

# EJF Investments Limited

## 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)	(1.71)	(1.28)	0.27	(0.54)	2.97	(0.48)	3.47	2.13	(0.57)	(0.10)	4.94
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 LP AUM<sup>1</sup>

\$5.5 Billion

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

8.58

### Investment Manager Monthly Commentary

#### Portfolio Activity:

EJFI's December 2025 NAV was £94.5m<sup>2</sup> or GBP163<sup>2</sup> per share, representing a loss (inclusive of dividends) of 0.10%<sup>2</sup> for the month. The main driver of loss for the month was a 1.37% FX loss due to the weakening of the US Dollar against Sterling. The Company was hedged c.47% of its US Dollar exposure at month end. Excluding the impact of FX movements, the Manager estimates a year-to-date net gain (inclusive of dividends) of c.12.09%.

The underlying portfolio continued to generate strong returns, 1.57% for the month. These returns were primarily generated by an uplift in the value of the CDO Manager of 1.28%, regular interest accruals of 0.48%, and 0.09% from the Credit Risk Transfer portfolio. The positive drivers of performance were offset by a 0.21% loss on a legacy TruPSC CDO.

On 16 December 2025, the Company invested \$21.3m in TFINS 2025-3, EJF's third securitisation transaction in 2025. This was funded using proceeds of \$25.4m received from the Company's investment in the CDO Equity Tranches of TFINS 2018-1 and TFINS 2020-2, which were called at the same time, and \$1.9m of proceeds from the redemption at par of its mezzanine debt investment in TFINS 2020-2. The net effect of the investment in TFINS 2025-3 was net proceeds of \$6.0m back to the Company. Further details can be found [here](#). The Manager believes that the investment in TFINS 2025-3 will generate approximately a 14% yield to maturity. As with prior transactions, the underlying collateral pays a higher management fee on the new structure than the legacy structures retired (30bps vs 20bps) resulting in a 1.28% uplift in the value of the CDO Manager.

#### Market:

The Manager previously noted that the banking sector was in the early innings of a multi-year cycle and now believes that it is fair to say that the cycle has progressed to the middle innings. Net Interest Margin expansion, M&A and the return of loan growth were the key catalysts for the sector in 2025. Spread revenues improved across the board for most banks through a combination of securities and loan portfolio repricing as well as funding cost declines due to the Federal Reserve Open Market Committee ("FOMC") cutting interest rates. The Manager believes that the sector has an additional two years of margin expansion to come, driving year over year earnings growth for a typical bank. In addition, with the most recent FOMC cuts in the fourth quarter of 2025, the Manager is seeing yield curve steepening that may set the stage for even more profitable lending margins on future originations.

On the topic of loan growth, industry statistics were underwhelming for the first three quarters of 2025. The Manager believes that uncertainty around tariff policy was the primary driver, but fourth quarter loan growth improved, and expects 2026 to show meaningful improvement. Regulatory reform has also helped provide improved clarity for the banking industry, which should stabilise market share losses to shadow banking competitors.

Lastly, the regulatory reform and pro-business agenda of the current presidential administration fuelled a return of M&A to the sector in 2025. After both the pandemic in 2020 and the bank failures in 2023, the past few years have seen some of the slowest dealmaking in decades. In a stark turnaround, banking regulators essentially revised the asset thresholds and dramatically reduced the deal closing timelines to create enhanced transparency within the industry. As a result, 2025 saw an uplift in deal activity, finishing with 183 deals and an average time to close since announcement of 133 days. Surprisingly though, the Manager has not seen consistent deal premiums in the 20%+ range like in prior cycles. Even more perplexing has been the market's tendency to penalise bank acquirers' shares in transactions that are very attractively priced by historical standards. The return of shareholder activism is likely to play some role in returning these dynamics back to traditional norms as we move forward. The Manager also expects that as earnings and valuations continue to improve in the sector, so will day-one premiums paid for scarce franchises.

While the three catalysts for 2025 will likely persist in the coming years, the Manager also expects share buybacks in the sector to become a more important factor in 2026. Through a combination of rising earnings and gradually lower interest rates, tangible equity ratios are growing rapidly. In order to maintain current return on equity levels, the Manager expects many institutions trading near tangible book value to buy back shares actively in the coming year.

The Manager believes the opportunity within bank issued debt remains attractive. In 2025, \$8.4 billion in subordinated debt was issued by banks with less than \$100 billion in assets. The increased issuance was primarily for the purpose of refinancing paper originated in the low interest rate environment of 2020 and 2021. The driver of the refinancings is that the subordinated debt flips after five years from low fixed coupons to higher floating rates and begins to lose valuable Tier 2 capital treatment. As a result, a number of these were called at the five-year anniversary date, and the Manager expects this trend to continue in 2026.

### EJFI Key Facts (as of 31 December 2025)

<b>Ticker Symbol</b>	EJFI LN
<b>NAV/Share</b>	GBP163 (\$2.20 equivalent)
<b>Share Price</b>	GBP123.5
<b>Share Price Discount to NAV</b>	24.2%
<b>EJFI NAV</b>	£94.5 million
<b>Market Cap</b>	£71.7 million
<b>Gross Asset Value</b>	£114.8 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>	8.7% p.a. (share price)
<b>Hedging ratio<sup>2</sup></b>	47.1%
<b>Gearing ratio<sup>3</sup></b>	20.9%
<b>Ongoing Charges<sup>4</sup></b>	1.9%

**2029 ZDP Shares**  
Shares: 19.7m, Maturity: 12/2029  
Capital Entitlement: GBP145.48  
Current Share Price: GBP108.5

<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 31 December 2025, USD 71.7m of approximately USD 152.3m 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 25 and calculated in line with Association of Investment Companies ("AIC") recommended methodology.

# EJF Investments Limited



## MONTHLY FACTSHEET

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

#### Securitisations & Related Investments

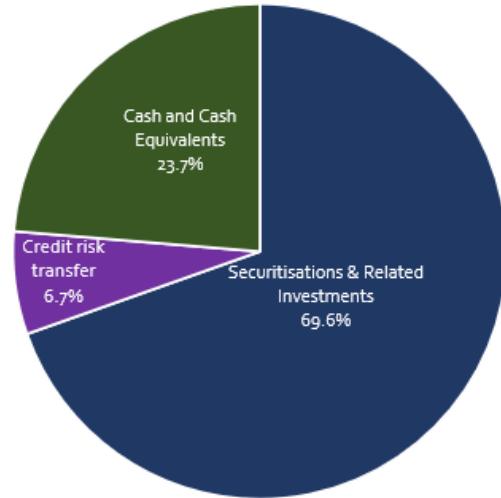
- £70.9 million investment in 6 CDO Equity Tranches of securitisations sponsored by EJF Capital LP
- £6.5 million investment in EJF CDO Manager LLC (49% ownership interest)
- £1.8 million investment in 4 Mezzanine debt securities of securitisations sponsored by EJF Capital LP
- £0.7 million investment in TruPS CDO securities

#### Credit Risk Transfer

- £7.7 million in two Credit Risk Transfer ("CRT") transactions

#### Cash and Cash Equivalents

- £8.3 million unrestricted cash
- £2.2 million restricted cash<sup>2</sup>
- £16.8 million in a money market fund



<sup>1</sup>Based on the Company's 31 December 2025 unaudited financials.

<sup>2</sup>Including an unrealised gain on forward currency contracts of £0.2 million.

## 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 LP.

EJFI owns a 49% interest in EJF CDO Manager LLC (the "CDO Manager") that manages CDOs and generates regular income. EJFI also invests in Credit Risk Transfer ("CRT") bonds 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	16 Berkeley Street, London, W1J 8DZ	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	ejficosec@apexgroup.com

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## MONTHLY FACTSHEET

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The Company has appointed ACOLIN 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.