

UNAUDITED INTERIM REPORT

TETRAGON FINANCIAL GROUP LP
(FORMERLY KNOWN AS TETRAGON CREDIT INCOME FUND LP)

FOR THE PERIOD ENDED 30 JUNE 2007

TETRAGON FINANCIAL GROUP LP
UNAUDITED INTERIM REPORT
FOR THE PERIOD ENDED 30 JUNE 2007

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INTERIM REPORT OF TETRAGON FINANCIAL GROUP MASTER FUND LIMITED	

TETRAGON FINANCIAL GROUP LP
GENERAL PARTNER, MANAGER AND OTHER INFORMATION

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United States of America

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INVESTMENT MANAGER Polygon Credit Management LP
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TETRAGON FINANCIAL GROUP LP

GENERAL PARTNER, MANAGER AND OTHER INFORMATION (continued)

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TETRAGON FINANCIAL GROUP LP
STATEMENT OF ASSETS AND LIABILITIES
as at 30 June 2007 (unaudited)

	Note	30 June 2007 US\$
Assets		
Investment in Master Fund	3	210,573,324
Total assets		<u>210,573,324</u>
Total liabilities		<u>-</u>
Net assets		<u>210,573,324</u>
Partners' Capital		
General Partner		725,457
Limited Partners		209,847,867
Total Partners' Capital		<u>210,573,324</u>

The accompanying notes are an integral part of the financial statements.

These statements were signed on behalf of the General Partner by Patrick Dear and David Wishnow on 30 July 2007

TETRAGON FINANCIAL GROUP LP
STATEMENT OF OPERATIONS
For the period ended 30 June 2007 (unaudited)

	Note	Period ended 30 June 2007 US\$
Direct investment income		
Interest income		2,816
Direct investment income		2,816
Investment income allocated from the Master Fund		
Interest income		19,113,583
Investment income allocated from the Master Fund		19,113,583
Total investment income		19,116,399
Direct expenses		
Management fees	6	(1,096,555)
Audit fees		(7,092)
Legal and professional fees		(11,584)
Other operating expenses		(441)
Direct expenses		(1,115,672)
Operating expenses allocated from the Master Fund		
Management fees	6	(695,175)
Administration fees		(58,795)
Custodian fees		(463)
Legal and professional fees		(11,385)
Audit fees		(20,472)
Directors' fees		(12,709)
Other operating expenses		(6,235)
Interest expense		(1,788,972)
Operating expenses allocated from the Master Fund		(2,594,206)
Total operating expenses		(3,709,878)
Net investment income		15,406,521

TETRAGON FINANCIAL GROUP LP

STATEMENT OF OPERATIONS (continued)
For the period ended 30 June 2007 (unaudited)

	Period ended 30 June 2007 US\$
Net realized and unrealized gain / (loss) from investments and foreign currencies allocated from the Master Fund	
Net realized gain / (loss) from:	
Investments	170,211
Foreign currency transactions	(1,400,624)
Credit default swaps	(168,590)
	<u>(1,399,003)</u>
 Net increase / (decrease) in unrealized appreciation / (depreciation) on:	
Investments	215,418
Forward foreign exchange contracts	237,279
Credit default swaps	128,409
Translation of assets and liabilities in foreign currencies	1,397,058
	<u>1,978,164</u>
 Net realized and unrealized gain / (loss) from investments and foreign currencies allocated from the Master Fund	 <u>579,161</u>
 Net increase in net assets resulting from operations	 <u>15,985,682</u>

The accompanying notes are an integral part of the financial statements.

TETRAGON FINANCIAL GROUP LP

STATEMENT OF CHANGES IN PARTNERS' CAPITAL

For the period ended 30 June 2007 (unaudited)

	Notes	General Partner US\$	Limited Partners US\$	Total US\$
Balance at 31 December 2005		-	54,372,914	54,372,914
Total investment income		-	17,047,282	17,047,282
Total operating expenses		-	(3,643,740)	(3,643,740)
Net realized gain / (loss) from investments and foreign currencies allocated from the Master Fund		-	(490,336)	(490,336)
Net unrealized gain / (loss) from investments and foreign currencies allocated from the Master Fund		-	431,337	431,337
Net increase in net assets resulting from operations		-	13,344,543	13,344,543
Performance allocations		450,862	(450,862)	-
Contributions		-	48,400,000	48,400,000
Withdrawals		(198,551)	-	(198,551)
Balance at 31 December 2006		252,311	115,666,595	115,918,906
Total investment income		-	19,116,399	19,116,399
Total operating expenses		-	(3,709,878)	(3,709,878)
Net realized gain / (loss) from investments and foreign currencies allocated from the Master Fund		-	(1,399,003)	(1,399,003)
Net unrealized gain / (loss) from investments and foreign currencies allocated from the Master Fund		-	1,978,164	1,978,164
Net increase in net assets resulting from operations		-	15,985,682	15,985,682
Performance allocations	5	1,131,232	(1,131,232)	-
Contributions	4	-	83,350,000	83,350,000
Withdrawals	4	(658,086)	-	(658,086)
Initial public offering costs		-	(4,023,178)	(4,023,178)
Balance at 30 June 2007		725,457	209,847,867	210,573,324

The accompanying notes are an integral part of the financial statements.

TETRAGON FINANCIAL GROUP LP
STATEMENT OF CASH FLOWS
For the period ended 30 June 2007 (unaudited)

	Period ended 30 June 2007 US\$
Operating and investing activities	
Net increase in net assets resulting from operations	15,985,682
Adjustments for:	
Net unrealized appreciation on investments in Master Fund	(13,075,360)
Operating cash flows before movements in working capital	<u>2,910,322</u>
Decrease in accrued expenses	(42,600)
Cash flows from operations	<u>2,867,722</u>
Net purchase of investments	(81,550,364)
Cash outflows from operating and investing activities	<u>(78,682,642)</u>
Financing activities	
Contributions	83,350,000
Withdrawals	(658,086)
Initial public offering costs	(4,023,178)
Cash inflows from financing activities	<u>78,668,736</u>
Net increase / (decrease) in cash and cash equivalents	(13,906)
Cash and cash equivalents at the beginning of period	<u>13,906</u>
Cash and cash equivalents at end of period	<u>-</u>

The accompanying notes are an integral part of the financial statements.

TETRAGON FINANCIAL GROUP LP

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2007 (unaudited)

Note 1 General Information

Tetragon Financial Group LP (the “Partnership”) is a Delaware limited partnership organized on 14 June 2005 principally for the benefit of U.S. taxable investors. On 20 February 2006 the Partnership changed its name from Polygon Credit Income Fund LP to Tetragon Credit Income Fund LP. Again on 26 April 2007 the Partnership changed its name from Tetragon Credit Income Fund LP to Tetragon Financial Group LP. The Partnership invests substantially all of its capital through a “master-feeder” structure in Tetragon Financial Group Master Fund Limited, a Guernsey closed-ended investment company (the “Master Fund”). The Partnership is also authorized to make investments directly, although it does not generally anticipate doing so.

The investment objective of the Partnership and the Master Fund is to generate distributable income and capital appreciation primarily through investments (directly or indirectly) in the “equity” or residual tranches of a broad range of CDO products and other securitization vehicles.

Tetragon Credit Income GP LLC, a Delaware limited liability company (the “General Partner”), serves as the general partner of the Partnership. The Partnership and the Master Fund have appointed Polygon Credit Management LP, a Delaware limited partnership (the “Investment Manager”), to manage the Partnership’s and the Master Fund’s investment programmes.

Note 2 Significant Accounting Policies

Basis of Presentation

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“USGAAP”).

The Partnership’s investment in the Master Fund is valued at fair value, which is the Fund’s proportionate interest in the net assets of the Master Fund. The performance of the Partnership is directly affected by the performance of the Master Fund. The Partnership’s Statement of Operations includes its pro-rata share of each type of gain, loss, income and expense of the Master Fund’s Statement of Operations. Attached are the interim financial statements of the Master Fund, which are an integral part of these financial statements. As at 30 June 2007, the Partnership had 17% ownership interest in the Master Fund.

For financial statement reporting purposes, Tetragon Financial Group LP is an investment company and follows the American Institute of Certified Public Accountants Audit and Accounting Guide for Investment Companies (the “Guide”).

The financial statements are presented in United States Dollars.

TETRAGON FINANCIAL GROUP LP

NOTES TO THE FINANCIAL STATEMENTS (continued) For the period ended 30 June 2007 (unaudited)

Note 2 Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes, including the valuation of investments. Tetragon's management believes that the estimates utilized in preparing the consolidated financial statements are reasonable and prudent; however, actual results could differ materially from these estimates.

Valuation of Investments

The value of the investment in the Master Fund is based on the accounting net asset value per share obtained from the Master Fund's administrator.

Expenses

Expenses, including management fees, audit fees and professional fees, are recognized in the statement of operations on an accrual basis.

Taxation

No provision has been made in the accompanying financial statements for U.S. federal, state and local income taxes of the members. All members are individually responsible for reporting their share of Partnership income or loss. The Partnership reports on the accrual basis of accounting for tax purposes.

The Partnership adopted FIN 48 as issued by the Financial Accounting Standards Board ("FASB"). FIN 48 requires companies to recognize the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. The tax benefit recognized is the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. The adoption of FIN 48 did not have an impact on the Fund's financial statements as there were no cases that required examination.

Revenue Recognition

The net profit or net loss of the Partnership as of the end of each fiscal period (as defined in the Offering Memorandum) will be allocated to each Partner in proportion to their respective capital account balances and revenue distributions payable are recognized in the Statement of Changes in Partners' Capital.

Capital expenses

The preliminary expenses of the Company directly attributable to the global offering are charged to partners' capital.

TETRAGON FINANCIAL GROUP LP

NOTES TO THE FINANCIAL STATEMENTS (continued) For the period ended 30 June 2007 (unaudited)

Note 3 Investment in Master Fund

The Master Fund at the period end held investments in securities, at fair value, cash and cash equivalents, forward contracts, credit default swaps, repurchase / swap agreements and other receivables and payables. As at 30 June 2007 the Partnership had an investment with a fair value of US\$210,573,324 in the Master Fund with a cost of US\$181,613,879.

Note 4 Capital Contributions and Withdrawals

On 26 April 2007 the Partnership entered into an irrevocable Exchange Agreement with Tetragon Financial Group Limited (the "Guernsey Feeder"). The Exchange Agreement provides that at the request of a holder of interest in the Partnership, the Guernsey Feeder will acquire the Partner's associated holding of Master Fund Units in exchange for its non-voting shares. A Partner may request to make an exchange at any time on or after the 26 April 2007. Exchanges are subject to no conditions other than delivery of appropriate requested documentation.

	General Partner US\$	Limited Partners US\$	Total US\$
Balance of net contributions at 31 December 2006	(198,551)	101,150,000	100,951,449
Contributions	-	83,350,000	83,350,000
Withdrawals	(658,086)	-	(658,086)
Balance of net contributions at 30 June 2007	<u>(856,637)</u>	<u>184,500,000</u>	<u>183,643,363</u>

Note 5 Incentive allocations

The General Partner is entitled to a reallocation for each Calculation Period (a period of 3 months ending on 31 March, 30 June, 30 September and 31 December in each year) equal to 25% of the excess of any net capital appreciation allocated to each Limited Partner's capital account during the Calculation Period (before deduction of any distributions paid during such Calculation Period) above the value of the capital account at the start of the period plus a Hurdle.

The Hurdle for current calculation periods ending prior to 25 April 2008 will equal (i) the Reference Capital Account value multiplied by (ii) the Hurdle Rate, where the Hurdle Rate is equal to 8% per annum multiplied by the actual number of days in the calculation period divided by 365. For calculation periods ending after 25 April 2008 the Hurdle Rate will be determined by 3-month USD LIBOR determined as of 11:00 a.m. London time on the first London business day of the then current Calculation Period, plus the Hurdle Spread of 2.647858%.

TETRAGON FINANCIAL GROUP LP

NOTES TO THE FINANCIAL STATEMENTS (continued) For the period ended 30 June 2007 (unaudited)

Note 5 Incentive allocations (continued)

The “Reference Capital Account value” is the greater of (i) Capital Account value at the end of the Calculation Period immediately preceding the current Calculation Period and (ii) the Capital Account value as of the end of the Calculation Period immediately preceding the Calculation Period referred to in clause (i). For the purposes of determining the Reference Capital Account value at the end of a Calculation Period, this shall be adjusted by the amount of accrued distributions and incentive allocations to be paid with respect to that Calculation Period.

Note 6 Management fee

For the period to 25 April 2007, the Partnership paid management fees to the Investment Manager equal to (i) 2% per annum of the capital account balance of each Class A and Class B Limited Partner and (ii) 1.5% per annum of the capital account balance of each Class C Limited Partner, calculated and payable monthly in advance prior to the deduction of any accrued incentive allocation applicable to such Class.

After the closing of the global offering on 25 April 2007, the management fee of 1.5% per annum is charged to the Master Fund and allocated pro rata between Tetragon Financial Group Limited (the “Guernsey Feeder”) and the Partnership, based on the Guernsey Feeder’s and the Partnership’s percentage ownership of the Master Fund.

Note 7 Related party transactions

The Partnership invests substantially all of its assets in Tetragon Financial Group Master Fund Limited, a Guernsey based closed-ended investment company which has the same Investment Manager as the Partnership.

The Partnership pays the General Partner an incentive allocation as disclosed in Note 5.

The Partnership pays the Investment Manager management fees as disclosed in Note 6.

After the closing of the global offering all fees and expenses of the partnership, with the exception of incentive fees will be paid by the Master Fund and allocated pro rata between Guernsey Feeder and the Partnership, based on the Guernsey Feeder and the Partnership’s percentage ownership of the Master Fund, including management fees relating to the administration of each of the Guernsey Feeder and the Partnership.

Polygon Global Opportunities Master Fund Limited, which is managed by an affiliate of the Investment Manager, has an interest with a fair value of US\$126,868,582 in the Partnership as at 30 June 2007.

TETRAGON FINANCIAL GROUP LP

NOTES TO THE FINANCIAL STATEMENTS (continued) For the period ended 30 June 2007 (unaudited)

Note 7 Related party transactions (continued)

David Wishnow, Jeffrey Herlyn, Michael Rosenberg, Alexander Jackson, and Reade Griffith, all Principals of the Investment Manager, were Limited Partners in the Partnership as at 30 June 2007, with interests at fair value of US\$2,307,487, US\$1,177,050, US\$1,177,050, US\$4,456,488, and US\$10,484,208, respectively. David Wishnow and Reade Griffith are also Directors in the Master Fund.

Note 8 Change of Name

On 26 April 2007 the Fund changed its name from Tetragon Credit Income Fund LP to Tetragon Financial Group Fund LP.

Note 9 Approval of financial statements

The General Partner approved the financial statements on 30 July 2007.

TETRAGON FINANCIAL GROUP LP
FINANCIAL HIGHLIGHTS
For the period ended 30 June 2007 (unaudited)

The following summarizes the Partnership's financial highlights for the period ended 30 June 2007 and the year ended 30 December 2006:

	Limited Partners 30 June 2007*	Limited Partners 31 Dec 2006
Total return		
Total return to average Limited Partners' Interests	<u>10.46%</u>	<u>23.52%</u>
Expense ratios		
Total expenses to average Limited Partners' Interests	<u>(1.97)%</u>	<u>(5.05)%</u>
Incentive allocations	<u>(0.60)%</u>	<u>(0.62)%</u>
Net increase in net assets resulting from operations		
Net increase in net assets resulting from operations to average Limited Partners' Interests	<u>7.89%</u>	<u>17.85%</u>
	US\$	US\$
Net asset value of Limited Partners' Interests at start of period / year	115,666,595	54,372,914
Net unrealized gain on Investment in Master Fund	13,075,788	14,260,744
Net direct income	2,816	-
Net direct expenses of the Partnership (see Note 7)	(1,116,099)	(916,201)
Incentive allocations (see Note 5)	(1,131,232)	(450,862)
Contributions	<u>83,350,000</u>	<u>48,400,000</u>
Net asset value of Limited Partners' Interests at end of period / year	<u>209,847,868</u>	<u>115,666,595</u>

* The calculations of the above ratios for the period ended 30 June 2007 have not been annualized.

TETRAGON FINANCIAL GROUP LP

SCHEDULE OF INVESTMENTS

As at 30 June 2007 (unaudited)

Security Description	Nominal / Shares	Cost US\$	Fair Value US\$	% Net Assets
<i>Investment Funds - Guernsey</i>				
Tetragon Financial Group Master Fund Limited – shares	20,812,060	181,613,879	210,573,325	100.00%
Total Investments			210,573,325	100.00%
Net Assets			<u>210,573,325</u>	<u>100.00%</u>