

Key Information Document



This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

M&G Credit Income Investment Trust plc (the 'Company')

Ordinary Shares ISIN no. GB00BFYYL325

Managed by M&G Alternatives Investment Management Limited

M&G Alternatives Investment Management Limited is authorised and regulated by the Financial Conduct Authority

For further information please call +44 (0) 1392 477500

The key information is accurate as at 12 February 2024

What is this product?

Type

The Company was incorporated in England and Wales on 17 July 2018, as a public company limited by shares. The ordinary shares are listed on the Official List of the UKLA and traded on the main market of the London Stock Exchange.

The ordinary shares are bought and sold via the main market of the London Stock Exchange. Typically, the price an investor pays for an ordinary share will be higher than the price at which that ordinary share could be sold.

The return to investors is dependent on the performance of the share price of the ordinary shares, which is largely determined by the performance of the underlying investments.

Objective and policy

The Company aims to generate a regular and attractive level of income with low asset value volatility by investing in a diversified portfolio of public and private debt and debt-like instruments ('Debt Instruments') of which at least 70% will be investment grade. 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 has the ability to borrow up to 30% of net asset value although it is expected that it will primarily be managed without borrowing and typically any borrowings will not exceed 20% of net asset value. Any borrowings will magnify any gains or losses made by the Company.

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.

Dividend yield objective

The Company has an objective of an annualised dividend yield of SONIA plus 4% for each year. Where SONIA ceases to be available, a suitable replacement shall be determined and Shareholders will be notified accordingly.

Intended retail investor

Typical investors in the PRIIP are expected to be institutional investors and professionally-advised or financially sophisticated non-advised private investors who understand and are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.

Insurance benefits

The Company does not offer any insurance benefits.

Term of the PRIIP

The Company does not have a fixed term but may be wound up at any time with the approval of its shareholders, by way of special resolution.

What are the risks and what could I get in return?

Risk indicator



The risk indicator assumes you keep the product for five years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the market or because the Company is not able to pay you.

We have classified this product as four out of seven, which is a medium risk class.

The Risk Indicator rates the potential losses from future performance at a medium level, and poor market conditions could impact your returns.

In addition to the risks referenced above, the Company is also subject to credit, interest rate, prepayment and liquidity risks. Please refer to the Investor Disclosure Document.

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

If the Company is not able to pay you what is owed, you could lose your entire investment.

Investment Performance Information

The main factor affecting future returns would be the prevailing interest rate environment as dictated by the Bank of England.

The factors most likely to affect the outcome of the investment are:

- The Sterling Overnight Index Average (SONIA) benchmark rate which closely tracks the Bank of England base interest rate.
- The target dividend rate over SONIA as decided by the Trust's Board of Directors (linked to the long term return profile of the underlying portfolio)
- The price at which shares are purchased, and if applicable, then sold
- Credit spread performance

The fund's benchmark is SONIA. The fund has a return target of SONIA + 4% p.a. which it has delivered on a historical basis in financial years 2020 and 2021, although future returns cannot be guaranteed.

What could affect my return positively?

Dividend returns will be higher in periods of high interest rates. Given the underlying portfolio, there would be an expectation for share price performance to have a negative correlation to sterling investment grade credit spreads although this cannot be guaranteed. If sterling investment grade credit spreads tighten, one might expect the CIIT share price to see positive returns.

What could affect my return negatively?

Dividend returns will be lower in periods of low interest rates. Given the underlying portfolio, there would be an expectation for share price performance to have a negative correlation to sterling investment grade credit spreads, although this cannot be guaranteed. If sterling investment grade credit spreads widen, one might expect the CIIT share price to see negative returns.

If you redeem your holdings under severely adverse market conditions and fluctuating interest rates you lock-in any loss in value that has occurred because of the market stress. Depending on the tenure of your investment and prior fund performance, this may mean that you receive back less than your original investment amount.

What happens if M&G Alternatives Investment Management Limited is unable to pay out?

M&G Alternatives Investment Management Limited is not obliged to pay out the shares in the Company. The Company is a closed ended investment company and as such, shareholders in the Company have no right to have their shares redeemed or repurchased by the Company. The Company is required to pay out any surplus assets to shareholders on a winding up of the Company, provided that the Company has satisfied all its liabilities. As a shareholder of the Company, you would not be able to make a claim to the Financial Services Compensation Scheme about the Company in the event that the Company is unable to pay out.

What are the costs?

Presentation of costs

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

Cost over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment of £10,000			
Scenarios	If you cash in after one year	If you cash in after three years	If you cash in at the end of five years*
Total costs	£126.00	£379.00	£632.00
Impact on return (RIY) per year	1.32%	1.32%	1.32%

* (Recommended holding period)

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	0.00%	As a closed ended collective investment scheme, no entry charges apply. You may be liable for stamp duty or SDRT at a rate of 0.5% on an acquisition of shares.
	Exit costs	0.00%	As a closed ended collective investment scheme, no exit charges apply.
Ongoing costs	Portfolio transaction costs	0.04%	Costs pertaining to the buying and selling of underlying investments.
	Other ongoing costs	1.22%	The impact of the costs that we take each year for managing your investments and the costs associated with running the Company.
Incidental costs	Performance fees	0.00%	No performance fees apply.
	Carried interests	n/a	No carried interests apply to the PRIIP.

How long should I hold it and can I take money out early?

The recommended holding for the product is five years, however, the shares of the Company trade continuously on the London Stock Exchange and are not bound by any prescribed redemption or sale restrictions.

How can I complain?

Should you wish to make a complaint about any aspect of the service provided by M&G Alternatives Investment Management Limited, you can do so by contacting us by post, telephone or email.

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Telephone: +44 (0) 1392 477500

Email: mandgcredit@linkgroup.co.uk

Other relevant information

Other information on the Company can be found on the Company website: www.mandg.co.uk/creditincomeinvestmenttrust where you can also obtain the up to date Key Information Document.

For further information about the Company, please contact +44 (0) 1392 477500