

# EJF Investments Limited

## FACTSHEET

### Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018 Monthly Performance (inclusive of dividends) (%)	8.28	0.70	0.12	2.70									12.12
2017 Monthly Performance (inclusive of dividends) (%)		2.96	3.65	0.24	2.85	0.34	0.90	1.37	0.54	4.92	0.59	2.53	23.47

### Company Overview

EJF Investments Ltd (together with its subsidiaries, "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 and private equity, in both cash and synthetic formats issued by entities domiciled in the U.S 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) Securitization and Related Investments; and (b) Specialty Finance Investments.

### Manager Monthly Commentary

**NAV:** EJFI's April 2018 NAV was £101.2 million or GBP175 per share, representing a monthly gain of 2.70% (inclusive of dividend), adding to the Company's strong performance year-to-date. The main contributor to NAV this month was the sale of a legacy REIT TruPS CDO security, as described further below.

**Market:** The month of April saw 31 US bank M&A deals announced, bringing the number of transactions to 95 year-to-date. The median P/TBV for deal valuations was 1.84x. This compares to P/TBV of 1.63x in April 2017, or an increase of 12.7% year-over-year. We continue to believe that we will see an elevated amount of M&A activity in the near term due to the changing regulatory environment and continued positive banking trends.

**Portfolio Activity:** The Company sold a legacy REIT TruPS CDO security in April 2018 that generated a gain of approximately £2.4 million. The remaining portion of the Company's portfolio continues to perform in line with expectations.

### Post Month End Activity

**Placing of New Ordinary Shares:** On 4 May 2018, the Company announced it raised gross proceeds of approximately £4.5 million through a placing of approximately 2.6 million new ordinary shares at 171 pence per share.

**New Investment:** The Company closed on a new CDO equity investment, ("TFINS 2018-1"), totaling approximately £16.8 million investment on 8 May 2018. TFINS 2018-1 is a securitization sponsored by EJF Capital LLC and primarily consists of trust preferred securities issued by 62 U.S. community banks and 4 U.S. insurance companies with an aggregate par value of approximately \$538 million. Approximately 93% of the underlying collateral is floating-rate with a weighted average spread of the floating assets of approximately 2.7% p.a. over U.S. Dollar 3-month LIBOR. The remaining collateral is fixed-rate with a weighted average coupon of approximately 6.2% p.a. The weighted average maturity of the collateral is approximately 16 years from the closing date and TFINS 2018-1 has a final maturity date in 2039. The securitization is callable after March 2020 at the option of the majority preferred shareholders, with mandatory auction calls commencing after March 2026. Anticipated return scenarios estimate that the Investment will generate a gross return in the low double digits over the estimated life of the Investment. The Company will also participate in the collateral management fee income via its 49% ownership interest in EJF CDO Manager LLC (the "CDO Manager"), which serves as the collateral manager for TFINS 2018-1, and will earn a 20 basis points p.a. fee in addition to an incentive management fee equal to 20% of profits over a 10% hurdle.

### EJFI Key Facts (at 30 April 2018)

Ticker Symbol	EJFI LN
NAV/Share	GBP175 (\$2.41 equivalent)
Share Price	GBP177
EJFI NAV	£101.2 million
Market Cap	£102.5 million
Gross Asset Value	£118.2 million <sup>3</sup>
Target Return <sup>1</sup>	8%-10% total return
Quarterly Dividend <sup>2</sup>	GBP2.5 per share (7.1% p.a. yield <sup>2</sup> )
Ex-Dividend Date	3 May 2018
Payment Date	31 May 2018
Currency	GBP
Manager	EJF Investments Manager LLC (the "Manager")
ZDP Shares	Ticker: EJFZ LN Number of Shares: 15 million Maturity: December 2022 Capital Entitlement: GBP132.25 per share GRY: 5.75%

<sup>1</sup>Per annum on Undiluted NAV per share on First Admission (£1.41 per share).

<sup>2</sup>The Company has a target dividend yield of 6.0% per annum on Undiluted NAV per share on First Admission (£1.41 per share). 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. The Company may pay a special dividend in excess of this amount, at the Board's discretion.

<sup>3</sup>Presented on a consolidated basis.

Based on the Company's 30 April 2018 unaudited financials.

Your attention is drawn to the disclaimer (Important Disclosure) that begins on the second 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 Description<sup>1</sup>

#### Securitizations & Related Investments

- £35.0 million investment in the equity tranches of three securitizations sponsored by EJF Capital LLC
- £2.4 million investment in portfolio of REIT TruPS CDO securities
- £5.4 million investment in a US bank Sub Debt
- £6.9 million investment in the CDO Manager (49% ownership interest)

#### Specialty Finance Investments

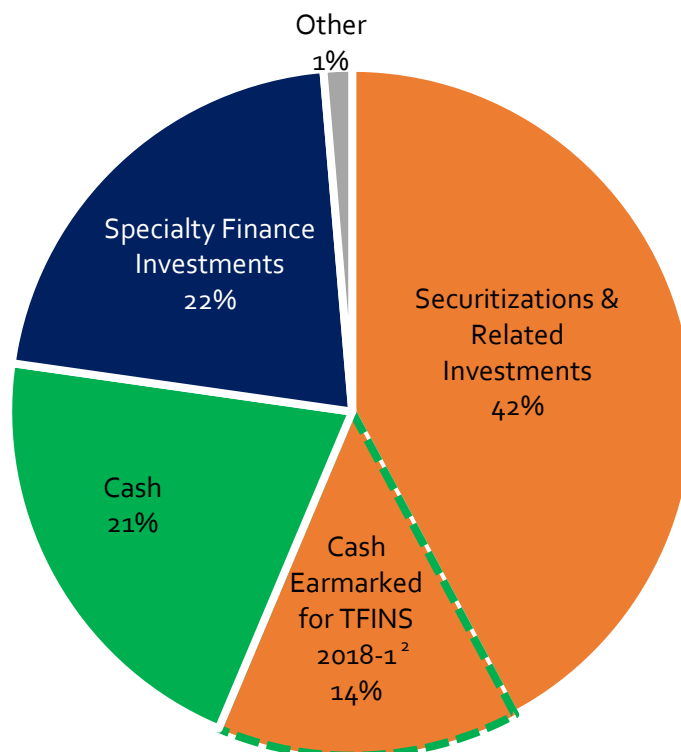
- £17.6 million investment in portfolio of high interest rate loans to U.S. law firms engaged in mass tort litigation
- £7.7 million investment in a bridge loan to an affiliate of a publicly listed insurer

#### Cash

- £21.0 million unrestricted cash
- £16.8 million cash earmarked for TFINS 2018-1 investment<sup>2</sup>
- £3.7 million restricted cash (related to currency hedges)

#### Other

- £1.6 million of other assets



1. Based on the Company's 30 April 2018 unaudited financials.  
2. TFINS 2018-1 investment closed in May 2018.

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