

EJF Investments Limited

FACTSHEET

Monthly NAV Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020 Monthly Performance (inclusive of dividends) (%)	0.47	0.18	(13.57)	0.58									(12.50)
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

Manager Monthly Commentary

NAV: EJFI's April 2020 NAV was £99.3 million or GBp162 per share, representing a monthly gain of 0.58% and a year-to-date total return of -12.5%.

Portfolio: Following the COVID-19 driven mark-to-market declines of 367bps in March, the portfolio gained in April. Several assets increased in value, notably a realised gain on the Armadillo portfolio of 65bps and very modest improvements in risk retention valuations that contributed 59bps. Furthermore, the Company earned 68bps of interest income during the month. These gains more than offset a reduction of 39bps in the value of the Bridge Loan which, with other items, lead to a total portfolio contribution of 181bps for the month offset by net losses in foreign exchange totaling 122bps and expenses of 1bp.

Portfolio Activity: Following the month end, the Company sold its positions in the Bridge Loan (for approximately \$8.2 million) and in a Tier 2 bond issued by a specialist UK bank (for approximately £1.2 million) at values very close to their April end valuations. This is to facilitate re-entering FX hedges, as deemed appropriate, while maintaining a prudent cash buffer and to take advantage of a near-term pipeline opportunity (please see below).

As noted in March, following discussions between the Board and the Manager, the Company adjusted its foreign exchange hedges. Since that time, additional hedges have been executed, and the Company currently has hedges of \$101 million against a USD denominated exposure of approximately \$127 million, giving a hedge ratio of approximately 80%.

Market: For U.S. banks, quarterly results were mixed, given the lowered expectations going into the first quarter. While deposit cost reductions and interest rate hedges helped to stabilise net interest margins in the near-term, loan loss reserves were increased materially in the first quarter and additional provisioning is likely in the coming quarters. However, origination fees generated by the community banks through the Paycheck Protection Program ("PPP") should help to provide a stimulus and offer an extra cushion against future credit loss.

The PPP has been a game changer for community banks. The PPP was initially authorised by Congress for \$349 billion in the Coronavirus Aid, Relief and Economic Security ("CARES") Act and then was replenished with an additional \$310 billion as part of the fourth relief package signed by President Trump on April 24th. Importantly, \$60 billion of the package is targeted specifically to be originated by small banks and credit unions given recent backlash that the larger banks have been ignoring smaller, under-banked borrowers in the program. The PPP allows banks to issue 1% interest bearing loans backed by the U.S. government and, most importantly, provides an origination fee that has averaged approximately 3%. We view these fees as a powerful, indirect stimulus to the community banks which allow the banks to support their loan book as they look to provide loans primarily to existing borrowers as well as some new relationships not currently being served by larger banks.

Opportunities: The Company announced on 14 May 2020 that it proposes to issue additional capital in order to take advantage of an attractive and unique investment opportunity to which it expects to commit, by issuing another tranche of Zero Dividend Preference Shares (<https://www.ejfi.com/media/1409/2020-05-14-ejfi-potential-capital-raise-ns-website-version.pdf>).

The opportunity is to invest in mortgage servicing rights ("MSRs") generated at the time of mortgage origination in the United States. These assets represent a stream of servicing income throughout the life of the mortgage. Agency MSRs produce regular and predictable cash-flows in addition to highly attractive risk adjusted returns. The Manager believes that the timing of this proposed investment is opportune, given interest rates have fallen and credit standards are very high, noting the Company will only invest in Agency MSRs originally attached to prime mortgages underwritten to Fannie Mae and Freddie Mac standards, of which there were approximately \$4.8 trillion of mortgages held by Fannie Mae and Freddie Mac backed securitisations at the end of Q3 2019. Overall, the Manager expects this to be an accretive investment in an area with high barriers to entry, where it has significant experience and a strong competitive advantage.

The MSR investments will be a relatively limited but additive part of the portfolio, with Securitisations and Related Investments continuing to represent the primary area of growth and the clear majority of the portfolio.

Dividend: The quarterly dividend of 2.675 pence per share was declared 24 April 2020 with an ex dividend date of 7 May 2020. The dividend will be paid on or around 29 May 2020.

Based on the Company's 30 April 2020 unaudited financials.

*This performance reflects the period 1 January through 9 February, the Exchange Offer Completion Date.

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.

EJFI Key Facts (at 30 April 2020)

Ticker Symbol	EJFI LN
NAV/Share	GBp162 (\$2.04 equivalent)
Share Price	GBp137.5
Share Price Premium/(Discount) to NAV	(15.1)%
EJFI NAV	£99.3 million
Market Cap	£84.1 million
Gross Asset Value	£117.0 million ¹
Target Return ²	8%-10% total return
Quarterly Dividend ²	GBp2.675 per share (GBp10.7 per share p.a.)
Currency ³	GBP (partially hedged) ³
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 includes the net asset value of underlying subsidiaries less any intercompany debtors.

²The Company is targeting an annual dividend of 10.7 pence per share for the financial year to 31 December 2020, 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.

³The Company's base currency is denominated in GBP, though most of the Company's investments are currently in USD. These investments were hedged until 19 March 2020, at which point they were removed. As at 22 May, approximately 80% of the portfolio was hedged.

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Existing Portfolio Description¹

Securitisations & Related Investments

- £78.5 million investment in the equity tranches of six securitisations sponsored by EJF Capital LLC
- £8.6 million investment in EJF CDO Manager LLC (49% ownership interest)
- £8.4 million investment in portfolio of TruPS CDO securities

Specialty Finance Investments

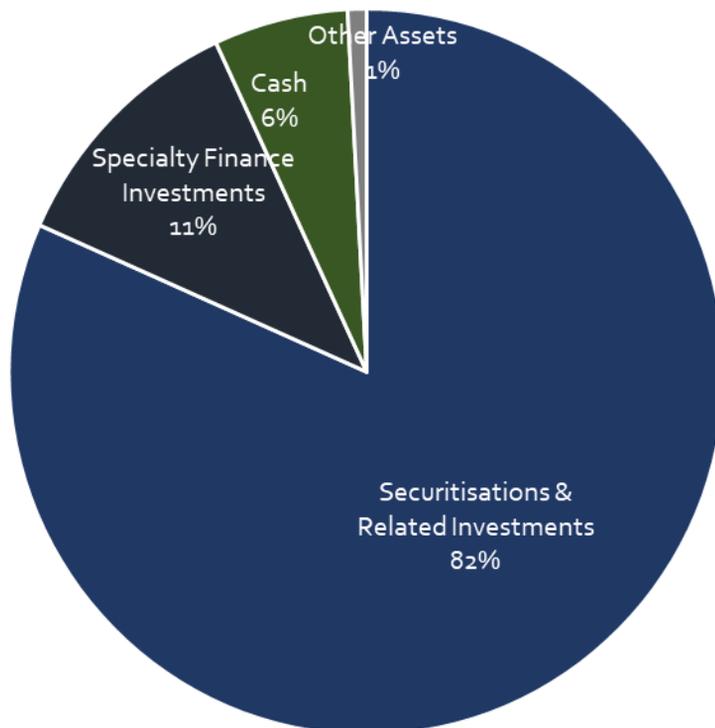
- £6.4 million investment in a bridge loan to an affiliate of a publicly listed insurer
- £3.0 million investment in portfolio of high interest rate loans to U.S. law firms engaged in mass tort litigation
- £4.0 million investment in specialist U.K. bank sub debt

Cash

- £5.1 million unrestricted cash
- £0.8 million restricted cash

Other Assets

- £1.3 million of forward currency contracts
- £0.9 million of other assets



1. Based on the Company's 30 April 2020 unaudited financials.

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) Securitisation and Related Investments; and (b) Specialty Finance Investments.

IMPORTANT DISCLOSURE

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS, WHICH MAY VARY. There is no guarantee that the Company will continue to invest in these allocations at all or do so in the same manner as set forth in this factsheet. Allocations may change at any time without notification to shareholders. Pie charts include all investments, cash and hedges. Returns are net of fees, accrued liabilities and expenses and include dividend reinvested.

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The information herein may include figures, statements, opinions, analysis, or other information (collectively, "Information") that paraphrase, summarize, abbreviate, or are otherwise reductive to the complete set of facts and events that transpired. Performance calculations were prepared by management and assume a certain amount of delinquency, default, non-performance, prepayment and cashflows of the underlying collateral. Any incremental changes of such collateral cashflows will have a material effect on returns. The Information provided are based on our beliefs, assumptions and information available at the time of issuance, and are subject to change. Accordingly you are encouraged to conduct your own independent review of the Information before making any investment decisions. The Company, the Manager, and EJF expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part of the content herein.

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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.

The Fund has appointed Hugo 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.