This document is issued by M&G Alternatives Investment Management Limited as the alternative investment fund manager (the "**Investment Manager**") of M&G Credit Income Investment Trust PLC (the "**Company**") solely in order to make certain information available to investors in the Company before they invest, in accordance with the requirements of the Alternative Investment Fund Managers Regulations No. 1773/2013 and consequential amendments to the Financial Conduct Authority ("**FCA**") Handbook, implementing the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (the "**AIFM Directive**") in the United Kingdom. It is made available to investors in the Company at www.mandg.co.uk. **This document may not be used for the purpose of, and does not constitute, an offer or solicitation.**

M&G CREDIT INCOME INVESTMENT TRUST PLC

*(incorporated in England and Wales with registered no. 11469317 and registered as an investment company under Section 833 of the Companies Act 2006 ("**Companies Act**"))*

INVESTOR DISCLOSURE DOCUMENT

IMPORTANT INFORMATION

Regulatory status of the Company

M&G Credit Income Investment Trust PLC is an 'Alternative Investment Fund' ("**AIF**") for the purposes of the AIFM Directive. The Company has appointed M&G Alternatives Investment Management Limited to act as its AIFM. M&G Alternatives Investment Management Limited is authorised and regulated by the Financial Conduct Authority as a 'full-scope' UK AIFM and the Company is an 'externally-managed AIF' for the purposes of the AIFM Directive.

The Company's ordinary shares of one penny each in the capital of the Company (the "**Ordinary Shares**") are listed on the premium segment of the official list maintained by the FCA pursuant to Part VI of the Financial Services and Markets Act 2000 ("**FSMA**") and are admitted to trading on the premium segment of the London Stock Exchange's main market. The Company is subject to its articles of association (the "**Articles**"), the listing rules made by the FCA under section 73A of FSMA (the "**Listing Rules**"), the disclosure guidance published by the FCA and the transparency rules made by the FCA under section 73A of FSMA (the "**Disclosure Guidance and Transparency Rules**"), Regulation (EU) No 956/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "**Market Abuse Regulation**"), the rules of the London Stock Exchange and the Companies Act.

The provisions of the Articles are binding on the Company and the Company's shareholders (the "**Shareholders**"). The Articles set out the rights and restrictions attaching to the Ordinary Shares. These rights and restrictions apply equally to all shareholders. All shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the Articles. The Articles are governed by the laws of England and Wales.

Limited purpose of this document

This document is not being issued for any purpose other than to make certain, required regulatory disclosures to investors and, except to the extent required under applicable law and regulations, the Company, the AIFM and their respective directors will not be responsible to persons (including the Shareholders) for their use of this document.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to the Ordinary Shares.

This document is not a prospectus and it is not intended to be an invitation or inducement to any person to engage in any investment activity. This document may not include (and it is not intended to include) all the information which investors and their professional advisers may require for the

purpose of making an informed decision in relation to an investment in the Company and its Ordinary Shares.

No advice

The Company, the AIFM and their respective directors are not advising any person in relation to any investment or other transaction involving the Ordinary Shares. Recipients must not treat the contents of this document or any subsequent communications from the Company, or any of its affiliates, officers, directors, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment in Ordinary Shares.

Potential investors in the Ordinary Shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Overseas investors

The distribution of this document in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. The Ordinary Shares have not been, and will not be, registered under the applicable securities laws of Canada, Australia, the Republic of South Africa or Japan. Accordingly, the Ordinary Shares may not (unless an exemption from such act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into Canada, Australia, the Republic of South Africa or Japan.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares.

The Ordinary Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Ordinary Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Ordinary Shares in the United States.

The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Ordinary Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Ordinary Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this document is requested to disregard it.

Copies of this document will be available on the Company's website www.mandg.co.uk/creditincomeinvestmenttrust

THE COMPANY

Investment Objective

The Company aims to generate a regular and attractive level of income with low asset value volatility.

Investment Policy and Strategy

The Company seeks to achieve its investment objective by investing in a diversified portfolio of public and private debt and debt-like instruments ("**Debt Instruments**"). Over the longer term, it is expected that the Company will be mainly invested in private Debt Instruments, which are those instruments not quoted on a stock exchange.

It is expected that the Company will typically invest directly, but it may also invest indirectly through collective investment vehicles which are expected to be managed or advised by an M&G Entity.

The Company operates an unconstrained investment approach and investments may include, but are not limited to:

- Asset-backed securities, backed by a pool of loans secured on, amongst other things, residential and commercial mortgages, credit card receivables, auto loans, student loans, commercial loans and corporate loans;
- Commercial mortgages;
- Direct lending to small and mid-sized companies, including lease finance and receivables financing;
- Distressed debt opportunities to companies going through a balance sheet restructuring;
- Infrastructure-related debt assets;
- Leveraged loans to private equity owned companies;
- Public Debt Instruments issued by a corporate or sovereign entity which may be liquid or illiquid;
- Private placement debt securities issued by both public and private organisations; and
- Structured credit, including bank regulatory capital trades.

The Company will invest primarily in Sterling denominated Debt Instruments. Where the Company invests in assets not denominated in Sterling it is generally expected that these assets will be hedged back to Sterling.

Borrowings

The Company is expected to be managed primarily on an ungeared basis although the Company may, from time to time, be geared tactically through the use of borrowings. Borrowings would principally be used for investment purposes, but may also be used to manage the Company's working capital requirements or to fund market purchases of Ordinary Shares. Gearing represented by borrowing will not exceed 30% of the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time ("**Net Asset Value**"), calculated at the time of draw down, but is typically not expected to exceed 20% of the Company's Net Asset Value.

Hedging and Derivatives

The Company will not employ derivatives for investment purposes. Derivatives may however be used for efficient portfolio management, including for currency hedging.

Cash management

The Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds ("**Cash and Cash Equivalents**").

There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant Cash and Cash Equivalents position. For the avoidance of doubt, the restrictions set out above in relation to investing in collective investment vehicles do not apply to money market type funds.

Investment Process

The Investment Manager takes a collegiate approach to fund management whereby investment opportunities are routinely discussed between portfolio managers and analysts across different asset classes. The Investment Manager's investment process is designed to produce a consistent investment approach, allowing portfolio managers to demonstrate skill and expertise within a disciplined, research-driven and risk-controlled framework. The portfolio managers judge the relative risk and return between sectors using their understanding of the contracted coupon income for the assets under consideration along with the detailed analyst report that is produced in relation to each investment opportunity. Portfolio managers are responsible for investment performance and for ensuring that the investment process is followed for the funds under their responsibility.

Sourcing Investment Opportunities

Investment opportunities are sourced for the most part through the fixed income team's extensive network of contacts, including sponsors, borrowers, lenders, third party brokers and other intermediaries. In particular, the Investment Manager's scale and history of investing in private Debt Instruments has allowed it to build extensive resources to source and manage private or complex assets and enable it to identify value from the widest possible opportunity set and to capture risks where they are most rewarded. The purchasing power that the Investment Manager and the funds it manages can bring means the Investment Manager is frequently given exclusive access to investments or shown deals before other market participants.

In addition to investment opportunities introduced by the team's network of contacts the Investment Manager has structured deals with private debt platforms providing it with exclusivity or priority on assets. These deals facilitate institutional market access to a wider range of asset classes.

Credit Analysis

The Investment Manager believes that its extensive research resources are a significant competitive advantage when appraising credit opportunities across both public and private markets. The fixed income team employs a fundamentally driven, bottom-up and value-based investment approach but also believes that it is of vital importance that credit is not viewed in isolation from wider macro dynamics in the global and relevant local economy.

The Investment Manager believes that specialisation is important in research. Its public credit analysts are divided into three specialist teams – corporate, financial/sovereigns and asset-backed securities – covering investment grade and below investment grade Debt Instruments delivering an integrated sector-based approach to public debt research. Its private credit analysts are also organised in a number of specialist teams, focusing on leveraged finance, direct lending, private placements, real estate debt, infrastructure debt, long lease property and alternative credit. The private credit teams draw upon the expertise of the Investment Manager's public credit analysts for sector expertise. This expertise allows the Investment Manager's analysts to provide an in-depth knowledge of both the respective industry and the individual credit assets in their sector.

If an opportunity appears attractive for the Company, a full and detailed analysis will proceed. The credit analysts' sole role will be to analyse the individual issuers of Debt Instruments within their dedicated specialisms, provide specific internal credit ratings to those Debt Instruments and support those views with fundamental credit recommendations to the portfolio managers. The credit analysts will not have any specific fund management or dealing responsibility.

External third party rating agencies offer issuer and specific Debt Instrument credit opinions. However, the Investment Manager has long believed that having internal credit views and opinions support more informed investment decisions. This is particularly important when investing in private credit opportunities where no public rating or research is available.

Fundamental qualitative and quantitative assessment of both business and financial risk, supported by appropriate financial modelling, alongside a review of corporate structure and issuance document will form the basis of the credit review. These assessments by their nature will always be subjective rather than formulaic (despite a degree of ratio analysis within the financials review) and is why the Investment Manager's research team is built around individuals with specific industry expertise and significant historical credit analysis experience. When analysing a private debt opportunity, the Investment Manager believes that proximity to the borrower/issuer is important given the potential need for greater primary due diligence and ongoing monitoring. Therefore, the Investment Manager's focus is principally on companies based in western European economies.

Setting an Internal Credit Rating

Each asset acquired by the Company is assigned an internal credit rating, whether an external rating exists or not, which is monitored on a six to 12 month basis (or more frequently as required) as appropriate for the type of asset. The culmination of the rating process, following a full analysis of the credit risks, is to categorise the Debt Instrument within the Investment Manager's fixed income credit rating structure (M&G AAA to D, including + or – where applicable). The rating process also provides an indication of the outlook for the credit rating (Positive/Stable/Negative) where appropriate.

For public assets the credit rating is assigned by the relevant credit analyst. For private assets a credit committee assigns the credit rating. The credit committee is composed of senior members of the fixed income team. The Investment Manager believes this ensures robust challenge from experienced market professionals and appropriately detailed probing of key credit issues ahead of a final rating decision. For example, the Head of Corporate Credit Analysis may chair the credit committee for a social housing bond, with directors from Private Placements and Asset-Backed Securities Credit voting.

Portfolio Construction and Ongoing Monitoring

The Investment Manager believes that the key to investing in credit is not to be a forced buyer of assets at the wrong point in the market. By maintaining flexibility in a portfolio's investment allocations rather than having a top-down sector allocation, a portfolio manager can take advantage of markets as they develop and avoid assets in sectors that no longer provide attractive value. All of M&G's and its client funds' portfolios that can invest in public and private credit are built from the bottom up, with each asset being selected on its fundamental and relative value rather than the portfolio being constructed through top-down allocations or expectations. The Investment Manager adopts the same approach with regard to the Company.

In respect of private credit, M&G seeks value across credit asset classes, earning investors a premium through the liquidity and complexity of the underlying assets. These assets typically have more limited liquidity and availability then public credit and, as such, creating a portfolio of private credit typically takes longer than for other assets. It is expected that the private credit part of the Company's portfolio of investments will typically comprise a variety of asset classes which will have different risk and return profiles and a range of liquidity and complexity characteristics.

The decision to invest in an individual asset lies solely with the portfolio management team. The outcome of the credit process is a rating, which allows the portfolio managers to rank the risk. The majority of the assets acquired by the Company are expected to be held to maturity and will generate returns from their contractual coupons. As a result, the portfolio managers can judge the relative risk and reward clearly. The portfolio managers evaluate all risks associated with the Company's portfolio of investments they believe are material to making an investment decision and assess how those risks are mitigated.

The Company may invest indirectly through collective investment vehicles where to do so facilitates cost efficient access to diversified pools of credit opportunities that may otherwise be difficult to access if investing directly.

The Investment Manager monitors the progress of the Company's investments. All investments made include a variety of financial covenants which are monitored by the relevant credit analyst. The credit analyst tracks the financial performance and covenants for material underperformance against the Investment Manager's original expectations. In addition to the covenant compliance submissions, the Investment Manager also receives other information on a regular basis, such as audited final and interim financial statements as well as, in certain circumstances, management accounts and forecasts. Performance trends, including covenant headroom, are monitored by the Investment Manager to ensure it begins conversations with management of issuers at an early stage in an effort to mitigate potential problems before they fully materialise.

For public debt assets, the Investment Manager believes a critical part of successful management is the ongoing monitoring of changes in fundamental or relative value. The Investment Manager follows a reactive approach to holdings and looks to sell assets where credit analysts identify any increase in the risk of default/impairment. Equally, where the relative valuation of an asset becomes over-extended, the Investment Manager looks for more attractively priced alternative assets to acquire in order to crystallise the opportunistic gain.

With regard to private assets, typically, the credit analysts responsible for a deal at inception will remain involved in the credit investment through its life. The portfolio managers have regular dialogue with the credit analysts to go through performance and any other issues associated with the investment. Any assets that are underperforming are escalated via M&G's standard credit oversight processes, which involve senior management.

For investments in collective investment vehicles, the portfolio manager receives either monthly or quarterly investment reports from the relevant vehicle administrator. These are reviewed by the portfolio manager who can approach the administrator or the relevant manager with any queries or performance issues.

Additionally the Investment Manager has dedicated restructuring specialists. The team works closely with the credit analysts and acts as a safety net to ensure that in the event of any debt impairment, be it technical or structural, the Investment Manager has extensive resource to analyse both the legal and financial aspects and ensure that the Company's investments are protected.

Fund oversight is carried out by M&G's Risk and Surveillance Monitoring teams, as well as senior management in the fixed income team. Daily monitoring includes a review of fund trades, a covenant compliance review and risk and credit counterparty monitoring. Monthly monitoring includes a quantitative and qualitative oversight by the Investment Risk team, a fund performance review and a fund oversight meeting comprising senior management from fixed income.

Directors', Chairman and Chairperson of the Audit Committee Fees

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Save for the Chairman, the current fees are £35,500 for each Director per annum. The Chairman's current fee is £47,000per annum.

The Chairperson of the Audit Committee currently receives £41,000 per annum.

The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties.

Investment restrictions and guidelines

There are no restrictions, either maximum or minimum, on the Company's exposure to sectors, asset classes or geography. The Company, however, achieves diversification and a spread of risk by adhering to the limits and restrictions set out below.

Once fully invested, the Company's portfolio will comprise a minimum of 50 investments.

The Company may invest up to 30% of the aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time-to-time ("**Gross Assets**") in below investment grade Debt Instruments, which are those instruments rated below BBB- by S&P or Fitch or Baa3 by Moody's or, in the case of unrated Debt Instruments, which have an internal M&G (being those business units within Prudential and its affiliates which render asset management services under the brand "**M&G**", or any successor to that brand) rating of below BBB-.

The following restrictions will also apply at the individual Debt Instrument level which, for the avoidance of doubt, does not apply to investments to which the Company is exposed through collective investment vehicles:

Rating	**Secured Debt Instruments (% of Gross Assets)**[1]	**Unsecured Debt Instruments (% of Gross Assets)**

AAA	5%	5%[2]
AA/A	4%	3%
BBB	3%	2%
Below investment grade	2%	1%

[1] *Secured Debt Instruments are secured by a first or secondary fixed and/or floating charge.*

[2] *This limit excludes investments in G7 Sovereign Instruments.*

For the purposes of the above investment restrictions, the credit rating of a Debt Instrument is taken to be the rating assigned by S&P, Fitch or Moody's or, in the case of unrated Debt Instruments, an internal rating by M&G. In the case of split ratings by recognised rating agencies, the second highest rating will be used.

It is expected that the Company will typically invest directly, but it may also invest indirectly through collective investment vehicles which are expected to be managed or advised by the Investment Manager or any affiliate of the Investment Manager (an "**M&G Entity**"). The Company may not invest more than 20% of Gross Assets in any one collective investment vehicle and not more than 40% of Gross Assets in collective investment vehicles in aggregate. No more than 10% of Gross Assets may be invested in other investment companies which are listed on the official list maintained by the FCA pursuant to Part VI of FSMA.

Unless otherwise stated, the above investment restrictions are to be applied at the time of investment.

Reuse of Assets

Unless otherwise agreed in writing between State Street Trustees Limited (the "**Depositary**") and the Company and/or the Investment Manager acting on behalf of the Company, the assets held by the Depositary shall not be reused.

There are no collateral arrangements.

Leverage

Borrowings

The Company is expected to be managed primarily on an ungeared basis although the Company may, from time to time, be geared tactically through the use of borrowings. Borrowings would principally be used for investment purposes, but may also be used to manage the Company's working capital requirements or to fund market purchases of Ordinary Shares. Gearing represented by borrowing will not exceed 30% of the Company's Net Asset Value, calculated at the time of draw down, but is typically not expected to exceed 20% of the Company's Net Asset Value.

Whilst the use of borrowings should enhance the total return on the Ordinary Shares where the return on the Company's portfolio of investments exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's portfolio of investments is lower than the cost of borrowing. The use of borrowings by the Company may increase the volatility of the Net Asset Value per Share.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's borrowing limits or loan covenants, the Company may have to sell investments in order to reduce borrowings. Such investments may be difficult to realise and therefore the market price which is achievable may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

Any amounts that are secured by the Company under a bank facility are likely to rank ahead of the Shareholders' entitlements and accordingly, should the Company's investments not grow at a rate sufficient to cover the costs of establishing and operating the Company, on a liquidation of the Company, Shareholders may not recover all or any of their initial investment.

The Company will pay interest on any borrowings. As such, the Company may be exposed to interest rate risk due to fluctuations in the prevailing market rates to the extent that it has borrowed funds outstanding.

Hedging and Derivatives

The Company will not employ derivatives for investment purposes. Derivatives may however be used for efficient portfolio management, including for currency hedging.

A fund's exposure may be increased by using derivatives, by reinvesting cash borrowings, through positions within repurchase or reverse repurchase agreements, through securities lending or securities borrowing arrangements, or by any other means (such increase referred to herein as the "Incremental Exposure"). The AIFM Directive prescribes two methods of measuring and expressing leverage, the "gross methodology" and the "commitment methodology" (as opposed to gearing) and requires disclosure of the maximum amount of 'leverage' the Company might be subject to. The definition of leverage is wider than that of gearing and includes exposures that are not considered to be gearing. The commitment methodology takes account of the hedging and netting arrangements employed by a fund at any given time (purchased and sold derivative positions will be netted where both relate to the same underlying asset). This calculation of exposure includes all Incremental Exposure as well as a fund's own physical holdings; and cash. By contrast, the gross methodology does not take account of the netting or hedging arrangements employed by a company. This calculation of exposure includes all Incremental Exposure as well as the Company's own physical holdings. Cash is excluded. Without prejudice to the foregoing, the Company has set a maximum leverage limit of 150x on a "commitment basis" and 300x on a "gross" basis.

Should the Company elect to enter into hedging arrangements, the use of instruments to hedge a portfolio carries certain risks, including the risk that losses on a hedge position will reduce the Company's earnings and funds available for distribution to the Shareholders and that such losses may exceed the amount invested in such hedging instruments. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. The Company may also be exposed to the risk that the counterparties with which the Company trades may cease making markets and quoting prices in such instruments, which may render the Company unable to enter into an offsetting transaction with respect to an open position.

Although the Company will select the counterparties with which it enters into hedging arrangements with due skill and care, the residual risk that the counterparty may default on its obligations remains.

Changes to the Company's investment policy

Any material change to the Company's investment policy set out above will require the approval of the Shareholders by way of an ordinary resolution at a general meeting and the approval of the FCA.

Any change to the investment policy or investment restrictions which does not amount to a material change to the investment policy may be made by the Company without the approval of the Shareholders.

ADMINISTRATION AND MANAGEMENT OF THE COMPANY

The Investment Manager

Pursuant to the investment management agreement between the Company and the Investment Manager dated 26 September 2018 (the "**Investment Management Agreement**"), the Company has appointed the Investment Manager, M&G Alternatives Investment Management Limited, to act as the Company's alternative fund manager for the purposes of the AIFM Directive and accordingly the Investment Manager is responsible for providing discretionary portfolio management and risk management services to the Company, subject to the overall control and supervision of the directors of the Company (the "**Directors**").

The Investment Management Agreement is for an initial term of five years ending on 13 November 2023 and thereafter subject to termination on not less than six months' written notice by either party. The Investment Management Agreement can be terminated at any time in the event of the insolvency of the Company or the Investment Manager or in the event that the Investment Manager ceases to be authorised and regulated by the FCA (if required to be so authorised and regulated to continue to carry out its duties under the Investment Management Agreement).

The Investment Manager is entitled to receive from the Company an investment management fee which is calculated and paid quarterly in arrears as follows:

- The investment management fee shall be calculated at the rate of 0.70 per cent. on the Net Asset Value which is reference to the relevant quarter date for any period multiplied by a fraction, the numerator of which is the number of days in the relevant quarter, and the denominator of which is, 365;
  (i)

Where the Company invests in a collective investment vehicle that is managed or advised by an M&G Entity, the Investment Manager will reduce its investment management fee by the amount of any equivalent management fee that is charged to such collective investment vehicle or such entity will rebate its management fee such that the Investment Manager ensures the Company is not charged twice. The above arrangement will not apply to any other fees or expenses charged to the Company or any such entity in which it invests. The Investment Manager is also entitled to be paid half of any arrangement fee charged by the Company to the issuer of a Debt Instrument in which the Company invests. The balance of any arrangement fee is retained by the Company.

The Company incurs ongoing annual expenses which include fees paid to the Investment Manager and other service providers in addition to other expenses.

The fees and expenses for the Company and the ongoing charge can be found on the Company's website:

www.mandg.co.uk/creditincomeinvestmenttrust

Given that many of the fees are irregular in their nature, the maximum amount of fees and charges and expenses that Shareholders will bear in relation to their investment cannot be disclosed in advance.

The Depositary and Administrator

Pursuant to the depositary agreement between the Company, the Depositary (State Street Trustees Limited (registered no. 2982384), a private company limited by shares incorporated in England and Wales on 24 October 1994, which ultimate holding company is State Street Corporation, a company incorporated in the state of Massachusetts, USA with registered office at 20 Churchill Place, London E14 5HJ) and the Investment Manager dated 26 September 2018 (the "**Depositary Agreement**"), the Depositary has been appointed as depositary to provide depositary services to the Company, which will include safekeeping of the assets of the Company. The Depositary is permitted to delegate (and authorise its delegates to sub-delegate) the safekeeping of the assets of the Company. The principal business activity of the Depositary is acting as a trustee and depositary of collective investment schemes. It is authorised and regulated by the Financial Conduct Authority.

Depositary's functions

The Depositary has been entrusted with following main functions:
- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Articles.
- ensuring that the value of the Shares is calculated in accordance with applicable law and the Articles.
- carrying out the instructions of the Company unless they conflict with applicable law and the Articles.
- ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits.
- ensuring that the income of the Company is applied in accordance with applicable law and the Articles.

- monitoring of the Company’s cash and cash flows
- safe-keeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and in the interests of the Company and its Shareholders.

Depositary’s liability

In the event of a loss of a financial instrument held in custody, determined in accordance with the AIFM Directive, and in particular Article 100 of the AIFM Regulation, the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the AIFM Directive.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary is indemnified by the Company against all liabilities suffered or incurred by the Depositary by reason of the proper performance of the Depositary's duties under the terms of the Depositary Agreement save where any such liabilities arise as a result of the Depositary’s negligence, fraud, bad faith, wilful default or recklessness of the Depositary or the loss of financial instruments held in custody.

The Depositary will be liable to the Company for all other losses suffered by the Company as a result of the Depositary’s negligent or intentional failure to properly fulfil its obligations pursuant to the AIFM Directive.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

Delegation

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary’s liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary has delegated safekeeping duties as set out in the AIFM Directive and the FCA Handbook to the Custodian, State Street Bank and Trust Company, with registered office at 1 Congress Street, Suite 1, Boston, Massachusetts, 02114 - 2016, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as global sub-custodian. Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the following internet site: https://www.statestreet.com/disclosures-and-disclaimers/lu/subcustodians

Neither the Depositary nor any sub-custodian appointed by it has any right of re-use in respect of the Company's assets unless otherwise agreed in writing between the Depositary and the Company and/or the Investment Manager acting on behalf of the Company.

The Depositary Agreement provides that the Depositary may enter into arrangements as permitted by the AIFM Directive to discharge itself of liability in accordance with Article 21(13) or (14) of the AIFM Directive.

Without limitation, Shareholders may be informed of any changes to Depositary liability via either (a) the Company's annual report; (b) the Company issuing an announcement via a Regulatory Information Service; or (c) the Company publishing the relevant information on the Company's website.

Conflicts of Interest between the Depositary and the Company

The Depositary is part of an international group of companies and businesses ("State Street") that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

(i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;

(ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

The Depositary or its affiliates:

(i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and, except as required by law, the Depositary is not bound to disclose to the Company any such profits or compensation in any form earned by affiliates of the Depositary or the Depositary when acting in any other capacity;

(ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;

(iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;

(iv) may provide the same or similar services to other clients including competitors of the Company and the fee arrangements it has in place will vary;

(v) may be granted creditors' and other rights by the Company, e.g. indemnification which it may exercise in its own interest. In exercising such rights the Depositary or its affiliates may have the advantage of an increased knowledge about the affairs of the Company relative to third party creditors thus improving its ability to enforce and may exercise such rights in a way that may conflict with the Company's strategy.

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain any profit. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company. The Depositary will not, except as required by law, disclose any profit made by such affiliates.

Where cash belonging to the Company is deposited with an affiliate being a bank, cash is not segregated from its own assets and a conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker.

The Investment Manager may also be a client or counterparty of the Depositary or its affiliates and a conflict may arise where the Depositary refuses to act if the Investment Manager directs or otherwise instructs the Depositary to take certain actions that might be in direct conflict with the interests of the investors in a Company.

The types and levels of risk that the Depositary is willing to accept may conflict with the Company's preferred investment policy and strategy.

Conflicts that may arise in the Depositary's use of sub-custodians include the following broad categories:

(1) State Street global custodian and subcustodians seek to make a profit as part of or in addition to their custody services. Examples include profit through the fees and other charges for the services, profit from deposit taking activities, revenue from sweeps and repo arrangements, foreign exchange transactions, contractual settlement, error correction (where consistent with applicable law) and commissions for sale of fractional shares

(2) The Depositary will typically only provide depositary services where global custody is delegated to an affiliate of the Depositary. State Street global custodian in turn appoints a network of affiliated and non-affiliated subcustodians. Multiple factors influence the determination of global custodian to engage a particular subcustodian or allocate assets to them, including their expertise and capabilities, financial condition, service platforms and commitment to the custody business as well as the negotiated fee structure (which may include terms that result in fee reductions or rebates to the global custodian), significant business relationships and competitive considerations;

(3) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests and the fee arrangements they have in place will vary;

(4) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and

(5) sub-custodians may have creditors' rights against client assets and other rights that they have an interest in enforcing.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians. The Depositary makes available frequent reporting on clients' activity and holdings, with the underlying sub custodians subject to internal and external control audits. Finally, the Depositary segregates the Company's assets from the Depositary's proprietary assets and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Global Conflicts of Interest policy

State Street has implemented a global policy laying down the standards required for identifying, assessing, recording and managing all conflicts of interest which may arise in the course of business. Each State Street business unit, including the Depositary, is responsible for establishing and maintaining a Conflicts of Interest Program for the purpose of identifying and managing organizational conflicts of interest that may arise within the business unit in connection with providing services to its clients or in delivering its functional responsibilities.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

Pursuant to the administration agreement between the Company and State Street Bank and Trust Company (the "**Administrator**") dated 26 September 2018 (the "**Administration Agreement**"), the Administrator, shall provide the day-to-day administration of the Company and is also responsible for the Company's general administrative functions, such as the calculation and publication of the Net Asset Value and maintenance of the Company's accounting and statutory records.

The Administrator and Depositary are entitled to a combined fee (the "**State Street Fee**"). The State Street Fee is up to 0.10 % of the Net Asset Value per annum. The fee is subject to a minimum rate, whereby if the Net Asset Value is less than £250 million the fee will be calculated as if the Net Asset Value were £250 million. The State Street Fee is calculated monthly and payable monthly in arrears. In addition, the Administrator and the Depositary are entitled to certain transaction charges, each of which will be at normal commercial rates and certain other fees for ad hoc services rendered from time to time. The Administrator and the Depositary are entitled to reimbursement of out-of-pocket expenses incurred by them (and by sub-custodians and depositories) on behalf of the Company in connection with the performance of the services. The Company shall also reimburse the Administrator and Depositary for the reasonable fees and customary agents' charges paid to any sub-custodian (which shall be charged at normal commercial rates). All amounts are exclusive of any VAT that may be charged thereon.

The Company Secretary

Pursuant to the company secretarial agreement between the Company and Link Asset Services (the "**Company Secretary**") dated 26 September 2018 (the "**Company Secretarial Agreement**"), the Company has appointed Link Asset Services as the company secretary of the Company to provide the company secretarial functions required by the Companies Act.

Under the terms of the Company Secretarial Services Agreement, the aggregate fees payable to Link Asset Services are £60,000 per annum.

The Auditor

The Auditor, BDO LLP, provides audit services to the Company. The auditor's principal responsibilities are to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. The annual report and accounts will be prepared according to accounting standards laid out under UK GAAP.

The Registrar

Pursuant to the registrar agreement between the Company and Link Asset Services (the "**Registrar**") dated 26 September 2018 (the "**Registrar Agreement**"), the Company has appointed Link Asset Services to act as registrar of the Company.

The duties of the registrar include:

- maintenance of the register of Shareholders;
- certifying and registering transfers;
- dealing with routine correspondence from shareholders, the FCA, CREST and the Registrar of Companies; and
- maintaining dividend mandates and shareholder legal documentation.

Under the terms of the Registrar Agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of VAT). In addition, the Registrar is entitled to certain other fees for ad hoc services rendered from time to time.

Conflicts of Interest

M&G is involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company, which M&G shall manage in accordance with its policies and procedures relating to conflicts of interest. In particular, M&G manages funds other than the Company and may provide investment management, investment advisory or other services in relation to those funds or future funds which may have similar investment policies to that of the Company.

M&G may carry on investment activities for their other accounts and for other accounts in which the Company has no interest. M&G also provides management services to other clients, including other collective investment schemes which make investments which fall within the Company's investment policy. M&G may give advice and recommend investments to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company, even though their investment policies may be the same or similar.

In relation to the allocation of investment opportunities, the Investment Manager has procedures in place to seek to ensure appropriate allocations between its clients in accordance with its allocation policy from time to time.

SHAREHOLDER INFORMATION

Annual Reports and Financial Statements

Copies of the Company's latest financial statements can be found on the Company's website: https://www.mandg.com/investments/private-investor/en-gb/funds/mg-credit-income-investment-trust-plc/gb00bfyyl325

Publication of Net Asset Value

The unaudited Net Asset Value is calculated in Sterling by the Administrator on a monthly basis on the basis of information provided by the Investment Manager.

The Net Asset Value per Ordinary Share (and Net Asset Value per C Share, where applicable), calculated by dividing the relevant Net Asset Value by the number of Ordinary Shares in issue of the relevant class (excluding Ordinary Shares held in treasury), is published on both a cum-income and ex-income basis, via a Regulatory Information Service.

Net Asset Value announcements can be found on both the Company's website: www.mandg.co.uk/creditincomeinvestmenttrust and the London Stock Exchange's website: www.londonstockexchange.com

Valuation Policy

The unaudited Net Asset Value is calculated in Sterling by the Administrator on a monthly basis, as described below and on the basis of information provided by the Investment Manager. The Net Asset Value per Ordinary Share (and Net Asset Value per C Share, where applicable), calculated by dividing the relevant Net Asset Value by the number of Ordinary Shares in issue of the relevant class (excluding Ordinary Shares held in treasury), is published on both a cum-income and ex-income basis, via a service authorised by the FCA to release regulatory announcements to the London Stock Exchange (a "**Regulatory Information Service**") and made available on the Company's website as soon as practicable thereafter.

The Net Asset Value for each class of Ordinary Shares is the value of all assets of the Company attributable to that class of Ordinary Shares less its share of liabilities to creditors, each determined in accordance with UK GAAP.

Assets listed or traded on a stock exchange or over-the-counter market that are freely transferable and for which market quotations are readily available are valued at the closing bid price on the principal exchange or market for such investment, without deduction for the estimated future selling costs.

Units or shares in open-ended or limited liquidity collective investment vehicles are valued at the latest available net asset value per unit, share or class thereof as at the close of trading; units or shares in closed-ended collective investment vehicles are, if listed or traded on a stock exchange and freely transferable, valued at the closing bid price on the principal exchange or market for such investment, without deduction for the estimated future selling costs.

Derivative instruments are valued at fair value based on observable market inputs.

Investments other than those specified above are valued at their probable realisation value determined by the Investment Manager in accordance with its valuation policy. Each valuation references one or more of a variety of factors as appropriate including the original purchase price, the last traded price, proprietary valuations models, the issuer's financial strength and stability, the issuer's operating performance, the ranking and value of any security held, and/or the contracted cash flows of the investment.

If deemed appropriate by the Company or the Investment Manager, the Company may engage third party valuation professionals to provide valuations of investments. Such third party professionals may be related to the Investment Manager.

Any value expressed otherwise than in Sterling (the functional and reporting currency of the Company) (whether of an investment or cash) is converted into Sterling at the rate (whether official or otherwise) which the Directors deem appropriate in the circumstances.

If in any case a particular value is not ascertainable as provided above or if the Directors consider that some other method of valuation better reflects the fair value of the relevant investment, then in such case the method of valuation of the relevant investment is such as the Directors consider reasonable in the circumstances.

The Directors may temporarily suspend the calculation of the Net Asset Value and the publication of Net Asset Value per Share during a period when, in the opinion of the Directors:

- there are political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the board of the Company (the "**Board**"), and disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company's business is not reasonably practicable without this being materially detrimental to the interests of Shareholders or if, in the opinion of the Board, the Net Asset Value cannot be fairly calculated;

- there is a breakdown of the means of communication normally employed in determining the calculation of the Net Asset Value; or

- it is not reasonably practicable to determine the Net Asset Value on an accurate and timely basis.

Any suspension in the calculation of the Net Asset Value will be notified via a Regulatory Information Service as soon as practicable after any such suspension occurs.

Historical performance of the Company

The Company's latest financial statements can be found on the Company's website:

https://www.mandg.com/investments/private-investor/en-gb/funds/mg-credit-income-investment-trust-plc/gb00bfyyl325

Investors should note that past performance of the Company is not necessarily indicative of future performance. Investors may not get back the amount invested.

Purchases and sales of shares by investors

The Company's shares may be purchased and sold on the premium segment of the main market of the London Stock Exchange.

While the Company will typically have shareholder authority to buy back Ordinary Shares, Shareholders do not have the right to have their Ordinary Shares purchased by the Company.

Settlement of transactions in the Ordinary Shares may take place within the CREST system if any holder of such Ordinary Shares wishes.

Investors will acquire shares in the Company, which is a closed ended investment limited by shares incorporated in England and Wales.

While investors acquire an interest in the Company on subscribing for or purchasing Ordinary Shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Ordinary Shares held by them.

Shareholders' rights in respect of their investment in the Company are governed by the Articles and the Companies Act. Under English law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of association; claims in misrepresentation in respect of statements made in any prospectus and other marketing documents; unfair prejudice claims; and derivative actions. In the event that a Shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult its own legal advisers.

Fair treatment of investors

The Directors have certain statutory duties with which they must comply. These include a duty upon each Director to act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its Shareholders as a whole. As a company listed on the FCA's Official List, the Company is required under the Premium Listing Principles to treat all Shareholders of a given class equally. The Investment Manager maintains a conflicts of interest policy to avoid and manage any conflicts of interest that may arise between the Investment Manager (and its affiliates) and the Company. The Ordinary Shares of the same class rank *pari passu* with each other.

No investor has a right to obtain preferential treatment in relation to their investment in the Company. However, the Investment Manager may enter into arrangements with certain investors to rebate part of the management fee attributable to those investors' Ordinary Shares, without the prior approval of, or disclosure of the detail of those terms to, Shareholders. The types of investors who may benefit are investors making significant or strategic investments in the Ordinary Shares.

Rights against service providers

The Company is reliant on the performance of third party service providers, including the Investment Manager, the Administrator, the Company Secretary, the Depositary, the Auditor and the Registrar.

Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Ordinary Shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.

In the event that a Shareholder considers that it may have a claim against a third party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.

The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of FSMA (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of the FSMA, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.

Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolutions Complaints" rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints to the Financial Ombudsman Service ("**FOS**") (further details of which are available at www.fscs.org.uk). Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme ("**FSCS**") if they have claims against an FCA authorised service provider which is in default. There are limits on the amount of compensation. Further information about the FSCS is at www.fscs.org.uk. To determine eligibility in relation to either the FOS or the FSCS, Shareholders should consult the respective websites above and speak to their legal advisers.

RISK MANAGEMENT

The Investment Manager employs a risk management process which enables it to identify, measure, manage and monitor at any time the relevant risks of the positions to which the Company is or may be exposed and their contribution to the overall risk profile of the Company and which includes the use of appropriate stress testing procedures.

The Company will periodically disclose the current risk profile of the Company to investors. The Company will make this disclosure in the Annual Report and Financial Statements, or more frequently at its discretion.

Further information regarding the risk management process and liquidity management systems and procedures, including the measures used to manage the most relevant risks to which the Company is or could be exposed, can be found in the Risk Management Process Policy which is available upon request from the Investment Manager.

Liquidity risk management

The Company is a closed-end listed investment company and, as such, Shareholders have no right to redeem their Ordinary Shares.

Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations (primarily, debt) of the Company as they fall due.

In managing the Company's assets therefore the Investment Manager seeks to ensure that the Company holds at all times sufficient assets to enable it to discharge its payment obligations.

Professional liability risks

The Investment Manager has effective internal operational risk management policies and procedures in order to appropriately identify, measure, manage and monitor operational risks, including professional liability risks, to which it is or could reasonably be exposed. These policies and procedures are subject to regular review and the operational risk management activities are performed independently as part of the risk management policy.

The management of operational risk, through the risk and control self-assessment process, is aimed at identifying risks in existing processes and improving existing controls to reduce their likelihood of failure and the impact of losses. All risks and events are facilitated via the internal risk management system, which provides a platform to facilitate the convergence of governance, risk and compliance.

The Investment Manager is required to cover professional liability risks, such as the risk of loss of documents evidencing title of assets to the Company, and complies with such requirement by maintaining an amount of its own funds in accordance with the AIFM Directive.

RISK FACTORS

Any investment in the Company should not be regarded as short-term in nature and involves a degree of risk, including, but not limited to, the risks in relation to the Company and the Ordinary Shares referred to below. If any of the risks referred to in this document were to occur this could have a material adverse effect on the Company's business, financial position, results of operations, business prospects and returns to Shareholders. If that were to occur, the trading price of the Ordinary Shares and/or their respective Net Asset Values and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly and investors could lose all or part of their investment.

The risks referred to below are the risks which are considered to be material but are not the only risks relating to the Company and the Ordinary Shares. There may be additional material risks that the Company and the Board do not consider to be material or of which the Company and the Board are not currently aware.

Risks relating to the Company

The Company is a newly formed company with no separate operating history

The Company is a newly formed company incorporated in England and Wales on 17 July 2018. As the Company has a limited operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return.

The Company's returns depend on many factors, including the performance of its investments, the availability and liquidity of investment opportunities within the scope of the Company's investment objective and policy, the level and volatility of interest rates, conditions in the financial markets and economy and the Company's ability to successfully operate its business and successfully pursue its investment policy. There can be no assurance that the Company's investment policy will be successful.

Reliance on third party service providers

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company is reliant upon the performance of third party service providers for its executive function. In particular, the Investment Manager, the Depositary, the Administrator, the Company Secretary, the Registrar and third parties (which may include the Investment Manager or another M&G Entity) providing debt administration services will be performing services which are integral to the operation of the Company or the administration of its investments.

Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company or administration of its investments. The termination of the Company's relationship with any third party service provider or any delay in appointing a replacement for such service provider, could disrupt the business of the Company materially and could have a material adverse effect on the Company's performance.

Past performance cannot be relied upon as an indicator of the future performance of the Company

The past performance of other investments managed or advised by M&G or any of M&G's investment professionals cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its investment policy.

Risks relating to the Company's Investment Strategy

The Company may not meet its investment objective and there is no guarantee that the Company's targeted dividend, as may be from time to time, will be met

The Company may not achieve its investment objective. Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The Company's investment objective is to generate a regular and attractive level of income with low asset value volatility. The achievement of the target dividend and low asset value volatility will depend upon, amongst other things, the Company successfully pursuing its investment policy and the performance of its portfolio of investments. There can be no assurance as to the level of income return or capital volatility over the long term. The declaration, payment and amount of any dividend by the Company will be subject to the discretion of the Directors and will depend upon, amongst other things, the Company successfully pursuing its investment policy and its earnings, financial position, cash requirements, level and rate of borrowings and availability of profit, as well as the provisions of relevant laws or generally accepted accounting principles from time to time.

Investor returns are dependent upon the performance of the Company's portfolio of investments and the Company may experience fluctuations in its operating results

Any returns generated by the Company are reliant primarily upon the performance of the Company's investments. No assurance is given, express or implied, that Shareholders will receive back any of their original investment in the Ordinary Shares.

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of investments made by the Company, changes in the Company's operating expenses, and general economic and market conditions (including a deterioration in the performance of the economies to which issuers of Debt Instruments in which the Company invests are exposed, in particular the UK economy, changes to interest rates, credit spreads, equity risk premium, inflation and bond ratings, changes in laws or regulations, national and international political circumstances and general market pricing of similar investments). Such variability may lead to volatility in the trading price of the Ordinary Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period and this may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Availability of appropriate investments

The Company is subject to competition in sourcing and making investments. Competition for investments may result in the Company being unable to make investments or lead to the available coupon on investments decreasing, which may further limit the Company's ability to generate its targeted dividend.

If the Investment Manager is not able to source investments within a reasonable timeframe whether by reason of lack of demand, competition or otherwise, a greater proportion of the Company's assets will be held in cash for longer than anticipated and the Company's ability to achieve its investment objective will be adversely affected. To the extent that any of the Company's investments prepay, are redeemed, mature or are sold it will ordinarily seek to reinvest the proceeds thereof in accordance with the Company's investment policy. There can be no guarantee that such further investments can be made in a timely manner (or at all) and consequently the Company may hold material cash balances pending reinvestment. Further, such proceeds may be reinvested in investments with a lower yield and/or with different characteristics to those replaced. Any delays in the speed of capital deployment may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Sufficiency of due diligence

The due diligence process that the Investment Manager undertakes in connection with the Company's investments may not reveal all facts and circumstances that may be relevant in connection with an investment.

When conducting due diligence and making an assessment regarding an investment, the Investment Manager is required to rely on resources available to it, including in certain circumstances information provided by the target of the investment.

There can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts and circumstances that may be necessary or helpful in evaluating such investment opportunity.

Any failure by the Investment Manager to identify relevant facts and circumstances through the due diligence process may lead to unsuccessful investment decisions, which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Fraud, misrepresentation or omission risks

The value of the Company's investments may be affected by fraud, misrepresentation or omission on the part of any issuer of Debt Instruments in which the Company invests and/or by parties related to the issuer (or related collateral and security arrangements). Such fraud, misrepresentation or omission may adversely affect the value of the collateral underlying the investment in question or may adversely affect the Company's ability to enforce its contractual rights or the issuer's ability to fulfil its obligations in respect of the investment.

Cash management and credit risk of bank deposits

To the extent the Company has cash balances (including any un-invested proceeds of any fundraise), these may be held on deposit with banks or financial institutions. Returns on cash or cash-equivalents may be materially lower than those available on the Company's target investments and material cash balances may materially and adversely affect the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

To the extent the Company holds material cash balances it will be subject to the credit risk of the banks or financial institutions with which they are deposited. If any such bank or financial institution were to become insolvent, or default on its obligations, the Company would be exposed to the potential loss of the sum deposited. This may materially and adversely affect the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Geographic concentration

The Company has no limit on exposure to a single geography and the Company invests primarily in Sterling denominated Debt Instruments. Accordingly, the Company's portfolio may have a significant exposure to the UK economy.

An economic slowdown in the UK or any other jurisdiction where the Company has significant exposure could, depending primarily on the severity and duration of any economic slowdown, result in the creditworthiness of the issuers of Debt Instruments in which the Company invests becoming impaired which could cause an increased risk of investment default and cause the Company to incur losses.

Sectoral diversification

The Company has no limit on its exposure to any sector which may lead to the Company having concentrated exposure to certain business sectors from time to time. Concentration of exposure to any one sector may result in greater Net Asset Value volatility and may have a material adverse effect on the performance of the Company, the Company's earnings and returns to Shareholders.

Changes in laws, government policy or regulations

The Company is subject to laws, government policy and regulations enacted by national and local governments. Any change in the law, regulation or government policy affecting the Company may have a material adverse effect on the value of its investments, its ability to carry on its business and successfully pursue its investment policy and on the Company's earnings and returns to Shareholders. In particular, the Company is required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies. The Company must comply with the Listing Rules, Prospectus Regulation, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the rules of the London Stock Exchange. Any failure in future to comply with any future changes to such rules and regulations may result in the Ordinary Shares being suspended from trading on the London Stock Exchange.

The financial markets are uncertain and have been the subject of governmental intervention

Uncertain conditions in the global financial markets, and initiatives by governments to address them, have created a great deal of uncertainty for the finance industries, which may adversely affect the Company's investments and overall performance.

The scale and extent of these government initiatives have been unprecedented in recent times and it remains unclear what impact they will have on global financial markets in the long term, and on European, U.S. and other economies.

These initiatives are subject to change, may be implemented in unanticipated ways and their effects are difficult to predict. It is not known whether the Company and the counterparties to whom the Company will be exposed or its competitors will be able to benefit from these initiatives, directly, indirectly or at all. There can be no assurance the conditions in the global financial markets, or actions by governments, will not worsen and/or further adversely affect the value of the Company's investments and overall performance.

Investments outside the UK are exposed to local, legal, economic, political, social and other risks

Whilst the Company's investments are primarily denominated in Sterling, it may make investments outside the UK. The laws and regulations of various jurisdictions in which the Company may invest, may impose restrictions that would not exist in the UK. Such jurisdictions may have their own legal, economic, political, social, cultural, business, industrial and labour and environmental risks and investments made in such jurisdictions may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in the UK.

In addition, governments may from time to time impose restrictions intended to prevent capital flight, which may, for example, involve punitive taxation (including high withholding taxes) on certain securities or transfers or the imposition of exchange controls, making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for the Company to distribute the amounts realised from such investments at all or may force the Company to distribute such amounts other than in Sterling and therefore a portion of the distribution may be made in foreign securities or currency. It also may be difficult to obtain and enforce a judgment in a local court. No assurance can be given that a given political or economic climate, or particular legal or regulatory risks, will not adversely affect an investment by the Company.

Use of borrowings

The Company is managed primarily on an ungeared basis although the Company may, from time to time, be geared tactically through the use of borrowings. Borrowings would principally be used for investment purposes, but may also be used to manage the Company's working capital requirements or to fund market purchases of Ordinary Shares. Whilst the use of borrowings should enhance the total return on the Ordinary Shares where the return on the Company's portfolio of investments exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's portfolio of investments is lower than the cost of borrowing. The use of borrowings by the Company may increase the volatility of the Net Asset Value per Share.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's borrowing limits or loan covenants, the Company may have to sell investments in order to reduce borrowings. Such investments may be difficult to realise and therefore the market price which is achievable may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

Any amounts that are secured by the Company under a bank facility are likely to rank ahead of Shareholders' entitlements and accordingly, should the Company's investments not grow at a rate sufficient to cover the costs of establishing and operating the Company, on a liquidation of the Company, Shareholders may not recover all or any of their initial investment.

The Company will pay interest on any borrowings. As such, the Company may be exposed to interest rate risk due to fluctuations in the prevailing market rates to the extent that it has borrowed funds outstanding.

Currency risk

If an investor's currency of reference is not Sterling, currency fluctuations between the investor's currency of reference and Sterling may adversely affect the value of an investment in the Company.

A proportion of the Company's investments may be denominated in currencies other than Sterling. The Company maintains its accounts and pays dividends in Sterling. Accordingly, fluctuations in exchange rates between Sterling and the relevant local currencies and the costs of conversion and exchange control regulations will directly affect the value of the Company's investments and the ultimate rate of return realised by investors. Whilst the Company may seek to hedge the currency risk, there can be no assurance that any currency hedging arrangements will be sufficient to cover the relevant risk.

Hedging and derivatives risk

The Company does not employ derivatives for investment purposes. Derivatives may however be used for efficient portfolio management, including for currency hedging. Should the Company elect to enter into hedging arrangements, the use of instruments to hedge a portfolio carries certain risks, including the risk that losses on a hedge position will reduce the Company's earnings and funds available for distribution to the Shareholders and that such losses may exceed the amount invested in such hedging instruments. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. The Company may also be exposed to the risk that the counterparties with which the Company trades may cease making markets and quoting prices in such instruments, which may render the Company unable to enter into an offsetting transaction with respect to an open position.

Although the Company will select the counterparties with which it enters into hedging arrangements with due skill and care, the residual risk that the counterparty may default on its obligations remains.

The Net Asset Value may be based on estimates

Certain of the Company's investments may be in the form of Debt Instruments for which market quotations are not readily available, and third-party pricing information may not be available for certain investments held in the Company's portfolio of investments.

In calculating the Net Asset Value, the value of certain investments of the Company may be based on estimates. Such estimates may be unaudited or may not be possible to verify. In addition, estimates of the value of collateral may not be revised on a regular or timely basis or at all with the result that the values of investments may be estimated on the basis of information available at the time.

This may result in increased volatility in the Net Asset Value and the value at which such investments could be liquidated may differ from the valuations reflected in the latest published Net Asset Value.

Risks relating to the Debt Instruments

General Risks

Liquidity of investments

The Company invests into illiquid public and private Debt Instruments. Such investments are difficult to value or realise (if at all) and therefore the market price that is achievable for such investments might be lower than the valuation of these assets and as reflected in the Company's published Net Asset Value per Ordinary Share and/or Net Asset Value per C Share.

By way of example, in respect of private placements, owing to their customised nature and private issuance, they may not be purchased or sold as easily as publicly-traded debt securities. As a result, the Company may have difficulty in disposing of certain private placements because of the limited secondary market for such securities. In addition, under adverse economic or market conditions, the secondary market for private placements could contract further independently of adverse changes relating to a particular issuer. Reduced secondary market liquidity for certain private placements may also make it more difficult for the Company to obtain accurate market quotations for the purpose of valuing the assets. The liquidity in defaulted Debt Instruments may be further impaired and, to the extent the Company seeks to sell any defaulted Debt Instruments, it is unlikely that the proceeds from such disposal will be equal to the amount of principal and interest thereon, which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Investment defaults may result in losses

Investment defaults may result in a loss of anticipated revenues. These losses may adversely affect the Company's ability to pay dividends and, if the level of defaults is sufficiently large, may result in the Company's inability to fully recover its investment. The risk of inability to fully recover investments is higher for highly leveraged Debt Instruments such as leveraged loans to private equity owned companies.

While the Company will seek to repossess and sell or otherwise realise the value of any collateral that secures a defaulted investment, it may not be able to do so on favourable terms. In some cases, the cost of repossessing the collateral related to a defaulted investment may make trying to recover the asset impractical. Also, if an issuer of Debt Instruments in which the Company invests files for protection under bankruptcy or administration laws, then the Company may experience difficulties and delays in realising on the collateral from the defaulting party and, in addition, it may be unable to enforce important contract provisions against the insolvent party, including the security provisions related to the collateral.

The Company may suffer a loss due to, or the Company's ability to pay dividends may be adversely affected by, the high costs of: (i) enforcing an issuer's contractual obligations; (ii) recovering the collateral from the defaulting party; (iii) transporting, storing and repairing the collateral; (iv) the costs related to enforcement by the Company of its rights; and (v) finding a purchaser for the collateral.

In the event of a default, certain collateral that may secure the Company's investments may have a higher value if that collateral remains in place and the issuer continues to operate.

Interest rate risk

The Company's investments may be subject to interest rate risk. When interest rates decline, the value of fixed rate obligations can be expected to rise, and conversely when interest rates rise, the value of fixed-rate obligations can be expected to decline. In general, if prevailing interest rates fall significantly below the interest rates on any Debt Investments held by the Company, such investments are more likely to be the subject of prepayments than if prevailing rates remain at or above the rates borne by such investments.

Since the global financial crash there has been a sustained period of very low levels of central bank set interest rates. It is expected that central banks will raise their interest rates in the near future. For investments that have a fixed rate of return, any such interest rate rises may negatively impact the returns on the investments and the returns realised by the investors.

Covenant Risk

Investments made by the Company may become non-performing for a wide variety of reasons, including non-payment of principal or interest, as well as material covenant breaches by the issuer of the relevant Debt Instrument. Whilst the Investment Manager monitors the covenants and conditions attaching to the Company's investments, there can be no assurance that such covenants and conditions will be fulfilled in a timely fashion and the Company could, as a result, be exposed to loss. Any failure by the Investment Manager to monitor the covenants and conditions attaching to an investment or to appropriately enforce the Company's rights in the event of a breach of a material covenant may cause the value of the Company's investments to be impaired. This may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Prepayment and redemption risks

Issuers of Debt Instruments in which the Company invests may decide to prepay or redeem all or a portion of such Debt Instruments at any time, and with respect to some of the Company's investments, without penalty. The degree to which issuers prepay or redeem, whether as a contractual requirement or at their election, may be affected by general business conditions, market interest rates, the issuer's financial condition and competitive conditions among lenders. In the event of a prepayment or redemption, the Company may not receive all of the interest payments that it expected to receive, thereby impacting negatively on the Company's investment returns.

Volatility of investment grade assets credit ratings

Investment grade assets must have a minimum credit rating of BBB- by S&P or Fitch or Baa3 by Moody's, or, in the case of unrated Debt Instruments, a minimum internal M&G rating of BBB-.

Although investment grade assets must exhibit such minimum rating, their respective credit ratings may range widely and may vary over time. In particular, where such credit ratings are at the lower end of the range, the issuers of such assets may face uncertainties and exposure to adverse business, financial or economic conditions. This could lead to them being unable to meet their financial commitments despite being regarded as issuers of investment grade debt.

In addition, investment grade debt can be subordinated or junior in the capital structure (see the risk factor under the heading ‘‘Subordinated loan risk’’ below).

Below investment grade assets

The Company may invest in below investment grade assets which carry greater credit risk than investment grade assets due to the higher probability of default by the issuer. Below investment grade assets may also be less liquid than investment grade assets. Changing market conditions and interest rate levels can also have a larger impact on the values of below investment grade assets as compared to investment grade assets.

Subordinated loan risk

The Company may invest in or have exposure to Debt Instruments that are subordinated in right and rank junior to other Debt Instruments. The covenants provided in favour of holders of senior Debt Instruments are generally extensive and a breach of one or more of such covenants may result in payments to the Company, as a holder of subordinated debt or Debt Instruments, being suspended. Where such a breach or any other event leads to an event of default, holders of senior debt or Debt Instruments (or any future senior holders) will have a priority claim on cashflow generated by the issuer and/or may have the right to take control of the issuer and ultimately to sell it. In such circumstances, the issuer may be unable to satisfy part, or all of its payment obligations in respect of the Company’s interest in the relevant subordinated debt investment. There are no restrictions on the Company’s ability to make subordinated loans. Concentration of the Company’s portfolio of investments in subordinated loans may result in greater volatility in the value of the Company’s investments and consequently the Net Asset Value and may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company’s earnings and returns to Shareholders.

Unsecured Debt Instruments

The Company may invest in or have exposure to unsecured Debt Instruments in relation to which the Company does not have recourse to any security or other assets of the issuer of the Debt Instrument should the issuer default on its payment obligations. The risk of investing in unsecured Debt Instruments is ultimately dependent upon payment of the underlying debt by the issuer.

Future discontinuance of the London Interbank Offered Rate

In this paragraph headed "Future discontinuance of the London Interbank Offered Rate", "LIBOR" shall mean the Sterling London Interbank Offered Rate administered by ICE Benchmark Administration Limited (or any other person which takes over administration of that rate).

From the end of 2021, panel banks will no longer be compelled by the FCA to submit rates for the calculation of LIBOR and therefore it is not possible to predict whether, and to what extent, they will continue to provide submissions from this date and whether LIBOR will continue on its current basis. In the event that LIBOR is discontinued or otherwise unavailable, the rate of interest on Debt Instruments which reference LIBOR will need to be determined based on any applicable fallback provisions. This may in certain circumstances be reliant upon the provision by reference banks of offered quotations for the LIBOR rate, which may not be available, or require the application of a fixed rate based on the last relevant LIBOR rate available. Additionally, where such fall-back provisions need to be amended to reflect such discontinuance and there is uncertainty on the establishment of an alternative interest rate measure, there can be no assurance that any such amendments or alternative interest rates will adequately mitigate future interest rate risk. Therefore, such changes could have an adverse effect on the applicable interest rates of Debt Instruments referencing LIBOR and their value and liquidity, and this in turn may have an adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Reliance on obligors

The Company does not, in most cases, have control over the activities of any issuer of Debt Instruments invested in by the Company or which is the payer of any receivable acquired by the Company. Managers of issuers in whose Debt Instruments the Company has invested may manage those companies in a manner not anticipated by the Investment Manager.

Investments in collective investment vehicles

The Company may invest in one or more collective investment vehicles, which it is expected will be managed or advised by an M&G Entity. In relation to any such investments, the Company will only be a passive investor and will not therefore have the same degree of control it has over its other investments. M&G may be removed, or cease to manage or advise, any such vehicle and the Company may be unable to influence the selection of a replacement manager or adviser.

The Company is unlikely to be able to influence significantly, or at all, the management of such vehicles. The Company is, therefore, reliant upon the skills of the investment managers/advisers of the vehicles in which it invests and may not be in a position to remove any such manager/adviser or to exit its investment in the event of under performance by those vehicles and/or managers/advisers.

Such vehicles will be exposed to similar underlying risks as those applying to the Company's directly held portfolio of investments, but the risk profile may be higher than the Company's directly held portfolio of investments due to the characteristics of the underlying portfolio in any relevant vehicle. Accordingly, the Company cannot guarantee that these vehicles will be managed or advised appropriately, which may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Risks relating to specific Debt Instruments

Asset-backed securities

Each asset-backed security that the Company invests in will typically be backed by a pool of assets representing the obligations of a number of different borrowers or debtors (such as mortgage or credit card borrowers for example). In some cases however, the security may be backed by a single asset, for example a mortgage relating to a specific commercial property. The value of an investment in an asset-backed security can be affected by a number of factors, including: (i) changes in the market's perception of the underlying assets backing the security; (ii) economic and political factors such as interest rates and levels of unemployment and taxation which can have an impact on the arrears, foreclosures and losses incurred with respect to the pool of assets backing the security; (iii) changes in the market's perception of the adequacy of credit support built into the security's structure to protect against losses caused by arrears and foreclosures; (iv) changes in the perceived creditworthiness of the originator of the security or any other third parties to the transaction; and (v) the speed at which mortgages or loans within the pool are repaid by the underlying borrowers (whether voluntary or due to arrears or foreclosures).

At times of rapid changes in market conditions it may be difficult to value certain asset-backed securities investments made by the Company and values may fluctuate considerably, with market prices quickly becoming out of date and not reflecting the value which would be realised on a sale of the relevant asset-backed security in such market conditions. The value of the Company's investment in any such asset-backed security will be determined on a marked to market basis and, accordingly, falls in the market price of asset-backed securities will result in a corresponding fall in the Net Asset Value of the Ordinary Shares.

Investments in asset-backed securities that are not backed by mortgages present certain risks that are not presented by mortgage-backed securities. Primarily, these securities may not have the benefit of the same security interest in the related collateral. Credit card receivables, for example, are generally unsecured. Therefore, there is a possibility that recoveries on defaulted collateral may not, in some cases, be available to support payments on these securities. The risk of investing in these types of asset-backed securities is ultimately dependent upon payment of the underlying debt by the debtor(s).

Extension and prepayment risks related to asset-backed securities and structured credit

Asset-backed securities and structured credit are often subject to extension and prepayment risks, which may have a substantial impact on the timing of their cashflows. The average life of each individual security may be affected by a number of factors such as structural features (including the existence and frequency of exercise of any optional redemption, mandatory redemption or prepayment or sinking fund features), the payment or the prepayment rate of the underlying assets, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

The Company may invest in or have exposure to asset-backed securities and structured credit that are subordinated in right of payment and rank junior to other securities that are secured by or represent an ownership interest in the same pool of assets. In addition, the underlying documentation may provide for the diversion of payments of interest and/or principal to more senior classes when the delinquency or loss experience of the pool of assets underlying such asset-backed securities and structured credit breaches a covenant test. In certain circumstances, payments of interest on certain asset-backed securities and structured credit in the Company's pool of assets may be reduced, deferred or eliminated for one or more payment dates, which may adversely affect the value of the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Rising interest rates tend to extend the duration of mortgage-backed securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates the Company may exhibit increased levels of volatility should it hold mortgage-backed securities. In addition, mortgage-backed securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected.

Loans to borrowers in the financial services industry may be secured by portfolios of financial assets

The collateral for loans made to borrowers in the financial services industry may consist of portfolios of financial assets, typically other loans, receivables or other contractual cash flows. Such transactions may represent several types of risk to the Company.

Such financial assets will typically have shorter maturities than the maturity of the relevant loan by the Company. The Company is dependent on the borrower originating additional loans to maintain the value of the collateral relative to the loan. Typically, if the collateral value declines below an agreed threshold, the collateral pool will enter a run off period which will amortise the loan. There can be no assurance that the cash flow during a run off period will be sufficient to repay the loan amount.

While the Company obtains legal advice in order to structure the collateral pool so as to protect the Company's interests from other creditors, there can be no assurance that the legal structures and agreements protecting the Company's interest in the collateral pool would not be subject to litigation in the event of the borrower's insolvency.

The Company is generally dependent upon the borrower servicing and monitoring assets of the collateral pool. The Investment Manager conducts initial due diligence on the borrower and the assets in the collateral pool. In addition, a third party servicer may be engaged to monitor the borrower's compliance with the loan terms and the performance of the collateral pool over time.

Commercial mortgages

Commercial mortgages are subject to the general risks associated with any mortgage loan, in that they are in the ordinary course dependant on the successful operation of the underlying properties, including the sufficiency of the rental income from the underlying properties and, upon default by the relevant borrowers on the market value of the relevant mortgaged properties and/or the borrowers' ability to refinance such mortgaged properties.

A borrowers' ability to make payments due under a commercial mortgage will also be subject to the risks generally associated with investment in real property and may be beyond the control of the borrower. These and other factors may make it impossible for a mortgaged property to generate sufficient income to make full and timely payments on the related loan.

Such risks include the performance of the relevant underlying property market, the location and condition of the property or properties and changes in supply of, or demand for, competing properties in the area (as a result, for instance, of overbuilding) which may impact on the demand for the property or properties and the rental levels it/they can command. Further, indirect factors and risks which also influence the demand for a property, and therefore, its value, include government regulations, changes in real property taxes, changes in interest rates and availability of mortgage funds and environmental liabilities.

Adverse change in any of these factors may have a negative impact on the value of collateral that supports a commercial mortgage and/or the ability of a borrower to service its debts including any investment made by the Company. This may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earning and returns to Shareholders.

Following an event of default, enforcement of the relevant related security may not be immediate, resulting in a significant delay in the relevant security agent's recovery of amounts owed by the relevant borrower under a loan. In certain circumstances, a moratorium may apply to prevent or delay enforcement in a relevant jurisdiction. Additionally, in each relevant jurisdiction, there may be certain classes of creditors entitled to receive the proceeds of secured assets before the relevant security agent (for example unpaid salaries, enforcement costs and taxes).

The Company may lend to smaller and mid-sized companies

The Company may lend to smaller and/or mid-sized companies. Whilst loans made to smaller and/ or mid-sized companies may fall within the relevant credit criteria of the Company at the time the loan is entered into, a smaller or mid-sized company may be more susceptible to market volatility and adverse changes in its trading conditions which may in turn impact its financial condition and may mean that it is unable to comply with its payment obligations under the terms of the relevant loan agreement. To the extent that a small or mid-sized company is unable to meet its obligations pursuant to a loan agreement, the value of the Company's investment in such a loan may fall and interest payments to the Company may be interrupted, which may have an adverse impact on the Company's financial performance.

Distressed debt

The Company may invest in or have exposure to the Debt Instruments of issuers who are going through a balance sheet restructuring or are in a weakened financial condition (for example, suffering poor financial metrics, requiring further capital investment or being encumbered by an unsustainable debt burden). While the Company is subject to limitations on the maximum size of investment in any such individual Debt Instruments, there is no limitation on the Company's aggregate exposure to these Debt Instruments. The complexity of these situations and the fact that it may be difficult to obtain information relating to an issuer's true financial position means that the future of these issuers may be uncertain.

The issuer may be involved in or undergoing workouts, liquidations, spin-offs, reorganisations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there is the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution of cash or a new instrument the value of which will be less than the purchase price. Similarly, if an anticipated transaction does not in fact occur, the Company may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled issuers in which the Company may invest, there is a potential risk of loss by the Company of its entire investment related to such issuers.

Infrastructure finance

The obligors under infrastructure finance Debt Instruments will generally be entities that have been formed for, and are generally restricted to, the limited business purpose of owning and/or operating the related project. Accordingly, payment of amounts due is generally dependent solely upon successful development, construction and operation of the underlying project or the ownership and management of a key economic asset that has already been completed.

Loans that finance equipment leasing

Generally, lease equipment is owned by a special purpose entity, the lessor, established by a leasing company which then leases the equipment to the users, the lessees. The leasing company generally contributes equity to the lessor and the Company would provide a loan to the lessor to fund the acquisition of the equipment. The Company will generally be dependent on the leasing company to service the leases, provide ongoing reports to the Company, and take remedial action, if any, if a lessee does not perform as required under a lease.

A number of factors may affect an equipment leasing company's ability to operate profitably, including: (i) changes in economic conditions, including fluctuations in demand for assets, interest rates and inflation rates; (ii) the quality of the assets it acquires and leases; (iii) the continuing strength of equipment manufacturers; (iv) the timing of the equipment leasing company's investments and the equipment leasing company's ability to forecast technological advances; (v) technological and economic obsolescence of the assets it acquires; (vi) defaults by lessees or other counterparties; and (vii) increases in the equipment leasing company's ongoing expenses. If the equipment leasing company is unable to operate profitably it may not be able to service its debts including any investment made by the Company. This may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Further, when an equipment leasing company enters into a lease, it will not know what the residual value of the asset leased will be when the lease ends (on expiry, in the case of an operating lease, or prematurely in the case of a cashflow lease). Where an equipment leasing company enters into operating leases, the present value of minimum rental payments during the initial lease term will usually be structured to result in the equipment leasing company's recovery of an amount less than the fair value or purchase price of the asset. Therefore, the equipment leasing company's ability to recover the full purchase price of the asset and the equipment leasing company's expected return in connection with an operating lease depends on the potential value of the asset once the primary lease term expires. This is the ''residual value''. Similarly, in circumstances where a cashflow lease ends prematurely, the equipment leasing company may be reliant on the residual value in order to achieve the desired returns. The residual value will depend on numerous factors beyond the equipment leasing company's control, including whether the original lessee wants to keep the asset, the cost of a comparable new asset, whether the leased asset is obsolete or in poor condition, whether there is a secondary market for the type of used asset and, if so, the market value of such asset.

In certain circumstances, the equipment leasing company may be reliant entirely on the residual value of some of its investments to recover and/or make a profit on those investments and any failure to achieve this may adversely affect the ability of an equipment leasing company to service its debts including any investment made by the Company. In addition, if an equipment leasing company's assumptions are inaccurate or the assets lose value more rapidly than anticipated this may also adversely affect the ability of an equipment leasing company to service its debts including any investment made by the Company. Each of the above risks may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Risks relating to the Ordinary Shares

General risks affecting the Ordinary Shares

The value of an investment in the Company, and the returns derived from it, if any, may go down as well as up and an investor may not get back the amount invested.

The market price of the Ordinary Shares, like shares in all investment companies, may fluctuate independently of their underlying net asset values and may trade at a discount or premium to net asset value at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of a Share may vary considerably from its Net Asset Value.

It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares

The Company's Ordinary Shares are admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. However, there can be no guarantee of an active secondary market in the Ordinary Shares or that the Ordinary Shares will trade at prices close to their underlying Net Asset Value per Ordinary Share. There may be limited liquidity in the Ordinary Shares which may affect: (i) a Shareholder's ability to realise some or all of their investment; (ii) the price at which a Shareholder can effect such realisation; and/or (iii) the price at which the Ordinary Shares trade in the secondary market.

Whilst the Board will provide Shareholders with an opportunity to elect to realise the value of their Ordinary Shares during 2023 and every fifth year thereafter, Shareholders wishing to realise their investment in the Company will otherwise be required to dispose of their Ordinary Shares through the secondary market. Accordingly, Shareholders' ability to realise their investment at Net Asset Value per Ordinary Share before such realisation opportunity is dependent on the existence of a liquid market for the Ordinary Shares. There can be no guarantee that a liquid market in the Ordinary Shares will develop or that the Ordinary Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value or at all.

Further, while the Board retains the right to effect repurchases of Ordinary Shares, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors to do so.

The Company may issue additional Ordinary Shares that dilute existing Shareholders

Subject to legal and regulatory requirements, the Company may issue additional shares. Any additional issuances by the Company, or the possibility of such issuances, may cause the market price of the existing Ordinary Shares to decline. Furthermore: (i) the relative voting percentages of existing holders of Ordinary Shares who cannot, or choose not to participate will be diluted by further issues of Ordinary Shares; and (ii) the voting rights of holders of Ordinary Shares may be diluted further on conversion of any c shares which may be issued by the Company depending on the applicable conversion ratio.

The Ordinary Shares are subject to significant transfer restrictions for investors in certain jurisdictions as well as forced transfer provisions

The Ordinary Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or under any other applicable securities laws. Moreover, the Ordinary Shares will only be offered and sold outside the United States to non-U.S. Persons (as defined in Regulation S under the US Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as ‘‘plan assets’’ of any benefit plan investor under section 3(42) of ERISA or the U.S. Tax Code; or (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to register or qualify under the U.S. Investment Company Act, and/or U.S. Investment Advisers Act of 1940 and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934, as amended and/or any laws of any state of the U.S. or other jurisdiction that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act 1934, as amended; or (iv) may cause the Company to be a "controlled foreign corporation: for the purpose of the U.S. Tax Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act 1956, as amended or regulations or interpretations thereunder, or (vi) would cause the Company adverse consequences under the foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010, including the Company becoming subject to any withholding tax or reporting obligation (including by reason of the failure of the Shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligations), the Directors may require the holder of such shares to dispose of such shares and, if the Shareholder does not sell such shares, may dispose of such shares on their behalf. These restrictions may make it more difficult for a U.S. Person to hold and Shareholders generally to sell the Ordinary Shares and may have an adverse effect on the market value of the Ordinary Shares.

Local laws or regulations may mean that the status of the Company and/or the Ordinary Shares is uncertain or subject to change, which could adversely affect investors’ ability to hold Ordinary Shares

For regulatory and tax purposes, the status and treatment of the Company and/or the Ordinary Shares may be different in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the Ordinary Shares may be treated as units in a collective investment scheme. Furthermore, in certain jurisdictions, the regulatory and tax status of the Company and/or the Ordinary Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or as a result of disclosures made by the Company. Changes in the status or treatment of the Company and/or the Ordinary Shares for regulatory and/or tax purposes may have unforeseen effects on the ability of investors to hold Ordinary Shares or the consequences to investors of doing so.

Risks relating to the Investment Manager

Reliance on the Investment Manager

Investor returns are dependent upon the Company successfully pursuing its investment policy. The success of the Company depends on the Investment Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. This, in turn, depends on the ability of the Investment Manager to apply its investment processes in a way which is capable of identifying suitable investments for the Company. There can be no assurance that the Investment Manager will be able to do so or that it will enable the Company to invest on attractive terms or generate any investment returns for Shareholders or avoid investment losses.

The performance of the Company depends on the ability of the Investment Manager to provide competent, attentive and efficient services to the Company. There can be no assurance that, over time, the Investment Manager will be able to provide such services or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

The Company depends on the diligence, skill, judgement and business contacts of M&G's investment professionals and the information and deal flow they generate and communicate to the Company during the normal course of their activities. The Company's future success depends on the continued service of these individuals (or their replacements from time to time) who are not obligated to remain employed with M&G, and M&G's ability to recruit and retain personnel. A failure of M&G to retain or recruit appropriately qualified personnel may have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

If the Investment Management Agreement is terminated, the Directors would have to find a replacement investment manager for the Company and there can be no assurance that a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company.

The resources of the Investment Manager are not solely dedicated to activities in which the Company is engaged and the Investment Manager will allocate resources to activities in which the Company is not engaged, which might have a negative impact on the Company's ability to achieve its investment objective

The Investment Manager is not required to commit all of its resources (or ensure continuity of any of its resources or that any of its resources are solely dedicated) to the Company's affairs and allocates its resources to other business activities. Insofar as the Investment Manager devotes resources to its responsibilities in relation to other business interests, its ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Potential conflicts of interest

M&G is involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company, which M&G shall manage in accordance with its policies and procedures relating to conflicts of interest. In particular, M&G manages funds other than the Company and may provide investment management, investment advisory or other services in relation to those funds or future funds which may have similar investment policies to that of the Company.

M&G may carry on investment activities for their other accounts and for other accounts in which the Company has no interest. M&G also provides management services to other clients, including other collective investment schemes which make investments which fall within the Company's investment policy. M&G may give advice and recommend investments to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company, even though their investment policies may be the same or similar.

In relation to the allocation of investment opportunities, the Investment Manager has procedures in place to seek to ensure appropriate allocations between its clients in accordance with its allocation policy from time to time.

Access to material non-public information may restrict the ability of the Investment Manager to take action with respect to some investments

The Investment Manager has established policies and procedures reasonably designed to prevent the misuse by the Investment Manager and its personnel of material information regarding particular issuers that has not been publicly disseminated ("**material non-public information**") in accordance with applicable legal and regulatory requirements. In general, under such policies and procedures and applicable law, when the Investment Manager is in possession of material non-public information related to a publicly traded security or the issuer of such security, whether acquired unintentionally or otherwise, neither the Investment Manager nor its personnel are permitted to render investment advice as to, or otherwise trade or recommend a trade in, the securities of such issuer until such time as the information that the Investment Manager has is no longer deemed to be material non-public information.

The Investment Manager has procedures that outline the process by which it will determine whether to elect to receive material non-public information, or whether it will determine not to receive material non-public information, in any given case. This determination will be made on an issuer-by-issuer basis using objective criteria established by the Investment Manager. It should be noted that the Investment Manager's determination regarding whether or not to receive material non-public information regarding a specific issuer may have implications for the services the Investment Manager is able to provide to certain clients in certain situations, including the Company.

Risks relating to Regulation, Structure and Taxation

Investment trust status

The Directors conduct the affairs of the Company so as to satisfy the conditions under sections 1158 to 1159 of the CTA 2010 and ongoing requirements under the Investment Trust (Approved Company) (Tax) Regulations 2011 for it to be approved by HMRC as an investment trust. In respect of each period for which the Company is an approved investment trust, the Company will be exempt from UK corporation tax on its chargeable gains and capital profits on loan relationships. The Company will also have access to an optional interest "streaming" regime which enables it to deduct from its taxable interest income the amount of dividend distributions to Shareholders that have been notionally designated as interest distributions. There is a risk that the Company fails to maintain its status as an investment trust. In such circumstances, the Company would be subject to the normal rates of corporation tax on chargeable gains and capital profits arising on the transfer or disposal of investments and other assets, and on interest income which could adversely affect the Company's financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders. In addition, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Ordinary Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for maintaining investment trust status, will, as soon as reasonably practicable, notify Shareholders of this fact.

Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company

Changes in tax legislation or practice, whether in the United Kingdom or elsewhere, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, and affect the tax treatment for Shareholders of their investments in the Company (including rates of tax and availability of reliefs).

Investors should consult their tax advisers with respect to their own particular tax circumstances and the tax effects of an investment in the Company. Statements in this document concerning the taxation of investors or prospective investors in Ordinary Shares are based upon current tax law and practice, each of which is, in principle, subject to change. The value of particular tax reliefs, if available, will depend on each individual Shareholder's circumstances. This document does not constitute tax advice and must not therefore be treated as a substitute for independent tax advice.

The investment activity undertaken by the Company may expose the Company to the risk of regulation in the United Kingdom and other jurisdictions

The investment activity undertaken by the Company includes direct lending, which is an unregulated activity. There is a risk that some or all of such activity and the other investment activity of the Company becomes regulated in future. In particular, the European Commission and other relevant authorities have stated that they are considering whether lending by non-bank institutions (or "**shadow banking**") should, in itself, be a regulated activity and the Financial Stability Board has recently announced a consultation on the subject. Whilst there are no firm proposals currently on the legislative agenda, the future regulation of shadow banking cannot be ruled out. Any future regulation may have an impact on the Company, which could be significant, in terms of compliance costs and, potentially, the restriction of its activities (in particular the Company's ability to undertake direct lending). Any such costs or restrictions may have an adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

Greater regulation of the financial services industry, which imposes additional restrictions on the Company, may materially affect the Company's business and the Company's ability to achieve its investment objective

Legislation proposing greater regulation of the financial services industry and the financial markets is being actively pursued in the European Union and other jurisdictions.

There can be no assurance that future regulatory action will not result in additional market dislocation. It is impossible to predict the nature, timing and scope of future changes in laws and regulations applicable to the Company. Any such changes in laws and regulations may have a material adverse effect on the ability of the Company to successfully pursue its investment policy and to realise its profit potential, and may include a requirement of increased transparency as to the identity of investors in the Company. Any such event may have a material adverse effect on the investment returns of the Company. If the Company fails to comply with these laws and regulations, the Company may have to pay penalties or private damages awards.

Due diligence and reporting obligations

The Company is required to comply with certain due diligence and reporting requirements under the International Tax Compliance Regulations 2015, which were enacted to meet the United Kingdom's obligations under FATCA, the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development and the EU Directive on Administrative Cooperation in Tax Matters. Shareholders may be required to provide information to the Company to enable the Company to satisfy its obligations under the regulations. Failure by the Company to comply with its obligations under the regulations may result in fines being imposed on the Company and, in such event, the target returns of the Company may be adversely affected.

Alternative Investment Fund Managers Directive

The AIFM Directive imposes a regime for EEA managers of AIFs and in respect of the marketing of AIFs in the EEA. The AIFM Directive has been implemented in the UK by the AIFM Rules. The AIFM Directive requires that EEA alternative investment fund managers of AIFs are authorised and regulated.

The Board has appointed the Investment Manager as the alternative investment fund manager of the Company. The Investment Manager is authorised and regulated by the FCA. If the Investment Manager ceases to act or becomes unable to act as the Company's alternative investment fund manager, then the Company must appoint another suitably authorised person as its alternative investment fund manager or the Company must be its own alternative investment fund manager. In order for the Company to be its own alternative investment fund manager it may be required to be authorised in the United Kingdom to act as an alternative investment fund manager. The Company is not currently authorised to act as an alternative investment fund manager and does not intend to apply for such authorisation to the extent that it is not required to do so. In the event that, and for so long as, the Company does not have an external alternative investment fund manager and is not permitted to act as an alternative investment fund manager in the United Kingdom then the Company may not be able to operate or, as a minimum, the ability of the Company to operate will be adversely affected to a significant extent.

In addition, the Company is required to appoint a depositary which is State Street Trustees Limited. In complying with the AIFM Directive, the Company is likely to have higher management and operating costs than would otherwise be the case.

The Company has not and will not register as an investment company under the U.S. Investment Company Act

The Company is not, and does not intend to become, registered as an investment company under the U.S. Investment Company Act and related rules and regulations. The U.S. Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies.

As the Company is not so registered and does not plan to register, none of these protections or restrictions is or will be applicable to the Company. In addition, to avoid being required to register as an investment company under the U.S. Investment Company Act, the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of Ordinary Shares held by a person to whom the sale or transfer of Ordinary Shares may cause the Company to be classified as an investment company under the U.S. Investment Company Act.

The assets of the Company could be deemed to be "plan assets" that are subject to the requirements of ERISA or Section 4975 of the U.S. Tax Code, which could restrain the Company from making certain investments, and result in excise taxes and liabilities

Under the current United States Plan Asset Regulations, if interests held by Benefit Plan Investors are deemed to be "significant" within the meaning of the Plan Asset Regulations (broadly, if Benefit Plan Investors hold 25% or greater of any class of equity interest in the Company) then the assets of the Company may be deemed to be ‘‘plan assets’’ within the meaning of the Plan Asset Regulations. The Company may be unable to monitor whether Benefit Plan Investors or any other investors acquire Ordinary Shares and therefore, there can be no assurance that Benefit Plan Investors will never acquire Ordinary Shares or that, if they do, the ownership of all Benefit Plan Investors will be below the 25% threshold discussed above or that the Company's assets will not otherwise constitute ‘‘plan assets’’ under the Plan Asset Regulations. If the Company's assets were deemed to constitute ‘‘plan assets’’ within the meaning of the Plan Asset Regulations, certain transactions that the Company might enter into in the ordinary course of business and operation might constitute non-exempt prohibited transactions under the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") or the U.S. Tax Code, resulting in excise taxes or other liabilities under ERISA or the U.S. Tax Code. In addition, any fiduciary of a Benefit Plan Investor or an employee benefit plan subject to Similar Law that is responsible for the benefit plan's investment in the Ordinary Shares could be liable for any ERISA violations or violations of such
Similar Law relating to the Company.

Risks relating to packaged retail and insurance-based investment products ("PRIIPS")

Investors should be aware that the PRIIPs Regulation requires the Investment Manager, as PRIIP manufacturer, to prepare a Key Information Document ("**KID**") in respect of each class of share of the Company. The KID must be made available by the Investment Manager to retail investors prior to them making any investment decision and is available on the Company's website at www.mandg.co.uk/creditincomeinvestmenttrust. .The KID should be read in conjunction with material produced by the Company including the annual report, the quarterly factsheets and this document, all of which will be made available on the Company's website.

JURISDICTION AND APPLICABLE LAW

Shareholders' rights are governed principally by the Articles and the Companies Act. By subscribing for Ordinary Shares, investors agree to be bound by the Articles which are governed by, and construed in accordance with, the laws of England and Wales.

Recognition and enforcement of foreign judgements

Regulation (EC) 593/2008 ("**Rome I**") must be applied in all member states of the European Union (other than Denmark). Accordingly, where a matter comes before the courts of a relevant member state, the choice of a governing law in any given agreement is subject to the provisions of Rome I. Under Rome I, the member state's courts may apply any rule of that member state's own law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that member state. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement.

Shareholders should note that there are a number of legal instruments providing for the recognition and enforcement of foreign judgments in England. Depending on the nature and jurisdiction of the original judgment, Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims, the

Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters done at Lugano on 30 October 2007, the Administration of Justice Act 1920 and the Foreign Judgments (Reciprocal Enforcement) Act 1933 may apply. There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments listed above, although such judgments might be enforceable at common law.