

ANNUAL REPORT

**TETRAGON CREDIT INCOME MASTER FUND LIMITED
(FORMERLY KNOWN AS POLYGON CREDIT INCOME MASTER FUND LIMITED)**

**FOR THE YEAR ENDED 31 DECEMBER 2006 AND FOR THE PERIOD FROM 23 JUNE 2005
TO 31 DECEMBER 2005**

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TETRAGON CREDIT INCOME MASTER FUND LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Patrick Dear
Rupert Dorey
David Jeffreys
Byron Knief
Lee Olesky
David Wishnow

REGISTERED OFFICE

Dorey Court
Admiral Park
St. Peter Port
Guernsey
Channel Islands

PRINCIPAL MANAGER

Polygon Credit Management (Guernsey) Limited
P.O. Box 44
St. Peter Port
Guernsey
Channel Islands GY1 3BG

INVESTMENT MANAGER

Polygon Credit Management LP
598 Madison Avenue, 14th Floor
New York, NY 10022
United States of America

PRIME BROKER

Morgan Stanley & Co. International Limited
25 Cabot Square Canary Wharf
London E14 4QA
United Kingdom

**ADMINISTRATOR, SECRETARY
AND REGISTRAR**

Kleinwort Benson (Channel Islands) Fund Services Limited
P.O. Box 44
St. Peter Port
Guernsey
Channel Islands GY1 3BG

TETRAGON CREDIT INCOME MASTER FUND LIMITED

DIRECTORS AND OTHER INFORMATION (continued)

AUDITORS

KPMG Channel Islands Limited
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St. Peter Port
Guernsey
Channel Islands GY1 4AN

**LEGAL ADVISERS
IN THE UNITED KINGDOM**

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One Ropemaker Street
London EC2Y 9AW
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**LEGAL ADVISERS
IN THE UNITED STATES**

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Ogier House
St. Julian's Avenue
St. Peter Port
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Channel Islands GY1 1WD

TETRAGON CREDIT INCOME MASTER FUND LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2006 and for the period from 23 June 2005 to 31 December 2005

The Directors present to the shareholders their report together with the audited financial statements for the year ended 31 December 2006 and for the period from 23 June 2005 to 31 December 2005.

THE FUND

Tetragon Credit Income Master Fund Limited (the "Fund") is a Guernsey open-ended investment company incorporated on 23 June 2005 and is authorized by the Guernsey Financial Services Commission as a Class B Scheme under The Protection of Investors (Bailiwick of Guernsey) Law, 1987. On 10 February 2006 the Fund changed its name from Polygon Credit Income Master Fund Limited to Tetragon Credit Income Master Fund Limited.

INVESTMENT OBJECTIVE

The investment objective of the Fund is to achieve capital appreciation primarily from investments (directly or indirectly) in the "equity" or residual tranches of a broad range of CDO products and other securitization vehicles.

RESULTS, ACTIVITIES AND FUTURE DEVELOPMENTS

The results of operations are set out on page 12. A detailed review of activities and future developments is contained in the Investment Manager's Report on pages 7 and 8.

DIRECTORS

The Directors who held office during the period were:

Patrick Dear
Rupert Dorey
David Jeffreys
Byron Knief
Lee Olesky
David Wishnow

The annual remuneration for Directors shall not exceed GBP7,500 per Director for the Fund or such higher amount as may be approved by ordinary resolution of the shareholders. Mr. Wishnow and Mr. Dear have waived their entitlement to a fee.

SECRETARY

Kleinwort Benson (Channel Islands) Fund Services Limited held the office of Secretary throughout the period.

