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6 August 2020

## **EJF Investments Ltd**

### **Recent Investment Announcement**

The Board of EJF Investments Ltd (together with its subsidiaries, “EJFI” or the “Company”) is pleased to announce that the Company invested approximately £10.8 million<sup>1</sup> in the preferred shares (the “Investment”) issued by TruPS Financials Note Securitization 2020-1 (“TFINS 2020-1”) on 5 August 2020.

The underlying collateral of TFINS 2020-1 mainly consists of trust preferred securities, subordinated debt and issued surplus notes issued by 51 U.S. banks and 21 U.S. insurance companies with an aggregate par value of approximately US\$282.9 million. The Investment represents the Company’s ninth risk retention investment in a securitisation sponsored by EJF Capital LLC (“EJF”) and represents the continuation of the Company’s focus on equity tranches of collateralised debt obligations backed by US small and medium banks and insurance companies.

Approximately 50% of the collateral is indexed to three-month LIBOR, while the balance of the collateral is fixed rate. The weighted average spread of the floating assets is approximately 3.54%. Approximately 12% of the underlying securities have a fixed interest rate with a weighted average coupon of approximately 6.16%. The remaining 39% of the underlying securities have a fixed-to-float interest rate. TFINS 2020-1 has a final maturity date in 2039 and is callable after August 2022 at the option of the majority preferred shareholders, with mandatory auction calls commencing after August 2028. Anticipated return scenarios estimate that the Investment will generate a gross return in the high single digits over the estimated life of the Investment.

EJF CDO Manager LLC (“CDO Manager”) will serve as the collateral manager for TFINS 2020-1 and will receive a 30-basis points p.a. fee in addition to earning an incentive management fee equal to 20% of profits over a 10% hurdle, subject to certain exceptions. The Company will also benefit from the economics generated by the CDO Manager through the Company’s 49% ownership interest in the CDO Manager.

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<sup>1</sup> As converted using a GBP/USD foreign exchange rate of 1.3098

## **ENQUIRIES**

### **For the Investment Manager**

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### **For the Company Secretary and Administrator**

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## **About EJF Investments Ltd**

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.

**LEI:** 549300XZYEQCLA1ZAT25

## **Investor information & warnings**

The latest available information on the Company can be accessed via its website at [www.ejfi.com](http://www.ejfi.com).

This communication has been issued by, and is the sole responsibility of, the Company and is for information purposes only. It is not, and is not intended to be an invitation, inducement, offer or solicitation to deal in the shares of the Company. The price and value of shares in the Company and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of shares in the Company. An investment in the Company should be considered only as part of a balanced portfolio of which it should not form a disproportionate part. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision.