

Key Information Document (KID)

This document provides you with key investor information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

PRODUCT

Real Estate Credit Investments Limited

- An authorised closed-ended investment scheme limited by shares and incorporated under the laws of Guernsey with registered number 43634.
- The Ordinary Shares are currently listed on the premium segment of the Official List of the UK Listing Authority and trade on the Main Market of the London Stock Exchange plc
- Investment Manager: Cheyne Capital Management (UK) LLP
- The Investment Manager is authorised and regulated in the conduct of investment business in the United Kingdom by the FCA.
- Website: www.recreditinvest.com
- Call +44 20 7968 7328 for more information
- Date of production of the KID: 31 Mar 2018

| KEY INFORMATION | |
|--------------------|--------------------|
| Domicile | Guernsey |
| Legal Structure | Closed End Company |
| Traded CCY | GBP |
| Bloomberg Ticker | RECI LN Equity |
| ISIN | GB00B0HW5366 |
| Launch Date | December 2005 |
| Financial Year End | 31 March |
| Dividend Frequency | Quarterly |

You are about to purchase a product that is not simple and may be difficult to understand

WHAT IS THIS PRODUCT?

Type

Real Estate Credit Investments (RECI) is a closed-ended investment company.

Objectives (and means of achieving them)

RECI's investment objective is to provide Ordinary Shareholders with a levered exposure to a portfolio of Real Estate Credit Investments with stable returns in the form of quarterly dividends.

To achieve the investment objective, the Company originates and invests in real estate debt secured by commercial or residential properties in Western Europe, focusing primarily in the United Kingdom and Germany.

The Company's aim is to deliver a stable quarterly dividend with minimal volatility, through economic and credit cycles.

Investments may take different forms but are mainly in the form of:

- Loans: real estate loans (senior and mezzanine)
- Bonds: listed real estate debt securities such as Commercial Mortgage Backed Securities (CMBS) bonds.

The Company generally invests either directly or through SPVs and subsidiaries, on a buy-to-hold basis based on an analysis of the credit worthiness of the underlying assets in the applicable investment. Therefore, the total return from any given investment (if held to maturity) will be determined by actual performance of the underlying real estate loans rather than by market prices (including the payment, and timings of payment, of interest, principle, fees and any other amounts due). However, the Company actively manages the investment portfolio, and may from time to time dispose of an investment prior to its maturity if the Company so decides for reasons including, but not limited to, the price offered being sufficiently attractive, the credit view of the underlying assets changing or superior alternative investments being available.

The Company will limit Company-level recourse leverage for investment purposes to 40 per cent. of NAV.

Bid-Offer - Shares of RECI are bought and sold via markets. Typically, at any given time on any given day, the price you pay for a share will be higher than the price at which you could sell it.

There is no committed liquidity by market makers or the PRIIP manufacturer. You may not be able to sell your investment.

Intended Retail Investor

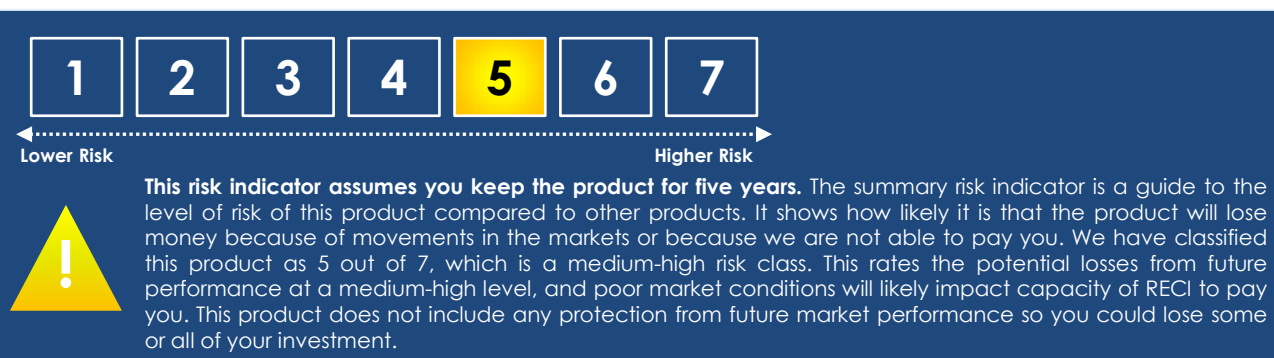
The Company is not specifically intended for retail investors, therefore it is only intended for highly sophisticated/advised/HNW retail investors. An investment in the Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in the New Ordinary Shares should constitute part of a diversified investment portfolio. Accordingly, typical investors in the Company are expected to be institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company.

Maturity Date

The Company was established with an unlimited life but the Articles provide for a continuation resolution to be put to Shareholders at the annual general meeting of the Company to be held at every fourth annual general meeting thereafter. Therefore the PRIIP manufacturer is not entitled to terminate unilaterally.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

RISK INDICATOR



PERFORMANCE SCENARIOS

| Scenarios | | 1 year | 3 years | 5 years (Recommended holding period) |
|-----------------------|-------------------------------------|---------|---------|---|
| Stress Scenario | What you might get back after costs | £3,097 | £4,721 | £3,678 |
| | Average return each year | -69.0% | -22.1% | -18.1% |
| Unfavourable Scenario | What you might get back after costs | £9,049 | £9,257 | £9,862 |
| | Average return each year | -9.5% | -2.5% | -0.3% |
| Moderate Scenario | What you might get back after costs | £10,791 | £12,571 | £14,645 |
| | Average return each year | 7.9% | 7.9% | 7.9% |
| Favourable scenario | What you might get back after costs | £12,879 | £17,086 | £21,767 |
| | Average return each year | 28.8% | 19.6% | 16.8% |

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures do not take into account your personal tax situation, which may affect how much you get back.

WHAT HAPPENS IF RECI IS UNABLE TO PAY OUT?

As a shareholder of Real Estate Credit Investments you would not be able to make a claim to the Financial Services Compensation Scheme about Real Estate Credit Investments in the event that the company is unable to pay out. Neither the Company or the Investment Manager are required to make any payment to you in respect of your investment. If the Company were liquidated you would be entitled to receive a distribution equal to your share of the Company's assets, after payment of all its creditors. There is no compensation guarantee scheme in place that applies to the Company, and if you invest in the Company, you should be prepared to assume the risk that you could lose all of your investment.

WHAT ARE THE COSTS?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

You should note that these costs are paid by the Company whereas the return that you may receive will depend on the Company's share price performance. There is no direct link between the Company's share price and the costs that it pays.

Cost over time

| Investment £10,000 Scenarios | If you cash in after 1 year | If you cash in after 3 years | If you cash in after 5 years |
|------------------------------------|--------------------------------|---------------------------------|------------------------------|
| Total Costs | £175 | £525 | £875 |
| Impact on return (RIY) per year | 1.75% | 1.75% | 1.75% |

Composition of Costs

The table below shows:

- The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- The meaning of the different cost categories.

This table shows the impact on return per year

| | | | |
|------------------|-----------------------------|--------------------|---|
| One-off costs | Entry costs | 0% | No entry costs are payable when you acquire Ordinary Shares, although you may be required to pay brokerage fees or commissions. |
| | Exit costs | 0% | No exit costs are payable when you dispose of Ordinary Shares, although you may be required to pay brokerage fees or commissions |
| Ongoing costs | Portfolio transaction costs | 0.05% | The impact of the costs of us buying and selling underlying investments for the product. |
| | Other ongoing costs | 1.70% | The impact of the costs that we take each year for managing your investments. |
| Incidental costs | Performance fees | 20% over 7% hurdle | The impact of the performance fee payable to the Investment Manager, equal to 20% of any increase in net asset value per Ordinary Share in each of the Company's financial year in excess of a 7% hurdle. |
| | Carried interests | 0% | No carried interest is payable. |

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

| | |
|------------------------------------|---------|
| Recommended holding period: | 5 years |
|------------------------------------|---------|

Most ordinary investment company shares are medium to long-term products with no set period for holding the share. As is the case for most ordinary investment company shares, the recommended holding period is expected to be at least five years.

HOW CAN I COMPLAIN?

As a shareholder of Real Estate Credit Investments you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of Real Estate Credit Investments. Complaints about the company or the key information document should be sent to:

First Floor, Dorey Court, Admiral Park, St. Peter Port, Guernsey, GY1 6HJ
mail@recreditinvest.com

OTHER RELEVANT INFORMATION

Further information on the Company including the latest share prices, prospectus and financial statements may be found at www.recreditinvest.com and is available from Cheyne Capital Management at mail@recreditinvest.com or on +44 (0) 207 968 7328.