

# EJF Investments Limited

## FACTSHEET

### Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019 Monthly Performance (inclusive of dividends) (%)	0.35	0.41	1.77	5.61									8.30
2018 Monthly Performance (inclusive of dividends) (%)	8.28	0.70	0.12	2.70	2.10	1.62	0.50	2.39	0.08	0.32	0.22	(1.13)	19.08
2017 Monthly Performance (inclusive of dividends) (%)		2.96	3.65	0.24	2.85	0.34	0.90	1.37	0.54	4.92	0.59	2.53	23.47

### Company Overview

EJF Investments Ltd (together with its subsidiaries, "EJFI" or the "Company") is a closed-ended investment company investing in opportunities created in the U.S. banking and insurance sectors by regulatory and structural changes impacting the financial services sector. The Company seeks to generate risk adjusted shareholder returns by investing in a diversified portfolio of long-term, cash-flow generating assets, which may include structured debt and equity, loans, bonds, preference shares, convertible notes and private equity, in both cash and synthetic formats issued by entities domiciled in the U.S and Europe.

### Target Investments

The Company seeks to achieve its investment objective primarily by investing in assets that have been impacted by regulatory and structural changes to the finance industry. These target investments consist primarily of: (a) Securitization and Related Investments; and (b) Specialty Finance Investments.

### Manager Monthly Commentary

**NAV:** EJFI's April 2019 NAV was £122.2 million or GBP190 per share, representing a monthly gain of 5.61%, resulting in a year-to-date total return of 8.30%.

**Market:** April saw 15 deals being announced which brought the number of US bank transactions to 67 year-to-date. The median P/TBV for deal valuations was 156.3%. This compares to an April 2018 P/TBV of 177.2%, or a decrease of 20.9% year-over-year. We continue to believe that we will see an elevated amount of M&A activity in the near term due to the changing regulatory environment and continued positive banking trends. Elsewhere, earnings season is now over for the majority of the banks in the Company's CDO portfolio. The first quarter loan growth was seasonally slower, but overall credit remained robust and there was some positive commentary that deposit competition is starting to ease.

**Portfolio Activity:** The Company's investment in the equity tranche of TruPS Financials Note Securitization 2017-1 Ltd ("TFINS 2017-1") was redeemed in April 2019. The underlying collateral was contributed at a significant discount at origination and the redemption realised a total return of £8.9 million for the Company. The Company recognised a significant portion of this return last month as a result of the TFINS 2017-1 call becoming probable and realised the remainder, approximately £5.8 million, in April upon redemption. In March and April, the value of the Company's interest in the CDO Manager was reduced, since the CDO Manager will no longer collect future collateral management fees from TFINS 2017-1. We believe the redemption of TFINS 2017-1 demonstrates the Company's ability to benefit from the continued strengthening of the U.S. community banking system.

**Pipeline:** The Company continues to evaluate several pipeline opportunities consistent with its investment mandate.

**Dividend:** In April, the Directors of EJFI declared a dividend of 2.675p per share in respect of the quarter ended 31 March 2019. The dividend is payable to shareholders on the register as at close of business on 10 May 2019, and the corresponding ex-dividend date was 9 May 2019. Payment will be made on or around 7 June 2019.

Based on the Company's 30 April 2019 unaudited financials.

Your attention is drawn to the disclaimer (Important Disclosure) that begins on the second page of this document. Past performance is not indicative of future results, and there can be no assurance that EJFI will achieve comparable results, will meet its target returns, achieve its investment objectives or be able to implement its investment strategy.

### EJFI Key Facts (at 30 April 2019)

Ticker Symbol	EJFI LN
NAV/Share	GBP190 (\$2.48 equivalent)
Share Price	GBP184
Share Price Premium/(Discount) to NAV	(3.2)%
EJFI NAV	£122.2 million
Market Cap	£118.1 million
Gross Asset Value	£140.5 million <sup>1</sup>
Target Return <sup>2</sup>	8%-10% total return
Quarterly Dividend <sup>2</sup>	GBP2.675 per share (6.0% p.a. yield <sup>2</sup> )
Currency <sup>3</sup>	GBP (hedged)
Manager	EJF Investments Manager LLC (the "Manager")
ZDP Shares	Ticker: EJFZ LN Number of Shares: 15 million Maturity: December 2022 Capital Entitlement: GBP132.25 per share GRY: 5.75%

<sup>1</sup>The Gross Asset Value of EJFI which includes the net asset value of underlying subsidiaries less any intercompany debtors.

<sup>2</sup>The Company is targeting an annual dividend of 10.7 pence per share for the financial year to 31 December 2019, to be distributed evenly in four quarterly payments. The Company may pay a special dividend in excess of this amount, at the Board's discretion.

<sup>3</sup>The Company's base currency is denominated in GBP, though all of the Company's investments are currently in USD. These investments are hedged to reduce NAV volatility arising from exchange rate movements and necessitate margin to be posted to collateralise any negative mark-to-market movement of the hedge instruments.

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## FACTSHEET

### Existing Portfolio Description<sup>1,2</sup>

#### Securitisations & Related Investments

- £67.3 million investment in the equity tranches of five securitisations sponsored by EJF Capital LLC<sup>4</sup>
- £10.3 million investment in EJF CDO Manager LLC (49% ownership interest)
- £8.2 million investment in portfolio of TruPS CDO securities
- £5.8 million investment in U.S. bank sub debt eligible for future securitisation

#### Specialty Finance Investments

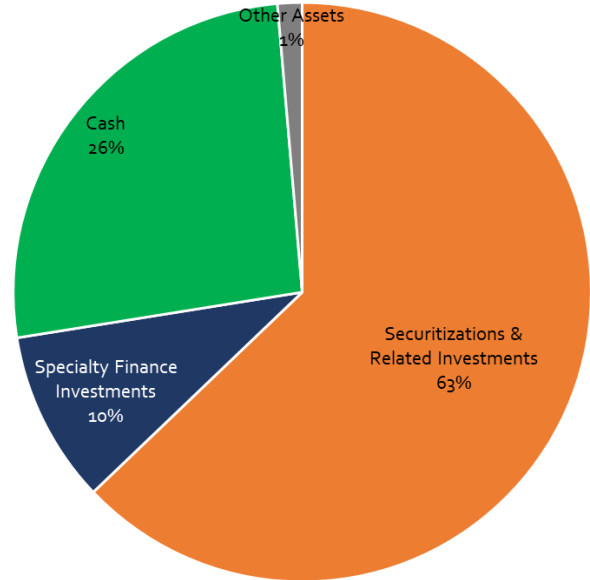
- £8.2 million investment in a bridge loan to an affiliate of a publicly listed insurer
- £5.8 million investment in portfolio of high interest rate loans to U.S. law firms engaged in mass tort litigation

#### Cash

- £30.9 million unrestricted cash<sup>4</sup>
- £7.2 million restricted cash<sup>3</sup>

#### Other Assets

- £2.0 million of other assets



1. Based on the Company's 30 April 2019 unaudited financials.
2. The portfolio includes proceeds of £5.2 million obtained through a repurchase agreement entered into in respect of a single TruPS CDO security.
3. Restricted cash position is related to the foreign currency hedges and net of the -£1.5 million mark-to-market valuation of derivative open positions.
4. Adjusted for the cash distribution of approximately £17.6 million from EJF Investments LP, on realisation of TFINS 2017-1, that occurred at the beginning of May.

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### IMPORTANT DISCLOSURE

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## FACTSHEET

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Although the portfolio reflected in this document (the "Portfolio") is consistent with the investment strategy of the Company, there is no guarantee that the portfolio acquired will be identical to the make-up of the Portfolio. Moreover, the future investments to be made by the Company may differ substantially from the investments included in the Portfolio. Therefore, the Portfolio parameters, and other factors related to the Portfolio could all be materially different than those of the future portfolio acquired by the Company.

The shares issued and to be issued by the Company (the "Shares") have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States. The Shares may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within the United States, or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act), except to persons who are both a "qualified purchaser" as defined in Section 2(a)(51) and related rules of the US Investment Company Act of 1940, as amended, (the "Investment Company Act") and an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act. No public offering of the Shares is being made in the United States.

The Company has not been and will not be registered under the Investment Company Act and, as such, holders of the Shares will not be entitled to the benefits of the Investment Company Act. No offer, sale, resale, pledge, delivery, distribution or transfer of the Shares may be made except under circumstances that will not result in the Company being required to register as an investment company under the Investment Company Act. Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the Shares or passed upon or endorsed the merits of the offering of the Shares or the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States. In addition, the Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors may be required to bear the financial risks of their investment in the Shares for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

All investments are subject to risk, including the loss of the principal amount invested. Past performance is not necessarily indicative of future results, and there can be no assurance that the Company will achieve comparable results, will meet its target returns, achieve its investment objectives or be able to implement its investment strategy. All investments to be held by the Company involve a substantial degree of risk, including the risk of total loss. The value of Shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested. You should always seek expert legal, financial, tax and other professional advice before making any investment decision.

The Fund has appointed Hugo Fund Services SA, 6 Cours de Rive, 1204 Geneva, Switzerland, as its Swiss Representative. Banque Cantonale de Genève, 17 Quai de l'Île, CH-1208 Geneva, Switzerland is the Swiss Paying Agent. In Switzerland shares shall be distributed exclusively to qualified investors. The fund offering documents, articles of association and audited financial statements can be obtained free of charge from the Representative. The place of performance with respect to shares distributed in or from Switzerland is the registered office of the Representative.