M&G Investments

M&G Credit Income Investment Trust plc

Half Year Report and unaudited Condensed Financial Statements for the six months ended 30 June 2026

Company registration number: 11469317

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 7.8% based on the period end share price



High-quality, reliable income
sourced from a balanced portfolio of private and public credit, with 70%+ of the portfolio invested in investment grade-quality assets



Defensively positioned
in today's uncertain markets and primed to benefit from future dislocations



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 41 for more details on the Zero Discount Policy.

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Company highlights

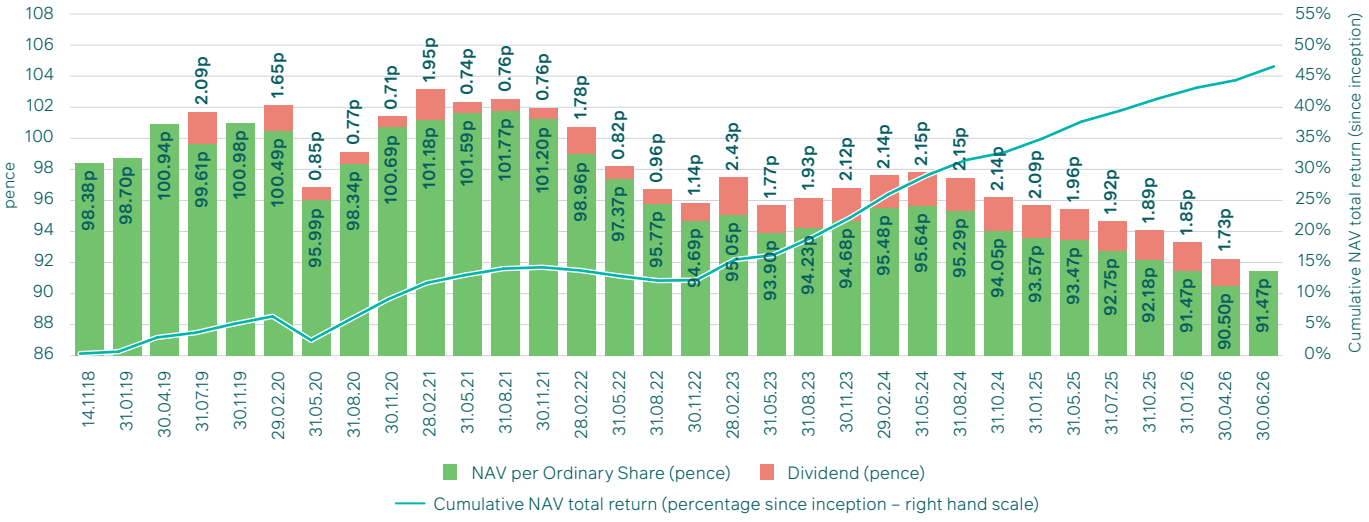
An investment trust from the fixed income experts

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 has declined in line with interest rate cuts and, consistent with the Company's SONIA +4% dividend policy, quarterly dividends have therefore reduced modestly.



Source: M&G and State Street as at 30 June 2026

Company highlights

Financial highlights

Key data

	As at 30 June 2026 (unaudited)	As at 31 December 2025 (audited)
Net assets (£'000)	188,011	185,767
Net asset value (NAV) per Ordinary Share	91.47p	92.91p
Ordinary Share price (mid-market)	93.1p	95.0p
Premium to NAV[a]	1.8%	2.2%
Ongoing charges figure[a]	1.17%	1.18%

Return and dividends per Ordinary Share

	Six months ended 30 June 2026 (unaudited)	Year ended 31 December 2025 (audited)
Capital return	(0.3)p	0.6p
Revenue return	2.4p	5.3p
NAV total return[a]	2.4%	6.2%
Share price total return[a]	1.9%	6.7%
Total dividends declared[b]	3.48p	7.62p

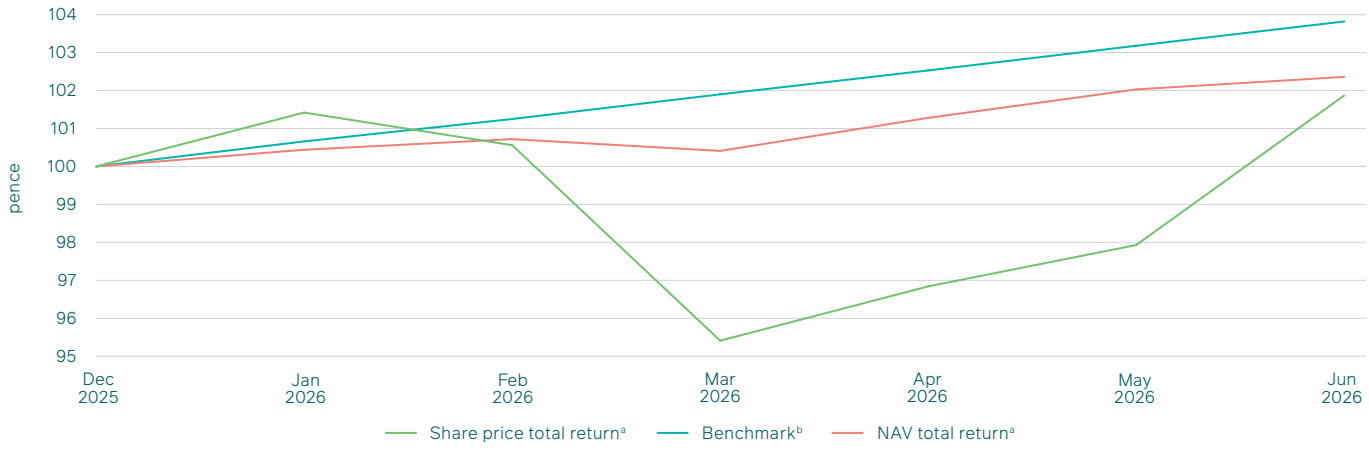
[a] Alternative performance measure. Please see pages 35 to 36 for further information.

[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)

Total NAV return was below the SONIA +4% benchmark, reflecting the portfolio's deliberately defensive positioning and the widening of the credit spreads following the escalation of the US-Iran conflict.

31 December 2025 = 100



[a] Alternative performance measure. Please see pages 35 to 36 for further information.

[b] SONIA +4%.

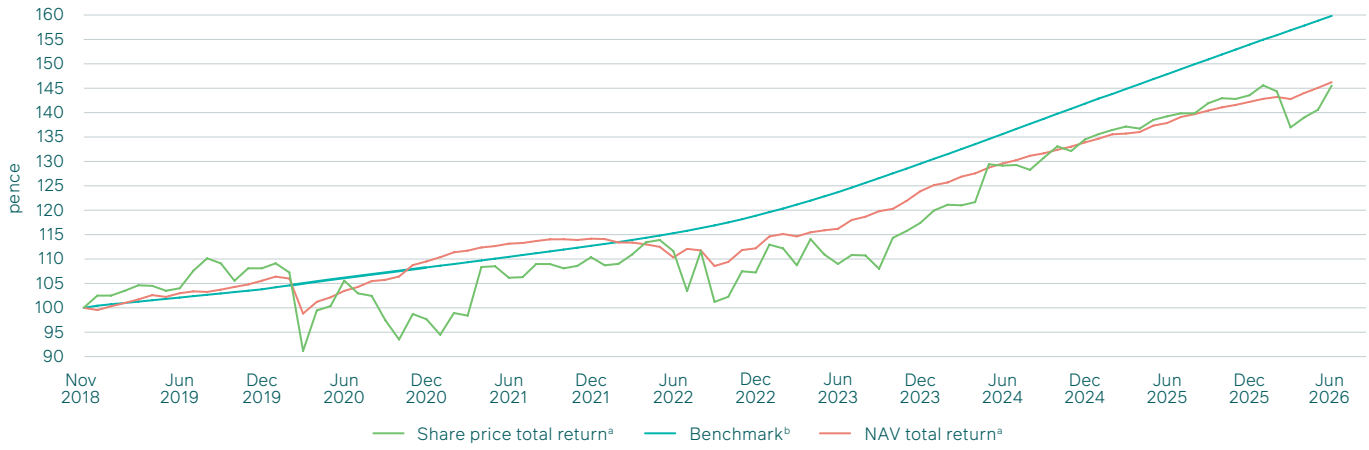
Source: M&G and Morningstar

Company highlights

Total return (since inception)

NAV per Ordinary Share has reduced since inception because the Company has paid out more in dividends than the portfolio has generated through income and capital returns.

14 November 2018 = 100



Calendar year NAV total return (%, pa)[a]	2025	2024	2023	2022	2021	2020	2019
M&G Credit Income Investment Trust	6.21%	8.08%	10.42%	(1.74)%	4.25%	3.75%	6.04%
Benchmark[b]	8.54%	9.50%	8.96%	5.47%	4.09%	4.32%	3.34%

Source: M&G and Morningstar, 30 June 2026

[a] Alternative performance measure. Please see pages 35 to 36 for further information.

[b] 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%.

Company highlights

Dividend yield

The Company's quarterly distribution policy has supported an attractive dividend yield across changing market conditions.



Source: Bloomberg as at 30 June 2026

Chairman's statement



- High demand has enabled your Company to issue 9.8 million Ordinary Shares between 1 January 2026 and 17 September 2026. We have today announced a proposed placing and retail offer of further Ordinary Shares.
- Your Company's portfolio offers considerable protection from rising interest rates while providing attractive income.

David Simpson
Chairman

Performance

Your Company delivered a NAV total return of 2.36% for the six months to 30 June 2026, compared to the benchmark of SONIA +4% which returned 3.82%. The Company outperformed investment grade fixed income indices such as the ICE BofA Sterling Corporate and Collateralised Index and the ICE BofA 1-3 Year BBB Sterling Corporate and Collateralised Index, which returned +0.96% and +1.69%, respectively. The Company's NAV total return also compared favourably with high yield markets, with the ICE BofA European Currency Non-Financial High Yield 2% Constrained Index returning +2.00%.

The Investment Manager continued to position the portfolio defensively as credit spreads remained close to historically tight levels which, in its opinion, did not adequately compensate investors for the range of macroeconomic, geopolitical and policy risks still present. Market conditions changed significantly over the half year. The first quarter was characterised by heightened volatility following the escalation of tensions involving Iran, an artificial intelligence-related sell off in software companies and adverse news about private credit in the US. This resulted in wider credit spreads and weaker market sentiment. However, as concerns over immediate energy supply disruption eased and investors refocused on resilient corporate fundamentals, credit spreads retraced much of their earlier widening during the second quarter.

In a tight credit spread environment, deploying capital in line with the Company's long-term return target can be challenging. However, during the period, the Investment Manager was able to benefit from the macroeconomic backdrop, using its flexibility to invest across asset classes, to rotate meaningfully out of public credit and into private credit, realising capital gains and improving the portfolio yield.

The Board continues to support the Investment Manager's approach, which seeks to balance near-term income generation with capital preservation and the flexibility to deploy capital when market conditions provide more compelling opportunities.

Share issuance, discount management and proposed fundraising

Demand for the Company's shares remained positive during the period, with a net 5.6 million Ordinary Shares issued. Following significant issuance in January and February, March's heightened market volatility saw the Ordinary Share price move briefly to a discount to NAV. In accordance with the Company's Zero Discount Policy, the Company recommenced share repurchases and bought back Ordinary Shares into Treasury. Encouragingly, the share price subsequently returned to a premium to NAV as market sentiment improved.

The Company's Ordinary Share price traded at an average premium to NAV of 0.3% during the period ended 30 June 2026. On 30 June 2026, the Ordinary Share price was 93.10p, representing a 1.8% premium to NAV as at that date. Since the period end, a further 4,175,000 Ordinary Shares have been issued.

Chairman's statement

Share issuance, discount management and proposed fundraising (continued)

Your Board remains committed to the Zero Discount Policy, which seeks to ensure that Ordinary Shares trade close to NAV in normal market conditions and supports liquidity for shareholders.

In light of current demand, we have today announced a proposed placing and retail offer of Ordinary Shares.

Dividends

Your board understands that regular income is a key consideration of many investors. Since inception, we have maintained a clear and transparent policy of paying attractive quarterly 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 2026. The Company paid dividends of 1.73p and 1.75p per Ordinary Share for the quarters to 31 March 2026 and 30 June 2026, respectively.

The Investment Manager continues to believe that an annual total return, and ultimately a dividend yield, of SONIA +4% remains achievable over the long term, although there can be no guarantee that this will be achieved in any individual year.

Outlook

The outlook for credit markets remains finely balanced. While global economic activity has proved resilient and financial markets have recovered from the volatility experienced earlier in the year, geopolitical risks remain elevated. The Middle East remains very unstable and energy markets are correspondingly volatile. Policymakers are trying to balance price stability against the risk of placing additional pressure on slowing economies, particularly in the UK and Europe.

Despite this backdrop, credit markets have demonstrated resilience. Following the spread widening seen during the first quarter, risk appetite recovered strongly and corporate credit spreads ended the period once again close to historically tight levels. This has been underpinned by supportive technical factors, including strong investor demand and well-supported primary issuance markets.

In this environment, the Investment Manager intends to maintain a disciplined and selective approach to capital allocation, prioritising assets that offer resilient income and more defensible cash flows. This positioning is not intended simply to reduce risk, but to preserve flexibility and enable the Company to deploy capital into more attractive opportunities when periods of volatility create improved entry points and more compelling prospective returns.

The Company remains well positioned for a range of market outcomes with a diversified portfolio, predominantly investment grade credit quality and access to M&G's extensive public and private credit capabilities. It has access to a fully undrawn £40 million revolving credit facility and there is approximately £40 million invested in high credit quality ABS funds, which can be redeployed efficiently should market dislocations occur.

Your Company's predominantly floating-rate portfolio and low duration offer considerable protection against interest rate rises compared to traditional fixed-income strategies. If interest rates stay higher for longer, shareholders also benefit from the higher income which is generated.

The Board believes that the Company is well placed to continue delivering attractive income while remaining ready to capitalise on opportunities as they emerge.

David Simpson
Chairman

18 September 2026

Investment manager's report



Key themes

- Credit remained expensive, supporting a cautious and defensive portfolio stance.
- Private credit deployment benefited from a deep and attractive opportunity set.
- Public market activity remained selective, disciplined and focused on relative value.
- Credit quality was maintained while preserving flexibility to add risk dynamically.

Adam English
M&G Alternatives Investment Management Limited

The first half of 2026 was dominated by geopolitical developments in the Middle East, evolving monetary policy expectations and continued strength in credit markets despite a more uncertain macroeconomic backdrop. The escalation of conflict between the US and Iran in late February triggered a sharp rise in energy prices and heightened concerns around inflation, global growth and supply chain disruption. Government bond yields moved higher as markets reassessed the path of future interest rates, while credit spreads widened during March. However, the move proved relatively modest given the scale of the geopolitical shock and was short-lived. Credit markets recovered during the second quarter as investors looked through near-term uncertainty, supported by resilient corporate fundamentals and strong demand for fixed income assets. By the end of June, both investment-grade and high-yield credit spreads had returned to levels close to their historic tights.

Against this backdrop, we maintained our deliberately defensive positioning, reflecting our view that public credit markets continue to offer limited compensation for the breadth of macroeconomic, geopolitical and policy risks facing investors. Despite periods of volatility, market technicals remained robust, with investor demand continuing to exceed new issuance supply across many areas of the credit market. While this has helped support valuations, we believe it leaves credit spreads vulnerable to future repricing should economic or geopolitical risks deteriorate.

Demand for the Company's shares remained strong at the beginning of the year, resulting in the issuance of 5.8 million ordinary shares up to the end of February. We deployed the proceeds, alongside existing liquidity, across both public and private markets, while continuing to focus on opportunities where we believed relative value remained attractive. During the period, approximately £15 million was invested into private credit opportunities spanning infrastructure, real estate, asset-backed finance and corporate lending transactions across Europe and the UK. These investments included exposure to operational data centre infrastructure, logistics real estate, infrastructure-backed receivables and a number of regulatory capital opportunities, an area where we continue to identify particularly attractive risk-adjusted returns.

Public market activity during the first half of 2026 remained highly selective, reflecting our view that spreads in many areas of the market offered limited value. Rather than increasing broad market exposure, we focused on identifying individual credits where internal research suggested risk was being mispriced and where there was potential for both attractive carry and further spread compression. Purchases were concentrated across investment-grade opportunities, structured credit and selectively chosen high-yield new issues, where spreads and risk-adjusted returns appeared attractive in the context of prevailing market valuations. Overall, public market activity was characterised by disciplined security selection, active trading and a

Investment manager's report

Investment manager's report (continued)

willingness to use the liquidity of public markets both to capture capital appreciation and to fund higher-conviction opportunities elsewhere in the portfolio.

As the year progressed, the portfolio also actively realised gains in a number of public bond holdings where spreads had tightened significantly from purchase levels, recycling capital into private opportunities where we identified more compelling relative value. As a result, portfolio yield increased during the period, while maintaining the portfolio's average investment-grade credit quality. The flexibility to allocate capital across both public and private markets remains one of the Company's key differentiators. In our opinion, relative value remains more attractive across many areas of private credit, where investors can earn an additional illiquidity premium compared with comparable publicly traded assets. This continued to drive our preference for private market deployment during the period and resulted in the portfolio finishing the half year once again predominantly invested in private assets.

Credit quality remained a key focus throughout the period. We continued to prioritise investments supported by resilient cashflows and strong underlying fundamentals. We believe this disciplined positioning is particularly important given the highly uncertain economic outlook, helping to preserve capital when market compensation is limited while retaining the flexibility to act dynamically and add risk meaningfully as more attractive entry points emerge.

We actively monitor the portfolio for signs of distress and currently have exposure to three issuers, amounting to 0.70% 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 the Company's latest published NAV. The funded private asset portion of the portfolio increased over the period to 52.44% from 46.42% at 31 December 2025, supported by a healthy pipeline of private credit opportunities. The portfolio also retains approximately 8% in illiquid publicly listed assets, which are intended to be held to maturity.

Outlook

Despite generally supportive market conditions, investors continue to face significant risks to the outlook for growth, inflation and interest rates. Ongoing tensions in the Middle East, together with the potential for further disruption to global energy markets and supply chains, present a meaningful risk to economic growth and inflation. To date, financial markets have remained relatively resilient, largely looking through the energy crisis during the spring and summer. However, a prolonged period of elevated energy prices is set to place renewed pressure on corporate profitability, weigh on consumer spending, and shift the forecast toward near-term interest rate hikes. This pressure is particularly acute in Europe and the UK, where economies face a higher exposure to imported energy costs.

Against this backdrop, the risk of more persistent inflation and a higher-for-longer interest-rate environment remains an important consideration for investors. The Company's predominantly floating-rate portfolio and low duration reduce sensitivity to interest rate movements relative to traditional fixed income strategies. This provides a degree of protection and resilience should rates remain elevated for longer than expected. In addition, the Company's SONIA-linked dividend target allows shareholders to continue benefiting from an elevated level of income while interest rates remain higher.

While many higher-quality companies remain well positioned to withstand a higher-rate environment, refinancing costs across the corporate sector have risen materially from the ultra-low-rate era. Although this is unlikely to result in widespread distress among investment-grade borrowers, it is likely to place greater pressure on weaker business models and highly leveraged issuers. Credit spreads remain close to

Investment manager's report

Outlook (continued)

historically tight levels and, in our view, offer limited protection against a deterioration in economic conditions, an escalation in geopolitical tensions or a broader repricing of risk assets. This supports our continued preference for higher-quality credit and defensive positioning, even where this means forgoing incremental yield. In this environment, borrower resilience, financial discipline and cash flow generation are increasingly important differentiators. Our focus remains firmly on bottom-up credit analysis, identifying issuers where we believe the market is mispricing risk and avoiding situations where prospective returns do not adequately compensate investors for the underlying credit exposure. This valuation-led approach has long been central to the Company's investment philosophy and is particularly relevant when market valuations leave little room for error.

In assessing the key risks over the coming quarters, it is also important to consider the broad impact of artificial intelligence (AI) across global industries. While the associated growth potential is considerable, the theme has expanded beyond US equity markets and is increasingly relevant across asset classes, including global credit markets. The scale of AI-related debt issuance is affecting pricing dynamics in fixed income, while the rapid expansion of AI infrastructure financing represents a significant shift in global capital allocation, transferring some technology-sector risk from equity markets into the broader fixed-income market. The Company has not participated in recent hyperscaler debt issuance on relative-value grounds and at present has limited exposure to AI-themed issuance. We continue to favour defensive corporate issuers supported by tangible assets and predictable free cash flow.

The Company's flexible mandate across public and private credit markets remains a key advantage in this environment. Supported by M&G's extensive credit research platform and longstanding presence in private markets, we can access a broad opportunity set and allocate dynamically to areas where we believe value is most compelling. This 'best of both worlds' approach enables the portfolio to benefit from the structural protections, stronger covenant packages and enhanced returns available in private credit, while public markets provide liquidity and the ability to reposition the portfolio efficiently as opportunities arise.

While the near-term outlook is likely to remain influenced by geopolitical developments and macroeconomic uncertainty, periods of volatility can create attractive opportunities for long-term investors. Should market dislocations emerge and credit spreads reprice to more attractive levels, the Company remains well positioned to deploy capital selectively where valuations become disconnected from underlying fundamentals. Consistent with our longstanding investment approach, we will continue to prioritise capital preservation, stable income generation and disciplined risk-taking, while remaining patient until prospective returns appropriately compensate for the risks undertaken.

M&G Alternatives Investment Management Limited
18 September 2026

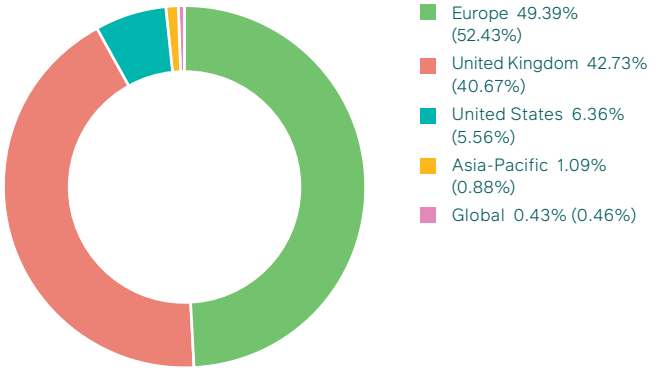
Portfolio analysis

Portfolio overview

As at	30 June 2026 %	31 December 2025 %
Cash on deposit	**0.64**	**3.00**
Public	**46.90**	**50.40**
Asset-backed securities	12.25	12.42
Bonds	13.13	14.10
Investment funds	21.52	23.88
Private	**52.44**	**46.42**
Asset-backed securities	2.36	2.34
Bonds	1.33	1.37
Equities	0.01	0.01
Investment funds	13.24	13.52
Loans	20.08	16.26
Private placements	1.21	1.24
Subordinated debt	0.08	0.08
Other	14.13	11.60
Derivatives	**0.02**	**0.18**
Debt derivatives	(0.03)	–
Forwards	0.05	0.18
Total	**100.00**	**100.00**

Source: State Street

Geographical exposure
Percentage of portfolio of investments as at 30 June 2026 (31 December 2025)*



* Excluding cash on deposit and derivatives.

Source: M&G and State Street as at 30 June 2026

Portfolio analysis

Credit rating breakdown

As at	30 June 2026 %	31 December 2025 %
Unrated	**0.11**	**0.27**
Equities	0.01	0.01
Derivatives	0.02	0.18
Subordinated Debt	0.08	0.08
Cash and investment grade	**75.75**	**78.80**
Cash on deposit	0.64	3.00
AAA	3.34	5.54
AA	21.83	3.28
AA-	0.46	19.03
A+	1.18	1.25
A	2.39	2.38
A-	3.01	2.54
BBB+	7.92	8.23
BBB	13.01	11.73
BBB-	11.64	11.27
M&G European Loan Fund (ELF) (see note)	10.33	10.55
Sub-investment grade	**24.14**	**20.93**
BB+	3.72	2.41
BB	4.61	2.84
BB-	2.41	3.10
B+	2.91	2.14
B	5.63	5.97
B-	0.97	0.50
CCC+	0.48	0.50
CCC	0.28	0.28
CC	0.16	0.16
D	0.06	0.06
M&G European Loan Fund (ELF) (see note)	2.91	2.97
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 2026 (31 December 2025)	Company description
M&G Investment Grade ABS Fund 18.18% (18.34%)	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 13.24% (13.52%)	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 3.34% (5.54%)	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 2.44% (2.45%)	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 1.50% (1.53%)	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)
Salisbury 2019-1 A FRN 1% 16/06/2027 1.48% (1.49%)	Floating-rate, mezzanine tranche in a regulated capital securitisation where the underlying portfolio is a diversified portfolio of UK small and medium enterprise ('SME') loans originated by Lloyds Bank. (Private)
Serenissima SPV 5.625% 30/06/2036 1.30% (1.38%)	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)
Salisbury 2022-1 A FRN 1% 17/04/2028 1.20% (0.28%)	Floating-rate, mezzanine tranche in a regulated capital securitisation where the underlying portfolio is a diversified portfolio of UK small and medium enterprise ('SME') loans originated by Lloyds Bank. (Private)
Amalfi SPV 5.822% 30/06/2037 1.19% (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 Southern Italy. (Private)
Finance for Residential Social Housing 8.369% 04/10/2058 1.13% (0.50%)	High grade (AA+/Aa2), fixed-rate bond backed by cash flows from housing association loans. (Public)
Sage AR Funding 1% 18/08/2038 1.06% (n/a)	Floating-rate, mezzanine tranche in a CMBS backed by a portfolio of social housing units owned by Sage Rented Limited. (Public)
Totem Aries-7M Incorporated Cell 3.5% 27/01/2034 1.06% (1.06%)	Floating-rate, mezzanine tranche in a regulated capital securitisation where the underlying portfolio is Asset Backed Lending and Super Senior Facilities to US corporates. (Private)
Ford Motor Credit 6.184% 29/08/2031 1.03% (1.05%)	Fixed-rate bond issued by Ford Motor Credit Company LLC providing automotive financing services through Ford and Lincoln dealerships. (Public)

Portfolio analysis

Percentage of portfolio of investments[a] As at 30 June 2026 (31 December 2025)	Company description
Project Energy from Waste UK Var. Rate 29/11/2041 1.00% (1.04%)	Floating-rate, senior secured infrastructure loan funding the design, build, maintain, operate and finance contract of a residual waste treatment facility. (Private)
Income Contingent Student Loans 1 2002-2006 FRN 2.76% 24/07/2056 0.97% (0.98%)	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 28/11/2026 0.97% (0.93%)	Floating-rate loan secured against 2 large commercial premises in London, currently leased to 2 FTSE listed UK corporations. (Private)
AG Beltane Park Street Propco Limited 1% 19/10/2029 0.94% (n/a)	Senior secured, real estate term and capex loan secured by a prime London office property. (Private)
Romeo and Juliet 1% 29/04/2029 0.92% (n/a)	Senior secured, real estate term loan backed by a portfolio of existing urban logistics assets in hubs across the Netherlands and Belgium. (Private)
CPUK Finance Limited 6.136% 28/02/2047 0.88% (0.56%)	Fixed coupon, 1st lien bond issued by the financing vehicle used to back the UK operations of the popular short-break holiday resort company, Center Parcs UK. (Public)
Millshaw SAMS No. 1 Var. Rate 15/06/2054 0.87% (0.94%)	Floating-rate, single tranche of an RMBS backed by shared-appreciation mortgages. (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. At least 70% of the portfolio is invested in investment grade assets. The private debt part of the portfolio includes debt instruments, which are primarily Illiquid, floating rate, and typically purchased 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 portfolio is invested in quoted debt instruments, cash and cash equivalents, which are more liquid and can be traded to capitalise on favourable market conditions. This portion of the portfolio includes fixed-rate instruments, which are typically hedged to protect the portfolio from adverse interest rate fluctuations. Returns from this segment are generated from a combination of Interest income and capital movements, offering a more flexible and opportunistic approach to achieving growth.

Overall, the Company maintains a balanced portfolio of public and private credit, designed to deliver reliable income and potential capital gains while managing risk.

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

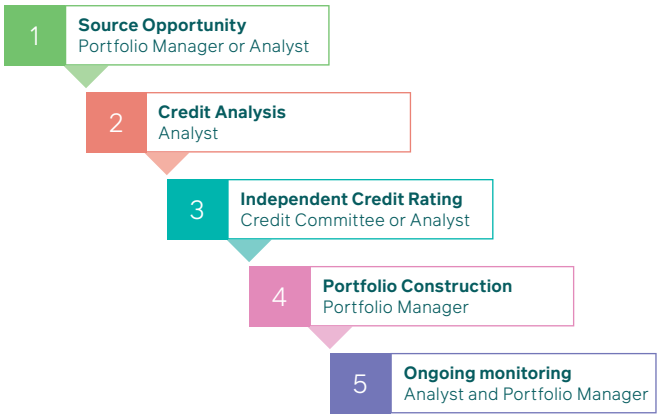
Investment process (continued)

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 redeem 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, consideration is given to sustainability risks, as set out in more detail on pages 35 to 36 of the Annual Report and audited Financial Statements for the year ended 31 December 2025.

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) issues

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 ESG standards covered by the delegated Investment Manager's house policies. Further details are provided in the 'Sustainability risk and investment process' section on pages 35 to 36 of the Annual Report and audited Financial Statements for the year ended 31 December 2025.

Interim management report and statement of directors' responsibilities

Interim management report

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal factors that could impact the remaining six months of the financial period are set out in the Chairman's statement and the Investment manager's report on pages 6 to 10.

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);
- Geopolitical 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 2025, which can be found in the Strategic Report on pages 18 to 23 and in note 13 on pages 98 to 104 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 £65,332,000 (30 June 2025: £55,442,000) and represented 34.76% (30 June 2025: 33.62%) of the Company's investment portfolio.

The Directors of the Company are related parties. The Chairman receives an annual fee of £52,000, the Chairman of the Audit Committee receives an annual fee of £45,500 and each non-executive Director receives an annual fee of £39,500.

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 2026 and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the period; and
    b. DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place during the six months ended 30 June 2026 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 18 September 2026 and the above responsibility statement was signed on its behalf by:

David Simpson
Chairman

18 September 2026

Condensed financial statements (unaudited)

Condensed income statement

	Note	Six months ended 30 June 2026 (unaudited) Revenue £'000	Capital £'000	Total £'000	Six months ended 30 June 2025 (unaudited) Revenue £'000	Capital £'000	Total £'000	Year ended 31 December 2025 (audited) Revenue £'000	Capital £'000	Total £'000
Net (losses)/gains on investments	6	–	(690)	(690)	–	(693)	(693)	–	645	645
Net gains on derivatives	6	–	261	261	–	642	642	–	176	176
Net currency (losses)/gains		34	(223)	(189)	(318)	295	(23)	(141)	215	74
Income	3	6,156	–	6,156	5,510	–	5,510	11,546	–	11,546
Investment management fee		(671)	–	(671)	(544)	–	(544)	(1,188)	–	(1,188)
Other expenses		(440)	–	(440)	(378)	–	(378)	(752)	–	(752)
Net return on ordinary activities before finance costs and taxation		**5,079**	**(652)**	**4,427**	**4,270**	**244**	**4,514**	**9,465**	**1,036**	**10,501**
Finance costs	4	(96)	–	(96)	(54)	–	(54)	(128)	–	(128)
Net return on ordinary activities before taxation		**4,983**	**(652)**	**4,331**	**4,216**	**244**	**4,460**	**9,337**	**1,036**	**10,373**
Taxation on ordinary activities		–	–	–	–	–	–	–	–	–
Net return attributable to Ordinary Shareholders after taxation		**4,983**	**(652)**	**4,331**	**4,216**	**244**	**4,460**	**9,337**	**1,036**	**10,373**
Net return per Ordinary Share (basic and diluted)	**2**	**2.43p**	**(0.32)p**	**2.11p**	**2.61p**	**0.15p**	**2.76p**	**5.28p**	**0.59p**	**5.87p**

The total columns of this statement represent 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 25 to 34 form an integral part of these condensed financial statements.

Condensed financial statements (unaudited)

Condensed statement of financial position

	Note	As at 30 June 2026 (unaudited)		As at 30 June 2025 (unaudited)		As at 31 December 2025 (audited)	
		£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets							
Investments at fair value through profit or loss	6		186,692		160,098		179,367
Current assets							
Derivative financial assets held at fair value through profit or loss	6	139		139		349	
Receivables	7	2,219		3,780		2,032	
Cash and cash equivalents	7	2,306		6,642		6,520	
		4,664		**10,561**		**8,901**	
Current liabilities							
Derivative financial liabilities held at fair value through profit or loss	6	(107)		(304)		(14)	
Payables	7	(3,238)		(719)		(2,487)	
		(3,345)		**(1,023)**		**(2,501)**	
Net current assets			**1,319**		**9,538**		**6,400**
Net assets			**188,011**		**169,636**		**185,767**
Capital and reserves							
Called up share capital	8		2,058		1,808		1,999
Share premium			98,652		75,925		93,231
Special distributable reserve			84,406		89,496		86,906
Capital reserve	8		499		359		1,151
Revenue reserve			2,396		2,048		2,480
Total shareholders' funds			**188,011**		**169,636**		**185,767**
Net Asset Value per Ordinary Share (basic and diluted)	**2**		**91.47p**		**93.83p**		**92.91p**

The notes on pages 25 to 34 form an integral part of these condensed financial statements.

Approved and authorised for issue by the Board of Directors on 18 September 2026 and signed on its behalf by:

David Simpson
Chairman

Company registration number: 11469317

18 September 2026

Condensed financial statements (unaudited)

Condensed statement of changes in equity

Six months ended 30 June 2026 (unaudited)	Note	Called up Ordinary Share capital £'000	Share premium £'000	Special distributable reserve[a] £'000	Capital reserve[a] £'000	Revenue reserve[a] £'000	Total £'000
Balance at 31 December 2025		**1,999**	**93,231**	**86,906**	**1,151**	**2,480**	**185,767**
Ordinary Shares issued during the period		59	5,421	–	–	–	5,480
Purchase of Ordinary Shares to be held in treasury		–	–	(224)	–	–	(224)
Net return attributable to shareholders		–	–	–	(652)	4,983	4,331
Dividends paid	5	–	–	(2,276)	–	(5,067)	(7,343)
Balance at 30 June 2026		**2,058**	**98,652**	**84,406**	**499**	**2,396**	**188,011**

Six months ended 30 June 2025 (unaudited)	Note	Called up Ordinary Share capital £'000	Share premium £'000	Special distributable reserve[a] £'000	Capital reserve[a] £'000	Revenue reserve[a] £'000	Total £'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**

Year ended 31 December 2025 (audited)	Note	Called up Ordinary Share capital £'000	Share premium £'000	Special distributable reserve[a] £'000	Capital reserve[a] £'000	Revenue reserve[a] £'000	Total £'000
Balance at 31 December 2024		**1,472**	**44,615**	**91,541**	**115**	**2,252**	**139,995**
Ordinary Shares issued during the year		527	49,119	–	–	–	49,646
Net return attributable to shareholders		–	–	–	1,036	9,337	10,373
Prospectus issuance costs		–	(503)	–	–	–	(503)
Dividends paid	5	–	–	(4,635)	–	(9,109)	(13,744)
Balance at 31 December 2025		**1,999**	**93,231**	**86,906**	**1,151**	**2,480**	**185,767**

[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 30.

The notes on pages 25 to 34 form an integral part of these condensed financial statements.

Condensed financial statements (unaudited)

Condensed cash flow statement

	Note	Six months ended 30 June 2026 (unaudited) £'000	Six months ended 30 June 2025 (unaudited) £'000	Year ended 31 December 2025 (audited) £'000
Cash flows from operating activities				
Net return before finance costs and taxation[a]		4,427	4,514	10,501
Adjustments for:				
Net losses/(gains) on investments	6	690	693	(645)
Net gains on derivatives	6	(261)	(642)	(176)
Net currency losses/(gains)		189	23	(74)
Increase in receivables		(197)	(73)	(162)
(Decrease)/increase in payables		(40)	(187)	204
Purchases of investments[b]	6	(25,987)	(36,547)	(67,392)
Sales of investments[b]	6	19,337	11,354	25,472
Net cash outflow from operating activities		**(1,842)**	**(20,865)**	**(32,272)**
Financing activities				
Finance costs	4	(96)	(54)	(128)
Ordinary Shares issued during the period/year		5,480	30,602	49,646
Purchase of Ordinary Shares to be held in treasury		(224)	–	–
Professional fee (issue of new prospectus)		–	–	(503)
Dividends paid	5	(7,343)	(6,465)	(13,744)
Net cash (outflow)/inflow from financing activities		**(2,183)**	**24,083**	**35,271**
(Decrease)/Increase in cash and cash equivalents		**(4,025)**	**3,218**	**2,999**
Cash and cash equivalents at the start of the period/year		6,520	3,447	3,447
Effect of foreign exchange rates		(189)	(23)	74
(Decrease)/Increase in cash and cash equivalents as above		(4,025)	3,218	2,999
Cash and cash equivalents at the end of the period/year	**7**	**2,306**	**6,642**	**6,520**

[a] Cash inflow from interest was £4,259,884 (30 June 2025: £3,846,649) and cash outflow from interest was £nil (30 June 2025: £273).

[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 2025 (audited) £'000	Cash flows £'000	Effect of foreign exchange rates £'000	As at 30 June 2026 (unaudited) £'000
Cash and cash equivalents					
Cash and cash equivalents	7	6,520	(189)	(4,025)	2,306
		6,520	**(189)**	**(4,025)**	**2,306**

The notes on pages 25 to 34 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 December 2025 '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 2025.

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 2026	Six months ended 30 June 2025	Year ended 31 December 2025
Revenue return			
Revenue return attributable to Ordinary Shareholders (£'000)	4,983	4,216	9,337
Weighted average number of shares in issue during the period/year	204,959,625	161,411,255	176,856,810
Revenue return per Ordinary Share (basic and diluted)	2.43p	2.61p	5.28p
Capital return			
Capital return attributable to Ordinary Shareholders (£'000)	(652)	244	1,036
Weighted average number of shares in issue during the period/year	204,959,625	161,411,255	176,856,810
Capital return per Ordinary Share (basic and diluted)	(0.32)p	0.15p	0.59p
Net return			
Net return per Ordinary Share (basic and diluted)	2.11p	2.76p	5.87p
NAV per Ordinary Share			
Net assets attributable to Ordinary Shareholders (£'000)	188,011	169,636	185,767
Number of shares in issue at period/year end	205,543,740	180,793,740	199,943,740
NAV per Ordinary Share	91.47p	93.83p	92.91p

Condensed financial statements (unaudited)

Notes to the condensed financial statements (continued)

3 Income

	Six months ended 30 June 2026 £'000	Six months ended 30 June 2025 £'000	Year ended 31 December 2025 £'000
Income from investments			
Interest income from debt instruments	4,397	3,947	8,189
Distributions from investment funds	1,492	1,364	2,899
Management fee rebate	125	87	207
	6,014	**5,398**	**11,295**
Other income			
Interest from cash and cash equivalents	77	82	206
Other income	65	30	45
	6,156	**5,510**	**11,546**

4 Finance costs

	Six months ended 30 June 2026 £'000	Six months ended 30 June 2025 £'000	Year ended 31 December 2025 £'000
Commitment fee	60	37	85
Arrangement fees	20	12	29
Legal fees	16	5	14
	96	**54**	**128**

On 19 October 2020 the Company entered into a £25 million revolving credit facility agreement with State Street Bank International GmbH. On 13 October 2025, the Company renewed the credit facility. Under the renewed agreement, the total commitment was increased to £40 million, with a termination date of 12 October 2026.

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 2026 no amounts were drawn down (30 June 2025: £nil).

Condensed financial statements (unaudited)

Notes to the condensed financial statements (continued)

5 Dividends

	Six months ended 30 June 2026 £'000	Six months ended 30 June 2025 £'000	Year ended 31 December 2025 £'000
Revenue			
2024 fourth interim interest distribution of 1.53p	–	2,304	2,304
2025 first interim interest distribution of 1.25p	–	2,116	2,116
2025 second interim interest distribution of 1.13p	–	–	2,114
2025 third interim interest distribution of 1.32p	–	–	2,575
2025 fourth interim interest distribution of 1.20p	2,456	–	–
2026 first interim interest distribution of 1.27p	2,611	–	–
	5,067	**4,420**	**9,109**
Capital			
2024 fourth interim dividend distribution of 0.56p	–	843	843
2025 first interim dividend distribution of 0.71p	–	1,202	1,202
2025 second interim dividend distribution of 0.79p	–	–	1,478
2025 third interim dividend distribution of 0.57p	–	–	1,112
2025 fourth interim dividend distribution of 0.65p	1,331	–	–
2026 first interim dividend distribution of 0.46p	945	–	–
	2,276	**2,045**	**4,635**

On 21 July 2026 the Board declared a second interim dividend of 1.75p per Ordinary Share for the year ended 31 December 2026, which was paid on 21 August 2026 to Ordinary Shareholders on the register on 31 July 2026. The ex-dividend date was 30 July 2026.

In accordance with FRS 102, Section 32, 'Events After the End of the Reporting Period', the 2026 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 2026 £'000	As at 30 June 2025 £'000	As at 31 December 2025 £'000
Opening valuation	**179,702**	**135,427**	**135,427**
Analysis of transactions made during the period/year			
Purchases at cost	26,778	36,712	68,934
Sale proceeds	(19,327)	(12,155)	(25,480)
(Losses)/gains on investments	(429)	(51)	821
Closing valuation	**186,724**	**159,933**	**179,702**
Closing cost	187,985	163,303	179,693
Closing investment holding (losses)/gains	(1,261)	(3,370)	9
Closing valuation	**186,724**	**159,933**	**179,702**

The Company received £19,327,000 from investments sold in the six-month period ended 30 June 2026 (30 June 2025: £12,155,000). The book cost of these investments when they were purchased was £18,486,000 (30 June 2025: £11,488,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments. Transaction costs on purchases during the period amounted to £96 (30 June 2025: £78) and transaction costs on sales during the period amounted to £96 (30 June 2025: £99).

	As at 30 June 2026 £'000	As at 30 June 2025 £'000	As at 31 December 2025 £'000
(Losses)/gains on investments			
Net (losses)/gains on investments	(690)	(693)	645
Net gains on derivatives	261	642	176
Net (losses)/gains on investments	**(429)**	**(51)**	**821**

	As at 30 June 2026 £'000	As at 30 June 2025 £'000	As at 31 December 2025 £'000
Closing valuation			
Investments at fair value through profit or loss	186,692	160,098	179,367
Derivative financial assets/(liabilities) held at fair value through profit or loss	32	(165)	335
Closing valuation	**186,724**	**159,933**	**179,702**

Condensed financial statements (unaudited)

Notes to the condensed financial statements (continued)

7 Receivables, cash and cash equivalents and payables

	As at 30 June 2026 £'000	As at 30 June 2025 £'000	As at 31 December 2025 £'000
Receivables			
Amount receivable from Ordinary Shares issued	–	1,044	–
Sales for future settlement	12	815	22
Accrued income	2,055	1,852	1,824
Prepaid expenses	28	20	65
Management fee rebate	124	49	121
Total receivables	**2,219**	**3,780**	**2,032**
Cash and cash equivalents			
Cash at bank	943	1,473	892
Amounts held at futures clearing houses	162	169	67
Cash on deposit	1,201	5,000	5,561
Total cash and cash equivalents	**2,306**	**6,642**	**6,520**
Payables			
Purchases for future settlement	2,333	165	1,542
Expenses payable	234	246	294
Management fee payable	650	276	624
Other payables	21	32	27
Total payables	**3,238**	**719**	**2,487**

Condensed financial statements (unaudited)

Notes to the condensed financial statements (continued)

8 Called up share capital

	As at 30 June 2026		As at 30 June 2025		As at 31 December 2025	
	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	199,943,740	1,999	147,195,771	1,472	147,195,771	1,472
Ordinary Shares issued during the period/year	5,850,000	59	33,597,969	336	52,747,969	527
Purchase of Ordinary Shares held in treasury	(250,000)	(3)	–	–	–	–
Ordinary Shares in issue at the end of the period/year	**205,543,740**	**2,055**	**180,793,740**	**1,808**	**199,943,740**	**1,999**
Treasury Shares (Ordinary Shares of 1p)						
Treasury Shares at the beginning of the period/year	–	–	–	–	–	–
Purchase of Ordinary Shares held in treasury	250,000	3	–	–	–	–
Treasury Shares at the end of the period/year	**250,000**	**3**	**–**	**–**	**–**	**–**
Total Ordinary Shares in issue and in treasury at the end of the period/year	**205,793,740**	**2,058**	**180,793,740**	**1,808**	**199,943,740**	**1,999**

The analysis of the capital reserve is as follows:

	Six months ended 30 June 2026			Six months ended 30 June 2025			Year ended 31 December 2025		
	Realised capital reserve £'000	Investment holding gains and losses £'000	Total capital reserve £'000	Realised capital reserve £'000	Investment holding gains and losses £'000	Total capital reserve £'000	Realised capital reserve £'000	Investment holding gains and losses £'000	Total capital reserve £'000
Capital reserve at the beginning of the period/year	1,142	9	1,151	2,767	(2,652)	115	2,767	(2,652)	115
Gains/(losses) on realisation of investments at fair value	841	–	841	667	–	667	(1,840)	–	(1,840)
Realised currency (losses)/gains during the period/year	(223)	–	(223)	295	–	295	215	–	215
Movement in unrealised (losses)/gains	–	(1,270)	(1,270)	–	(718)	(718)	–	2,661	2,661
Capital reserve at the end of the period/year	**1,760**	**(1,261)**	**499**	**3,729**	**(3,370)**	**359**	**1,142**	**9**	**1,151**

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 £65,332,000 (30 June 2025: £55,442,000) and represented 34.76% (30 June 2025: 33.62%) of the Company's investment portfolio. The income earned from these investments of £1,492,000 (30 June 2025: £1,364,000) is included in note 3. Amounts receivable at the balance sheet date of £327,000 (30 June 2025: £386,000) are included within 'Accrued income' under 'Receivables' in note 7. The total purchase costs of these investments was £nil (30 June 2025: £18,002,000) and the total sales amounted to £4,000,000 (30 June 2025: £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 18.

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 2026				As at 30 June 2025				As at 31 December 2025			
	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	–	–	7	7	1	–	–	1	–	–	10	10
Warrants	–	–	3	3	–	–	3	3	–	–	3	3
Debt Instruments	–	47,841	73,509	121,350	–	41,048	63,604	104,652	–	45,090	64,975	110,065
Investment in funds	–	65,332	–	65,332	–	55,442	–	55,442	–	69,289	–	69,289
Derivatives – Forwards	–	139	–	139	–	139	–	139	–	336	–	336
Derivatives – Futures	–	–	–	–	–	–	–	–	13	–	–	13
Financial liabilities at FVTPL				–								
Derivatives – Forwards	–	(44)	–	(44)	–	(243)	–	(243)	–	(3)	–	(3)
Derivatives – Futures	(63)	–	–	(63)	(61)	–	–	(61)	(11)	–	–	(11)
Net fair value	**(63)**	**113,268**	**73,519**	**186,724**	**(60)**	**96,386**	**63,607**	**159,933**	**2**	**114,712**	**64,988**	**179,702**

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 £54,365,000 (30 June 2025: £33,659,000) representing 29.1% (30 June 2025: 21.0%) 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 £15,606,000 (30 June 2025: £11,789,000) representing 8.4% (30 June 2025: 7.4%) 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, including inventory. The market value of these investments was £415,000 (30 June 2025: £910,000) representing 0.2% (30 June 2025: 0.6%) of the portfolio of investments.

Condensed financial statements (unaudited)

Notes to the condensed financial statements (continued)

Some investments are valued using a scenario analysis, whereby various scenarios are run to generate exit values for the business, with inputs including recovery values on the collateral and time to exit. The market value of these investments was £680,000 (30 June 2025: £nil) representing 0.4% (30 June 2025: 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 2026. The market value of these investments was £2,450,000 (30 June 2025: £3,126,000) representing 1.3% (30 June 2025: 2.0%) of the portfolio of investments.

One investment (warrant) is valued using Black-Scholes Model, which estimates the theoretical value of an option based on inputs such as the strike price, the current stock price (in this case the valuation from the most recent funding round) and volatility rates. The market value of these investments was £3,000 (30 June 2025: £3,000) representing 0.00% (30 June 2025: 0.00%) of the portfolio of investments.

Some private senior floating rate loans were valued at par and were monitored to ensure this represents fair value for these instruments. On a monthly basis these instruments were assessed to understand whether there was any evidence of valuation movements, including impairment or any upcoming refinancing. The market value of these investments was £nil (30 June 2025: £13,502,000) representing nil (30 June 2025: 8.4%) of the portfolio of investments.

One loan valued on this basis within the portfolio was priced below par and in line with observable broker quotes for the loan. The market value of this investment was £nil (30 June 2025: £618,000) representing nil (30 June 2025: 0.4%) of the portfolio of investments.

11 Capital commitments

There were outstanding unfunded investment commitments of £813,000 (30 June 2025: £297,000) at the period end.

	As at 30 June 2026 £'000	As at 30 June 2025 £'000	As at 31 December 2025 £'000
Cityfibre Infrastructure Holding Ltd Var. Rate 6 Jun 2031	356	–	470
HQ Pack B.V. Var. Rate 27 Aug 2029	295	–	–
Kee Safety Var. Rate 31 Mar 2032	125	–	159
Pinebridge Benson Elliot LLP Var. Rate 14 Aug 2026	37	297	182
	813	**297**	**811**

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 2026 and 30 June 2025 has not been reviewed or audited by the Company's auditors.

The figures and financial information for the year ended 31 December 2025 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.

Condensed financial statements (unaudited)

Notes to the condensed financial statements (continued)

13 Post Balance Sheet Events

On 18 September 2026, the Company announced a proposed placing and a retail offer of Ordinary Shares in the Company. The retail offer will be undertaken via the Winterflood Retail Access Platform (the 'WRAP Retail Offer').

Company information

Directors (all non-executive)
David Simpson (Chairman)
Richard Boléat (Chairman of the Audit Committee)
Barbara Powley (retired 20 May 2026)
Jane Routledge (Senior Independent Director)
Christiane Elsenbach (appointed 26 February 2026)

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

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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**

Depositary
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

The ongoing charges figure has been prepared in accordance with guidance issued by the Association of Investment Companies. It is calculated by taking the Company's ongoing expenses (representing the total of the investment management fee and other expenses, excluding non-recurring items, certain finance costs and the cost of buying back or issuing shares), expressed as a percentage of the average net assets of the Company over the reporting period/year.

	Six months ended 30 June 2026 £'000	Year ended 31 December 2025 £'000
Ongoing charges are calculated with reference to the following figures:		
Investment management fee	671	1,188
Other expenses[a]	500	837
Total expenses for the period/year	1,171	2,025
Annualised expenses	**2,201**	**1,966**
Average net assets over the period/year	**187,598**	**167,342**
Ongoing charges figure	1.17%	1.18%

[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 2026	Year ended 31 December 2025
Opening share price	95.0p	96.6p
Dividends paid	3.58p	7.86p
Effect of dividend reinvested	0.10p	0.25p
Closing share price	93.1p	95.0p
Adjusted closing share price	96.8p	103.1p
Share price total return	1.9%	6.7%

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 2026	Year ended 31 December 2025
Opening NAV per share	92.91p	95.11p
Dividends paid	3.58p	7.86p
Effect of dividend reinvested	0.05p	0.24p
Closing NAV per share	91.47p	92.91p
Adjusted closing NAV per share	95.10p	101.01p
NAV total return	2.4%	6.2%

Dividend yield

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

	Six months ended 30 June 2026	Year ended 31 December 2025
Dividends declared per Ordinary Share[a]	7.22p	7.62p
Ordinary Share price	93.1p	95.0p
Dividend yield	7.8%	8.0%

[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 has been prepared in accordance with guidance issued by the Association of Investment Companies. It is calculated by taking the Company's ongoing expenses (representing the total of the investment management fee and other expenses, excluding non-recurring items, certain finance costs and the cost of buying back or issuing shares), expressed as a percentage of the average net assets of the Company over the reporting year.

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.

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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.

M&G Investments