

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	2.10	1.62	0.50	2.39	0.08	0.32	0.22	(1.13)	19.08
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 December 2018 NAV was £114.5 million or GBP 178 per share, representing a monthly loss of (1.13)%, resulting in a year-to-date total return of 19.1%. The unrealised loss resulted from a write-down in the valuation of two loans in the Armadillo portfolio. The Armadillo write-down totaled approximately £2.8 million or 2.5% of NAV due to a decrease in the valuation of the collateral securing the two Armadillo loans. The Company's remaining exposure to the Armadillo strategy is approximately £6.5 million or 5.6% of NAV. EJF Capital LLC ("EJF") is working toward maximizing the recovery value of the remaining Armadillo loan portfolio. The rest of the portfolio produced positive returns of over 1.0% for the month of December.

The Company completed its fifth risk retention investment this month, as further described below. The CDO Manager now manages nine CDOs. The new collateral management contract contributed approximately £1.3 million to this month's NAV.

We note that EJFI was the third highest performing investment trust in the UK in 2018, according to an online report³.

Market: The month of December saw 16 deals announced, bringing the number of transactions to 259 year-to-date in US banks. The median P/TBV for deal valuations was 164.5%. This compares to a December 2017 P/TBV of 154.4%, or an increase of 10.1% year-over-year. We believe that the secular trend of banking M&A will continue due to the changing regulatory environment and continued positive banking trends, but may be muted in the near term due to market volatility.

Portfolio Activity: EJF priced its sixth bank and insurance TruPS CDO in November and the transaction closed on December 20th 2018. EJFI participated in the risk retention portion, which consisted of an investment in approximately £13.8 million in the preferred shares of the securitisation (the "Investment"). This marks the Company's fifth risk retention investment to date. Anticipated return scenarios estimate that the Investment should generate a gross return in the high single digits over its estimated life. Additionally, EJFI owns 49% of the CDO manager and will receive its pro rata share of the associated collateral management fee income of the securitisation.

Issuance of Equity: During December, approximately 3.6 million ordinary shares of the Company were sold for cash from treasury raising gross proceeds of approximately £6.6 million.

EJFI Key Facts (at 31 December 2018)

Ticker Symbol	EJFI LN
NAV/Share	GBP178 (\$2.27 equivalent)
Share Price	GBP178
Share Price Premium/(Discount) to NAV	(0.2%)
EJFI NAV	£114.5 million
Market Cap	£114.2 million
Gross Asset Value	£132.6 million ¹
Target Return ²	8%-10% total return
Quarterly Dividend ²	GBP2.5 per share (5.5% p.a. yield ²)
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%

¹The Gross Asset Value of EJFI which is the net asset value of underlying subsidiaries less any intercompany debtors.

²The 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.

³<https://www.moneyobserver.com/news/top-15-performing-investment-trusts-2018>

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Existing Portfolio Description^{1,2}

Securitizations & Related Investments

- £72.5 million investment in the equity tranches of five securitisations sponsored by EJF Capital LLC
- £11.4 million investment in portfolio of TruPS CDO securities
- £9.6 million investment in EJF CDO Manager LLC (49% ownership interest)
- £5.9 million investment in U.S. bank sub debt eligible for future securitisation

Specialty Finance Investments

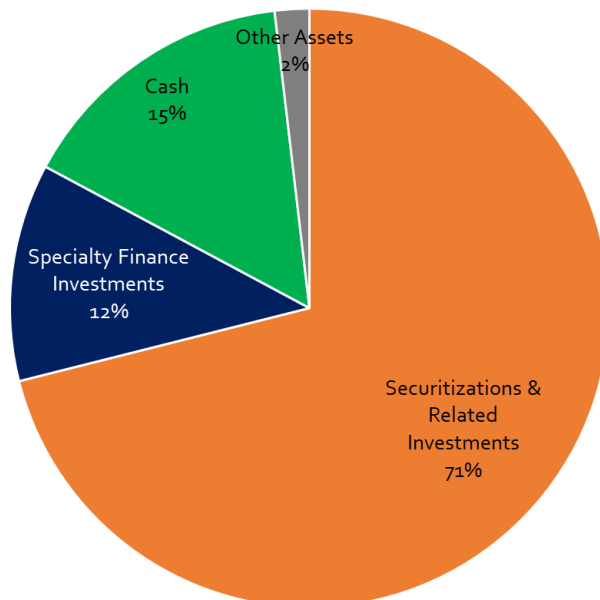
- £9.2 million investment in a bridge loan to an affiliate of a publicly listed insurer
- £6.5 million investment in portfolio of high interest rate loans to U.S. law firms engaged in mass tort litigation

Cash

- £13.4 million unrestricted cash
- £6.9 million restricted cash³

Other Assets

- £2.5 million of other assets



1. Based on the Company's 31 December 2018 unaudited financials.

2. The portfolio includes proceeds of £5.2 million obtained through a repurchase agreement entered into in respect of a single TruPS CDO security.

3. Restricted cash position is related to the foreign currency hedges and net of the -£9.2 million mark-to-market valuation of derivative open positions.

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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 US 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, US 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 US 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.

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