

TETRAGON

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

September 20, 2012

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 August 31 2012

(Amounts provided are unaudited and subject to change)

		<i>(in millions except per share data)</i>
Estimated Fair Value of Investments:		\$1,275.3
Cash and Cash Equivalents:		\$342.0
Net Other Assets / (Liabilities):		\$(15.5)
Estimated Net Asset Value:		\$1,601.8
TFG Shares Outstanding:		133.0
Net Asset Value per Share: ⁽²⁾		\$14.10

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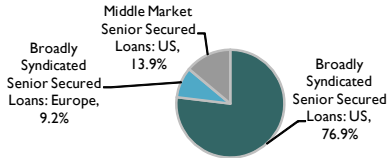

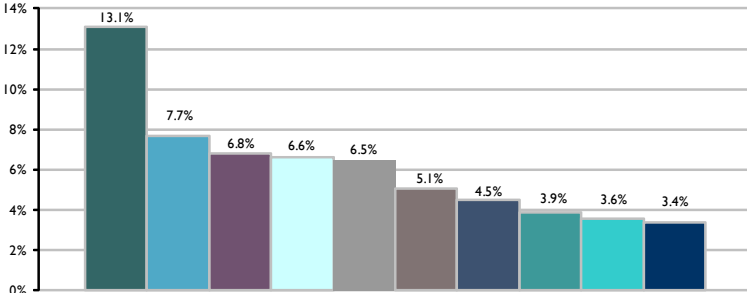
⁽¹⁾ TFG invests substantially all its capital through a master fund, Tetragon Financial Group Master Fund Limited (“TFGMF”) in which it holds a 100.0% share.

⁽²⁾ Excludes 10.9 million shares held in treasury and 8.5 million shares held by a subsidiary.

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CLO Equity & Direct Loan Portfolio Composition

CLO Equity & Direct Loan Portfolio Held by Tetragon Financial Group Master Fund Limited (unless otherwise stated) As of August 31, 2012

Report Date	TFG Share Price (\$)	TFG group Net Market Cap (\$MM) ⁽¹⁾	TFG group Net Assets (\$MM)	No. of Closed CLO Equity Transactions		
31 August 2012	\$8.02	\$911.1	\$1,601.8	79 ⁽²⁾		
Capital Allocation by Asset Class		Risk Capital Allocation	Investment Fair Value (\$MM) ^(2,3,4)	Asset Class Allocation		
Broadly Syndicated Senior Secured Loans: US		76.9%	\$964.4			
Broadly Syndicated Senior Secured Loans: Europe		9.2%	\$115.3			
Middle Market Senior Secured Loans: US		13.9%	\$174.3			
Total		100.0%	\$1,254.0			
Geographic Allocation by Asset Class		USA	Europe	Asia Pacific	Total	Geographic Allocation
Broadly Syndicated Senior Secured Loans		89.3%	10.7%	0.0%	100.0%	
Middle Market Senior Secured Loans		100.0%	0.0%	0.0%	100.0%	
		90.8%	9.2%	0.0%	100.0%	
Top 15 Underlying Bank Loan Credits		Bank Loan Exposure ⁽⁵⁾	Top 10 Bank Loan Industry Exposures ⁽⁵⁾			
Univision Communications	0.97%					
HCA Inc	0.89%					
First Data Corp	0.88%					
Community Health	0.77%					
Federal-Mogul	0.74%					
UPC Broadband	0.73%					
Charter Communications	0.73%					
Aramark Corp	0.73%					
Cablevision Systems Corp	0.70%					
Sabre Holdings Corp	0.68%					
Las Vegas Sands	0.64%					
Asurion Corp	0.63%					
Bausch & Lomb Inc	0.62%					
Huntsman ICI	0.61%					
Reynolds Group	0.60%					

EUR-USD FX: 1.26

⁽¹⁾ Calculated using TFG shares outstanding (net of 10.9 million shares held in treasury and 8.5 million shares held by a subsidiary) 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. Excludes TFG's investments in CLO mezzanine tranches.

⁽³⁾ Excludes TFG's investments in LCM Asset Management LLC, GreenOak Real Estate LP and GreenOak related funds or investments, and CLO mezzanine tranches.

⁽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 CLO equity tranche investments. With respect to CLO equity tranche 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
September Monthly Report	October 29, 2012
Q3 Financial Results	October 29, 2012
Q3 Ex-Dividend Date	October 29, 2012
Q3 Dividend Record Date	October 31, 2012
Quarterly Investor Call	November 5, 2012
October 2012 Monthly Report	November 20, 2012
Q3 Dividend Payment Date	November 20, 2012

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