



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 December 2024, the Company was invested in a diversified portfolio of 22¹⁵ investments with a valuation of £297.6m. The Company's cash balance was £32.2m and net effective leverage was 15.3%.

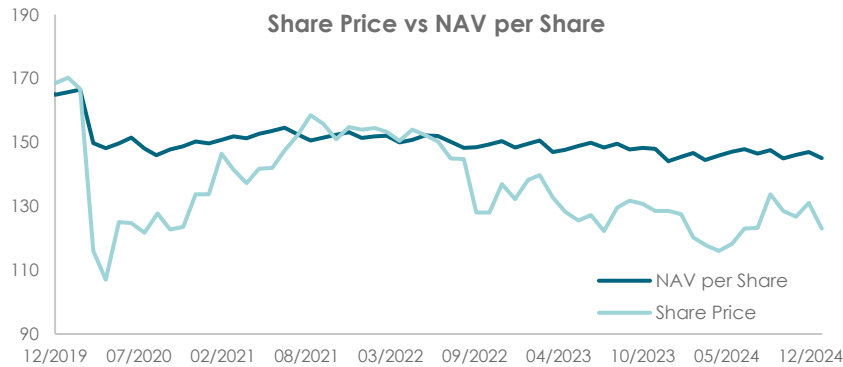
An interim dividend of 3p per share was declared on 28 November 2024, to be paid on 3 January 2025 to Ordinary Shareholders on the register at the close of business on 6 December 2024.

During the month, RECI was fully repaid at par its position in a senior development loan secured against a logistics platform in France. RECI received c.£8.6m of gross proceeds and achieved an unlevered gross IRR of 9.5%.

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

November NAV	147.1p
Interest income	0.9p
Asset valuations	0.3p
FX	0.1p
Expenses	-0.4p
Dividend	-3.0p
December NAV	145.0p

PERFORMANCE



Total Return ³	MTD	YTD	1 yr	3 yr	5 yr
NAV	0.7%	6.7%	9.2%	22.1%	31.4%

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

PORTFOLIO BREAKDOWN

Investment Portfolio⁴
£297.6m

Number of Positions¹⁵
22

WA Yield⁵
10.2%

WA LTV¹²
66.0%

LTV information is based on the current LTV (calculated in accordance with note 12) rather than the previously presented LTV at the point of investment.

Assets and Commitments



	No of Positions ¹⁵	Investment Portfolio Value (Gross)	Investment Portfolio Value (Net)	% of NAV	Current Levered Yield
Bilateral Loans & Bonds	18	£402.5m	£295.7m	91.9%	10.1%
Market Bonds	4	£6.8m	£1.9m	0.6%	33.2%
Cash⁶			£24.3m	7.5%	
GAV/W.A.	22	£409.3m	£321.8m	100.0%	10.2%

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 2025
Next AGM	September 2025
Dividend Frequency	Quarterly
Investment Manager	Cheyne Capital
Portfolio Manager	Ravi Stickney
Management Fee	1.25% of NAV
Performance Fee	20% above 7% hurdle

ORDINARY SHARE CLASS

Shares in Issue (with voting rights)	221.9m
Share Price	123.0p
Market Capitalisation	£272.9m
NAV Per Share¹	145.0p
Net Assets¹	£321.8m
Share Price Discount to NAV	(15.2)%

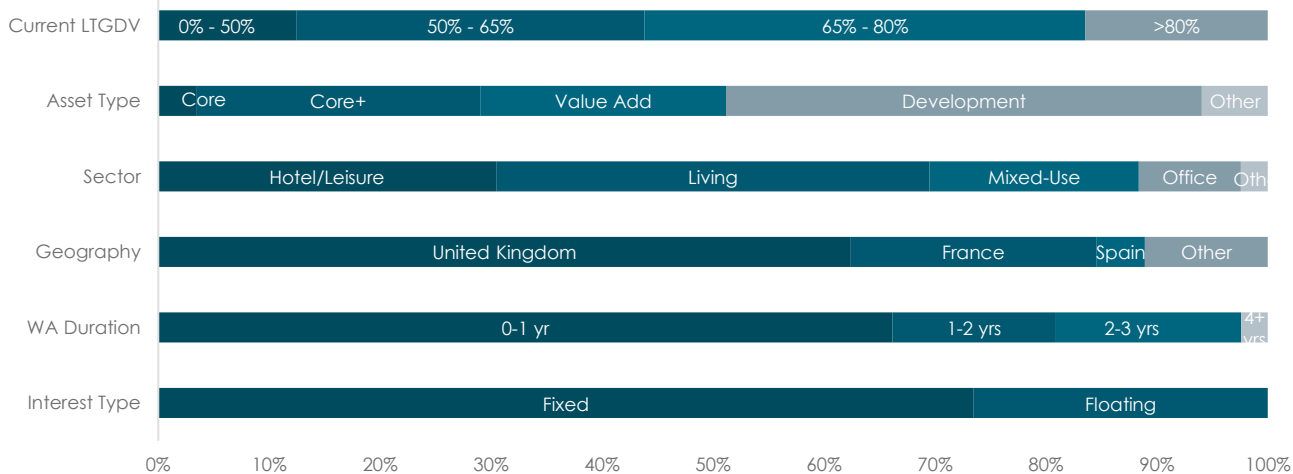
NAV

Investments	£297.6m
Available Cash	£29.3m
Cash Held as Collateral	£2.9m
Total Cash	£32.2m
GAV	£324.3m
Accrued Expenses	(£2.5m)
NAV	£321.8m

DIVIDEND INFORMATION

Dividends paid/declared²	12.0p
Dividend Yield on Share Price	9.8%

PORTFOLIO SUMMARY (by commitment)



TOP 10 POSITIONS (by commitment)

	Description	Dirty FV (GBP)	% of Gross Investments	RECI Commitment	LTV ¹²	Investment Strategy	Sector	Country	Asset Type ⁷
1	Senior Loan refinancing of four 4-star upscale hotels in central London.	£65.5 m	16%	£65.6 m	66%	Senior Loan	Hotel	United Kingdom	Core+
2	Light industrial, office and mid-market residential asset portfolio in the UK.	£56.7 m	14%	£82.1 m	59%	Senior Loan	Mixed-Use	United Kingdom	Value Add
3	Student accommodation development in London.	£52.7 m	13%	£55.9 m	69%	Senior Profit Participating Loan	Student Accommodation	United Kingdom	Development
4	Residential, affordable housing and mixed-use scheme over five blocks within Greater London.	£27.0 m	7%	£32.7 m	61%	Senior Loan	Residential	United Kingdom	Development
5	Refurbishment and extension of a freehold office building in Saint Ouen, Paris.	£26.2 m	6%	£30.9 m	100%	Senior Loan	Office	France	Value Add
6	Co-living development in central London.	£24.9 m	6%	£26.7 m	77%	Senior Profit Participating Loan	Co-Living	United Kingdom	Development
7	Senior refinancing of the existing portfolio of 6 stabilised and fully operational properties (hotels and spas) across England.	£19.0 m	5%	£19.6 m	68%	Senior Loan	Hotel	United Kingdom	Core+
8	Senior loan made to refinance a later living development in Kensington, South West London.	£18.3 m	4%	£19.7 m	65%	Senior Loan	Assisted Living	United Kingdom	Core+
9	Income producing residential development in France.	£17.6 m	4%	£20.6 m	33%	Senior Loan	Housebuilder	France	Development
10	Refurbishment of 3 interconnected buildings in central Paris into 5* hotel, F&B outlet and private club.	£17.2 m	4%	£17.4 m	75%	Mezzanine Loan	Hotel	France	Development

BILATERAL LOAN AND BOND PORTFOLIO SUMMARY (by commitment)

Number of assets	18
Total committed capital ⁸	£492.6m
Total capital deployed ⁸	£430.5m
Leverage deployed ⁹	£82.8m
Drawn fair value (gross)	£402.5m
Drawn fair value (net)	£295.7m
Weighted average unlevered yield ¹⁰	9.6%
Weighted average portfolio yield ¹¹	10.1%
Weighted average LTV ¹²	66.7%
Weighted average life (yrs)	1.1

MARKET BOND PORTFOLIO SUMMARY

Number of assets	4
Gross fair value	£6.8m
Net fair value	£1.9m
Leverage deployed ⁸	£4.9m
Weighted average unlevered yield ⁹	13.3%
Weighted average levered yield ¹⁰	33.1%
Weighted average LTV	70.1%
Weighted average life (yrs)	2.4

FINANCING SUMMARY

	Balance Sheet Leverage ^{13 14}	Contingent Liabilities ¹⁴	Cash ⁶	Net Effective Leverage	Asset Level Structured Funding
£ Amount	£76.1m	£6.721m	£33.5m	£49.4m	£35.6m
% of NAV ¹⁴	23.7%	2.1%	10.4%	15.3%	11.1%
W/A cost of finance	7.6%				8.3%

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. 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 fair value of the investments.
6. Sum of available cash and cash held as collateral less accrued dividends.
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 LTV has been calculated by Cheyne Capital by reference to the total commitment made to an investment (whether drawn or undrawn), divided by the future value ascribed to the collateral by Cheyne Capital. In determining these values, Cheyne Capital has taken into consideration red book valuations that are instructed at least annually, as well as its own outlook on the valuation of the underlying collateral.
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.
15. Note that two position where RECI had investment in both equity and debt have now been combined for reporting purposes. As a result, the number of positions reported in this period has reduced by 3, with only one position representing a repayment.

All figures are as at 31 December 2024 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 REIR@cheynecapital.com or on +44 (0) 7968 7450

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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.