

# EJF Investments Limited

## FACTSHEET

### Monthly NAV Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020 Monthly Performance (inclusive of dividends) (%)	0.47	0.18	(13.57)	0.58	3.33	0.15	1.25	0.34	0.40	(0.73)	1.16		(7.26)
2019 Monthly Performance (inclusive of dividends) (%)	0.35	0.41	1.77	5.61	0.83	0.26	0.56	0.62	0.21	0.04	0.13	0.63	11.88
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) (%)	0.51*	2.96	3.65	0.24	2.85	0.34	0.90	1.37	0.54	4.92	0.59	2.53	23.47

### Manager Monthly Commentary

**NAV:** EJFI's November 2020 NAV was £100.3 million or GBP164 per share, representing a monthly gain of 1.16% and a year-to-date total return of -7.26%.

**Portfolio:** The core portfolio continued to perform as expected with gains coming from interest accruals on the Risk Retention investments while EJF CDO Manager LLC ("CDO Manager") benefitted from a valuation uplift due to the additional management contract being recognised for the TruPS Financials Note Securitization 2020-2 ("TFINS 2020-2"). Elsewhere, pricing was relatively flat across the rest of the portfolio.

**Portfolio Activity:** On 24 November 2020, the Company committed approximately £6.7 million to its tenth risk retention investment in the preferred shares of TFINS 2020-2. The underlying collateral of TFINS 2020-2 mainly consists of trust preferred securities, subordinated debt senior notes, and surplus notes of 26 U.S. banks and 10 insurance companies with an aggregate par value of approximately \$177.245 million. Anticipated return scenarios estimate that this investment and the associated management fee contract will generate a gross return in the high single to low double digits over the estimated life of the investment.

**Market:** The market continued to react positively in November driven by the positive results from the clinical vaccination trials and the continued support from global regulators. The U.S. election also brought stability to the markets as a risk of a contested election diminished. The announcement of Biden's administration, alongside the nominations including the Treasury department led by Yellen, is a positive as we believe support for small banks and insurance companies will remain. While the next U.S. stimulus bill remains to be finalised, we expect some support soon.

New bank and insurance debt continued to be well supported as we saw new issuance of sub debt at record low yields. Q3 bank earnings were also supportive with banks taking fewer loan loss provisions as the outlook becomes more supportive. Small banks continued to build capital strength into the quarter with further evidence of their strength being that regulators continued to allow small banks to return capital via buybacks, while the larger banks remain restricted. Asset quality remained manageable as bank management teams were pro-active early in the year with future loan loss reserves and with the introduction of CECL (Current Expected Credit Losses) last year and the support of various government programs.

**Dividend:** The Company continues to approve quarterly dividends in line with the target of 10.7 pence for the year ending 31 December 2020. A quarterly dividend of 2.675 pence per share was declared 26 October 2020 with an ex-dividend date of 5 November 2020. The dividend was paid on the 30 November 2020.

### EJFI Key Facts (at 30 November 2020)

Ticker Symbol	EJFI LN
NAV/Share	GBP164 (\$2.18 equivalent)
Share Price	GBP116.5
Share Price Premium/(Discount) to NAV	(29.0)%
EJFI NAV	£100.3 million
Market Cap	£71.2 million
Gross Asset Value	£124.3 million <sup>1</sup>
Target Return <sup>2</sup>	8%-10% total return
Quarterly Dividend <sup>2</sup>	GBP2.675 per share (GBP10.7 per share p.a.)
Currency <sup>3</sup>	GBP (hedged) <sup>3</sup>
Manager	EJF Investments Manager LLC (the "Manager")
ZDP Shares	Tickers: EJFZ LN & EJFo LN Shares: 15m & 6m Maturities: 12/2022 & 6/2025 Capital Entitlement: GBP132.25 & GBP140.00 per share GRY: 5.75% & 7.00%

<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 2020, 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 most of the Company's investments are currently in USD. As at 30 November 2020 the USD exposure of the Company was fully hedged.

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

#### Securitisations & Related Investments

- £84.8 million investment in the equity tranches of six securitisations sponsored by EJF Capital LLC
- £9.8 million investment in EJF CDO Manager LLC (49% ownership interest)
- £0.8 million investment in portfolio of TruPS CDO securities

#### Specialty Finance Investments

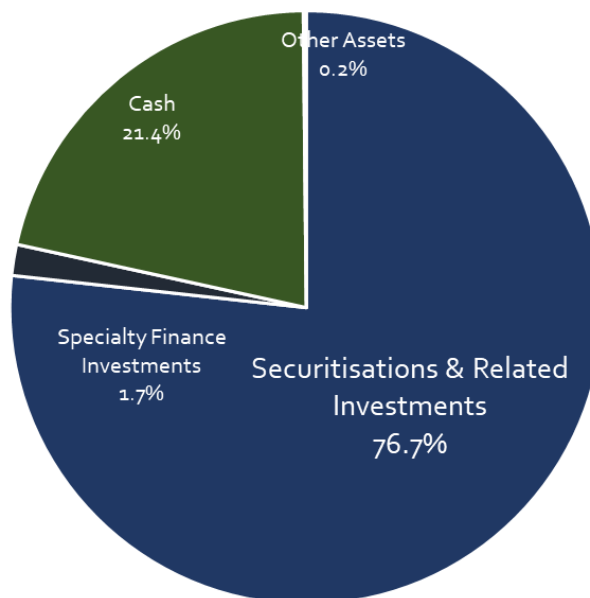
- £2.1 million investment in portfolio of high interest rate loans to U.S. law firms engaged in mass tort litigation

#### Cash

- £25.6 million unrestricted cash
- £1.0 million restricted cash

#### Other Assets

- £0.2 million of other assets



1. Based on the Company's 30 November 2020 unaudited financials.

### 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) Securitisation and Related Investments; and (b) Specialty Finance Investments.

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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.

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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.