

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)	(1.75)				3.09[#]
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. # Updated to rectify for a formula error.

EJF Capital LLC AUM¹

\$6.0 Billion

EJFI Annualised Performance since inception² (%)

8.46[#]

Investment Manager Monthly Commentary

Portfolio Activity:

EJFI's September 2024 NAV was £96.1² million or GBp157² per share, representing a loss (inclusive of dividends) of 1.75%² for the month which was driven by mark to market losses on CDO Equity Tranches, as guided in August 2024 factsheet, as well as FX movements. As noted below, but for the large higher movements in Sterling, the Company's return for the month would have been a loss of 0.61% inclusive of Republic First Bancorp related right down, the only credit default the Company has experienced since its listing in April 2017.

The underlying portfolio returned a 0.26% loss. Securitisations & Related Investments contributed 0.16% of this loss driven by 1.44% mark to market losses on CDO Equity Tranches, in line with 2% loss guidance noted in August 2024 factsheet, in respect of Republic First Bancorp default and recalibration of the yield of the related securitisation deal. This loss was offset largely by regular interest accruals demonstrating the robustness of underlying cashflows.

Elsewhere, MSRs were down 0.12% on account of downward mortgage rate movements. US Treasuries were up 0.02% and the US Bank debt portfolio was down 0.01% for the month.

The US Dollar depreciated against Sterling during the month resulting in a 1.14% loss. The Company continues to hedge approximately 54% of its underlying US Dollar asset exposure as at month end.

Market:

On 18 September 2024, the Federal Reserve Open Market Committee cut interest rates by 0.50%, the first reduction in short-term rates in four years. The yield curve, as denoted by the spread between the 2-year and 10-year Treasury bonds, steepened to 0.14% at quarter-end after being inverted for the past two years. While the sector was weak in September, the Manager believes that fundamentals remain solid for most institutions. High Yield spreads denoted by the Markit CDX North America High Yield Index remained relatively muted at 3.35% at the end of the quarter. During the month, the Manager also noted two capital raises greater than \$100 million for Amerant Bancorp ("AMTB") and Midwest One Financial ("MOFG"), both of which included securities restructurings in addition to growth capital. Market appetite for these deals was strong, bringing year to date capital raised within the sector to over \$6.1 billion.

As interest rates decline further, the Manager expects the banking sector to be able to lower deposit costs. Additionally, legacy lower yielding loans and securities should rolloff and be replaced by higher yielding assets. The Manager believes this margin expansion opportunity should provide a strong tailwind for earnings growth, particularly over 2025 and 2026. The Manager also believes loan growth and activity levels will

increase materially for the space, thus allowing the Fund to capitalize on higher growth geographies and value-creating management teams. Lastly, as fears over commercial real estate lending and the events of March 2023 fade, the Manager also expects valuation multiples for the sector to expand. Any additional M&A, regulatory changes or technology shifts should be a cherry on top for the sector and may benefit the underlying exposures of the Company.

Bank debt raises have picked up meaningfully in 2024, with \$847.5 million raised for community and regional banks compared to \$44.0 million in all of 2023. High interest rates over the last few years, coupled with the March 2023 bank failures, led to a halt of new issuance. As the US Federal Reserve starts to lower interest rates, banks are beginning to issue subordinated debt to manage regulatory capital levels and as a non-dilutive alternative to common equity. As issuance volume was at a peak in 2020-2021, the Manager expects a refinancing wave to occur in the next two years as the instruments begin to lose capital treatment. For banks greater than \$3 billion in assets, subordinated debt is designated as Tier 2 capital, an important form of total capital in ratios for loan concentrations and pro-forma M&A capital calculations. Two of the last four years have also seen the fewest bank M&A deals since the 1990's due to the pandemic, March 2023 bank failures, and the impact of higher interest rates. The Manager expects deal activity to rebound dramatically as interest rates decline and regulatory burdens ease. Further, the Manager believes that M&A activity combined with lower interest rates should lead to spread compression and drive price appreciation in debt instruments in the coming years.

Following robust activity in August, the CRT market took a breather in September. No US deals printed during the month but that did not dissuade speculation about deals in the works. The Manager expects a deal or two before year end but a flurry in Q1 of 2025. On the current exposures the Company currently has, performance has been in line with expectations and no reported delinquencies have been registered.

Corporate Update:

The Company's 2025 ZDP Shares have a redemption date of 18 June 2025. Ahead of the maturity date, the Company is contemplating offering the ZDP shareholders an early opportunity to roll some or all of their existing holding of 2025 ZDP Shares into a new class of ZDPs, with an expected 5 year maturity. An early roll would enable the Company to put to work some of the liquidity that it has been maintaining for 2025 ZDP repayment into the attractive investment opportunities it currently sees available, such as Credit Risk Transfer Investments. For those shareholders who want to understand the CRT market opportunity better, we recommend that you read an article written by Neal Wilson, the Manager's CEO, and posted on the Company's website, which can be accessed [here](#).

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 30 September 2024 unaudited financials.

EJFI Key Facts (as of 30 September 2024)

Ticker Symbol	EJFI LN
NAV/Share	GBp157 (\$2.10 equivalent)
Share Price	GBp110.0
Share Price Discount to NAV	29.9%
EJFI NAV	£96.1 million
Market Cap	£67.3 million
Gross Asset Value	£122.2 million
Target Return	8%-10% total return p.a.
Quarterly Dividend¹	GBp2.675 per share (GBp10.7 per share p.a.)
Dividend Yield	9.7% p.a. (share price)
Hedging ratio²	54.4%
Gearing ratio³	26.6%
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: GBp130.5

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 30 September 2024, USD 85.3m of approximately USD 156.9m 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.

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MONTHLY FACTSHEET

Existing Portfolio Breakdown¹

Securitisations & Related Investments

- £72.9 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)
- £4.4 million investment in 7 Mezzanine debt securities of securitisations sponsored by EJF Capital LLC
- £1.0 million investment in a TruPS CDO security

Specialty Finance Investments

- £8.1 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

- £3.0 million in U.S. Treasury bills to partially hedge MSRs

U.S. Bank debt

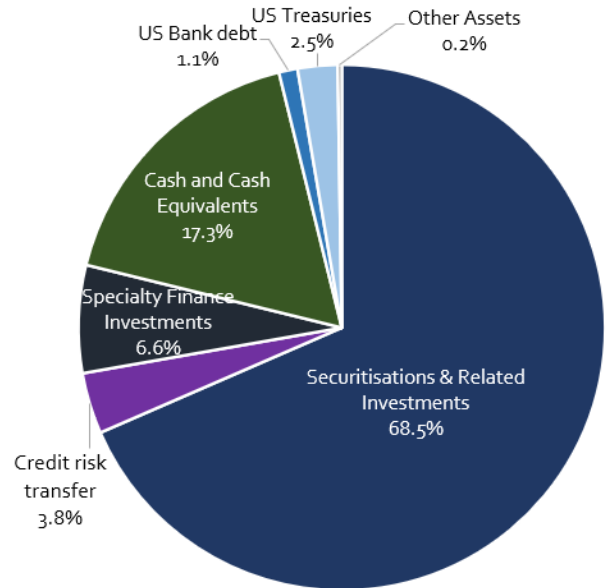
- £1.4 million in one subordinated debt instrument issued by a US Bank

Cash and Cash Equivalents

- £5.7 million unrestricted cash
- £2.9 million restricted cash²
- £12.6 million in a money market fund

Other Assets

- £0.3 million of other assets



¹Based on the Company's 30 September 2024 unaudited financials.

²Including an unrealised gain on forward currency contracts of £1.9 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. 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	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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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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