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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION. PLEASE SEE THE IMPORTANT NOTICE AT THE END OF THIS ANNOUNCEMENT.

This announcement is an advertisement for the purposes of the Prospectus Rules of the UK Financial Conduct Authority (the "FCA") and not a prospectus and not an offer of securities for sale in any jurisdiction. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors should not purchase or subscribe for any shares referred to in this announcement except on the basis of information in the prospectus published on 9 November 2017 (the "Prospectus"). A copy of the Prospectus is available from the Company's website ([www.EJFI.com](http://www.EJFI.com)), subject to applicable securities laws, and at its registered office at 47 Esplanade, St. Helier, Jersey JE1 0BD, Channel Islands and at the offices of Clifford Chance LLP at 10 Upper Bank Street, London E14 5JJ, United Kingdom

12 February 2018

### **EJF Investments Ltd (the "Company")**

#### **Placing under Placing Programme**

The Company today announces its intention to raise new capital under the Company's placing programme (the "Placing Programme") as detailed in the Company's Prospectus. The Company is seeking to raise £50 million via a placing (the "Placing") of new shares (the "New Shares").

#### **Background**

The Company's investment objective is to generate attractive risk adjusted returns for its shareholders by investing in opportunities created by regulatory and structural changes impacting the financial services sector. The Company seeks to do this by primarily investing in debt issued by small U.S. banks and insurance companies on a moderately levered basis.

Based on current market conditions, the Company is targeting an annual dividend of 10 pence per share for the financial year to 31 December 2018, to be distributed evenly in four quarterly payments. If the Board determines that any excess returns may be distributed to shareholders, these will be paid as part of the final quarterly dividend of the 2018 financial period. The Company paid out 9.7 pence per share in aggregate in dividends for the financial period to 31 December 2017, including a quarterly dividend of 2.5 pence per share for the fourth quarter, which exceeded the Company's initial dividend target of 6%.

The Company generated a NAV total return of 23.5% from February 2017 (the implementation of the group structure) to 31 December 2017 and has gross assets of £103 million and net assets of £86.3 million (as at 31 December 2017) (unaudited).

On 20 January 2018, the Company declared a dividend for the quarter ending 31 December 2017 which went ex on 2 February 2018 and which is expected to be paid on 2 March 2018.

#### **Investment Opportunity**

The Company's capital is currently substantially deployed or committed to near term investments and EJF Investment Manager LLC, the Company's Manager (the "Manager"), has a defined pipeline of potential investments matching the Company's return profile which would require at least £50 million of additional investment by the Company.

The Manager believes that now is an attractive time to invest in the U.S. small banks and insurance company sector due to a number of performance drivers in the U.S.:

- Increased consolidation and M&A activity is reducing the number of banks and strengthening the credit profiles of those that remain – ca. 8,000 small banks in 2010 to ca. 5,500 in 2017 – in addition to fuelling the redemption of certain bonds which benefits many of the Company's investments;
- Increasing interest rates are expected to improve the profitability of smaller U.S. banks and insurance companies while also increasing income flows to CDO equity;
- Corporate tax cuts improve the profitability and credit profile of the smaller U.S. financial institutions;
- Active securitisation market – increased demand for securitisations backed by smaller U.S. financial institutions.

The Manager, as an affiliate of EJP Capital LLC which has over U.S.\$5.3 billion under management, is able to access a large volume of attractive opportunities in this sector and be selective when investing.

### **Proposed Placing under the Placing Programme**

The proposed Placing will take place through the Company's broker, Liberum Capital Limited ("Liberum").

The Placing is expected to close at 1.30 p.m. (London time) on 8 March 2018, but may be closed earlier or later at the discretion of the Company and Liberum. The final number of New Shares will be agreed between the Company and Liberum following close of the Placing, and announced shortly thereafter.

Liberum may choose to accept bids, either in whole or in part, on the basis of allocations determined in agreement with the Company, and may scale down any bids for this purpose on such basis as the Company and Liberum may determine. Liberum may also, notwithstanding the above and subject to the prior consent of the Company: (i) allocate New Shares after the time of any initial allocation to any person submitting a bid after that time, and (ii) allocate New Shares after the book-build has closed to any person submitting a bid after that time. The Company's Board, in consultation with Liberum, may also decide not to proceed with the Placing for any reason. In this case, an announcement will be made by the Company.

Applications will be made to the London Stock Exchange for the New Shares to be admitted to trading on the Specialist Fund Segment ("Admission"). It is expected that Admission will become effective on or around 13 March 2018 and that dealings in the New Shares will commence at that time.

The Placing is being made pursuant to the terms and conditions set out in Part XIV of the Prospectus. Investors are invited to apply for New Shares pursuant to the Placing by contacting their usual contact at Liberum.

## Expected Timetable for the New Placing

Each of the times and dates set out below and mentioned elsewhere in this document may be adjusted by the Company, in which event details of the new times and dates will be announced via a Regulatory Information Service. References to a time of day are to London time.

Event	Date
Placing opens	22 February 2018
Latest time and date for commitments under the Placing	1.30 p.m. on 8 March 2018
Trade date	12 March 2018
Admission	8.00 a.m. on 13 March 2018
Crediting of CREST stock accounts in respect of the New Shares	13 March 2018

A copy of the Prospectus is available for inspection at: [www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm) as well as on the Company's website at [www.EJFI.com](http://www.EJFI.com)

Terms used but not defined in this announcement shall have the meanings given to such terms in the Prospectus.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Past performance is not necessarily a reliable indicator of future results. Returns are target returns only and there can be no guarantee that such returns will be achieved. The market value of shares and income from them 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.

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## ENQUIRIES

### For the Investment Manager

EJF Investment Manager LLC

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### For the Broker

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### **About EJV Investments Limited**

EJFI is a registered closed-ended limited liability company incorporated in Jersey under the Companies (Jersey) Law 1991, as amended, on 20 October 2016 with registered number 122353. The Company is regulated by the Jersey Financial Services Commission (the "JFSC"). The JFSC is protected by both the Collective Investment Funds (Jersey) Law 1988 and the Financial Services (Jersey) Law 1998, as amended, against liability arising from the discharge of its functions under such laws. The JFSC has not reviewed or approved this announcement.

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### **Important Notice**

This announcement is a financial promotion and is not intended to be investment advice.

The contents of this announcement, which have been prepared by and are the sole responsibility of the Company, have been approved by Liberum Capital Limited solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended) (the "FSMA").

The information contained in this announcement is for background purposes only and does not purport to be full or complete. It is also subject to change. Before subscribing for any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which are set out in the Prospectus. The value of Shares 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. The price and value of securities can go down as well as up, and investors may get back less than they invested or nothing at all. Potential investors should consult an independent financial advisor as to the suitability of the securities referred to in this advertisement for the person concerned.

Neither this announcement nor the information contained herein is for publication, distribution or release, in whole or in part, directly or indirectly, in or into or from the United States (including its territories and possessions), any member state of the European Economic Area (other than the United Kingdom), Australia, Canada, South Africa, Japan or to any person in any of those jurisdictions or any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. The offer of New Shares pursuant to the Placing (the "Offer") and the distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession this announcement or any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, the securities referred to herein to any person in any jurisdiction, including the United States, Australia, Canada, South Africa or Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

The securities to which this announcement relates have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or with any regulating authority or under any applicable securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, pledged or otherwise transferred within the United States or to US persons unless registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state law. There will be no public offer of the securities in the United States. The securities referred to herein have not been registered under the applicable securities laws of Australia, Canada, South Africa or Japan and, subject to certain exceptions, may not be offered or sold within Australia, Canada, South Africa or Japan or to any national, resident or citizen of Australia, Canada, South Africa or Japan.

This announcement is only addressed to and directed at qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC as amended, including by Directive 2010/73/EC) ("Qualified Investors") in the United Kingdom who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and

Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order and (iii) are persons to whom it may otherwise be lawful to communicate it to (all such persons being referred to as "relevant persons"). Any investment or investment activity to which this announcement relates is available only to relevant persons in the United Kingdom and will be engaged in only with such persons. Other persons should not rely or act upon this announcement or any of its contents.

This announcement is not intended to be an offer or placement for the purposes of the Alternative Investment Fund Managers Directive ("AIFMD"), and any "marketing" as defined in AIFMD will, in due course, take place in accordance with the national private placement regimes of the applicable European Economic Area jurisdictions in which the Manager registers under AIFMD for marketing.

This announcement contains statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "expects", "anticipates", "intends", "plans", "estimates", "aim", "forecast", "projects", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. The forward-looking statements reflect the Company's and the Manager's and EJV Capital LLC's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth, strategies and the industry in which the Company operates. The forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, the Manager and EJV Capital LLC, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. As a result, investors are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements speak only as of their date and the Company, the Manager, EJV Capital LLC, Liberum and any of such person's respective directors, officers, employees, agents, affiliates or advisors expressly disclaim any obligation to supplement, amend, update or revise any of the forward-looking statements made herein, except where it would be required to do so under applicable law. It is up to the recipient of this announcement to make its own assessment as to the validity of such forward-looking statements and assumptions. No statement in this announcement is intended as a profit forecast or a profit estimate.

The timetable, including the date of Admission, may be influenced by a range of circumstances such as market conditions. There is no guarantee that the Offer will proceed and you should not base your financial decisions on the Company's intentions in relation to the Offer. This announcement does not constitute a recommendation concerning the Offer. The Company is not regulated by the FCA and FCA protection does not apply to the Offer.

Liberum, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for the Company and no one else in connection with the matters described in this announcement. Liberum will not regard any other person (whether or not a recipient of this document) as a client in relation thereto and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Offer, the contents of this announcement or any transaction or arrangement or other matter referred to herein.

In connection with the Offer, Liberum and any of its affiliates, acting as investors for their own accounts, may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in the Prospectus to the Shares being offered, subscribed, issued, acquired, sold, placed or otherwise dealt in should be read as including any offer, subscription, issue, sale, acquisition, placing or dealing in the Shares by Liberum and any of its affiliates acting as investors for their own accounts. In addition, Liberum or its affiliates may enter into financing arrangements and swaps in connection with which it or its affiliates may from time to time acquire, hold or dispose of Shares. Neither Liberum nor any of its affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Liberum nor any of its affiliates, directors, officers, employees, advisors or agents accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information contained in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Shares are: (i) compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.