

# EJF Investments Limited

## FACTSHEET

### Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019 Monthly Performance (inclusive of dividends) (%)	0.35	0.41	1.77										2.54
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 March 2019 NAV was £115.6 million or GBp180 per share, representing a monthly gain of 1.77%, resulting in a year-to-date total return of 2.54%.

**Market:** The month of March saw 12 deals announced, bringing the number of transactions to 52 year-to-date in US banks. The median P/TBV for deal valuations was 173.1%. This compares to March 2018 P/TBV of 173.8%, or a decrease of 0.7% 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 closed its sixth risk retention investment which consisted of an investment of approximately £11.9 million in the preferred shares of TFINS 2019-1, a securitisation collateralized by trust preferred securities and surplus notes issued by 32 U.S. community banks and 18 U.S. insurance companies with an aggregate par value of approximately \$314 million. Anticipated return scenarios estimate that the preferred shares may generate a gross return in the high single digits over the estimated life of the Investment. 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. As of 31 March 2019, the Company had exposure to 159 U.S. banks and 50 U.S. insurance companies through its risk retention investment portfolio.

The Company's investment in the equity tranche of TFINS 2017-1 had a meaningful mark-up in valuation as the deal is callable in April 2019. The underlying collateral was contributed at a significant discount at origination and the deal may benefit from further gains if called.

**Pipeline:** The Company continues to evaluate several pipeline opportunities consistent with its investment mandate.

### EJFI Key Facts (at 31 March 2019)

Ticker Symbol	EJFI LN
NAV/Share	GBp180 (\$2.34 equivalent)
Share Price	GBp184
Share Price Premium/(Discount) to NAV	2.2%
EJFI NAV	£115.6 million
Market Cap	£118.1 million
Gross Asset Value	£133.4 million <sup>1</sup>
Target Return <sup>2</sup>	8%-10% total return
Quarterly Dividend <sup>2</sup>	GBp2.675 per share (6.0% p.a. yield <sup>2</sup> )
Currency <sup>3</sup>	GBP (hedged)
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>The Gross Asset Value of EJFI which includes the net asset value of underlying subsidiaries less any intercompany debtors.

<sup>2</sup>The Company is targeting an annual dividend of 10.7 pence per share for the financial year to 31 December 2019, 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>The Company's base currency is denominated in GBP, though all of the Company's investments are currently in USD. These investments are hedged to reduce NAV volatility arising from exchange rate movements and necessitate margin to be posted to collateralise any negative mark-to-market movement of the hedge instruments.

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### Existing Portfolio Description<sup>1,2</sup>

#### Securizations & Related Investments

- £87.1 million investment in the equity tranches of six securitisations sponsored by EJF Capital LLC
- £10.3 million investment in EJF CDO Manager LLC (49% ownership interest)
- £8.2 million investment in portfolio of TruPS CDO securities
- £5.9 million investment in U.S. bank sub debt eligible for future securitisation

#### Specialty Finance Investments

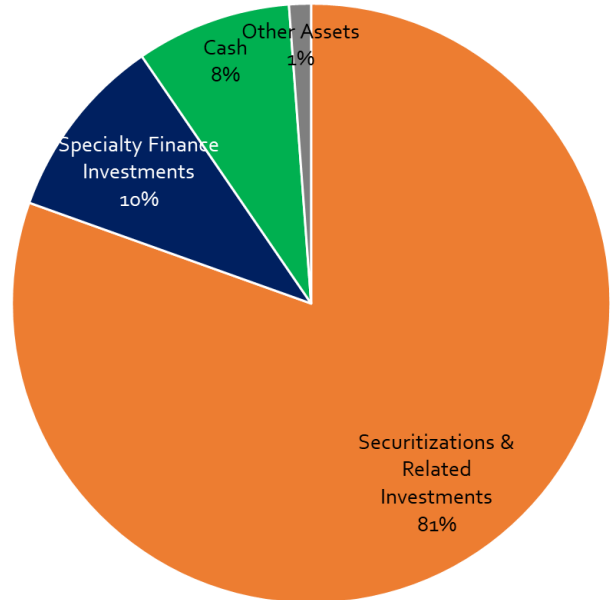
- £8.0 million investment in a bridge loan to an affiliate of a publicly listed insurer
- £5.8 million investment in portfolio of high interest rate loans to U.S. law firms engaged in mass tort litigation

#### Cash

- £7.6 million unrestricted cash
- £4.0 million restricted cash<sup>3</sup>

#### Other Assets

- £1.7 million of other assets



1. Based on the Company's 31 March 2019 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 -£1.4 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.

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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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