

# TETRAGON

## TETRAGON FINANCIAL GROUP LIMITED (TFG) MONTHLY UPDATE FOR OCTOBER 2014

### 26 November 2014

Tetragon Financial Group Limited (TFG) is a Guernsey closed-ended investment company traded on Euronext Amsterdam N.V. 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.<sup>(1)</sup>

### **Net Asset Value Estimates as of 31 October 2014**

*(Amounts provided are unaudited and subject to change)*

	<i>(in millions except per share data)</i>
Estimated Fair Value of Investments:	\$1,335.2
Cash and Cash Equivalents:	\$404.8
Net Other Assets / (Liabilities):	\$44.2
Estimated Net Asset Value:	\$1,784.2
TFG Legal Shares Issued and Outstanding:	135.6
U.S. GAAP Net Asset Value per Share: <sup>(2)(4)</sup>	\$18.65
Pro Forma Fully Diluted Net Asset Value per Share: <sup>(3)(4)</sup>	\$16.72

### **Investment Composition:**

As of the end of October 2014, the company held investments in the equity tranches of U.S. and European CLOs, U.S. senior secured loans, asset management businesses, hedge funds, real estate funds, equities and CLO mezzanine tranches, with the remainder of the net assets held in cash plus or minus certain net other assets or liabilities. Derivative mark-to-market gains and losses are contained within net other assets or liabilities.

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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 U.S. GAAP Shares outstanding (approximately 95.7 million), which is determined by reducing TFG legal shares issued and outstanding by approximately 12.8 million shares held in treasury, 16.6 million shares held by a subsidiary and 10.5 million shares held in escrow, all subject to rounding.
  - (3) Calculation is with reference to Pro Forma Fully Diluted Shares outstanding (approximately 106.7 million), which is determined by adding to U.S. GAAP Shares outstanding, shares held in escrow of 10.5 million 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 (0.5 million).
  - (4) The NAV per Share calculation is after accruing for the dividend relating to Q3 2014. Any adjustments to net assets or shares resulting from the optional stock dividend program will be reflected next month upon the issuance of the applicable shares.

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## **Investment Composition (continued):**

The geographical allocation of TFG's CLO, direct loan, equity and real estate fund investments was weighted primarily towards the United States, at 80.0% of such assets as of the end of October 2014. European exposure was approximately 18.2% and Asia was approximately 1.8%. 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.

## **Calendar:**

See the TFG website for the latest calendar - <http://www.tetragoninv.com/investor/calendar.aspx>

For further information, please contact:

TFG:

David Wishnow/Greg Wadsworth  
Investor Relations  
[ir@tetragoninv.com](mailto:ir@tetragoninv.com)

Press Inquiries:

Sard Verbinnen & Co  
+1 212 687 8080  
[tetragon-svc@sardverb.com](mailto:tetragon-svc@sardverb.com)

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