TETRAGON

TETRAGON FINANCIAL GROUP LIMITED (TFG)

PERFORMANCE REPORT FOR QUARTER ENDED 31 MARCH 2009

April 27, 2009

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 quarterly update, unless otherwise stated, we report on the consolidated business incorporating TFG and Tetragon Financial Group Master Fund Limited.[(1)] References to "we" are to Polygon Credit Management LP, TFG's investment manager.

Q1 2009 results at a glance:

- **Overview:** The portfolio continued to face challenges in Q1 2009. In particular, rating agency downgrades of TFG's investments' underlying collateral (*e.g.,* senior secured loans) to Caa1/CCC+ or below, coupled with corresponding decreases in the market values of such senior secured loans since 2008 year-end, placed significant and increased pressure on the performance of TFG's investments. The majority of the Accelerated Loss Reserve (as defined herein) established at 2008 year-end was released in Q1 2009. Consequently, the Accelerated Loss Reserve was increased by approximately $290.0 million to seek to reserve against the impact of further losses arising from, among other things, additional rating agency downgrades.

Financial Results:

- **Net Income:** Consolidated Q1 2009 net income was a loss of $(414.3) million, compared with a Q4 2008 net income loss of $(187.2) million.

- **Cash Receipts:** The investment portfolio generated $47.1 million of cash during Q1 2009 or approximately $0.37 per share (calculated using the average number of shares outstanding in TFGMF during the period based on quarter-end holdings).

- **Earnings per Share:** EPS for Q1 2009 was approximately $(3.29) per share compared with EPS of $(1.48) during the prior quarter.

- **Net Assets and NAV per Share:** Consolidated net assets were $723.4 million as of March 31, 2009, or $5.75 per share, down from $9.06 per share as of December 31, 2008.

This Performance Report constitutes TFG's interim management statement as required pursuant to Section 5:25e of the Netherlands Financial Markets Supervision Act (*Wet op het financieel toezicht*, "FMSA"). Pursuant to Section 5:25e and 5:25m of the FMSA, this report is made public by means of a press release and has been filed with the Netherlands Authority for the Financial Markets (*Autoriteit Financiele Marketen*) and also made available to the public by way of publication on the TFG website (www.tetragoninv.com).

An investment in TFG involves substantial risks. Please refer to TFG's website at www.tetragoninv.com for a description of the risks and uncertainties pertaining to an investment in TFG.

(1) TFG invests substantially all its capital through a master fund, Tetragon Financial Group Master Fund Limited ("TFGMF"), in which it holds 100% of the issued shares. Tetragon Financial Group LP (TFGLP), a U.S. "feeder fund", has previously held an interest in TFGMF and accordingly, received a pro-rata allocation of the performance of TFGMF.

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Financial Results (continued):

- **Leverage:** During Q1 2009, TFG repaid all outstanding (and previously defeased) repurchase and total return swap borrowings and as of the end of the quarter, had zero borrowings. As of March 31, 2009, TFG had a cash position of approximately $94.3 million, or approximately $0.75 per outstanding share, compared to a net long cash position of approximately $60.0 million as of the end of 2008.

- **Dividend:** On April 23, 2009, the Board of TFG declared a dividend of $0.03 per share in respect of Q1 2009, which will be payable on May 21, 2009. Please refer to the website (www.tetragoninv.com) for additional information regarding the dividend, including the Optional Stock Dividend Plan.

- **IRRs:** The weighted-average IRR ended the quarter at 10.6%, down approximately 3.2% from the end of Q4 2008. This decrease during the first quarter reflected, among other things, the impact of rating agency downgrades of TFG's investments' underlying collateral (*e.g.,* senior secured loans) to Caa1/CCC+ or below, coupled with corresponding low market values of such assets.

- **Life-to-Date Net Loss Reserves:**(2) Excess loss reserves declined in Q1 2009, with approximately $50.3 million of excess loss reserves having been factored into our IRR calculations as of March 31, 2009. At the end of Q4 2008, excess loss reserves were approximately $115.0 million.

- **Accelerated Loss Reserve:** In December 2008, TFG established a balance sheet reserve calculated on a deal-by-deal basis against potential losses arising from, among other things, rating agency downgrades to TFG's investments' underlying collateral (the "Accelerated Loss Reserve").(3) During Q1 2009, TFG's investment portfolio faced significant and increased pressure from rating agency downgrades, Caa1/CCC+ or below rated underlying collateral, low market values of such collateral and resulting unrealized losses, with approximately $116.0 million of the Accelerated Loss Reserve being released. As a result of such unrealized losses and the increased uncertainty regarding the impact of those influences on the near-term performance of TFG's investments, TFG increased the Accelerated Loss Reserve in March 2009 by $290.0 million. Consequently, at March 31, 2009, the Accelerated Loss Reserve totaled approximately $315.0 million compared to an initial reserve amount of $141.0 million as of December 31, 2008.

(2) The life-to-date net loss reserve is transaction-specific. It is calculated by subtracting the actual collateral loss for each transaction from the expected collateral loss, where the expected loss is a function of expected collateral size, TFG's loss assumptions and the length of time the investment has been held.

(3) The Accelerated Loss Reserve like the life-to-date net loss reserve is transaction specific. Whereas the life-to-date net loss reserve is an adjustment embedded in TFG's modeling assumptions, the Accelerated Loss Reserve is a direct adjustment to the fair value of an investment to account for the potential impact of certain unrealized and realized losses and the cumulative value of such adjustments will be and is evidenced in TFG's financial statements.

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Financial Results (continued):

- **Hurdle Rate:** The hurdle rate for Q2 2009 incentive fee has been reset at 3.8247% (Q1: 4.0603%) as per the process outlined in TFG's 2008 Audited Financial Statements and in accordance with TFG's investment management agreement.(4) No incentive fee was paid for Q1 2009.

Portfolio Summary:

- **Portfolio Size:** As of the end of Q1 2009, the estimated fair value of the investment portfolio totaled $615.3 million, with look-through exposure to over $17.0 billion of leveraged loans. No new collateralized loan obligation ("CLO") investments were made during the quarter.
- **Portfolio Composition:** The portfolio currently consists of 61 CLO investments managed by 32 CLO managers.(5)
- **Collateral Performance:** As of the end of Q1 2009, 24 or approximately 40% of our CLO investments were failing their most junior O/C test.(6) As O/C tests are breached, CLO structures may divert excess interest cash flows away from the equity tranche holders, such as TFG, to pay down the CLO's debt thereby curing the O/C breach through deleveraging. Accordingly, the aforementioned 24 investments have ceased to generate cash flows to TFG or are expected to cease generating cash flows on the next applicable payment date. Once enough debt has been repaid to cure the O/C test breach, however, distributions of excess interest cash flows to equity tranche holders could resume to the extent not precluded due to the investments' realized or unrealized losses.
- **Portfolio Credit Quality:** As of March 31, 2009, the weighted-average percentage of corporate obligors rated Caa1/CCC+ or below in our 61 CLO investments was 11.4% compared to an approximate 7.8% weighted-average maximum level permitted under the terms of our investments.(7) The weighted-average WARF stood at approximately 2,758. Each of these foregoing statistics represents a weighted-average summary of all of our 61 investments.(8) Each individual investment's metrics will differ from this average and vary across the portfolio.

TFG Investment Weighted-Average Summary	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Caa1/CCC+ or Below Obligors:	11.4%	7.6%	4.9%	4.4%	3.4%
WARF:	2,758	2,577	2,490	2,472	2,443

(4) The hurdle rate is reset each quarter using 3M USD LIBOR plus a spread of 2.647858%.

(5) 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.

(6) Based on the most recent trustee reports available for our investments as of March 31, 2009.

(7) Excess Caa/CCC+ or below rated assets above the transaction specific permitted maximum holding levels are generally haircut in our transactions at market value for purposes of the over-collateralization and/or interest reinvestment test ratios.

(8) Weighted by the original USD cost of each investment.

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Portfolio Summary (continued):

- **TFG and Market Default Rate:** The lagging 12-month U.S. institutional loan default rate increased to 7.8% by principal amount as of March 31, 2009, according to S&P/LCD, up from 3.8% during 2008. (9) TFG's lagging 12-month corporate loan default rate increased to 4.0% during the first quarter. (10) The significant pick-up in default rates was accompanied by generally weak post-default secondary market prices, which contributed to significant unrealized losses. Although realized recoveries may be higher than post-default market values, there exists the potential for coverage ratio (*e.g.*, O/C) test breaches as a result of unrealized losses due to these low market values, which would have a negative impact on CLO equity returns.

	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
TFG Trailing 12-Month Default Rate: (10)	4.0%	2.5%	1.5%	1.3%	0.8%

Market Summary:

- **Loan Market:** Secondary loan prices rallied notably during the course of the first quarter of 2009 in the context of limited new issue supply and slowed BWIC activity, driving a +9.8% quarterly return on the S&P/LSTA Leveraged Loan Index. (11) The breadth of first quarter price appreciation, however, was not evenly distributed as market participants began to differentiate loans based on credit quality, ratings and spread, among other factors, with higher quality BB rated loans posting a +13.6% return, single-B rated loans posting a +9.6% return and CCC+ rated loans dropping (7.6%) in the quarter. (12)

  Primary loan issuance in both the U.S. and Europe remained subdued during Q1 2009. Q1 2009 U.S. institutional leveraged loan volume fell to $3.2 billion, down slightly from $3.3 billion in Q4 2008. (13) Excluding DIP loan issuance, however, institutional loan volume amounted to only $829.0 million, the lowest level on record according to S&P/LSTA. European issuance similarly declined to a low of €1.2 billion, down from €1.3 billion in Q4 2008. (14)

  The loan market also saw an increase in amendment activity with issuers looking to modify loan documents to allow for, among other things, debt repurchases and exchanges.

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(9) LCD News: "Loan Defaults Surge in 1Q, Capped by Charter, Idearc", April 1, 2009. Please note that TFG's investment portfolio includes approximately 23.4% CLOs with primary exposure to European broadly syndicated senior secured loans and such loans are included in the calculation of TFG's corporate loan default rate.

(10) Please note that the calculation of TFG's lagging 12-month corporate loan default rate does not include certain underlying investment collateral that due to, among other things, the occurrence of an applicable issuer debt repurchase or exchange was assigned a "Selective Default" rating by one or more of the applicable rating agencies. Such Selected Defaults are included the S&P/LCD lagging 12-month U.S. institutional loan default rate discussed above. TFG's lagging 12-month corporate loan default rate including such Selective Defaults was 4.3% for the period ending March 31, 2009.

(11) Source: Standard and Poor's / LCD Quarterly Review – First Quarter 2009.

(12) LCD News: "Loans Return 1.44% in March; 9.8% in First Quarter", April 2, 2009.

(13) Source: Standard and Poor's / LCD Quarterly Review – First Quarter 2009.

(14) Source: Standard and Poor's / LCD Quarterly Review – First Quarter 2009.

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Market Summary (continued):

- **Loan Market (continued):** Although these repurchases or exchanges may not directly impair the underlying loans owned by our CLO investments, such actions may negatively impact the O/C and interest reinvestment/diversion tests, as the repurchase or exchange could prompt the rating agencies to temporarily rate such issuers or applicable loans as defaulted (*i.e.*, a "Selective Default"), or permanently downgrade them to defaulted status or Caa1/CCC+ or below. According to S&P/LSTA, 30 issuers implemented repurchase amendments potentially amounting to approximately $5.0 billion in volume during Q1 2009. (15) Despite the generally negative view of corporate issuers conducting such repurchases by the rating agencies, the senior secured loans (TFG's investments' underlying collateral) directly affected by repurchases have traded up an average of 25.4% through April 3, 2009 as compared with 11.7% for performing loans broadly.(16) Thus, it would appear that the market may view repurchases (and exchanges) and the associated reduction in debt level and debt service of the applicable issuer as a near-term positive for the implicated loan.

- **Loan Prepayments:** Q1 2009 institutional loan prepayments increased to $21.2 billion, up from $8.7 billion in the fourth quarter of 2008.(17) These levels amounted to a Q1 2009 repayment rate of 3.65%, as compared with 1.45% during Q4 2008.(18) Much of the quarter's repayment activity was driven by M&A-motivated transactions. As described above, loan repurchases also contributed a notable source of reinvestment capital to institutional loan investors, as leveraged borrowers and their private equity sponsors sought to achieve balance sheet deleveraging.

- **CLO Issuance:** New issue CLO volumes remained weak during the first quarter of 2009, totaling approximately $45.4 billion across 35 transactions.(19) European balance sheet CLOs dominated Q1 2009 issuance representing approximately 91% of total global volumes, with limited U.S. CLO issuance.(20) Given the significant role CLO vehicles have historically played in providing institutional loan financing, the re-emergence of CLO issuance or other forms of similar locked-in, term financing, remains an issue on the horizon, presenting potential refinancing risks for issuers in the future.

- **CLO Liability Downgrades:** Both S&P and Moody's have completed a previously announced review of their CLO ratings methodology and have retroactively incorporated a more severe stressed analysis in their ratings review. As a result, Moody's and S&P have downgraded the majority of existing CLO mezzanine debt tranches. Senior debt tranches may also be affected as the rating agencies continue their review process. Such CLO liability downgrades, if significant enough, may result in the restriction of a collateral manager's discretionary trading abilities, which could in turn impair their ability to manage the portfolio in a manner they would otherwise view as appropriate.

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(15) Source: Standard and Poor's / LCD Quarterly Review – First Quarter 2009.
(16) Source: S&P Leveraged Commentary and Data: "Buybacks: Resistance or no, a bear-market success story" April 9, 2009.
(17) Source: Standard and Poor's / LCD Quarterly Review – First Quarter 2009.
(18) Source: Standard and Poor's LCD and S&P/LSTA Leveraged Loan Index, "Repayment Rates - by Quarter: 1Q97 – 3ME Mar-09."
(19) Source: Morgan Stanley CDO Market Update, April 8, 2009.
(20) Source: Morgan Stanley CDO Market Update, April 8, 2009.

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TFG Outlook:

Given the level of uncertainty and negative economic indicators surrounding global macro-economic and financial market conditions, we anticipate that the remainder of 2009 will continue to present a difficult operating environment for TFG. While the recent secondary loan market rally and recovery in certain segments of the capital markets offer glimmers of hope for a deceleration in the pace of economic decline, we believe that below investment grade-rated corporate borrowers, which represent the majority of our investments' underlying portfolio, will continue to face challenging conditions in 2009. We, therefore, expect continued and increased pressure on TFG's investments and results of operations in the near future.

During Q1 2009, we saw the dual stress of declining top-line revenues and limited access to capital take a toll on the leveraged loan markets as a large number of issuers defaulted or were downgraded to Caa1/CCC+ or below. We anticipate that this trend will continue in 2009, even as corporate borrowers seek to re-structure operations and balance sheets to cut costs and preserve liquidity. In addition to our concern with rising levels of defaults, Caa1/CCC+ assets, and low recoveries, we believe that longer recovery times and continued downward pressure on the secondary prices of distressed assets, may have a negative effect on the performance of TFG's investments.

Finally, the risk of event of default ("EOD") initiations as a result of senior O/C test breaches in CLO transactions has recently been a topic of debate among market participants. Although EOD provisions vary significantly across CLOs and we do not view the EOD risk as significant at this time, the consequences of an EOD when viewed independently of other risks could be substantial. We, therefore, continue to monitor developments on this issue.

As a result of underlying collateral defaults and increasing levels of Caa1/CCC+ or below-rated collateral (with low market values), among other factors, we continue to expect that TFG's cash flows and net income may be lower and more volatile in 2009 than in prior years. We intend to continue to focus on the preservation of our existing investments during the remainder of the year and expect to evaluate any potential secondary CLO debt and/or equity investments on an opportunistic basis, as we seek to weigh their potential costs and benefits against our near-term goals.

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Quarterly Investor Call

We will host a conference call for investors on April 27, 2008 at 15:00 BST/16:00 CET/10:00 EDT to discuss Q1 2009 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://eventreg1.conferencing.com/webportal3/reg.html?Acc=587383&Conf=161751 or by going to the TFG website, 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.

For further information, please contact:

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Expected Upcoming Events	Date
Q1 Record Date	April 29, 2009
April 2009 Monthly Report	May 18, 2009 (approximate)
Q1 Dividend Payment Date	May 21, 2009

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TETRAGON FINANCIAL GROUP

Performance Metrics and Drivers

Performance Metrics	Q2 2008	Q3 2008	Q4 2008	Q1 2009
EPS ($)	$0.36	$0.39	($1.48)	($3.29)
DPS ($)	$0.15	$0.15	$0.03	$0.03
Operating cost - income ratio	33.2%	35.0%	13.6%	11.2%
Performance Drivers	**Q2 2008**	**Q3 2008**	**Q4 2008**	**Q1 2009**
Number of investments [1]	61	61	61	61
Weighted Average IRR on completed transactions [4]	16.6%	16.9%	13.8%	10.6%
Leverage at end of period [3]	1.03	0.97	0.95	0.85
Net assets ($MM)	$1,319	$1,348	$1,142	$723
Number of shares outstanding (million)	126.3	126.2	126.0	125.7
Net excess life-to-date loss accruals ($MM) [2]	(137)	(158)	(115)	(50)

[1] Excludes CDO-squared and ABS CDO transactions written off in October 2007. TFG continues to hold the economic rights to these written-off transactions.

[2] Net excess life-to-date loss accrual is deal specific. It subtracts the actual collateral loss from the expected loss, where the expected loss is a function of expected collateral size, TFG's loss assumption and length of time the investment has been held.

[3] Calculated as Fair Value / Net Assets

[4] Calculated as (sumproduct of IRR / Amoritized Cost B/FWD) / Amoritized Cost B/FWD

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PERFORMANCE REPORT FOR QUARTER ENDED 31 MARCH 2009

Consolidated Performance

Statement of Operations	Q2 2008 ($MM)	Q3 2008 ($MM)	Q4 2008 ($MM)	Q1 2009 ($MM)
Interest Income from Investments	$54.6	$53.5	$53.1	$47.6
Interest Income from Cash	$1.1	$1.0	$0.1	$0.1
Other Income	$0.0	$0.0	$0.0	$0.5
Investment Income	**$55.7**	**$54.5**	**$53.2**	**$48.2**
Management Fees	($4.8)	($5.0)	($5.0)	($4.2)
Admin/ Custody and Other Fees	($0.5)	($0.8)	($1.0)	($0.6)
Interest Expense	($3.6)	($3.0)	($1.3)	($0.6)
Total Operating Expenses Excluding Performance Fee	**($8.9)**	**($8.8)**	**($7.3)**	**($5.4)**
Net Investment Income	**$46.8**	**$45.7**	**$45.9**	**$42.8**
Realised and Unrealised Gains/(Losses) From Hedging	($1.1)	$3.4	$2.0	$0.1
Net Increase/(Decrease) in Unrealised Appreciation/(Depreciation) in Investments	$9.7	$10.0	($235.0)	($457.2)
Net Realised and Unrealised Gains/(Losses) from Investments and FX	**$8.6**	**$13.4**	**($233.0)**	**($457.1)**
Net Increase/(Decrease) in Net Assets From Operation Before Performance Fees	**$55.4**	**$59.1**	**($187.1)**	**($414.3)**
Performance Fees	($9.6)	($10.3)	$0.0	$0.0
Net Increase/(Decrease) in Net Assets from Operations	**$45.8**	**$48.8**	**($187.1)**	**($414.3)**

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TETRAGON FINANCIAL GROUP Unaudited Balance Sheet as at 31 March 2009 ($)			
	TFG Master Fund	**TFG**	**TFG Total**
Assets			
Investments in securities, at fair value	$615.3		$615.3
Cash and cash equivalents	$94.3		$94.3
Amounts due from brokers	$4.8		$4.8
Unrealised gain on forward contracts	$7.3		$7.3
Derivative Financial Assets - Call Options	$1.8		$1.8
Other receivables	$0.1		$0.1
Total Assets	**$723.6**		**$723.6**
Liabilities			
Other payables and accrued expenses	$0.2	$0.0	$0.2
Total Liabilities	$0.2	$0.0	$0.2
Net Assets	**$723.4**	**$0.0**	**$723.4**

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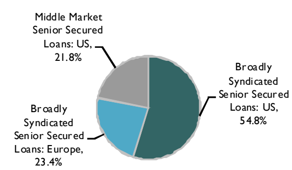
TETRAGON FINANCIAL GROUP LIMITED (TFG)

PORTFOLIO COMPOSITION
PORTFOLIO HELD BY TETRAGON FINANCIAL GROUP MASTER FUND LIMITED (UNLESS OTHERWISE STATED)
AS OF MARCH 31, 2009

Report Date	TFG Share Price ($)	TFG group Market Cap ($MM)[1]	TFG group Net Assets ($MM)	No. of Closed CLO Transactions
31 March 2009	$1.01	$130.4	$723.4	61[2]

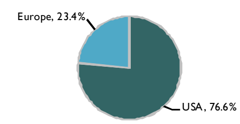
Capital Allocation by Asset Class	Risk Capital Allocation	Investment - Fair Value ($MM)[3]	Investment - Amortized Cost B/Fwd ($MM)[4]	Overall Leverage[5]
Broadly Syndicated Senior Secured Loans: US	54.8%	$337.1	$663.1	
Broadly Syndicated Senior Secured Loans: Europe	23.4%	$144.1	$216.9	
Middle Market Senior Secured Loans: US	21.8%	$134.1	$182.5	
CDOs Squared: US	0.0%	$0.0	$0.0	
ABS and Structured Finance: US	0.0%	$0.0	$0.0	
Total	**100.0%**	**$615.3**	**$1,062.5**	**0.85**

Asset Class Allocation



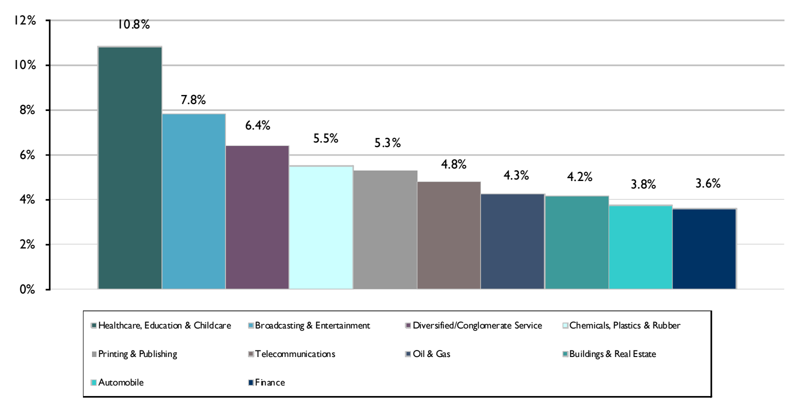
Geographic Allocation by Asset Class	USA	Europe	Asia Pacific	Total
Broadly Syndicated Senior Secured Loans	70.1%	29.9%	0.0%	100.0%
Middle Market Senior Secured Loans	100.0%	0.0%	0.0%	100.0%
CDOs Squared	0.0%	0.0%	0.0%	0.0%
ABS and Structured Finance	0.0%	0.0%	0.0%	0.0%
	76.6%	**23.4%**	**0.0%**	**100.0%**

Geographic Allocation



Top 15 Underlying Bank Loan Credits	Bank Loan Exposure[6]
HCA Inc	0.91%
Community Health	0.86%
TXU Corp	0.81%
Georgia Pacific Corp	0.79%
Univision Communications	0.74%
Idearc	0.67%
Cablevision Systems Corp	0.61%
SunGard Data Systems Inc	0.60%
Nielsen Company	0.57%
Aramark Corp	0.56%
Mylan Laboratories	0.54%
Ineos Group Plc	0.53%
First Data Corp	0.51%
Freescale Semiconductor Inc	0.49%
OshKosh Truck	0.48%

Top 10 Bank Loan Industry Exposures



EUR-USD FX: 1.33

(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 these written-off transactions.
(3) Equivalent to Investment in Securities at Fair Value in the US GAAP Financial Statements.
(4) Investments at Amortized Cost less interest accrued since last payment date. Internal Rate of Return (IRR) x Amortized Cost B/Fwd determines CDO income.
(5) Equals CDO Amortized Cost BFwd / Book Value.
(6) 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).

An investment in TFG involves substantial risks. Please refer to the Company's website at www.tetragoninv.com for a description of the risks and uncertainties pertaining to an investment in TFG.

This release does not contain or constitute an offer to sell or a solicitation of an offer to purchase securities in the United States or any other jurisdiction. The securities of TFG have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act"), as amended, and may not be offered or sold in the United States or to US persons unless they are registered under applicable law or exempt from registration. TFG does not intend to register any portion of its securities in the United States or to conduct a public offer of securities in the United States. In addition, TFG has not been and will not be registered under the US Investment Company Act of 1940, and investors will not be entitled to the benefits of such Act. TFG is registered in the public register of the Netherlands Authority for the Financial Markets under Section 1:107 of the Financial Markets Supervision Act as a collective investment scheme from a designated country.

TETRAGON

Board of Directors

Paddy Dear
Rupert Dorey*
Reade Griffith
Alex Jackson
David Jeffreys*
Byron Knief*
Lee Olesky*

Independent Director

Shareholder Information

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Tetragon Financial Group Master Fund Limited
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General Partner of Investment Manager
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Stock Listing
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UNAUDITED QUARTERLY REPORT

TETRAGON FINANCIAL GROUP LIMITED

FOR THE PERIOD ENDED 31 MARCH 2009 AND FOR THE PERIOD ENDED 31 MARCH 2008

TETRAGON FINANCIAL GROUP LIMITED

UNAUDITED QUARTERLY REPORT
FOR THE PERIOD ENDED 31 MARCH 2009 AND FOR THE PERIOD ENDED 31 MARCH 2008

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TETRAGON FINANCIAL GROUP LIMITED

STATEMENTS OF ASSETS AND LIABILITIES
as at 31 March 2009 (unaudited)

	31 Mar 2009	31 Dec 2008
	US$	US$
Assets		
Investment in Master Fund	723,368,706	1,141,950,194
Amounts receivable from Master Fund	9,307	74,366
Total assets	723,378,013	1,142,024,560
Liabilities		
Amounts payable on Treasury shares	9,307	74,366
Total liabilities	9,307	74,366
Net assets	723,368,706	1,141,950,194
Equity		
Share capital	125,740	125,980
Share premium	1,181,692,270	1,182,232,455
Capital Reserve in respect of share options	11,789,336	11,789,336
Earnings	(470,238,640)	(52,197,577)
	723,368,706	1,141,950,194
Shares outstanding	Number	Number
Participating shares	125,739,605	125,979,883
Net asset value per share		
Participating shares	US$5.75	US$9.06

TETRAGON FINANCIAL GROUP LIMITED

STATEMENTS OF OPERATIONS
For the period ended 31 March 2009 and for the period ended 31 March 2008 (unaudited)

	Quarter Ended 31 Mar 2009 US$	Quarter Ended 31 Mar 2008 US$
Investment income allocated from the Master Fund		
Interest income	48,218,379	54,479,827
Investment income allocated from the Master Fund	48,218,379	54,479,827
Total investment income	48,218,379	54,479,827
Direct expenses		
Incentive fee	-	(2,235,377)
Direct expenses	-	(2,235,377)
Operating expenses allocated from the Master Fund		
Management fees	(4,256,694)	(4,477,102)
Administration fees	(193,711)	(156,451)
Legal and Professional fees	(15,265)	-
Audit fees	(69,082)	(64,856)
Directors' fees	(50,000)	(46,942)
Transfer agent fees	(35,613)	(37,195)
Other operating expenses	(208,778)	(342,276)
Interest expense	(592,021)	(4,880,342)
Operating expenses allocated from the Master Fund	(5,421,164)	(10,005,164)
Total operating expenses	(5,421,164)	(12,240,541)
Net investment income	42,797,215	42,239,286

TETRAGON FINANCIAL GROUP LIMITED

STATEMENTS OF OPERATIONS (continued)
For the period ended 31 March 2009 and for the period ended 31 March 2008 (unaudited)

	Quarter Ended 31 Mar 2009 US$	Quarter Ended 31 Mar 2008 US$
Net realized and unrealized gain / (loss) from investments and foreign currencies allocated from the Master Fund		
Net realized gain / (loss) from:		
Investments	-	302,635
Foreign currency transactions	2,793,162	(9,294,274)
Credit default swaps	-	7,872,758
	2,793,162	(1,118,881)
Net (decrease) / increase in unrealized (depreciation) / appreciation on:		
Investments	(457,143,294)	(8,461,200)
Forward foreign exchange contracts	12,135,019	(5,205,781)
Credit default swaps	-	(454,178)
Foreign exchange options	2,614,488	-
Translation of assets and liabilities in foreign currencies	(17,467,516)	16,094,945
	(459,861,303)	1,973,786
Net realized and unrealized (loss) / gain from investments and foreign currencies allocated from the Master Fund	(457,068,141)	845,905
Net (decrease) / increase in net assets resulting from operations	(414,270,926)	43,094,191

TETRAGON FINANCIAL GROUP LIMITED

STATEMENTS OF CHANGES IN NET ASSETS

For the period ended 31 March 2009 and for the period ended 31 March 2008 (unaudited)

	Quarter ended 31 Mar 2009 US$	Quarter ended 31 Mar 2008 US$
Total investment income	48,218,379	54,479,828
Total operating expenses	(5,421,164)	(12,240,542)
Net realized gain/(loss) from investments and foreign currencies allocated from the Master Fund	2,793,162	(1,118,881)
Net unrealized (loss) / gain from investments and foreign currencies allocated from the Master Fund	(459,861,303)	1,973,786
Net increase in net assets resulting from operations	(414,270,926)	43,094,191
Dividends paid to shareholders	(3,770,137)	(17,693,660)
Issue of shares	233,716	2,748,179
Treasury shares	(774,141)	(3,773,524)
Increase in net assets resulting from net share transactions	(540,425)	(1,025,345)
Total (decrease) / increase in net assets	(418,581,488)	24,375,186
Net assets at start of period	1,141,950,194	1,188,220,992
Net assets at end of period	723,368,706	1,212,596,178

TETRAGON FINANCIAL GROUP LIMITED

STATEMENTS OF CASH FLOWS
For the period ended 31 March 2009 and for the period ended 31 March 2008 (unaudited)

	3 months ended 31 Mar 2009 US$	3 months ended 31 Mar 2008 US$
Operating and investing activities		
Net (decrease) / increase in net assets resulting from operations	(414,270,926)	43,094,191
Adjustments for:		
Net unrealized depreciation / (appreciation) on investments in Master Fund	418,581,488	(29,912,329)
Operating cash flows before movements in working capital	4,310,562	13,181,862
Decrease in receivables	65,059	315,478
(Decrease) / increase in payables	(65,059)	1,919,899
Cash flows from operations	4,310,562	15,417,239
Net sale of investments	-	3,301,766
Cash inflows from operating and investing activities	4,310,562	18,719,005
Financing activities		
Issue of shares during the period	233,716	2,748,179
Treasury shares	(774,141)	(3,773,524)
Dividends paid to shareholders	(3,770,137)	(17,693,660)
Cash outflows from financing activities	(4,310,562)	(18,719,005)
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of period	-	-

UNAUDITED QUARTERLY REPORT

TETRAGON FINANCIAL GROUP MASTER FUND LIMITED

FOR THE PERIOD ENDED 31 MARCH 2009 AND FOR THE PERIOD ENDED 31 MARCH 2008

TETRAGON FINANCIAL GROUP MASTER FUND LIMITED

UNAUDITED QUARTERLY REPORT

FOR THE PERIOD ENDED 31 MARCH 2009 AND FOR THE PERIOD ENDED 31 MARCH 2008

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TETRAGON FINANCIAL GROUP MASTER FUND LIMITED
STATEMENTS OF ASSETS AND LIABILITIES
as at 31 MARCH 2009 (unaudited)

	31 Mar 2009 US$	31 Dec 2008 US$
Assets		
Investments in securities, at fair value	615,279,921	1,082,495,071
Cash and cash equivalents	94,295,545	63,042,822
Amounts due from brokers	4,870,629	114,374,113
Unrealized gain on forward contracts	7,293,443	-
Derivative financial assets- foreign exchange options	1,827,300	5,477,600
Other receivables	70,213	176,192
Total assets	723,637,051	1,265,565,798
Liabilities		
Payables under repurchase and swap agreements	-	117,557,492
Unrealized loss on forward contracts	-	4,841,576
Amounts payable to feeder fund	9,307	74,366
Interest payable	-	665,976
Other payables and accrued expenses	259,038	476,194
Total liabilities	268,345	123,615,604
Net assets	723,368,706	1,141,950,194
Equity		
Share capital	125,740	125,980
Share premium	1,140,915,354	1,141,455,539
Earnings	(417,672,388)	368,675
	723,368,706	1,141,950,194
Shares outstanding	**Number**	**Number**
Shares	125,739,605	125,979,883
Net asset value per share		
Shares	US$5.75	US$9.06

TETRAGON FINANCIAL GROUP MASTER FUND LIMITED

STATEMENTS OF OPERATIONS

For the period ended 31 MARCH 2009 and for the period ended 31 MARCH 2008 (unaudited)

	Quarter ended 31 Mar 2009 US$	Quarter ended 31 Mar 2008 US$
Interest income	47,723,551	58,046,228
Other income	494,828	-
Investment income	48,218,379	58,046,228
Management fees	(4,256,694)	(4,768,752)
Administration fees	(193,711)	(166,643)
Legal and professional fees	(15,265)	(185,184)
Audit fees	(69,082)	(69,081)
Directors' fees	(50,000)	(50,000)
Transfer agent fees	(35,613)	(39,618)
Other operating expenses	(208,778)	(166,889)
Interest expense	(592,021)	(5,210,759)
Operating expenses	(5,421,164)	(10,656,926)
Net investment income	42,797,215	47,389,302
Realized and unrealized gain / (loss) from investments and foreign currency		
Net realized gain / (loss) from:		
Investments	-	322,349
Foreign currency transactions	2,793,162	(9,899,726)
Credit default swaps	-	8,385,609
	2,793,162	(1,191,768)
Net (decrease) / increase in unrealized appreciation / (depreciation) on:		
Investments	(457,143,294)	(9,012,383)
Forward foreign exchange contracts	12,135,019	(5,544,898)
Credit Default Swaps	-	(483,764)
Foreign exchange options	(3,650,300)	-
Translation of assets and liabilities in foreign currencies	(11,202,728)	17,143,412
	(459,861,303)	2,102,367
Net realized and unrealized (loss) / gain from investments and foreign currencies	(457,068,141)	910,599
Net (decrease) / increase in net assets resulting from operations	(414,270,926)	48,299,901

TETRAGON FINANCIAL GROUP MASTER FUND LIMITED
STATEMENTS OF CHANGES IN NET ASSETS
For the period ended 31 MARCH 2009 and for the period ended 31 MARCH 2008 (unaudited)

	Quarter ended 31 Mar 2009 US$	Quarter ended 31 Mar 2008 US$
Investment income	48,218,379	58,046,228
Operating expenses	(5,421,164)	(10,656,926)
Net realized (loss) / gain from investments and foreign currency	2,793,162	(1,191,768)
Net unrealized (depreciation) / appreciation on investments and translation of assets and liabilities in foreign currencies	(459,861,303)	2,102,367
Net (decrease) / increase in net assets resulting from operations	(414,270,926)	48,299,901
Dividends paid to shareholders	(3,770,137)	(18,833,387)
Issue of shares	233,716	1,690,454
Treasury shares	(774,141)	(3,773,523)
Decrease in net assets resulting from net share transactions	(540,425)	(2,083,069)
Total (decrease) / increase in net assets	(418,581,488)	27,383,445
Net assets at start of period	1,141,950,194	1,264,437,956
Net assets at end of period	723,368,706	1,291,821,401

TETRAGON FINANCIAL GROUP MASTER FUND LIMITED

STATEMENTS OF CASH FLOWS
For the period ended 31 MARCH 2009 and for the period ended 31 MARCH 2008 (unaudited)

	Quarter ended 31 Mar 2009 US$	Quarter ended 31 Mar 2008 US$
Operating and investing activities		
Net (decrease) / increase in net assets resulting from operations	(414,270,926)	48,299,901
Adjustments for:		
Realized gain on investments	-	(322,349)
Non cash interest income on investments	(2,547,723)	17,335,537
Unrealized loss / (gain)	459,861,303	(2,102,367)
Operating cash flows before movements in working capital	43,042,654	63,210,722
Decrease / (increase) in receivables	105,979	(20,324,213)
(Decrease) / increase in payables	(948,191)	303,532
Cash flows from operations	42,200,442	43,190,041
Cash inflows from operating and investing activities	42,200,442	43,190,041
Financing activities		
Amounts due from brokers	109,503,484	-
Proceeds from issue of shares	233,716	1,690,454
Treasury shares	(774,141)	(3,773,523)
Dividends paid to shareholders	(3,770,137)	(18,833,387)
Receipts from repurchase and swap agreements	(117,557,492)	(37,635,646)
Bank overdraft	-	(11,459,362)
Cash outflows from financing activities	(12,364,570)	(70,011,464)
Net increase / (decrease) in cash and cash equivalents	29,835,872	(26,821,423)
Cash and cash equivalents at beginning of period	63,042,822	209,237,922
Effect of exchange rate fluctuations on cash and cash equivalents	1,416,851	17,755
Cash and cash equivalents at end of period	94,295,545	182,434,254