EJF INVESTMENTS LIMITED

INTERIM REPORT AND UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

EJF INVESTMENTS LIMITED

Table of Contents

Performance

Total Return for the period[1]

2021: 5.45%

30 June 2020: (9.45%)

Total Return since Inception[1]

2021: 61.31%

Delivered on dividends

Dividends Declared

2021: 5.35p

30 June 2020: 5.35p

Asset performance

Net Asset Value

2021: £102.7m

31 December 2020: £100.6m

NAV per ordinary share[1]

2021: 168p

31 December 2020: 164p

Share price discount to NAV per ordinary share[1]

2021: (24.1)%

31 December 2020: (28.7)%

Market view[2]

Ordinary Share Price

2021: 127.50p

31 December 2020: 117.0p

2022 ZDP Share Price

2021: 124.50p

31 December 2020: 117.5p

2025 ZDP Share Price

2021: 111.00p

31 December 2020:102p

Market Capitalisation

2021: £78.0m

31 December 2020: £71.5m

Portfolio investments

Securitisation & Related Investments

2021: £102.0m

31 December 2020: £99.8m

Specialty Finance

2021: £15.2m

31 December 2020: £3.3m

Cash

2021: £9.9m

31 December 2020: £18.5m

Other

2021: £0.4m

31 December 2020: £3.2m

[1] These are APMs as defined on pages 46 to 47.

Overview

EJFI is a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey on 20 October 2016 under the provisions of the Companies Law with registered number 122353. The Company's registered office and principal place of business is IFC1, The Esplanade, St Helier, Jersey, JE1 4BP, Channel Islands. The principal legislation under which the Company operates is the Companies Law, as amended. The Company's capital comprises Ordinary Shares and ZDP Shares admitted to trading on the SFS.

Purpose

The Company is an essential part of EJF's overall strategy and acts as a public vehicle to provide exposure to investments in the equity tranches of EJF sponsored securitisations, subject to Directors' approval. The Manager believes the Company offers attractive risk adjusted returns for its shareholders in a niche asset class, with a target of making quarterly dividend payments and growing the Net Asset Value.

Strategy

The Company aims to achieve its purpose by pursuing a policy of investing in a diversified portfolio of investments that are derived from the changing financial services landscape. These investments are anticipated to include structured debt and equity, loans, bonds, preference shares, convertible notes and private equity, in cash and potentially synthetic formats issued by entities domiciled in the US, UK and Europe.

Values

To promote the long-term success of the Company through responsible investing, focussing on the values of the Company in a world with constantly evolving social and economic demographics. We believe that a strong corporate governance structure is crucial to the pursuit of this goal along with trusted relationships with our advisors.

Investment Objective

The Company seeks to generate risk adjusted returns for its shareholders by investing, through its Subsidiary, in opportunities created by regulatory and structural changes impacting the financial services sector. These opportunities can 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 US and Europe. Investments consist primarily of Securitisation and Related Investments and Specialty Finance Investments.

The Company is targeting a Total Return of 8% to 10% per annum for the financial year to 31 December 2021 (31 December 2020: 8% to 10%), and the Company's Target Dividend for the financial year to 31 December 2021 is 10.7p per Ordinary Share (31 December 2020: paid Target Dividend of 10.7p per Ordinary Share). To date, the Company has paid quarterly dividends which are in line with the Target Dividend for the financial year to 31 December 2021.

The Company's detailed Investment Policy can be found on pages 64 to 67 of its Prospectus, which is available on the Company's website, www.ejfi.com.

Structure

Since incorporation, the Company has incorporated two subsidiaries: EJFIH (incorporated on 9 June 2017), of which the Company continues to own 100% of the stated capital, and EJFIF (incorporated on 5 September 2018), which was 100% owned by EJFIH and as described below has since been liquidated.

During 2020, the Directors of the Company assessed the purpose of EJFIF and the wider group structure, subsequent to the change in classification of the Company to a corporation for US federal income tax purposes on 31 December 2019. As a result of that assessment, the Directors concluded that EJFIF was no longer required as a holding company and thus could be liquidated, so as to reduce the ongoing administration and costs of operating the group structure. EJFIF was liquidated on 15 December 2020 after all assets were transferred to EJFIH.

The holding of assets via EJFIH allows the Company to manage the upstreaming of portfolio income with greater flexibility and cash flow management and conduct its affairs in accordance with the criteria for the non-UK investment trust exemption to the UK Unregulated Collective Investment Schemes and Close Substitutes Instrument 2013.

Manager

The Company is externally managed by the Manager. EJF holds 100% of the voting rights in the Manager. EJF is an investment adviser principally located in the US and registered as such with the SEC and as a CPO and CTA with the CFTC.

The Company has appointed the Manager to act as its AIFM for the purposes of the AIFM Directive.

Share issuance

There were no additional share issuances during the period 1 January 2021 to 30 June 2021.

Listing information

As at 30 June 2021

	ORDINARY SHARES	2022 ZDP SHARES	2025 ZDP SHARES
UK	JE00BF0D1M25	JE00BDG12N48	JE00BK1WV903
SEDOL	BF0D1M2	BDG12N4	BK1WV90
TICKER	EJFI	EJFZ	EJF0
Total issued shares at period end	76,953,707	15,000,000	6,000,000
Total issued shares held in treasury at period end	15,808,509	-	-
Total issued shares with voting rights at period end	61,145,198	-	-

As at 31 December 2020

	ORDINARY SHARES	2022 ZDP SHARES	2025 ZDP SHARES
UK	JE00BF0D1M25	JE00BDG12N48	JE00BK1WV903
SEDOL	BF0D1M2	BDG12N4	BK1WV90
TICKER	EJFI	EJFZ	EJF0
Total issued shares at period end	76,953,707	15,000,000	6,000,000
Total issued shares held in treasury at period end	15,808,509	-	-
Total issued shares with voting rights at period end	61,145,198	-	-

Significant Events during the Period

Hedging Strategy

Until February 2021, the Company adopted a hedging strategy whereby 100% of its US Dollar exposure was hedged against Sterling. As a result, the Company was required to hold significant levels of cash, including amounts already on margin as a buffer to protect against margin calls. With effect from 15 February 2021, it was decided that the Company would no longer hedge 100% of its US Dollar exposure and would enter into contracts to hedge only the final Sterling capital entitlement of its outstanding 2022 and 2025 ZDP Shares. The Board anticipates that the reduction in the hedging costs together with the release of the cash on hand for pipeline investments will positively contribute to the Company's overall investment returns. The Board will review the Company's hedging policy regularly and any material changes to the strategy will be communicated to the shareholders.

Related Parties

Related party balances and transactions are disclosed in note 16.

Going Concern

Under the UK Code, voluntarily adopted by the Company, and Companies Law, the Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern and to identify any material uncertainties in respect of the Company's ability to continue as a going concern for at least 12 months from the date of approving the financial statements.

The Directors have performed a detailed assessment of the Company's ability to meet its liabilities as they fall due for the period of at least twelve months, including evaluating severe but plausible downside scenarios of significant reduction in the liquidity positions and fair value of its investments. The assessment was completed with reference to the cash position of the Company and its Subsidiary, the operating expenses, the valuations of the assets subsequent to the period-end and the potential default risk of the investments held. The Directors also considered the expected outcome of the 2022 'Continuance Resolution' and the maturity date of 30 November 2022 for the 2022 ZDPs.

Whilst maturity of the 2022 ZDP shares is over twelve months away, the Directors and the Manager have identified a number of options to finance such redemption, and will be engaging with stakeholders to discuss these options in the fourth quarter of 2021.

Based on the Company's performance, the voting history in the general meetings, and the future prospects of the Company, the Directors consider the risk of the continuance vote not being passed to be low. The continuance vote, which is required to be held five years from Admission, and every five years thereafter, requires a majority of greater than 50% of those voting to be passed.

In light of the above analysis, the Directors are satisfied that, at the time of approving the financial statements, there is a reasonable expectation that based on the Company's performance, the voting history in the general meetings, and the future prospects of the Company, the Directors consider the risk of the continuance vote not being passed (the resolution will require a simple majority of votes cast at the EGM in order to be passed) to be low and that the Company will have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements, and have therefore prepared the financial statements on a going concern basis.

EJF INVESTMENTS LIMITED

GENERAL INFORMATION

Board of Directors
Joanna Dentskevich (Chair)
Alan Dunphy
Nick Watkins
Neal J. Wilson
All c/o the Company's registered office

Administrator and Company Secretary
BNP Paribas Securities Services S.C.A. Jersey Branch
IFC1
The Esplanade
St. Helier
Jersey JE1 4BP
Channel Islands

Corporate Broker & Financial Adviser
Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT
UK

Registrar
Computershare Investor Services (Jersey) Limited
Hilgrove Street
St. Helier
Jersey
JE1 1ES
Channel Islands

Legal Adviser to the Company
(as to English and US law)
Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ
UK

Legal Adviser to the Company
(as to Jersey law)
Carey Olsen
47 Esplanade
St. Helier
Jersey
JE1 0BD
Channel Islands

Legal Adviser to the Group
(as to Delaware law)
Richards, Layton & Finger, P.A.
One Rodney Square
920 N. King Street
Wilmington, DE 19801
US

Registered Office
IFC1
The Esplanade
St Helier
Jersey JE1 4BP
Channel Islands

Manager
EJF Investments Manager LLC
The Corporation Trust Company Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801-1120
US

Custodians
Citigroup Global Markets Inc.
390 Greenwich Street
New York City
NY 10013-2396
US

Citibank N.A.
399 Park Avenue
New York City
NY 10043
US

Independent Auditor
KPMG LLP
15 Canada Square
London E14 5GL
UK

Investor Screening Service
The ID Register
5th Floor Market Building
Fountain Street
St. Peter Port
Guernsey,
GY1 1BX
Channel Islands

Websites
Company: www.ejfi.com
Manager: ww.ejfimanager.com

Introduction
On behalf of the Board, I am pleased to present the Interim Report for the period ended 30 June 2021.

As the world continues to re-open and roll out vaccinations for COVID-19, the first half of 2021 showed strong performance for the Company resulting in a Total Return for the period of 5.45%[1] as described further below.

Performance and Portfolio Activity
Performance during the period was primarily driven by steady income accruals on the Company's underlying securitisations and strong mark-to-market gains on the recent MSR investments, for which the Company raised £6m from the issuance of the 2025 ZDP shares in 2020.

Following the change in hedging strategy implemented in February, whereby the Board and the Manager decided to reduce the hedging of the US Dollar assets to such a level as to only cover the final capital entitlement of the Company's ZDP Shares, the NAV experienced some volatility as a result of GBP/USD movements. It is anticipated that the reduction in the hedging costs together with the release of the cash on hand for pipeline investments will positively contribute to the Company's underlying investment returns.

Despite the COVID-19 pandemic, Securitisations and Related Investments continued to perform as expected, with no underling banks or insurance companies having to defer interest, and the Manager continues to note no meaningful pockets of deteriorating credit exposure. This is testimony to the strength of these financial instructions which entered the pandemic with very robust levels of capital and have since benefitted from significant US policy initiatives and regulatory support.

Whilst the Company continued to further invest in MSRs and identify opportunities to make another Risk Retention Investment, the Manager deployed available cash into liquid UK bank bonds noting the re-opening of, and economic growth seen in, the UK. These liquid UK bank bonds can be rotated into future Risk Retention Investments and MSR investments as required.

Corporate Activity
The Company's AGM was held on 1 July 2021. All resolutions were passed by the Ordinary Shareholders, including the re-election of all the Directors to the Board.

Whilst maturity of the 2022 ZDP shares is over twelve months away, the Directors and the Manager have identified a number of options to finance such redemption, and will be engaging with stakeholders to discuss these options in the fourth quarter of 2021.

ESG Framework
Through the first half of 2021, the Directors have continued to engage with the Manager with a view to developing the ESG framework and policies of the Company, including reviewing Manager's existing corporate and planned investment policies to help shape the Company policy. In addition, all principal service providers of the Company will be asked to provide their ESG policies to allow the Directors to assess the extent to which they are aligned with the Company's policy.

Principal Risks and Uncertainties
The Directors consider the Principal Risks of the Company to be those risks, or a combination thereof that materially threaten the Company's ability to meet its Investment Objective, solvency or liquidity.

At the Company's 2020 financial year end, in determining the Principal Risks, the Directors carried out a robust review of all the risks the Directors believed the Company was exposed to including the uncertainties of the macro-economic impact of the COVID-19 pandemic.

[1] Inclusive of dividends declared for the period

Having reviewed these risks at the Audit and Risk Committee, the Directors are of the belief that those Principal Risks will remain unchanged for the next six months until the end of the 2021 financial year, albeit there are some changes in the underlying nature of those risks as detailed in the summary of the Principal Risks and Uncertainties on pages 15-16.

Outlook

Given the stabilisation of global markets, largely as a result of central bank and governmental actions, and the successful completion of recent investments into further EJF sponsored securitisations and the MSR opportunity, I believe the Company continues to be well positioned to navigate the effects of the COVID-19 pandemic.

The Manager continues to provide financial support to the Company, through its undertaking to absorb, the majority of recurring operating expenses until the NAV reaches £300 million.

The Board remains confident in the Manager's continued ability to grow the portfolio in a manner consistent with the Investment Policy and have full confidence in the Manager's ability to continue to perform based on their track record for the Company to date.

The Board believes that the Company continues to represent an attractive risk-adjusted investment and note that the dividend yield as at 30 June 2021 on the share price is 8.4%.

Joanna Dentskevich
Chair
Date: 9 September 2021

Company Update and Investment Outlook

We are pleased to present our review for the period ending 30 June 2021 and our outlook for the remainder of the year.

For the first half of 2021, the Company delivered a Total Return of 5.45%, inclusive of dividends declared totalling 5.35 pence per ordinary share. The positive performance was driven by expected accruals on the Securitisations and Related Investments and significant mark-to-market gains on the MSR investment. The Company's NAV has experienced some volatility month on month following the decision to reduce the currency hedging as previously described. We believe this volatility will be offset by the increase in cash available for accretive underlying returns on investments and a reduction in the cost of hedging.

US Community Bank Market Update

The US community banks and insurance sectors continue to remain in a strong position following a volatile 2020, and that investments in these sectors represent a powerful way to play the re-opening of the US economy as COVID-19 vaccines are administered and the US economy continues to recover. US bank loss absorbing capacity is at modern highs with additional pandemic related reserves and robust tangible common equity levels. Compared to other industry groups the US banking industry has the most earnings leverage to interest rate increases and yield curve steepening in case inflation runs higher than normal post-COVID-19. We estimate that a typical US bank's earnings could increase by upwards of 20% with just a 1% rise in interest rates. Banks are also actively reducing overhead costs and employing new technologies to better serve consumers and small business customers. Our estimate is that since the end of 2018, non-interest expense to average assets has declined from 2.64% to 2.29%, or a nearly 13.5% reduction.

Publicly traded U.S. bank equities generally sold off towards the end of June as the 10-year Treasury yields declined from a peak of 1.74% in March to a 1.47% at the end of the half year. The Fed meeting on June 16 highlighted a slightly more hawkish stance that moved up the timeline for potential tapering of asset purchases as well as potential increases in short-term rates. As a result, the yield curve, as denoted by the spread between the 2-year and 10-year bonds, flattened to 122 basis points after reaching a peak of 158 towards the end of the first quarter. After the period end, rates have remained volatile. Although this dynamic may present near term headwinds, many banks can grow net interest income through core loan growth as the economy reopens and have considerable excess liquidity held in short term securities and cash .As this liquidity is reinvested into loans, it should generate additional spread income. Should Congress authorise further stimulus or infrastructure spending, the loan growth may exceed the mid to high single digit growth rates generally experienced over the last decade.

At the end of June, the Fed released the results of the CCAR stress tests for the 23 participating banks with assets greater than US$250 billion. Here, banks were required to submit their capital plans, potentially limiting future capital return in the form of stock buybacks, dividends, and M&A, should the Fed determine that a bank lacked sufficient capital in a severely adverse case stress scenario. All banks passed and performed well on the test given the recovery in the markets and the current high levels of capital in the system. Importantly, the Fed formally removed restrictions put in place during the pandemic that capped dividends and buybacks to an amount equal to the preceding four quarters of net income. We view this as materially positive for the US banking sector as it is a clear signal from the Fed regarding the perceived health of the industry. As we have previously discussed, many non-CCAR qualifying bank holding companies have been returning capital in the form of buybacks throughout the pandemic and continue to do so.

Bank M&A activity, a major secular theme within the small bank space for many years, has accelerated this year following a relatively slow 2020. As virus-related uncertainty and its effect on bank stock prices and credit transparency abated, both buyers and sellers became more comfortable pursuing combinations. Thus far this year, we have seen 99 announced transactions with an average price paid of approximately 160% of tangible book value. This premium to tangible book value is the highest since 2018 and materially higher than the 135% of tangible book value we saw on the 110 deals last year due to the pandemic. Additionally, total deal value year to date stands at US$33.9 billion, which is higher than any full year in the past decade except for 2019. This is principally due to the number of deals involving larger targets including M&T Bancorp's announced acquisition of People's United Bancorp, Huntington Bancshares acquisition of TCF Financial, and multiple merger of equals style transactions such as Webster Financial Corp's merger with Sterling Bancorp, BancorpSouth's merger with Cadence, NY Community Bank and Flagstar, as well as Old National and FirstMidwest. Thus far, 2021 has seen 7 of the 20 largest deals announced in the past decade. We believe the industry is poised to resume the rapid pace of consolidation we experienced from 2014-2020 where we saw the industry consolidate at roughly 5% per year. In fact, the backdrop for M&A has never been more favourable, in our opinion. In addition to the dry powder from all of the subordinated debt and preferred raised last year there is a powerful multiple arbitrage as mid-sized banks trade between 1.5-2.0x book value and small banks are closer to book value. Typically, banks can cut 30-50% of a target's non-interest expense while also providing a larger balance sheet to service customers. We envisage M&A will continue to lead to early redemption of trust preferred securities and other high cost liabilities or inefficient forms of capital.

Capital markets remain wide open for US banks. In addition to the robust subordinated debt market previously referenced, the community bank IPO market has reopened following roughly 15-month hiatus in activity. In May, Five Star Bancorp, a $2 billion in asset bank headquartered in California priced an offering of US$110 million at approximately 1.55x tangible book value and 10.0x 2022 expected earnings, based on our expectations. Subsequently, US Century Bank, a US$1.6 billion in asset bank in Florida, priced a US$40 million IPO in July. Market receptivity to the deals that have priced as of this commentary has been favourable. Both companies saw positive performance in the stock during the first day of trading. We believe a healthy IPO market can potentially spur further M&A as a new crop of potential buyers emerge with public currency. Additionally, these banks may be more inclined to retire high cost obligations such as subordinated debt or trust preferred securities as part of a public offering.

On July 9 2021, President Biden signed an executive order on promoting competition across nearly every major industry in the United States, including banking and finance, which were the last set of recommendations. In a symbolic gesture to the progressive wing of the Democratic Party, it seems that the bank related items have been taken almost directly from Senator Elizabeth Warren's "Bank Review and Modernization Act" which she drafted as part of her run for the Presidency over the past few years. The Manager believes that the Regulators are in fact strongly in favour of small and medium size bank M&A as a way of upgrading cybersecurity and enhancing technology around the controls required to comply with the Bank Secrecy Act and Anti-money laundering regulations, while also reducing the number of potential weak-links in the system. The most likely outcome is that larger bank M&A, which we would estimate to be mergers resulting in banks with greater than US$50 billion in combined assets, may see longer approval timelines as compared to the current 4-6 month average.

Insurance Market Overview

Our view is that the insurance issuers in our securitisations remain strong as they are mostly smaller, niche insurers with limited exposure to catastrophic events such as hurricane, earthquakes and flooding. Furthermore, the secular trend of consolidation of smaller operations remains intact.

After the initial shock, COVID-19 presented a new series of opportunities for the insurance industry in 2021 as a result of vaccination roll-outs and economic recovery. Since the pandemic began, insurance companies deliberately deployed new technology across business lines and executed cost saving initiatives at the same time. The industry also saw a solid trend of insurance companies increasing their reserves to address any potential loss events associated with COVID. With proactive reserve management, technology evolvement and cost saving strategies, the industry in general has been managing COVID related risks well in our opinion.

Overall, M&A activity should continue with most insurers in a strong position from a credit quality standpoint. Prepayments remain consistent with previous quarters with a large portion of prepayments attributable to one insurer/reinsurer refinancing its legacy debt. We currently have no reason to believe prepayment activity will change significantly from currently robust levels and expects credit to remain stable.

Underwriting and Pricing

We have witnessed lower losses on personal lines and continued repricing activities among commercial lines. Life insurers have been managing interest rate risk and mortality risk well, positioning themselves in anticipation of the possibility of higher interest rates or inflation. In general, the industry is entering a stage where losses revert back to pre-COVID loss levels while reinsurers continue to benefit from a modest improvement in premiums.

We are also seeing a rising number of companies talk about potential reserve relief and a recommencement of capital returns to shareholders via dividends or buy-back of legacy debt instruments. There is also more capital activity with a few insurance IPOs/ De-SPACs with encouraging valuations and we do expect to see more competition in certain areas from insure-tech companies taking advantage of capital market demand to grow their offerings.

TruPS and Subordinated Debt CDO Market Update

We continue to believe that the Company's bank and insurance TruPS CDO positions provide an attractive risk adjusted return profile for our investors with no significant changes to projected returns and that the TruPS should provide high single digit returns from 8-10% as the underlying collateral pool tightens.

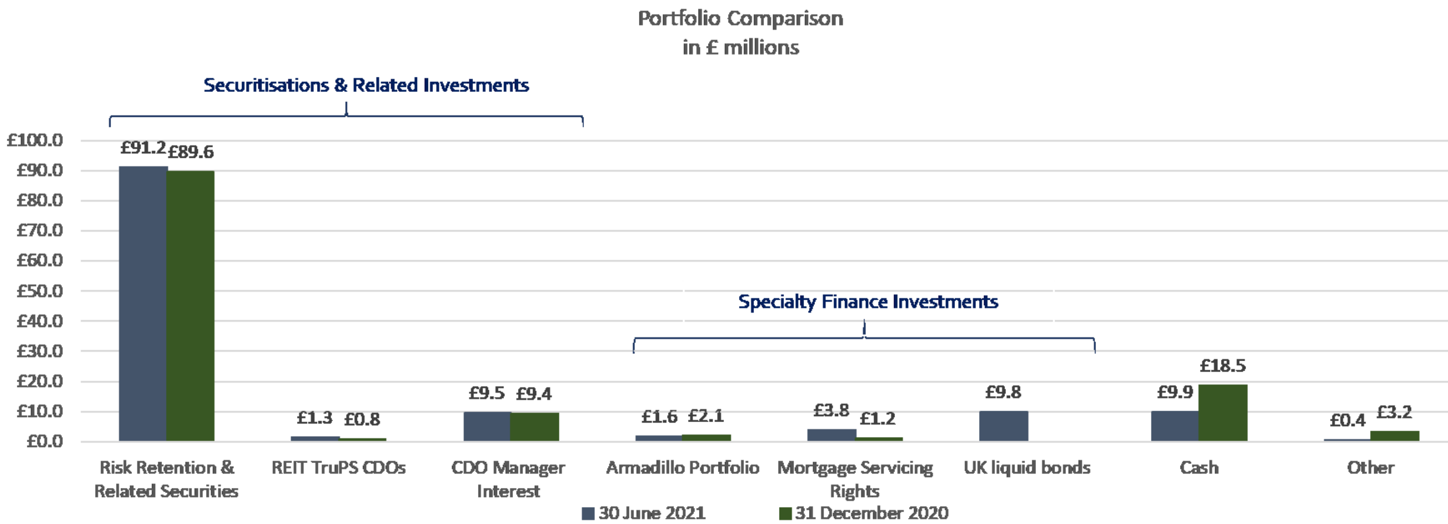
Many of the securitisations in the Portfolio contain new issued sub-debt and we believe there are latent gains to be harvested as these banks continue to strengthen in credit quality. For example, a sub-debt securitisation could be called and rather than re-securitise, the Company could monetise such gains via a sale of the collateral in the open market. Any such strategy would require a significant level of capital to call the deal and the Manager would need to assess the most profitable way of achieving this.

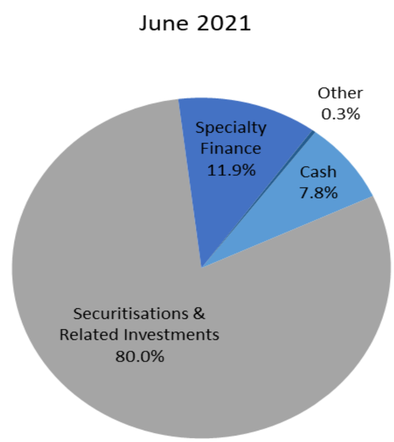
In terms of credit, the Portfolio contains in excess of 1,600 positions with no deferrals or delinquencies. We still believe the assets are of pristine credit quality and are supported by historically highs levels of capitalisation.

In terms of M&A, there has been increased activity so far this year noting there were 50 mergers in the first half of 2020 and 97 so far in 2021. Prepayments have also picked up from approximately 1% in 2020 to 6% (annualised) in 2021. The charts on the following page reflect the level of prepayment activity from the collateral backing the Company's risk retention investments.

Portfolio Update

During the first half of 2021, cash was deployed into MSR investments as and when opportunities arose. Further MSR investments are being considered along with new Risk Retention Investments.





During March, interest rate movements continued to grab the market's attention, as global real yields continued to climb on anticipation of economies reopening globally. The steepening U.S. yield curve was the main contributor to the appreciation in value of the Company's MSR investment. We have been pleased with the performance of the MSR investment, for which we raised the 2025 ZDPs in May 2020, as although it is a relatively small exposure, the strategy has contributed almost 1% to performance since the first investment at the end of last year.

During June, three liquid UK bank bonds were purchased noting the re-opening of, and economic growth seen in, the UK. As noted in the Chair's Report, these liquid UK bank bonds can be rotated into future Risk Retention Investments and MSR investments as required.

Distributions were also received from the Armadillo portfolio following the repayment of a loan. We are expecting further payments in the second half of the year to help unwind the remaining portfolio which represents approximately 1.6% of NAV.

Elsewhere, the Company's investment portfolio continued to perform in line with expectations from an income yield perspective.

Bank and Insurance CDO Equity Investments - Key Portfolio Stats

TFINS 2017-2		TFINS 2018-1		TFINS 2018-2		TFINS 2019-1	
Issued:	October 2017	**Issued:**	May 2018	**Issued:**	December 2018	**Issued:**	March 2019
Original Collateral Balance:	353,010,000	**Original Collateral Balance:**	537,754,000	**Original Collateral Balance:**	351,015,000	**Original Collateral Balance:**	313,904,883
Redemptions:		**Redemptions:**		**Redemptions:**		**Redemptions:**	
4/18- Insurance Co. of the West	10,000,000	7/18- E*trade	15,000,000	12/18- Quincy Mutual	1,500,000	3/19- Builders Insurance Group	1,800,000
7/18- E*trade	10,000,000	12/18- Metro North Bancshares	2,000,000	12/18- American Fidelity	2,000,000	4/19- Heritage Bancorp	5,000,000
12/18- Quincy Mutual	5,000,000	6/19- Slade's Ferry Bancorp	10,000,000	12/18- Capital City Bancshares	3,750,000	6/19- Builders Insurance Group	900,000
12/18- Security Mutual	1,000,000	8/19- CommFirst Bancorporation	3,000,000	1/19- First State Bank	3,000,000	8/19- National Grange Mutual Ins Co	4,500,000
12/18- American Fidelity Assurance	10,000,000	9/19- MB Financial	15,000,000	2/19- Healthmarkets, Inc.	4,500,000	9/19- Builders Insurance Group	900,000
4/19- Builders Insurance Group	2,500,000	12/19- Metro North Bancshares	3,000,000	4/19- Builders Insurance Group	500,000	9/19- Unum Group	10,575,000
6/19- First Non-Profit Insurance	5,000,000	3/20- Wesbanco	4,000,000	7/19- Builders Insurance Group	666,000	12/19- Builders Insurance Group	900,000
7/19- Builders Insurance Group	3,334,000	3/20- Amarillo National Bank	9,600,000	9/19- National Grange Mutual Ins Co	5,600,000	2/20- American Equity Capital III	4,500,000
9/19- MB Financial	6,000,000			9/19- Pacific Premier	5,000,000		
9/19- Security Mutual	500,000			10/19- Builders Insurance Group	834,000		
10/19- Builders Insurance Group	4,166,000			2/20- American Equity Capital III	3,800,000		
1/20- American Equity Capital IV	1,800,000			9/20- Quincy Mutual	1,500,000		
2/20- American Equity Capital III	8,200,000			10/20- Manhattan Insurance	24,000		
6/20- Security Mutual	1,000,000			7/21 -FNS Bancshares, Inc.	2,000,000		
9/20- Security Mutual	500,000						
9/20- Quincy Mutual	5,000,000						
7/21- International Fidelity	6,000,000						
Ending Balance:	273,010,000	**Ending Balance:**	476,154,000	**Ending Balance:**	316,341,000	**Ending Balance:**	284,829,883
% Collateral Redeemed:	**22.66%**	**% Collateral Redeemed:**	**11.46%**	**% Collateral Redeemed:**	**9.88%**	**% Collateral Redeemed:**	**9.26%**
Class A Original Balance:	240,000,000	**Class A Original Balance:**	384,490,000	**Class A Original Balance:**	268,500,000	**Class A Original Balance:**	212,600,000
Class A Current Balance:	160,000,000	**Class A Current Balance:**	322,890,000	**Class A Current Balance:**	233,826,000	**Class A Current Balance:**	182,819,864
% Class A Notes Paid-Off:	**33.33%**	**% Class A Notes Paid-Off:**	**16.02%**	**% Class A Notes Paid-Off:**	**12.91%**	**% Class A Notes Paid-Off:**	**14.01%**

FINS 2019-1		TFINS 2019-2		TFINS 2020-1		TFINS 2020-2	
Issued:	September 2019	**Issued:**	January 2020	**Issued:**	August 2020	**Issued:**	December 2020
Original Collateral Balance:	250,450,000	**Original Collateral Balance:**	338,396,000	**Original Collateral Balance:**	282,925,000	**Original Collateral Balance:**	177,245,000
Redemptions:		**Redemptions:**		**Redemptions:**		**Redemptions:**	
		10/20- Manhattan Insurance	500,000	12/20- New London Insurance	625,000		
		2/21- United Community Banks	2,250,000	5/21- Ally Financial	3,743,325		
				7/21- Ally Financial	2,759,900		
Ending Balance:	250,450,000	**Ending Balance:**	335,646,000	**Ending Balance:**	275,796,775	**Ending Balance:**	177,245,000
% Collateral Redeemed:	**0.00%**	**% Collateral Redeemed:**	**0.81%**	**% Collateral Redeemed:**	**2.52%**	**% Collateral Redeemed:**	**0.00%**
Class A Original Balance:	180,200,000	**Class A Original Balance:**	233,500,000	**Class A Original Balance:**	367,700,000	**Class A Original Balance:**	113,400,000
Class A Current Balance:	180,200,000	**Class A Current Balance:**	230,750,000	**Class A Current Balance:**	360,571,775	**Class A Current Balance:**	113,400,000
% Class A Notes Paid-Off:	**0.00%**	**% Class A Notes Paid-Off:**	**1.18%**	**% Class A Notes Paid-Off:**	**1.94%**	**% Class A Notes Paid-Off:**	**0.00%**

Outlook

The Manager is working with the Board on financing options in respect of the maturity of the 2022 ZDPs on 30 November 2022 and intends to discuss these options with stakeholders in the fourth quarter of 2021.

The Company remains focused on investment opportunities driven by changing financial regulations in the US and Europe. We believe TruPS, subordinated notes and other debt securities of many community banks, regional banks and insurance companies remain, and will continue to provide, very attractive risk-reward opportunities for the Company, especially when complemented by the recent MSR investments. It is our opinion, based on our modelling and cash flow forecasts that the Company's investment portfolio continues to be well positioned to achieve its target return and dividend payments.

Principal Risks and Uncertainties

The Principal Risks and Uncertainties relating to the Company, as assessed by the Directors and as disclosed in the Annual Report for the year ended 31 December 2020, are summarised below.

The Directors and the Manager do not consider the Principal Risks or the residual risk profile of any of the Principal Risks to have changed since the last assessment for the 2020 year end and expect them to remain relevant for the remaining six months of the current financial year.

Principal Risks
Strategic
Changes in the macro economic environment Changes in global, market and economic conditions may adversely impact the availability of investment opportunities, the Manager's ability to source and securitise investments and prevent the Company from meeting its Investment Objective.
Changes in law, taxes and regulation reduce investment opportunities The Group's investments are subject to regulations enacted by national and local governments, changes to which may reduce the investment opportunities available and make it difficult to pursue the Investment Policy.
Changes in law, taxes and regulation undermine the Company's or Subsidiary's legal, tax or regulatory structure The Group is subject to taxes, laws and regulations enacted by national and local governments, changes to which may undermine or invalidate the tax, legal or regulatory rationale for the group structure.
Availability of cash to meet the timing requirements of investment opportunities The Company requires regular ongoing funding and available cash to be in a position to take full advantage of investment opportunities as and when they arise, along with meeting liabilities as and when they fall due. The risk of the Company having insufficient cash to meet investment opportunities continues to be a principal risk due to several factors: (i) although the Company has significantly reduced the hedge of its US dollar exposure during the period, the impact of the uncertainty surrounding post Brexit trade negotiations and volatility of Sterling continues to have the potential to require unencumbered cash to be used to meet margin calls on the currency hedge; (ii) the share price discount to NAV and difficulty in raising capital which impact most investment funds in the Company's peer group; (iii) the complex nature of the underlying investments continues to have the potential to deter some investors from investing; and (iv) the approaching maturity of the 2022 ZDPs in November 2022 which will require the payment of approximately £19.9 million to settle the final capital entitlement.
Dependency on the Manager The Company is dependent on the Manager for successfully pursuing its Investment Objective and on its ability to retain and recruit staff. The loss of one or more senior members of the Manager's management team could adversely impact the ability of the Manager to support the Company in pursuing its Investment Objective.
Financial
Valuation The nature of the Group's investments can make them inherently difficult to value compared to more liquid investments due to the number of assumptions involved. Furthermore, a general market collapse and/or a seizing-up of credit markets may render it difficult to price certain investments with any degree of accuracy, or at all.

Principal Risks
Investment
Credit Risk The value of the Group's investments may be impacted by adverse credit events with recovery of initial investments being lengthy and uncertain.
Interest Rate Risk A large percentage of the Group's assets are linked to floating interest rates. The translated cashflows and valuation of the assets are correlated to interest rates. A decline in interest rates may have a negative impact on expected future cashflows and the underlying valuation of the assets depending on the effective duration of each asset.
Operational
Dependency on service providers The Company is dependent on the ability of all its service providers for the successful management and administration of the Company's affairs. This includes a reliance on the strength of their internal controls, their ability to retain and recruit sufficient appropriately qualified and experienced staff as well as cyber security, data protection and business continuity planning.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Interim Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by the UK's FCA's DTR.

- The Interim Report meets the requirements of an interim management report, and include a fair review of the information required by:

    - DTR 4.2.7R of the DTR of the UK's FCA, being an indication of important events that have occurred during the period from 1 January 2021 to 30 June 2021 and their impact on the unaudited condensed interim financial statements; and a description of the Principal Risks and uncertainties for the remaining six months of the year; and

    - DTR 4.2.8R of the DTR of the UK's FCA, being related party transactions that have taken place during the period from 1 January 2021 to 30 June 2021 and have materially affected the financial position or performance of the Company during that period.

By Order of the Board
Joanna Dentskevich
Chair
9 September 2021

INDEPENDENT AUDITORS' REVIEW REPORT TO EJF INVESTMENTS LIMITED

Conclusion

We have been engaged by EJF Investments Limited ("the Company") to review the Condensed Interim Financial Statements in the Interim Report for the period from 1 January 2021 to 30 June 2021 which comprises the Condensed Statement of Financial Position as at 30 June 2021, and the related condensed statements of comprehensive income, changes in equity and cash flows for the period 1 January 2021 to 30 June 2021, and the notes to the Condensed Interim Financial Statements, comprising a summary of significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the Condensed Interim Financial Statements in the Interim Report for the period from 1 January 2021 to 30 June 2021 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the Interim Report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the Condensed Interim Financial Statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the DTR of the UK FCA.

The annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the Condensed Interim Financial Statements included in the Interim Report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the Condensed Interim Financial Statements in the Interim Report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Fang Fang Zhou
for and on behalf of KPMG LLP
Chartered Accountants and Recognised Auditor
15 Canada Square
London, E14 5GL
9 September 2021

EJF INVESTMENTS LIMITED

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Notes	1 January 2021 to 30 June 2021 (Unaudited) £	1 January 2020 to 30 June 2020 (Unaudited) £
Dividend income	6	**4,300,000**	4,700,000
Net foreign exchange gain/(loss)		**455**	(294)
Net gain/(loss) on financial assets held at fair value through profit or loss	8	**2,426,102**	(15,047,604)
Total income/(loss)		**6,726,557**	(10,347,898)
Incentive fee	16	**-**	-
Investment Management fee	16	**(439,964)**	(470,974)
Legal fees		**(21,039)**	(70,539)
Professional fees		**(45,739)**	(218,435)
Administration fees		**(88,789)**	(123,753)
Directors' fees	16	**(67,500)**	(67,500)
Insurance	16	**(64,013)**	(46,671)
Audit fees		**(93,003)**	(93,344)
Printing fees		**(14,877)**	(20,885)
Other expenses		**(5,814)**	(76,688)
Total operating expenses		**(840,738)**	(1,188,789)
Expenses reimbursed by the Manager	16	**286,952**	511,780
Net operating expenses		**(553,786)**	(677,009)
Operating profit/(loss)		**6,172,771**	(11,024,907)
Finance costs - ZDP Shares	9	**(778,899)**	(460,174)
Finance costs - bank interest income		**-**	407
Profit/(loss) and total comprehensive income/(loss) for the period attributable to shareholders		**5,393,872**	(11,484,674)
Weighted average number of Ordinary Shares in issue during the period	17	**61,145,198**	62,341,626
Basic and diluted earnings/(losses) per Ordinary Share	17	**8.8p**	(18.4)p

All items in the above statement are derived from continuing operations.

The accompanying notes on pages 23 to 41 form an integral part of these unaudited condensed interim financial statements.

EJF INVESTMENTS LIMITED

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2021 (Unaudited) £	As at 31 December 2020 (Audited) £
Non-current assets			
Financial assets at fair value through profit or loss	8	**126,577,501**	124,151,399
Current assets			
Cash and cash equivalents		**466,518**	347
Balance due from the Manager	16	**326,087**	570,728
Prepaid expenses and other assets		**111,467**	39,788
Total current assets		**904,072**	610,863
Total assets		**127,481,573**	124,762,262
Non-current liabilities			
ZDP shares	9	**24,385,337**	23,606,438
Current liabilities			
Accounts payable and accrued expenses	10	**404,969**	587,163
Total liabilities		**24,790,306**	24,193,601
Net assets		**102,691,267**	100,568,661
Equity			
Stated capital	11	**85,254,127**	85,254,127
Retained earnings		**17,437,140**	15,314,534
Total equity		**102,691,267**	100,568,661
Number of Ordinary Shares in issue at period/year end (excluding treasury shares)		**61,145,198**	61,145,198
Net Asset Value per Ordinary Share		**168p**	164p

The unaudited condensed interim financial statements were approved by the Board of Directors on 9 September 2021 and signed on their behalf by:

Alan Dunphy
Director
9 September 2021

The accompanying notes on pages 23 to 41 form an integral part of these unaudited condensed interim financial statements.

FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

	Note	Number of shares (Unaudited)	Stated capital (Unaudited) £	Retained earnings (Unaudited) £	Net assets attributable to shareholders (Unaudited) £
Balance at 1 January 2021		**61,145,198**	**85,254,127**	**15,314,534**	**100,568,661**
Total comprehensive profit for the period		**-**	**-**	**5,393,872**	**5,393,872**
Dividends paid	12	-	**-**	**(3,271,266)**	**(3,271,266)**
Balance at 30 June 2021		**61,145,198**	**85,254,127**	**17,437,140**	**102,691,267**

FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

	Note	Number of shares (Unaudited)	Stated capital (Unaudited) £	Retained earnings (Unaudited) £	Net assets attributable to shareholders (Unaudited) £
Balance at 1 January 2020		64,175,306	90,259,133	30,724,412	120,983,545
Total comprehensive loss for the period		-	-	(11,484,674)	(11,484,674)
Shares issued for repurchase	11	7,396,515	11,982,354	-	11,982,354
Purchase of own shares to hold in treasury	11	(7,396,515)	(11,982,354)	-	(11,982,354)
Share buyback	11	(3,030,108)	(5,005 006)	-	(5,005,006)
Dividends paid	12	-	-	(3,352,321)	(3,352,321)
Balance at 30 June 2020		61,145,198	85,254,127	15,887,417	101,141,544

The accompanying notes on pages 23 to 41 form an integral part of these unaudited condensed interim financial statements.

EJF INVESTMENTS LIMITED

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Notes	1 January 2021 to 30 June 2021 (Unaudited) £	1 January 2020 to 30 June 2020 (Unaudited) £
Cash flows from operating activities			
Profit/(loss) and total comprehensive income/loss for the period		**5,393,872**	(11,484,674)
Adjustments for:			
- Interest income		**-**	(407)
- Dividend income		**(4,300,000)**	-
- Amortisation of ZDP Shares, including finance costs and issue costs	9	**778,899**	460,174
- Net unrealised (gain)/loss on financial assets at fair value through profit or loss	8	**(2,426,102)**	15,047,604
- Net foreign exchange (gain)/loss		**(455)**	294
Changes in net assets and liabilities:			
Decrease in balance due from the Manager		**244,641**	3,764
(Increase)/decrease in prepaid expenses and other assets		**(71,679)**	(57,990)
(Decrease)/increase in accounts payable and accrued expenses		**(182,194)**	(707,744)
Interest received		**-**	407
Dividend received		**4,300,000**	-
Net cash generated from operating activities		**3,736,982**	3,261,428
Cash flow from financing activities			
Purchase of own shares to hold in treasury		**-**	(5,005,006)
Proceeds on issue of 2025 ZDP Shares		**-**	5,000,000
Dividends paid	12	**(3,271,266)**	(3,352,321)
Net cash used in financing activities		**(3,271,266)**	(3,357,327)
Net increase/(decrease) in cash and cash equivalents		**465,716**	(95,899)
Cash and cash equivalents at the start of the period		**347**	263,781
Effect of movements in exchange rates on cash held		**455**	(294)
Cash and cash equivalents at the end of the period		**466,518**	167,588

The accompanying notes on pages 23 to 41 form an integral part of these unaudited condensed interim financial statements.

1. General information

EJFI is a registered closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey on 20 October 2016 under the provisions of the Companies Law with registered number 122353. The Company's registered office and principal place of business is IFC1, The Esplanade, St. Helier, Jersey JE1 4BP. The principal legislation under which the Company operates is the Companies Law. The Company's stated capital comprises Ordinary Shares admitted to trading on the SFS.

The Company does not have a fixed life. Under the Company's Articles, on or about each fifth anniversary of the Company's Shares being admitted to trading on LSE, the Directors shall procure that an EGM of the Company be convened at which a Continuance Resolution will be proposed. The first such Continuance Resolution is expected to take place in or around April 2022.

The Manager has been appointed by the Company to provide management and investment management services and the Administrator has been appointed to provide administration services to the Company.

EJF holds 100% of the voting rights in the Manager. EJF is an investment adviser principally located in the US and registered as such with the SEC and as a CPO and CTA with the CFTC. The Company has appointed the Manager to act as its AIFM for the purposes of the AIFM Directive.

Since incorporation, the Company has incorporated two subsidiaries: EJFIH (incorporated on 9 June 2017), of which the Company continues to own 100% of the share capital, and EJFIF (incorporated on 5 September 2018 and liquidated on 15 December 2020), of which EJFIH owned 100% of the share capital. Refer to note 13.

EJFIH holds 85% (31 December 2019: 85% held by EJFIF) of the Partnership's interests (refer to note 13 for further information).

Through the Subsidiary, the Company primarily invests in opportunities created by regulatory and structural changes impacting the financial services sector. These opportunities can 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 US, UK and Europe.

2. Statement of Compliance

The unaudited condensed interim financial statements of the Company for the period from 1 January 2021 to 30 June 2021 have been prepared in accordance with IAS 34, as adopted by the EU, together with applicable legal and regulatory requirements of the Companies Law and the Listing Rules of the SFS.

The unaudited condensed interim financial statements should be read in conjunction with the Company's Annual Report for the year ended 31 December 2020, which was prepared in accordance with IFRS as adopted by the EU.

2. Statement of Compliance (continued)

Going Concern

The Directors have performed a detailed assessment of the Company's ability to meet its liabilities as they fall due for the period of at least twelve months, including evaluating severe but plausible downside scenarios of significant reduction in the liquidity positions and fair value of its investments. The assessment was completed with reference to the cash position of the Company and its Subsidiary, the operating expenses, the valuations of the assets subsequent to the period-end and the potential default risk of the investments held. The Directors also considered the expected outcome of the 2022 'Continuance Resolution' and the maturity date of 30 November 2022 for the 2022 ZDPs.

Whilst maturity of the 2022 ZDP shares is over twelve months away, the Directors and the Manager have identified a number of options to finance such redemption, and will be engaging with stakeholders to discuss these options in the fourth quarter of 2021.

Based on the Company's performance, the voting history in the general meetings, and the future prospects of the Company, the Directors consider the risk of the continuance vote not being passed to be low. The continuance vote, which is required to be held five years from Admission, and every five years thereafter, requires a majority of greater than 50% of those voting to be passed.

In light of the above analysis, the Directors are satisfied that, at the time of approving the financial statements, there is a reasonable expectation that based on the Company's performance, the voting history in the general meetings, and the future prospects of the Company, the Directors consider the risk of the continuance vote not being passed (the resolution will require a simple majority of votes cast at the EGM in order to be passed) to be low and that the Company will have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements, and have therefore prepared the financial statements on a going concern basis.

3. Significant accounting policies

In the current financial period, there have been no changes to the significant accounting policies from those applied in the Company's Annual Report for the year ended 31 December 2020 and as set out in note 2 therein.

4. Use of judgements and estimates

In the application of the Company's accounting policies, the Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

The critical judgements and estimations of uncertainty at the unaudited condensed statement of financial position date that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as set out in note 3 of the Annual Report for the year ended 31 December 2020.

In the current financial period, there have been no changes to the significant critical accounting judgements, estimates and assumptions from those applied in the most recent Annual Report and as set out in note 3 therein.

5. Segmental reporting

The Directors have considered the requirements of IFRS 8, and are of the view that the Company is engaged in a single segment of business via its investment in EJFIH mainly in one geographical area, Jersey, and therefore the Company has only a single operating segment.

6. Dividend Income

The Company received the following dividends from EJFIH during the period ended 30 June 2021 and 30 June 2020:

Date received	30 June 2021 (Unaudited) £	30 June 2020 (Unaudited) £
28 January 2020	-	2,700,000
29 April 2020	-	2,000,000
26 February 2021	**2,100,000**	-
31 May 2021	**2,200,000**	-
	4,300,000	4,700,000

7. Derivative financial instruments at fair value through profit or loss

There were no derivative financial instruments held by the Company at 30 June 2021 or 31 December 2020.

The following forward foreign exchange contracts were held by EJFIH:

Maturity date	Counterparty	Contract notional amount £	Buy	Sell	30 June 2021 (Unaudited) £	31 December 2020 (Audited) £
8 January 2021	Citibank N.A.	106,267,878	GBP	USD	-	2,323,977
8 January 2021	Citibank N.A.	5,641,608	GBP	USD	-	154,512
8 January 2021	Citibank N.A.	1,430,393	GBP	USD	-	3,748
8 January 2021	Citibank N.A.	2,978,000	GBP	USD	-	51,549
30 November 2022	Citibank N.A.	19,837,500	GBP	USD	**(126,134)**	-
21 February 2023	Citibank N.A.	8,400,000	GBP	USD	**(41,218)**	-
Derivative financial instruments held by EJFIH					**(167,352)**	2,533,786

8. Financial assets at fair value through profit or loss

Investment in EJFIH

During the period ended 30 June 2021, the Company made no further investments in EJFIH (31 December 2020: nil investments made).

The investment in EJFIH is used to acquire exposure to a portfolio comprising a large number of investments. The investment in EJFIH is measured at FVTPL. The Company has determined that the fair value of EJFIH is its net asset value.

8. Financial assets at fair value through profit or loss (continued)

Below is a summary of the movement in the investment in EJFIH, held by the Company:

	30 June 2021 (Unaudited) £	31 December 2020 (Audited) £
Opening balance	**124,151,399**	138,113,723
Net gains/(losses) on investment in EJFIH[1]	**2,426,102**	(13,962,324)
Investment in EJFIH at fair value through profit or loss at the end of the period/year	**126,577,501**	124,151,399

[1] Net gains or losses comprise of distributions received during the reporting period/year in the amount of £4,300,000 (31 December 2020: £7,700,000) and unrealised gains on investment in EJFIH in the amount of £2,426,102 (31 December 2020: losses in the amount of £6,262,324).

On a look-through basis, the following table discloses Subsidiary's financial assets at FVTPL which agrees to the Company's financial assets at FVTPL:

	30 June 2021 (Unaudited) £	31 December 2020 (Audited) £
Subsidiary's investments at fair value through profit or loss:		
Armadillo Portfolio	**1,592,744**	2,053,370
Investment in the Partnership	**89,997,864**	88,334,641
Investment in the CDO Manager	**9,484,191**	9,463,395
CDO securities	**1,305,052**	772,225
Preference Shares	**1,217,818**	1,234,324
Net derivative financial assets	**(167,352)**	2,533,786
Seneca	**3,769,367**	1,244,059
UK listed fixed rate notes	**9,783,693**	-
Total Subsidiary's investments at fair value through profit or loss	**116,983,377**	105,635,800
Subsidiary's other assets and liabilities:		
Cash and cash equivalents	**7,939,474**	14,867,476
Cash and cash equivalents held as margin	**1,519,263**	3,611,325
Other receivables	**135,387**	36,798
Subsidiary's net asset value at the end of the period/year	**126,577,501**	124,151,399

(i) Subsidiary's Investments in private investment companies

Investments in the Armadillo Portfolio

The Subsidiary's investments in private investment companies include the partnership interests in the Armadillo Portfolio. The investment strategy of the Armadillo Portfolio is to make high interest rate loans to third-party law firms engaged in mass tort litigation.

The Company, through its investment in EJFIH, had a 39.4% share of NAV in Armadillo I and 0.3% share of NAV in Armadillo II as at 30 June 2021 (35.9% share of NAV in Armadillo I and 0.5% share of NAV in Armadillo II at 31 December 2020).

8. Financial assets at fair value through profit or loss (continued)

(i) Subsidiary's Investments in private investment companies (continued)

Investments in the Armadillo Portfolio (continued)

The following table summarises activity for the investment in the Armadillo Portfolio:

	30 June 2021 (Unaudited) £	31 December 2020 (Audited) £
Opening balance	**2,053,370**	4,260,152
Distributions	**(313,885)**	(1,970,153)
Realised gains on distributions[1]	**5,305**	268,359
Unrealised losses[1]	**(152,046)**	(504,988)
Investments in the Armadillo Portfolio at fair value through profit or loss	**1,592,744**	2,053,370

[1] Includes fluctuations in foreign exchange rates

Investment in the Partnership

As at 30 June 2021, EJFIH held 85% or 122,851,798 units (31 December 2020: 85% or 122,851,798 units) issued by the Partnership. The Partnership's purpose is to retain an interest of at least 5% in securitisations sponsored by EJF pursuant to regulatory requirements within the Dodd-Frank reforms in the US and EU risk retention rules. The investment in the Partnership is valued at £89,997,864 (31 December 2020: £88,334,641).

As at 30 June 2021, the remaining units outstanding are held by the Manager (21,680,346 units) (31 December 2020: 21,680,346 units) and the General Partner (165 units) (31 December 2020: 165 units).

The following table summarises activity for the investment in the Partnership:

	30 June 2021 (Unaudited) £	31 December 2020 (Audited) £
Opening balance	**88,334,641**	77,794,613
Additions	**-**	29,972,364
Return of capital	**-**	(10,390,904)
Distributions	**(2,166,157)**	(8,992,709)
Realised gains on distributions[1]	**-**	8,829,146
Unrealised gains/(losses)	**3,829,380**	(8,877,869)
Investment in the Partnership at fair value through profit or loss	**89,997,864**	88,334,641

[1] Includes fluctuations in foreign exchange rates

Investment in Seneca

The Subsidiary's investments in private investment companies include the partnership and loan interests in Seneca. The investment strategy of Seneca is to invest in MSRs.

8. Financial assets at fair value through profit or loss (continued)

(i) Subsidiary's Investments in private investment companies (continued)

Investment in Seneca (continued)
The following table summarises activity for the investment in Seneca:

	30 June 2021 (Unaudited) £	31 December 2020 (Audited) £
Opening balance	**1,244,059**	-
Additions	**1,824,724**	1,248,056
Unrealised gains/(losses)[1]	**700,584**	(3,997)
Investment in Seneca at fair value through profit or loss	**3,769,367**	1,244,059

[1] Includes fluctuations in foreign exchange rates

(ii) Subsidiary's Investment in private operating company

Investment in the CDO Manager
The CDO Manager, which is 51% owned by the Manager and 49% owned by EJFIH, provides collateral management services to various CDO structures. The CDO Manager provides such services directly to those CDO structures on commercially reasonable terms. The CDO Manager is also expected to provide collateral management services to future EJF Securitisations as it will have the benefit, for so long as the Manager is the manager of the Company, of a right of first refusal to be appointed as the provider of collateral administration, monitoring and management services in respect of each EJF Securitisation. The CDO Manager may also provide collateral management services to non-EJF securitisations. The CDO Manager is expected to benefit from collateral management fees on all CDOs it services and manages until maturity of such CDOs.

The following table summarises activity for the investment in the CDO Manager:

	30 June 2021 (Unaudited) £	31 December 2020 (Audited) £
Opening balance	**9,463,395**	9,399,029
Distributions	**(426,212)**	(2,179,635)
Unrealised gains[1]	**447,008**	2,244,001
Investment in the CDO Manager at fair value through profit or loss	**9,484,191**	9,463,395

[1] Includes fluctuations in foreign exchange rates

EJFIH through its 49% interest in the CDO Manager, has an exposure to the cash flows of four REIT TruPS CDO collateral management contracts plus cash flow from TFINS 2017-2, TFINS 2018-1, TFINS 2018-2, TFINS 2019-1, TFINS 2019-2, FINS 2019-1, TFINS 2020-1 and TFINS 2020-2. The CDO Manager has a total net asset value of £19,355,500 as at 30 June 2021 (31 December 2020: £19,313,053). EJFIH's interest in the CDO Manager has a value of £9,484,191 as at 30 June 2021 (31 December 2020: £9,463,395).

The management fees of each REIT TruPS CDO collateral management contract vary, ranging from 15bps to 20bps of the outstanding collateral balance. The TFINS 2017-2 securitisation produces management fees of 10bps on outstanding collateral. The TFINS 2018-1, TFINS 2018-2, TFINS 2019-1 and TFINS 2019-2 securitisations produce management fees of 20bps on outstanding collateral. The FINS 2019-1, TFINS 2020-1 and TFINS 2020-2 securitisations produce management fees of 30bps on outstanding collateral.

8. Financial assets at fair value through profit or loss (continued)

(iii) Subsidiary's Investments in trading securities

CDO securities

The Subsidiary's CDO securities portfolio is held by EJFIH and consists of REIT TruPS CDO securities issued prior to the financial crisis by an unaffiliated third-party sponsor. The remaining CDO security is generating current income. The bond holdings range from senior class A bonds to subordinated class F bonds. For the period ended 30 June 2021, EJFIH accrued £9,565 (EJFIH 30 June 2020: £43,116 and EJFIF 30 June 2020: £161,560) of interest income presented as investment income in EJFIH.

The following table summarises activity for the investment in CDO securities:

	30 June 2021 (Unaudited) £	31 December 2020 (Audited) £
Opening balance	**772,225**	8,383,554
Proceeds on disposal	**-**	(7,280,472)
Realised gains on disposal[1]	**-**	(449,444)
Distributions	**(20,334)**	-
Unrealised gains from CDO securities[1]	**553,161**	118,587
CDO securities at fair value through profit or loss	**1,305,052**	772,225

[1] Includes fluctuations in foreign exchange rates

Bridge Loan

The Bridge Loan, sold in the second half of 2020, was structured as a senior secured note with a three-year maturity and an interest rate of 12%. For the period ended 30 June 2020, EJFIH had accrued £nil and EJFIF £376,937 of interest income prior to its disposal.

The following table summarises activity for the investment in the Bridge Loan:

	30 June 2021 (Unaudited) £	31 December 2020 (Audited) £
Opening balance	**-**	7,669,797
Acquisition of interest in the Bridge Loan/PIK capitalised	**-**	215,028
Repayment	**-**	(6,615,024)
Realised (losses)/gains on disposal[1]	**-**	(1,269,801)
Bridge Loan at fair value through profit or loss	**-**	-

[1] Includes fluctuations in foreign exchange rates

Preference Shares

EJFIH owns an interest in a depositor vehicle which holds an interest in the TFINS 2017-2 Preference Shares originally issued as part of the securitisation in October 2017.

The following table summarises activity for the investment in Preference Shares:

	30 June 2021 (Unaudited) £	31 December 2020 (Audited) £
Opening balance	**1,234,324**	1,315,095
Distribution	**(73,179)**	(138,704)
Unrealised gains from Preference Shares[1]	**56,673**	57,933
Preference Shares at fair value through profit or loss	**1,217,818**	1,234,324

[1] Includes fluctuations in foreign exchange rates

8. Financial assets at fair value through profit or loss (continued)

(iii) Subsidiary's Investments in trading securities (continued)

Investment in UK listed fixed rate notes

The investment portfolio consists of listed fixed rate notes held with various UK Banks. The securities are denominated in Sterling, have fixed coupons between 5.5 - 6.0% and are due to mature between 2049 and 2059.

The following table summarises activity for the investment in listed fixed rate notes:

	30 June 2021 (Unaudited) £
Opening balance	**-**
Additions	**9,813,750**
Unrealised losses	**(30,057)**
Listed fixed rate notes at fair value through profit or loss	**9,783,693**

9. ZDP Shares

On 1 December 2017, the Company issued 15,000,000 2022 ZDP shares at a gross redemption yield of 5.75%. Approximately 30% of the available 2022 ZDP Shares were issued pursuant to the initial placing and offer for subscription at a price per 2022 ZDP Share of 100 pence. The holders of the 2022 ZDP Shares will have a final capital entitlement of 132.35 pence on the repayment date of 30 November 2022. As of 30 June 2021 and 31 December 2020, there were 15,000,000 2022 ZDP Shares outstanding.

On 17 June 2020, the Company issued 6,000,000 2025 ZDP shares at a gross redemption yield of 7.00%. The 2025 ZDP Shares were issued pursuant to the initial placing and offer for subscription at a price per 2025 ZDP Share of 100 pence. The holders of the 2025 ZDP Shares will have a final capital entitlement of 140 pence on the repayment date of 18 June 2025. As of 30 June 2021 and 31 December 2020, there were 6,000,000 2025 ZDP Shares outstanding.

The 2022 ZDP Shares rank senior to the 2025 ZDP Shares which in turn rank senior to the Ordinary Shares in respect of repayment of the final entitlement. However, they rank behind any borrowings that remain outstanding. They carry no entitlement to income and do not carry the right to vote at general meetings of the Company.

Holders of ZDP Shares are not entitled to any dividends paid by the Company. The following table reconciles the liability for ZDP Shares, held at amortised cost, for the reporting period and details changes in the Company's liabilities from financing activities, including both cash and non-cash changes.

	30 June 2021 (Unaudited) £	**31 December 2020 (Audited) £**
Opening balance	**23,606,438**	16,586,361
Issuance of 2025 ZDP shares	**-**	6,000,000
Issue costs	**-**	(213,520)
Finance costs	**778,899**	1,233,597
ZDP Shares closing balance	**24,385,337**	23,606,438

Capitalised issue costs are being amortised using the effective interest rate method. For the period ended 30 June 2021 the amortization of the 2022 and 2025 ZDP Shares issue costs have been included in finance costs.

10. Accounts payable and accrued expenses

	30 June 2021 (Unaudited) £	31 December 2020 (Audited) £
Amount due to EJFIH	**747**	36,412
Legal fees payable	**-**	9,064
Professional fees payable	**71,795**	141,944
Investment management fees payable	**216,201**	212,083
Audit fees payable	**93,003**	133,250
Sundry creditors	**23,223**	54,410
Total accounts payable and accrued expenses	**404,969**	587,163

The amount due to EJFIH is interest free and repayable on demand. The balance consists of amounts paid by EJFIH in respect of the Company's expenses.

11. Stated Capital

The Ordinary Shares of the Company are classified as equity based on the substance of the contractual arrangements and in accordance with the definition of equity instruments under IAS 32. The proceeds from the issue of Ordinary Shares are recognised in the unaudited condensed statement of changes in equity, and are net of the incremental issuance costs when applicable.

Net assets attributable to shareholders is represented by Ordinary Shares that carry one vote each and have equal voting rights. Ordinary Shares are entitled to dividends when declared. The Company has no restrictions or specific capital requirements on the issue and repurchase of Ordinary Shares. The analysis of movements in the number of Ordinary Shares and the corresponding changes to the Company's stated capital as a result of transactions with shareholders during the period/year was as follows:

	Number of Shares	Stated Capital (£)
Opening balance as at 1 January 2021	61,145,198	85,254,127
Closing balance as at 30 June 2021	**61,145,198**	**85,254,127**

	Number of Shares	Stated Capital (£)
Opening balance as at 1 January 2020	64,175,306	90,259,133
Issuance of Ordinary Shares	7,396,515	11,982,354
Repurchased during the year at £1.62 per share	(7,396,515)	(11,982,354)
Repurchased during the year at £1.65 per share	(2,998,000)	(4,951,653)
Repurchased during the year at £1.66 per share	(32,108)	(53,353)
Closing balance as at 31 December 2020	**61,145,198**	**85,254,127**

On 9 March 2020, before the effects of the COVID-19 pandemic were realised, the Directors approved and subsequently completed the buyback of 3,030,108 Ordinary Shares totalling £5,005,006 (inclusive of transaction costs of £5,006) to address any imbalance between the supply of, and demand for, the Ordinary Shares, to increase the NAV per Ordinary Share and to assist in minimising any discount to the NAV per Ordinary Share at which the Ordinary Shares were trading.

As at 30 June 2021, the Company had 15,808,509 treasury shares (31 December 2020: 15,808,509).

12. Dividends

The Company paid the following dividends on its Ordinary Shares during the period ended 30 June 2021:

Period to	Date declared	Ex-dividend date	Record date	Payment date	Dividend rate per Ordinary Share (£)	Net dividend Paid (£)
31 Dec 2020	28 Jan 2021	4 Feb 2021	5 Feb 2021	26 Feb 2021	**0.02675**	**1,635,633**
31 Mar 2021	28 Apr 2021	6 May 2021	7 May 2021	28 May 2021	**0.02675**	**1,635,633**
						3,271,266

The Company paid the following dividends on its Ordinary Shares during the period ended 30 June 2020:

Period to	Date declared	Ex-dividend date	Record date	Payment date	Dividend rate per Ordinary Share (£)	Net dividend Paid (£)
31 Dec 2019	23 Jan 2020	6 Feb 2020	7 Feb 2020	28 Feb 2020	0.02675	1,716,687
31 Mar 2020	24 Apr 2020	7 May 2020	11 May 2020	29 May 2020	0.02675	1,635,634
						3,352,321

13. Interest in unconsolidated subsidiaries and associates

The table below discloses the unconsolidated subsidiaries and associates in which the Company holds an interest, but does not consolidate in accordance with IFRS 12:

Name of entity	Type of entity	Principal place of business	Nature of purpose	Interest beneficially held by the Company	Interest held
EJFIH	Private Company	Jersey	To hold a portfolio of investments in order to generate capital appreciation and investment income.	100%	Direct
Partnership	Limited Partnership	Delaware	To hold a portfolio of investments in order to generate capital appreciation and investment income.	85%	Indirect
CDO Manager	Limited Liability Company	Delaware	To generate management fee income.	49%	Indirect
Armadillo I	Limited Partnership	Delaware	To generate income from high-yielding loans to US law firms engaged in mass tort litigation.	39.4% (31 December 2020: 35.9%)	Indirect
Seneca	Limited Partnerships	Delaware	To generate income from MSRs.	100%	Indirect

14. Financial Risk Management

At 30 June 2021, there has been no change to the Company's financial risk management objectives and policies to those disclosed in note 15 of the Company's Annual Report for the year ended 31 December 2020.

Fair value of financial instruments

This section should be read in conjunction with note 15 of the Annual Report for the year ended 31 December 2020 which provides more detail about accounting policies adopted, the definitions of the three levels of fair value hierarchy, valuation methods used in calculating fair value, and the valuation framework which governs oversight of valuations. There have been no changes in the accounting policies adopted or the valuation methodologies used.

The Company holds all of the shares in EJFIH which is a holding vehicle used to hold the Company's investments. The Board believes it is appropriate to value this entity based on the fair value of its portfolio of investment assets held plus its other assets and liabilities.

Fair value hierarchy

The Company classifies financial instruments measured at fair value in the investment Portfolio according to the following hierarchy:

Level 1 Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3 Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments, held by the Company, measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the unaudited condensed statement of financial position as at 30 June 2021. All fair value measurements below are recurring.

	Level 1	**Level 2**	**Level 3**
As at 30 June 2021	**£**	**£**	**£**
Investment held in EJFIH	**-**	-	**126,577,501**
Financial assets at fair value through profit or loss	**-**	**-**	**126,577,501**

14. Financial Risk Management (continued)

Fair value hierarchy (continued)

The following table shows the movement of level 3 assets during the period ended 30 June 2021:

	Opening fair value £	Additions £	Realised gains/(losses) £	Unrealised gains/(losses) £	Distributions £	Ending fair value £
EJFIH	**124,151,399**	**-**	**-**	**6,726,102**	**(4,300,000)**	**126,577,501**
Total financial assets	**124,151,399**	**-**	**-**	**6,726,102**	**(4,300,000)**	**126,577,501**

The table below analyses financial instruments, held by the Company, measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position as at 31 December 2020. All fair value measurements below are recurring.

As at 31 December 2020	Level 1 £	Level 2 £	Level 3 £
Investment held in EJFIH	-	-	124,151,399
Financial assets at fair value through profit or loss	-	-	124,151,399

The following table shows the movement of level 3 assets during the year ended 31 December 2020:

	Opening fair value £	Additions £	Realised gains/(losses) £	Unrealised gains/(losses) £	Distributions £	Ending fair value £
EJFIH	138,113,723	-	-	(13,962,324)	-	124,151,399
Total financial assets	138,113,723	-	-	(13,962,324)	-	124,151,399

The table below is a supplemental disclosure of the financial instruments, held by the Subsidiary, measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the unaudited condensed statement of financial position as at 30 June 2021. All fair value measurements below are recurring.

As at 30 June 2021	Level 1 £	Level 2 £	Level 3 £
Armadillo Portfolio	**-**	**-**	**1,592,744**
Investment in the Partnership	**-**	**-**	**89,997,864**
Investment in CDO Manager	**-**	**-**	**9,484,191**
CDO securities	**-**	**-**	**1,305,052**
Investment in Preference Shares	**-**	**-**	**1,217,818**
Seneca	**-**	**-**	**3,769,367**
UK listed fixed rate notes	**9,783,693**	**-**	**-**
Financial assets at fair value through profit or loss	**9,783,693**	**-**	**107,367,036**

As at 30 June 2021	Level 1 £	Level 2 £	Level 3 £
Derivative financial assets/(liabilities)	**-**	**(167,352)**	**-**
Financial assets/(liabilities) at fair value through profit or loss	**-**	**(167,352)**	**-**

14. Financial Risk Management (continued)

Fair value hierarchy (continued)

The following table shows the movement of level 3 assets held by the Subsidiary during the period ended 30 June 2021:

	Opening fair value	Additions	Realised gains/ (losses)	Unrealised gains/(losses)	Disposals, repayment, write-offs	Ending fair value
	£	£	£	£	£	£
Armadillo Portfolio	**2,053,370**	**-**	**5,305**	**(152,046)**	**(313,885)**	**1,592,744**
Investment in the Partnership	**88,334,641**	**-**	**-**	**3,829,380**	**(2,166,157)**	**89,997,864**
Investment in CDO Manager	**9,463,395**	**-**	**-**	**447,008**	**(426,212)**	**9,484,191**
CDO securities	**772,225**	**-**	**-**	**553,161**	**(20,334)**	**1,305,052**
Investment in Preference Shares	**1,234,324**	**-**	**-**	**56,673**	**(73,179)**	**1,217,818**
Seneca	**1,244,059**	**1,824,724**	**-**	**700,584**	**-**	**3,769,367**
Total financial assets	**103,102,014**	**1,824,724**	**5,305**	**5,434,760**	**(2,999,767)**	**107,367,036**

The table below is a supplemental disclosure of the financial instruments, held by the Subsidiary, measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position as at 31 December 2020. All fair value measurements below are recurring.

As at 31 December 2020	Level 1 £	Level 2 £	Level 3 £
Financial assets at fair value through profit or loss			
Armadillo Portfolio	-	-	2,053,370
Investment in the Partnership	-	-	88,334,641
Investment in CDO Manager	-	-	9,463,395
CDO securities	-	-	772,225
Seneca	-	-	1,244,059
Investment in Preference Shares	-	-	1,234,324
Financial assets at fair value through profit or loss	-	-	103,102,014

As at 31 December 2020	Level 1 £	Level 2 £	Level 3 £
Derivative financial assets/(liabilities)	-	2,533,786	-
Financial assets/(liabilities) at fair value through profit or loss	-	2,533,786	-

14. Financial Risk Management (continued)

Fair value hierarchy (continued)

The following table shows the movement of level 3 assets held by the Subsidiary during the period ended 31 December 2020:

	Opening fair value £	Additions £	Realised gains/ (losses) £	Unrealised gains/(losses) £	Disposals, repayment, write-offs £	Ending fair value £
Armadillo Portfolio	4,260,152	-	268,359	(504,988)	(1,970,153)	2,053,370
Investment in the Partnership	77,794,613	29,972,364	8,829,146	(8,877,869)	(19,383,613)	88,334,641
Investment in CDO Manager	9,399,029	-	-	2,244,001	(2,179,635)	9,463,395
CDO securities	8,383,554	-	(449,444)	118,587	(7,280,472)	772,225
Bridge Loan	7,669,797	215,028	(1,269,801)	-	(6,615,024)	-
Seneca	-	1,248,056	-	(3,997)	-	1,244,059
Investment in Preference Shares	1,315,095	-	-	57,933	(138,704)	1,234,324
Total financial assets	108,822,240	31,435,448	7,378,260	(6,966,333)	(37,567,601)	103,102,014

15. Capital risk management

The Company's issued capital is represented by Ordinary Shares.

As a result of the ability to issue, repurchase and resell shares, the capital of the Company can vary. The Company is not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase or resale of its shares. The Company's objectives for managing capital are:

- to invest the capital in investments meeting the description, risk exposure and expected return indicated in its Prospectus;
- to achieve consistent returns while safeguarding capital by investing in a diversified Portfolio;
- to maintain sufficient liquidity to meet the expenses of the Company; and
- to maintain sufficient size to make the operation of the Company cost-efficient.

The policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, as well as the level of dividends to Ordinary Shareholders.

The Company may utilise borrowings for share buybacks, short-term liquidity purposes and investments, seeking leverage via bank financing, term loans, or debt instruments. The Company has the availability to borrow up to 35% of its NAV (calculated at the time of drawdown), provided that:

i) the maximum amount for borrowings for long-term investment purposes within such limit will be 30% of the NAV; and

ii) borrowings for long-term investment purposes may only be incurred when the minimum cover amount, 3.5x for ZDP Shares, is met (calculated at the time of drawdown).

15. Capital risk management (continued)

The Company's net debt equity ratio at period/year end was as follows:

	30 June 2021 (Unaudited) £	31 December 2020 (Audited) £
ZDP shares	**24,385,337**	23,606,438
Accounts payable and accrued expenses	**404,969**	587,163
Less: cash and cash equivalents	**(466,518)**	(347)
Net debt	**24,323,788**	24,193,254
Total equity	**102,691,267**	100,568,661
Net debt to adjusted equity ratio	**0.24**	0.24

16. Related Party Transactions and other material contracts

Transactions

During the period the Company made further investments of approximately £1.8 million into Seneca and the Company may deploy further amounts when attractive MSR pools become available.

Investment management fee

On 31 January 2017, the Company, the General Partner of the Partnership and the Partnership entered into a management agreement with the Manager and EJF. In accordance with the Management Agreement, the Manager has been appointed as the investment manager of the Company, the Partnership and the Partnership's General Partner. In such capacity, the Manager is responsible for the Portfolio and risk management of the Company and its Subsidiary, including: (i) managing the Company's assets and its day-to-day operations; (ii) the selection, purchase and sale of investment securities held via its Subsidiary; (iii) providing financing and risk management services; and (iv) providing advisory services to the Board. The Management Agreement was subsequently amended and restated on 30 March 2017 to account for the management of the risk retention investments and revise the terms of the incentive fee charged to the Company.

On 27 February 2019, the Management Agreement was further amended and restated to allow settlement of the Incentive Fee through multiple transactions over an agreed upon timeframe between the Company and the Manager.

On 22 August 2019, the Management Agreement was again further amended and restated to provide flexibility in the cash settlement of the Inventive Fee being used to facilitate a share purchase on the secondary market or subscription for new shares.

In accordance with the terms of the Management Agreement, the Company pays a management fee calculated monthly and payable quarterly in arrears. Subject to certain limitations, the monthly management fee is equal to 0.0833% (one-twelfth of 1%) of the Company's NAV.

For the period from 1 January 2021 to 30 June 2021, the Company incurred management fees of £439,964 (30 June 2020: £470,974), which is presented within operating expenses on the unaudited condensed statement of comprehensive income, and had an outstanding liability of £216,201 (31 December 2020: £212,083), which is presented within accounts payable and accrued expenses (see Note 10) on the unaudited condensed statement of financial position.

Directors' fees

The Directors are entitled to a fee for their services at a rate to be determined from time to time by the Board. For the period ended 30 June 2021, the Company recorded Directors' fees of £67,500 (30 June 2020: £67,500). As at 30 June 2021 and 31 December 2020, there were no Directors' fees outstanding.

Directors' fees are currently £40,000 each per annum. Neal Wilson has waived his right to receive remuneration for his service as Director.

Joanna Dentskevich is entitled to an additional fee of £10,000 per annum in respect of her role as Chair of the Board.

16. Related Party Transactions and other material contracts (continued)

Alan Dunphy is entitled to an additional fee of £5,000 per annum in respect of his role as Chair of the Audit and Risk Committee.

Neal Wilson also serves as an officer (Chief Executive Officer) of the Manager and an officer and director of other affiliates of the Manager including EJF, the General Partner of the Partnership, and the general partner of Armadillo I and Armadillo II. Therefore, conflicts may arise as this individual allocates his time between the Company, EJF and other programmes and activities in which they are involved. The independent Directors must consent to and approve any of the Company's conflicted trades, which also involve approval by one of these affiliates and its officers, directors and employees. With respect to EJF Risk Retention Investments to be issued in connection with all future EJF Securitisations, the Partnership has the right of first refusal over other funds managed by EJF.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors. During the period ended 30 June 2021, the Company recorded Directors' and Officers' liability and professional indemnity insurance expense of £64,013 (30 June 2020: £46,671).

Incentive Fee

The Manager is entitled to an incentive fee which is calculated in relation to the assets attributable to Ordinary Shares, in accordance with the Management Agreement. The Incentive Fee amount is equal to 10% of the amount by which the Adjusted NAV attributable to Ordinary Shares exceeds the higher of (i) the Incentive Hurdle at the relevant time and (ii) the High Watermark at the relevant time, in respect of the relevant Incentive Fee Period.

The Incentive Fee is calculated in respect of each Incentive Fee Period, save for the final Incentive Fee Period being the date that the Management Agreement is terminated or, where the Management Agreement has not been terminated, the actual date of termination of the provision by the Manager of the non-retained services as defined in the Management Agreement.

For the period from 1 January 2021 to 30 June 2021, no Incentive Fee liabilities were accrued (31 December 2020: nil).

On 28 January 2020, the Company announced that the Manager had acquired 283,441 Ordinary Shares of no par value in the Company at an average price of 175 pence per share. The Company was also notified on the same date that the Manager had allocated these Ordinary Shares to certain of its officers and affiliates. Please refer below for details of the Ordinary Shares held by each of the Manager's officers and affiliates.

This transaction represented full satisfaction of the Incentive Fee payable by the Company to the Manager for the Incentive Fee Period ended 31 December 2019 and the recipients of the Ordinary Shares are subject to the Lock-Up Deed.

Ordinary Shares held by related parties

On 17 December 2020, Joanna Dentskevich, Chair of the Board of Directors of the Company conditionally agreed to purchase 28,348 ordinary shares of no par value in the Company ("Ordinary Shares") on 17 December 2020 at a price of 115 pence per share in a private transaction.

On 12 February 2021, Neal J. Wilson purchased 35,476 ordinary shares of no par value in the Company at a price of 126 pence per share in a private transaction.

16. Related Party Transactions and other material contracts (continued)

Ordinary Shares held by related parties (continued)

Consequently, shareholdings by the Directors in the Company as at the period/year end were as follows:

Name	Ordinary Shares 30 June 2021[1] (Unaudited)	Percentage of Ordinary Shares in Issue 30 June 2021[2] (Unaudited)	Ordinary Shares 31 December 2020[1] (Audited)	Percentage of Ordinary Shares in Issue 31 December 2020[2] (Audited)
Neal Wilson	**1,551,857**	**2.540%**	1,516,381	2.480%
Joanna Dentskevich	**77,896**	**0.0130%**	49,548	0.081%
Nick Watkins	**3,000**	**0.005%**	3,000	0.005%

[1] The Directors' holdings of Ordinary Shares are either direct and/or indirect holdings of Ordinary Shares in the Company
[2] The calculation of shareholding % is based on number of Ordinary Shares in issue after adjusting for treasury shares

The Manager did not own any Ordinary Shares as at 30 June 2021 (31 December 2020: nil).

Shareholdings by officers of the Manager and its affiliates are as follows:

Name	Ordinary Shares 30 June 2021[1] (Unaudited)	Percentage of Ordinary Shares in Issue 30 June 2021[2] (Unaudited)	Ordinary Shares 31 December 2020[1] (Audited)	Percentage of Ordinary Shares in Issue 31 December 2020[2] (Audited)
EJF Capital Limited	**1,807,495**	**2.96%**	1,807,495	2.96%
Peter Stage	**141,501**	**0.23%**	141,501	0.23%
Hammad Khan	**141,501**	**0.23%**	141,501	0.23%
Matt Gill	**1,000**	**0.002%**	1,000	0.002%
Emmanuel Friedman	**11,816,558**	**19.33%**	11,816,558	19.33%
Jason Ruggiero	**165,336**	**0.27%**	165,336	0.27%

Since 5 March 2020, the officers of the Manager are Neal J. Wilson (Chief Executive Officer), Peter Stage (Co-Chief Investment Officer), Hammad Khan (Co-Chief Investment Officer) and Matthew Gill (Chief Financial Officer).

Emanuel J. Friedman ceased to act as Chairman and Co-Chief Investment Officer of the Manager on 5 March 2020 but has continued as Co-Chief Executive Officer of EJF Capital LLC and in particular is a voting member of the investment committee of the Manager. Jason Ruggiero (Co-Chief Investment Officer and Senior Portfolio Manager of EJF) is also a voting member of the investment committee.

16. Related Party Transactions and other material contracts (continued)

ZDP Shares held by related parties

ZDP shareholdings in the Company by the Directors as at period/year end were:

Name	2025 ZDP Shares 30 June 2021 (Unaudited)	Percentage of 2025 ZDP Shares in Issue 30 June 2021 (Unaudited)	2025 ZDP Shares 31 December 2020 (Audited)	Percentage of 2025 ZDP Shares in Issue 31 December 2020 (Audited)
Neal Wilson	**1,000,000**	**16.667%**	1,000,000	16.667%
Joanna Dentskevich	**30,000**	**0.500%**	30,000	0.500%
Nick Watkins	**10,000**	**0.167%**	10,000	0.167%

On 9 April and 12 April 2021, EJF Investments Manager LLC, Manager, sold 200,000 2025 ZDP Shares in the Company in separate transactions which took place on 9 April 2021 and 12 April 2021 at a price of 105 pence per share through secondary dealings on the London Stock Exchange.

On 13 April 2021, Matt Gill acquired 1,000 2025 ZDP Shares in the Company at a price of 105 pence per share through secondary dealings on the London Stock Exchange.

One 14 April 2021, the Manager sold 516,445 2025 ZDP Shares in the Company at a price of 105 pence per share through secondary dealings on the London Stock Exchange.

ZDP shareholdings in the Company by officers of the Manager and its affiliates are as follows:

Name	2025 ZDP Shares 30 June 2021 (Unaudited)	Percentage of 2025 ZDP Shares in Issue 30 June 2021 (Unaudited)	2025 ZDP Shares 31 December 2020 (Audited)	Percentage of 2025 ZDP Shares in Issue 31 December 2020 (Audited)
The Manager	**-**	**-**	716,445	11.94%
Matt Gill	**1,000**	**0.020%**	-	-

The Manager did not own any 2022 ZDP Shares as at 30 June 2021 (31 December 2020: nil).

[1] The calculation of shareholding % is based on number of Ordinary Shares in issue after adjusting for treasury shares

Other Material Contracts

On 12 November 2019, the Company announced that with effect from 1 January 2020 the Manager voluntarily committed to absorb 80% of future ongoing operating expenses, aside from management and incentive fees, incurred by the Company until no earlier than 1 January 2021. On 21 December 2020, the Company announced that the Manager intends to continue to absorb 75% of the Company's recurring operating expenses, aside from management and incentive fees, until no earlier than the date on which the unaudited net asset value of the Company reaches £300 million.

For the period ended 30 June 2021, £286,952 (30 June 2020: £511,780) of operating expenses were offset by reimbursements from the Manager and are presented in the unaudited condensed statement of comprehensive income.

As at 30 June 2021, the Company had a receivable balance of £326,087 (31 December 2020: £570,728) from the Manager relating to the reimbursement of these operating expenses which is included in the balance due from the Manager on the unaudited condensed statement of financial position.

17. Basic and diluted earnings/ (losses) per share

Basic earnings/(losses) per share is calculated by dividing the earnings/(losses) for the period by the weighted average number of Ordinary Shares in issue during the period.

The weighted average number of Ordinary Shares in issue is 61,145,198 (30 June 2020: 62,341,626). As at 30 June 2021, the Company had basic and diluted earnings/(losses) per Ordinary Share of £0.088 (30 June 2020: £(0.184)).

The diluted earnings/(losses) per share is calculated by considering adjustments required to the earnings/(losses) and weighted average number of shares for the effects of potential dilutive Ordinary Shares. The weighted average of the number of Ordinary Shares is adjusted for any convertible instruments. At 30 June 2021 and 30 June 2020, there were no convertible instruments which would have an impact on the weighted average number of Ordinary Shares.

18. Subsequent Events

Management has evaluated subsequent events for the Company through 9 September 2021, the date the financial statements were available to be issued, and has concluded that the material events listed below do not require adjustment of the financial statements.

On 29 July 2021, the Company declared a dividend of 2.675p per share in respect of the quarter ended 30 June 2021. The dividend was payable to shareholders on the register as at close of business on 6 August 2021, and the corresponding ex-dividend date was 5 August 2021. Payment was made on 31 August 2021.

On 30 July 2021, Neal J. Wilson unconditionally agreed to acquire 70,750 Ordinary Shares in the Company at an average price of £1.28 per share from Hammad Khan, Co-Chief Investment Officer of the Manager and the Senior Managing Director, Europe, of EJF Capital Limited, which is wholly owned by EJF Capital, and a PDMR for the purposes of MAR, in a private off-market transaction.

EJF has taken steps to commence the redemption of all the outstanding notes and preferred shares issued by FINS 2019-1 by issuing a call notice. The redemption is subject to approval by more than 50% of the equity holders and the call notice can be rescinded if such approval is not given. Subject to approval of the equity holders, the redemption and related settlement is expected to take place on 16 September 2021.

TERM	DEFINITION
ABS	Asset backed securities.
Adjusted NAV attributable to Ordinary Shares	Adjusted NAV attributable to Ordinary Shares is calculated as an amount equal to the NAV attributable to Ordinary Shares: (i) excluding any increases or decreases in NAV attributable to Ordinary Shares attributable to the issue or repurchase of any Ordinary Shares; (ii) adding back the aggregate amount of any dividends paid or distributions made in respect of any Ordinary Shares; (iii) excluding the aggregate amount of dividends and distributions accrued but unpaid in respect of any Ordinary Shares; and (iv) excluding the amount of any accrued but unpaid Incentive Fees payable in relation to the NAV attributable to Ordinary Shares, in each case without double counting.
Administrator	BNP Paribas Securities Services S.C.A, Jersey Branch.
Admission	Admission of the Company's Ordinary Shares to trading on the Specialist Fund Segment of the London Stock Exchange on the 7 April 2017.
AGM	Annual General Meeting.
AIFM	An alternative investment fund manager, as defined in the AIFM Directive.
AIFMD or AIFM Directive	The Alternative Investment Fund Managers Directive 2011/61/EU.
Annual Report	Annual Report and Audited Financial Statements.
APM	Alternative Performance Measures. The calculation methodology and rationale for disclosing each of the APMs has been disclosed on pages 46 and 47.
Armadillo I	Armadillo Financial Fund LP.
Armadillo II	Armadillo Financial Fund II LP.
Armadillo Portfolio	A portfolio of high-yielding loans to US law firms engaged in mass tort litigation by way of the holding of limited partner interests in Armadillo I and Armadillo II.
Articles	The articles of association of the Company.
Auditor	KPMG LLP.
Board	The Board of Directors of the Company.
Brexit	The withdrawal of the UK from the EU.
Bridge Loan	An interest in a bridge loan to an affiliate of a publicly listed insurer.
CDO	Collateralised Debt Obligation.
CDO Manager	EJF CDO Manager LLC, a Delaware limited liability company.
CDO Securities	Bonds issued by Kodiak, Attentus and Taberna, which are unaffiliated third-party CDO sponsors.
CFTC	US Commodities and Futures Trading Commission.
Chair	Joanna Dentskevich, Chair of the Board of Directors.
CLO	Collateralised Loan Obligation.
Companies Law	The Companies (Jersey) Law 1991, as amended.
Company or EJFI	EJF Investments Limited, a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey under the Companies Law on 20 October 2016 with registered number 122353.
Continuance Resolution	Ordinary resolution for the business of the Company to continue, to be proposed at an EGM, as procured by the Directors, to be held on or about the fifth anniversary of Admission, and every five years thereafter. If not passed, the Directors will take such actions as they deem appropriate to commence the liquidation of the assets of the Company (having regard to the prevailing liquidity of the assets of the Company and, if applicable, any rules imposed by the Securitisation and Risk Retention Regulations).

TERM	DEFINITION
Corporate Broker or Numis	Numis Securities Limited.
CPO	Commodity Pool Operator.
CTA	Commodity Trading Adviser.
Dodd-Frank	The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
DTR	Disclosure Guidance and Transparency Rule 4.2.4R.
EGM	Extraordinary General Meeting.
EJF	EJF Capital LLC.
EJFIF	EJF Investments Funding Limited, incorporated on 5 September 2018.
EJFIH	EJF Investments Holdings Limited, incorporated on 9 June 2017.
EJF Securitisations	EJF or EJF Affiliate-sponsored securitisations.
ESG	Enviromental,social and governance.
EU	The European Union.
FCA	Financial Conduct Authority.
Fed	The Federal Reserve System.
FINS 2019-1	Financial Note Securitization 2019-1 Ltd.
FVTPL	Fair Value through Profit or Loss.
General Partner	EJF Investments GP Inc., being general partner of the Partnership.
High Watermark	High Watermark is calculated using the Adjusted NAV attributable to Ordinary Shares as determined on the last day of the latest previous Incentive Fee Period in respect of which an Incentive Fee was payable to the Manager.
IAS 32	International Accounting Standard 32, “Financial Instruments: Presentation”.
IAS 34	International Accounting Standard 34, “Interim Financial Reporting”.
Incentive Fee	The incentive fee to which the Manager is entitled as described in the section entitled “Fees and Expenses” in Part IV: “Directors, the Manager and Administration” of the Prospectus.
Incentive Fee Period	Each 12-month period starting on 1 January and ending on 31 December in each calendar year.
Incentive Hurdle	Incentive Hurdle is calculated using the Adjusted NAV attributable to Ordinary Shares on the date of Admission, and then the beginning NAV of each subsequent period, compounded annually (with effect from 31 December 2017) at a rate equal to an internal rate of return of 8% per annum.
Interim Report	This interim report and unaudited condensed interim financial statements.
Internal Control	A process for assuring achievement of an organisation's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies.
IFRS	International Financial Reporting Standards as adopted by the EU.
IFRS 8	International Financial Reporting Standard 8, “Operating Segments”.

TERM	DEFINITION
IFRS 12	International Financial Reporting Standard 32, "Disclosure of Interests in Other Entities".
Investment Objective	The Company seeks to generate attractive risk adjusted returns for its shareholders by investing in opportunities created by regulatory and structural changes impacting the financial services sector. These opportunities are anticipated to include structured debt and equity, loans, bonds, preference shares, convertible notes and private equity, in both cash and synthetic formats, and may be issued by entities domiciled in the US, UK and Europe.
Investment Policy	The Company seeks to achieve its Investment Objective by pursuing a policy of investing in a diversified Portfolio of investments that are derived from the changing financial services landscape.
ISIN	International Securities Identification Number.
Listing Rules	The listing rules made by the FCA under Part VI of the FSMA.
Lock-Up Deed	Has the meaning given to it in paragraph 11.6 of Part XII: "Additional Information" of the Prospectus.
LSE	London Stock Exchange plc.
Management Agreement	The Amended and Restated Management Agreement dated 22 August 2019 between the Company, the Partnership, the General Partner, the Manager and EJF.
Manager	EJF Investments Manager LLC acting as manager and/or investment manager of the Company.
MSRSs	Mortgage Servicing Rights.
NAV per Ordinary Share	NAV per Ordinary Share means an amount equal to, as at the relevant date, the NAV attributable to Ordinary Shares divided by the Ordinary Shares in Issue as at such date.
Net Asset Value or NAV	The NAV means the Company's assets less liabilities. The Company's assets and liabilities will be valued in accordance with International Financial Reporting Standards.
Ordinary Shares	The non-redeemable Ordinary Shares of no par value in the share capital of the Company which, for the avoidance of doubt, includes all classes of Ordinary Shares (denominated in such currency) as the Directors may determine in accordance with the Articles (and for the purposes of the Prospectus, the Ordinary Shares shall be denominated in Sterling) having the rights and subject to the restrictions set out in the Articles.
Ordinary Shareholders	The holder or one or more Ordinary Shares.
Ordinary Share Price	Closing price as the respective reporting date as published on the LSE.
Partnership	EJF Investments LP (a Delaware limited partnership formed under the laws of the US state of Delaware).
PIK	Payment-in-kind.
Placing Programme	The placing programme of up to 150 million Ordinary Shares and/or C Shares and up to 75 million New ZDP Shares.
Portfolio	The Company's and the Subsidiary's portfolio of investments from time to time.
Preference Shares	Preference shares issued by TFINS 2017-2 depositor vehicle.
Principal Risks	Those risks, or a combination thereof, that are considered to materially threaten the Company's ability to meet its Investment Objective, solvency or liquidity.
Prospectus	The Company's prospectus dated 24 June 2019, as supplemented by the supplementary prospectus dated 19 December 2019.
REIT	Real estate investment trust.
Risk Retention Investments	Has the meaning given to it in paragraph 4.1(a) of Part I: "The Company" of the Prospectus.
Risk Retention and Related Investments	Risk Retention Investments, together with investments in non-risk retention securities of EJF securitisations and other non-EJF sponsored securitisations.
SEC	US Securities and Exchange Commission.

TERM	DEFINITION
Securitisation and Related Investments	Risk Retention and Related Investments, capital solutions and ABS investments and the CDO Manager interest.
Seneca	A residential mortgage servicer in the United States which is owned and controlled by EJF, and through which MSR investments are made.
SFS	The Specialist Fund Segment of the LSE.
Shareholder	Any Ordinary Shareholder.
SIFI	Systemically Important Financial Institutions.
Specialty Finance Investments	Represent less liquid UK, European and US specialty finance investments such as (but not limited to): (i) growth equity capital to newly formed companies with scalable specialty finance platforms; (ii) secured and unsecured lending; (iii) investments collateralised by real estate and real estate related assets; and (iv) other illiquid, specialty finance investment opportunities.
Sterling or GBP or £	Pound sterling.
Sub Debt	Subordinated Debt.
Subsidiary	EJF Investments Holdings Limited.
Supplementary Prospectus	The Company's supplementary prospectus dated 30 April 2020.
Target Dividend	The Company targets an annual payment of dividends which equates to 10.7 pence per Ordinary Share.
Target Investments	Investments that consist primarily of securitisation and related investments and specialty finance investments. Has the meaning given to it in Part I: "The Company" of the Prospectus.
Target Return	The Company targets an annual total return of 8% to 10% per annum, inclusive of dividends.
TFINS 2017-2	TruPS Financials Note Securitization 2017-2 Ltd.
TFINS 2018-1	TruPS Financials Note Securitization 2018-1 Ltd.
TFINS 2018-2	TruPS Financials Note Securitization 2018-2 Ltd.
TFINS 2019-1	TruPS Financials Note Securitization 2019-1 Ltd.
TFINS 2019-2	TruPS Financials Note Securitization 2019-2 Ltd.
TFINS 2020-1	TruPS Financials Note Securitization 2020-1 Ltd.
TFINS 2020 -2	TruPS Financials Note Securitization 2020-2 Ltd.
Total Return	Has the meaning on page 46.
TruPS	Trust preferred securities.
TruPS CDO Collateral	Has the meaning given in paragraph 3.3 (d) in the section entitled "Risk Factors" in the Prospectus.
UK	United Kingdom.
UK Code	2018 UK Corporate Governance Code effective for periods beginning on or after 1 January 2019.
US	United States of America.
US Dollar or USD or $	United States Dollar.
2022 ZDP Shares	The redeemable Zero Dividend Preference shares of no par value in the Company with a repayment date during November 2022 and bearing a gross redemption yield of 5.86%.
2025 ZDP Shares	The redeemable Zero Dividend Preference shares of no par value in the Company with a repayment date during June 2025 and bearing a gross redemption yield of 7.00%.
ZDP Shares	2022 ZDP Shares and 2025 ZDP Shares.
ZDP Shareholder	The holder of one or more ZDP Shares.
ZDP Share Price	Closing price of the relevant ZDP Shares as at the respective reporting date as published on the LSE.

NAV per Ordinary Share

NAV per Ordinary Share means an amount equal to, as at the relevant date, the NAV attributable to Ordinary Shares divided by the Ordinary Shares in issue as at such date.

Reason for use

Common industry performance benchmark for calculating the Total Return and Share Price (Discount)/Premium to NAV per Ordinary Share.

Recalculation

NAV per Ordinary Share is calculated as follows:

Rating	30 June 2021	31 December 2020
Net Assets as per statement of financial position	**£102,691,267**	£100,568,661
Number of Ordinary Shares in issue at period/year end (excluding treasury shares)	**61,145,198**	61,145,198
NAV per Ordinary Share	**168p**	164p

Total Return

Compounded monthly returns per the monthly published performance reports, inclusive of dividends.

Reason for use

To provide transparency in the Company's performance and to help investors identify and monitor the compounded returns of the Company.

Recalculation

Total Return has been calculated using the following monthly returns and compounded as follows:

Rating	From Inception to 30 June 2021	2021	2020	2019	2018	2017
Compounded monthly return to 30 June 2020	-					
January	-	**1.99%**	0.47%	0.35%	8.28%	0.51%
February	-	**0.15%**	0.18%	0.41%	0.70%	2.96%
March	-	**2.12%**	(13.57%)	1.77%	0.12%	3.65%
April	-	**0.44%**	0.58%	5.61%	2.70%	0.24%
May	-	**(2.09%)**	3.33%	0.83%	2.10%	2.85%
June	-	**2.80%**	0.15%	0.26%	1.62%	0.34%
July	-	-	1.25%	0.56%	0.50%	0.90%
August	-	-	0.34%	0.62%	2.39%	1.37%
September	-	-	0.40%	0.21%	0.08%	0.54%
October	-	-	(0.73)%	0.04%	0.32%	4.92%
November	-	-	1.16%	0.13%	0.22%	0.59%
December	-	-	0.25%	0.63%	(1.13%)	2.53%
Compounded monthly return	**61.31%**	**5.45%**	(7.02%)	11.88%	19.08%	23.47%

Share Price Discount to NAV per Ordinary Share

Closing price as at such date as published on the LSE divided by the NAV per Ordinary Share.

Reason for use

Common industry measure to understand the price of the Company's shares relative to its net asset valuation. This performance measure has been reclassified as an APM for the current period. This key performance highlight has been classified as an APM following a reassessment of the APMs.

Recalculation

Share Price Discount to NAV per Ordinary Share is calculated as follows:

Rating	30 June 2021	31 December 2020
Closing price as at period/year end as published on the London Stock Exchange	**127.5p**	117.0p
NAV per Ordinary Share	**168.0p**	164.0p
Share Price Discount to NAV per Ordinary Share	**(24.1)%**	(28.7)%