

## EJF Investments Limited

EJF

## MONTHLY FACTSHEET

## MONTHLY NAV PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2025 Monthly Performance (inclusive of dividends) (%)	1.04	(0.22)											0.82
2024 Monthly Performance (inclusive of dividends) (%)	0.80	1.10	1.10	1.26	(0.26)	1.45	(0.19)	(0.42)	(1.75)	2.64	1.77	1.97	9.80
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	(7.27)
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	13.85
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)	11.02
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	(7.02)
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

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

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

\$5.4 Billion

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

8.97

## Investment Manager Monthly Commentary

**Portfolio Activity:**

EJFI's February 2025 NAV was £99.9<sup>2</sup> million or GBp163<sup>2</sup> per share, representing a loss (inclusive of dividends) of 0.22%<sup>2</sup> for the month which was driven by an FX loss of 1.34%.

The underlying portfolio continued to show resilience and returned 1.45%. This was driven by a 1.31% return from Securitisations & Related Investments largely on account of regular interest accruals. Elsewhere, the Credit Risk Transfer portfolio contributed 0.05% and MSRs were marginally up 0.01% on account of mortgage rate movements. US Treasuries and US Bank debt portfolio recorded modest gains of 0.06% and 0.03% respectively.

The US Dollar depreciated against Sterling during the month resulting in a 1.34% loss. The Company had hedged approximately 31% of its US Dollar asset exposure at the end of the month.

During the month, the Company committed to invest in its eleventh risk retention investment, CDO Equity Tranche of TruPS Financials Note Securitization 2025-1 ("TFINS 2025-1"). The transaction was priced and committed on 13 February 2025 and closed on 7 March 2025. Further details available [here](#). Significantly, the 2025-1 transaction essentially converted the yield on the CDO Equity Tranche of 2017-2, which was called as part of the transaction, from approximately 11% to approximately 16% given the tighter spreads on the new securitisation's debt (i.e., cheaper financing of the newly re-levered collateral). In addition, the 2025-1 transaction included higher management fees (30bps vs. 10bps) that accrues to the benefit of the Company for the duration of the new securitisation. The impact of the management fee uplift will not be reflected until the March NAV given the date of the transaction closing.

**Market:**

The banking sector saw modest declines in February as macro concerns persisted given President Donald Trump's implementation of a tariff policy. While the Manager certainly appreciates the inherent risks in a drawn-out global trade war, the Manager believes that

these actions are ultimately negotiation tactics. In the Manager's discussions with bank management teams, small businesses remain cautiously optimistic of a permanent extension of tax cuts, balanced budgets leading to lower interest rates, and an improving economic backdrop creating greater lending opportunities. The Manager believes that the regulatory and political backdrop is incredibly business friendly. The Manager continues to see tangible evidence that regulation will be toned down, with the most recent examples being the reduction in force at the Consumer Financial Protection Bureau, as well as a rollback of the onerous Biden-era bank merger guidelines at the FDIC.

Interest rates continue to reflect concerns over inflation, economic growth, and the potential for reduced government expenditures through the efforts of the Department of Government Efficiency. The 10-year Treasury Bond, for example, declined to 4.21% after recently peaking at 4.8% in mid-January. While the Manager believes that while the near-term macro picture is impossible to predict, net interest margin expansion for a typical bank holding should expand nicely over 2025 and 2026. This is primarily due to fixed asset repricing of loan yields, re-investment of cash flowing securities as well as re-pricing of term funding at lower rates. In the Manager's opinion, the market is highly discounting this margin expansion as many of the core portfolio holdings are trading with single digit P/E multiples on 2026 earnings expectations.

Within bank credit, lately the Manager has seen spreads tighten for small and mid-size bank issuers. During the month, Chesapeake Financial, a circa \$1 billion in assets bank based in Virginia, raised \$25 million in subordinated debt at 8%. Given the number of larger institutions expected to come to market in the next few months to refinance outstanding issues, the Manager believes that spreads will continue to tighten to closer to 3% over the curve, or low to mid 7% area. During the month, the Manager continues to find opportunities in and around 10% yield-to-call for high quality community and regional banks.

## EJFI Key Facts (as of 28 February 2025)

<b>Ticker Symbol</b>	EJFI LN
<b>NAV/Share</b>	GBp163 (\$2.05 equivalent)
<b>Share Price</b>	GBp119.5
<b>Share Price Discount to NAV</b>	26.7%
<b>EJFI NAV</b>	£99.9 million
<b>Market Cap</b>	£73.1 million
<b>Gross Asset Value</b>	£126.8 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>	9.0% p.a. (share price)
<b>Hedging ratio<sup>2</sup></b>	31.1%
<b>Gearing ratio<sup>3</sup></b>	26.4%
<b>Ongoing Charges<sup>4</sup></b>	1.9%
<b>2025 ZDP Shares</b>	Ticker: EJF0 LN Shares: 19.3m, Maturity: 6/2025 Capital Entitlement: GBp140.0 Current Share Price: GBp134.5

<sup>1</sup>The Company targets an annual dividend of 10.7 pence per share for the financial year to 31 December 2025, 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 28 February 2025, USD 48.5m of approximately USD 156.2m 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 24 and calculated in line with Association of Investment Companies ("AIC") recommended methodology.

<sup>1</sup>AUM includes \$2.9 billion of CDO managed assets and \$73.2 million of uncalled capital as at 31 December 2024. <sup>2</sup>Based on the Company's 28 February 2025 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

- £76.0 million investment in 7 CDO Equity Tranches of securitisations sponsored by EJF Capital LLC
- £4.8 million investment in EJF CDO Manager LLC (49% ownership interest)
- £5.1 million investment in 7 Mezzanine debt securities of securitisations sponsored by EJF Capital LLC
- £1.1 million investment in a TruPS CDO security

#### Specialty Finance Investments

- £8.4 million investment in a portfolio of mortgage servicing rights ("MSRs")

#### Credit Risk Transfer

- £4.6 million in two Credit Risk Transfer ("CRT") transactions

#### U.S. Treasuries

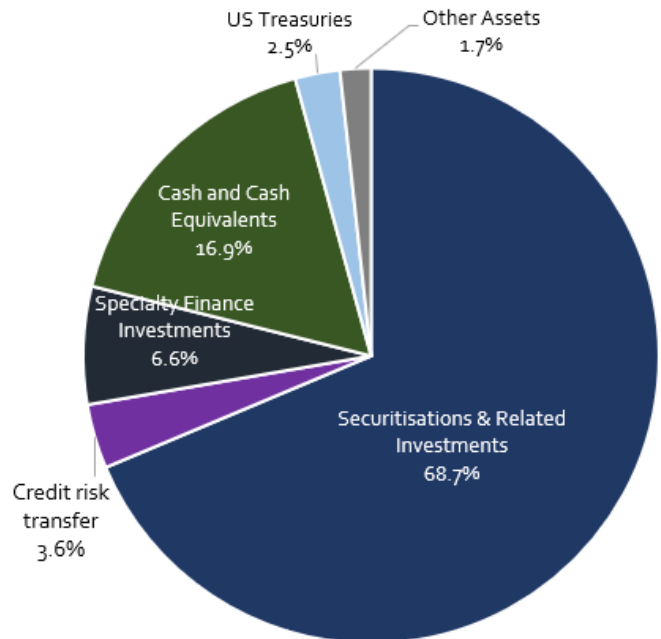
- £3.2 million in U.S. Treasury bills to partially hedge MSRs

#### Cash and Cash Equivalents

- £3.0 million unrestricted cash
- £1.5 million restricted cash<sup>2</sup>
- £16.9 million in a money market fund

#### Other Assets

- £2.2 million of other assets<sup>3</sup>



<sup>1</sup>Based on the Company's 28 February 2025 unaudited financials.

<sup>2</sup>Including an unrealised loss on forward currency contracts of £0.5 million.

<sup>3</sup>Including £1.6m in respect of the final US Bank debt sold to TFINS 2025-1 on 13 February 2025 (pricing of the transaction) and settled on 7 March 2025 (closing of the transaction), when the cash was received.

## COMPANY OVERVIEW

EJF Investments Ltd ("EJFI" or the "Company", together with its subsidiary the "Group") is a Jersey incorporated, closed end 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. EJFI also invests in Credit Risk Transfer ("CRT") bond which enables a bank to reduce its regulatory capital on a pool of loans that are carried on its balance sheet.

EJF Investments Manager LLC (the "Manager")	U.K. Office	11 Berkeley Street, 5th Floor, London, W1J 8DS	Info@ejfi.com
Panmure Liberum	U.K. Office	25 Ropemaker Street London EC2Y 9LY	james.shields@panmureliberum.com
Barclays Bank PLC	U.K. Office	1 Churchill Place, London E14 5HP	barclaysinvestmentcompanies@barclays.com
Apex Financial Services (Alternative Funds) Limited	Jersey Office	IFC 5, St Helier, Jersey JE1 1ST	ejfcosec@apexgroup.com

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## MONTHLY FACTSHEET

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