

TETRAGON

TETRAGON FINANCIAL GROUP LIMITED (TFG) MONTHLY UPDATE FOR DECEMBER 2010

January 31, 2010

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. ⁽¹⁾

Net Asset Value Estimates as of December 31, 2010

(Amounts provided are unaudited and subject to change)

		<i>(in millions except per share data)</i>
Estimated Fair Value of Investments:		\$1,030.8
Cash and Cash Equivalents:		\$140.6
Net Other Assets/ (Liabilities):		\$(33.9)
Estimated Net Asset Value:		\$1,137.5
TFG Shares Outstanding:		131.2
Net Asset Value per Share: ⁽²⁾		\$9.47

For further information, please contact:

TFG:

David Wishnow/Yuko Thomas
Investor Relations
ir@tetragoninv.com

Press Inquiries:

Citigate Dewe Rogerson
Michael Berkeley/Justin Griffiths/Clare Simonds
tetragon@citigatedr.co.uk

⁽¹⁾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.

⁽²⁾Excludes 7.12 million shares held in treasury and 3.91 million shares held by a subsidiary.

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Portfolio Composition

Portfolio Held by Tetragon Financial Group Master Fund Limited (unless otherwise stated) As of December 31, 2010

Report Date	TFG Share Price (\$)	TFG group Market Cap (\$MM) ⁽¹⁾	TFG group Net Assets (\$MM)	No. of Closed CLO Transactions
31 December 2010	\$5.70	\$747.6	\$1,137.5	70 ⁽²⁾

Capital Allocation by Asset Class	Risk Capital Allocation	Investment - Fair Value (\$MM) ⁽³⁾⁽⁴⁾	Asset Class Allocation
Broadly Syndicated Senior Secured Loans: US	74.1%	\$763.6	
Broadly Syndicated Senior Secured Loans: Europe	9.6%	\$99.0	
Middle Market Senior Secured Loans: US	16.3%	\$167.7	
CDOs Squared: US	0.0%	\$0.0	
ABS and Structured Finance: US	0.0%	\$0.0	
Total	100.0%	\$1,030.3	

Geographic Allocation by Asset Class	USA	Europe	Asia Pacific	Total	Geographic Allocation
Broadly Syndicated Senior Secured Loans	88.5%	11.5%	0.0%	100.0%	
Middle Market Senior Secured Loans	100.0%	0.0%	0.0%	100.0%	
CDOs Squared	0.0%	0.0%	0.0%	0.0%	
ABS and Structured Finance	0.0%	0.0%	0.0%	0.0%	
Total	90.4%	9.6%	0.0%	100.0%	

Top 15 Underlying Bank Loan Credits	Bank Loan Exposure ⁽⁵⁾	Top 10 Bank Loan Industry Exposures ⁽⁵⁾
Community Health	0.98%	
Charter Communications	0.88%	
TXU Corp	0.88%	
Univision Communications	0.84%	
HCA Inc	0.79%	
First Data Corp	0.73%	
Cablevision Systems Corp	0.71%	
Aramark Corp	0.68%	
SunGard Data Systems Inc	0.67%	
Sabre Holdings Corp	0.65%	
UPC Broadband	0.65%	
Federal-Mogul	0.60%	
Georgia Pacific Corp	0.60%	
Nielsen Company	0.59%	
Health Management Associates	0.58%	

EUR-USD FX: 1.34

⁽¹⁾ Calculated using TFG shares outstanding and month end exchange price.

⁽²⁾ Excludes CDO-squared and ABS CDO transactions which were written off in October 2007. TFG continues to hold the economic rights to 3 of these written-off transactions.

⁽³⁾ Excludes TFG's investment in LCM Asset Management LLC.

⁽⁴⁾ Equivalent to Investment in Securities at Fair Value in the US GAAP Financial Statements.

⁽⁵⁾ Includes par amount of loans held directly by TFG and also loan exposures via TFG's investments in CLOs. With respect to CLO investments, 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. All calculations are net of any single name CDS hedges held against that credit.

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Expected Upcoming Events	Date
January 2011 Monthly Report	February 18, 2011 (approx)
2010 audited financial statements	March 2, 2011
Q4 2010 dividend (ex- date)	March 2, 2011
Q4 2010 dividend record date	March 4, 2011
Quarterly investor call	March 7, 2011
February 2011 Monthly Report	March 17, 2011 (approx)
Q4 2010 dividend payment date	March 25, 2011

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