

EJF Investments Limited



MONTHLY 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	(4.55)	(0.17)	0.84								(3.06)
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

\$6.9 Billion

EJFI Annualised Performance since inception²

10.48%

Investment Manager Monthly Commentary

Portfolio Activity:

EJFI's May 2023 NAV was £105.9² million or GBp173² per share, representing a gain for the month of 0.84%². The performance was primarily driven by continued resilience of the underlying portfolio while there were also FX gains during the month.

The underlying portfolio had a positive performance of 0.71% with Securitisations & Related investments contributing 0.75% largely due to regular income accruals. Elsewhere, Specialty Finance investments recorded a modest loss of 0.04%. FX gains were 0.38% and the Company had approximately 55.1% of its underlying U.S. Dollar asset exposure hedged at month end.

Market:

In May 2023, banking sector shares hit new lows for the cycle. While the Manager acknowledges that fundamentals within the banking industry are challenged, it believes that most of the near-term headwinds are well-priced into current equity valuations. The Manager expects margins to decline over the next two quarters as deposit costs continue to rise at a greater rate than loan and securities repricing. Additionally, loan growth and M&A slowed materially as banks understandably look inward ahead of a potential recession. As a consequence, equity valuations within the community banking sector, in particular, have now approached those seen during the Great Financial Crisis in 2008. As a measure of small and medium sized banks, the Nasdaq Bank Index ("CBNK") has now experienced a peak to trough decline of 49.1% from January 2022 to present.

Regardless of equity valuations, bank issued debt has continued to perform and the Manager does not have tremendous concerns about the Company's broad portfolio of such debt pieces. As noted in earlier announcements, the Company has exposure to two names that continue to have market rumours about their financial health, PacWest Bancorp ("PACW") and Western Alliance Bancorporation ("WAL"). Each saw historic declines in their share prices on concerns that they would need to be sold, with the implication that depositors were fleeing. However, the Manager believes that the debt of these two names will continue to perform. WAL outright refuted that they were exploring a sale of the Company and WAL provided numerous business updates which highlighted that deposits were growing, not shrinking. PACW announced that it sold approximately \$3 billion of construction loans (not including undrawn commitments) at a modest 2.5% discount to book value. The Manager also expects PACW to announce additional sales as the bank shrinks its balance sheet in the near-term.

In terms of the Company's other positions, all have performed in line with expectations. In the Specialty Finance book, all debt positions performed and the Company's MSR portfolio continues to exhibit historically low prepayment rates which extends the cash flow to the Company.

Other corporate activity

1. On 13 June 2023, the Company held its annual general meeting and all resolutions were duly passed. Details of resolutions passed and vote count on each resolution can be accessed [here](#).

¹AUM includes \$3.3 billion of CDO managed assets and \$222.9 million of uncalled capital as at 31 March 2023.

²Based on the Company's 31 May 2023 unaudited financials.

EJFI Key Facts (as of 31 May 2023)

Ticker Symbol	EJFI LN
NAV/Share	GBp173 (\$2.15 equivalent)
Share Price	GBp110.5
Share Price (Discount) to NAV	(36.1)%
EJFI NAV	£105.9 million
Market Cap	£67.6 million
Gross Asset Value	£129.3 million
Target Return	8%-10% total return p.a.
Quarterly Dividend¹	GBp2.675 per share (GBp10.7 per share p.a.)
Dividend Yield	9.7% p.a. (share price)
Hedging ratio²	55.1%
Gearing ratio³	21.7%
Ongoing Charges⁴	1.2%
2025 ZDP Shares	Ticker: EJF0 LN Shares: 19.3m, Maturity: 6/2025 Capital Entitlement: GBp140.0 Current Share Price: GBp119.0

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 31 May 2023, USD 85.3m of approximately USD 154.8m exposure is hedged.

³Gearing ratio is computed as current accreted value of ZDP Shares over the NAV of the Company.

⁴For FY 22 and calculated in line with AIC's recommended methodology. Expenses are net of 60% of the recurring operating expenses (other than management fees) reimbursed by the Investment Manager.

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Existing Portfolio Description¹

Securitisations & Related Investments

- £87.1 million investment in the equity tranches of seven securitisations sponsored by EJF Capital LLC
- £6.9 million investment in EJF CDO Manager LLC (49% ownership interest)
- £1.3 million investment in a TruPS CDO security

Specialty Finance Investments

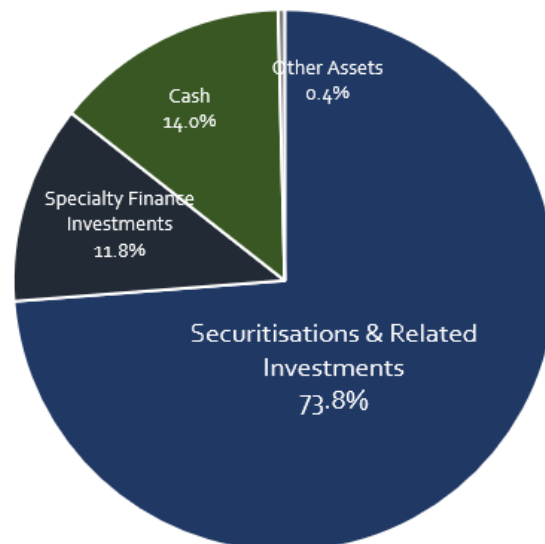
- £9.8 million investment in a portfolio of mortgage servicing rights ("MSRs")
- £3.5 million in U.S. Treasury bills to partially hedge MSRs
- £2.0 million investment in FinTech debt securities

Cash

- £14.6 million unrestricted cash
- £3.4 million restricted cash²

Other Assets

- £0.5 million of other assets



¹Based on the Company's 31 May 2023 unaudited financials.

²Including an unrealised gain on forward currency contracts of £1.5 million.

COMPANY OVERVIEW

EJF Investments Limited ("EJFI" or the "Company", together with its subsidiary the "Group") is a Jersey incorporated, closed ended investment company whose shares are traded on the Specialist Fund Segment of the London Stock Exchange.

Its objective is to provide shareholders with attractive risk adjusted returns through regular dividends and capital growth over the long term. EJFI generates exposure primarily to a diversified portfolio of loans issued by financial institutions and related or similar assets in the U.S., U.K. and Europe.

The Company currently invests primarily in Equity Tranches of CDOs structured by an affiliate of EJF Capital LLC, providing levered exposure to a highly diversified portfolio of securities issued by U.S. financial institutions (banks and insurance companies), these being Risk Retention 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.