TETRAGON

TETRAGON FINANCIAL GROUP LIMITED ("TFG")
MONTHLY UPDATE FOR JANUARY 2016

29 February 2016

TFG is a Guernsey closed-ended company traded on Euronext Amsterdam N.V. under the ticker symbol "TFG.NA" and on the Specialist Fund Market of the London Stock Exchange plc under the symbol "TFG.LN".

In this monthly update, unless otherwise stated, we report on the consolidated business incorporating TFG and Tetragon Financial Group Master Fund Limited.(1)

Net Asset Value Estimates (Fair Value basis) as of 31 January 2016

(Amounts provided are unaudited and subject to change)

		(in millions except per share data)
Estimated Fair Value of Investments: (2)		$1,478.6
Cash and Cash Equivalents: (2)		$464.4
Net Other Assets / (Liabilities): (2)		$44.4
Estimated Fair Value Net Asset Value (2)		$1,987.4
TFG Legal Shares Issued and Outstanding:		137.8
Pro forma fully diluted share count: (3)		104.0
Fully Diluted Fair Value Net Asset Value per Share: (4)		$19.10

Investment Composition:

As of the end of January 2016, the company's investment portfolio comprised a broad range of assets, including a diversified alternative asset management business, TFG Asset Management, and covered bank loans (including equity tranches of U.S. and European CLOs, U.S. CLO mezzanine tranches and U.S. senior secured loans), real estate, equities, credit, convertible bonds and infrastructure, as well as cash. Derivative mark-to-market gains and losses are contained within net other assets or liabilities.

(1) TFG invests substantially all its capital through a master fund, Tetragon Financial Group Master Fund Limited ("TFGMF") in which it holds a 100% share.

(2) Fair Value Net Assets are determined by adjusting the U.S. GAAP Net Asset Value ($1,870.4 million) to give effect to the de-consolidation of certain TFG Asset Management businesses that are currently consolidated under U.S. GAAP (-$34.5 million), and the inclusion of their fair values ($178.3 million). The fair values used are as determined by TFG's Audit Committee based on information provided by an independent valuation specialist. The Fair Value Net Assets are also adjusted to reflect imputed incentive fees (-$26.7 million) that would otherwise have arisen if these Fair Values were actually reflected in the U.S. GAAP accounting for TFG's financial statements, all subject to rounding.

(3) Calculation is with reference to U.S. GAAP Shares outstanding (approximately 95.9 million), which is determined by reducing TFG legal shares issued and outstanding by approximately 12.8 million shares held in treasury, 17.0 million shares held by a subsidiary and 12.2 million shares held in aggregate in escrow accounts, all subject to rounding. Pro Forma Fully Diluted Shares adjusts the U.S. GAAP shares outstanding (95.9 million) for the impact of certain escrow shares used as consideration in the Polygon transaction and associated stock dividends (together, 6.6 million) and for the potential impact of share options issued (1.6 million). These options represent the intrinsic value of shares available for the GreenOak founders as at the end of Jan 2016 (1.6 million) plus potential impact of options issued to TFG's Investment Manager at the time of TFG's IPO (0.0 million), all subject to rounding.

(4) Calculation is with reference to Fair Value Net Assets ($1,987.4 million) divided by Pro Forma Fully Diluted Shares outstanding (approximately 104.0 million), all subject to rounding.

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Investment Composition (continued):

The geographical allocation of TFG's investments was determined to be 53.7% U.S., 9.6% Europe and 2.8% Asia at month-end. Investments in certain hedge funds and other investment vehicles which have underlying investments that span more than one geographic region are considered to be "global" and represent 33.9%. Interests in asset management businesses have been excluded from this calculation.

Calendar:

See the TFG website for the latest calendar - http://www.tetragoninv.com/investor/calendar.aspx

About Tetragon:

Tetragon Financial Group Limited ("TFG") is a Guernsey closed-ended company traded on Euronext Amsterdam N.V. under the ticker symbol "TFG.NA" and on the Specialist Fund Market of the London Stock Exchange plc under the symbol "TFG.LN". TFG aims to provide stable returns to investors across various credit, equity, interest rate, inflation and real estate cycles. TFG's investment portfolio comprises a broad range of assets, including an asset-management business (TFG Asset Management), and covers bank loans, real estate, equities, credit, convertible bonds and infrastructure.

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