

Tetragon Financial Group Limited (“TFG”)

9 May 2013

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TETRAGON



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TFG - Introduction

10% - 15% repeatable and sustainable compound annual growth in the underlying value of the business on a per share basis, by...

- **Identifying** opportunities, assets and asset classes that achieve a sustainable RoE on the company's investments
- **Utilising** our expertise, knowledge and operating platforms to optimise the appropriate investment vehicle
- **Expanding** the asset management platform to:
 - Reduce what the company pays away in external management fees
 - Receive fee income from investors in the funds the company owns/partially owns

[LIBOR effect: TFG's expected sustainable returns will likely be correlated to LIBOR]

Goals for 2013

1. To deliver 10-15% RoE per annum to shareholders.
2. To manage more of TFG's funds on the TFG asset management platform.
3. To grow client AUM and fee income managed by TFG asset managers.
4. To add further asset management businesses to the TFG platform, broadening and diversifying the company's ability to achieve our RoE targets over various credit, equity, interest rate, real estate and business cycles.

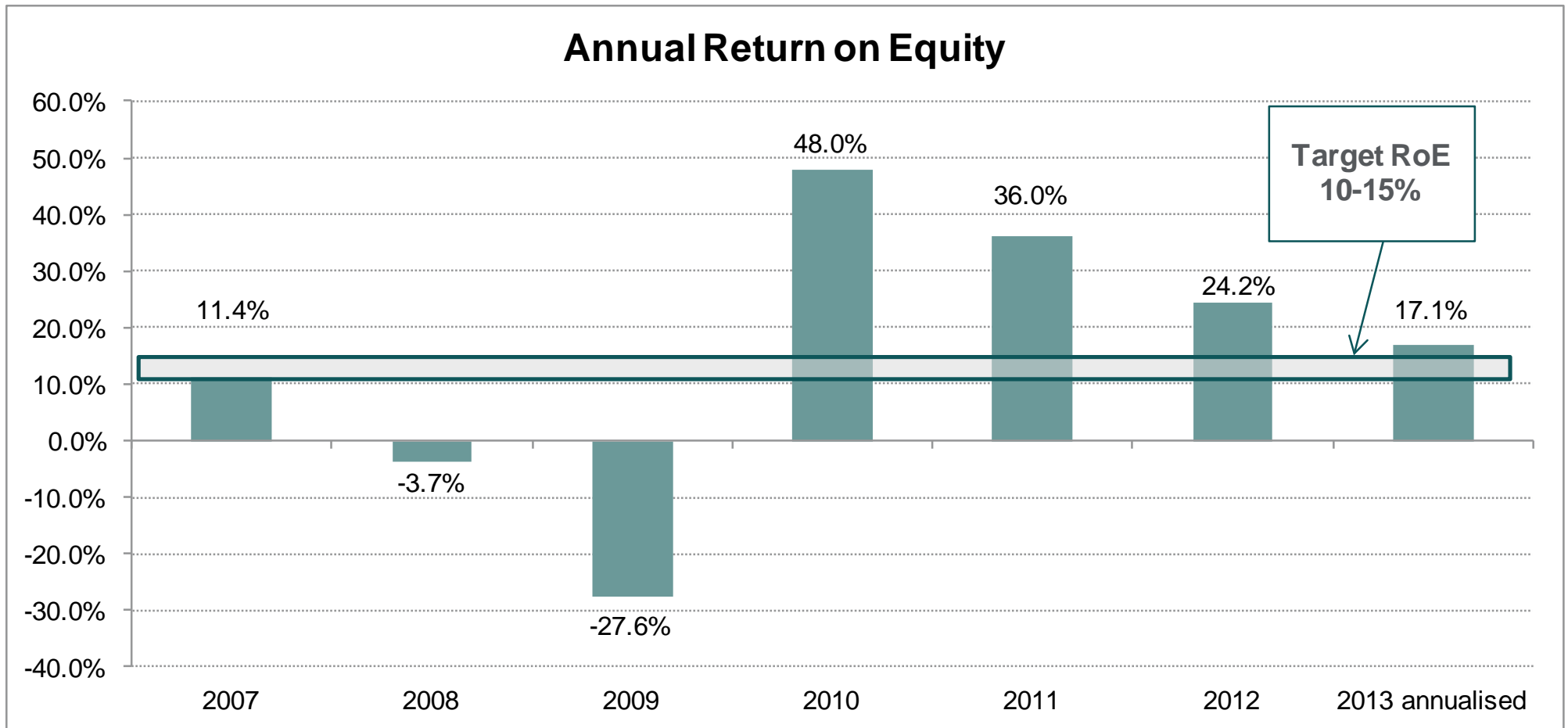
FINANCIALS

We focus on three key metrics for TFG's business⁽ⁱ⁾:

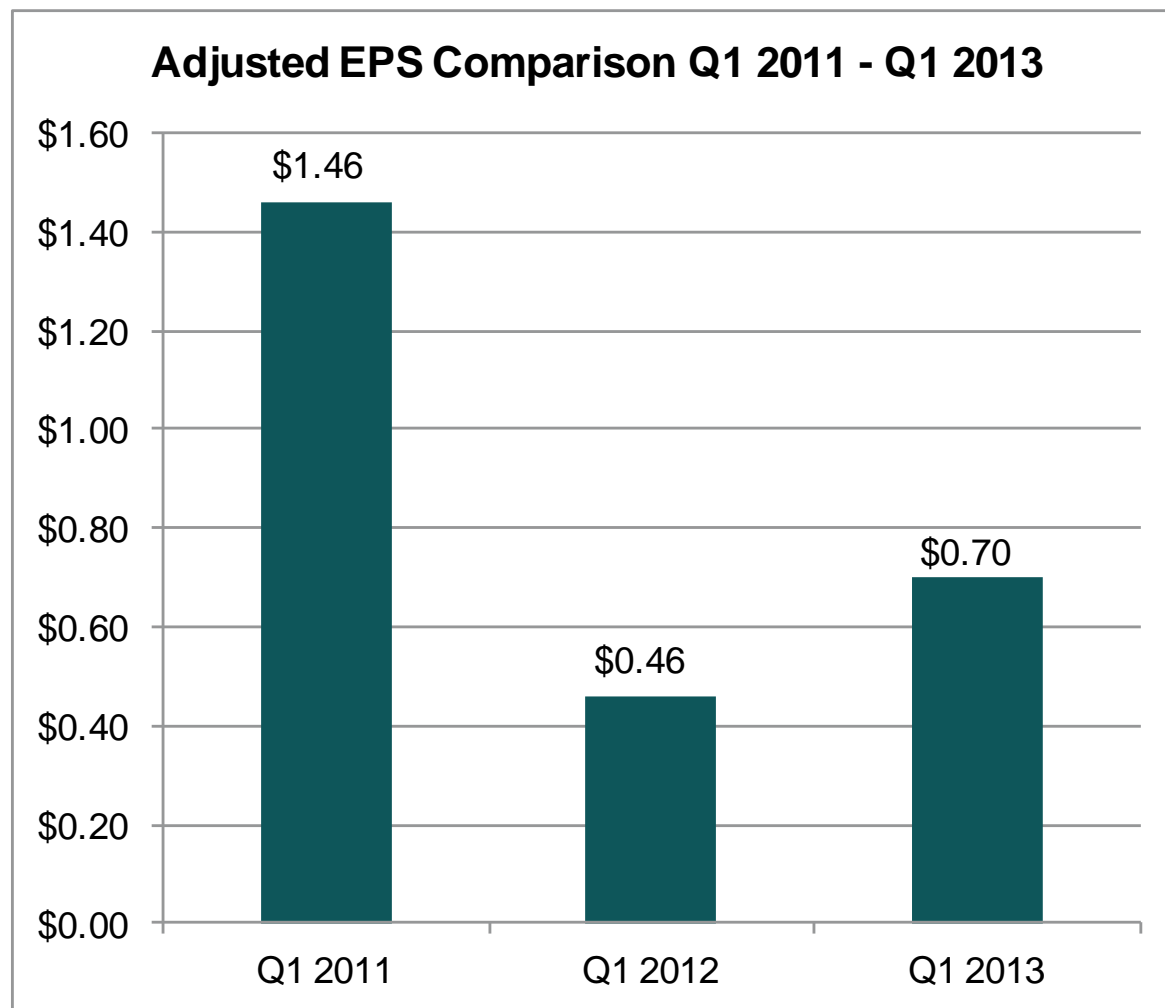
1. **Earnings:** measured both as RoE and earnings per share ("EPS"), reflecting the operating performance of TFG.
2. **Net Asset Value ("NAV") per Share:** reflecting how value is being accumulated within the business.
3. **Dividends and other distributions:** reflecting how asset value has been returned to shareholders.

⁽ⁱ⁾Please see the company's Q1 2013 quarterly report for further information. Certain non-GAAP measures used herein are further defined on page 15 of the quarterly report and on page 17 of this presentation.

Key performance metrics - RoE

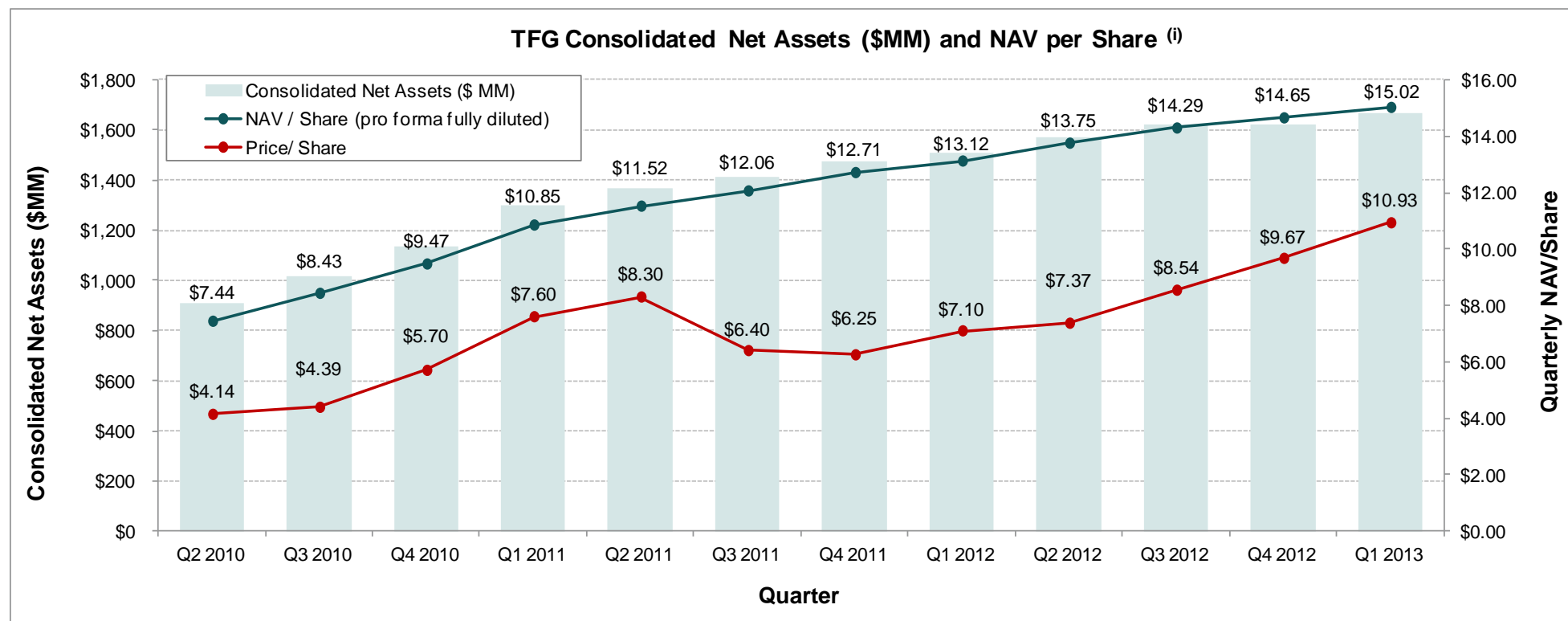


Key metrics: Earnings Per Share⁽ⁱ⁾



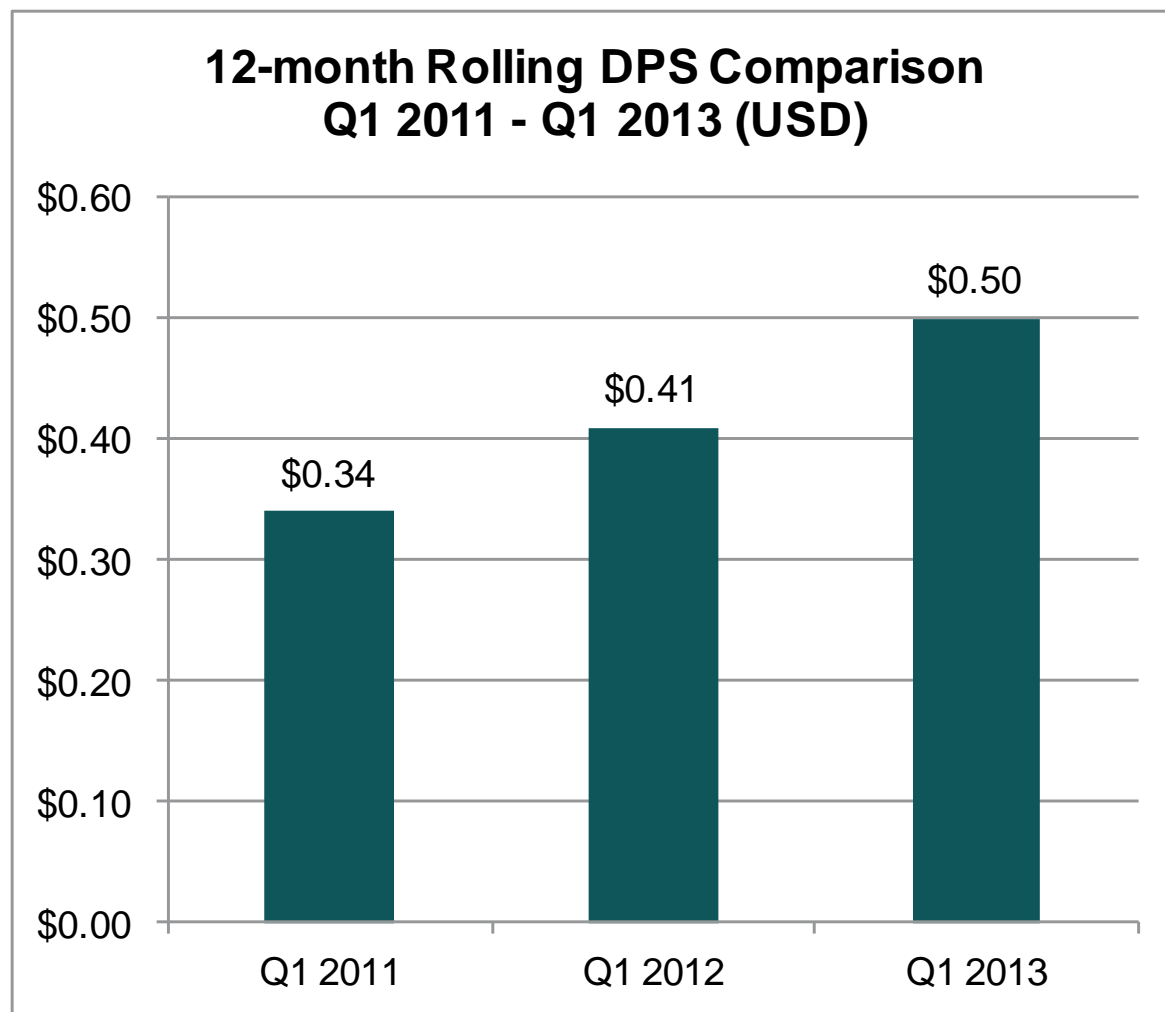
⁽ⁱ⁾Please see page 17 of this presentation for certain relevant definitions.

Key metrics: NAV per Share



⁽ⁱ⁾NAV per share based on TFG's financial statements as of the relevant quarter-end date; TFG's closing share price data as per Bloomberg as of the last trading day of each quarter. Please note that the Pro Forma Fully Diluted NAV per Share reported as of each quarter-end date excludes any shares held in treasury or in a subsidiary as of that date, but includes shares held in escrow which are expected to be released and incorporated into the U.S. GAAP NAV per Share over a five-year period and the number of shares corresponding to the applicable intrinsic value of the options issued to the Investment Manager at the time of the company's IPO.

Key metrics: Dividends Per Share (DPS)



Statement of Operations – Quarterly Comparison

TETRAGON FINANCIAL GROUP			
Statement of Operations - Quarterly Comparison			
Statement of Operations	Q1 2013 (\$MM)	Q1 2012 (\$MM)	Q1 2011 (\$MM)
Interest income	56.6	57.5	48.5
Fee income	11.6	5.7	5.2
Other income	5.8	-	-
Investment income	74.0	63.2	53.7
Management and performance fees	(24.8)	(19.5)	(60.0)
Other operating and administrative expenses	(22.2)	(4.8)	(5.6)
Total operating expenses	(47.0)	(24.3)	(65.6)
Net investment income	27.0	38.9	(11.8)
Net change in unrealised appreciation in investments	32.7	16.2	184.5
Realised gain on investments	3.0	0.1	0.6
Realised and unrealised gain/(loss) from hedging and fx	1.7	(0.7)	2.8
Net realised and unrealised gains from investments and fx	37.4	15.6	188.0
Income taxes	(1.4)	(0.6)	(1.0)
Noncontrolling interest	-	(0.5)	(0.5)
U.S. GAAP net income	63.0	53.4	174.7
Add back share based employee compensation	5.8	-	-
Net unrealised Polygon performance fees	0.5	-	-
Net Economic Income	69.3	53.4	174.7

Statement of Operations By Segment

TETRAGON FINANCIAL GROUP			
Statement of Operations by Segment Q1 2013			
	Investment Portfolio \$MM	TFG AM \$MM	Total \$MM
Interest income	56.5	0.1	56.6
Fee income	-	11.6	11.6
Other income	-	5.8	5.8
Investment and management fee income	56.5	17.5	74.0
Management and performance fees	(24.5)	(0.3)	(24.8)
Other operating and administrative expenses	(1.6)	(14.8)	(16.4)
Share based employee compensation	-	-	(5.8)
Total operating expenses	(26.1)	(15.1)	(47.0)
Net investment income	30.4	2.4	27.0
Net change in unrealised appreciation in investments	32.7	-	32.7
Realised gain on investments	3.0	-	3.0
Realised and unrealised gains from hedging and fx	1.7	-	1.7
Net realised and unrealised gains from investments and fx	37.4	-	37.4
Income taxes	-	(1.4)	(1.4)
U.S. GAAP net income	67.8	1.0	63.0
Share based employee compensation	-	-	5.8
Net unrealised Polygon performance fees	-	0.5	0.5
Net economic income	67.8	1.5	69.3

TFG Asset Management Statement of Operations

TETRAGON FINANCIAL GROUP		
TFG Asset Management Statement of Operations Q1 2013		
	U.S. GAAP	Net Economic income
	\$MM	\$MM
Fee income ⁽¹⁾	11.6	11.6
Unrealised Polygon performance fees ⁽²⁾	-	0.9
Interest income	0.1	0.1
Total income	11.7	12.6
Operating, employee and administrative expenses ⁽¹⁾	(7.3)	(7.3)
Net income - "EBITDA equivalent"	4.4	5.3
Performance fee allocation to TFM	(0.3)	(0.5)
Amortisation expense on management contracts	(1.7)	(1.7)
Net income before taxes	2.4	3.1
Income taxes	(1.4)	(1.7)
Net income	1.0	1.5

TFG's Investment Portfolio

Asset Type	March 2013 NAV (in \$MM)	LTM Performance ⁽⁴⁾	LTD Performance ⁽⁵⁾
U.S. Pre-Crisis CLOs ⁽³⁾	\$872.8	39.1%	21.6%
U.S. Post-Crisis CLOs ⁽³⁾	\$214.1	10.3%	10.8%
U.S. Direct Loans	\$51.0	6.5%	7.1%
European CLOs	\$132.0	31.9%	7.5%
Equities	\$89.2	4.9% ⁽⁶⁾	23.9%
Convertible Bonds and Credit	\$10.5	4.5% ⁽⁶⁾	14.3%
Real Estate	\$29.2	N/A	N/A

TFG Asset Management

Three main brands:

- Polygon
- LCM
- GreenOak Real Estate

Key asset management metrics:

- Performance of underlying funds – strong during Q1 2013 for all brands
- Fee Income and unrealised Polygon performance fees - \$12.5 million in Q1 2013⁽¹⁾⁽²⁾
- “EBITDA equivalent” - \$5.3 million in Q1 2013
- Assets Under Management - \$8.1 billion at end of Q1 2013

Potential New Investments for the Next 12 Months⁽ⁱ⁾

Asset Class	Amount Invested at 31 March 2013	Potential New Investment Amounts
CLOs	\$1,270 million	\$80 - \$140 million
Real Estate	\$29 million	\$25 - \$75 million
Hedge Funds (Equities, Credit & Convertible Bonds)	\$100 million	\$20 - \$70 million
New Businesses	n/a	\$50 - \$200 million

⁽ⁱ⁾Actual investment allocations may differ from the ranges presented herein. Such investment allocations may be informed by a variety of matters, including then-applicable market conditions.

Q & A

Contact us anytime: ir@tetragoninv.com

Endnotes

Certain definitions:

We believe the following metrics used in this presentation may be helpful in understanding the progress and performance of the company:

- Return on Equity (4.3%): Net Economic Income (\$69.3 million) divided by Net Assets at the start of the year (\$1,621.4 million).
- Net Economic Income (+\$69.3 million): adds back to the U.S. GAAP net income (+\$63.0 million) the imputed Q1 2013 share based employee compensation (+\$5.8 million), which is generated on an ongoing basis resulting from the Polygon transaction and also includes unrealised Polygon performance fees (+\$0.5 million).
- Pro Forma Fully Diluted Shares (110.9 million): adjusts the U.S. GAAP shares outstanding (97.9 million) for the impact of escrow shares used as consideration in the Polygon transaction and associated stock dividends (+12.0 million) and for the potential impact of options issued to TFG's investment manager at the time of TFG's IPO (+1.1 million).
- Adjusted EPS (\$0.70): calculated as Net Economic Income (\$69.3 million) divided by weighted-average U.S. GAAP shares outstanding (98.4 million).
- Pro Forma Fully Diluted NAV per Share (\$15.02): calculated as Net Assets (\$1,666.9 million) divided by Pro Forma Fully Diluted shares (110.9 million).
- Please refer to the company's Q1 2013 quarterly report for further information.

Pages 12 and 14

(1) Nets off cost of recovery on "Other fee income" as used in the 2012 annual report against this cost contained in "operating, employee, and administrative expenses." Operating costs also removes amortisation from the U.S. GAAP segmental report. Fee income includes amounts received by TFGMF from third-party asset managers in connection with one-off or long term fee-sharing arrangements.

(2) Unrealised Polygon performance fees represent the fees calculated by the applicable administrator of the relevant Polygon funds, in accordance with the applicable fund constitutional documents, when determining net asset value at quarter end, less certain assumed costs. Similar amounts, if any, from LCM and GreenOak are excluded from this line item. Such fees would typically not be realised or recognised under US GAAP until calendar year end, and are therefore subject to change based on fund performance during the remainder of the year. There can be no assurance that the company will realise all or any portion of such amounts. For Q1 2013, this amount equaled \$0.9 million before (1) an assumed imputed tax charge and (2) estimated TFM performance fees reduced the net contribution to \$0.5 million as shown page 10 of this report.

Footnotes (continued)

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(3) “U.S. Pre-Crisis CLO” and “U.S. Post-Crisis CLO” refers to U.S. CLOs issued before and after 2008, respectively. TFG owns \$1.75 million notional in a CLO debt tranche. Such investment is excluded from these performance metrics.

(4) For CLOs and direct loans, calculated as the total return. The total return is calculated as the sum of the aggregate ending period fair values and aggregate cash flows received during the year, divided by the aggregate beginning period fair values for all such investments. LTM performance for U.S. Post-Crisis CLO is weighted by the end of Q1 2013 fair values. U.S. Post-Crisis CLO equity investments which were made during the year, and which therefore lack a full year of performance, are annualised. The LTM performance for European CLOs excludes the impact of any changes in the EUR-USD exchange rate on TFG's fair values and cash flows received for such investments.

(5) For CLOs, the LTD performance metric used is the IRR, weighted by the amortised costs brought-forward of each investment. IRRs are calculated taking into account historical cost, cash flows received, and future projected cash flows. For direct loans, the LTD performance metric used is the annualised total rate of return. For Polygon-managed funds (equities, credit, and convertible bonds), the LTD performance metric shown is the IRR (calculated using the XIRR function in Excel), reflecting the timing of all investments made through the end of Q1 2013 and the fair value of the funds as of 31 March 2013.

(6) Note that for Polygon-managed funds (equities, credit, and convertible bonds), LTM returns are presented as the actual return for TFG's period of investment from 1 December to 31 March 2013. TFG invests in Polygon-managed funds on a preferred fee-basis.

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