

# TETRAGON

## TETRAGON FINANCIAL GROUP LIMITED (TFG) MONTHLY UPDATE FOR SEPTEMBER 2008

**October 15, 2008**

Tetragon Financial Group Limited (TFG) is a Guernsey closed-ended investment company traded on Euronext Amsterdam by NYSE Euronext under the ticker symbol "TFG".

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

### **Net Asset Value Estimates as of September 30, 2008**

*(Amounts provided are unaudited and subject to change)*

		<i>(in millions except per share data)</i>
Estimated Fair Value of Investments:		\$1,346.0
Cash and Cash Equivalents:		\$157.8
Net Other Assets/ (Liabilities): <sup>(2)</sup>		\$(155.3)
Estimated Net Asset Value:		\$1,348.5
TFG Shares Outstanding:		128.1
Net Asset Value per Share: <sup>(3)</sup>		\$10.69

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<sup>(1)</sup> TFG invests substantially all its capital through a master fund, Tetragon Financial Group Master Fund Limited ("TFGMF"), in which it holds a 100.0% share.

<sup>(2)</sup> As of September 30, 2008 TFG had no net borrowings (cash and amounts due from brokers exceeded total borrowings).

<sup>(3)</sup> Excludes 1.9 million shares held in treasury.

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## Portfolio Composition

### Portfolio Held by Tetragon Financial Group Master Fund Limited (unless otherwise stated) As of September 30, 2008

Report Date	TFG Share Price (\$)	TFG group Market Cap (\$MM) <sup>(1)</sup>	TFG group Net Assets (\$MM)	No. of Closed CLO Transactions		
30 September 2008	\$5.00	\$640.3	\$1,348.5	61 <sup>(2)</sup>		
Capital Allocation by Asset Class						
	Risk Capital Allocation	Investment - Amortized Cost (\$MM) <sup>(3)</sup>	Investment - Amortized Cost B/Fwd (\$MM) <sup>(4)</sup>	Overall Leverage <sup>(5)</sup>	Asset Class Allocation	
Broadly Syndicated Senior Secured Loans: US	62.0%	\$834.7	\$818.1			
Broadly Syndicated Senior Secured Loans: Europe	22.0%	\$296.5	\$283.4			
Middle Market Senior Secured Loans: US	16.0%	\$214.8	\$208.0			
CDOs Squared: US	0.0%	\$0.0	\$0.0			
ABS and Structured Finance: US	0.0%	\$0.0	\$0.0			
<b>Total</b>	<b>100.0%</b>	<b>\$1,346.0</b>	<b>\$1,309.5</b>	<b>0.97</b>		
Geographic Allocation by Asset Class						
	USA	Europe	Asia Pacific	Total	Geographic Allocation	
Broadly Syndicated Senior Secured Loans	74%	26%	0%	100%		
Middle Market Senior Secured Loans	100%	0%	0%	100%		
CDOs Squared	0%	0%	0%	0%		
ABS and Structured Finance	0%	0%	0%	0%		
<b>Total</b>	<b>78.0%</b>	<b>22.0%</b>	<b>0%</b>	<b>100%</b>		
Top 15 Underlying Bank Loan Credits						
	Bank Loan Exposure <sup>(6)</sup>	Top 10 Bank Loan Industry Exposures				
HCA Inc	0.85%					
Georgia Pacific Corp	0.83%					
Community Health	0.78%					
Univision Communications	0.74%					
Idearc	0.74%					
TXU Corp	0.73%					
Ineos Group Plc	0.58%					
Cablevision Systems Corp	0.57%					
Aramark Corp	0.55%					
Freescale Semiconductor Inc	0.53%					
Nielsen Company	0.50%					
OshKosh Truck	0.49%					
Metro-Goldwyn-Mayer Inc	0.48%					
First Data Corp	0.47%					
SunGard Data Systems Inc	0.46%					
<b>EUR-USD FX: 1.41</b>						

<sup>(1)</sup> Calculated using TFG shares outstanding and month end exchange price.

<sup>(2)</sup> Excludes CDO-squared and ABS CDO transactions which were written off in October 2007. TFG continues to hold the economic rights to these written-off transactions.

<sup>(3)</sup> Equivalent to Investment in Securities at Fair Value in the US GAAP Financial Statements.

<sup>(4)</sup> Investments at Amortized Cost less interest accrued since last payment date. Internal Rate of Return (IRR) x Amortized Cost B/Fwd determines CDO income.

<sup>(5)</sup> Equals CDO Amortized Cost B/Fwd / Book Value.

<sup>(6)</sup> Calculated as a percentage of total corporate loan assets that TFG has exposure to based on its equity-based pro-rata share of each CLO's total portfolio (net of any single name CDS hedges held against that credit).

# TETRAGON

## TETRAGON FINANCIAL GROUP LIMITED (TFG) MONTHLY UPDATE FOR SEPTEMBER 2008

### Quarterly Investor Call

We will host a conference call for investors on Thursday, October 23, 2008 at 15:00 BST/16:00 CET/10:00 EDT to discuss Q3 2008 results and to provide a company update.

The conference call may be accessed by dialing +44 (0) 20 7162 0025 and +1 334 323 6201 (a passcode is not required). Participants may also register for the conference call in advance by going to <https://eventregl.conferencing.com/webportal3/reg.html?Acc=587383&Conf=161751> or by going to the TFG website, [www.tetragoninv.com](http://www.tetragoninv.com).

A replay of the call will be available for 31 days by dialing +44 (0)20 7031 4064 and +1 954 334 0342, access code 813553 and as an MP3 recording on the TFG website.

Expected Upcoming Events	Date
Q3 Ex- Dividend Date	October 22, 2008
Q3 Financial Results	October 23, 2008
Quarterly Investor Call	October 23, 2008
Q3 Record Date	October 27, 2008
Q3 Dividend Payment Date	November 18, 2008
October 2008 Monthly Report	November 18, 2008 (approx)

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