EJF INVESTMENTS LIMITED

INTERIM REPORT AND UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

EJF INVESTMENTS LIMITED

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Performance

Total Return for the Period[1]

2024: 5.57%

30 June 2023: (9.57)%

Total Return since Inception[1]

2024: 89.3%

Delivered on Dividends

Dividends Declared

2024: 5.35p

30 June 2023: 5.35p

Annualised Dividend Yield[1]

2024: 11.1%

30 June 2023: 9.86%

Market View

Ordinary Share Price

2024: 96p

31 December 2023: 101.5p

2025 ZDP Share Price

2024: 129p

31 December 2023: 120.0p

Market Capitalisation

2024: £58.7m

31 December 2023: £62.1m

Asset Performance

Net Asset Value

2024: £100.1m

31 December 2023: £98.0m

NAV per Ordinary Share[1]

2024: 164p

31 December 2023: 160.0p

Share Price Discount to NAV per Ordinary Share[1]

2024: 41.5%

31 December 2023: 36.6%

Portfolio Investments

Securitisation and Related Investments

2024: £87.0m

31 December 2023: £83.3m

Specialty Finance Investments

2024: £9.3m

31 December 2023: £10.3m

US Bank Debt

2024: £1.5m

31 December 2023: £4.7m

US Treasuries

2024: £3.3m

31 December 2023: £3.4m

Credit Risk Transfer

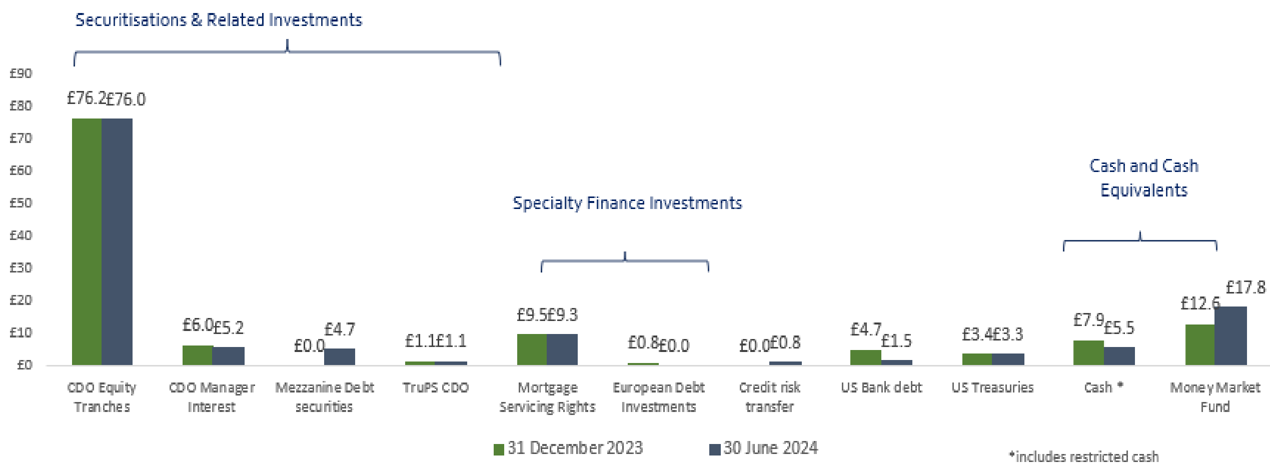
2024: £0.8m

31 December 2023: nil

[1] These are APMs as defined on pages 48 and 49.

EJF Investments Limited ("the Company" or "EJFI") offers exposure to a portfolio of securitised loans to US financial institutions and other related assets, with an emphasis on floating rate debt. Key portfolio investments comprise of CDO Equity Tranches, CDO Manager interest and MSRs.

Portfolio Overview as at 30 June 2024 (£ millions)



Key Portfolio Investments

CDO Equity Tranches
The investments into the equity tranches of 7 CDOs, via EJF Investments LP, provide the Company with exposure to underlying collateral comprising 343 debt instruments issued by 154 US banks and 34 US insurance company unique issuers with a combined principal outstanding balance of USD1.84bn.

CDO Manager Interest
Through its 49% interest in the CDO Manager, which currently manages 11 different CDO structures with an underlying AUM of USD3.2bn, the Company receives regular streams of income that rank senior in the cashflow waterfall of these CDOs.

Mortgage Servicing Rights
MSRs are a stream of regular and predictable servicing income cashflows originally attached to US prime mortgages underwritten to Fannie Mae & Freddie Mac standards. The Company's investments in MSRs via Seneca, which is fully owned by EJF, services 5,489 mortgages with an unpaid balance of USD1.23bn. Seneca uses a combination of capital contributed by the Group and leverage to invest in these MSRs.

Please refer to pages 13 to 15 for a more detailed description of the Portfolio.

Company Overview

EJFI is a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey on 20 October 2016 under the provisions of the Companies Law with registration number 122353 and is regulated as a collective investment fund under the Collective Investment Funds (Jersey) Law 1988. The Company's registered office and principal place of business is IFC5, St Helier, Jersey, JE1 1ST. The principal legislation under which the Company operates is the Companies Law, as amended. The Company's capital comprises Ordinary Shares and ZDP Shares admitted to trading on the SFS.

Investment Objective

The Company seeks to generate risk adjusted returns for its Shareholders by investing, through its Subsidiary, in opportunities created by regulatory and structural changes impacting the financial services sector. These opportunities are anticipated to include structured debt and equity, loans, bonds, preference shares, convertible notes, Fintech debt securities (including European debt securities) and private equity, in both cash and synthetic formats issued by entities domiciled in the US, UK and Europe. Investments consist primarily of Securitisation and Related Investments and Specialty Finance Investments. The Company seeks to generate sufficient income to enable it to make quarterly dividend payments to Shareholders in addition to targeting Net Asset Value growth.

The Company is targeting a Total Return of 8% to 10% per annum and the Company's Target Dividend for the financial year to 31 December 2024 is 10.7p per Ordinary Share (31 December 2023: paid Target Dividend of 10.7p per Ordinary Share). To date, the Company has paid quarterly dividends which are in line with the Target Dividend for the financial year to 31 December 2024.

Purpose

The Company is an essential part of EJF's overall strategy and acts as a public vehicle to provide exposure to investments in the equity tranches of EJF sponsored securitisations, subject to Directors' approval. The Manager believes that through investments in niche asset classes, with a target of making quarterly dividend payments and growing the Net Asset Value, the Company offers attractive risk adjusted returns for its Shareholders.

Strategy

The Company seeks to achieve its Investment Objective by pursuing a policy of investing in a diversified portfolio of investments that are derived from the changing financial services landscape primarily through Risk Retention and Related Investments and Specialty Finance Investments.

Values

To promote the long-term success of the Company through responsible investing, focusing on the values of the Company in a world with constantly evolving social and economic demographics. The Board believes that a strong corporate governance structure is crucial to the pursuit of this goal along with trusted relationships with the Company's service providers and advisers.

The Company's detailed Investment Policy can be found on pages 78 to 81 of its Prospectus, which is available on the Company's website, www.ejfi.com.

Structure

The Company has one subsidiary: EJFIH (incorporated on 9 June 2017), of which it owns 100% of the stated capital.

The holding of assets via EJFIH allows the Company to manage the upstreaming of portfolio income with greater flexibility and cash flow management and conduct its affairs in accordance with the criteria for the non-UK investment trust exemption to the UK Unregulated Collective Investment Schemes and Close Substitutes Instrument 2013.

Manager

The Company is externally managed by the Manager. EJF holds 100% of the voting rights in the Manager. EJF is an investment adviser principally located in the US and registered as such with the SEC and as a CPO and CTA with the CFTC.

The Company has appointed the Manager to act as its AIFM for the purposes of the AIFM Directive.

Listing Information

As at 30 June 2024

	ORDINARY SHARES	2025 ZDP SHARES
UK	JE00BF0D1M25	JE00BK1WV903
SEDOL	BF0D1M2	BK1WV90
TICKER	EJFI	EJF0
Total issued shares at period end	76,953,707	19,273,903
Total issued shares held in treasury at period end	15,808,509	-
Total issued shares with voting rights at period end	61,145,198	-

As at 31 December 2023

	ORDINARY SHARES	2025 ZDP SHARES
ISIN	JE00BF0D1M25	JE00BK1WV903
SEDOL	BF0D1M2	BK1WV90
TICKER	EJFI	EJF0
Total issued shares at year end	76,953,707	19,273,903
Total issued shares held in treasury at year end	15,808,509	-
Total issued shares with voting rights at year end	61,145,198	-

Significant Events during the Period

Reduction and subsequent discontinuation of Manager reimbursement
In December 2023, the Manager informed the Board that with effect from 1 January 2024, EJF would reduce its financial support to the Company and only absorb 10% of the Company's recurring operating expenses going forward (down from 60% previously). On 17 June 2024, the Manager announced that it would discontinue its policy of voluntarily absorbing such costs with effect from 1 July 2024. Cumulatively, the Manager has reimbursed approximately £6.8 million of the Company's recurring operating expenses since its initial listing in April 2017.

Manager's reinvestment of management fee into the Company's Ordinary Shares
On 17 June 2024, the Company announced that the Manager would re-invest approximately 20% of its management fee into Ordinary Shares for the next four quarters and for so long as the average share price during the prior quarter traded at least 15% below the NAV.

Changes to the Board of the Company
On 2 May 2024, the Company announced that Joanna Dentskevich had resigned as chair of the Board of the Company and its Subsidiary and that Alan Dunphy would serve as interim chair pending the recruitment of a new director and appointment of a new chair. Following the period end, on 10 July 2024, the Company announced its intention to appoint John Kingston III as a non-executive director, subject to the Jersey Financial Services Commission ('JFSC') confirming no objection to his appointment, and in due course to appoint him as the chair of the Board of the Company following a short handover period post appointment. Following receipt of no objection from the JFSC, John Kingston III was appointed as a non-executive director on 6 September 2024.

Formation of nomination committee
During the period the Board constituted a nomination committee with the authority to deal with succession and other related matters.

Appointment of company secretary and administrator
On 28 June 2024, the Company announced that it had appointed Apex Financial Services (Alternative Funds) Limited as the Company's company secretary and administrator to replace BNP Paribas S.A., Jersey Branch. The appointment was made with effect from close of business on 28 June 2024 following approval of the JFSC.

AGM
The 2024 AGM was held on 6 June 2024 and all resolutions tabled were duly passed with minimal votes cast against.

Related Parties

Related party balances and transactions are disclosed in note 16.

Going Concern

Under the UK Code, voluntarily adopted by the Company, and Companies Law, the Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern and to identify any material uncertainties in respect of the Company's ability to continue as a going concern for at least 12 months from the date of approving the financial statements.

The Directors have performed a detailed assessment of the Company's ability to meet its liabilities as they fall due for the period of at least twelve months from the date of approving the financial statements, including evaluating severe but plausible downside scenarios of a significant reduction in the liquidity and fair value of its investments. The assessment was completed with reference to the cash position of the Company and EJFIH, their operating expenses and the potential default risk of the investments held.

In light of the above, the Directors are satisfied that, at the time of approving the financial statements, there is a reasonable expectation that based on the Company's performance and the future prospects of the Company, the Company will have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements, and have therefore prepared the financial statements on a going concern basis.

Board of Directors[1]
Alan Dunphy (Interim Chair)
Nick Watkins
John Kingston III
All c/o the Company's registered office

Administrator and Company Secretary[2]
Apex Financial Services (Alternative Funds) Limited
IFC 5
St. Helier
Jersey JE1 1ST

Corporate Brokers and Financial Advisers
Panmure Liberum Limited
Ropemaker Place
Level 12
25 Ropemaker Street
London
UK EC2Y 9LY

Barclays Bank PLC
1 Churchill Place
London
UK E14 5RB

Registrar
Computershare Investor Services (Jersey) Limited
13 Castle Street
St. Helier
Jersey JE1 1ES

Legal Adviser to the Company
Carey Olsen Jersey LLP
47 Esplanade
St. Helier
Jersey JE1 0BD

Registered Office[3]
IFC 5
St. Helier
Jersey JE1 1ST

Investor Screening Service
The ID Register
5th Floor Market Building
Fountain Street
St. Peter Port
Guernsey
Channel Islands GY1 1BX

Manager
EJF Investments Manager LLC
The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington
US DE 19801-1120

Custodians
Citigroup Global Markets Inc.
390 Greenwich Street
New York City
US NY 10013-2396

Citibank N.A.
399 Park Avenue
New York City
US NY 10043

Independent Auditor
KPMG LLP
15 Canada Square
London
UK E14 5GL

Websites
Company: www.ejfi.com
Manager: www.ejfimanager.com

[1] On 2 May 2024, Joanna Dentskevich retired from her role as a director of the Company. John Kingston III was appointed as director effective 6 September 2024.

[2] BNP Paribas S.A., Jersey Branch, IFC1, The Esplanade, St. Helier, Jersey JE1 4BP, resigned and Apex Financial Services (Alternative Funds) Limited was appointed as administrator and Company Secretary of the Company on 28 June 2024.

[3] The registered office of the Company was changed from IFC 1, The Esplanade, St Helier, Jersey, JE1 4BP, Channel Islands to IFC 5, St Helier, Jersey, JE1 1ST on 28 June 2024.

Introduction

On behalf of the Board, I am pleased to present the Interim Report for the period from 1 January 2024 to 30 June 2024.

On 2 May 2024, the Company announced that Joanna Dentskevich resigned as chair of the Board of the Company and its Subsidiary with me serving as an interim chair pending the recruitment of a new director.

Following the period end, on 10 July 2024, the Company announced its intention to appoint John Kingston III as a non-executive director, subject to JFSC confirming no objection to his appointment, and in due course to appoint him as the chair of the Board of the Company following a short handover period post appointment. I believe that John Kingston III has the necessary experience, skills and expertise to lead the Company, guide the Company in its ongoing efforts to narrow its share discount, increase engagement with the Company's stakeholders and make a valuable contribution to the Board. The RNS announcement of John Kingston III's conditional appointment outlines his impressive career in the asset management industry and in the public company sphere. Following receipt of no objection from the JFSC, I am pleased to confirm that John Kingston III was appointed as a non-executive director on 6 September 2024.

Performance and Portfolio Activity

After a tumultuous 2023 in the public equities market for US banks, the Company's debt portfolio continued to display its resilience in the first half of 2024. The Total Return of the Company for the period was 5.57%. The underlying portfolio component of this was 7.32% which was primarily driven by net gains from Securitisation and Related Investments of 6.69%. The Company's Total Return is in line with the expectation of a calmer 2024 as the Manager indicated in the 2023 Annual Report, and reflects the robustness of interest accruals which contributed to most of this return. Also included within this return is an initial gain of 0.36% on Mezzanine debt securities of securitisations sponsored by EJF Capital LLC, purchased in March 2024. Elsewhere, the Speciality Finance Investments as well as US bank debt exposure recorded modest gains for the period.

In addition to £4.3m of Mezzanine debt securities purchased in March 2024, the Subsidiary also invested c.$1m in a credit risk transfer ("CRT") bond with a yield of SOFR plus 15.5%. The issue of CRT bonds enables a bank to reduce its regulatory capital on a pool of loans that are carried on its balance sheet. The Manager believes that future CRTs on strong loan pools originated by small US banks may be a growing and attractive opportunity for the Company as it presents a favourable risk/reward security consistent with the Manager's expertise in regulatory related debt issued by small US banks. During the period, the Subsidiary also took the opportunity to exit two European debt positions as well as one US bank debt position.

Given that most of the Subsidiary's investments are currently denominated in USD, the Manager, under an approved authority from the Board, hedges a portion of this exposure to reduce the impact of overall FX movements which, as a result of Sterling weakening against the USD during the period, produced a gain of 0.22% for the period. As at 30 June 2024, 54.5% of the underlying USD exposure was hedged.

The Company's US Banking Exposures

2023 was dominated by a challenging environment for the US banking system, particularly regional banks that have between $100 billion and $250 billion in assets. One of the Company's few underlying regional bank exposures, New York Community Bank ("NYCB"), was caught up in the concerns that public equity market investors had with those banks with significant commercial real estate exposure ("CRE"). The Company had exposure to NYCB because NYCB had acquired a small US bank, Flagstar Bank, in 2022 and assumed its outstanding debt, including that held in CDOs managed by EJF.

Following initial issues reported in January 2024, NYCB was able to successfully increase capital levels through a $1 billion equity capital investment from private equity firms led by former Treasury Secretary Steven Mnuchin in early March 2024 and also provided an optimistic three-year forecast for a return to profitability. While the Manager remains concerned with certain credit exposures at NYCB, it is pleased to see the bank out of crisis mode.

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.

With the exception of the Republic First event, I am pleased to note that there have been no reported defaults during the period and no additional unrealised mark-to-market losses booked on CDO Equity Tranches. I am also pleased to confirm that the Company continued to pay dividends in line with its Target Dividend as the underlying cashflows remained robust.

Corporate Activity

On 17 June 2024, the Company made two related announcements. The first announced that the Manager would discontinue the voluntary absorption of 10% of the Company's operating costs effective 1 July 2024. Cumulatively, the Manager has reimbursed approximately £6.8m of the Company's recurring operating expenses since its initial listing in April 2017. The second announced that the Manager would instead re-invest approximately 20% of its management fee into the Company's Ordinary Shares for the next four quarters and for so long as the average share price during the prior quarter traded at least 15% below the NAV. I see this as a positive vote of confidence from the Manager in the value of the Company's underlying exposures and in the Company as a whole. The Manager's regular purchase of Ordinary Shares in the open market (such purchases being managed by one of the Company's brokers, Panmure Liberum) should also improve liquidity in the Ordinary Shares.

AGM

The 2024 AGM was held on 6 June 2024 and all resolutions tabled were duly passed with minimal votes cast against.

Share Price

The Board remains highly aware of the continued and significant discount that the Ordinary Shares trade at relative to the NAV per share and of the continued widespread de-rating headwinds experienced by UK investment companies primarily due to prevailing market factors including persistently high interest rates and an unfavorable macroeconomic background.

The Board, having obtained feedback from various stakeholders, remain of the view that, given the size of the Company, a share buy-back programme is currently not in the best interests of the Company, notwithstanding the accretion to NAV of such a transaction. However, such a programme may be appropriate in the future and the Board regularly reconsiders this topic along with others.

Principal Risks and Uncertainties

The Directors have carried out a robust review and assessment of the emerging and principal risks and uncertainties facing the Company, a summary of which, including any changes from 31 December 2023, can be found on pages 17 to 18.

Outlook

The Manager expects US bank equity shares to perform well in the back half of 2024. The Company's portfolio of small bank debt should also benefit from the recent uptick in M&A activity as the credit of such debt improves as consolidation in the industry continues. The Manager and its parent affiliate, EJF Capital, have executed two of only three CRT transactions of banks with less than $100 billion in assets. Their track record in the small bank space (i.e., banks with less than $100 billion in assets) is demonstrable and CRT transactions offer the opportunity for the Company to achieve low to high double digit cash flowing returns on loan assets with strong credit profiles. The Manager believes that CRTs provide banks with a mechanism to improve CRE capital buffers through the issuance of credit-linked notes on strong multi-family and other consumer-related assets to investors like the Company. For those shareholders who want to understand the CRT market opportunity better, I would recommend that you read an article recently written by Neal Wilson, the Manager's CEO, and posted on the Company's website, which can be accessed on the Company's website www.ejfi.com here.

The Company voluntarily complies with the Listing Rules of the FCA, which restricts its ability to issue new Ordinary Shares at a price less than the NAV per share at the time of their issue. At 16 September 2024, the market price per Ordinary Share was 109.5 pence, representing a discount of 32% to the NAV per share at 31 August 2024. The Board is exploring potential options that would enable the Company to finance investments in CRTs identified by the Manager and that will diversify the Company's portfolio and increase its scale. The Board and the Manager are also exploring possible long-term structural mechanisms that would seek to introduce potential liquidity for shareholders, whilst maintaining the Company's ability to continue investing in accordance with its investment policy, including taking advantage of the attractive opportunity to invest in CRTs.

The Manager will be hosting a webinar on the Company's performance on 18 September 2024.

The Board again expresses its thanks for the continued support from its Shareholders and, along with the Manager and the Group's advisers, looks forward to continuing the positive returns for its Shareholders during the remainder of the year.

Alan Dunphy
Interim Chair
Date: 17 September 2024

We are pleased to present our review for the period from 1 January 2024 to 30 June 2024 and our outlook for the remainder of 2024.

As mentioned in the Chair's Statement, despite the events around Republic First, there have been no other reported underlying defaults during the period and no additional unrealised mark-to-market losses booked on CDO Equity Tranches. Underlying cashflows remained robust, allowing the Company to continue to meet its Target Dividend. The Total Return for the year was 5.57%[1] generating an annualised Total Return since inception of 9.12%[1], consistent with the Company's Target Return of 8-10% per annum.

US Bank Market Update

Bank equities were volatile during the period as fears continued around CRE concentrations and uncertainty persisted about the timing of interest rates cuts. After the end of Q2 2024, however, sentiment has shifted as the Federal Reserve (the "Fed") has made clear that cuts are very likely in 2024 which reduces concerns about non-office CRE. The Manager expects bank shares to perform well in the back half of 2024 as the broader economy remains resilient and inflation continues to moderate. In conversations with many banks this quarter, net interest margins are likely in the process of bottoming and should begin to turn upwards as asset yields reprice quicker than deposit costs. Credit quality has also slowly normalised and problem areas remain limited to non-prime consumer exposures and large CRE office loans. The Manager believes that credit remains the primary risk to the Company as a higher for longer interest rate environment would likely create more credit quality concerns.

Small and mid-sized banks with high concentrations of CRE exposure remained out of favour during the second quarter. In particular, Bank OZK ("OZK") received a downgrade rating to sell by Citigroup research analysts primarily related to specific, outsized development loan relationships. Additionally, Axos Financial ("AX") saw a negative report by Hindenburg Research related to its underwriting of CRE loans. Both OZK and AX responded with fact-based counterpoints to combat these short narratives. In reviewing each of these situations, the Manager believes that much of the analysis is rooted in conjecture and fear which are difficult to refute in the near-term. The Manager remains of the view that most traditional CRE loans outside of Office are likely to fare well this cycle as long as interest rates do not climb to much higher levels and stay at those higher levels for a long period of time.

Beyond interest rates and credit quality, the regulatory and political backdrop may improve as it gets closer to the US elections in November. In the first presidential debate, the Republican candidate, former President Donald Trump, made it clear that he would look to extend tax cuts and loosen regulation if he were elected. The Manager believes that more reasonable regulation, particularly at the FDIC and Office of the Comptroller of the Currency ("OCC"), would lead to a healthy wave of M&A, which is anticipated to benefit the underlying exposures of the Company. Not only do larger banks have stronger stock currencies than smaller peers, but the Manager also believes that there are many banks looking for longer term solutions.

The 2024 Comprehensive Capital Analysis and Review ("CCAR") Stress Test results were released at the end of June 2024 for 31 bank holding companies with generally greater than $100 billion in assets. As has been the case in the past, all of the banks passed the adverse scenario which stresses for a scenario that is worse than the global financial crisis in 2008. Importantly, though, the results should allow for healthy capital return as the Manager expects Basel III endgame to also be watered down from initial expectations. While the Company has had no exposure to large banks, the Manager believes that there were a couple of important takeaways as they relate to small and medium sized banks and non-bank lenders. First, CRE losses in the test stayed flat at last year's 8.8%, while losses for Commercial and Industrial ("C&I") business loans of 8.1% were higher than in the past few years. While this may seem surprising given endless headlines concerning CRE loans for the past 18 months, C&I loans supported by cash flows of businesses can see high severity when economies go into recession. Additionally, increases in credit card balances at large banks combined with higher delinquency rates experienced greater projected losses in the test in 2024.

[1] These are APMs as defined on page 48 and 49.

Update on NYCB and Republic First

On 31 January 2024, NYCB announced that its qualification as a Category IV bank with greater than $100 billion in assets would require it to invest in new risk management and infrastructure, improve its on-balance sheet liquidity and increase its credit provisioning. As a result, NYCB announced lower than expected earnings of approximately 50% and slashed its dividend by 70%. In March 2024, NYCB received over $1bn equity capital investment from firms led by former Treasury Secretary Steven Mnuchin. On 1 May 2024, NYCB reported first quarter earnings and provided an optimistic three-year forecast for a return to profitability. NYCB has seen deposits stabilize, though it has had to sacrifice near-term profitability as low-cost core deposits leave the bank and are replaced by high-cost funding. Joseph Otting, former head of the OCC, appears to have successfully stabilized the institution as it looks to return to profitability in 2025. While the Manager remains concerned with certain credit exposures at NYCB, it is pleased to see the bank out of crisis mode. The Company's exposure to NYCB is just over 2.5% of the Company's NAV on a look-through basis. The Company had exposure to NYCB because NYCB purchased a small bank, Flagstar Bank, in 2022 and assumed all of its outstanding debt obligations, including those in CDOs managed by EJF.

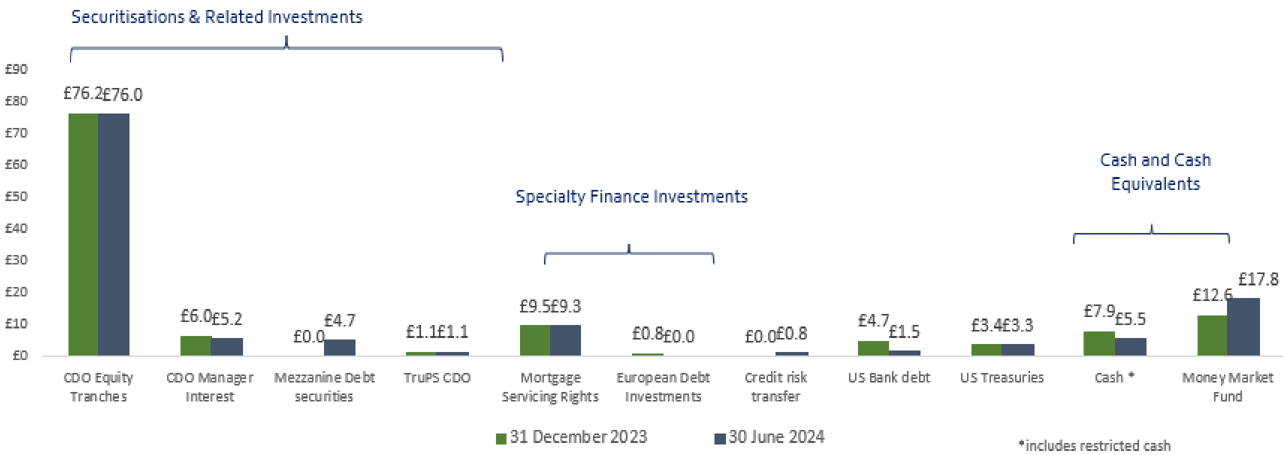
Republic First was seized by Pennsylvania regulators in April 2024. Based on the mechanics of the sale of Republic First, it was the view of the Manager that there may not be any material recovery of the debt issued by Republic First. If the cash collected by the relevant CDO at the end of its life is insufficient to pay all of its investors, then such losses (as reduced by any over-collateralisation at each deal level) are absorbed first by the CDO Equity Tranches of each of the respective deals. The Manager is monitoring the situation closely, and notes that as reported in the Performance Report for 30 September 2023 NAV, a mark down was already taken on the relevant CDO Equity Tranches considering the broader market as well as the deferral on this exposure. 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.

US Insurance Market Update

While life and P&C insurance companies have not reported second quarter earnings yet, equity analysts expect to see solid results along both lines of business. On the P&C front, catastrophe losses should be limited given uneventful acts of nature in the quarter, while losses in personal auto and homeowners also should be muted. With regard to life insurance, stickier interest rates are generally viewed as a positive given the bias toward higher investment income while strong equity market activity can be seen as a source of funds to support future premium growth.

Portfolio Update and Investment Activity

The Portfolio continues to perform in line with expectations from an income yield perspective. Please see chart below showing the portfolio composition (£ millions) as at 31 December 2023 and 30 June 2024.



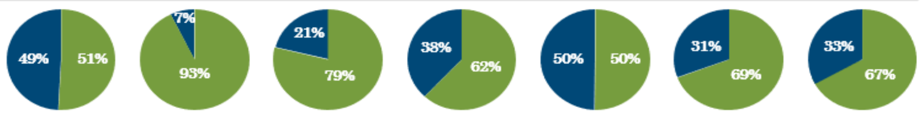
Securitisation and Related Investments represented approximately 69.2% of the Group's assets as of 30 June 2024. of which:

- CDO Equity Tranches that represented approximately 60.5% of the Group's assets as of 30 June 2024 have underlying exposure to debt issued by US banks and insurance companies and are managed by an affiliate of EJF.
- As of 30 June 2024, through its investment in seven CDO Equity Tranches, the Company had exposure to 343 debt instruments issued by 252 US banks and 91 insurance companies, of which 154 US banks and 34 insurance companies were unique issuers.
- In the month of March 2024, the Company purchased 7 Mezzanine debt securities of securitisations sponsored by EJF for £4.3m at a double digit modelled yield to maturity. These represented 3.7% of the Group's assets as of 30 June 2024.
- The remainder of the portfolio consisted of the CDO Manager Interest (that earns management fees for providing collateral management services to various CDO structures) and a TruPS CDO which represented approximately 4.1% and 0.8% of Group's assets, respectively.

A summary of underlying collateral diversification is provided below, along with forward projected returns analysis:

Equity Tranche Investments as of 30 June 2024

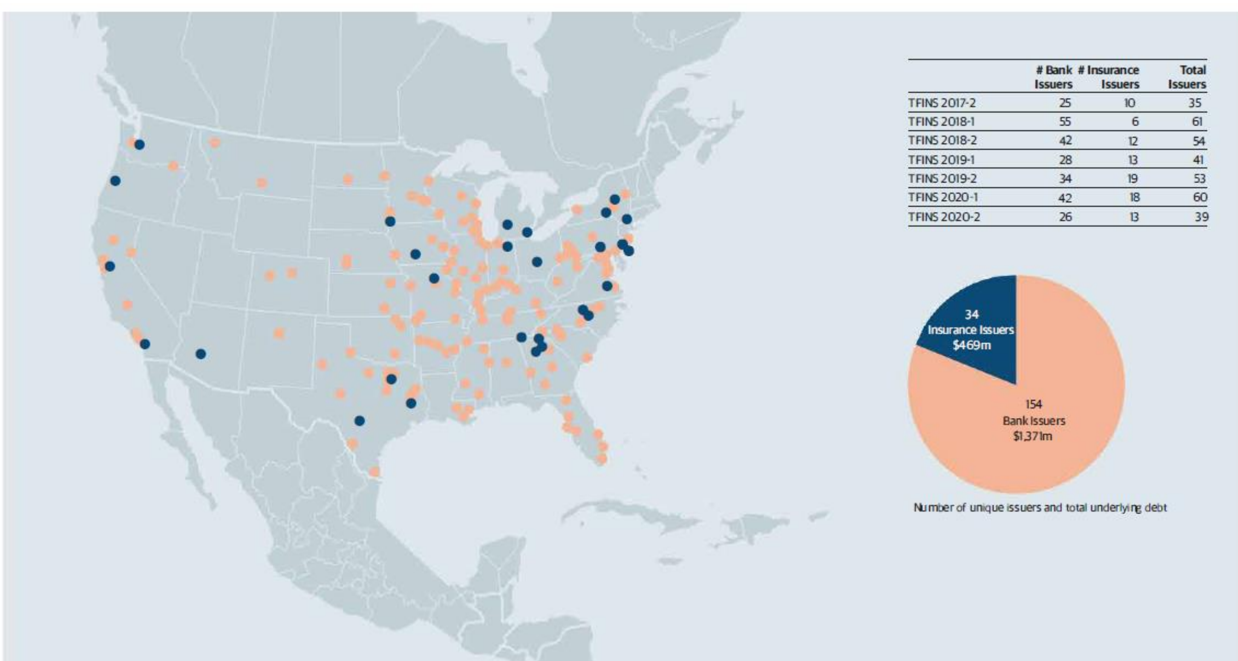
	TFINS 2017-2 October 2017	TFINS 2018-1 May 2018	TFINS 2018-2 December 2018	TFINS 2019-1 March 2019	TFINS 2019-2 December 2019	TFINS 2020-1 September 2020	TFINS 2020-2 December 2020
Equity Tranches amount ($ million)	13.9	17.5	13.6	12.7	13.2	13.4	8.1
Estimated return profile[1]							
Yield to Call[2] / Maturity (%)	16.0 / 10.9	15.6 / 11.2	9.5 / 8.0	14.2 / 10.6	17.6 / 11.6	13.7 / 10.9	19.3 / 14.4
Yield to Call[2] / Maturity including management fee income (%)	16.2 / 11.1	16.3 / 11.8	10.2/ 8.5	14.7 / 11.1	18.3 / 12.2	14.3 / 11.5	20.4 / 15.3
Collateral overview (on closing date) TruPS, senior, subordinated and surplus notes issued by US banks and insurers.	49% / 51%	7% / 93%	21% / 79%	38% / 62%	50% / 50%	31% / 69%	33% / 67%
Insurance companies / Banks							
CDO structure							
Original collateral principal balance ($ million)	353.0	537.8	351.0	313.9	338.4	282.9	177.2
Initial implied rating[3]	Ba1	Baa3	Baa3	Baa3	Ba1	Ba2	Ba3
Initial leverage ratio[4]	4.3x	6.7x	5.7x	4.6x	5.8x	4.5x	5x
Other key terms							
Non call/Auction call	Passed/ Sept 2025	Passed/ Mar 2026	Passed/ Dec 2026	Passed/ Feb 2026	Passed/ Nov 2027	Passed/ July 2028	Passed/ Oct 2028
Legal final deadline	Sept 2039	Mar 2039	Sept 2039	Feb 2039	Feb 2039	Apr 2040	Jul 2041
Senior collateral management fee (bps)	10	20	20	20	20	30	30



1. Estimated returns are as of 30 June 2024 and they reflect the fair valuation of the bonds. Estimated returns assume, among other things, no delinquency, deferral or other non-payment by collateral, and do not include cash flows previously received. Prepayments are estimated by EJF based on past experience and judgements. Any changes in cash flows can materially impact returns. There can be no assurances that the estimated returns will be realised as portrayed in this document and investors should place no reliance on such estimated returns in making any investment decision. Estimated returns are targets only and not a profit forecast. This information is intended to be illustrative only and is not designed to predict the future performance of the Company or its investment portfolio.
2. Call assumed to be in 5 years from yield calculation date on a rolling basis.
3. Implied Ratings are as of issuance by the engaged nationally recognised statistical rating organisation. Ratings are subject to change and may not reflect current creditworthiness of issuer.
4. Initial leverage ratio calculated as par value of debt tranches over par value of underlying collateral less par value of debt tranches.

<u>Geographic Diversification of Bank and Insurance Debt Exposure</u>

Below is a summary of geographic diversification of US bank and insurance company debt based on the headquarters of the underlying collateral issuers in the 7 CDO Equity Tranches held by the Company as at 30 June 2024:



Specialty Finance Investments represented approximately 7.4% of the Group's assets as of 30 June 2024, all of which was represented by MSRs.

- MSR exposures represent a stream of servicing income attached to mortgages originated in the US, producing regular and predictable cash-flows via an investment managed by Seneca (which is fully owned by EJF). Seneca uses a combination of capital contributed by the Group and leverage to invest in MSRs originally attached to prime mortgages underwritten to Fannie Mae and Freddie Mac standards.

- Two small European debt investments which represented approximately 1.6% of the Group's assets as of 31 December 2023 were sold off during the period to take liquidity.

CRT represented approximately 0.6% of the Group's assets as of 30 June 2024.

- In the month of May 2024, the Company invested c.$1m through a cross-trade with a fund managed by an affiliate of the Manager in a CRT bond bearing an interest rate of SOFR plus 15.50%. The bond was issued by a special purpose vehicle containing a pool of nursing home development loans originated by a small US bank with about $16B in assets.

- The Manager believes future CRTs on strong loan pools originated by small US banks may be a growing and attractive opportunity for the Company.

US Treasuries represented approximately 2.7% of the Group's assets as of 30 June 2024.

- The Group holds 5 US Treasury positions which are intended to partially hedge MSRs in recognition of the changing interest rate environment.

US Bank debt represented approximately 1.2% of the Group's assets as of 30 June 2024.

- In June 2023, the Group purchased two subordinated debt instruments issued by two US banks at near double-digit yields. They were acquired at an FDIC auction to utilise cash in an area well known to the Manager and consistent with the Company's investment mandate. In January 2024, the Group sold one of its two US Bank debt investments to take liquidity and record a small gain.

Following the period end, the Company invested $5m on 15 July 2024, in a second CRT arranged by EJF. This transaction has underlying exposure to prime jumbo mortgage pools originated and held on balance sheet by a Southeastern US Bank. The Manager estimates that on an unlevered basis the CRT investment will generate mid-teen returns for the Company over an approximate seven-year duration. Jumbo mortgages are those mortgages that are ineligible for purchase and securitisation by the two main US government sponsored enterprises, Fannie Mae and Freddie Mac, as they exceed the maximum conforming size of $766,550. Such jumbo mortgages are made with the intention of being held on the balance sheet of the issuing bank.

Risk Management

We believe that the Portfolio contains a selection of diversified borrowers within the context of its financial institution focused mandate. The Manager's credit team conducts regular surveillance on issuer financial and business profiles and the broader portfolio and there were no defaults reported during the period on the underlying securitisation collateral positions.

The Group's base currency is denominated in Sterling although most of the Group's investments are denominated in USD. Under an approved authority from the Board, the Manager hedges a portion of this exposure. These hedges helped reduce the impact of overall FX losses during the period. As at 30 June 2024, USD 85.3m of approximately USD 56.6m exposure was hedged. This hedge generated an overall net FX gain (at EJFIH level) of 0.22% for the period.

Outlook

US bank valuations were volatile during the period as fears continued around CRE concentrations and the timing of interest rates cuts remained uncertain. However, given recent and relatively clear guidance provided by the US Federal Reserve on the future downward path of interest rates and economic data suggesting the strong possibility of a soft landing, the Manager expects US bank equity shares to perform well in the back half of 2024 as the broader economy remains resilient and inflation continues to moderate. The Company's portfolio of small bank debt should also benefit from the recent uptick in M&A activity as the credit of such debt improves as consolidation in the industry continues. The regulatory pressure on all banks, including small ones, to build capital buffers on their CRE exposures, also bodes well for the Company. The Manager and its parent affiliate, EJF Capital, have executed two of only three CRT transactions of banks with less than $100 billion in assets. The Manager's track record in the small bank space (i.e., banks with less than $100 billion in assets) is demonstrable and CRT transactions offer the opportunity for the Company to achieve low to high double digit cash flowing returns on loan assets with strong credit profiles. The Manager believes that CRTs provide banks with a mechanism to improve CRE capital buffers through the issuance of credit-linked notes on strong multi-family and other consumer-related assets to investors like the Company.

Principal Risks and Uncertainties

In reviewing the Principal Risks for the period, the Directors have carried out an assessment of the risk factors that they consider the Company to be exposed to.

As a result, the Principal Risks relating to the Company, as assessed by the Directors, disclosed in the Annual Report for the year ended 31 December 2023, and summarised below, are unchanged and are expected to remain relevant to the Company for the next six months of its financial year. The Directors do not consider there to be any emerging risks or uncertainties.

Principal Risks

Strategic

Changes in the Geopolitical and Macro-economic Environment
Changes to global geopolitical and macro-economic conditions may adversely impact the Company's investment performance, the availability of investment opportunities, the Manager's ability to source and securitise investments and prevent the Company from meeting its Investment Objective.

Changes in Law, Tax and Regulation Reduces Investment Opportunities or Undermines the Group's Legal, Tax or Regulatory Structure
The Group is subject to regulations enacted by national and local governments, changes to which may reduce the investment opportunities available or undermine or invalidate the structure of tax, legal or regulatory rationale and make it difficult to pursue the Investment Policy.

Availability of Cash for Investment Opportunities and Payment of Liabilities
The Company requires regular ongoing funding and available cash to be in a position to take full advantage of investment opportunities as and when they arise, along with meeting liabilities as and when they fall due. The risk of the Company having insufficient cash to meet investment opportunities continues to be a Principal Risk due to several factors:

- **(i)** the potential for the volatility of Sterling to require unencumbered cash to be used to meet margin calls on the currency hedge;
- **(ii)** the Ordinary Share Price discount to NAV and difficulty in raising capital;
- **(iii)** the complex nature of the underlying Portfolio continues to deter potential investors;
- **(iv)** the maturity of the 2025 ZDP Shares; and
- **(v)** the challenges that the UK listed investment companies sector is currently experiencing.

Dependency on the Manager
To successfully pursue its Investment Objective, the Company is dependent on the Manager and the Manager's ability to retain and recruit staff. The loss of one of a small number of key individuals in key roles at the Manager could adversely impact the ability of the Company to meet the Investment Objective.

Principal Risks

Investments

Valuation Risk
The nature of the Group's investments makes them inherently difficult to value compared to more liquid investments due to the number of assumptions involved. Furthermore, a general market collapse and/or a seizing-up of credit markets may render it difficult to price certain investments with any degree of accuracy, or at all.

Credit Risk
The value of the Group's investments may be impacted by adverse credit events with recovery of initial investments being lengthy and uncertain.

Operational

Dependency on Service Providers
The Company is dependent on the ability of all its service providers for the successful management and administration of the Company's affairs. This includes a reliance on the strength of their internal controls, their ability to retain and recruit sufficient appropriately qualified and experienced staff as well as cyber security, data protection and business continuity planning.

Emerging Risks and Uncertainties

The Directors do not consider there to be any emerging risks or uncertainties.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Interim Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- The unaudited condensed interim financial statements and associated notes, have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

- The Interim Report includes a fair review of the information required by:

    - DTR 4.2.7R of the FCA's DTR, being an indication of important events that have occurred during the first six months of the financial year and their impact on the unaudited condensed interim financial statements; and a description of the Principal Risks and uncertainties for the remaining six months of the year; and

    - DTR 4.2.8R of the FCA's DTR, being related party transactions that have taken place during the first six months of the financial year and have materially affected the financial position or performance of the Company during that period.

By Order of the Board
Alan Dunphy
Interim Chair
17 September 2024

Conclusion

We have been engaged by EJF Investments Limited ("the Company") to review the Unaudited condensed interim financial statements in the interim report for the six months ended 30 June 2024 which comprise the Unaudited Condensed Statement of Comprehensive Income, Unaudited Condensed Statement of Financial Position, Unaudited Condensed Statement of Changes in Equity, Unaudited Condensed Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the unaudited condensed interim financial statements in the interim report for the six months ended 30 June 2024 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the unaudited condensed interim financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the Company will continue in operation.

Directors' responsibilities

The interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the unaudited condensed interim financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB").

The directors are responsible for preparing the unaudited condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34.

In preparing the unaudited condensed interim financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the unaudited condensed interim financial statements in the interim report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Carla Cassidy
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
UK E14 5GL

17 September 2024

EJF INVESTMENTS LIMITED
UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Notes	1 January 2024 to 30 June 2024 (Unaudited) £	1 January 2023 to 30 June 2023 (Unaudited) £
Dividend income	6	**4,000,000**	4,000,000
Net foreign exchange (loss)/ gain		**(186)**	50
Net gain/(loss) on financial assets held at FVTPL	8	**3,274,020**	(13,001,601)
Bank interest income		**7,419**	10,228
Total income		**7,281,253**	(8,991,323)
Investment Management fee	17	**(439,053)**	(459,347)
Legal and professional fees		**(216,952)**	(143,628)
Administration fees		**(100,162)**	(91,691)
Directors' fees	16	**(65,921)**	(74,250)
Directors' and professional indemnity insurance	16	**(24,496)**	(24,580)
Audit fees		**(129,791)**	(105,253)
Other expenses		**(33,295)**	(62,931)
Total operating expenses		**(1,009,670)**	(961,680)
Expenses reimbursed by the Manager	17	**48,715**	302,771
Net operating expenses		**(960,955)**	(658,909)
Operating profit/(loss)		**6,320,298**	(9,650,232)
Finance costs	9	**(952,100)**	(840,786)
Profit/(Loss) and total comprehensive income for the period attributable to Shareholders		**5,368,198**	(10,491,018)
Weighted average number of Ordinary Shares in issue during the period	18	**61,145,198**	61,145,198
Basic and diluted earnings per Ordinary Share	18	**8.8p**	(17.2)p

All items in the above statement are derived from continuing operations.

The accompanying notes on pages 26 to 43 form an integral part of these unaudited condensed interim financial statements.

EJF Investments Limited
Unaudited Condensed Statement of Financial Position

	Notes	As at 30 June 2024 (Unaudited) £	As at 31 December 2023 (Audited) £
Non-current assets			
Financial assets at FVTPL	8	**124,956,418**	121,682,398
Current assets			
Cash and cash equivalents		**405,379**	660,830
Balance due from the Manager	17	**148,273**	196,733
Prepaid expenses		**37,337**	35,596
Total current assets		**590,989**	893,159
Total assets		**125,547,407**	122,575,557
Non-current liabilities			
ZDP Shares	9	**(25,028,147)**	(24,076,047)
Current liabilities			
Accounts payable and accrued expenses	10	**(436,531)**	(513,711)
Total current liabilities		**(436,531)**	(513,711)
Total liabilities		**(25,464,678)**	(24,589,758)
Net assets		**100,082,729**	97,985,799
Equity			
Stated capital	11	**85,254,127**	85,254,127
Retained earnings		**14,828,602**	12,731,672
Total equity		**100,082,729**	97,985,799
Number of Ordinary Shares in issue at period/year end (excluding treasury shares)	11	**61,145,198**	61,145,198
Net Asset Value per Ordinary Share		**164p**	160p

The unaudited condensed interim financial statements were approved by the Board of Directors and signed on their behalf by:

Alan Dunphy
Director
17 September 2024

The accompanying notes on pages 26 to 43 form an integral part of these unaudited condensed interim financial statements.

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

	Note	Number of shares (Unaudited)	Stated capital (Unaudited) £	Retained earnings (Unaudited) £	Net assets attributable to Shareholders (Unaudited) £
Balance as at 1 January 2024		**61,145,198**	**85,254,127**	**12,731,672**	**97,985,799**
Total comprehensive income for the period		**-**	**-**	**5,368,198**	**5,368,198**
Dividends paid	12	**-**	**-**	**(3,271,268)**	**(3,271,268)**
Balance as at 30 June 2024		**61,145,198**	**85,254,127**	**14,828,602**	**100,082,729**

FOR THE PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

	Note	Number of shares (Unaudited)	Stated capital (Unaudited) £	Retained earnings (Unaudited) £	Net assets attributable to Shareholders (Unaudited) £
Balance as at 1 January 2023		61,145,198	85,254,127	27,257,748	112,511,875
Total comprehensive loss for the period		-	-	(10,491,018)	(10,491,018)
Dividends paid	12	-	-	(3,271,266)	(3,271,266)
Balance as at 30 June 2023		61,145,198	85,254,127	13,495,464	98,749,591

The accompanying notes on pages 26 to 43 form an integral part of these unaudited condensed interim financial statements.

EJF INVESTMENTS LIMITED
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Notes	1 January 2024 to 30 June 2024 (Unaudited) £	1 January 2023 to 30 June 2023 (Unaudited) £
Cash flows from operating activities			
Profit/(loss) and total comprehensive income/(loss) for the period		**5,368,198**	(10,491,018)
Adjustments for:			
- Amortisation of ZDP Shares and issuance costs	9	**952,100**	840,786
- ZDP Shares issuance costs	9	**-**	(84,006)
- Net unrealised (gain)/loss on financial assets held at FVTPL	8	**(3,274,020)**	13,001,601
- Net foreign exchange loss/(gain)		**186**	(50)
- Investment in EJFIH	8	**-**	(2,700,000)
Changes in net assets and liabilities:			
Decrease/(Increase) in balance due from the Manager		**48,460**	(34,209)
Increase in prepaid expenses and other assets		**(1,741)**	(22,283)
Decrease in accounts payable and accrued expenses		**(77,180)**	(37,694)
Net cash generated from operating activities		**3,016,003**	473,127
Cash flow from financing activities			
Proceeds from issuance of 2025 ZDP Shares	9	**-**	2,727,446
Dividends paid	12	**(3,271,268)**	(3,271,266)
Net cash used in financing activities		**(3,271,268)**	(543,820)
Net decrease in cash and cash equivalents		**(255,265)**	(70,693)
Cash and cash equivalents at the start of the period		**660,830**	359,298
Effect of movements in exchange rates on cash held		**(186)**	50
Cash and cash equivalents at the end of the period		**405,379**	288,655

The accompanying notes on pages 26 to 43 form an integral part of these unaudited condensed interim financial statements.

1. General Information

EJF Investments Limited ("the Company" or "EJFI") is a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey on 20 October 2016 under the provisions of the Companies Law with registration number 122353 and is regulated as a collective investment fund under the Collective Investment Funds (Jersey) Law 1988. The Company's registered office and principal place of business is IFC5, St. Helier, Jersey, JE1 1ST. The principal legislation under which the Company operates is the Companies Law, as amended. The Company's stated capital comprises Ordinary Shares admitted to trading on the SFS. The 2025 ZDP Shares are also admitted to trading on the SFS.

The Company does not have a fixed life as set out in the Articles. On or about each fifth anniversary of the Company's Shares being admitted to trading on LSE, the Directors shall procure that an EGM of the Company be convened at which a Continuance Resolution will be proposed. The first Continuance Resolution was passed at the EGM held on 5 May 2022. The next Continuation Resolution will take place on or around 7 April 2027, being five years from the most recent vote.

The Manager has been appointed by the Company to provide management and investment management services and the Administrator has been appointed to provide administration services to the Company.

EJF holds 100% of the voting rights in the Manager. EJF is an investment adviser principally located in the US and registered as such with the SEC and as a CPO and CTA with the CFTC. The Company has appointed the Manager to act as its AIFM for the purposes of the AIFM Directive.

The Company has one subsidiary: EJFIH (incorporated on 9 June 2017), of which it owns 100% of the share capital. Refer to note 13 for further information.

EJFIH holds 85% (31 December 2023: 85%) of the Partnership's interests (refer to note 13 for further information).

Through EJFIH, the Company primarily invests in opportunities created by regulatory and structural changes impacting the financial services sector. These opportunities can include structured debt and equity, loans, bonds, preference shares, convertible notes and private equity, in both cash and synthetic formats, issued by entities domiciled in the US, UK and Europe.

2. Statement of Compliance

The unaudited condensed interim financial statements of the Company for the period from 1 January 2024 to 30 June 2024 have been prepared in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the International Accounting Standards Board, together with applicable legal and regulatory requirements of the Companies Law and the Listing Rules of the SFS.

The unaudited condensed interim financial statements should be read in conjunction with the Annual Report for the year ended 31 December 2023, which was prepared in accordance with IFRS. As required by the Disclosure Guidance and Transparency Rules of the FCA, the condensed interim financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published financial statements for the year ended 31 December 2023.

Going Concern

Under the UK Code, voluntarily adopted by the Company, and Companies Law, the Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern and to identify any material uncertainties in respect of the Company's ability to continue as a going concern for at least 12 months from the date of approving the financial statements.

The Directors have performed a detailed assessment of the Company's ability to meet its liabilities as they fall due for the period of at least twelve months from the date of approving the financial statements, including evaluating severe but plausible downside scenarios of a significant reduction in the liquidity, fair value and cash flow generation of its investments.

2. Statement of Compliance (continued)

Going Concern (continued)

The assessment was completed with reference to the cash position of the Company and EJFIH, their operating expenses and the potential default risk of the investments held.

In light of the above analysis, the Directors are satisfied that, at the time of approving the financial statements, there is a reasonable expectation that based on the Company's performance and the future prospects of the Company, the Company will have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements, and have therefore prepared the financial statements on a going concern basis.

3. Significant Accounting Policies

There have been no changes to the significant accounting policies from those applied in the Annual Report for the year ended 31 December 2023 and as set out in note 2 therein.

4. Use of Judgements and Estimates

In the application of the Company's accounting policies, the Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

The critical judgements and estimations at the unaudited condensed statement of financial position date that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the unaudited condensed interim financial statements are as set out in note 3 of the Annual Report for the year ended 31 December 2023.

There have been no changes to the critical accounting judgements and estimates from those applied in the Annual Report for the year ended 31 December 2023.

5. Segmental Reporting

The Board has considered the requirements of IFRS 8 and are of the view that the Company is engaged in a single segment of business via EJFIH mainly in one geographical area, Jersey, and therefore the Company has only a single operating segment.

6. Dividend Income

The Company received the following dividends from EJFIH during the periods from 1 January 2024 to 30 June 2024 and 1 January 2023 to 30 June 2023:

Date received	30 June 2024 (Unaudited) £	30 June 2023 (Unaudited) £
2 February 2023	-	2,000,000
3 May 2023	-	2,000,000
12 February 2024	**1,800,000**	
22 May 2024	**2,200,000**	
Total dividend income	**4,000,000**	4,000,000

7. Derivative Financial Instruments at FVTPL

There were no derivative financial instruments held by the Company as at 30 June 2024 or 31 December 2023.

The following forward foreign exchange contracts were held by EJFIH:

Maturity date	Counterparty	Contract notional amount £	Buy	Sell	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
06 February 2024	Citibank N.A.	29,150,847	GBP	USD	-	257,382
07 February 2024	Citibank N.A.	9,268,068	GBP	USD	-	81,874
13 February 2024	Citibank N.A.	29,376,078	GBP	USD	-	483,606
10 September 2024	Citibank N.A.	29,424,111	GBP	USD	**335,195**	-
11 September 2024	Citibank N.A.	9,354,948	GBP	USD	**106,651**	-
16 October 2024	Citibank N.A.	28,871,932	GBP	USD	**(208,301)**	-
Derivative financial instruments held by EJFIH (Note 8)					**233,545**	822,862

8. Financial Assets at FVTPL

Investment in EJFIH

During the period from 1 January 2024 to 30 June 2024, the Company made no further investment in EJFIH (year from 1 January 2023 to 31 December 2023: £2,700,000 investment made). The investment in 2023 followed the issuance of 2025 ZDP Shares on 27 February 2023.

The investment in EJFIH is used to acquire exposure to a portfolio comprising a large number of investments. The investment in EJFIH is measured at FVTPL. The Board have determined that the fair value of EJFIH is its NAV.

Below is a summary of the movement in the investment in EJFIH, held by the Company:

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Opening balance	**121,682,398**	131,959,641
Additions	-	2,700,000
Net unrealised gain/(loss) on investment in EJFIH[1]	**3,274,020**	(12,977,243)
Investment in EJFIH at FVTPL at the end of the period/year	**124,956,418**	121,682,398

[1]Net gain/(loss) on investment in EJFIH is presented after dividends received by the Company from EJFIH in the amount of £4,000,000 (31 December 2023: £8,000,000).

8. Financial Assets at FVTPL (continued)

On a look-through basis, the following table discloses EJFIH's financial assets at FVTPL which agrees to the Company's financial assets at FVTPL:

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
EJFIH's investments at FVTPL:		
Investment in the Partnership	**74,863,473**	75,112,172
Investment in Seneca	**9,260,699**	9,470,083
Investment in the CDO Manager	**5,202,251**	6,045,335
CDO Securities	**1,060,575**	1,072,326
Preference Shares	**1,126,876**	1,119,497
Credit risk transfer	**785,152**	-
Mezzanine debt securities	**4,685,072**	-
European debt securities	**-**	821,306
US treasury bills	**3,330,852**	3,387,864
Investment in US bank debt	**1,496,741**	4,679,982
Net derivative financial assets and liabilities (Note 7)	**233,545**	822,862
Total of EJFIH's investments at FVTPL	**102,045,236**	102,531,427
EJFIH's other assets and liabilities:		
Cash	**2,058,605**	4,309,967
Cash equivalents held in money market fund	**17,838,993**	12,620,503
Cash held as margin	**2,823,466**	2,070,327
Other receivables	**190,118**	150,174
EJFIH's NAV at the end of the period/year	**124,956,418**	121,682,398

(i) EJFIH's Investments in Private Investment Companies

Investment in the Partnership
As at 30 June 2024, EJFIH held 85% or 109,931,798 units (31 December 2023: 85% or 109,931,798 units) issued by the Partnership. The Partnership's purpose is to retain an interest of at least 5% in securitisations sponsored by EJF pursuant to regulatory requirements within the Dodd-Frank reforms in the US and EU risk retention rules.

As at 30 June 2024, the remaining units outstanding are held by the Manager and EJF Investment GP Inc. and respectively totalled 19,400,346 units (31 December 2023: 19,400,346 units) and 165 units (31 December 2023: 165 units).

The following table summarises activity for the investment in the Partnership:

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Opening balance	**75,112,172**	93,786,870
Return of capital	**-**	(200,225)
Distributions	**(5,909,458)**	(3,846,959)
Realised gains on distributions[1]	**5,909,458**	3,860,187
Unrealised losses[1]	**(248,699)**	(18,487,701)
Investment in the Partnership at FVTPL held by EJFIH	**74,863,473**	75,112,172

[1] Includes fluctuations in foreign exchange rates.

8. Financial Assets at FVTPL (continued)

(i) EJFIH's Investments in Private Investment Companies (continued)

Investment in Seneca
EJFIH holds partnership and loan interests in Seneca. The investment strategy of Seneca is to invest in MSRs.

MSRs represent a stream of servicing income attached to mortgages originated in the US, producing regular and predictable cash-flows. Seneca only invests in MSRs originally attached to prime mortgages underwritten by Fannie Mae and Freddie Mac standards.

The following table summarises activity for the investment in Seneca:

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Opening balance	**9,470,083**	11,177,335
Distributions	**(889,091)**	(2,515,092)
Realised gains on distributions[1]	**105,252**	449,706
Unrealised gains[1]	**574,455**	358,134
Investment in Seneca at FVTPL held by EJFIH	**9,260,699**	9,470,083

[1] Includes fluctuations in foreign exchange rates.

(ii) EJFIH's Investment in Private Operating Company

Investment in the CDO Manager
The CDO Manager, which is 51% owned by the Manager and 49% owned by EJFIH, provides collateral management services to various CDO structures. The CDO Manager provides such services directly to those CDO structures on commercially reasonable terms. The CDO Manager is also expected to provide collateral management services to future EJF Securitisations as it will have the benefit, for so long as the Manager is the manager of the Company, of a right of first refusal to be appointed as the provider of collateral administration, monitoring and management services in respect of each EJF Securitisation. The CDO Manager may also provide collateral management services to non-EJF securitisations. The CDO Manager is expected to benefit from collateral management fees on all CDOs it services and manages until maturity of such CDOs.

The following table summarises activity for the investment in the CDO Manager:

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Opening balance	**6,045,335**	8,052,203
Distributions	**(756,370)**	(2,005,468)
Unrealised losses[1]	**(86,714)**	(1,400)
Investment in the CDO Manager at FVTPL held by EJFIH	**5,202,251**	6,045,335

[1] Includes fluctuations in foreign exchange rates.

EJFIH through its 49% interest in the CDO Manager, has an exposure to the cash flows of four REIT TruPS CDO collateral management contracts plus cash flow from TFINS 2017-2, TFINS 2018-1, TFINS 2018-2, TFINS 2019-1, TFINS 2019-2, TFINS 2020-1 and TFINS 2020-2. The CDO Manager has a total NAV of £10,616,839 as at 30 June 2024 (31 December 2023: £12,337,418). EJFIH's interest in the CDO Manager has a fair value of £5,202,251 as at 30 June 2024 (31 December 2023: £6,045,335).

The management fees of each REIT TruPS CDO collateral management contract vary, ranging from 15bps to 30bps of the outstanding collateral balance. The TFINS 2017-2 securitisation produces management fees of 10bps on outstanding collateral. The TFINS 2018-1, TFINS 2018-2, TFINS 2019-1 and TFINS 2019-2 securitisations produce management fees of 20bps on outstanding collateral. TFINS 2020-1 and TFINS 2020-2 securitisations produce management fees of 30bps on outstanding collateral.

8. Financial Assets at FVTPL (continued)

(iii) EJFIH's Investments in Trading Securities

CDO Securities

EJFIH's CDO Securities portfolio consists of REIT TruPS CDO Securities issued prior to the financial crisis by an unaffiliated third-party sponsor. The remaining CDO security is generating current income. The bond holdings range from senior class A bonds to subordinated class F bonds. For the period from 1 January 2024 to 30 June 2024, EJFIH accrued £38,618 (30 June 2023: £141,001) of interest income presented as investment income in EJFIH.

The following table summarises activity for the investment in CDO Securities:

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Opening balance	**1,072,326**	1,384,667
Unrealised losses from CDO Securities[1]	**(11,751)**	(312,341)
CDO Securities at FVTPL held by EJFIH	**1,060,575**	1,072,326

[1] Includes fluctuations in foreign exchange rates.

Preference Shares

EJFIH owns an interest in a depositor vehicle which holds an interest in the TFINS 2017-2 Preference Shares originally issued as part of the securitisation in October 2017.

The following table summarises activity for the investment in Preference Shares:

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Opening balance	**1,119,497**	1,426,829
Unrealised gains/(losses) [1]	**7,379**	(307,332)
Preference Shares at FVTPL held by EJFIH	**1,126,876**	1,119,497

[1] Includes fluctuations in foreign exchange rates.

Credit Risk Transfer

During the period, EJFIH invested through a cross-trade with a fund managed by an affiliate of the Manager in a CRT bond bearing an interest rate of SOFR plus 15.50%. The bond was issued by a special purpose vehicle containing a pool of nursing home development loans originated by a small US bank with about $16 billion in assets. The following table summarises activity for the investment in Credit Risk Transfer:

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Opening balance	**-**	-
Additions	**795,959**	-
Distributions	**(14,907)**	-
Realised gain	**127**	-
Unrealised gains [1]	**3,973**	-
Credit Risk Transfer at FVTPL held by EJFIH	**785,152**	-

[1] Includes fluctuations in foreign exchange rates.

8. Financial Assets at FVTPL (continued)

(iii) EJFIH's Investments in Trading Securities (continued)

Mezzanine debt securities

During the period, EJFIH entered into a Board approved cross-trade transaction with several affiliated fund entities managed by EJF, purchasing Mezzanine debt securities of securitisations sponsored by EJF Capital LLC. The following table summarises activity for the investment in Mezzanine debt securities:

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Opening balance	**-**	-
Additions	**4,311,040**	-
Unrealised gains [1]	**374,032**	-
Mezzanine debt securities at FVTPL held by EJFIH	**4,685,072**	-

[1] Includes fluctuations in foreign exchange rates.

European Debt Securities

As at 30 June 2024, the Company, through its investment in EJFIH, exited all its European debt securities.

The following table summarises activity for the investment in European debt securities:

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Opening balance	**821,306**	2,552,965
Disposals	**(809,857)**	(1,567,773)
Realised (losses)[1]	**(5,756)**	(1,803,625)
Unrealised (losses)/gains[1]	**(5,693)**	1,639,739
European debt securities at FVTPL held by EJFIH	**-**	821,306

[1] Includes fluctuations in foreign exchange rates.

US Treasury Bills

As at 30 June 2024, the Company, through its investment in EJFIH, invested in US treasury bills. The securities have fixed coupons between 2.75% – 4.25% and are due to mature between 2024 and 2032.

The following table summarises activity for the investment in US treasury bills:

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Opening balance	**3,387,864**	1,492,698
Additions	**-**	2,064,668
Unrealised losses[1]	**(57,012)**	(169,502)
US treasury bills at FVTPL held by EJFIH	**3,330,852**	3,387,864

[1] Includes fluctuations in foreign exchange rates.

8. Financial Assets at FVTPL (continued)

(ii) EJFIH's Investments in Trading Securities (continued)

Investment in US Bank Debt
As at 30 June 2024, the Company, through its investment in EJFIH, invested in one US bank debt security which has fixed coupons 5.875% and due to mature in 2030.

The following table summarises activity for the investment in US bank debt:

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Opening balance	**4,679,982**	-
Additions	**-**	4,664,560
Disposals	**(3,246,823)**	-
Realised gains	**33,507**	-
Unrealised gains	**30,075**	15,422
Investment in US bank debt at FVTPL held by EJFIH	**1,496,741**	4,679,982

[1] Includes fluctuations in foreign exchange rates.

9. ZDP Shares

On 1 December 2017, the Company issued 15,000,000 2022 ZDP shares at a gross redemption yield of 5.75%

On 17 June 2020, the Company issued 6,000,000 2025 ZDP shares at a gross redemption yield of 7.00%. The 2025 ZDP Shares were issued pursuant to the initial placing and offer for subscription at a price per 2025 ZDP Share of 100 pence. The holders of the 2025 ZDP Shares will have a final capital entitlement of 140 pence on the repayment date of 18 June 2025.

On 4 April 2022, the Company published a Prospectus containing details of the Rollover Offer.

On 5 May 2022, the result of the Rollover Offer was announced and valid elections were received to roll 10,021,292 2022 ZDP Shares into new 2025 ZDP Shares, representing approximately 66.8% of the total number of 2022 ZDP Shares in issue.

10,996,857 new 2025 ZDP Shares were issued on the basis of each 2022 ZDP Share converting into 1.09735 new 2025 ZDP Shares. The holders of the 2022 ZDP Shares who elected to be repaid received a final capital entitlement of 132.25 pence on the repayment date of 30 November 2022. As of 31 December 2022, there were no 2022 ZDP Shares outstanding.

On 27 February 2023, 2,277,046 2025 ZDP Shares were issued at a ZDP Placing Price of 119.78 pence per share, raising gross proceeds of approximately £2.73 million.

As at 30 June 2024, there were 19,273,903 (31 December 2023: 19,273,903) 2025 ZDP Shares outstanding.

Holders of ZDP Shares are not entitled to any dividends paid by the Company. The following table reconciles the liability for ZDP Shares, held at amortised cost, for the reporting period.

	2025 ZDP Shares 30 June 2024 (Unaudited) £	2025 ZDP Shares 31 December 2023 (Audited) £
Opening balance	**24,076,047**	19,666,072
ZDP Shares Issue	**-**	2,727,446
ZDP shares issuance costs	**-**	(84,006)
Amortisation of ZDP Shares, including finance costs and issuance costs	**952,100**	1,766,535
ZDP Shares closing balance	**25,028,147**	24,076,047

10. Accounts Payable and Accrued Expenses

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Amount due to EJFIH	**1,164**	163
Professional fees	**40,172**	108,375
Investment management fees	**229,761**	208,423
Audit fees	**129,791**	148,500
Sundry creditors	**35,643**	48,250
Total accounts payable and accrued expenses	**436,531**	513,711

The amount due to EJFIH is interest free and repayable on demand. The balance consists of amounts paid by EJFIH in respect of the Company's expenses.

11. Stated Capital

Net assets attributable to Shareholders is represented by Ordinary Shares that carry one vote each and have equal voting rights. Ordinary Shares are entitled to dividends when declared. The Company has no restrictions or specific capital requirements on the issue and repurchase of Ordinary Shares. The analysis of movements in the number of Ordinary Shares and the corresponding changes to the Company's stated capital as a result of transactions with Shareholders during the period/year was as follows:

	Number of Shares (Unaudited)	Stated Capital (Unaudited) £
Opening balance as at 1 January 2024	**61,145,198**	**85,254,127**
Closing balance as at 30 June 2024	**61,145,198**	**85,254,127**

	Number of Shares (Audited)	Stated Capital (Audited) £
Opening balance as at 1 January 2023	61,145,198	85,254,127
Closing balance as at 31 December 2023	61,145,198	85,254,127

As at 30 June 2024, the Company had 15,808,509 treasury shares (31 December 2023: 15,808,509).

12. Dividends

The Company paid the following dividends on its Ordinary Shares during the period from 1 January 2024 to 30 June 2024:

Period to	Declared date	Ex-dividend date	Record date	Payment date	Dividend rate per Ordinary Share (Unaudited)	Net dividend Paid (Unaudited)
					£	£
31 Dec 2023	29 Jan 2024	8 Feb 2023	9 Feb 2023	29 Feb 2023	**0.02675**	**1,635,634**
31 Mar 2024	2 May 2024	16 May 2023	17 May 2023	31 May 2023	**0.02675**	**1,635,634**
Total dividends						**3,271,268**

The Company paid the following dividends on its Ordinary Shares during the period from 1 January 2023 to 30 June 2023:

Period to	Declared date	Ex-dividend date	Record date	Payment date	Dividend rate per Ordinary Share (Unaudited)	Net dividend Paid (Unaudited)
					£	£
31 Dec 2022	26 Jan 2023	2 Feb 2023	6 Feb 2023	28 Feb 2023	0.02675	1,635,633
31 Mar 2023	26 Apr 2023	4 May 2023	9 May 2023	31 May 2023	0.02675	1,635,633
Total dividends						3,271,266

13. Interest in Unconsolidated Subsidiaries and Associates

The table below discloses the unconsolidated subsidiaries and associates in which the Company holds an interest, but does not consolidate in accordance with IFRS 12:

Name of entity	Type of entity	Principal place of business	Purpose	Interest held by the Company	Interest held
EJFIH	Private Company	Jersey	To hold a portfolio of investments in order to generate capital appreciation and investment income.	100%	Direct
Partnership	Limited Partnership	Delaware	To hold CDO Equity Tranches in order to generate capital appreciation and investment income.	85%	Indirect
CDO Manager	Limited Liability Company	Delaware	To generate management fee income.	49%	Indirect
Seneca	Limited Partnerships	Delaware	To generate income from MSRs.	100%	Indirect

14. Financial Risk Management

As at 30 June 2024, there has been no change to the Company's financial risk management objectives and policies to those disclosed in note 14 of the Annual Report for the year ended 31 December 2023.

Fair Value of Financial Instruments

This section should be read in conjunction with note 14 of the Annual Report for the year ended 31 December 2023 which provides more detail about accounting policies adopted, the definitions of the three levels of fair value hierarchy, valuation methods used in calculating fair value, and the valuation framework which governs oversight of valuations. There have been no changes in the accounting policies adopted or the valuation methodologies used.

The Company holds all of the shares in EJFIH which is a holding vehicle used to hold the Company's investments. The Board believes it is appropriate to value this entity based on the fair value of its portfolio of investment assets held plus its other assets and liabilities.

Fair Value Hierarchy

The Company classifies financial instruments measured at fair value in the investment Portfolio according to the following hierarchy:

Level 1 Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3 Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The tables below analyse financial instruments, held by the Company, measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position as at 30 June 2024 and 31 December 2023. All fair value measurements below are recurring.

As at 30 June 2024	**Level 1 (Unaudited) £**	**Level 2 (Unaudited) £**	**Level 3 (Unaudited) £**
Investment held in EJFIH	-	-	**124,956,418**
Financial assets at FVTPL	-	-	**124,956,418**

As at 31 December 2023	**Level 1 (Audited) £**	**Level 2 (Audited) £**	**Level 3 (Audited) £**
Investment held in EJFIH	-	-	121,682,398
Financial assets at FVTPL	-	-	121,682,398

14. Financial Risk Management (continued)

Fair Value Hierarchy (continued)

The following table shows the movement of level 3 assets during the period from 1 January 2024 to 30 June 2024:

	Opening fair value 1 January 2024 (Unaudited) £	Additions (Unaudited) £	Realised gains (Unaudited) £	Unrealised gains (Unaudited) £	Distributions (Unaudited) £	Ending fair value 30 June 2024 (Unaudited) £
EJFIH	**121,682,398**	-	-	**3,274,020**	-	**124,956,418**
Total financial assets	**121,682,398**	-	-	**3,274,020**	-	**124,956,418**

The following table shows the movement of level 3 assets during the year ended 31 December 2023:

	Opening fair value 1 January 2023 (Audited) £	Additions (Audited) £	Realised gains (Audited) £	Unrealised losses (Audited) £	Return of capital (Audited) £	Ending fair value 31 December 2023 (Audited) £
EJFIH	131,959,641	2,700,000	-	(12,977,243)	-	121,682,398
Total financial assets	131,959,641	2,700,000	-	(12,977,243)	-	121,682,398

The tables below are a supplemental disclosure of the financial instruments, held by EJFIH, measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position as at 30 June 2024 and 31 December 2023. All fair value measurements below are recurring.

As at 30 June 2024	Level 1 (Unaudited) £	Level 2 (Unaudited) £	Level 3 (Unaudited) £
Investment in the Partnership	-	-	**74,863,473**
Investment in Seneca	-	-	**9,260,699**
Investment in CDO Manager	-	-	**5,202,251**
CDO securities	-	-	**1,060,575**
Investment in Preference Shares	-	-	**1,126,876**
Credit risk transfer	-	-	**785,152**
Mezzanine debt securities	-	-	**4,685,072**
US treasury bills	**3,330,852**	-	-
Investment in US bank debt	-	**1,496,741**	-
Financial assets at FVTPL	**3,330,852**	**1,496,741**	**96,984,098**

14. Financial Risk Management (continued)

Fair Value Hierarchy (continued)

As at 31 December 2023	Level 1 (Audited) £	Level 2 (Audited) £	Level 3 (Audited) £
Financial assets at FVTPL			
Investment in the Partnership	-	-	75,112,172
Investment in Seneca	-	-	9,470,083
Investment in CDO Manager	-	-	6,045,335
CDO securities	-	-	1,072,326
Investment in Preference Shares	-	-	1,119,497
European debt securities	-	821,306	-
US treasury bills	3,387,864	-	-
Investment in US bank debt	-	4,679,982	-
Financial assets at FVTPL	3,387,864	5,501,288	92,819,413

The following tables shows net derivative financial assets or liabilities as at 30 June 2024 and 31 December 2023:

As at 30 June 2024	Level 1 (Unaudited) £	Level 2 (Unaudited) £	Level 3 (Unaudited) £
Derivative financial assets	**-**	**233,545**	**-**
Financial liabilities at FVTPL	**-**	**233,545**	**-**

As at 31 December 2023	Level 1 (Audited) £	Level 2 (Audited) £	Level 3 (Audited) £
Derivative financial liabilities	-	822,862	-
Financial liabilities at FVTPL	-	822,862	-

The following table shows the movement of level 3 assets held by EJFIH during the period from 1 January 2024 to 30 June 2024:

	Opening fair value at 1 January 2024 (Unaudited) £	Additions (Unaudited) £	Realised gains (Unaudited) £	Unrealised gains/(losses) (Unaudited) £	Disposals and distributions (Unaudited) £	Ending fair value at 30 June 2024 (Unaudited) £
Investment in the Partnership	**75,112,172**	**-**	**5,909,458**	**(248,699)**	**(5,909,458)**	**74,863,473**
Investment in Seneca	**9,470,083**	**-**	**105,252**	**574,455**	**(889,091)**	**9,260,699**
Investment in CDO Manager	**6,045,335**		**-**	**(86,714)**	**(756,370)**	**5,202,251**
CDO securities	**1,072,326**	**-**	**-**	**(11,751)**	**-**	**1,060,575**
Investment in Preference Shares	**1,119,497**	**-**	**-**	**7,379**	**-**	**1,126,876**
Credit risk transfer	-	**795,959**	**127**	**3,973**	**(14,907)**	**785,152**
Mezzanine debt securities	**-**	**4,311,040**	**-**	**374,032**	**-**	**4,685,072**
Total financial assets	**92,819,413**	**5,902,918**	**6,014,837**	**(143,695)**	**(7,609,375)**	**96,984,098**

14. Financial Risk Management (continued)

Fair Value Hierarchy (continued)

The following table shows the movement of level 3 assets held by EJFIH during the year ended 31 December 2023:

	Opening fair value at 1 January 2023 (Audited) £	Additions (Audited) £	Realised gains/(losses) (Audited) £	Unrealised gains/(losses) (Audited) £	Disposals and distributions (Audited) £	Ending fair value at 30 June 2023 (Audited) £
Armadillo Portfolio	1,228,944	-	(2,121,278)	2,048,239	(1,155,905)	-
Investment in the Partnership	93,786,870	-	3,860,187	(18,487,701)	(4,047,184)	75,112,172
Investment in Seneca	11,177,335	-	449,706	358,134	(2,515,092)	9,470,083
Investment in CDO Manager	8,052,203	-	-	(1,400)	(2,005,468)	6,045,335
CDO securities	1,384,667	-	-	(312,341)	-	1,072,326
Investment in Preference Shares	1,426,829	-	-	(307,332)	-	1,119,497
Total financial assets	117,056,848	-	2,188,615	(16,702,401)	(9,723,649)	92,819,413

15. Capital Risk Management

The Company's issued capital is represented by Ordinary Shares.

As a result of the ability to issue, repurchase and resell shares, the capital of the Company can vary. The Company is not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase or resale of its shares. The Company's objectives for managing capital are:

• to invest the capital in investments meeting the description, risk exposure and expected return indicated in its Prospectus;
• to achieve consistent returns while safeguarding capital by investing in a diversified portfolio of investments;
• to maintain sufficient liquidity to meet the expenses of the Company; and
• to maintain sufficient size to make the operation of the Company cost-efficient.

The policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, as well as the level of dividends to Shareholders.

The Company may utilise borrowings for share buybacks, short-term liquidity purposes and investments, seeking leverage via bank financing, term loans, or debt instruments. The Company has the availability to borrow up to 35% of its NAV (calculated at the time of drawdown), provided that:

i) the maximum amount for borrowings for long-term investment purposes within such limit will be 30% of the NAV; and

ii) borrowings for long-term investment purposes may only be incurred when the minimum cover amount, 3.5x for ZDP Shares, is met (calculated at the time of drawdown).

15. Capital Risk Management (continued)

The Company's net debt equity ratio at period/year end was as follows:

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
ZDP shares	**25,028,147**	24,076,047
Accounts payable and accrued expenses	**436,531**	513,711
Less: cash and cash equivalents	**(405,379)**	(660,830)
Net debt	**25,059,299**	23,928,928
Total equity	**100,082,729**	97,985,799
Net debt to adjusted equity ratio	**0.25**	0.24

16. Related Party Transactions

Investment transactions

Investment transactions between EJFIH and the underlying investments are disclosed in Note 8.

Directors' fees

The Directors are entitled to a fee for their services at a rate to be determined from time to time by the Board. The base annual fee for each Director is £44,000 per annum. The Chair of the Board, Audit & Risk Committee and Management Engagement Committee are entitled to an additional fee of £11,000, £5,500 and £3,000 per annum respectively. Neal J. Wilson retired from his role as director of the Company in 2023 and waived his right to charge a directors fee.

For the period from 1 January 2024 to 30 June 2024, the Company recorded Directors fees of £65,921 (30 June 2023: £74,250). As at 30 June 2024 and 31 December 2023, there were no Directors fees outstanding.

Directors and Officers liability insurance cover is maintained by the Company on behalf of the Directors. During the period from 1 January 2024 to 30 June 2024, the Company recorded a directors and professional indemnity insurance expense of £24,496 (30 June 2023: £24,580).

Ordinary Shares held by Related Parties

Shareholdings by the Directors in the Company as at the period/year end were as follows:

Name	Ordinary Shares 30 June 2024[1] (Unaudited)	Percentage of Ordinary Shares in Issue 30 June 2024[2] (Unaudited)	Ordinary Shares 31 December 2023[1] (Audited)	Percentage of Ordinary Shares in Issue 31 December 2023[2] (Audited)
Joanna Dentskevich[4]	-	-	77,896	0.13%
Nick Watkins	**10,000**	**0.016%**	10,000	0.02%

16. Related Party Transactions (continued)

ZDP Shares held by Related Parties

ZDP shareholdings in the Company by the Directors as at the period/year end were as follows:

	2025 ZDP Shares	Percentage of 2025 ZDP Shares in Issue	2025 ZDP Shares	Percentage of 2025 ZDP Shares in Issue
Name	**30 June 2024[1] (Unaudited)**	**30 June 2024[3] (Unaudited)**	**31 December 2023[1] (Audited)**	**31 December 2023[3] (Audited)**
Joanna Dentskevich[4]	-	-	30,000	0.16%
Nick Watkins	**10,000**	**0.05%**	10,000	0.05%

[1] The shareholdings are either direct and/or indirect holdings.
[2] The calculation of Ordinary shareholding percentage is based on number of Ordinary Shares in issue after adjusting for treasury shares
[3] The calculation of ZDP shareholding percentage is based on number of ZDP Shares in issue.
[4] On 2 May 2024, Joanna Dentskevich retired from her role as a Director of the Company. She continued to hold Ordinary Shares and 2025 ZDP Shares as at 30 June 2024.

17. Transactions with the Manager

Investment Management Fee

In accordance with the terms of the Management Agreement, the Company pays a management fee calculated monthly and payable quarterly in arrears. Subject to certain limitations, the monthly management fee is equal to 0.0833% (one-twelfth of 1%) of the Company's NAV.

For the period from 1 January 2024 to 30 June 2024, the Company incurred management fees of £439,053 (30 June 2023: £459,347), which is presented within operating expenses on the unaudited condensed statement of comprehensive income and had an outstanding liability of £229,761 (31 December 2023: £208,423), which is presented within accounts payable and accrued expenses on the unaudited condensed statement of financial position.

Incentive Fee

The Manager is entitled to an incentive fee which is calculated in relation to the assets attributable to Ordinary Shares, in accordance with the Management Agreement. The Incentive Fee amount is equal to 10% of the amount by which the Adjusted NAV attributable to Ordinary Shares exceeds the higher of (i) the Incentive Hurdle at the relevant time and (ii) the High Watermark at the relevant time, in respect of the relevant Incentive Fee Period.

The Incentive Fee is calculated in respect of each Incentive Fee Period, save for the final Incentive Fee Period being the date that the Management Agreement is terminated or, where the Management Agreement has not been terminated, the actual date of termination of the provision by the Manager of the non-retained services as defined in the Management Agreement.

For the period from 1 January 2024 to 30 June 2024, no Incentive Fee liability was accrued (31 December 2023: nil).

17. Transactions with Manager (continued)

Manager reimbursements

For the period from 1 January 2024 to 30 June 2024, £48,715 (30 June 2023: £302,771) of operating expenses were offset by reimbursements from the Manager.

As at 30 June 2024, the Company had a receivable balance of £148,273 (31 December 2023: £196,733) from the Manager relating to the reimbursement of these operating expenses which is included in the balance due from the Manager on the unaudited condensed statement of financial position.

Shares held by officers and affiliates of the Manager

Holdings of Ordinary Shares and 2025 ZDP Shares by officers of the Manager and its affiliates (not considered as related parties) as at period/year end are as follows:

Name	Ordinary Shares 30 June 2024[1] (Unaudited)	Percentage of Ordinary Shares in Issue 30 June 2024[2] (Unaudited)	Ordinary Shares 31 December 2023[1] (Audited)	Percentage of Ordinary Shares in Issue 31 December 2023[2] (Audited)
EJF Capital Limited	**1,878,246**	**3.07%**	1,878,246	3.07%
Peter Stage[4]	**141,501**	**0.23%**	141,501	0.23%
Emmanuel Friedman[3]	**11,816,558**	**19.33%**	11,816,558	19.33%
Jason Ruggiero	**168,734**	**0.28%**	165,336	0.27%
Neal Wilson	**1,718,881**	**2.81%**	1,718,881	2.81%

[1] The shareholdings are either direct and/or indirect holdings of Ordinary Shares
[2] The calculation of Ordinary shareholding percentage is based on number of Ordinary Shares in issue after adjusting for treasury shares.
[3] Ordinary Shares held by Cheetah Holdings Limited, a charitable foundation co-founded by Emanuel Friedman.
[4] On 31 August 2024, Peter Stage decided to leave the Manager, to pursue other career opportunities.

Neal Wilson and Peter Stage are officers of the Manager. Emanuel Friedman (co-chief executive officer of EJF) and Jason Ruggiero (co-chief investment officer of EJF) are voting members of the Investment Committee.

Name	2025 ZDP Shares 30 June 2024[1] (Unaudited)	Percentage of 2025 ZDP Shares in Issue 30 June 2024[2] (Unaudited)	2025 ZDP Shares 31 December 2023[1] (Audited)	Percentage of 2025 ZDP Shares in Issue 31 December 2023[2] (Audited)
Neal Wilson	**1,000,000**	**5.19%**	1,000,000	5.19%

[1] The shareholdings are either direct and/or indirect holdings of 2025 ZDP Shares
[2] The calculation of shareholding percentage is based on number of 2025 ZDP Shares in issue.

18. Basic and Diluted Earnings/(Loss) Per Share

Basic earnings per share is calculated by dividing the earnings for the period by the weighted average number of Ordinary Shares in issue during the period.

The weighted average number of Ordinary Shares in issue as at 30 June 2024 is 61,145,198 (30 June 2023: 61,145,198). As at 30 June 2024, the Company had basic and diluted earnings/(loss) per Ordinary Share of 8.8p (30 June 2023: 17.2p).

The diluted earnings per share is calculated by considering adjustments required to the earnings and weighted average number of shares for the effects of potential dilutive Ordinary Shares. As at 30 June 2024 and 30 June 2023, there were no convertible instruments which would have an impact on the weighted average number of Ordinary Shares.

19. Events after the Reporting Period

The Board and the Manager have evaluated subsequent events for the Company until 17 September 2024, the date the financial statements were available to be issued and has concluded that the material events listed below do not require adjustment of the financial statements.

On 19 July 2024, EJF Capital Limited, an affiliate of the Manager, purchased 47,866 Ordinary Shares of the Company. This was in line with the Manager's decision to re-invest approximately 20% of its management fee into the Company's Ordinary Shares.

On 26 July 2024, the Company declared a dividend of 2.675p per share in respect of the quarter ended 30 June 2024. The dividend was payable to Shareholders on the register as at close of business on 9 August 2024, and the corresponding ex-dividend date was 8 August 2024. Payment was made on 31 August 2024.

On 6 September 2024, John Kingston III was appointed as a non-executive director of the Company.

GLOSSARY OF TERMS

TERM	DEFINITION
Adjusted NAV attributable to Ordinary Shares	Adjusted NAV attributable to Ordinary Shares is calculated as an amount equal to the NAV attributable to Ordinary Shares: (i) excluding any increases or decreases in NAV attributable to Ordinary Shares attributable to the issue or repurchase of any Ordinary Shares; (ii) adding back the aggregate amount of any dividends paid or distributions made in respect of any Ordinary Shares; (iii) excluding the aggregate amount of dividends and distributions accrued but unpaid in respect of any Ordinary Shares; and (iv) excluding the amount of any accrued but unpaid Incentive Fees payable in relation to the NAV attributable to Ordinary Shares, in each case without double counting.
Administrator	BNP Paribas Securities Services S.A, Jersey Branch (for the period up to 28 June 2024) or Apex Financial Services (Alternative Funds) Limited, Jersey (for the period from 28 June 2024).
Admission	The Company's Ordinary Shares which were admitted to trading on the Specialist Fund Segment of the London Stock Exchange on 7 April 2017.
AGM	Annual General Meeting.
AIFM	An alternative investment fund manager, as defined in the AIFM Directive.
AIFMD or AIFM Directive	The Alternative Investment Fund Managers Directive 2011/61/EU.
Annualised Dividend Yield	Has the meaning on page 49.
Annual Report	Annual Report and Audited Financial Statements.
APM	Alternative performance measure. The calculation methodology and rationale for disclosing each of the APMs has been disclosed on pages 48 and 49.
Armadillo I	Armadillo Financial Fund LP.
Armadillo II	Armadillo Financial Fund II LP.
Armadillo Portfolio	A portfolio of high-yielding loans to US law firms engaged in mass tort litigation by way of the holding of limited partner interests in Armadillo I and Armadillo II.
Articles	The articles of association of the Company.
Auditor	KPMG LLP.
BNPP	BNP Paribas S.A.
Board	The board of Directors of the Company.
CDO	Collateralised Debt Obligation.
CDO Equity Tranches	Each CDO has several tranches of investors, who receive interest and principal repayments in sequence based on their seniority in the structure. If some underlying collateral loans default and the cash collected by the CDO is insufficient to pay all of its investors, then such losses (as reduced by any over-collateralisation) are picked up first by those in the lowest or junior most tranche. Equity Tranches are the junior most tranche in the CDOs that the Company invests in.
CDO Manager	EJF CDO Manager LLC, a Delaware limited liability company.
CDO Securities	Bonds issued by Kodiak, Attentus and Taberna, which are unaffiliated third-party CDO sponsors.
CFTC	US Commodities and Futures Trading Commission.
Chair	Chair of the Board.
Companies Law	The Companies (Jersey) Law 1991, as amended.
Company or EJFI	EJF Investments Limited, a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey under the Companies Law on 20 October 2016 with registered number 122353.
Continuance Resolution	Ordinary resolution for the business of the Company to continue, to be proposed at an EGM, as procured by the Directors, to be held on or about the fifth anniversary of Admission, and every five years thereafter. If not passed, the Directors will take such actions as they deem appropriate to commence the liquidation of the assets of the Company (having regard to the prevailing liquidity of the assets of the Company and, if applicable, any rules imposed by the Securitisation and Risk Retention Regulations).

TERM	DEFINITION
Continuation Vote	Vote to be held at an EGM to consider a Continuance Resolution.
Corporate Broker or Corporates Brokers or Financial Advisers	Liberum Capital Limited and Barclays Bank PLC.
CPO	Commodity pool operator.
CRT	Credit risk transfer.
Custodians	Citigroup Global Markets Inc. and Citibank N.A.
Dodd-Frank	The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
DTR	Disclosure Guidance and Transparency Rules.
Duty	The UK Consumer Duty
EGM	Extraordinary general meeting.
EJF	EJF Capital LLC.
EJFIH or Subsidiary	EJF Investments Holdings Limited.
EJF Securitisations	EJF or EJF Affiliate-sponsored securitisations.
ESG	Environmental, social and governance.
EU	The European Union.
FBR	Friedman, Billings, Ramsey Group
FCA	Financial Conduct Authority.
FINS 2019-1	Financial Note Securitization 2019-1 Ltd
FRB	First Republic Bank
FDIC	Federal Deposit Insurance Corporation.
Fed	US Federal Reserve.
FinTech	Financial Technology.
FRC	First Reporting council.
FSMA	Financial Services and Markets Act 2000.
FVTPL	Fair Value through Profit or Loss.
FX	Foreign exchange.
General Partner	EJF Investments GP Inc., being general partner of the Partnership.
Group	The Company and its Subsidiary.
High Watermark	High Watermark is calculated using the Adjusted NAV attributable to Ordinary Shares as determined on the last day of the latest previous Incentive Fee Period in respect of which an Incentive Fee was payable to the Manager.
IAS 34	International Accounting Standard 34, “Interim Financial Reporting”.
IAS 32	Financial Instruments: Presentation
Incentive Fee	The incentive fee to which the Manager is entitled as described in the section entitled “Fees and Expenses” in Part V: “Directors, the Manager and Administration” of the Prospectus.
Incentive Fee Period	Each 12-month period starting on 1 January and ending on 31 December in each calendar year.
Incentive Hurdle	Incentive Hurdle is calculated using the Adjusted NAV attributable to Ordinary Shares on the date of Admission, and then the beginning NAV of each subsequent period, compounded annually (with effect from 31 December 2017) at a rate equal to an internal rate of return of 8% per annum.
Interim Report	This Interim Report and Unaudited Condensed Interim Financial Statements.
IASB	International Accounting Standards Board.
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board.

TERM	DEFINITION
IFRS 8	International Financial Reporting Standard 8, "Operating Segments".
IFRS 9	International Financial Reporting Standard 9, "Financial Instruments" (Issued in July 2014).
IFRS 12	International Financial Reporting Standard 32, "Disclosure of Interests in Other Entities".
IFRS 13	International Financial Reporting Standard 13, "Fair Value Measurement".
IFRS 17	International Financial Reporting Standard 17, "Insurance Contracts".
Investment Objective	The Company seeks to generate attractive risk adjusted returns for its Shareholders by investing in opportunities created by regulatory and structural changes impacting the financial services sector. These opportunities are anticipated to include structured debt and equity, loans, bonds, preference shares, convertible notes, Fintech debt securities and private equity, in both cash and synthetic formats, and may be issued by entities domiciled in the US, UK and Europe.
Investment Policy	The Company seeks to achieve its Investment Objective by pursuing a policy of investing in a diversified portfolio of investments that are derived from the changing financial services landscape.
Investment Committee	Investment committee of the Manager.
ISDA	International Swaps and Derivatives Association.
Listing Rules	The listing rules made by the FCA under Part VI of the FSMA.
LSE	London Stock Exchange plc.
MAR	UK Market Abuse Regulation.
M&A	Mergers and acquisitions.
Management Agreement	The Amended and Restated Management Agreement dated 30 March 2017 between the Company, the Partnership, the General Partner, the Manager and EJF (as amended from time to time).
Manager	EJF Investment Manager LLC.
MSRs	Mortgage servicing rights.
NAV per Ordinary Share	NAV per Ordinary Share means an amount equal to, as at the relevant date, the NAV attributable to Ordinary Shares divided by the Ordinary Shares in Issue as at such date.
Net Asset Value or NAV	The NAV means the Company's assets less liabilities. The Company's assets and liabilities are valued in accordance with International Financial Reporting Standards.
Ordinary Shares	The non-redeemable Ordinary Shares of no par value in the share capital of the Company which, for the avoidance of doubt, includes all classes of Ordinary Shares (denominated in such currency) as the Directors may determine in accordance with the Articles (and for the purposes of the Prospectus, the Ordinary Shares shall be denominated in Sterling) having the rights and subject to the restrictions set out in the Articles.
Ordinary Share Price	Closing price as the respective reporting date as published on the LSE.
P&C	Property and casualty insurance.
Partnership	EJF Investments LP (a Delaware limited partnership formed under the laws of the US state of Delaware).
Placing Programme	As described in Part X: "Details of the Placing Programme" of the Prospectus".
Portfolio	The Company's and the Subsidiary's portfolio of investments from time to time.
Preference Shares	Preference shares issued by TFINS 2017-2 depositor vehicle.
Principal Risks	Those risks, or a combination thereof, that are considered to materially threaten the Company's ability to meet its Investment Objective, solvency or liquidity.
Prospectus	The Company's prospectus dated 4 April 2022.
REIT	Real estate investment trust.

TERM	DEFINITION
Risk Retention Investments	Has the meaning given to it in paragraph 4.1(a) of Part II: "The Company" of the Prospectus.
Risk Retention and Related Investments	Has the meaning given to it in paragraph 4.1(a) of Part II: "The Company" of the Prospectus.
Rollover Offer	The offer to 2022 ZDP Shareholders to convert some or all of their existing 2022 ZDP Shares into 2025 ZDP Shares.
SASB	Sustainability Accounting Standards Board.
SEC	US Securities and Exchange Commission.
Section 172(1)	Section 172(1) of the UK Companies Act 2006
Securitisation and Related Investments	Has the meaning given to it in paragraph 4.1(a) of Part II: "The Company" of the Prospectus.
Seneca	A residential mortgage servicer in the United States which is owned and controlled by EJF, and through which MSR investments are made.
SFS	The Specialist Fund Segment of the LSE.
Shareholder	The holder of one or more Ordinary Share.
Specialty Finance Investments	Represent less liquid UK, European and US specialty finance investments such as (but not limited to): (i) growth equity capital to newly formed companies with scalable specialty finance platforms (such as FinTech); (ii) secured and unsecured lending; (iii) investments collateralised by real estate and real estate related assets; and (iv) other illiquid, specialty finance investment opportunities.
SOFR	Secured Overnight Financing Rate.
Sterling or GBP or £	Pound sterling.
Subsidiary	EJF Investments Holdings Limited.
Target Dividend	The Company targets an annual payment of dividends which equates to 10.7 pence per Ordinary Share.
Target Return	The Company targets an annual total return on NAV per Share of 8% to 10% per annum.
TFINS 2017-2	TruPS Financials Note Securitization 2017-2 Ltd.
TFINS 2018-1	TruPS Financials Note Securitization 2018-1 Ltd.
TFINS 2018-2	TruPS Financials Note Securitization 2018-2 Ltd.
TFINS 2019-1	TruPS Financials Note Securitization 2019-1 Ltd.
TFINS 2019-2	TruPS Financials Note Securitization 2019-2 Ltd.
TFINS 2020-1	TruPS Financials Note Securitization 2020-1 Ltd.
TFINS 2020 -2	TruPS Financials Note Securitization 2020-2 Ltd.
Total Return	Has the meaning on page 48.
TruPS	Trust preferred securities.
TruPS CDO Collateral	Has the meaning given in paragraph 4.2(b) of Part II: "The Company" of the Prospectus.
UK	United Kingdom.
UK Code	UK Corporate Governance Code.
US	United States of America.
US Dollar or USD	United States Dollar.
US GAAS	Generally Accepted Auditing Standards applicable in the United States.
2025 ZDP Shares	The redeemable Zero Dividend Preference shares of no par value in the Company with a repayment date during June 2025 and bearing a gross redemption yield of 7.00%.
ZDP Shares	2022 ZDP Shares and 2025 ZDP Shares.
ZDP Shareholder	The holder of one or more ZDP Shares.
ZDP Share Price	Closing price as at the respective reporting date as published on the LSE.

NAV per Ordinary Share

NAV per Ordinary Share means an amount equal to, as at the relevant date, the NAV attributable to Ordinary Shares divided by the Ordinary Shares in issue as at such date.

Reason for use

Common industry performance benchmark for calculating the Total Return and Share Price (Discount)/Premium to NAV per Ordinary Share.

Calculation

NAV per Ordinary Share is calculated as follows:

	30 June 2024	31 December 2023
Net Assets as per statement of financial position	**£100,082,729**	£97,985,799
Number of Ordinary Shares in issue at period/year end (excluding treasury shares)	**61,145,198**	61,145,198
NAV per Ordinary Share	**164p**	160p

Total Return

The increase in the NAV per Ordinary Share plus the total dividends paid per Ordinary Share during the period, with such dividends paid being re-invested at NAV, as a percentage of the NAV per share as at period end.

Compounded monthly returns per the monthly published performance reports, inclusive of dividends. Components of Total Return are returns from underlying portfolio, foreign exchange and expenses.

Reason for use

To provide transparency in the Company's performance and to help investors identify and monitor the compounded returns of the Company.

Recalculation

Total Return has been calculated using the following monthly returns and compounded as follows:

	2024	2023	2022	2021	2020	2019
Monthly return						
January	0.80%	(0.58)%	0.13%	1.99%	0.47%	0.35%
February	1.10%	1.48%	1.34%	0.15%	0.18%	0.41%
March	1.10%	(4.55)%	2.22%	2.12%	(13.57%)	1.77%
April	1.26%	(0.17)%	4.01%	0.44%	0.58%	5.61%
May	(0.26)%	0.84%	0.72%	(2.09)%	3.33%	0.83%
June	1.45%	(6.72)%	1.87%	2.80%	0.15%	0.26%
July	-	0.91%	1.09%	(0.01)%	1.25%	0.56%
August	-	1.63%	2.73%	0.55%	0.34%	0.62%
September	-	(0.36)%	2.47%	3.06%	0.40%	0.21%
October	-	0.80%	(0.40)%	(0.16)%	(0.73)%	0.04%
November	-	(0.69)%	(3.15)%	3.25%	1.16%	0.13%
December	-	0.25%	0.20%	(1.43)%	0.25%	0.63%
Compounded monthly return	5.57%	(7.27)%	13.85%	11.02%	(7.02%)	11.88%

The Total Return from inception to 30 June 2024 was 89.30% (31 December 2023: 79.32%). The annualised total return since Inception to 30 June 2024 was 9.1% (31 December 2023: 8.84%).

Annualised Dividend Yield

Dividends declared in respect of the relevant period divided by the share price mid quote as at the end of the relevant period.

Reason for use
To measure the Company's distribution of dividends to the Company's Shareholders relative to share price to allow comparability to other companies in the market.

Recalculation
Annualised Dividend Yield is calculated as follows:

	30 June 2024
Dividends declared and paid for the quarter ended 31 December 2023 (see note 12)	**2.675p**
Dividends declared and paid for the quarter ended 31 March 2024 (see note 12)	**2.675p**
Total Dividends declared in respect of the year ended 30 June 2024	**5.350p**
Share price mid quote for the period from 1 January 2024 to 30 June 2024	**96.0p**
Annualised Dividend Yield	**11.1%**

	30 June 2023
Dividends declared and paid for the quarter ended 31 December 2022 (see note 12)	**2.675p**
Dividends declared and paid for the quarter ended 31 March 2023 (see note 12)	**2.675p**
Total Dividends declared in respect of the year ended 30 June 2023	**5.350p**
Share price mid quote for the period from 1 January 2023 to 30 June 2023	**108.5p**
Annualised Dividend Yield	**9.86%**

Share Price Discount to NAV per Ordinary Share

Closing price as at such date as published on the LSE less the NAV per Ordinary Share divided by the NAV per Ordinary Share.

Reason for use
Common industry measure to understand the price of the Company's shares relative to its net asset valuation.

Recalculation
Share Price Discount to NAV per Ordinary Share is calculated as follows:

	30 June 2024	**31 December 2023**
Closing price as published on the London Stock Exchange	**96p**	101.5p
NAV per Ordinary Share	**164p**	160p
Share Price Discount to NAV per Ordinary Share	**(41.5)%**	(36.6)%