

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	(6.72)	0.91	1.63	(0.36)	0.80	(0.69)	0.25	(7.27)
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

\$6.3 Billion

EJFI Annualised Performance since inception² (%)

8.84

Investment Manager Monthly Commentary

Portfolio Activity:

EJFI's December 2023 NAV was £98.0² million or GBp160² per share, representing a gain (inclusive of dividends) of 0.25%² for the month.

The underlying portfolio continued to show signs of resilience with an overall positive performance of 1.02% for the month. Securitisations & Related Investments returned a 1.09% profit largely on account of regular interest accruals as the valuation of underlying CDO Equity Tranches continued to be flat month on month.

Elsewhere, MSRs were down 0.20% on account of mortgage interest rate declines. US Treasuries and the US Bank debt portfolio returned a positive performance of 0.08% and 0.05% respectively.

The US Dollar continued to depreciate against Sterling during the month resulting in FX losses of 0.54%. The Company had hedged approximately 56% of its underlying US Dollar asset exposure at month end.

Market:

The banking sector experienced a second consecutive strong month of equity performance in December as the U.S. Federal Reserve (the "Fed") signaled that it may be not only near the end of its rate hiking campaign, but also potentially ready to cut rates three times in 2024. As a result, the 10-year Treasury bond yield declined from 4.33% to 3.90% during December and the Fed Funds Futures priced-in over six 25 basis point rate cuts next year, with the first full cut expected at the 20 March 2024 meeting. The Manager believes that the end of rate hikes likely reduces the tail risk of a deep recession and greater than expected credit quality deterioration for the banking sector, which naturally benefits the Company. Market-based indicators of credit quality tightened meaningfully during the month as the CDX North America 5-year High Yield Index compressed from 4.02% to 3.56%.

The Manager also believes that a lower normalised rate environment and healthy credit will allow small and medium sized banks to exceed expectations with regards to loan growth and capital levels. Given the expected 10% - 30% increase in capital requirements from Basel III Endgame proposals for banks greater than \$100 billion in assets, the Manager believes that a share shift opportunity remains for small and medium-sized banks. Additionally, banks less than \$10 billion of assets will have no obligation to pay the FDIC special assessment charge to the deposit fund that was caused by the failures of Silicon Valley, Signature and First Republic earlier in the year.

As interest rates decline and normalise, the Manager expects that bank management teams will become more comfortable engaging in transactions. The prospect of less upfront dilution in deals combined with greater confidence in a soft landing for the economy has the potential for robust dealmaking in the future and underpins much of the Company's underlying exposures.

EJFI Key Facts (as of 31 December 2023)

Ticker Symbol	EJFI LN
NAV/Share	GBp160 (\$2.04 equivalent)
Share Price	GBp101.5
Share Price (Discount) to NAV	(36.6)%
EJFI NAV	£98.0 million
Market Cap	£62.1 million
Gross Asset Value	£122.6 million
Target Return	8%-10% total return p.a.
Quarterly Dividend¹	GBp2.675 per share (GBp10.7 per share p.a.)
Dividend Yield	10.5% p.a. (share price)
Hedging ratio²	56.2%
Gearing ratio³	24.6%
Ongoing Charges⁴	1.2%
2025 ZDP Shares	Ticker: EJF0 LN Shares: 19.3m, Maturity: 6/2025 Capital Entitlement: GBp140.0 Current Share Price: GBp120.0

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 December 2023, USD 85.3m of approximately USD 151.8m exposure is hedged.

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

⁴For FY 23 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 Manager. Ongoing charges gross of the Manager reimbursement was 1.8%.

¹AUM includes \$2.9 billion of CDO managed assets and \$186.3 million of uncalled capital as at 30 September 2023. ²Based on the Company's 31 December 2023 unaudited financials.

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

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Existing Portfolio Breakdown¹

Securitisations & Related Investments

- £76.2 million investment in 7 CDO Equity Tranches of securitisations sponsored by EJF Capital LLC
- £6.0 million investment in EJF CDO Manager LLC (49% ownership interest)
- £1.1 million investment in a TruPS CDO security

Specialty Finance Investments

- £9.5 million investment in a portfolio of mortgage servicing rights ("MSRs")
- £0.8 million investment in a European debt security

U.S. Treasuries

- £3.4 million in U.S. Treasury bills to partially hedge MSRs

U.S. Bank debt

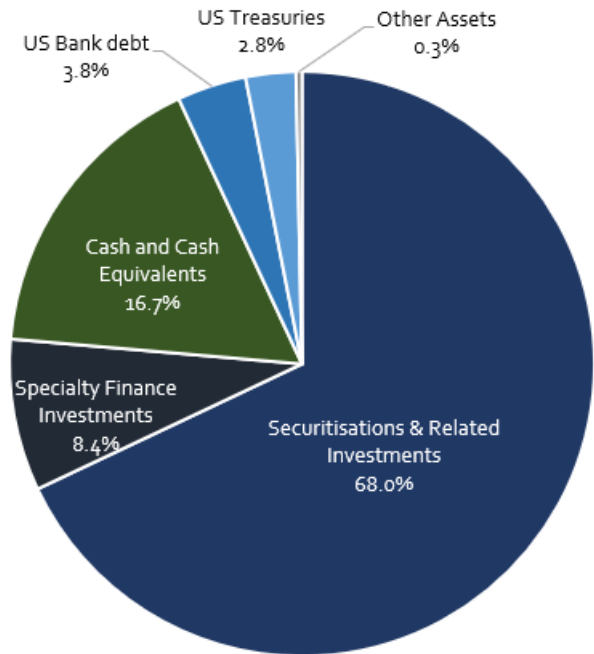
- £4.7 million in two subordinated debt instruments issued by US Banks

Cash and Cash Equivalents

- £5.0 million unrestricted cash
- £2.9 million restricted cash²
- £12.6 million in a money market fund

Other Assets

- £0.4 million of other assets



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

²Including an unrealised gain on forward currency contracts of £0.8 million.

COMPANY OVERVIEW

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

EJFI offers exposure to a portfolio of loans to US financial institutions and related assets, with an emphasis on floating rate debt. EJFI's objective is to provide shareholders with attractive risk adjusted returns via regular dividends and capital growth over the long term.

PORTFOLIO OVERVIEW

EJFI primarily invests in a diversified portfolio of debt issued by smaller US banks and insurance companies via CDO Equity Tranches, where the CDOs were structured by an affiliate of EJF Capital LLC.

EJFI owns a 49% interest in EJF CDO Manager LLC ('the CDO Manager') that manages CDOs and generates regular income. EJFI also invests in Specialty Finance Investments, including Mortgage Servicing Rights ('MSRs') which provide regular income in exchange for servicing pools of US mortgages.

EJF Investments Manager LLC	U.K. Office	11 Berkeley Street, 5th Floor, London, W1J 8DS	Info@ejfi.com
Liberum Capital Limited	U.K. Office	25 Ropemaker Street London EC2Y 9LY	james.shields@liberum.com
Barclays Bank PLC	U.K. Office	1 Churchill Place, London E14 5HP	barclaysinvestmentcompanies@barclays.com
BNP Paribas S.A, Jersey Branch	Jersey Office	IFC1, The Esplanade, Saint Helier, Jersey, JE1 4BP	jersey.bp2s.ejf.cosec@bnpparibas.com

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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.

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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.