

## EJF Investments Limited

EJF

## MONTHLY FACTSHEET

## MONTHLY NAV PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2024 Monthly Performance (inclusive of dividends) (%)	0.80	1.10											<b>1.91</b>
2023 Monthly Performance (inclusive of dividends) (%)	(0.58)	1.48	(4.55)	(0.17)	0.84	(6.72)	0.91	1.63	(0.36)	0.80	(0.69)	0.25	<b>(7.27)</b>
2022 Monthly Performance (inclusive of dividends) (%)	0.13	1.34	2.22	4.01	0.72	1.87	1.09	2.73	2.47	(0.40)	(3.15)	0.20	<b>13.85</b>
2021 Monthly Performance (inclusive of dividends) (%)	1.99	0.15	2.12	0.44	(2.09)	2.80	(0.01)	0.55	3.06	(0.16)	3.25	(1.43)	<b>11.02</b>
2020 Monthly Performance (inclusive of dividends) (%)	0.47	0.18	(13.57)	0.58	3.33	0.15	1.25	0.34	0.40	(0.73)	1.16	0.25	<b>(7.02)</b>
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	<b>11.88</b>
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)	<b>19.08</b>
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	<b>23.47</b>

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

EJF Capital LLC AUM<sup>1</sup>

\$6.0 Billion

EJFI Annualised Performance since inception<sup>2</sup> (%)

9.02

## Investment Manager Monthly Commentary

**Portfolio Activity:**

EJFI's February 2024 NAV was £98.2<sup>2</sup> million or GBp161<sup>2</sup> per share, representing a gain (inclusive of dividends) of 1.10%<sup>2</sup> for the month.

The underlying portfolio returned a 1.14% gain largely driven by 1.00% return from Securitisations & Related Investments. CDO Equity prices were flat month on month, meaning regular interest accruals generated this return. Elsewhere, MSR's were 0.22% higher on account of an increase in mortgage rates. US Treasuries and US Bank debt portfolios were 0.07% and 0.02% lower, respectively.

The US Dollar marginally appreciated against Sterling during the month resulting in FX gains of 0.28%. The Company hedged approximately 56% of its underlying US Dollar asset exposure as at month end.

**Market:**

Banking sector performance remained uneven during February as New York Community Bank's ("NYCB") struggles continued to dominate headlines. In addition to last month's news of NYCB cutting its dividend and reducing earnings guidance, the company also announced a material weakness in internal controls as well as a change of CEO. As a result, ratings agencies have downgraded NYCB's debt ratings to sub-investment grade. As reported last month, the Company's exposure to NYCB through its CDO Equity Tranches is less than 2.5% NAV on a look through basis. Following the end of the month, NYCB received over \$1bn equity capital investment from firms led by former Treasury Secretary Steven Mnuchin. The Manager sees this as positive news in light of all of NYCB's recent announcements and believes this should ease concerns about NYCB's capital levels.

In addition to the NYCB announcements, the Fed Funds futures continued to reflect declining expectations of the trajectory of interest rate cuts in 2024. In a 60 minutes interview at the beginning of February, Chair Jerome Powell reiterated many of the comments from his January press conference and also added that a first cut at 'mid-year' made sense depending upon the incoming data. Additionally, the release of January's CPI data showed an upside surprise indicating that inflationary pressures still remain. In response, the Fed Funds futures at the end of February expect approximately three cuts for the full year 2024 with the first cut fully priced-in for the July meeting.

## EJFI Key Facts (as of 29 February 2024)

<b>Ticker Symbol</b>	EJFI LN
<b>NAV/Share</b>	GBp161 (\$2.03 equivalent)
<b>Share Price</b>	GBp99.5
<b>Share Price (Discount) to NAV</b>	(39.2)%
<b>EJFI NAV</b>	£98.2 million
<b>Market Cap</b>	£60.8 million
<b>Gross Asset Value</b>	£123.1 million
<b>Target Return</b>	8%-10% total return p.a.
<b>Quarterly Dividend<sup>1</sup></b>	GBp2.675 per share (GBp10.7 per share p.a.)
<b>Dividend Yield</b>	10.8% p.a. (share price)
<b>Hedging ratio<sup>2</sup></b>	55.6%
<b>Gearing ratio<sup>3</sup></b>	24.8%
<b>Ongoing Charges<sup>4</sup></b>	1.2% (1.8% gross of Manager reimbursement)
<b>2025 ZDP Shares</b>	Ticker: EJF0 LN Shares: 19.3m, Maturity: 6/2025 Capital Entitlement: GBp140.0 Current Share Price: GBp123.5

<sup>1</sup>The Company targets an annual dividend of 10.7 pence per share for the financial year to 31 December 2024, to be distributed evenly in four quarterly payments.

<sup>2</sup>The Company's base currency is denominated in GBP, though most of the Company's investments are currently in USD. As of 29 February 2024, USD 85.3m of approximately USD 153.5m exposure is hedged.

<sup>3</sup>Gearing ratio is computed as current accreted value of ZDP Shares over the NAV of the Company.

<sup>4</sup>For FY 23 and calculated in line with AIC's recommended methodology. Manager Reimbursement reduced from 60% for FY23 to 10% for FY24.

<sup>1</sup>AUM includes \$2.9 billion of CDO managed assets and \$165.3 million of uncalled capital as at 31 December 2023. <sup>2</sup>Based on the Company's 29 February 2024 unaudited financials.

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.

# EJF Investments Limited



## MONTHLY FACTSHEET

### Existing Portfolio Breakdown<sup>1</sup>

#### Securitisations & Related Investments

- £78.7 million investment in 7 CDO Equity Tranches of securitisations sponsored by EJF Capital LLC
- £6.3 million investment in EJF CDO Manager LLC (49% ownership interest)
- £1.0 million investment in a TruPS CDO security

#### Specialty Finance Investments

- £8.9 million investment in a portfolio of mortgage servicing rights ("MSRs")
- £0.8 million investment in a European debt security

#### U.S. Treasuries

- £3.4 million in U.S. Treasury bills to partially hedge MSRs

#### U.S. Bank debt

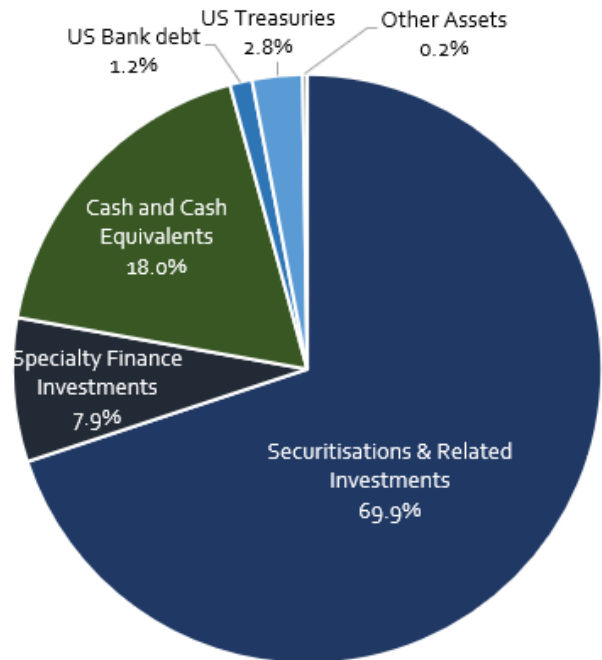
- £1.5 million in one subordinated debt instrument issued by a US Bank

#### Cash and Cash Equivalents

- £3.0 million unrestricted cash
- £2.8 million restricted cash<sup>2</sup>
- £16.4 million in a money market fund

#### Other Assets

- £0.3 million of other assets



<sup>1</sup>Based on the Company's 29 February 2024 unaudited financials.

<sup>2</sup>Including an unrealised loss on forward currency contracts of £0.02 million.

## COMPANY OVERVIEW

EJF Investments Ltd ("EJFI" or the "Company", together with its subsidiary the "Group") is a Jersey incorporated, closed ended investment company. EJFI's shares are traded on the Specialist Fund Segment of the London Stock Exchange.

EJFI offers exposure to a portfolio of loans to US financial institutions and related assets, with an emphasis on floating rate debt. EJFI's objective is to provide shareholders with attractive risk adjusted returns via regular dividends and capital growth over the long term.

## PORTFOLIO OVERVIEW

EJFI primarily invests in a diversified portfolio of debt issued by smaller US banks and insurance companies via CDO Equity Tranches, where the CDOs were structured by an affiliate of EJF Capital LLC.

EJFI owns a 49% interest in EJF CDO Manager LLC ('the CDO Manager') that manages CDOs and generates regular income. EJFI also invests in Specialty Finance Investments, including Mortgage Servicing Rights ('MSRs') which provide regular income in exchange for servicing pools of US mortgages.

EJF Investments Manager LLC	U.K. Office	11 Berkeley Street, 5th Floor, London, W1J 8DS	Info@ejfi.com
Liberum Capital Limited	U.K. Office	25 Ropemaker Street London EC2Y 9LY	james.shields@liberum.com
Barclays Bank PLC	U.K. Office	1 Churchill Place, London E14 5HP	barclaysinvestmentcompanies@barclays.com
BNP Paribas S.A, Jersey Branch	Jersey Office	IFC1, The Esplanade, Saint Helier, Jersey, JE1 4BP	jersey.bp2s.ejf.cosec@bnpparibas.com

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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.

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