Development
10	Acquisition of the leasehold interest in 190 luxury assisted living units in Kensington, London	£19.7m	5.4%	60%	Senior Loan	Assisted Living	United Kingdom	Core+

BILATERAL LOAN AND BOND PORTFOLIO SUMMARY (by commitment)

Number of assets	29
Total committed capital ⁸	£518.4m
Total capital deployed ⁸	£423.0m
Leverage deployed ⁹	£44.1m
Drawn fair value (gross)	£383.5m
Drawn fair value (net)	£317.8m
Weighted average unlevered yield ¹⁰	9.5%
Weighted average portfolio yield ¹¹	9.8%
Weighted average LTV ¹²	60.9%
Weighted average life (yrs)	1.5

MARKET BOND PORTFOLIO SUMMARY

Number of assets	7
Gross fair value	£9.2m
Net fair value	£3.6m
Leverage deployed ⁹	£5.6m
Weighted average unlevered yield ¹⁰	18.2%
Weighted average levered yield ¹¹	36.5%
Weighted average LTV ¹²	66.6%
Weighted average life (yrs)	2.5

FINANCING SUMMARY

	Balance Sheet Leverage ¹³	Contingent Liabilities	Cash ⁶	Net Effective Leverage	Asset Level Structured Funding
£ Amount	£45.2m	£4.4m	£22.7m	£27.0m	£25.7m
% of NAV ¹³	13.3%	1.3%	6.7%	7.9%	7.6%
W/A cost of finance	7.2%				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. Sum of available cash and cash held as collateral
7. 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
8. Gross of all leverage
9. Balance sheet leverage which includes the 25% partial recourse on the asset level financing.
10. 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.
11. 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.
12. 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.
13. Bond portfolio is only partially leveraged. The Company is not utilising its maximum capacity for leverage. See Financing Summary for further details.
14. RECI has a limit on balance sheet leverage of 40% of NAV, as stated in its borrowing policy.

All figures are as at 31 October 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 or on +44 (0) 207 968 7328.

Disclaimer:

This document is issued by Cheyne Capital Management (UK) LLP ("Cheyne Capital"). Cheyne Capital is authorised and regulated by the Financial Conduct Authority of the United Kingdom (the "FCA").

This document is being issued inside and outside the United Kingdom by Cheyne Capital only to and/or is directed only at persons who are professional clients or eligible counterparties for the purposes of the FCA's Conduct of Business Sourcebook. This document must not be relied on or acted upon by any other persons. Cheyne Capital neither provides investment advice to, nor receives and transmits orders from, investors in Real Estate Credit Investments Limited ("RECI") nor does it carry on any other activities with or for such investors that constitute "MiFID or equivalent third country business" for the purposes of the FCA Rules.

The information contained herein is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any dissemination or other unauthorised use of this information by any person or entity is strictly prohibited. The distribution of this document may be further restricted by law. No action has been or will be taken by either of Cheyne Capital or RECI, to permit the possession or distribution of this document in any jurisdiction (other than as expressly described herein) where action for that purpose may be required. Accordingly, this document may not be given or used in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons to whom this document is communicated should inform themselves about and observe any such restrictions.

This document is not intended to constitute, and should not be construed as, investment advice. Potential investors in RECI should seek their own independent financial advice. This document has been provided to you for informational purposes only and may not be relied upon by you in evaluating the merits of investing in any securities or interests referred to herein. This document is not intended as and is not to be taken as an offer or solicitation with respect to the purchase or sale of any security or interest, nor does it constitute an offer or solicitation in any jurisdiction, including those in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such a solicitation or offer. Any person subscribing for an investment must be able to bear the risks involved and must meet the suitability requirements relating to such investments. Some or all alternative investment programs may not be suitable for certain investors.

Although the information in this document is believed to be materially correct, no representation or warranty is given as to the accuracy of any of the information provided. Certain information included in this document is based on information obtained from sources considered to be reliable. We have not verified any such information and assume no responsibility for the accuracy or completeness thereof. Any projections or analysis provided to assist the recipient of this document in evaluating the matters described herein may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results. Accordingly, any projections or analysis are subject to change without prior notification and should not be viewed as factual and should not be relied upon as an accurate prediction of future results. Furthermore, to the extent permitted by law, neither RECI nor Cheyne Capital nor any of their respective directors, agents, service providers or professional advisers assumes any liability or responsibility nor owes any duty of care for any consequences of any person acting or refraining to act in reliance on the information contained in this document or for any decision based on it.

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.