



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 in the United Kingdom, France and Germany.

The Company's aim is to deliver a stable quarterly dividend with minimal volatility, through economic and credit cycles through a levered exposure to real estate credit investments. Investments are predominantly in:

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

MONTHLY UPDATE

- NAV as at 31 March 2018 was £1.636. After taking into account the 3.0p per share dividend paid in March, this represents an increase in NAV of 1.1p over the month.
- This takes NAV total return in the past 12 months to 12.4p per share, representing an annual NAV total return of 7.6%.
- RECI funded £5m under existing loans commitments in March, and invested £22m in two new bonds secured by a portfolio of office assets in the UK.
- In March, RECI also entered into a commitment to fund its allocation of a €155m senior loan in France. This deal is likely to close during the course of April and be securitised into a CMBS bond.
- To provide cash for this particular loan and the ongoing funding of RECI's committed loans, a number of bonds were sold and their attached financings were redeemed.
- RECI had a cash balance of £19.1m (representing 8.4% of NAV) at the month end, and had utilised 17.5% of its 40% NAV limit in leverage.
- In March, Susie Farnon, a non-executive director of RECI, was appointed to the Board of the Association of Investment Companies, the industry's trade body, as a representative of the offshore funds sector.

COMPANY INFORMATION

Domicile	Guernsey
Legal Structure	Closed End Fund
Traded CCY	GBP
Bloomberg Ticker	RECI LN Equity
ISIN	GB00BH0HW5366
Launch Date	13 December 2005
Financial Year End	Mar 2018
Next AGM	Sept 2018
Dividend Frequency	Quarterly
Investment Manager	Cheyne Capital Management (UK) LLP
Portfolio Manager	Ravi Stickney
Management Fee	1.25% of NAV
Performance Fee	20% above 7% hurdle

NAV & SHARE PRICE As at 31 Mar 2018

Net Assets ¹	£228.0m			
Shares Outstanding	139.4m			
NAV (pence per share) ¹	£1.636			
Share Price (pence per share)	£1.590			
Premium/(Discount)	-2.8%			
Dividend Yield ²	7.5%			
Market Capitalisation	£221.6m			
Total NAV Return³				
MTD	YTD	1 yr	3 yr	5 yr
0.6%	2.0%	7.1%	27.7%	67.3%

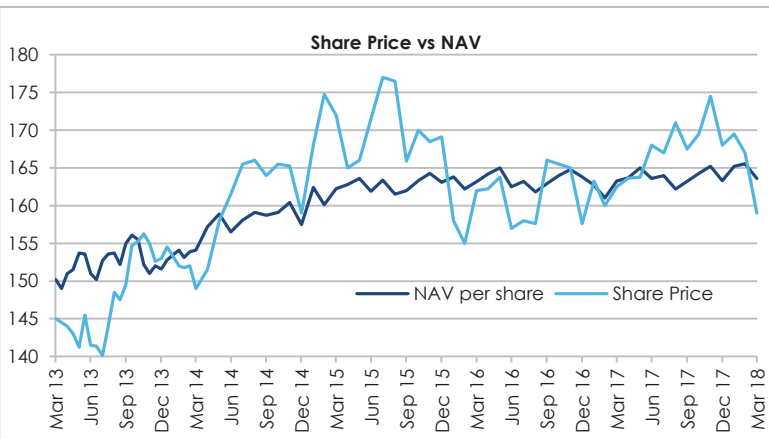
YTD = Calendar year, 1 yr = 2017, 3 yr = 2015-2017, 5 yr = 2013-2017

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 1.0% of the portfolio which is Pan-European.

PERFORMANCE



PORTFOLIO BREAKDOWN

Investment Portfolio⁴

£245.4m

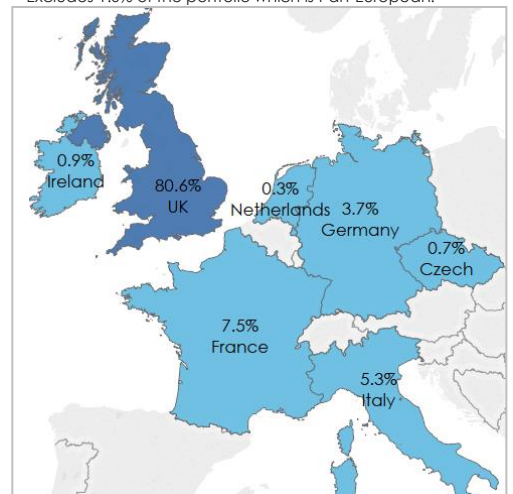
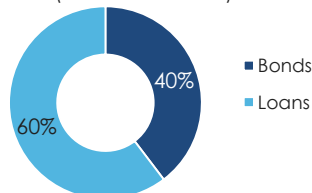
WA Yield⁵

10.0%

Number of Positions

43

Investment Portfolio Composition (Funded Fair Value)



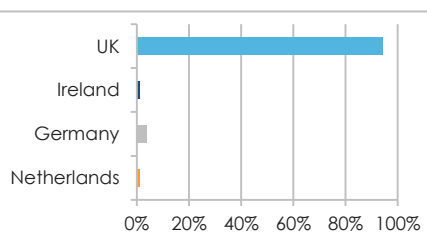
TOP 10 POSITIONS (by commitment)

	Description	Commitment	LTV	Sector	Investment Strategy	Loan Type ⁶
1	London Mixed Use Development	£34.8m	45%	Mixed-Use	Senior Loan	Development
2	London Mixed Use Development	£27.2m	65%	Mixed-Use	Senior Loan	Development
3	Regional UK Office Portfolio	£21.6m	63%	Office	CMBS	Core
4	London Office to Residential	£17.3m	39%	Residential	Senior Loan	Value Add / Transitional
5	Regional UK Housebuilder	£17.0m	88%	Residential	Profit Sharing Mezzanine Loan	Value Add / Transitional
6	Regional UK Housebuilder	£16.4m	79%	Residential	Senior Loan	Development
7	London Office Building	£15.7m	78%	Office	CMBS	Core
8	London Mixed Use Development	£15.6m	58%	Mixed-Use	Mezzanine Loan	Development
9	Regional UK Housebuilder	£15.2m	69%	Residential	Mezzanine Loan	Value Add / Transitional
10	Central London Mixed Use Buildings	£14.0m	52%	Mixed-Use	Mezzanine Loan	Core+

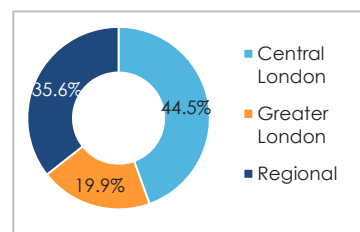
LOAN PORTFOLIO SUMMARY (by commitment)

Number of loans	21
Drawn Value	£148.1m
Undrawn Loan Commitments	£86.9m
Weighted average Yield ⁷	10.3%
Weighted average LTV ⁸	66.3%
Weighted average Life	2.2

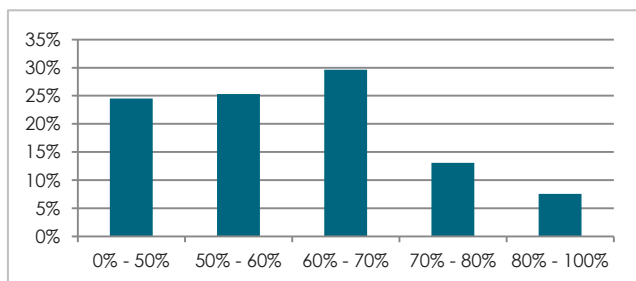
Geography



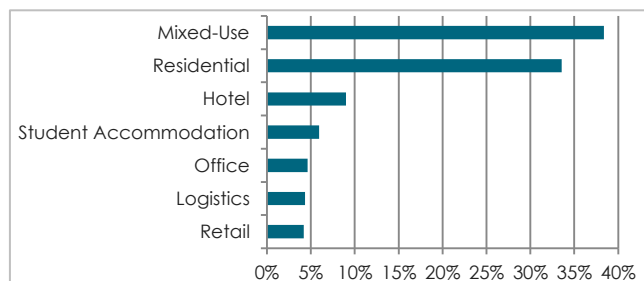
UK Breakdown



LTV



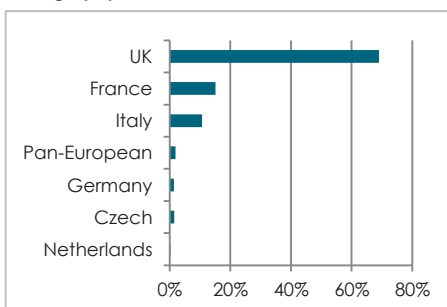
Asset Class



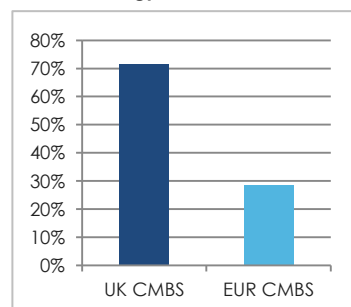
BOND PORTFOLIO SUMMARY

Number of bonds	22
Fair Value	£97.3m
Nominal Face Value	£101.6m
Bonds as % of NAV	42.7%
Weighted average Unlevered Yield ⁹	6.3%
Weighted average Levered Yield ¹⁰	9.2%
Weighted average LTV ⁸	66.6%
Weighted average Life	3.1

Geography



Bond Strategy



FINANCING SUMMARY

Limit	Max. 40% of NAV
Amount of Financing	£39.9m
% of NAV	17.5%
Weighted average Cost of Finance	1.96%

CASH SUMMARY

Cash	£19.1m
% of NAV	8.4%

Footnotes

1. Unaudited estimated figures produced by Cheyne Capital. Final audited values may be materially different from the numbers shown.
2. Dividend yield based on 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:
 - a. Core – assets that benefit from having long term income
 - b. Core + – assets that benefit from having strong current income, but do require some measure of asset management to optimise its income profile and term
 - c. Value add / transitional – assets that require asset management (typically refurbishment) and re-letting to secure a core income profile
 - d. Development – assets that are either to be built from the ground up or are in need of substantial refurbishment works. These typically already benefit from the requisite consent to develop
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.
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.
10. Bond portfolio is only partially leveraged. The Company is not utilising its maximum capacity for leverage. See Financing Summary for further details.

All figures are as at 31 March 2018 unless specified otherwise.

Further information on the Company including the latest share price, prospectus and financial statements may be found at www.recreditinvest.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.