

TETRAGON

TETRAGON FINANCIAL GROUP LIMITED (TFG) MONTHLY UPDATE FOR DECEMBER 2012

January 31, 2013

Tetragon Financial Group Limited (TFG) is a Guernsey closed-ended investment company traded on the NYSE Euronext in Amsterdam 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 2012

(Amounts provided are unaudited and subject to change)

	<i>(in millions except per share data)</i>
Estimated Fair Value of Investments:	\$1,440.4
Cash and Cash Equivalents:	\$175.9
Net Other Assets / (Liabilities):	\$5.1
Estimated Net Asset Value:	\$1,621.4
TFG Legal Shares Issued and Outstanding:	133.7
U.S. GAAP Net Asset Value per Share: ⁽²⁾	\$16.41
Pro Forma Fully Diluted Net Asset Value per Share: ⁽³⁾	\$14.65

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(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) Calculation is with reference to US GAAP Shares outstanding (approximately 98.8 million), which is determined by reducing TFG legal shares issued and outstanding by approximately 6.5 million shares held in treasury, 16.6 million shares held by a subsidiary and 11.8 million shares held in escrow.

(3) Calculation is with reference to pro forma fully diluted Shares outstanding (approximately 110.6 million), which is determined by adding to U.S. GAAP Shares outstanding shares held in escrow of 11.8 million.

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INVESTMENT COMPOSITION:

As of the end of December 2012, the majority of the net assets of the company were invested in the equity tranches of U.S. CLOs. Investments are also held in U.S. senior secured loans, equity tranches of European CLOs, asset management businesses, hedge funds, real estate funds, and CLO mezzanine tranches, with the remainder of the net assets held in cash less certain net liabilities.

The geographical allocation of TFG's CLO equity, direct loan, and real estate fund investments was weighted primarily towards the United States, at 89.9% of such assets as of the end of December 2012. European exposure was approximately 9.8% and Asia was approximately 0.3%. TFG's ownership of asset managers, and investments in certain hedge fund vehicles are excluded from the geographic allocation above as they span more than one region.

Expected Upcoming Events	Date
January 2013 monthly report	February 20, 2013 (approx)
Q4 2012 dividend announcement	February 28, 2013
2012 audited financial statements released	March 1, 2013 (approx)
Q4 2012 dividend (ex- date)	March 1, 2013
Q4 2012 dividend record date	March 5, 2013
Quarterly investor call	March 19, 2013
February 2013 monthly report	March 20, 2013 (approx)
Q4 2012 dividend payment date	March 25, 2013

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