

EJF Investments Limited



FACTSHEET

MONTHLY NAV PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2023 Monthly Performance (inclusive of dividends) (%)	(0.58)	1.48											0.89
2022 Monthly Performance (inclusive of dividends) (%)	0.13	1.34	2.22	4.01	0.72	1.87	1.09	2.73	2.47	(0.40)	(3.15)	0.20	13.85
2021 Monthly Performance (inclusive of dividends) (%)	1.99	0.15	2.12	0.44	(2.09)	2.80	(0.01)	0.55	3.06	(0.16)	3.25	(1.43)	11.02
2020 Monthly Performance (inclusive of dividends) (%)	0.47	0.18	(13.57)	0.58	3.33	0.15	1.25	0.34	0.40	(0.73)	1.16	0.25	(7.02)
2019 Monthly Performance (inclusive of dividends) (%)	0.35	0.41	1.77	5.61	0.83	0.26	0.56	0.62	0.21	0.04	0.13	0.63	11.88
2018 Monthly Performance (inclusive of dividends) (%)	8.28	0.70	0.12	2.70	2.10	1.62	0.50	2.39	0.08	0.32	0.22	(1.13)	19.08
2017 Monthly Performance (inclusive of dividends) (%)	0.51*	2.96	3.65	0.24	2.85	0.34	0.90	1.37	0.54	4.92	0.59	2.53	23.47

*This performance reflects the period 1 February through 9 February, the Exchange Offer Completion Date.

EJF Capital LLC AUM¹

\$7.2 Billion

EJFI Annualised Performance since inception²

11.67%

Manager Monthly Commentary

Portfolio Activity:

EJFI's February 2023 NAV was £111.9² million or GBp183² per share, representing a gain for the month of 1.48%² inclusive of the dividend paid during the month. This performance was generated by continued positive underlying portfolio performance and FX gains for the month.

The positive portfolio performance was primarily driven by 74bps gain on securitisations & related investments and modest movements across other assets including a 9bps loss on MSR related hedges, which netted to a total portfolio gain of 65bps. FX gains were 103bps. The Company hedged approximately 55% of its underlying U.S. Dollar asset exposure.

Elsewhere, the Company exited a small US FinTech position during the month and received the full redemption of its investment in the Armadillo investment post month end. These events increased the Company's cash balances which are intended to be redeployed in due course.

Market:

February was challenging for the financial sector given persistent interest rate volatility. The policy-sensitive 2-year Treasury bond increased from 4.20% to 4.82% during the month as the January Consumer Price Index unexpectedly rose 0.5% month over month. At the end of February, the Fed Funds futures expected to see continued hikes with almost no cuts throughout 2023, ending the year with rates around 5.5%. As at February month-end the market was anticipating the U.S. Federal Reserve would increase Fed Funds rate by 25 to 50 basis points in March 2023.

Interest rate volatility continued to be a headwind for the financial sector. In the six to eight weeks since reporting fourth quarter earnings, many banks have revised earnings lower from their already weak guidance or even refused to provide margin guidance citing sustained deposit pressures and macroeconomic uncertainty. Funding continues to be competitive as the trend of deposit mix shifting away from non-interest-bearing deposits and overall higher outflows continues. Additionally, credit quality is slowly starting to normalise specifically in commercial real estate subsectors of office and healthcare but remains strong in many areas at the moment.

Post Month End Market Update:

Further to month end, there has been significant turmoil in certain segments of the US banking sector and associated broader market volatility and concerns. The Company's exposure to crystallised events was disclosed on 15 March 2023 ([link](#)), with the main points being:

- that it has no underlying exposure to SVB Financial Group or Signature Bank, which have been placed into receivership.
- that it has a small underlying exposure to Silvergate Capital Corporation, which announced its intent to wind down operations and voluntarily liquidate Silvergate Bank in an orderly manner on 8 March 2023. The combined exposure is less than 2.5% of January's NAV on a look through basis, prior to any recoveries.

¹AUM includes \$3.3 billion of CDO managed assets and \$211.5 million of uncalled capital as at 31 December 2022.

²Based on the Company's 28 February 2023 unaudited financials.

EJFI Key Facts (at 28 February 2023)

Ticker Symbol	EJFI LN
NAV/Share	GBp183 (\$2.25 equivalent)
Share Price	GBp131
Share Price Premium/ (Discount) to NAV	(28.4)%
EJFI NAV	£111.9 million
Market Cap	£80.1 million
Gross Asset Value	£132.2 million
Target Return	8%-10% total return
Quarterly Dividend ¹	GBp2.675 per share (GBp10.7 per share p.a.)
Dividend Yield	8.17% (share price) 5.85% (NAV)
Currency ²	GBP ²
2025 ZDP Shares	Ticker: EJF0 LN Shares: 17m, Maturity: 6/2025 Capital Entitlement: GBp140.0 Current Share Price: GBp118.5

¹The Company targets an annual dividend of 10.7 pence per share for the financial year to 31 December 2023, to be distributed evenly in four quarterly payments.

²The Company's base currency is denominated in GBP, though most of the Company's investments are currently in USD. As of 28 February 2023, USD 85.3m of approximately USD 153.9m exposure is hedged.

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Existing Portfolio Description¹

Securitisations & Related Investments

- £93.1 million investment in the equity tranches of seven securitisations sponsored by EJF Capital LLC
- £7.4 million investment in EJF CDO Manager LLC (49% ownership interest)
- £1.4 million investment in a TruPS CDO security

Specialty Finance Investments

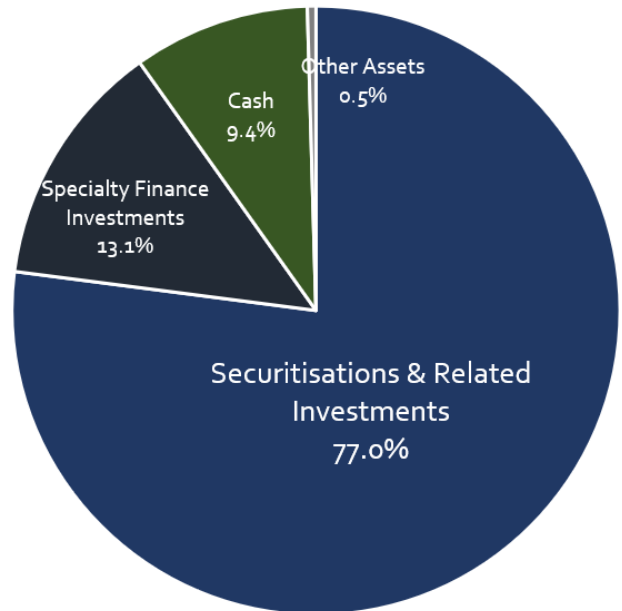
- £10.4 million investment in a portfolio of mortgage servicing rights ("MSRs")
- £3.6 million in U.S. Treasury bills to partially hedge MSRs
- £2.1 million investment in FinTech debt securities
- £1.2 million investment in portfolio of high interest rate loans to U.S. law firms engaged in mass tort litigation

Cash

- £9.1 million unrestricted cash
- £3.3 million restricted cash²

Other Assets

- £0.6 million of other assets



- Based on the Company's 28 February 2023 unaudited financials.
- Net of an unrealised loss on forward currency contracts of £0.2 million.

Company Overview

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

Target Investments

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

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

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

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

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

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