IMPORTANT NOTICE: Real Estate Credit Investments Limited (the "Company" or "RECI") has followed the methodology prescribed by the Regulation (EU) 1286/2014 of the European Parliament and the Council ('the Regulation') for the preparation of this document. RECI believes the Regulation is targeted at packaged retail investment products rather than shares in a listed company such as RECI. In particular, the Regulation requires that the potential future returns shown by the Performance Scenarios must be calculated using share price returns over the past five years which, in RECI's view, may prove to be too optimistic and not necessarily indicative of future performance. Accordingly, RECI cautions investors against relying on this Key Information Document to estimate future returns for RECI or as a useful comparison against other investment products.

RECI
REAL ESTATE CREDIT INVESTMENTS

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.realestatecreditinvestments.com
- Call +44 20 7968 7328 for more information
- Date of production of the KID: 30 Dec 2022

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 the United Kingdom and Western Europe.

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: predominantly senior real estate loans
- 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 financial intermediaries and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or financial intermediary 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

1	2	3	4	**5**	6	7

Lower Risk ◄ ··· ► Higher Risk

This risk indicator assumes you keep the product for five years. The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 5 out of 7, which is a mid to higher level risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions are likely to impact the performance of this product. This product does not include any protection from future market performance so you could lose some or all of your investment.

The recommended holding period for shares in the Company is five years. While there is no fixed maturity date of the Company, the continuation vote takes place on a four-year cycle with the next being in September 2025. You may not be able to sell shares in the Company easily due to a lack of liquidity or you may have to sell at a price below the price that you paid or below the prevailing net asset value. The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Company is not able to pay you. We have classified this product as 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions are likely to impact the value of our ordinary shares.

Other risks materially relevant to the ordinary shares that are not included in the summary risk indicator include:
• The Company is exposed to the risk that its portfolio fails to perform in line with the Company's objectives if it is inappropriately invested or markets move adversely.
• The Company is exposed to the risks arising from any failure of its systems and controls or of those of its service providers.
• While there are a number of methods by which the Company could seek to manage any discount to net asset value at which the Company's shares may trade in the secondary market, there is no guarantee that the Company can or will utilise any or all of these methods or, if it does, that it will be successful.

This product does not include any protection from future market performance so you could lose some or all of your investment.

Investment Performance Information

The Company delivered an average annual total shareholder return (share price appreciation with dividend reinvested in the shares) of 11.8% in the ten years to 30 September 2022. These returns should be benchmarked against the Company's stated return objectives, set out on page 1 of this document. Future performance will be driven principally by:
• the financial performance of the Company's investments, measured principally as the performances of the portfolio holdings and cash generation that would allow the portfolio holdings to deliver their business plans and service their debt. This performance could be affected by broader geopolitical and macro-economic factors, including economic growth, inflation and monetary policy, among others;
• the valuation of the Company's investments, which is based on their financial performance but also on broader market benchmarks which can fluctuate over time; and
• the ability of the Company to continue to make new investments and recycle proceeds from loan maturities to crystallise returns at least in line with the Company's stated return objectives. This ability is affected by the competitive dynamics in the Real Estate markets, broader market volatility and the availability of bank funding for refinancing, among other factors.

Other factors that could impact performance include, but are not limited to, the ability to attract and retain able investment professionals, the evolving legal and regulatory landscape in which RECI operates and foreign exchange fluctuations.

<u>What could affect my return positively?</u> Factors that could affect returns positively include RECI's ability to make good investments and manage its portfolio holdings to deliver sustainable income during the holding period. Good investment performance could be supported further by a positive macro-economic environment and buoyant financial markets.
<u>What could affect my return negatively?</u> In addition to the factors above, factors that could affect returns negatively include poor investment decisions by RECI and poor management of its portfolio holdings. Negative outcomes could also be caused or exacerbated by a negative macro-economic outlook, geopolitical instability and/or volatile financial markets.

Under severely adverse market conditions, there is a risk that the capital value of an investment in the Company's shares could reduce significantly, potentially down to zero.

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*	£225	£676	£1,127
Impact on return (RIY) per year*	2.25%	2.25%	2.25%

*includes the cost of financing

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	0.02%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	2.23%*	The impact of the costs that are taken 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.

*Mgmt Fee 1.25% / Ongoing other costs 0.42% / Finance Costs, which may vary and are only incurred to increase the overall returns to investors 0.56%

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:

PO Box 656, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP. Email: reci@aztecgroup.co.uk

OTHER RELEVANT INFORMATION

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

Richard.lang@cheynecapital.com or on +44 (0) 207 968 7328.