

EJF Investments Limited



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	1.10	1.26	(0.26)	1.45	(0.19)	(0.42)					5.36
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 AUM¹

\$6.0 Billion

EJFI Annualised Performance since inception² (%)

8.88

Investment Manager Monthly Commentary

Portfolio Activity:

EJFI's August 2024 NAV was £97.8² million or GBp160² per share, representing a loss (inclusive of dividends) of 0.42%² for the month which, for the second month in a row, was mainly driven by FX movements.

The underlying portfolio returned a 1.13% gain driven by a 1.34% return from Securitisations & Related Investments. CDO Equity Tranche prices were flat month on month, meaning the rest of the return was driven largely by regular interest accruals. Elsewhere, MSRs were down 0.26% on account of downward mortgage rate movements. US Treasuries were up 0.04% and the US Bank debt portfolio was flat for the month.

The US Dollar depreciated against Sterling during the month resulting in a 1.22% loss. The Company continues to hedge approximately 54% of its underlying US Dollar asset exposure as at month end.

Market:

August was a volatile month for the broad equity market as a weak set of employment data caused concern that the Federal Reserve (the "Fed") may be behind the curve with regards to cutting short-term rates. Additionally, the Manager believes that the tightening of the presidential race has likely contributed to the weakness in bank equities. As the month progressed, equity markets rebounded and Fed Chair Jay Powell's speech in Jackson Hole, Wyoming confirmed market expectations of a first rate cut in September. As of month-end, Fed Funds futures expect four cuts in 2024 and five additional cuts in 2025 for an assumed rate of 3.08% at the end of next year. While the forward curve may be a bit too aggressive in its rate cut expectations, the Manager believes that lower rates directionally are very positive for the typical small bank as it pertains to credit quality, margins, M&A and potential loan growth in 2025 all of which benefits much of the underlying exposure of the Company.

The Manager believes that small and mid-sized banks offer the best way to capitalize on a full turn in the cycle. The Manager also believes that smaller banks benefit more than bigger banks as rates decline, as loan growth picks up, and as M&A rebounds.

In the Manager's view, a multi-year cycle for the banks may be on the horizon. If that were the case, bank earnings could see upwards of a 70-80% increase over the course of a full cycle, which would include earnings increasing approximately 50% just from net interest margins rebounding. For example, many of the banks the Manager follows have seen net interest margin decline from 3.5% to 2.75% as the Fed raised rates

500bps this cycle. Additionally, small and medium sized banks typically grow much quicker than the industry and the Manager believes that multi-year earnings growth could be 25% or more. Finally, it is the Manager's view that fears over commercial real estate ("CRE") lending, unrealised securities losses and the events of March 2023 have discounted the multiples applied to bank shares. As lower yielding loans and securities roll off bank balance sheets, valuation multiples are likely to expand. Any additional M&A, regulatory changes or technology shifts should be a benefit to the small banks held by the Company.

The US CRT market was active on the issuance front in August with deals coming from JP Morgan on its corporate revolver book and Goldman Sachs on its capital call lines. The deals in August follow an active July where Pinnacle Financial Partners and Valley National Bancorp each printed deals. In the Manager's view there is more interest from the community and regional banks alike and there are several deals in the works.

Post month end update on Republic First:

In April 2024, the Company experienced its first underlying investment default since listing in 2017 as Republic First Bancorp ("Republic First") was seized by Pennsylvania regulators. For perspective, the Company has debt exposures to 154 different bank issuers (and over its history, has been invested in as many as 166 bank issuers) through its investment in CDO Equity Tranches. The Manager believes that Republic First's problems were not related to its CRE exposures, but rather mismanagement of its balance sheet investments. Republic First's debt payments had already been in deferral status at the time of the FDIC seizure.

Based on the Manager's view of the mechanics of the forced sale by the FDIC of Republic First to Fulton Bank, the Manager provided guidance in April 2024 that there could be a potential loss of up to 1% of the Company's NAV on a look-through basis; as a result of Republic First's former parent Chapter 11 bankruptcy application on 5 September 2024, the Manager anticipates the bankruptcy application may be taken into consideration by the independent broker and may result in this previously anticipated 1% loss to flow through to the September 2024 NAV. In addition, the Manager anticipates that the independent broker may recalibrate the yield of the related securitisation deal in light of anticipated future interest rate cuts to align with both other CDO Equity Tranches of similar securitisations and other recently issued bank debt which could lead to a mark to market loss in September 2024 NAV up to an additional 1% of the Company's NAV.

EJFI Key Facts (as of 31 August 2024)

Ticker Symbol	EJFI LN
NAV/Share	GBp160 (\$2.10 equivalent)
Share Price	GBp99.5
Share Price Discount to NAV	37.8%
EJFI NAV	£97.8 million
Market Cap	£60.8 million
Gross Asset Value	£123.7 million
Target Return	8%-10% total return p.a.
Quarterly Dividend¹	GBp2.675 per share (GBp10.7 per share p.a.)
Dividend Yield	10.8% p.a. (share price)
Hedging ratio²	54.2%
Gearing ratio³	25.9%
Ongoing Charges⁴	1.2% (1.8% gross of Manager reimbursement)
2025 ZDP Shares	Ticker: EJF0 LN Shares: 19.3m, Maturity: 6/2025 Capital Entitlement: GBp140.0 Current Share Price: GBp129.5

¹The 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.

²The Company's base currency is denominated in GBP, though most of the Company's investments are currently in USD. As of 31 August 2024, USD 85.3m of approximately USD 157.4m exposure is hedged.

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

⁴For FY 23 and calculated in line with Association of Investment Companies ("AIC") recommended methodology. Manager Reimbursement reduced from 60% for FY23 to 10% until 30 June 2024 and nil thereafter.

¹AUM includes \$3.2 billion of CDO managed assets and \$125.8 million of uncalled capital as at 30 June 2024. ²Based on the Company's 31 August 2024 unaudited financials.

EJF Investments Limited



MONTHLY FACTSHEET

Existing Portfolio Breakdown¹

Securitisations & Related Investments

- £74.9 million investment in 7 CDO Equity Tranches of securitisations sponsored by EJF Capital LLC
- £5.2 million investment in EJF CDO Manager LLC (49% ownership interest)
- £4.5 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

- £8.3 million investment in a portfolio of mortgage servicing rights ("MSRs")

Credit Risk Transfer

- £4.5 million in two Credit risk transfer ("CRT") transactions

U.S. Treasuries

- £3.3 million in U.S. Treasury bills to partially hedge MSRs

U.S. Bank debt

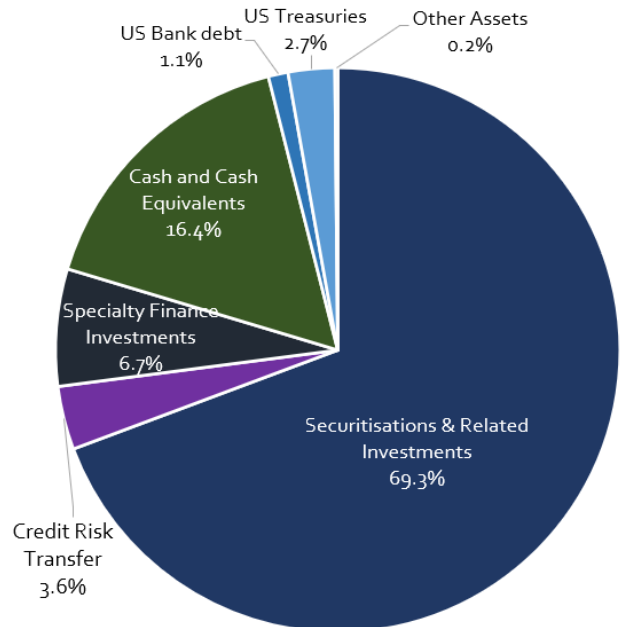
- £1.4 million in one subordinated debt instrument issued by a US Bank

Cash and Cash Equivalents

- £4.7 million unrestricted cash
- £2.8 million restricted cash²
- £12.7 million in a money market fund

Other Assets

- £0.2 million of other assets



¹Based on the Company's 31 August 2024 unaudited financials.

²Including an unrealised gain on forward currency contracts of £2.7 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 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 (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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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.

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