

Fact Sheet

SUMMARY INVESTMENT OBJECTIVE

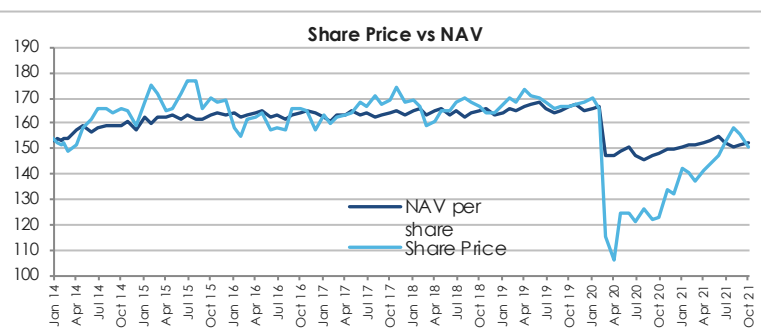
Real Estate Credit Investments (RECI) is a closed-ended investment company which originates and invests in real estate debt secured by commercial or residential properties in Western Europe, focusing primarily on the United Kingdom, France and Germany. The Company's aim is to deliver a stable quarterly dividend with minimal volatility, across economic and credit cycles, through a levered exposure to real estate credit investments. Investments are predominantly in:

- Self Originated Deals: predominantly bilateral senior real estate loans
- Market Bonds: listed real estate debt securities such as Commercial Mortgage Backed Securities (CMBS) bonds

MONTHLY UPDATE

- NAV as at 31 October 2021 was £1.523 per share, representing an increase of 0.9p per share from the 30 September 2021 NAV of £1.514 per share.
- RECI committed £39.3m to three new deals during the month :-
 - £20.7m to a housebuilder portfolio in France, with an expected unlevered yield of 9.2%.
 - £12.0m to a hotel in France, with an expected unlevered yield of 11.5%.
 - £6.6m to a later living facility in the United Kingdom, with an expected unlevered yield of 10.7%.
- Profits driven by continued strong interest income on the portfolio following recent deployment.
- The Company had cash at the month end of £28.7m and gross leverage of £98.1m (representing 28.1% of NAV and 1.20x net/effective look through leverage).
- The pipeline for the Cheyne real estate debt business continues to grow with a number of attractive opportunities.

PERFORMANCE



PORTFOLIO BREAKDOWN

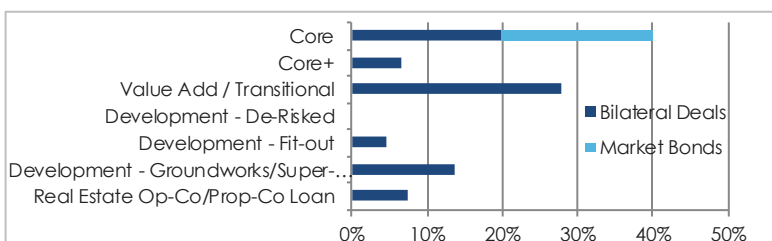
Investment Portfolio⁴
£404.0m

Number of Positions
62

WA Yield⁵
10.3%

WA LTV
64.3%

Portfolio by Investment Strategy (Funded Fair Value)



COMPANY INFORMATION

Domicile	Guernsey
Legal Structure	Closed End Fund
Traded CCY	GBP
Bloomberg Ticker	RECI LN Equity
ISIN	GB00B0HW 5366
Launch Date	December 2005
Financial Year End	March 2021
Next AGM	September 2021
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

NAV & SHARE PRICE As at 31 October 2021

Net Assets ¹	£349.3m
Shares Outstanding	229.3m
NAV (pence per share) ¹	152.3
Share Price (pence per share)	151.0
Premium/(Discount)	(0.9)%
Dividend Yield ²	7.9%
Market Capitalisation	£346.3m

Total NAV Return³

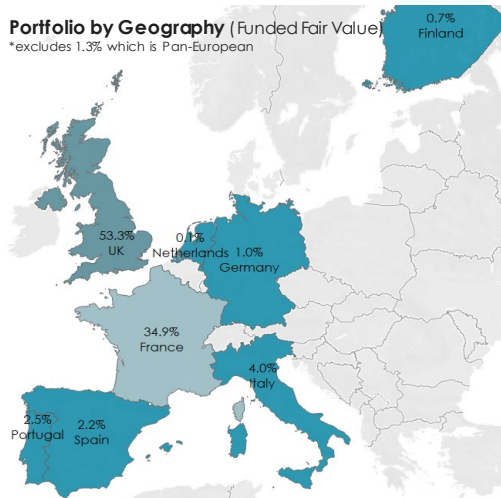
MTD	YTD	1 yr	3 yr	5 yr
0.6%	8.0%	-1.9%	14.7%	32.4%

YTD = Calendar year, 1 yr = 2020, 3 yr = 2018-2020, 5 yr = 2016-2020

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

Portfolio by Geography (Funded Fair Value)

*excludes 1.3% which is Pan-European



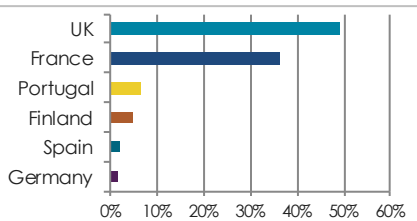
TOP 10 POSITIONS (by commitment)

	Description	Commitment	LTV	Investment Strategy	Asset Type ⁶	Manager Commentary
1	Paris prime resi/retail building	£48.9m	67%	Senior Loan	Value Add / Transitional	Luxury retail and apartments in super-prime Paris location.
2	UK mixed use portfolio, predominantly office/residential	£44.6m	52%	Senior Loan	Core+	Light industrial, office and mid market residential asset portfolio in the UK.
3	Office development in Saint Ouen, Paris	£29.3m	58%	Senior Loan	Development	Refurbishment and extension of a freehold office building
4	London mixed use development, predominantly residential/office	£27.2m	63%	Senior Loan	Value Add / Transitional	Practical completion achieved. Letting is on track.
5	London Office	£23.5m	59%	Senior Loan	Core	Fully let 98,246 sq ft new grade A office block located in Hoxton
6	UK Care Homes	£23.2m	76%	Senior Loan	Core	Stable, income producing UK care homes
7	UK Student Housing	£22.4m	78%	Mezzanine Loan	Core	Stable income producing UK student accommodation assets
8	France Housebuilder Portfolio	£20.7m	56%	Senior Loan	Development	Income producing residential developer
9	Finland Hotel	£20.4m	56%	Senior Loan	Development	Development in progress. Expected completion in June 2024
10	French Hotels	£20.0m	71%	Stretch Senior Loan	Development	Development in progress. Expected completion in Q3 2024

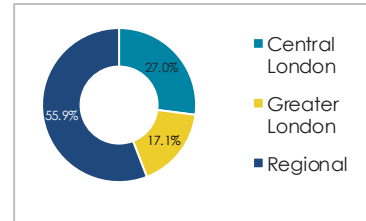
BILATERAL LOAN AND BOND PORTFOLIO SUMMARY (by commitment)

Number of Assets	32
Drawn value	£327.7m
Undrawn commitments	£126.7m
Weighted average unlevered yield ⁷	9.1%
Weighted average levered yield ⁷	10.3%
Weighted average LTV ⁸	67.2%
Weighted average life (yrs)	1.5

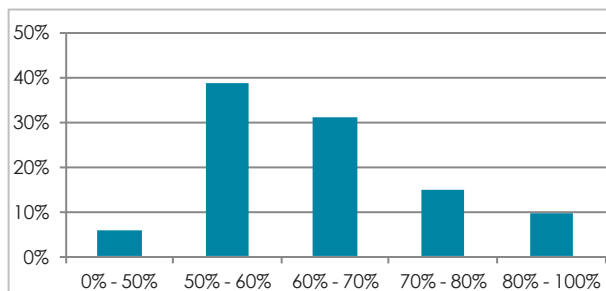
Geography



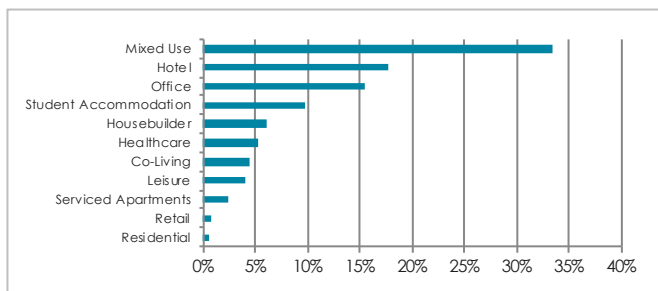
UK Breakdown



LTV



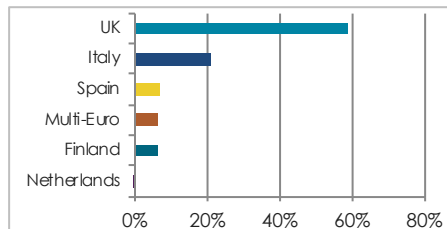
Asset Class



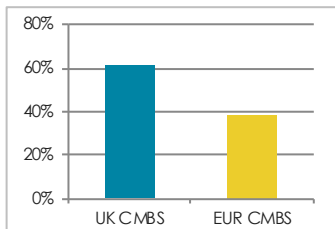
MARKET BOND PORTFOLIO SUMMARY

Number of Assets	29
Fair value	£75.6m
Weighted average unlevered yield ⁹	4.3%
Weighted average levered yield ¹⁰	10.0%
Weighted average LTV ⁸	51.6%
Weighted average life (yrs)	3.4

Geography



Bond Strategy



FINANCING SUMMARY

	Balance Sheet Leverage ¹¹	Cash	Net Effective Leverage	Asset Level Structured Funding
£ Amount	£98.1m	£28.7m	£69.4m	£2.0m
% of NAV	28.1%	8.2%	19.9%	0.6%
W/A cost of finance	1.7%	-	-	-

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. Dividend yield based on last reported dividend and share price at fact sheet date.
3. Total NAV return assumes dividends are reinvested.
4. Investment Portfolio is based on the drawn Fair Value of bonds and loans.
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. For bonds this is the weighted averaged levered yield of the bond portfolio.
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
 - Development: Groundworks/Super-Structure** – assets that are to be built from the ground up and are in the ground-works stage or building the super-structure has commenced. These typically already benefit from the requisite consent to develop.
 - Development: Fit-Out** – assets that have either been built from the ground up and have reached the completion of the super-structure ("topped out"), or assets which are in need of substantial refurbishment works. These typically already benefit from the requisite consent to develop.
 - Development: De-Risked** – development assets which benefit from being substantially pre-sold or pre-let.
 - Real Estate Op-Co/Prop-Co Loan** – loan secured by both the operating company as well as all of the company's real assets.
7. The effective yield of the loans is the accounting yield based on the funded loan balances, which includes interest and fees. 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.
8. The weighted average LTV has been calculated by Cheyne Capital by reference to the current 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.
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. Bond portfolio is only partially leveraged. The Company is not utilising its maximum capacity for leverage. See Financing Summary for further details.
11. 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 2021 unless specified otherwise.

Further information on the Company including the latest share price, prospectus and financial statements may be found at www.recedfinvest.com and is available from Cheyne Capital Management at 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.