

M&G Credit Income Investment Trust plc

**Half Year Report and unaudited Condensed Financial Statements
for the six months ended 30 June 2025**

M&G Credit Income Investment Trust

Our purpose

M&G Credit Income Investment Trust plc (the 'Company') seeks to generate high-quality, reliable income from a diversified credit portfolio, while seeking to preserve investors' capital through low net asset value (NAV) volatility.

Why invest in the Company?



Seeks to pay dividends of 4% above cash^a

offers an historic yield of 8.5% based on the period end share price



High-quality, reliable income

sourced primarily from private credit, with 70%+ of the portfolio invested in investment grade-quality assets



Stable capital value

of private assets, which are typically held to maturity, compared to other investments that can offer similar income, such as equities and high yield bonds



Higher income potential

than comparably rated bond portfolios thanks to M&G's ability to source private credit deals



Investment trust structure

allows investors to buy and sell the Company's shares to suit their circumstances without affecting the underlying portfolio



Zero Discount Policy^b

designed to enable investors to buy and sell shares at close to NAV

Why M&G?

- a leading market position in private markets
- a rigorous and selective investment process based on more than two decades of experience
- one of Europe's largest in-house credit research teams

Company website

mandg.com/creditincomeinvestmenttrust

^a Based on the SONIA (Sterling Overnight Index Average) interest rate benchmark administered by the Bank of England.

^b Please refer to the Glossary on page 38 for more details on the Zero Discount Policy.

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Company highlights

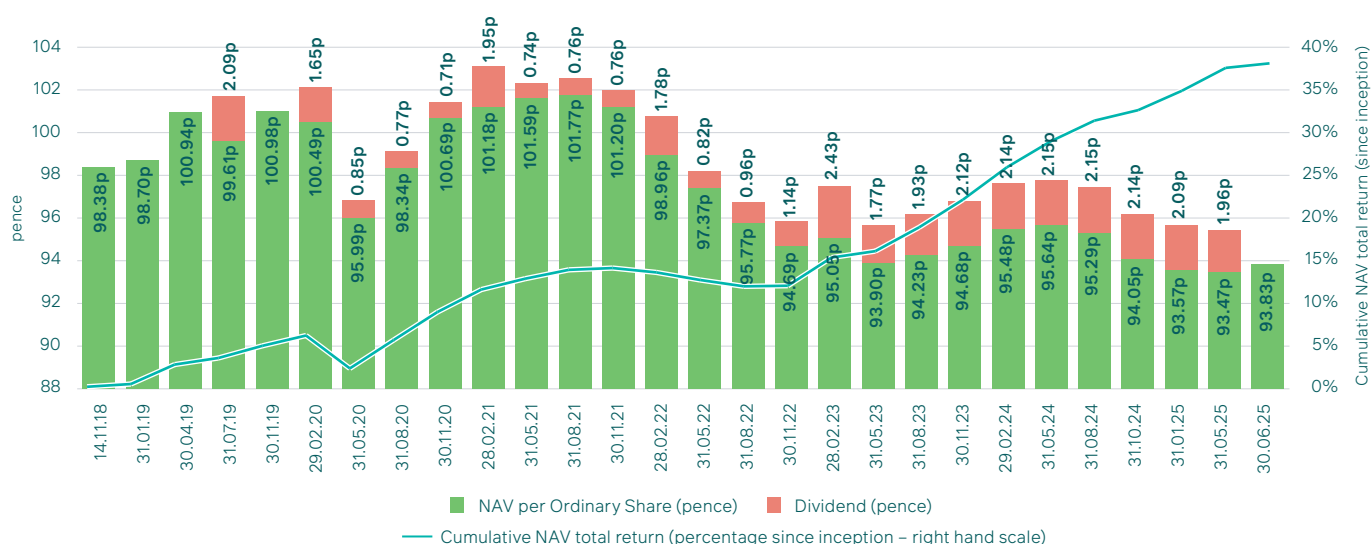
An investment trust from the fixed income experts

M&G Credit Income Investment Trust plc (the 'Company') seeks to generate high-quality, reliable income from a diversified credit portfolio, while seeking to preserve investors' capital through low net asset value (NAV) volatility.

The Company has the flexibility to invest in both public and private debt, which allows individual investors to access opportunities normally only available to large institutions. By investing in these specialised areas, we can construct a predominantly investment grade-quality portfolio with the potential to produce superior income to traditional bond funds without compromising on credit quality.

NAV, dividend and NAV total return

SONIA remains elevated but has fallen in line with interest rate cuts and Company dividends have subsequently reduced modestly.



Source: M&G and State Street as at 30 June 2025

Company highlights

Financial highlights

Key data

	As at 30 June 2025 (unaudited)	As at 31 December 2024 (audited)
Net assets (£'000)	169,636	139,995
Net asset value (NAV) per Ordinary Share	93.83p	95.11p
Ordinary Share price (mid-market)	95.9p	96.6p
Premium to NAV ^a	2.2%	1.6%
Ongoing charges figure ^a	1.20%	1.28%

Return and dividends per Ordinary Share

	Six months ended 30 June 2025 (unaudited)	Year ended 31 December 2024 (audited)
Capital return	0.2p	1.5p
Revenue return	2.6p	6.0p
NAV total return ^a	3.0%	8.1%
Share price total return ^a	3.5%	14.6%
Total dividends declared ^b	3.88p	8.53p

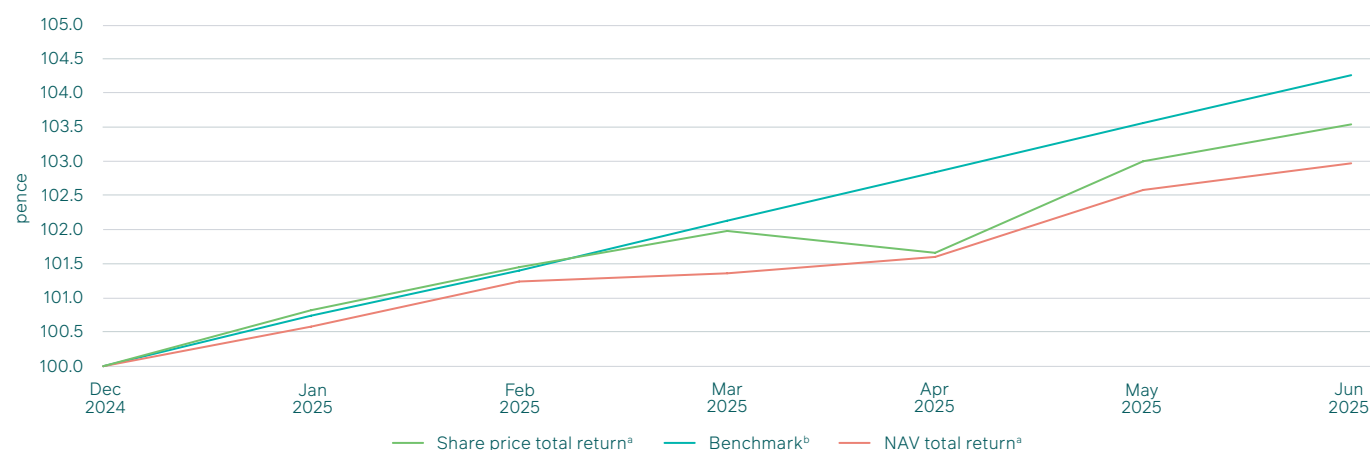
^a Alternative performance measure. Please see pages 33 to 34 for further information.

^b The total dividends declared in respect of each period equated to a dividend yield of SONIA +4% on the adjusted opening NAV.

Total return (six months)

NAV total return underperformed the SONIA +4% benchmark due to: i) defensive portfolio positioning ii) private credit write-downs iii) insufficient market opportunity to realise notable capital gains.

31 December 2024 = 100



^a Alternative performance measure. Please see pages 33 to 34 for further information.

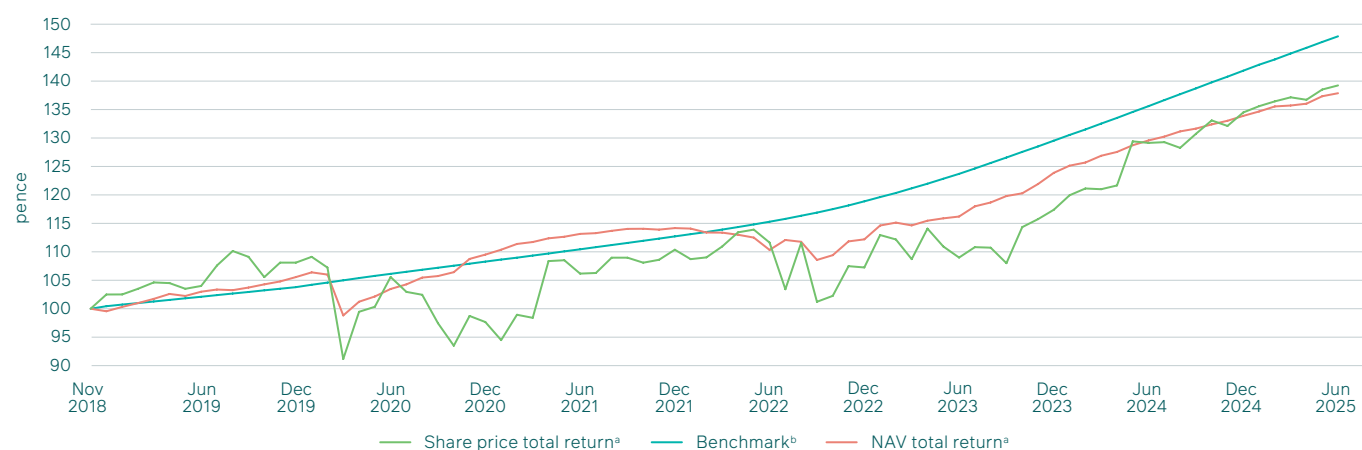
^b SONIA +4%.

Source: M&G and Morningstar

Company highlights

Total return (since inception)

14 November 2018 = 100



NAV total return (% pa) ^a	Six months ^b	1 year	2 years	3 years	5 years	Since Inception ^c
M&G Credit Income Investment Trust	2.97%	6.41%	8.92%	7.71%	5.91%	4.97%
Benchmark ^d	4.26%	9.05%	9.33%	8.65%	6.86%	6.08%

Calendar year NAV total return (% pa) ^a	2024	2023	2022	2021	2020	2019
M&G Credit Income Investment Trust	8.08%	10.42%	(1.74)%	4.25%	3.75%	6.04%
Benchmark ^d	9.50%	8.96%	5.47%	4.09%	4.32%	3.34%

Source: M&G and Morningstar, 30 June 2025

^a Alternative performance measure. Please see pages 33 to 34 for further information.

^b Not annualised.

^c Company inception 14 November 2018.

^d 3 Month LIBOR +2.5% from inception to 31 December 2019, 3 Month LIBOR +4% from 1 January 2020 to 31 December 2021, thereafter SONIA +4%.

Chairman's statement



“ High demand has enabled your Company to issue almost 33.6 million Ordinary Shares in the period. ”

David Simpson
Chairman

Performance

Your Company delivered a NAV total return of +2.97% for the six months to 30 June 2025, underperforming the benchmark of SONIA +4%, which returned +4.26%. Comparable investment grade fixed income indices such as the ICE BofA Sterling Corporate and Collateralized Index and the ICE BofA 1-3 Year BBB Sterling Corporate & Collateralized Index returned +3.48% and +3.54% respectively. The Company's NAV total return compared favourably to high yield indices such as the ICE BofA European Currency Non-Financial High Yield 2% Constrained Index (+2.84%).

The Investment Manager kept the portfolio defensively positioned throughout the half year because it believed, and continues to believe, that credit spreads (which are close to historic lows) are not compensating investors for longer term corporate risk. Credit spreads began and ended the period at roughly the same level although there was a brief period in March and early April which saw spreads widen, as financial markets digested tariff implications and braced for a global trade war. Shortly thereafter, markets rallied on the announcement of tariff suspensions, and credit spreads narrowed again.

At times of tight credit spreads, the defensive positioning of the portfolio can be expected to result in a shortfall against the benchmark unless and until there is sufficient market volatility to enable our Investment Manager to create compensating capital gains. The brief period of credit spread widening in the middle of the period under review was helpful but was not long enough to make a material difference. In addition, there was underperformance from negative developments in

two private credits which are described in more detail in the Investment Manager's Report.

Share issuance and discount management

During the half year, your Company increased its market capitalisation by over £31 million as sustained demand for share issuance continued to support its growth. This helps to improve liquidity in your Company's shares as well as reducing the ongoing charges ratio. Share issuance at an appropriate premium to NAV underpins the Zero Discount Policy which seeks to ensure that Ordinary Shares trade close to NAV in normal market conditions.

In March, the Company issued 6,647,969 new Ordinary Shares via a placing and retail offer, whilst an additional 26,950,000 new Ordinary Shares were sold through regular tap issues over the period to 30 June 2025.

This was facilitated by the renewal of the relevant shareholder issuance authorities at a General Meeting held in February 2025. However, the continued pace of investor demand for shares meant that by May it had become evident that the Company's capacity to issue Ordinary Shares to meet market demand and to maintain the Zero Discount Policy under the existing authorities would soon be exhausted. The Company therefore published a new Prospectus in order for share issuance to continue. Authority was approved by shareholder vote at a General Meeting held on 28 July 2025, for the capacity to issue up to 150 million Ordinary Shares for a period of 12 months.

Chairman's statement

Share issuance and discount management (continued)

Issues of Ordinary Shares are made at a price not less than the latest published NAV together with a premium intended to cover the costs of the relevant issue and to contribute to the costs of publishing the Prospectus mentioned above.

The Company's Ordinary Share price traded at an average premium to NAV of 1.8% during the period ended 30 June 2025. On 30 June 2025 the Ordinary Share price was 95.9p, representing a 2.2% premium to NAV as at that date. Since the period end, a further 10,750,000 Ordinary Shares have been issued.

Dividends

Your Company is currently paying four, quarterly interim dividends at an annual rate of SONIA +4%, calculated by reference to the adjusted opening NAV as at 1 January 2025. The Company paid dividends of 1.96p and 1.92p per Ordinary Share respectively for the quarters to 31 March 2025 and 30 June 2025.

Your Company's Investment Manager continues to believe that an annual total return, and thus ultimately a dividend yield, of SONIA +4% will continue to be achievable although there can be no guarantee that this will occur in any individual year.

Outlook

Financial markets have calmed since the turmoil of early April, but tariff uncertainty remains. In spite of this, investors currently seem to be shrugging off the associated chaos and headlines. US and UK equity markets have recently reached record highs whilst sterling investment-grade credit spreads hover around multi-decade lows, reflecting investors' strong appetite for risk. Widespread fears about an inflation surge driven by tariffs have yet to materialise, although it will take some time for the effects to work through what is a highly complex and interconnected global trade system. Many commentators believe that current levels of market exuberance are unlikely to last.

Elevated levels of uncertainty create challenge but also opportunity. The Investment Manager feels it is now more important than ever to remain patient and disciplined in its investment approach, and at current valuations will continue to keep the portfolio defensively positioned, prioritising credit quality over yield. It has constructed a portfolio that it expects to be able to withstand wider market volatility but one which can be rapidly reshaped to take advantage of any such volatility when the opportunity presents itself. This forms one of the core pillars of the Company's investment strategy, which is for the Investment Manager to seek to trade the liquid, public portion of the portfolio in order to generate gains which should contribute to the return target of SONIA +4%. Your Company has access to an undrawn £25 million credit facility and has a further £39 million invested in high credit quality, daily dealing ABS funds, ready to be reallocated when the market conditions for adding risk materialise.

David Simpson
Chairman

16 September 2025

Investment manager's report



Key themes

- Credit looking expensive vs historically observed levels; deliberately positioning portfolio defensively
- Investing proceeds from share issuances into private assets and high-grade ABS
- Using volatility to add public bonds opportunistically
- Experienced two credit events which notably impacted performance
- Waiting for market volatility to augment portfolio returns

Adam English

M&G Alternatives Investment Management Limited

Going into 2025, the global economic outlook was initially positive, but proposals for broad trade tariffs by the new US administration brought about significant economic uncertainty. Despite moderating, inflation in major economies remained above central bank targets, whilst economic growth slowed considerably which reflected the impact of uncertain global trade policies and fluctuating market conditions. Tariff related volatility peaked in April as global markets were roiled by harsher than anticipated reciprocal tariffs which led to fears of a global recession. This sparked significant volatility resulting in a widening in credit spreads which, although short-lived, presented us with an opportunity to re-engage more meaningfully with the public bond market. We focussed our attention on purchasing investment-grade UK names with little to no direct exposure to tariff risk, deploying £3 million during what was ultimately a very brief window of opportunity. Characterising the unpredictability of policymaking under the new Trump administration, a week later the announcement of a 90-day suspension of the reciprocal tariffs catalysed a pronounced recovery which saw credit spreads round-trip to return to pre-April levels, ending the half-year approximately in line with where they started it.

Despite the temporary, tariff-induced spread weakness, the technical backdrop in fixed income remained robust. The combination of relatively high bond yields, a benign outlook for inflation, and the likelihood of lower interest rates ahead, remains appealing to both income and total return investors, which continues to attract capital to the asset class. As a result, demand for corporate bonds is

significantly exceeding supply which is keeping volatility contained and credit spreads well-anchored with a bias to becoming tighter.

Having come into the year defensively positioned (as we have been for some time on relative value concerns), our primary focus remained on deploying capital into private assets, investing £19 million across 13 new and existing facilities during the period. We continued to find attractive relative value in Regulatory Capital transactions. Additionally, as the Company raised capital via the issue of new Ordinary Shares (as detailed in the Chairman's Statement), we invested some of the proceeds into the M&G European Loan Fund, a cornerstone investment of the portfolio since launch, to prevent dilution of our existing exposure. We were also pleased to close two investment grade transactions in parts of the private market where we are often less active due to tighter pricing; the first, an infrastructure transaction providing senior debt in an Italian road PPP (Public-Private Partnership) project and the second, a senior secured Private Placement transaction backed by future payments from wireless spectrum licenses. Other private transactions saw us allocate additional capital to existing securitisations in the portfolio.

During the period there were notable valuation adjustments to loans from two different private issuers as a result of internal credit rating downgrades, which have been reflected in the Company's latest published NAV. The first credit is undergoing a business restructuring in response to significant (and unforeseen)

Investment manager's report

Investment manager's report (continued)

changes in its target market/operating environment. The second credit has encountered a short term cash flow problem, which is expected to rectify over the medium term, but which has seen the sponsor commit additional equity to the business. We actively monitor the portfolio for signs of distress and currently have exposure to three issuers, amounting to 0.69% of the latest published NAV, which are either in technical default or at some stage of a restructuring process. These assets are already marked-to-market or, in respect of non-public market instruments, reserved against in your Company's latest published NAV.

The funded private asset portion of the portfolio decreased over the period to 49.66% (versus 52.38% at 31 December 2024) which was largely due to cash received from share issuance outpacing private pipeline deal execution. We continued to deploy proceeds into AA-rated M&G Investment Grade ABS Fund whilst waiting for a number of private transactions to progress to funding later in the year. The portfolio also still has approximately 8% invested in illiquid publicly-listed assets, which are intended to be held to maturity. The portfolio's investment grade holdings increased during the period (78% from 76% previously) relative to sub-investment grade (22% from 24% previously) reflecting our preference for going up in credit quality rather than adding risk.

Outlook

The biggest cost of the tariff war on the global economy may well be the impact of the uncertainty created rather than the direct impact of the tariffs themselves. A confluence of additional risks also weighs on the outlook for the remainder of the year, including (but not limited to) upward pressure on inflation, high geopolitical and conflict risk, rising bond yield term premia, the impacts of fiscal and broader policy dynamics, and the sustainability of the Artificial Intelligence boom, all of

which are serving to create a challenging and unpredictable investment backdrop. Despite the considerable downside risks, a paradox exists between credit spreads and the economic outlook, with investors not being sufficiently compensated for the magnitude of these risks. Current levels of market exuberance certainly feel overdone and in our opinion investor aversion to bad news is leading to complacency. At the time of writing, credit spreads are at almost 20-year lows, with BBB credit (the lowest rung of investment grade) offering barely 100 basis points additional return over sovereign benchmark yields.

Under these market conditions, where credit valuations are stretched, we believe that our flexibility in being able to invest across the breadth of both public and private markets can be a powerful differentiator in generating what we feel are the most attractive risk-adjusted returns for our shareholders. It remains as important as ever that we maintain our patient and disciplined investment approach and at current valuations we will continue to keep the portfolio defensively positioned, prioritising credit quality over yield. This positioning is intended to shape the portfolio to be a net beneficiary of any future credit spread widening and market volatility, and whilst this may mean foregoing portfolio returns in the short term, in our opinion it is fundamental to driving strong performance over a longer term investment horizon. When further market volatility gives rise to attractive opportunities, we have access to a £25 million credit facility and a further £39 million invested in two AAA/AA-rated, daily dealing ABS funds, ready to be reallocated.

M&G Alternatives Investment Management Limited
16 September 2025

Portfolio analysis

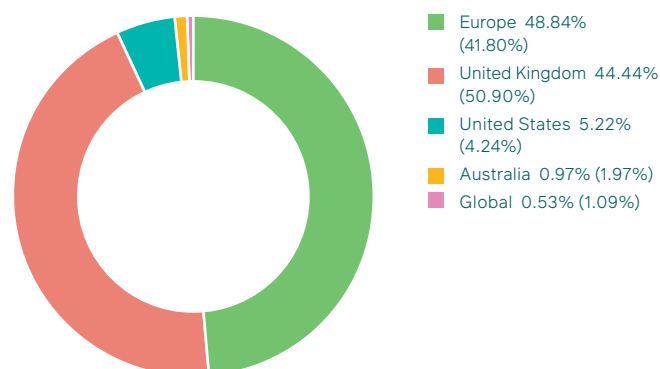
Portfolio overview

As at	30 June 2025 %	31 December 2024 %
Cash on deposit	3.03	0.97
Public	47.42	46.57
Asset-backed securities	13.98	24.62
Bonds	13.48	14.50
Investment funds	19.96	7.45
Private	49.66	52.38
Asset-backed securities	4.16	4.57
Bonds	3.22	2.06
Investment funds	13.66	11.40
Loans	16.36	23.06
Private placements	1.38	1.25
Other	10.88	10.04
Derivatives	(0.11)	0.08
Debt derivatives	(0.03)	0.05
Forwards	(0.08)	0.03
Total	100.00	100.00

Source: State Street

Geographical exposure

Percentage of portfolio of investments
as at 30 June 2025 (31 December 2024)*



* Excluding cash on deposit and derivatives.

Source: M&G and State Street as at 30 June 2025

Portfolio analysis

Credit rating breakdown

As at	30 June 2025 %	31 December 2024 %
Unrated	(0.11)	0.08
Derivatives	(0.11)	0.08
Cash and investment grade	78.06	76.40
Cash on deposit	3.03	0.97
AAA	6.19	7.45
AA	16.50	11.16
AA-	0.75	0.60
A+	1.98	1.21
A	3.36	3.28
A-	2.06	2.77
BBB+	7.82	10.99
BBB	13.76	13.97
BBB-	11.96	15.11
M&G European Loan Fund (ELF) (see note)	10.65	8.89
Sub-investment grade	22.05	23.52
BB+	2.19	2.73
BB	4.48	5.32
BB-	3.26	2.26
B+	2.53	2.17
B	4.57	6.65
B-	0.93	0.83
CCC+	0.53	–
CCC	0.24	–
CC	0.25	0.32
D	0.06	0.73
M&G European Loan Fund (ELF) (see note)	3.01	2.51
Total	100.00	100.00

Source: State Street

Note: ELF is an open-ended fund managed by M&G that 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. The board actively monitors the implied rating to ensure that the original rating remains appropriate.

Portfolio analysis

Top 20 holdings

Percentage of portfolio of investments ^a As at 30 June 2025 (31 December 2024)	Company description
M&G Investment Grade ABS Fund 13.77% (8.50%)	Open-ended fund managed by M&G which invests primarily in high grade European ABS with on average AA risk. The fund seeks to find value in credits which offer an attractive structure or price for their risk profile. (Public)
M&G European Loan Fund 13.66% (11.40%)	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)
M&G Senior Asset Backed Credit Fund 6.19% (7.45%)	Open-ended fund managed by M&G investing in a diversified pool of investment grade ABS. In usual market conditions, the fund will invest predominantly in senior tranches of ABS, with 80% expected to be of a credit rating of at least AA- or higher. The latest average credit rating of the underlying portfolio is AAA. The daily dealing fund is used by the Investment Manager as an alternative to holding cash. (Public)
Delamare Finance FRN 1.279% 19/02/2029 1.88% (1.77%)	Floating-rate, senior tranche of a CMBS secured by the sale and leaseback of 33 Tesco superstores and 2 distribution centres. (Public)
Income Contingent Student Loans 14.95% 24/07/2058 1.74% (2.00%)	Floating-rate, junior mezzanine tranche of a portfolio comprised of income contingent repayment student loans originally advanced by the UK Secretary of State for Education. (Public)
Serenissima SPV 5.625% 30/06/2036 1.53% (n/a)	Fixed coupon, senior debt in an infrastructure securitisation backed by future receivables payable to the O&M (Operations & Maintenance) contractor for an Italian road project in North-East Italy. (Private)
Aria International Var. Rate 23/06/2025 1.53% (1.38%)	Floating-rate, senior tranche of a securitisation of invoice receivables originated by a specialist digital recruitment platform. (Private)
Project Energy from Waste UK Var. Rate 29/11/2041 1.21% (1.54%)	Floating-rate, senior secured infrastructure loan funding the design, build, maintain, operate and finance contract of a residual waste treatment facility. (Private)
Hammond Var. Rate 28/10/2025 1.15% (1.39%)	Secured, bilateral real estate development loan backed by a combined portfolio of 2 office assets leased to an underlying roster of global corporate tenants. (Private)
Millshaw SAMS No. 1 Var. Rate 15/06/2054 1.15% (1.43%)	Floating-rate, single tranche of an RMBS backed by shared-appreciation mortgages. (Public)
Income Contingent Student Loans 1 2002-2006 FRN 2.76% 24/07/2056 1.12% (1.22%)	Floating-rate, mezzanine tranche of a portfolio comprised of income-contingent repayment student loans originally advanced by the UK Secretary of State for Education. (Public)
Signet Excipients Var. Rate 20/10/2025 1.06% (1.27%)	Fixed-rate loan secured against 2 large commercial premises in London, currently leased to 2 FTSE listed UK corporations. (Public)
Atlas 2020 1 Trust Var. Rate 30/09/2050 0.94% (1.19%)	Floating-rate, senior tranche of a bilateral RMBS transaction backed by a pool of Australian equity release mortgages. (Private)

Portfolio analysis

Percentage of portfolio of investments ^a As at 30 June 2025 (31 December 2024)	Company description
Whistler Finco 1% 30/11/2028 0.91% (1.10%)	Floating-rate, senior secured term loan lending to an outdoor media infrastructure owner which invests and manages a large billboard portfolio in the UK, Netherlands, Spain, Ireland and Germany. (Private)
STCHB 7 A Var. Rate 25/04/2031 0.90% (1.15%)	Floating-rate, mezzanine tranche in a regulated capital securitisation where the portfolio consists of 36 loans, secured on the undrawn Limited Partner (LP) investor capital commitments. (Private)
Global Gender Smart Fund 1% 31/12/2028 0.88% (n/a)	Floating rate, senior tranche in a microfinance debt fund backed by DFIs (Development Finance Institutions). (Private)
NewRiver REIT 3.5% 07/03/2028 0.87% (1.03%)	NewRiver REIT PLC operates as a real estate investment trust investing in retail properties throughout the United Kingdom. Fixed, callable bond. Senior Unsecured. (Public)
The School Board Of Miami Dade County 1% 15/10/2038 0.87% (n/a)	Fixed coupon, senior secured Private Placement note issued by a regional US school board, supported by future payments relating to wireless spectrum licenses leased to a blue-chip tenant. (Private)
Fontwell II Securities 2020 9.2208% 18/12/2028 0.83% (1.01%)	Floating-rate, mezzanine tranche in a regulated capital securitisation where the underlying portfolio is long-term mortgages for farms and rural businesses across the UK. (Private)
Finance for Residential Social Housing PLC 8.569% 04/10/2058 0.83% (1.02%)	High grade (AA/Aa3), fixed-rate bond backed by cash flows from housing association loans. (Public)

^a Including cash on deposit and derivatives.

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 and risk management

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 invests primarily in Sterling denominated Debt Instruments. Where the Company invests in assets not denominated in Sterling, it is generally expected that these assets are 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.

The Company's portfolio comprises 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 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) ^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.

Investment objective and policy

Investment policy and risk management (continued)

The Company typically invests directly, but it also invests 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 managed primarily on an ungeared basis although the Company may, from time to time, be geared tactically through the use of borrowings.

Borrowings will 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.

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 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. The Company is mainly invested in private debt instruments. This part of the portfolio generally includes 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. Fixed rate instruments will often be hedged in order to protect the portfolio from adverse changes in interest rates. Shareholders can expect their returns from this part of the portfolio to come from a combination of interest income and capital movements.

Investment process

The investment process for the Company consists principally of three stages: the decision to invest, monitoring and ongoing engagement and finally divestment.

Investment decision-making is undertaken by the Investment Manager, based on extensive research and credit analysis by the Investment Manager's large and experienced teams of more than 100 in-house analysts who specialise in public and private debt markets. This rigorous in depth analysis is fundamental to understanding the risk and return profile of potential investments.

Regular monitoring is carried out to ensure that continued holding of an investment remains appropriate. This includes monitoring the performance of investments by fund managers, analysts and internal

Investment objective and policy

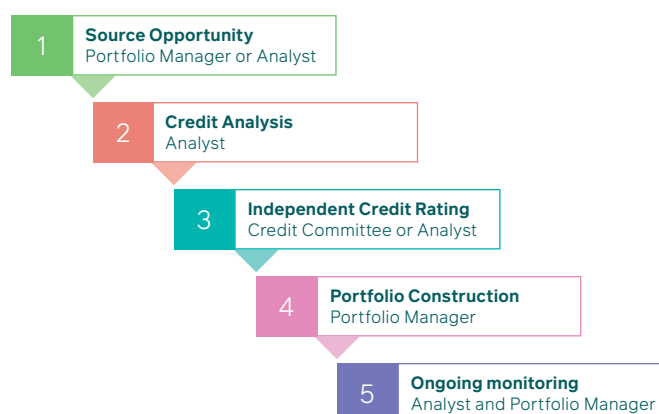
Investment process (continued)

control and governance processes. The Investment Manager engages with relevant stakeholders on any issues which may, potentially, affect an investment's ability to deliver sustainable performance in line with those expectations.

At some point, the Investment Manager may decide to divest from an investment (or the investment may complete in line with agreed terms, including pre-payment), although typically, private investments are held to their full maturity. Divestment can occur for a variety of reasons including; the investment being no longer suitable for the investment mandate, the outcome of engagement being unsatisfactory or as a result of the investment team's valuation assessment. Investment decision making is only undertaken by the portfolio managers designated by the Investment Manager.

As part of the investment process, full consideration is given to sustainability risks, as set out in more detail on pages 33 to 34 of the Annual Report and audited Financial Statements for the year ended 31 December 2024.

Investment process overview



Dividend Policy

The Investment Manager believes that an annualised total return of SONIA +4% is achievable over the long term. In light of this, the Company targets an annualised dividend yield of SONIA +4% (on the adjusted opening NAV) in respect of each financial year.

The Company may, at the discretion of the Board, pay all or part of any future dividends out of its special distributable reserve created by the cancellation of its share premium account in 2019, taking into account the Company's investment objective, and where it does so there will be a corresponding reduction in the NAV.

The target dividend is an objective only, is not a profit forecast and is not a guarantee that certain levels of dividends can be achieved or dividend growth maintained nor an indication of the Company's expected or actual future results, which may vary.

Environmental, social and governance (ESG)

The Company has no employees, property or activities other than investments, and the day-to-day management of the Company's investing activities is delegated to the Investment Manager. The Company does not invest with a specific ESG strategy or sustainable objective but complies with the minimum requirements covered by the delegated Investment Manager's house policies. For further information, please refer to page 33 of the Company's Annual Report and audited Financial Statements for the year ended 31 December 2024.

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 5 to 8.

Principal risks

The principal risks facing the Company during the remaining six months of the year can be divided into various areas as follows:

- Market risk;
- Credit risk;
- Investment management performance risk;
- Liquidity risk;
- Dividend policy risk;
- Operational risk (including cybersecurity risk);
- Regulatory, legal and statutory risk: changes in laws, government policy or regulations; and
- Sustainability risk.

These are consistent with the principal risks described in more detail in the Company's Annual Report and audited Financial Statements for the year ended 31 December 2024, which can be found in the Strategic Report on pages 17 to 22 and in note 13 on pages 96 to 102 and which are available on our website at:

mandg.com/creditincomeinvestmenttrust

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.

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 payable 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 7.

The Company holds investments in M&G European Loan Fund, M&G Senior Asset Backed Credit Fund and M&G Investment Grade ABS Fund which are managed by M&G Investment Management Limited. At the period end these were valued at £55,442,000 (30 June 2024: £29,922,000) and represented 33.62% (30 June 2024: 21.87%) of the Company's investment portfolio.

The Directors of the Company are related parties. The Chairman receives an annual fee of £50,000, the Chairman of the Audit Committee receives an annual fee of £44,000 and each non-executive Director receives an annual fee of £38,000.

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.

Interim management report and statement of directors' responsibilities

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 Financial Reporting Standard 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, together with the Chairman's statement, Investment manager's 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 2025 and their impact on the condensed set of financial statements; and a description of the principal risks 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 2025 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 16 September 2025 and the above responsibility statement was signed on its behalf by:

David Simpson
Chairman

16 September 2025

Condensed financial statements (unaudited)

Condensed income statement

	Note	Six months ended 30 June 2025 (unaudited)			Six months ended 30 June 2024 (unaudited)			Year ended 31 December 2024 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net gains/(losses) on investments	6	–	(693)	(693)	–	1,139	1,139	–	605	605
Net gains on derivatives	6	–	642	642	–	663	663	–	1,360	1,360
Net currency gains/(losses)		(318)	295	(23)	(69)	29	(40)	(196)	99	(97)
Income	3	5,510	–	5,510	5,240	–	5,240	10,518	–	10,518
Investment management fee		(544)	–	(544)	(454)	–	(454)	(937)	–	(937)
Other expenses		(378)	–	(378)	(368)	–	(368)	(723)	–	(723)
Net return on ordinary activities before finance costs and taxation		4,270	244	4,514	4,349	1,831	6,180	8,662	2,064	10,726
Finance costs	4	(54)	–	(54)	(54)	–	(54)	(109)	–	(109)
Net return on ordinary activities before taxation		4,216	244	4,460	4,295	1,831	6,126	8,553	2,064	10,617
Taxation on ordinary activities		–	–	–	–	–	–	–	–	–
Net return attributable to Ordinary Shareholders after taxation		4,216	244	4,460	4,295	1,831	6,126	8,553	2,064	10,617
Net return per Ordinary Share (basic and diluted)	2	2.61p	0.15p	2.76p	3.05p	1.30p	4.35p	6.01p	1.45p	7.46p

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 23 to 31 form an integral part of these condensed financial statements.

Condensed financial statements (unaudited)

Condensed statement of financial position

	Note	As at 30 June 2025 (unaudited)		As at 30 June 2024 (unaudited)		As at 31 December 2024 (audited)	
		£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets							
Investments at fair value through profit or loss	6		160,098		134,667		135,300
Current assets							
Derivative financial assets held at fair value through profit or loss	6	139		75		264	
Receivables	7	3,780		2,279		1,862	
Cash and cash equivalents	7	6,642		3,355		3,447	
		10,561		5,709		5,573	
Current liabilities							
Derivative financial liabilities held at fair value through profit or loss	6	(304)		(201)		(137)	
Payables	7	(719)		(3,535)		(741)	
		(1,023)		(3,736)		(878)	
Net current assets			9,538		1,973		4,695
Net assets			169,636		136,640		139,995
Capital and reserves							
Called up share capital	8		1,808		1,447		1,472
Share premium			75,925		42,276		44,615
Special distributable reserve			89,496		90,836		91,541
Capital reserve	8		359		(118)		115
Revenue reserve			2,048		2,199		2,252
Total shareholders' funds			169,636		136,640		139,995
Net Asset Value per Ordinary Share (basic and diluted)	2		93.83p		96.26p		95.11p

The notes on pages 23 to 31 form an integral part of these condensed financial statements.

Approved and authorised for issue by the Board of Directors on 16 September 2025 and signed on its behalf by:

David Simpson

Chairman

Company registration number: 11469317

16 September 2025

Condensed financial statements (unaudited)

Condensed statement of changes in equity

Six months ended 30 June 2025 (unaudited)		Called up Ordinary Share capital	Share premium	Special distributable reserve ^a	Capital reserve ^a	Revenue reserve ^a	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 December 2024		1,472	44,615	91,541	115	2,252	139,995
Ordinary Shares issued during the period		336	31,310	–	–	–	31,646
Net return attributable to shareholders		–	–	–	244	4,216	4,460
Dividends paid	5	–	–	(2,045)	–	(4,420)	(6,465)
Balance at 30 June 2025		1,808	75,925	89,496	359	2,048	169,636

Six months ended 30 June 2024 (unaudited)		Called up Ordinary Share capital	Share premium	Special distributable reserve ^a	Capital reserve ^a	Revenue reserve ^a	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 December 2023		1,447	42,257	91,276	(1,949)	2,254	135,285
Ordinary Shares issued from treasury		–	19	1,249	–	–	1,268
Net return attributable to shareholders		–	–	–	1,831	4,295	6,126
Dividends paid	5	–	–	(1,689)	–	(4,350)	(6,039)
Balance at 30 June 2024		1,447	42,276	90,836	(118)	2,199	136,640

Year ended 31 December 2024 (audited)	Note	Called up Ordinary Share capital	Share premium	Special distributable reserve ^a	Capital reserve ^a	Revenue reserve ^a	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 December 2023		1,447	42,257	91,276	(1,949)	2,254	135,285
Ordinary Shares issued from treasury		–	56	3,886	–	–	3,942
Ordinary Shares issued during the year		25	2,302	–	–	–	2,327
Net return attributable to shareholders		–	–	–	2,064	8,553	10,617
Dividends paid	5	–	–	(3,621)	–	(8,555)	(12,176)
Balance at 31 December 2024		1,472	44,615	91,541	115	2,252	139,995

^a These reserves form the distributable reserves of the Company and may be used to fund distributions to investors via dividend payments. For the detailed analysis of the realised and investment holding gains and losses of the capital reserve, please refer to note 8 on page 28.

The notes on pages 23 to 31 form an integral part of these condensed financial statements.

Condensed financial statements (unaudited)

Condensed cash flow statement

	Note	Six months ended 30 June 2025 (unaudited) £'000	Six months ended 30 June 2024 (unaudited) £'000	Year ended 31 December 2024 (audited) £'000
Cash flows from operating activities				
Net return before finance costs and taxation ^a		4,514	6,180	10,726
Adjustments for:				
Net losses/(gains) on investments	6	693	(1,139)	(605)
Net gains on derivatives	6	(642)	(663)	(1,360)
Net currency losses		23	40	97
(Increase)/decrease in receivables		(73)	227	653
Decrease in payables		(187)	(2,504)	(2,331)
Purchases of investments ^b	6	(36,547)	(15,157)	(38,329)
Sales of investments ^b	6	11,354	18,398	37,871
Net cash (outflow)/inflow from operating activities		(20,865)	5,382	6,722
Financing activities				
Finance costs	4	(54)	(54)	(109)
Ordinary Shares issued from treasury		–	1,268	3,942
Ordinary Shares issued during the period/year		30,602	–	2,327
Dividends paid	5	(6,465)	(6,039)	(12,176)
Net cash inflow/(outflow) from financing activities		24,083	(4,825)	(6,016)
Increase in cash and cash equivalents		3,218	557	706
Cash and cash equivalents at the start of the period/year		3,447	2,838	2,838
Effect of foreign exchange rates		(23)	(40)	(97)
Increase in cash and cash equivalents as above		3,218	557	706
Cash and cash equivalents at the end of the period/year	7	6,642	3,355	3,447

^a Cash inflow from interest was £3,846,649 (30 June 2024: £4,207,480) and cash outflow from interest was £273 (30 June 2024: £180).

^b 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.

Condensed financial statements (unaudited)

Analysis of changes in cash

	Note	As at 31 December 2024 (audited) £'000	Cash flows £'000	Effect of foreign exchange rates £'000	As at 30 June 2025 (unaudited) £'000
Cash and cash equivalents					
Cash and cash equivalents	7	3,447	3,218	(23)	6,642
		3,447	3,218	(23)	6,642

The notes on pages 23 to 31 form an integral part of these condensed financial statements.

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 July 2022 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'.

The annual Financial Statements were 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 audited Financial Statements for the year ended 31 December 2024.

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 2025	Six months ended 30 June 2024	Year ended 31 December 2024
Revenue return			
Revenue return attributable to Ordinary Shareholders (£'000)	4,216	4,295	8,553
Weighted average number of shares in issue during the period/year	161,411,255	140,963,882	142,333,970
Revenue return per Ordinary Share (basic and diluted)	2.61p	3.05p	6.01p
Capital return			
Capital return attributable to Ordinary Shareholders (£'000)	244	1,831	2,064
Weighted average number of shares in issue during the period/year	161,411,255	140,963,882	142,333,970
Capital return per Ordinary Share (basic and diluted)	0.15p	1.30p	1.45p
Net return			
Net return per Ordinary Share (basic and diluted)	2.76p	4.35p	7.46p
NAV per Ordinary Share			
Net assets attributable to Ordinary Shareholders (£'000)	169,636	136,640	139,995
Number of shares in issue at period/year end	180,793,740	141,944,239	147,195,771
NAV per Ordinary Share	93.83p	96.26p	95.11p

Condensed financial statements (unaudited)

Notes to the condensed financial statements (continued)

3 Income

	Six months ended 30 June 2025 £'000	Six months ended 30 June 2024 £'000	Year ended 31 December 2024 £'000
Income from investments			
Interest income from debt instruments	3,947	4,267	8,454
Distributions from investment funds	1,364	811	1,769
Management fee rebate	87	61	123
	5,398	5,139	10,346
Other income			
Interest from cash and cash equivalents	82	79	137
Other income	30	22	35
	5,510	5,240	10,518

4 Finance costs

	Six months ended 30 June 2025 £'000	Six months ended 30 June 2024 £'000	Year ended 31 December 2024 £'000
Commitment fee	37	37	75
Arrangement fees	12	12	25
Legal fees	5	5	9
	54	54	109

On 19 October 2020 the Company entered into a £25 million revolving credit facility agreement with State Street Bank International GmbH. On 14 October 2024 the Company renewed the credit facility on the existing terms, with the new credit facility expiring on 13 October 2025.

The interest on any amount drawn down comprises the aggregated applicable margin and compounded SONIA rate for any day during the interest period. The terms of the credit facility contain a covenant that the total debt of the Company shall not exceed 40% of the adjusted NAV of the Company at any time.

As at 30 June 2025 no amounts were drawn down (30 June 2024: £nil).

Condensed financial statements (unaudited)

Notes to the condensed financial statements (continued)

5 Dividends

	Six months ended 30 June 2025 £'000	Six months ended 30 June 2024 £'000	Year ended 31 December 2024 £'000
Revenue			
2023 fourth interim interest distribution of 1.60p	–	2,250	2,250
2024 first interim interest distribution of 1.49p	–	2,100	2,100
2024 second interim interest distribution of 1.54p	–	–	2,197
2024 third interim interest distribution of 1.40p	–	–	2,008
2024 fourth interim interest distribution of 1.53p	2,304	–	–
2025 first interim interest distribution of 1.25p	2,116	–	–
	4,420	4,350	8,555
Capital			
2023 fourth interim dividend distribution of 0.54p	–	759	759
2024 first interim dividend distribution of 0.66p	–	930	930
2024 second interim dividend distribution of 0.61p	–	–	870
2024 third interim dividend distribution of 0.74p	–	–	1,062
2024 fourth interim dividend distribution of 0.56p	843	–	–
2025 first interim dividend distribution of 0.71p	1,202	–	–
	2,045	1,689	3,621

On 22 July 2025 the Board declared a second interim dividend of 1.92p per Ordinary Share for the year ended 31 December 2025, which was paid on 22 August 2025 to Ordinary Shareholders on the register on 1 August 2025. The ex-dividend date was 31 July 2025.

In accordance with FRS 102, Section 32, 'Events After the End of the Reporting Period', the 2025 second interim dividend has not been included as a liability in this condensed set of financial statements.

Condensed financial statements (unaudited)

Notes to the condensed financial statements (continued)

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

	As at 30 June 2025 £'000	As at 30 June 2024 £'000	As at 31 December 2024 £'000
Opening valuation	135,427	132,993	132,993
Analysis of transactions made during the period/year			
Purchases at cost	36,712	18,124	38,329
Sale proceeds	(12,155)	(18,378)	(37,860)
(Losses)/gains on investments	(51)	1,802	1,965
Closing valuation	159,933	134,541	135,427
Closing cost	163,303	137,262	138,079
Closing investment holding losses	(3,370)	(2,721)	(2,652)
Closing valuation	159,933	134,541	135,427

The Company received £12,155,000 from investments sold in the six months period ended 30 June 2025 (30 June 2024: £18,378,000). The book cost of these investments when they were purchased was £11,488,000 (30 June 2024: £18,276,000^a). 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. Transaction costs on purchases during the period amounted to £78 (30 June 2024: £7,981) and transaction costs on sales during the period amounted to £99 (30 June 2024: £91).

^a The book cost of investments sold for the prior period ended 30 June 2024 has been restated from £19,003,000 to £18,276,000 due to a classification error found during the review of the previous year disclosure. This restatement has no impact on any other figures disclosed in the Financial statements.

	As at 30 June 2025 £'000	As at 30 June 2024 £'000	As at 31 December 2024 £'000
(Losses)/gains on investments			
Net (losses)/gains on investments	(693)	1,139	605
Net gains on derivatives	642	663	1,360
Net (losses)/gains on investments	(51)	1,802	1,965

	As at 30 June 2025 £'000	As at 30 June 2024 £'000	As at 31 December 2024 £'000
Closing valuation			
Investments at fair value through profit or loss	160,098	134,667	135,300
Derivative financial (liabilities)/assets held at fair value through profit or loss	(165)	(126)	127
Closing valuation	159,933	134,541	135,427

Condensed financial statements (unaudited)

Notes to the condensed financial statements (continued)

7 Receivables, cash and cash equivalents and payables

	As at 30 June 2025 £'000	As at 30 June 2024 £'000	As at 31 December 2024 £'000
Receivables			
Amount receivable from Ordinary Shares issued	1,044	–	–
Sales for future settlement	815	5	14
Accrued income	1,852	2,224	1,753
Prepaid expenses	20	20	33
Management fee rebate	49	30	62
Total receivables	3,780	2,279	1,862
Cash and cash equivalents			
Cash at bank	1,473	956	2,123
Amounts held at/(due to) futures clearing houses	169	144	(3)
Cash on deposit	5,000	2,255	1,327
Total cash and cash equivalents	6,642	3,355	3,447
Payables			
Purchases for future settlement	165	2,967	–
Expenses payable	246	282	222
Management fee payable	276	237	479
Other payables	32	49	40
Total payables	719	3,535	741

Condensed financial statements (unaudited)

Notes to the condensed financial statements (continued)

8 Called up share capital

	As at 30 June 2025		As at 30 June 2024		As at 31 December 2024	
	Number of shares	Nominal value £'000	Number of shares	Nominal value £'000	Number of shares	Nominal value £'000
Ordinary Shares of 1p						
Ordinary Shares in issue at the beginning of the period/year	147,195,771	1,472	140,619,239	1,406	140,619,239	1,406
Ordinary Shares issued from treasury during the period/year	–	–	–	–	4,126,532	41
Ordinary Shares issued during the period/year	33,597,969	336	1,325,000	13	2,450,000	25
Ordinary Shares in issue at the end of the period/year	180,793,740	1,808	141,944,239	1,419	147,195,771	1,472
Treasury Shares (Ordinary Shares of 1p)						
Treasury Shares at the beginning of the period/year	–	–	4,126,532	41	4,126,532	41
Ordinary Shares issued from treasury during the period/year	–	–	(1,325,000)	(13)	(4,126,532)	(41)
Treasury Shares at the end of the period/year	–	–	2,801,532	28	–	–
Total Ordinary Shares in issue and in treasury at the end of the period/year	180,793,740	1,808	144,745,771	1,447	147,195,771	1,472

The analysis of the capital reserve is as follows:

	Six months ended 30 June 2025			Six months ended 30 June 2024			Year ended 31 December 2024		
	Realised capital reserve	Investment holding gains and losses	Total capital reserve	Realised capital reserve	Investment holding gains and losses	Total capital reserve	Realised capital reserve	Investment holding gains and losses	Total capital reserve
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital reserve at the beginning of the period/year	2,767	(2,652)	115	2,472	(4,421)	(1,949)	2,472	(4,421)	(1,949)
Gains on realisation of investments at fair value	667	–	667	102	–	102	196	–	196
Realised currency gains during the period/year	295	–	295	29	–	29	99	–	99
Movement in unrealised (losses)/gains	–	(718)	(718)	–	1,700	1,700	–	1,769	1,769
Capital reserve at the end of the period/year	3,729	(3,370)	359	2,603	(2,721)	(118)	2,767	(2,652)	115

Condensed financial statements (unaudited)

Notes to the condensed financial statements (continued)

9 Related party transactions

M&G Alternatives Investment Management Limited, as Investment Manager is a related party to the Company. The management fee payable to the Investment Manager for the period is disclosed in the condensed income statement, and amounts outstanding at the period end are shown in note 7.

Amounts paid to the Investment Manager in respect of rebate arrangements are shown in note 3 and the amounts outstanding at the period end from the Investment Manager in respect of these rebates are disclosed in note 7.

The Company holds investments in M&G European Loan Fund, M&G Senior Asset Backed Credit Fund and M&G Investment Grade ABS Fund which are managed by M&G Investment Management Limited. At the period end these were valued at £55,442,000 (30 June 2024: £29,922,000) and represented 33.62% (30 June 2024: 21.87%) of the Company's investment portfolio. The income earned from these investments of £1,364,000 (30 June 2024: £811,000) is included in note 3. Amounts receivable at the balance sheet date of £386,000 (30 June 2024: £297,000) are included within 'Accrued income' under 'Receivables' in note 7. The total purchase costs of these investments was £18,002,000 (30 June 2024: £5,500,000) and the total sales amounted to £nil (30 June 2024: £nil).

The Directors of the Company are related parties. For further details of the annual fees payable to the Directors, please refer to the Related party disclosure and transactions with the Investment Manager section on page 16.

10 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 levels stated below.

- **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).
- **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).

Condensed financial statements (unaudited)

Notes to the condensed financial statements (continued)

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

	As at 30 June 2025				As at 30 June 2024				As at 31 December 2024			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at FVTPL												
Equities	1	–	–	1	9	–	–	9	3	–	–	3
Warrants	–	–	3	3	–	–	–	–	–	–	3	3
Debt Instruments	–	41,048	63,604	104,652	–	44,582	60,154	104,736	–	37,516	60,382	97,898
Investment in funds	–	55,442	–	55,442	–	29,922	–	29,922	–	37,396	–	37,396
Derivatives – Forwards	–	139	–	139	–	75	–	75	–	185	–	185
Derivatives – Futures	–	–	–	–	–	–	–	–	79	–	–	79
Financial liabilities at FVTPL												
Derivatives – Forwards	–	(243)	–	(243)	–	(181)	–	(181)	–	(137)	–	(137)
Derivatives – Futures	(61)	–	–	(61)	(20)	–	–	(20)	–	–	–	–
Net fair value	(60)	96,386	63,607	159,933	(11)	74,398	60,154	134,541	82	74,960	60,385	135,427

Valuation techniques for Level 3

The Company utilises a number of valuation methodologies, including discounted cash flow (DCF) model. Discount rates are applied to the cashflows of the debt instrument to determine fair value. The significant unobservable input within the fair value measurement is the credit spread component of the discount rate, which will be determined based on public comparable bonds of a similar sector and credit rating, as well as an appropriate additional spread premium. The market value of these investments was £33,659,000 (30 June 2024: £21,872,000) representing 21.0% (30 June 2024: 16.3%) of the portfolio of investments.

Additionally, some investments are priced monthly using a single quote from a broker, which the Investment Manager (in its capacity as AIFM) has designated as level 3 assets. The broker, typically either the lead manager and/or the broker where the deal was most recently traded through, will run a DCF model to arrive at a valuation. The market value of these investments was £11,789,000 (30 June 2024: £10,148,000) representing 7.4% (30 June 2024: 7.5%) of the portfolio of investments.

Some private senior floating rate loans 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 valuation movements, including impairment or any upcoming refinancing. The market value of these investments was £13,502,000 (30 June 2024: £26,603,000) representing 8.4% (30 June 2024: 19.8%) of the portfolio of investments.

Condensed financial statements (unaudited)

Notes to the condensed financial statements (continued)

One loan valued on this basis within the portfolio is now priced below par and in line with observable broker quotes for the loan. The market value of this investment was £618,000 (30 June 2024: £618,000) representing 0.4% (30 June 2024: 0.5%) of the portfolio of investments.

Some loans are valued using a recovery analysis approach. These loans are impaired and inputs into the valuation methodology include the valuation of assets within the business or the collateral within the securitisation. The market value of these investments was £910,000 (30 June 2024: £nil) representing 0.6% (30 June 2024: nil) of the portfolio of investments.

Some loans within the portfolio were recently acquired and are valued at the price of recent investment as of June 2025. The market value of these investments was 3,126,000 (30 June 2024: £913,000) representing 2.0% (30 June 2024: 0.7%) of the portfolio of investments.

11 Capital commitments

There were outstanding unfunded investment commitments of £297,000 (30 June 2024: £196,000) at the period.

	As at 30 June 2025 £'000	As at 30 June 2024 £'000	As at 31 December 2024 £'000
Kee Safety Var. Rate 31 Mar 2028	–	–	257
Pinebridge Benson Elliot LLP Var. Rate 14 Aug 2024	–	–	726
Pinebridge Benson Elliot LLP Var. Rate 14 Aug 2026	297	–	–
Project Grey Var. Rate 30 Apr 2025 (Senior)	–	101	81
Project Grey Var. Rate 30 Apr 2025 (Junior)	–	95	69
	297	196	1,133

12 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 financial information for the six months ended 30 June 2025 and 30 June 2024 has not been reviewed or audited by the Company's auditors.

The figures and financial information for the year ended 31 December 2024 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.

Company information

Directors (all non-executive)

David Simpson (Chairman)
Richard Boléat (Chairman of the Audit Committee)
Barbara Powley (Senior Independent Director)
Jane Routledge

Registered office

19th Floor, 51 Lime Street, London EC3M 7DQ

AIFM and Investment Manager

M&G Alternatives Investment Management Limited
(MAGAIM)^a
10 Fenchurch Avenue, London EC3M 5AG
Website: mandg.com/investments/private-investor/en-gb
Telephone: +44 (0) 800 390 390

Administrator

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

Company Secretary

MUFG Corporate Governance Limited
Central Square, 29 Wellington Street, Leeds LS1 4DL
Telephone: 0333 300 1932

Broker

Winterflood Securities Limited^a
Riverbank House, 2 Swan Lane, London EC4R 3GA

Solicitors

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

Auditor

BDO LLP
55 Baker Street, London W1U 7EU

Registrar and transfer office

MUFG Corporate Markets
Shareholder Services Department
Central Square, 29 Wellington Street, Leeds LS1 4DL

Telephone: 0371 664 0300

(Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate.

Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales).

Email: shareholderenquiries@cm.mpms.mufg.com

Website: eu.mpms.mufg.com

Depository

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

Custodian

State Street Bank and Trust Company^a
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: theaic.co.uk

Company website

mandg.com/creditincomeinvestmenttrust

^a Authorised and regulated by the Financial Conduct Authority.

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 (excluding treasury shares).

Ongoing charges

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

	Six months ended 30 June 2025 £'000	Year ended 31 December 2024 £'000
Ongoing charges are calculated with reference to the following figures:		
Investment management fee	544	937
Other expenses ^a	415	798
Total expenses for the period/year	959	1,735
Annualised expenses	1,855	1,753
Average net assets over the period/year	155,042	136,544
Ongoing charges figure	1.20%	1.28%

^a Includes the commitment fee on the revolving credit facility.

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 with the increase or decrease in the share price or NAV per share.

Share price total return

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

	Six months ended 30 June 2025	Year ended 31 December 2024
Opening share price	96.6p	92.2p
Dividends paid	4.05p	8.58p
Effect of dividend reinvested	0.07p	0.45p
Closing share price	95.9p	96.6p
Adjusted closing share price	100.0p	105.6p
Share price total return	3.5%	14.6%

Alternative performance measures

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.

	Six months ended 30 June 2025	Year ended 31 December 2024
Opening NAV per share	95.11p	96.21p
Dividends paid	4.05p	8.58p
Effect of dividend reinvested	0.06p	0.29p
Closing NAV per share	93.83p	95.11p
Adjusted closing NAV per share	97.94p	103.98p
NAV total return	3.0%	8.1%

Dividend yield

The annual dividend expressed as a percentage of the share price.

	Six months ended 30 June 2025	Year ended 31 December 2024
Dividends declared per Ordinary Share ^a	8.11p	8.53p
Ordinary Share price	95.9p	96.6p
Dividend yield	8.5%	8.8%

^a Based on dividends declared in respect of the previous 12 months.

Glossary

Adjusted opening NAV The opening NAV, adjusted for the payment of the last dividend in respect of the previous financial year.

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

ABS (Asset backed security) 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.

AUM Assets under management.

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.

CLO (Collateralised loan obligation) Actively managed investment vehicle which issues rated tranches of debt from AAA-B and an unrated equity tranche. Underlying assets are predominantly made up of leveraged loans and high yield bonds.

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.

CMBS (Commercial mortgage-backed security) A type of asset-backed security which is collateralised by a commercial real estate asset, either a single property, or – more often – a portfolio of several properties.

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.

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

Glossary

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 or 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.

ECB (European Central Bank) Central bank of the 19 European Union countries which have adopted the euro.

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, ie 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.

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

Glossary

considered highly liquid if they can be easily bought or sold since large amounts are regularly traded.

Liquidity Opportunity The opportunity to the Shareholders to realise the value of some or all of their Ordinary Shares at NAV per Ordinary Shares less costs, as set out in the Company's Articles of Association unless the Board is directed by shareholders by way of a special resolution not to offer such Liquidity Opportunity.

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.

NAV total return is expressed 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 is not affected by movements in share price 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 policy making and planning exercises.

Official List The Official List (or UKLA Official List) is the list maintained by the Financial Conduct 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.

Ordinary Share Ordinary Share is the only class of shares issued and benefits from all the income and capital growth in the portfolio.

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.

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.

Revolving credit facility A line of credit (essentially a loan agreement) is established between a bank and a business from which the business can draw funds at any time as needed. The bank sets a ceiling for the loan.

Glossary

RMBS (Residential mortgage-backed security) A type of asset-backed security which is collateralised by a portfolio of residential properties.

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, ie 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.

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

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.

SMEs (Small and medium-sized enterprise) A business defined in the United Kingdom by reference to staff headcount (less than 250 employees) and annual turnover (less than £25 million).

SONIA (Sterling Overnight Index Average) SONIA is an interest rate index administered by the Bank of England and based on actual transactions. It reflects the average interest rate that banks pay to borrow sterling overnight from other banks and institutional investors.

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.

Treasury shares Shares that the company bought back from the marketplace and it keeps in its treasury; they do not count for the distribution of dividends or the calculation of earnings per share or net asset value per share. Also known as treasury stock.

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.

Zero Discount Policy On 30 April 2021, the Company announced a zero discount policy (the 'Policy') to manage the discount or premium to NAV at which the Company's Ordinary Shares trade. The Policy has been adopted so that shareholders benefit appropriately from the Company's investment objective which is to generate a regular and attractive level of income with low asset value volatility. The Company seeks to ensure that the Ordinary Shares trade close to NAV in normal market conditions through a combination of Ordinary Share buybacks and the issue of new Ordinary Shares, or resale of Ordinary Shares held in treasury, where demand exceeds supply.

