



M&G Credit Income Investment Trust plc

Half Year Report and unaudited Condensed Financial
Statements for the six months ended 30 June 2020

M&G Credit Income Investment Trust plc

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M&G Credit Income Investment Trust plc

Investment objective and policy

Investment objective

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

Investment policy

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.

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.

Investment restrictions

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 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 rating 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) ^[a]	Unsecured Debt Instruments (% of Gross Assets)
AAA	5%	5% ^[b]
AA/A	4%	3%
BBB	3%	2%
Below investment grade	2%	1%

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

^[b] 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 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.

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

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 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.

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.

M&G Credit Income Investment Trust plc

Investment objective and policy

Investment policy (continued)

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.

Changes to the investment policy

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

Investment strategy

The Company seeks to achieve its investment objective by investing in a diversified portfolio of public and private debt and debt-like instruments of which at least 70% is investment grade. Over the longer term, it is expected that the Company will be mainly invested in private debt instruments. This part of the portfolio may include debt instruments which are nominally quoted but are generally illiquid. Most of these will be floating rate instruments, purchased at inception and with the intention to be held to maturity or until prepaid by issuers; shareholders can expect their returns from these instruments to come primarily from the interest paid by the issuers.

The remainder of the Company's portfolio is invested in cash, cash equivalents and quoted debt instruments, which are more readily available and which can generally be sold at market prices when suitable opportunities arise. These instruments may also be traded to take advantage of market conditions. Shareholders can expect their returns from this part of the portfolio to come from a combination of interest income and capital movements.

M&G Credit Income Investment Trust plc

Company highlights

Company summary

M&G Credit Income Investment Trust plc (the "Company") was incorporated on 17 July 2018 as a public company limited by shares. Admission to the London Stock Exchange's (LSE) main market for listed securities and dealings in its Ordinary Shares commenced on 14 November 2018. The Company is an investment trust within the meaning of section 1158 of the Corporation Tax Act (CTA) 2010.

Key dates

Period end	30 June 2020	
First interim dividend:	Payment date	28 May 2020
Second interim dividend:	Payment date	28 August 2020

Future dividend timetable

	Payment date
Third interim	November 2020
Fourth interim	February 2021
First interim	May 2021
Second interim	August 2021

Financial highlights

Key data	as at	
	30 June 2020 (unaudited)	31 December 2019 (audited)
Net assets (£'000)	140,733	132,232
Net asset value (NAV) per Ordinary Share	97.23p	101.72p
Mid-market price per Ordinary Share	101.00p	106.00p
Premium to NAV ^[a]	3.88%	4.21%
Ongoing charges figure ^[a]	0.92% ^[b]	0.93% ^[c]

Return per Ordinary Share	six months ended	
	30 June 2020 (unaudited)	31 December 2019 (audited)
Capital return	(3.2)p	2.7p
Revenue return	1.4p	2.6p
NAV total return ^[a]	(2.0)%	5.6%
Mid-market price total return ^[a]	(2.3)%	8.2%
First interim dividend	0.85p	2.09p
Second interim dividend ^[d]	0.77p	1.65p
Total dividends declared	1.62p	3.74p

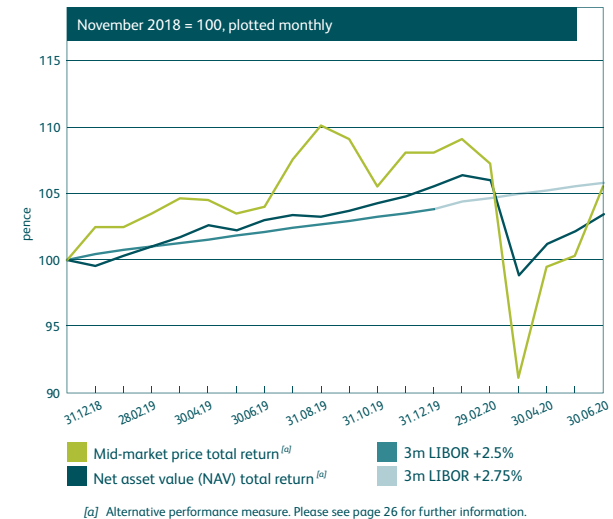
[a] Alternative Performance Measure. Please see page 26 for further information.

[b] From 1 January 2020.

[c] From the date of Initial Public Offering (IPO) 14 November 2018.

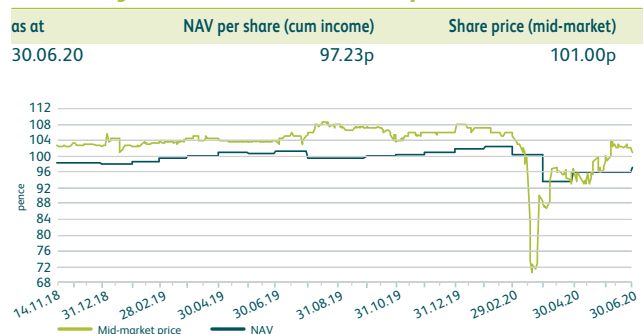
[d] Paid after the period end. Please see note 7 on page 21 for further information.

Total returns



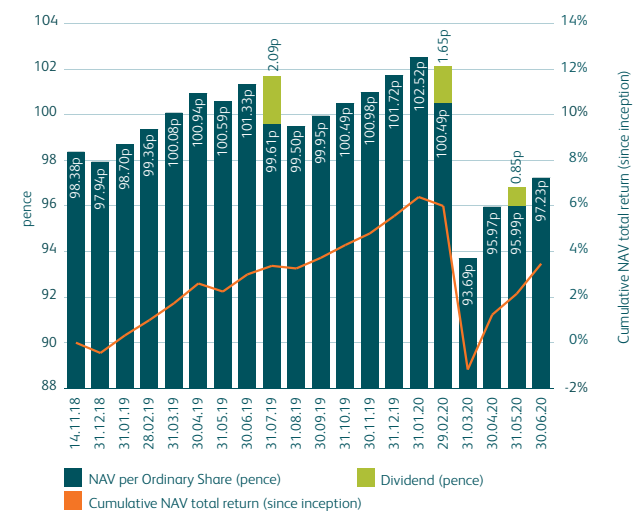
Source: M&G Statistics Department.

Ordinary Share (mid-market price) vs NAV



Source: M&G and State Street as at 30 June 2020.

NAV, dividend and NAV total return



M&G Credit Income Investment Trust plc

Chairman's statement

Performance

Your Company's net asset value (NAV) per Ordinary Share at its launch on 14 November 2018, being the gross proceeds of the Initial Public Offering (IPO) less the IPO expenses, was 98.38p. The opening NAV on 1 January 2020 was 101.72p per Ordinary Share and the NAV on 30 June 2020 was 97.23p per Ordinary Share. Including dividends paid, the NAV total return was 3.5% since launch although the NAV total return for the half year to 30 June was -2.0%, reflecting the fall in asset values due to the COVID-19 pandemic.

Having started the year with a positive outlook, supported by central bank monetary policy and benign economic conditions, the first quarter of 2020 will be remembered for the human and economic costs of the COVID-19 pandemic. As the full force of the virus became apparent governments around the world put their populations and economies into lockdown. Equity and bond markets fell sharply, with the 10-year US Treasury and UK Gilt yields falling to new all-time lows. Public corporate bond credit spreads widened significantly and private debt markets effectively closed.

Credit and equity markets recovered strongly during the second quarter, although not fully to pre-COVID-19 levels. The Company was defensively positioned going into the sell-off which allowed our Investment Manager to benefit from the market weakness by purchasing attractively priced public corporate bonds and then realising gains as the market recovered. Private debt markets reopened in the latter part of the period, beginning to provide attractive opportunities at the spread levels anticipated when the Company was first conceived.

Share issuance and premium management

Your Directors believe that it is in the interests of shareholders for the Company to increase its assets under management over time as this should reduce its ongoing charges figure and provide greater market liquidity and diversification for holders.

On 4 June 2020, given the favourable opportunities arising from the market dislocation due to the COVID-19 pandemic and the reopening of the private debt markets, the Company announced that it had placed a further 14,745,770 Ordinary Shares at an issue price of 97.0p per Ordinary Share, raising £14.2m net of expenses. This represented a premium to the last published NAV (adjusted for the payment of the first quarter dividend) of 1.98%. Between the placing and the date of this report £9.3m has been invested in a number of attractive private opportunities.

The Company will continue to issue new shares at a premium to NAV when appropriate opportunities arise.

The Company's Ordinary Share price traded at an average premium to NAV of 3.62% during the period from IPO to 30 June 2020. On 30 June 2020 the Ordinary Share price was 101p, representing a 3.88% premium to NAV as at that date.

Dividends

Your Company is currently paying quarterly dividends for 2020 at an annual rate of LIBOR plus 2.75% and has accordingly paid dividends of 0.85p and 0.77p per Ordinary Share in respect of the quarters to 31 March 2020 and 30 June 2020 respectively.

The Company has a preference to pay dividends from income and prior capital gains. Following the fall in capital value of the Company as a result of the COVID-19 market dislocation, the Company's Investment Manager completed a detailed review of each investment and has expressed its confidence to the Board that the outlook for the portfolio remains strong. On the basis of this and on the need to make decisions that are right for the Company's shareholders over the longer term, your Board has determined that it remains appropriate to pay dividends at a rate of LIBOR plus 2.75% per annum. To date, this has required partial distributions from special reserves.

Your Directors have chosen to apply the 'streaming' regime to that part of each dividend which was covered by the Company's interest income, net of expenses. Accordingly, of the first dividend declared in the period, the Company designated 0.72p per Ordinary Share as an interest distribution and 0.13p per Ordinary Share as a dividend to shareholders. Of the second dividend declared in respect of the period, the Company designated 0.63p per Ordinary Share as an interest distribution and 0.14p per Ordinary Share as a dividend to shareholders.

The Company uses the average daily three-month LIBOR as its reference for the purposes of its targeted dividend rate.

Portfolio Manager

In May 2020, the Company announced that Jeremy Richards planned to retire from full time employment and that Adam English, (then Deputy Fund Manager), had been appointed as Fund Manager. The Board is grateful to Jeremy for his work on the portfolio since inception and is delighted that Adam has been appointed as Fund Manager. Adam has been managing credit portfolios at M&G, alongside Jeremy, for over 20 years having joined the business in 1999. The Board has worked closely with Adam and the wider investment team since the launch of the Company and has full confidence in Adam's ability to continue to build the portfolio in line with the investment mandate.

M&G Credit Income Investment Trust plc

Chairman's statement

Outlook

The Investment Manager's prudent approach to capital deployment throughout 2019 and the start of 2020 meant that the Company was well positioned coming into the crisis. We are now in a robust position to deploy capital into the increasing number of attractive private debt opportunities that are currently being presented. We are, of course, carefully monitoring the performance of all of our underlying issuers in these uncertain times.

Our Investment Manager continues to believe that a total return, and thus ultimately a dividend yield, of LIBOR plus 4% is achievable over the longer term, based on its long experience of credit markets through the cycle. Our Investment Manager's annual management fee is being kept at the current level of 50 basis points (bps) per annum of your Company's NAV for the time being instead of the originally agreed increase to 70bps. Credit markets currently reflect an unprecedented level of government stimulus which has made it increasingly hard to find long term value in the public markets. That said, we have a strong portfolio and our Investment Manager remains confident that it will continue to find attractive opportunities, particularly in private assets.

David Simpson
Chairman

28 September 2020

M&G Credit Income Investment Trust plc

Investment manager's report

Investment manager's report

We are pleased to provide commentary on the factors that have impacted our investment approach since the start of the year with particular reference to the performance and shape of the portfolio as we have sought to build it in accordance with the mandate agreed at IPO.

The first half of 2020 has seen the Company navigate a unique set of economic circumstances. The shock to credit markets caused by the spread of the COVID-19 virus and the ensuing response from governments and central banks has presented investors with a number of challenges. However, such a significant market event has inevitably created opportunities and the Company has been well positioned to take advantage of those that have arisen. Whilst asset valuations have been notably affected, resulting in the NAV of 97.23p per Ordinary Share as at 30 June 2020 being below the NAV at launch, the Investment Manager has been able to use this period of market dislocation to reposition the portfolio by increasing credit exposure and yield.

For the period ended 30 June 2020, the Company has declared dividend payments of 1.62p per Ordinary Share (of which 0.85p per Ordinary Share was paid in May 2020 and 0.77p per Ordinary Share was paid in August 2020). As at the period end, the annualised dividend yield was 3.23%. This is equivalent to an annual rate of 2.75% over LIBOR on the opening NAV adjusted for the final interim dividend in respect of last year. The mid-market price total return from 1 January to 30 June 2020 was -2.3%, whilst the NAV total return for the same period was -2.0%.

As market conditions have changed throughout the period, our bottom-up, investment-by-investment approach has enabled us to respond accordingly. With a team of more than 100 credit analysts covering both the public and private markets, we are well placed to review opportunities as and when they arise. Leveraging this resource, our fund managers have continued to seek the right investment opportunities for the portfolio.

Portfolio activity and positioning

The year began with a continuation of the trend seen throughout 2019, as low government bond yields and tight corporate credit spreads meant attractive assets were scarce to find. The Company maintained its cautious positioning with a large holding in high grade asset-backed securities (ABS) and covered bonds.

In the last week of February 2020, there were signs that COVID-19 concerns had begun to impact credit markets, with the pandemic truly taking hold of financial markets in March 2020. The speed with which credit spreads moved wider was extraordinary, causing a depreciation in the value of debt instruments across all sectors, regardless of credit quality or duration. As a result, the NAV of the Company declined. However, this dislocation presented attractive opportunities in the public markets. We were able to use existing cash holdings

alongside proceeds from the sale of ABS and covered bonds to redeploy into mispriced longer dated, fixed rate investment grade and high yield corporate bonds. Private transactions were put on hold, with almost all lenders and borrowers awaiting some semblance of market stabilisation and the establishment of a "new normal" before re-engaging.

Following the unprecedented fiscal and monetary policy measures implemented by governments and central banks around the world, by the end of the second quarter investor confidence had recovered and markets retraced many of the losses that occurred during the initial onset of the pandemic. As liquidity in the ABS market improved, we were able to continue adding credit risk to the portfolio and increase the yield by switching into longer dated, fixed rate bonds. During the period, the public market was flooded with new issuance as companies enhanced liquidity and bolstered balance sheets. The Company was able to add attractively priced new issues, particularly in the BBB-rated space and we continued to add names from the secondary market where, in our opinion, investor sentiment had led to valuations becoming misaligned relative to underlying credit fundamentals.

The second quarter also saw the reopening of the private credit markets. The pent up supply of private deals and improved market conditions brought borrowers back to the market, leading to an increased volume of attractive opportunities. As at 30 June 2020, the private asset portion of the portfolio had increased to 30.97% (versus 27.41% at 31 December 2019) with an additional investment of 7.1% in Private Assets transacted after the period end, or committed to be drawn down beyond the date of this report. Further commitments of £4.9m (c. 3.4%) since the period end are expected to take the Company's overall private asset exposure to approximately 41.5%. There is currently a strong deal pipeline of private opportunities. The Company's largest holding, the M&G European Loan Fund (ELF), was not immune from the fall in asset prices at the end of March which was reflected in the sharp decline in the ELF's NAV at the end of the first quarter. That NAV has now recovered much of that loss, but it should be noted that this is a long-term holding, intended to provide a steady and attractive stream of income. ELF paid two scheduled dividends during the period which were consistent with levels seen historically.

In June 2020 the Company raised an additional £14.2m (net of expenses) via placing of Ordinary shares. The money raised was initially invested in a variety of public corporate bonds that were offering good relative value, but is being redeployed into private assets as the current pipeline is invested. After the end of the period, the Company entered into an unsecured lending facility with State Street Bank International GmbH. It is intended that this will be used to provide liquidity for investing when it is unattractive to sell existing holdings. The facility will be particularly useful when a significant number of private investments is due to settle within a short period.

M&G Credit Income Investment Trust plc

Investment manager's report

Outlook

There remain many risks on the horizon as we enter the second half of the year, most notably the upsurge of the pandemic in some countries alongside heightened geopolitical risks (particularly surrounding US-China-Hong Kong relations, and Brexit). After such a strong recovery in risk assets during the second quarter, the market seems largely to have ignored these risks. We have become cautious about how much further credit spreads will be able to tighten in public markets and so continue to adopt a measured approach by adding risk only where we are sufficiently compensated for doing so. Our focus as we enter the second half of the year is on opportunities in the private markets where we are seeing higher yielding opportunities benefiting from robust balance sheets and/or strong security enhancements.

M&G Alternatives Investment Management Limited

28 September 2020

M&G Credit Income Investment Trust plc

Portfolio analysis

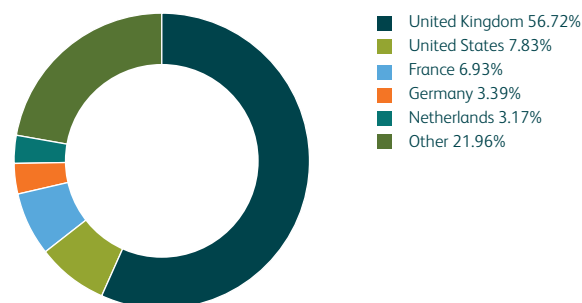
Top 20 holdings

as at 30 June 2020	Percentage of portfolio of investments (including cash on deposit and derivatives)
M&G European Loan Fund	9.53
Delamare Finance 1.3066% 19 Feb 2029	1.65
Hall & Woodhouse 30 Dec 2023	1.59
Warwick Finance Residential Mortgages Number One Var. Rate 21 Sep 2049	1.45
RIN II 1.9598% 10 Sep 2030	1.43
NewDay Partnership Funding 0.8191% 15 Dec 2027	1.41
Project Driver 26 Oct 2023	1.37
Paragon Mortgages No 25. 0.9423% 15 May 2050	1.32
Sonovate Limited Var. Rate 12 Apr 2021	1.28
Westbourne 2016 1 WR Senior Var. Rate 30 Sep 2023	1.21
Gate 2 Var. Rate 4 Jun 2021	1.12
Marston's Issuer 1.7074% 15 Oct 2031	1.12
Asia-Pacific Mtge Securitisation A1 Prvt	1.11
Gongga 4 Jun 2021	1.09
Leeds Building Society 3.75% 25 Apr 2029	1.08
Ripon Mortgages 1.4561% 20 Aug 2056	1.07
LPG 4.45% 21 May 2024	1.03
Iliad 2.375% 17 Jun 2026	0.99
Kennedy Wilson Europe Real Estate 3.95% 30 Jun 2022	0.98
NewRiver REIT 3.5% 7 Mar 2028	0.96
Total	32.79

Source: State Street.

Geographical exposure

as at 30 June 2020	Percentage of portfolio of investments (excluding cash on deposit and derivatives)
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Source: M&G and State Street as at 30 June 2020.

Portfolio overview

as at 30 June 2020	%
Cash on deposit	2.83
Public	66.88
Asset-backed securities	24.57
Bonds	42.31
Private	30.97
Asset-backed securities	3.64
Bonds	0.77
Investment funds	9.53
Loans	10.53
Private placements	1.03
Other	5.47
Derivatives	(0.68)
Debt derivatives	(0.08)
Forwards	(0.60)
Portfolio of investments	100.00

Source: State Street.

Credit rating breakdown

as at 30 June 2020	%
Unrated	(0.68)
Derivatives	(0.68)
Cash and investment grade	80.05
Cash on deposit	2.83
AAA	8.68
AA+	3.13
AA	5.46
AA-	1.51
A+	0.23
A	2.54
A-	1.07
BBB+	12.82
BBB	14.99
BBB-	19.36
M&G European Loan Fund (ELF) (see note)	7.43
Sub-investment grade	20.63
BB+	4.38
BB	3.64
BB-	4.06
B+	1.59
B	3.13
B-	0.94
CCC+	0.79
M&G European Loan Fund (ELF) (see note)	2.10
Portfolio of investments	100.00

Source: State Street.

Note: ELF is an open-ended fund managed by M&G which invests in leveraged loans issued by, generally, substantial private companies located in the UK and Continental Europe. ELF is not rated and the Investment Manager has determined an implied rating for this investment, utilising rating methodologies typically attributable to collateralised loan obligations. On this basis, 78% of the Company's investment in ELF has been ascribed as being investment grade, and 22% has been ascribed as being sub-investment grade. These percentages have been utilised on a consistent basis for the purposes of determination of the Company's adherence to its obligation to hold no more than 30% of its assets in below investment grade securities.

M&G Credit Income Investment Trust plc

Portfolio analysis

Top 20 holdings % as at 30 June 2020	Company description
M&G European Loan Fund 9.53%	Open-ended fund managed by M&G which invests in leveraged loans issued by, generally, substantial private companies located in the UK and Continental Europe. The fund's objective is to create attractive levels of current income for investors while maintaining relatively low volatility of NAV. (Private)
Delamare Finance 1.3066% 19 Feb 2029 1.65%	Floating-rate, senior tranche of a CMBS secured by the sale and leaseback of 33 Tesco superstores and 2 distribution centres. (Public)
Hall & Woodhouse 30 Dec 2023 1.59%	Bilateral loan to a regional UK brewer that manages a portfolio of 219 freehold and leasehold pubs. (Private)
Warwick Finance Residential Mortgages Number One Var. Rate 21 Sep 2049 1.45%	High grade ABS (AAA), UK RMBS. Mezzanine tranche of securitisation backed by portfolio of UK non-conforming residential mortgages originated by Co-operative Bank. (Public)
RIN II 1.9598% 10 Sep 2030 1.43%	Mixed CLO (AAA). Consists primarily of senior secured infrastructure finance loans managed by RREEF America L.L.C. (Public)
NewDay Partnership Funding 0.8191% 15 Dec 2027 1.41%	High grade ABS (AAA). UK credit card. Securitisation of a portfolio of designated consumer credit card, store card and instalment credit accounts initially originated or acquired by NewDay Ltd in the UK. (Public)
Project Driver 26 Oct 2023 1.37%	Senior term loan to a provider of hire purchase financing on used domestic motor vehicles to consumers in the UK. (Private)
Paragon Mortgages No 25. 0.9423% 15 May 2050 1.32%	High grade ABS (AAA). UK RMBS. Five-year revolving securitisation of a portfolio of UK buy-to-let mortgages in England and Wales, originated and serviced by Paragon. (Public)
Sonovate Limited Var. Rate 12 Apr 2021 1.28%	Bilateral loan to a company providing companies in the recruitment industry with an integrated service that incorporates placement management, invoicing and financing. (Private)
Westbourne 2016 1 WR Senior Var. Rate 30 Sep 2023 1.21%	Westbourne provides working capital finance to SMEs in the UK. The company is focused on small borrowers and has employed an advanced technology platform for the application, underwriting and monitoring of loans. (Private)
Gate 2 Var. Rate 4 Jun 2021 1.12%	Senior loan secured against a portfolio of three high-quality office and residential projects in a prime location in central London. (Private)
Marston's Issuer 1.7074% 15 Oct 2031 1.12%	Marston's PLC is a leading independent brewing and pub retailing business. Marston's Issuer PLC operates as a special purpose entity on behalf of Marstons PLC, formed for the purpose of issuing debt securities to repay existing credit facilities, refinance indebtedness, and for acquisition purposes. (Public)

M&G Credit Income Investment Trust plc

Portfolio analysis

Top 20 holdings % as at 30 June 2020	Company description
Asia-Pacific Mtge Securitisation A1 Prvt 1.11%	Private warehouse facility financing an Australian non-bank lender's portfolio of Australian mortgages for non-resident borrowers. (Private)
Gongga 4 Jun 2021 1.09%	Regulatory capital trade by a major international bank referencing a US\$2bn portfolio of loans to companies domiciled in 36 countries. (Private)
Leeds Building Society 3.75% 25 Apr 2029 1.08%	Leeds Building Society provides financial services. The company offers savings accounts, mortgages, life cover and home insurance services to customers in the United Kingdom. This is a subordinated, fixed-to-floating callable bond. (Public)
Ripon Mortgages 1.4561% 20 Aug 2056 1.07%	High grade ABS (AA+/AAA). UK RMBS. The portfolio comprises buy-to-let loans originated by Bradford and Bingley and Mortgage Express, secured against residential properties located in England and Wales. (Public)
LPG 4.45% 21 May 2024 1.03%	Private placement (PP) note from a business support services company which operates across 4 divisions: LPG (liquefied petroleum gas), Retail & Oil, Technology and Healthcare. (Private)
Iliad 2.375% 17 Jun 2026 0.99%	Iliad SA is a French provider of telecommunication services including fixed and mobile national telephony services, dial-up and high speed DSL and TV internet access, prepaid phone cards and internet hosting services. Fixed, callable bond. Senior unsecured. (Public)
Kennedy Wilson Europe Real Estate 3.95% 30 Jun 2022 0.98%	Kennedy Wilson Europe Real Estate Limited provides real estate services. The company focuses on investment management brokerage, research, auction, sales, research and development property services. Fixed, callable bond. Senior unsecured. (Public)
NewRiver REIT 3.5% 7 Mar 2028 0.96%	NewRiver REIT PLC operates as a real estate investment trust investing in retail properties throughout the United Kingdom. Fixed, callable bond. Senior unsecured. (Public)

M&G Credit Income Investment Trust plc

Interim management report and statement of directors' responsibilities

Interim management report

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal factors that could impact the remaining six months of the financial period are set out in the Chairman's statement and the Investment Manager's report on pages 6 to 9.

Principal risks and uncertainties

The principal risks faced by the Company can be divided into various areas as follows:

- Market risk and credit risk;
- Investment management performance risk;
- Liquidity risk;
- Operational risk;
- Dividend policy risk; and
- Regulatory, legal and statutory risk: changes in laws, government policy or regulations.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the period ended 31 December 2019. A detailed explanation can be found in the Strategic Report on pages 13 to 15 and in note 13 on pages 67 to 69 of the Annual Report and Financial Statements which are available on the website at: www.mandg.co.uk/investor/funds/credit-income-investment-trust/gb00bfyy1325/.

The Board is continually reviewing the societal and economic impacts of governmental responses to the COVID-19 pandemic and considers this to be a major ongoing risk event which has the potential to affect the likelihood of occurrence and materiality of impact of the Company's principal risks on its net asset value and performance. The pandemic has triggered, and may continue to trigger, increased volatility in terms of global risk asset valuations as well as presenting operational challenges for the Company's service providers as they respond to various limitations on free movement of staff imposed by governments across the world. The Board continues to receive regular reporting from the Company's major service providers and does not anticipate a fall in the level of service. The duration and ultimate impact of the pandemic is not presently possible to predict and the Board will continue to monitor and report on material developments on an ongoing basis.

For further information on the impact of COVID-19 on the Company's principal risks and uncertainties, please refer to the Chairman's statement and the Investment Manager's report on pages 6 to 9.

The Investment Manager and the Company's other third-party service providers have implemented appropriate business continuity plans and remain fully operational whilst their staff work from home.

Notwithstanding the overarching impact of COVID 19, in the view of the Board, the principal risks facing the Company since the previous report remain unchanged and these principal risks and uncertainties are equally applicable to the remaining six months of the financial year as they were to the six months under review.

Going concern

In accordance with the latest guidance issued by the Financial Reporting Council, the Directors have undertaken and documented a rigorous assessment of whether the Company is a going concern. The Directors considered all available information when undertaking the assessment.

The Directors believe that the Company has appropriate financial resources to enable it to meet its day-to-day working capital requirements and the Directors believe that the Company is well placed to continue to manage its business risks.

In assessing the going concern basis of accounting, the Directors have also considered the COVID-19 pandemic and the impact this may have on the Company's investments and the Company's NAV.

The Directors consider that the Company has adequate resources to continue in operational existence for the next 12 months. For this reason they continue to adopt the going concern basis of accounting in preparing these condensed financial statements.

Related party disclosure and transactions with the Investment Manager

M&G Alternatives Investment Management Limited, as Investment Manager, is a related party to the Company. The management fee due to the Investment Manager for the period is disclosed in the condensed income statement and in note 3, and amounts outstanding at the period end are shown in note 6.

The Company holds an investment in M&G European Loan Fund which is managed by M&G Investment Management Limited. At the period end this was valued at £13,163,135 and represented 9.53% of the Company's investment portfolio.

The Directors of the Company are related parties. The Chairman receives an annual fee of £40,000, the Chairman of the Audit Committee receives an annual fee of £35,000 and non-executive Director receives an annual fee of £30,000. Mark Hutchinson is employed by M&G as Chair of Private Assets and has agreed to waive his fees.

M&G Credit Income Investment Trust plc

Interim management report and statement of directors' responsibilities

Related party disclosure and transactions with the Investment Manager (continued)

There are certain situations where the Company undertakes purchase and sale transactions with other M&G managed funds. All such transactions are subject to the provisions of M&G's fixed income dealing procedures and prior approval by senior fixed income managers authorised by M&G to approve such trades. Trades are conducted on liquidity and pricing terms which at the relevant time are no worse than those available to the Company from dealing with independent third parties.

Statement of directors' responsibilities

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with FRS 104 (Interim Financial Reporting) and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- this Interim management report and the condensed set of financial statements include a fair review of the information required by:
 - a. DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the six months ended 30 June 2020 and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the period; and
 - b. DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place during the six months ended 30 June 2020 and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions that could do so.

The Half Year Report and unaudited condensed set of financial statements were approved by the Board of Directors on 28 September 2020 and the above responsibility statement was signed on its behalf by:

David Simpson

Chairman

28 September 2020

M&G Credit Income Investment Trust plc

Condensed financial statements (unaudited)

Condensed income statement

	Note	six months ended 30 June 2020 (unaudited)			period from 17 July 2018 to 30 June 2019 (unaudited)			period from 17 July 2018 to 31 December 2019 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net (losses) / gains on investments	5	-	(1,661)	(1,661)	-	2,842	2,842	-	3,593	3,593
Net losses on derivatives	5	-	(2,701)	(2,701)	-	(1,105)	(1,105)	-	(221)	(221)
Net currency gains / (losses)		44	141	185	2	66	68	(19)	(78)	(97)
Income	3	2,451	-	2,451	2,144	-	2,144	4,530	-	4,530
Investment management fee		(355)	-	(355)	(350)	-	(350)	(678)	-	(678)
Other expenses		(294)	-	(294)	(396)	-	(396)	(706)	-	(706)
Net return on ordinary activities before taxation		1,846	(4,221)	(2,375)	1,400	1,803	3,203	3,127	3,294	6,421
Taxation on ordinary activities		-	-	-	-	-	-	(1)	-	(1)
Net return attributable to Ordinary Shareholders after taxation		1,846	(4,221)	(2,375)	1,400	1,803	3,203	3,126	3,294	6,420
Net return per Ordinary Share (basic and diluted) ^[a]	2	1.40p	(3.20)p	(1.80)p	1.20p	1.55p	2.75p	2.55p	2.69p	5.24p

[a] Return figures have been calculated using weighted average shares for the period 1 January 2020 to 30 June 2020, for the period 14 November 2018 to 30 June 2019 and also for the period 14 November 2018 to 31 December 2019.

The total column of this statement represents the Company's profit and loss account. The "Revenue" and "Capital" columns represent supplementary information provided under guidance issued by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

The Company has no other comprehensive income and therefore the net return on ordinary activities after taxation is also the total comprehensive income for the period.

The notes on pages 19 to 24 form an integral part of these condensed financial statements.

M&G Credit Income Investment Trust plc

Condensed financial statements (unaudited)

Condensed statement of financial position

	Note	as at 30 June 2020 (unaudited)		as at 30 June 2019 (unaudited)		as at 31 December 2019 (audited)	
		£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets							
Investments at fair value through profit or loss	5		135,227		120,868		126,793
Current assets							
Derivative financial assets held at fair value through profit or loss	5	-		-			523
Receivables	6	1,080		1,363			1,092
Cash and Cash Equivalents	6	11,362		12,792			4,877
		12,442		14,155			6,492
Current liabilities							
Derivative financial liabilities held at fair value through profit or loss	5	(944)		(558)			-
Payables	6	(5,992)		(2,733)			(1,053)
Total current liabilities		(6,936)		(3,291)			(1,053)
Net current assets			5,506		10,864		5,439
Net assets			140,733		131,732		132,232
Capital and reserves							
Called up share capital			1,447		1,300		1,300
Share premium			42,208		28,229		28,229
Special distributable reserve	9		98,831		99,000		99,000
Capital reserve			(2,669)		1,803		1,968
Revenue reserve			916		1,400		1,735
Total shareholders' funds			140,733		131,732		132,232
Net Asset Value per Ordinary Share (basic and diluted)	2		97.23p		101.33p		101.72p

The notes on pages 19 to 24 form an integral part of these condensed financial statements.

Approved and authorised for issue by the Board of Directors on 28 September 2020 and signed on its behalf by:

David Simpson

Chairman

Company registration number: 11469317

28 September 2020

M&G Credit Income Investment Trust plc

Condensed financial statements (unaudited)

Condensed statement of changes in equity

six months ended 30 June 2020 (unaudited)	Note	Called up Ordinary Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2019		1,300	28,229	99,000	1,968	1,735	132,232
Ordinary Shares issued during the period		147	13,979	-	-	-	14,126
Net return attributable to shareholders		-	-	-	(4,221)	1,846	(2,375)
Dividends paid		-	-	(169)	(416)	(2,665)	(3,250)
Balance at 30 June 2020		1,447	42,208	98,831	(2,669)	916	140,733

period from 17 July 2018 to 30 June 2019 (unaudited)	Note	Called up Ordinary Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 17 July 2018		-	-	-	-	-	-
Initial public offering cost		-	(1,592)	-	-	-	(1,592)
Ordinary Shares issued during the period		1,300	128,839	-	-	-	130,139
Cancellation of share premium	9	-	(99,000)	99,000	-	-	-
Cancellation of share premium costs		-	(18)	-	-	-	(18)
Net return attributable to shareholders		-	-	-	1,803	1,400	3,203
Balance at 31 December 2019		1,300	28,229	99,000	1,803	1,400	131,732

period from 17 July 2018 to 31 December 2019 (audited)	Note	Called up Ordinary Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 17 July 2018		-	-	-	-	-	-
Initial public offering cost		-	(1,592)	-	-	-	(1,592)
Ordinary Shares issued during the period		1,300	128,839	-	-	-	130,139
Cancellation of share premium	9	-	(99,000)	99,000	-	-	-
Cancellation of share premium costs		-	(18)	-	-	-	(18)
Net return attributable to shareholders		-	-	-	3,294	3,126	6,420
Dividends paid		-	-	-	(1,326)	(1,391)	(2,717)
Balance at 31 December 2019		1,300	28,229	99,000	1,968	1,735	132,232

The notes on pages 19 to 24 form an integral part of these condensed financial statements.

M&G Credit Income Investment Trust plc

Condensed financial statements (unaudited)

Condensed cash flow statement

		six months ended 30 June 2020 (unaudited) £'000	period from 17 July 2018 to 30 June 2019 (unaudited) £'000	period from 17 July 2018 to 31 December 2019 (audited) £'000
	Note			
Cash flows from operating activities				
Net (loss) / profit before taxation		(2,375)	3,203	6,421
Adjustments for:				
Losses / (gains) on investments	5	1,661	(2,842)	(3,593)
Losses on derivatives	5	2,701	1,105	221
Decrease / (increase) in receivables		50	(1,363)	(1,092)
(Decrease) / increase in payables		(341)	620	1,053
Overseas withholding tax suffered		-	-	(1)
Purchases of investments ^[a]		(43,731)	(129,022)	(167,659)
Sales of investments ^[a]		37,644	12,562	43,715
Net cash outflow from operating activities		(4,391)	(115,737)	(120,935)
Financing activities				
Issue of Ordinary Shares		14,126	130,139	130,139
Initial public offering costs		-	(1,592)	(1,592)
Cancellation of share premium costs		-	(18)	(18)
Ordinary dividend paid	7	(2,665)	-	(1,391)
Interest distribution paid	7	(585)	-	(1,326)
Net cash inflow from financing activities		10,876	128,529	125,812
Increase in Cash and Cash Equivalents		6,485	12,792	4,877
Cash and Cash Equivalents at the start of the period		4,877	-	-
Increase in Cash and Cash Equivalents as above		6,485	12,792	4,877
Cash and Cash Equivalents at the end of the period	6	11,362	12,792	4,877

[a] Receipts from the sale of, and payments to acquire investment securities have been classified as components of cash flows from operating activities because they form part of the company's dealing operations.

The notes on pages 19 to 24 form an integral part of these condensed financial statements.

M&G Credit Income Investment Trust plc

Condensed financial statements (unaudited)

Notes to the condensed financial statements

1 Accounting policies

The condensed financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value, and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 104 (FRS 104) Interim Financial Reporting issued by the Financial Reporting Council and the Statement of Recommended Practice (SORP) issued by the Association of Investment Companies (AIC) in October 2019 "Financial Statements of Investment Trust Companies and Venture Capital Trusts".

The annual Financial Statements have been prepared in accordance with the Financial Reporting Standard 102 (FRS 102) and the AIC SORP.

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the Annual Report and Financial Statements for the period ended 31 December 2019.

The functional and presentational currency of the Company is pounds sterling because that is the currency of the primary economic environment in which the Company operates.

All values are recorded to nearest thousands, unless otherwise stated.

2 Returns and net asset value (NAV)

	six months ended 30 June 2020	period from 17 July 2018 to 30 June 2019	period from 17 July 2018 to 31 December 2019
Revenue return			
Revenue return attributable to Ordinary Shareholders (£'000)	1,846	1,400	3,126
Weighted average number of shares in issue during the period	131,782,457 ^[a]	116,639,258 ^[b]	122,606,191 ^[c]
Revenue return per Ordinary Share (basic and diluted)	1.40p ^[a]	1.20p ^[b]	2.55p ^[c]
Shares in issue at period end	144,745,771	130,000,001	130,000,001
Revenue available for dividend	1.28p	1.08p	2.40p
Capital return			
Capital return attributable to Ordinary Shareholders (£'000)	(4,221)	1,803	3,294
Weighted average number of shares in issue during the period	131,782,457 ^[a]	116,639,258 ^[b]	122,606,191 ^[c]
Capital return per Ordinary Share (basic and diluted)	(3.20)p ^[a]	1.55p ^[b]	2.69p ^[c]
Net return			
Net return per Ordinary Share (basic and diluted)	(1.80)p	2.75p	5.24p
NAV per Ordinary Share			
Net assets attributable to Ordinary Shareholders (£'000)	140,733	131,732	132,232
Number of shares in issue at period end	144,745,771	130,000,001	130,000,001
Par value of shares in issue (£'000)	1,447	1,300	1,300
NAV per Ordinary Share	97.23p	101.33p	101.72p

[a] Return figures have been calculated using weighted average shares for the period 1 January 2020 to 30 June 2020.

[b] Return figures have been calculated using weighted average shares for the period 14 November 2018 (date of IPO) to 30 June 2019.

[c] Return figures have been calculated using weighted average shares for the period 14 November 2018 (date of IPO) to 31 December 2019.

3 Income

	six months ended 30 June 2020 £'000	period from 17 July 2018 to 30 June 2019 £'000	period from 17 July 2018 to 31 December 2019 £'000
Income from investments			
Interest income from Debt Instruments	2,180	1,748	3,865
Distributions from investment funds	227	240	444
Management fee rebate	36	36	74
	2,443	2,024	4,383
Other income			
Interest from Cash and Cash Equivalents	8	120	147
	2,451	2,144	4,530

M&G Credit Income Investment Trust plc

Condensed financial statements (unaudited)

Notes to the condensed financial statements

4 Expenses

Non-audit fees (including VAT) payable to the auditor in respect of the agreed upon procedures on the interim as of 30 June 2020 are £12,000 (30 June 2019: £21,000). The agreed upon procedures did not constitute an audit engagement or a review of the Half Yearly Report.

5 Investments held at fair value through profit or loss (FVTPL)

	as at 30 June 2020 £'000	as at 30 June 2019 £'000	as at 31 December 2019 £'000
Opening valuation	127,316	-	-
Analysis of transactions made during the period			
Purchases at cost	49,011	131,135	167,659
Sale proceeds	(37,682)	(12,562)	(43,715)
(Losses)/gains on investments	(4,362)	1,737	3,372
Closing valuation	134,283	120,310	127,316
Closing cost	135,973	118,396	125,083
Closing investment holding (losses)/gains	(1,690)	1,914	2,233
Closing valuation	134,283	120,310	127,316

The Company received £37,682,000 from investments sold in the period. The book cost of these investments when they were purchased was £38,477,000. These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

	as at 30 June 2020 £'000	as at 30 June 2019 £'000	as at 31 December 2019 £'000
Gains on investments			
Net realised (losses)/gains on disposal of investments	(1,661)	2,842	3,593
Net losses on derivatives	(2,701)	(1,105)	(221)
Net (losses)/gains on investments	(4,362)	1,737	3,372
	as at 30 June 2020 £'000	as at 30 June 2019 £'000	as at 31 December 2019 £'000
Closing valuation			
Investments at fair value through profit or loss	135,227	120,868	126,793
Derivative financial (liabilities)/ assets held at fair value through profit or loss	(944)	(558)	523
Closing valuation	134,283	120,310	127,316

M&G Credit Income Investment Trust plc

Condensed financial statements (unaudited)

Notes to the condensed financial statements

6 Receivables, Cash and Cash Equivalents and Payables

	as at 30 June 2020 £'000	as at 30 June 2019 £'000	as at 31 December 2019 £'000
Receivables			
Sales for future settlement	38	-	-
Accrued income	990	1,299	1,005
Prepaid expenses	12	28	13
Management fee rebate	40	36	74
Total	1,080	1,363	1,092
Cash and Cash Equivalents			
Cash at bank	5,809	1,168	2,411
Amounts held at futures clearing houses	962	631	60
Cash on deposit	4,591	10,993	2,406
Total	11,362	12,792	4,877
Payables			
Purchases for future settlement	5,280	2,113	-
Expenses payable	343	192	308
Management fee payable	318	350	678
Other payables	51	78	67
Total	5,992	2,733	1,053

7 Dividends

	six months ended 30 June 2020 £'000	period from 17 July 2018 to 31 December 2019 £'000
Revenue		
2019 first interim interest distribution of 1.07p	-	1,391
2019 second interim interest distribution of 1.33p	1,729	-
2020 first interim interest distribution of 0.72p	936	-
	2,665	1,391
Capital		
2019 first interim dividend of 1.02p	-	1,326
2019 second interim dividend of 0.32p	416	-
2020 first interim dividend of 0.13p	169	-
	585	1,326

On 28 July 2020, the Board declared a second interim dividend of 0.77p per Ordinary Share for the year ended 31 December 2020 (0.63p as an interest distribution and 0.14p as an ordinary dividend) totalling £1,115,000 which was paid on 28 August 2020 to Ordinary Shareholders on the register on 7 August 2020. The ex-dividend date was 6 August 2020.

In accordance with FRS 102, Section 32, 'Events After the End of the Reporting Period', the 2020 second interim dividend has not been included as a liability in this condensed set of financial statements.

M&G Credit Income Investment Trust plc

Condensed financial statements (unaudited)

Notes to the condensed financial statements

8 Called up share capital

	as at 30 June 2020		as at 30 June 2019		as at 31 December 2019	
	Number of shares	£'000	Number of shares	£'000	Number of shares	£'000
Ordinary Shares of 1p						
Ordinary Shares in issue at the beginning of the period	130,000,001	1,300	-	-	-	-
Ordinary Shares issued during the period	14,745,770	147	130,000,001	1,300	130,000,001	1,300
Ordinary Shares in issue at the end of the period	144,745,771	1,447	130,000,001	1,300	130,000,001	1,300

The analysis of the capital reserve is as follows:

	six months ended 30 June 2020			period from 17 July 2018 to 30 June 2019			period from 17 July 2018 to 31 December 2019		
	Realised capital reserve	Investment holding gains	Total capital reserve	Realised capital reserve	Investment holding gains	Total capital reserve	Realised capital reserve	Investment holding gains	Total capital reserve
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital reserve at the beginning of the period	(265)	2,233	1,968	-	-	-	-	-	-
(Losses)/gains on realisation of investments at fair value	(439)	-	(439)	(177)	-	(177)	1,139	-	1,139
Realised currency gains/(losses) during the year	141	-	141	66	-	66	(78)	-	(78)
Movement in unrealised (losses)/gains	-	(3,923)	(3,923)	-	1,914	1,914	-	2,233	2,233
Dividends paid	(416)	-	(416)	-	-	-	(1,326)	-	(1,326)
Closing balance	(979)	(1,690)	(2,669)	(111)	1,914	1,803	(265)	2,233	1,968

The above split in capital reserve is shown in accordance with provisions of the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts', 2019.

9 Special distributable reserve

The share premium of £99,000,001 was cancelled on 12 February 2019 and transferred to the special distributable reserve, in accordance with section 610 of the Companies Act 2006. The Company may, at the discretion of the Board, pay all or part of any future dividends out of this special distributable reserve, taking into account the Company's investment objective. The ordinary dividend of 0.13p from the May 2020 XD date was paid out of the special distributable reserve.

10 Related party transactions

M&G Alternatives Investment Management Limited, as Investment Manager is a related party to the Company. The management fee due to the Investment Manager for the period is disclosed in the condensed income statement and in note 3, and amounts outstanding at the period end are shown in note 6.

The Company holds an investment in M&G European Loan Fund which is managed by M&G Investment Management Limited. At the period end this was valued at £13,163,135 (30 June 2019: £11,009,000) and represented 9.53% (30 June 2019: 8.38%) of the Company's investment portfolio.

The Directors of the Company are related parties. Fees paid to Directors are included in other expenses in the condensed income statement.

The Directors of the Company are related parties. The Chairman receives an annual fee of £40,000, the Chairman of the Audit Committee receives an annual fee of £35,000 and non-executive Director receives an annual fee of £30,000. Mark Hutchinson is employed by M&G as Chair of Private Assets and has agreed to waive his fees.

M&G Credit Income Investment Trust plc

Condensed financial statements (unaudited)

Notes to the condensed financial statements

11 Fair value hierarchy

Under FRS 102, an entity is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, spread premium, credit ratings etc); or
- Level 3: significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments, discounted cashflow model or single broker quote).

The financial assets measured at FVTPL are grouped into the fair value hierarchy as follows:

	as at 30 June 2020				as at 30 June 2019				as at 31 December 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets at FVTPL												
Debt Instruments	-	99,465	22,599	122,064	-	103,673	6,186	109,859	-	96,068	16,706	112,774
Investment in funds	-	13,163	-	13,163	-	11,009	-	11,009	-	14,019	-	14,019
Financial liabilities at FVTPL												
Derivatives	(107)	(837)	-	(944)	(267)	(291)	-	558	154	369	-	523
Net fair value	(107)	111,791	22,599	134,283	(267)	114,391	6,186	120,310	154	110,456	16,706	127,316

Valuation techniques for Level 3

The debt investments within the Company utilise a number of valuation methodologies such as a discounted cash flow model, which will use the relevant credit spread and underlying reference instrument to calculate a discount rate. Unobservable inputs typically include spread premiums and internal credit ratings.

Some debt instruments are valued at par and are monitored to ensure this represents fair value for these instruments. On a monthly basis these instruments are assessed to understand whether there is any evidence of market price movements, including impairment or any upcoming refinancing.

In addition, some are priced by a single broker quote, which is typically the traded broker, who provides an indicative mark.

12 Capital commitments

There were outstanding unfunded investment commitments of £3.72m at the period end.

	as at 30 June 2020	as at 30 June 2019	as at 31 December 2019
	£'000	£'000	£'000
Gate 1 Var. Rate 4 Jun 2022 (Junior)	167	269	223
Gate 1 Var. Rate 4 Jun 2022 (Senior)	165	319	245
Gate 2 Var. Rate 4 Jun 2021	94	-	275
Gate 2 Var. Rate 4 Jun 2022	-	566	-
Lewisham Var. Rate 12 Feb 2023	2,004	-	-
Microfinance Enhancement Var. Rate 8 Nov 2024	-	-	774
Sonovate Limited Var. Rate 12 Apr 2021	560	383	560
Valentine Senior Var. Rate 7 Mar 2020	133	-	-
Westbourne 2016 1 WR Senior Var. Rate 30 Sep 2023	597	1,807	598
	3,720	3,344	2,675

M&G Credit Income Investment Trust plc

Condensed financial statements (unaudited)

Notes to the condensed financial statements

13 Half Year Report

The financial information contained in this Half Year Report does not constitute statutory accounts as defined in section 434 - 436 of the Companies Act 2006.

The auditor has reviewed the financial information for the period from 17 July 2018 to 30 June 2019 pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information. The financial information for the six months ended 30 June 2020 has not been reviewed or audited by the Company's auditors.

The figures and financial information for the period ended 31 December 2019 have been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the Auditor on those accounts was unqualified and did not contain a statement under sections 498(2) or (3) of the Companies Act 2006.

M&G Credit Income Investment Trust plc

Company information

Directors (all non-executive)

David Simpson (Chairman)
Richard Boléat (Chairman of the Audit Committee, Senior Independent Director)
Mark Hutchinson
Barbara Powley

AIFM and Investment Manager

M&G Alternatives Investment Management Limited (MAGAIM)*
10 Fenchurch Avenue, London EC3M 5AG
Website: www.mandg.co.uk
Telephone: +44 (0) 800 390 390

Administrator

State Street Bank and Trust Company*
20 Churchill Place, London E14 5HJ

Company Secretary and Registered Office

Link Company Matters Limited
Beaufort House, 51 New North Road, Exeter EX4 4EP
Telephone: 01392 477 500

Broker

Winterflood Securities Limited*
The Atrium, Cannon Bridge House, 25 Dowgate Hill,
London EC4R 2GA

Solicitor

Herbert Smith Freehills LLP*
Exchange House, Primrose Street, London EC2A 2EG

Auditor

Deloitte LLP
Saltire Court, 20 Castle Street, Edinburgh EH1 2DB

Registrar and transfer office

Link Asset Services
Shareholder Services Department
The Registry
34 Beckenham Road, Beckenham, Kent BR3 4TU
Telephone: 0371 664 0300
(calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.)
Email: enquiries@linkgroup.co.uk
Website: www.linkassetservices.com

Depository

State Street Trustees Limited*
20 Churchill Place, London E14 5HJ

Custodian

State Street Bank and Trust Company*
20 Churchill Place, London E14 5HJ

Banker

State Street Bank International GmbH
Brienner Straße 59, 0333 Munich, Germany

Association of Investment Companies (AIC)

The Company is a member of the AIC, which publishes monthly statistical information in respect of member companies. The AIC can be contacted on 020 7282 5555, enquiries@theaic.co.uk or visit the website: www.theaic.co.uk

Company website

www.mandg.co.uk/investor/funds/credit-income-investment-trust/gb00bfyyl325

* Authorised and regulated by the Financial Conduct Authority

M&G Credit Income Investment Trust plc

Alternative performance measures

Net Asset Value (NAV) per Ordinary Share

The NAV, also described as shareholders' funds, is the value of the Company's assets less its liabilities. The NAV per ordinary share is calculated by dividing the NAV by the number of Ordinary Shares in issue.

Ongoing charges

Ongoing charges represent the total of the investment management fee and all other operating expenses (excluding certain non-recurring items), expressed as a percentage of the average net assets (of the Company) over the reporting period.

	six months ended 30 June 2020 £'000	period ^(a) ended 31 December 2019 £'000
Ongoing charges are calculated with reference to the following figures:		
Investment management fee	355	678
Other expenses	294	706
Total expenses for the period	649	1,384
Annualised expenses	1,188	1,157
Average net assets over the period	129,332	124,401
Ongoing charges	0.92%	0.93% ^(a)

^(a) From the date of Initial Public Offering (IPO) 14 November 2018.

Premium / discount to NAV

The premium is the amount by which the share price of an investment trust exceeds the NAV per Ordinary Share. The discount is the amount by which the NAV per Ordinary Share exceeds the share price of an investment trust. The premium / discount is normally expressed as a percentage of the NAV per Ordinary Share.

Total return

Total return is the return to shareholders that measures the combined effect of any dividends paid in the period, together with the increase or decrease in the share price or NAV per share.

Mid-market price total return

Total return to shareholders, on a mid-market price basis, assuming all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

	as at 30 June 2020	as at 31 December 2019
Opening mid-market price	106.00p	100.00p
Dividends paid	2.50p	2.09p
Effect of dividends reinvested	0.02p	0.06p
Closing mid-market price	101.00p	106.00p
Adjusted closing mid-market price	103.52p	108.15p
Mid-market price total return	(2.3)%	8.2%

NAV total return

Total return on NAV per share assuming dividends paid by the Company were reinvested into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

	as at 30 June 2020	as at 31 December 2019
Opening NAV per share	101.72p	98.38p
Dividends paid	2.50p	2.09p
Effect of dividends reinvested	(0.03)p	0.04p
Closing NAV per share	97.23p	101.72p
Adjusted closing NAV per share	99.70p	103.85p
NAV total return	(2.0)%	5.6%

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Glossary

Asset: Anything having commercial or exchange value that is owned by a business, institution or individual.

Asset-backed security (ABS): A security whose income payments and value are derived from and collateralised by a specified pool of underlying assets.

Asset class: Category of assets, such as cash, company shares, fixed income securities and their sub-categories, as well as tangible assets such as real estate.

Association of Investment Companies (AIC): The UK trade body that represents Investment Managers. It works with Investment Managers, liaising with government on matters of taxation and regulation, and also aims to help investors understand the industry and the investment options available to them.

Basis points (bps): A common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

Bond: A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.

Callable bond: A bond that can be redeemed (in other words, called) by the issuer before its maturity date. The price at which the issuer buys back the bond is normally higher than its issue price. A bond is usually called when interest rates fall, so that the issuer can refinance its debt at the new, lower interest rates.

Capital: Refers to the financial assets, or resources, that a company has to fund its business operations.

Capitalisation: The total market value of all of a company's outstanding shares.

CTA: Corporation Tax Act.

Closed-ended: A term used to describe an investment company whose capital is fixed and whose shares are not generally redeemable at the option of a holder.

Collateralised loan obligation (CLO): A debt security backed by a pool of loans, usually loans taken out by companies, known as corporate loans. The investor receives the regular payments of the underlying loans and in exchange takes on the risk that one or more borrowers will default (fail to make the payments). CLOs are actively managed instruments, in which the managers buy and sell individual bank loans in the underlying collateral pool.

Commercial mortgage-backed security (CMBS): A debt security secured by a loan (mortgage) on a commercial property. A CMBS can provide liquidity to real estate investors and to commercial lenders.

Comparative sector: A group of investment companies with similar investment objectives and/or types of investment, as classified by bodies such as the AIC or Morningstar™. Sector definitions are mostly based on the main assets an investment company should invest in, and may also have a geographic focus. Sectors can be the basis for comparing the different characteristics of similar investment companies, such as their performance or charging structure.

Consumer Prices Index (CPI): An index used to measure inflation, which is the rate of change in prices for a basket of goods and services. The contents of the basket are meant to be representative of products and services we typically spend our money on.

Convertible bonds: Fixed income securities that can be exchanged for predetermined amounts of company shares at certain times during their life.

Corporate bonds: Fixed income securities issued by a company. They are also known as bonds and can offer higher interest payments than bonds issued by governments as they are often considered more risky.

Credit: The borrowing capacity of an individual, company or government. More narrowly, the term is often used as a synonym for fixed income securities issued by companies.

Credit default swaps (CDS): Are a type of derivative, namely financial instruments whose value, and price, are dependent on one or more underlying assets. CDS are insurance-like contracts that allow investors to transfer the risk of a fixed income security defaulting to another investor.

Credit rating: An independent assessment of a borrower's ability to repay its debts. A high rating indicates that the credit rating agency considers the issuer to be at low risk of default; likewise, a low rating indicates high risk of default. Standard & Poor's, Fitch and Moody's are the three most prominent credit rating agencies. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Credit spread: The difference between the yield of a corporate bond, a fixed income security issued by a company, and a government bond of the same life span. Yield refers to the income received from an investment and is expressed as a percentage of the investment's current market value.

Debt instrument: A formal contract that a government, a business or an individual can use to borrow money. Debt instruments outline the detailed conditions of the loan, such as the amount and schedule of payment of interest, the length of time before the principal is paid back, or any guarantees (collateral) that the borrower offers. Any type of debt can be a debt instrument from bonds and loans to credit cards.

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Default: When a borrower does not maintain interest payments or repay the amount borrowed when due.

Derivatives: Financial instruments whose value, and price, are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or traded over the counter.

Developed economy / market: Well-established economies with a high degree of industrialisation, standard of living and security.

Dividend: Dividends represent a share in the profits of the company and are paid out to a company's shareholders at set times of the year.

Emerging economy or market: Economies in the process of rapid growth and increasing industrialisation. Investments in emerging markets are generally considered to be riskier than those in developed markets.

Episode: A phase during which investors allow their emotions to affect their decision making, which can cause financial markets to move irrationally.

Equities: Shares of ownership in a company.

Ex-dividend, ex-distribution or XD date: The date on which declared distributions or dividends officially belong to underlying investors.

Exposure: The proportion of an investment company invested in a particular share/fixed income security, sector/region, usually expressed as a percentage of the overall portfolio.

Fixed income security: A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.

Floating rate notes (FRNs): Securities whose interest (income) payments are periodically adjusted depending on the change in a reference interest rate.

Gearing: Is a measure of financial leverage that demonstrates the degree to which the Investment Trust's operations are funded by equity capital versus creditor financing.

Gilts: Fixed income securities issued by the UK Government.

Government bonds: Fixed income securities issued by governments, that normally pay a fixed rate of interest over a given time period, at the end of which the initial investment is repaid.

Hard currency (bonds): Refers to bonds denominated in a highly traded, relatively stable international currency, rather than in the bond issuer's local currency. Bonds issued in a more stable hard currency, such as the US dollar, can be more attractive to investors where there are concerns that the local currency could lose value over time, eroding the value of bonds and their income.

Hedging: A method of reducing unnecessary or unintended risk.

High yield bonds: Fixed income securities issued by companies with a low credit rating from a recognised credit rating agency. They are considered to be at higher risk of default than better quality, i.e. higher rated fixed income securities but have the potential for higher rewards. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of security's life.

Index: An index represents a particular market or a portion of it, serving as a performance indicator for that market.

Index-linked bonds: Fixed income securities where both the value of the loan and the interest payments are adjusted in line with inflation over the life of the security. Also referred to as inflation-linked bonds.

Inflation: The rate of increase in the cost of living. Inflation is usually quoted as an annual percentage, comparing the average price this month with the same month a year earlier.

Investment grade bonds: Fixed income securities issued by a company with a medium or high credit rating from a recognised credit rating agency. They are considered to be at lower risk from default than those issued by companies with lower credit ratings. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Investment trust: An investment trust is a form of collective investment fund found mostly in the United Kingdom. Investment trusts are closed-end funds and are constituted as public limited companies.

IRR: Internal Rate of Return.

IPO: Initial Public Offering. The process of offering shares of a private corporation to the public.

Issuer: An entity that sells securities, such as fixed income securities and company shares.

Leverage: When referring to a company, leverage is the level of a company's debt in relation to its assets. A company with significantly more debt than capital is considered to be leveraged. It can also refer to an investment company that borrows money or uses derivatives to magnify an investment position.

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LIBOR: The three-month GBP London Interbank Borrowing Rate is the rate at which banks borrow money from each other (in UK pounds) for a three-month period.

Liquidity: A company is considered highly liquid if it has plenty of cash at its disposal. A company's shares are considered highly liquid if they can be easily bought or sold since large amounts are regularly traded.

Local currency (bonds): Refers to bonds denominated in the currency of the issuer's country, rather than in a highly traded international currency, such as the US dollar. The value of local currency bonds tends to fluctuate more than bonds issued in a hard currency, as these currencies tend to be less stable.

Long position: Refers to ownership of a security held in the expectation that the security will rise in value.

Macroeconomic: Refers to the performance and behaviour of an economy at the regional or national level. Macroeconomic factors such as economic output, unemployment, inflation and investment are key indicators of economic performance. Sometimes abbreviated to 'macro'.

Maturity: The length of time until the initial investment amount of a fixed income security is due to be repaid to the holder of the security.

Mezzanine tranche: A generally small layer of corporate debt positioned between the senior tranche (mostly AAA) and a junior tranche (unrated, typically called equity tranche).

Modified duration: A measure of the sensitivity of a fixed income security, also called a bond, or bond fund to changes in interest rates. The higher a bond or bond fund's modified duration, the more sensitive it is to interest rate movements.

Monetary policy: A central bank's regulation of money in circulation and interest rates.

Morningstar™: A provider of independent investment research, including performance statistics and independent investment company ratings.

Near cash: Deposits or investments with similar characteristics to cash.

Net asset value (NAV): An investment company's NAV is calculated by taking the current value of its assets and subtracting its liabilities.

NAV total return: A measure showing how the net asset value (NAV) per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders.

The AIC shows NAV total return as a percentage change from the start of the period. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.

NAV total return shows performance which isn't affected by movements in discounts and premiums. It also takes into account the fact that different investment companies pay out different levels of dividends.

Non-executive Director (NED): A non-executive Director is a member of a company's board of directors who is not part of the executive team. A non-executive Director typically does not engage in the day-to-day management of the organisation, but is involved in policymaking and planning exercises.

Official List: The Official List (or UKLA Official List) is the list maintained by the Financial Conduct Authority (acting in its capacity as the UK Listing Authority) in accordance with Section 74(1) of the Financial Services and Markets Act 2000 (the Act) for the purposes of Part VI of the Act.

Ongoing charges figure: The ongoing charges figure includes charges for management of the fund; administration services; and services provided by external parties, which include depository, custody and audit, as well as incorporating the ongoing charges figure from funds held in the portfolio (taking into account any rebates). The ongoing charges figure (as a percentage of shareholders' funds) is an annualised rate calculated using average net assets over the period in accordance with the Association of Investment Companies' (AIC) recommended methodology.

Options: Financial contracts that offer the right, but not the obligation, to buy or sell an asset at a given price on or before a given date in the future.

Overweight: If an investment company is 'overweight' in a stock, it holds a larger proportion of that stock than the comparable index or sector.

Payment date: The date on which dividends will be paid by the investment company to investors.

Private debt instruments: These instruments not traded on a stock exchange and typically issued to small groups of institutional investors.

Public debt instruments: These instruments refers to assets that are listed on a recognised exchange.

REIT (real estate investment trust): A REIT is a company that owns, operates or finances income-producing real estate.

Residential mortgage-backed security (RMBS): A debt security secured by a number of loans (mortgages) on residential properties. This risk of one individual borrower failing to keep up with mortgage payments (defaulting) is mitigated by the fact that the instrument pools many mortgages. As demand for residential property is high, these instruments offer a comparatively higher rate of interest than other debt securities.

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Retail Prices Index (RPI): A UK inflation index that measures the rate of change of prices for a basket of goods and services in the UK, including mortgage payments and council tax.

Securitise/securitisation: The creation and issuance of tradeable securities, such as bonds, that are backed by the income generated by an illiquid asset or group of assets. By pooling a collection of illiquid assets, such as mortgages, securities backed by the mortgages' income payments can be packaged and sold to a wider range of investors.

Senior tranche: The highest tranche of a debt security, i.e. the one deemed least risky. Any losses on the value of the security are only experienced in the senior tranche once all other tranches have lost all their value. For this relative safety, the senior tranche pays the lowest rate of interest.

Short position: A way for an Investment Manager to express his or her view that the market might fall in value.

Short dated corporate bonds: Fixed income securities issued by companies and repaid over relatively short periods.

Short dated government bonds: Fixed income securities issued by governments and repaid over relatively short periods.

Spread duration: A measure of the portfolio's sensitivity to changes in credit spreads.

Sub-investment grade bonds: Fixed income securities issued by a company with a low rating from a recognised credit rating agency. They are considered to be at higher risk from default than those issued by companies with higher credit ratings. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Swap: A swap is a derivative contract where two parties agree to exchange separate streams of cash flows. A common type of swap is an interest rate swap to hedge against interest rate risk.

Synthetic inflation-linked bonds: Refers to securities created using a combination of assets to simulate the characteristics of inflation-linked bonds. By buying inflation-linked government bonds and selling protection against companies defaulting on their debts, using credit default swaps, the combined synthetic investment will behave similarly to a physical inflation-linked bond, had one been issued. Synthetic inflation-linked bonds are usually created where a company does not have any inflation-linked bonds in issue.

Tap issuance programme: A method of share issuance whereby the Company issues shares over a period of time, rather than in one sale. A tap issue allows the Company to make its shares available to investors when market conditions are most favourable.

Total return: The term for the gain or loss derived from an investment over a particular period. Total return includes income (in the form of interest or dividend payments) and capital gains.

Valuation: The worth of an asset or company based on its current price.

Volatility: The degree to which a given security, investment company, fund, or index rapidly changes. It is calculated as the degree of deviation from the norm for that type of investment over a given time period. The higher the volatility, the riskier the security tends to be.

Weighted average life (WAL): The asset-weighted average number of years to final maturity of the portfolio, based on the final maturity for all assets/exposures.

Yield: This refers to either the interest received from a fixed income security or to the dividends received from a share. It is usually expressed as a percentage based on the investment's costs, its current market value or its face value. Dividends represent a share in the profits of a company and are paid out to the Company's shareholders at set times of the year.

Yield to maturity: The total return anticipated on the portfolio if the underlying bonds are held until maturity.

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Notes

