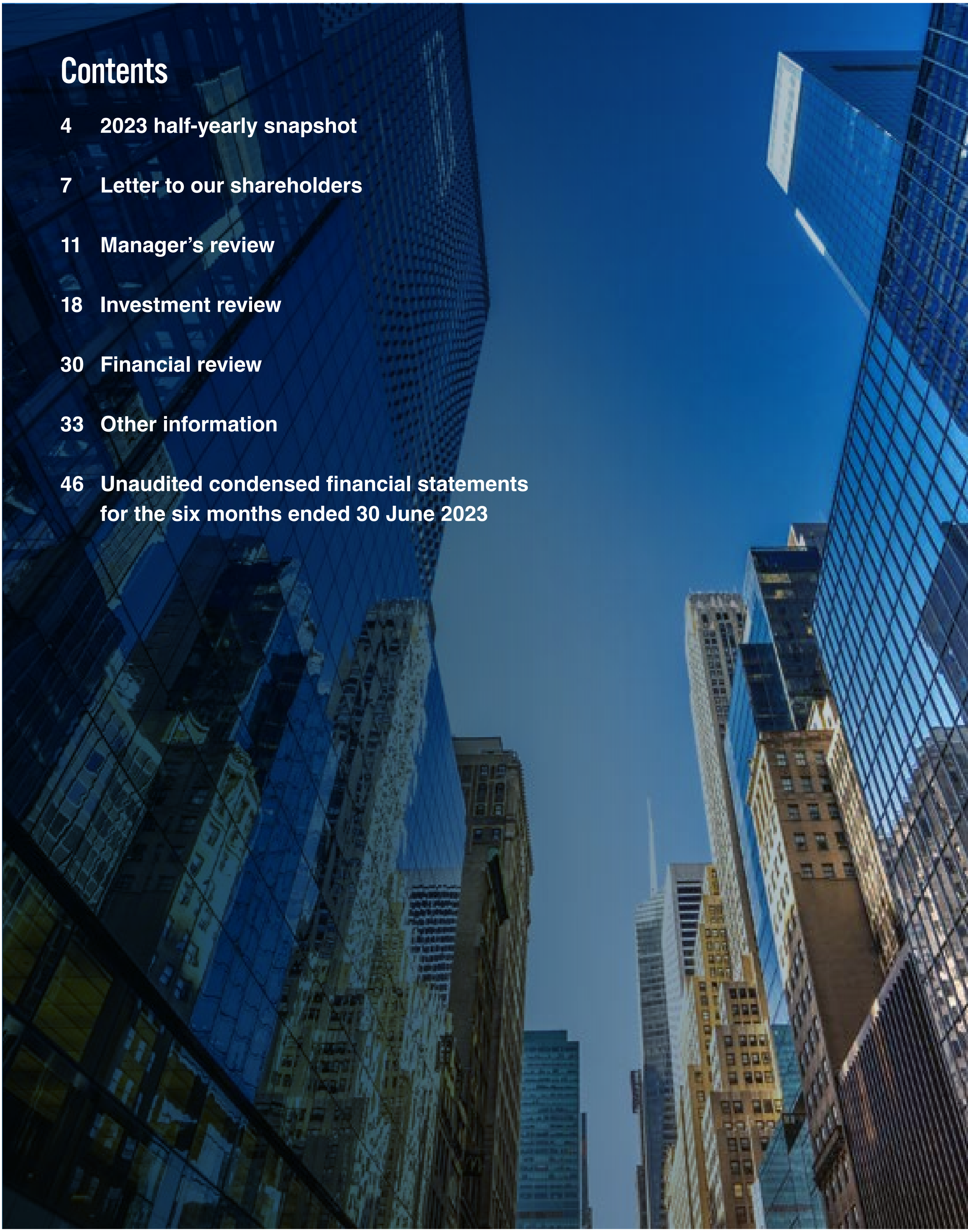
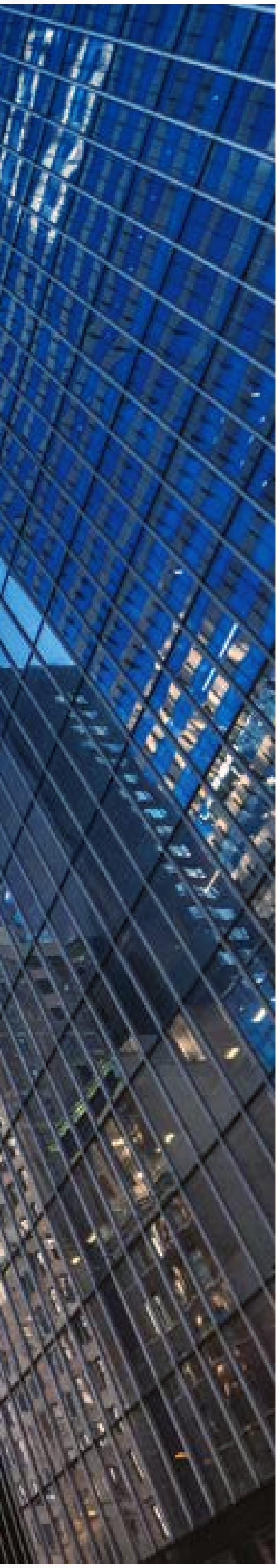
2023
Half-Yearly Report

Tetragon Financial Group

TETRAGON



Contents



Diversified.
Alternative.
Investors.

Searching for intrinsic alpha – from returns in excess to risks taken.

At Tetragon, we seek to provide stable returns to investors across economic cycles and market conditions.

Tetragon is a Guernsey closed-ended investment company. Its non-voting shares are listed on Euronext in Amsterdam[1] and also traded on the Specialist Fund Segment of the Main Market of the London Stock Exchange.

To view company updates visit:
www.tetragoninv.com

Tetragon's shares are subject to restrictions on ownership by U.S. persons and are not intended for European retail investors. These are described on our website. Tetragon anticipates that its typical investors will be institutional and professional investors who wish to invest for the long term in a capital appreciation and income-producing investment. These investors should have experience in investing in financial markets and collective investment undertakings and be capable themselves of evaluating the merits and risks of Tetragon shares and they should have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment.

1 Euronext in Amsterdam is a regulated market of Euronext Amsterdam (Euronext Amsterdam). Tetragon's 'Home Member State' for the purposes of the EU Transparency Directive (Directive 2004/109/EC) is the Netherlands.

Distributable income. Capital appreciation.

Net asset value[1]

$2.8BN

30 June 2023

Ownership[2]

37.5%

Principal & Employee Ownership at 30 June 2023

NAV per share total return[3]

6.4%
One Year to 30 June 2023

9.0%
5 Years Annualised

10.1%
10 Years Annualised

10.5%
Since IPO Annualised

406%
Since IPO

Investment returns / return on equity[4]

1.7%
2023 YTD RoE

10-15%
RoE Target

11.4%
Annual Average Since IPO

Dividends

$0.11
Q2 2023 Dividend

$0.22
2023 Dividends

4.5%
Dividend Yield[5]

(9.1)%
Dividend 5-Year CAGR[6]

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) Please see important notes on page 6.

H1 2023 Snapshot

Tetragon aims to provide stable returns to investors across various credit, equity, interest rate, inflation and real estate cycles.

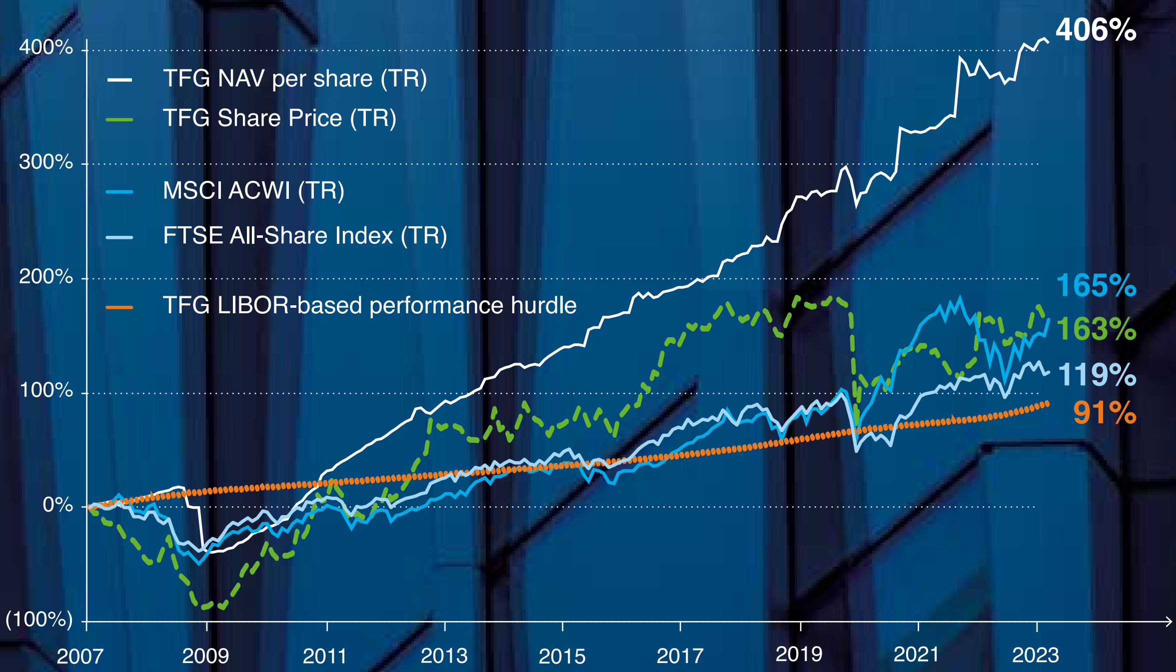
Figure 1

Tetragon Financial Group - Performance summary

	30 June 2023	31 December 2022	Change
Net Assets	$2,768.9m	$2,758.5m	$10.4m
Fully Diluted NAV Per Share	$29.97	$29.69	$0.28
Share Price[7]	$9.86	$9.62	$0.24
Dividend (last 12 months)	**$0.44**	**$0.44**	**$0.00**
Dividend Yield	4.5%	4.6%	
Ongoing Charges[8]	1.74%	1.74%	
Principal & Employee Ownership	37.5%	37.3%	
	H1 2023	H1 2022	
Investment Returns/Return on Equity[4]	**1.7%**	**(5.0%)**	
NAV Per Share Total Return[3]	**1.7%**	**(3.5%)**	
Share Price Total Return[9]	4.7%	25.2%	
Tetragon Hurdle: LIBOR +2.65%[10]	3.9%	1.6%	
MSCI ACWI Index Total Return[11]	14.3%	(20.0%)	
FTSE All-Share Index Total Return[11]	2.5%	(4.6%)	

Figure 2

Tetragon's NAV per share total return and share price since IPO to 30 June 2023



Notes

1. The value of Tetragon's assets, less any liabilities, as at 30 June 2023. Source: Tetragon.
2. Shareholdings at 30 June 2023 of the principals of Tetragon's investment manager and employees of TFG Asset Management, including all deferred compensation arrangements (other than with respect to shares that are subject to performance criteria). Please see Figure 22 for more details of these arrangements.
3. NAV Per Share Total Return to 30 June 2023, for the last year, the last five years, the last ten years, and since Tetragon's initial public offering in April 2007. NAV Per Share Total Return is determined in accordance with the "NAV total return performance" calculation as set forth on the Association of Investment Companies (AIC) website. Tetragon's NAV Per Share Total Return is determined for any period by calculating, as a percentage return on the Fully Diluted NAV per Share (NAV per share) at the start of such period, (i) the change in NAV per share over such period, plus (ii) the aggregate amount of any dividends per share paid during such period, with any dividend deemed reinvested at the NAV per share at the month end date closest to the applicable ex-dividend date (i.e. so that the amount of any dividend is increased or decreased by the same percentage increase or decrease in NAV per share from such ex-dividend date through to the end of the applicable period). NAV per share is calculated as Net Assets divided by Fully Diluted Shares Outstanding. Please refer to Figure 12 for further details.
4. Tetragon seeks to deliver 10-15% Return on Equity (RoE) per annum to shareholders. Please refer to page 31 for the calculation of RoE. Tetragon's returns will most likely fluctuate with LIBOR or an equivalent risk-free short-term rate which directly flows through some of Tetragon's investments and therefore in high-LIBOR environments, Tetragon should achieve higher sustainable returns; in low-LIBOR environments,Tetragon should achieve lower sustainable returns. Please note that (i) from 31 December 2021, LIBOR was replaced by an appropriate alternate rate as advised by ISDA in the IBOR Fallbacks Protocol, although certain LIBOR settings continued to be calculated and published using panel bank submissions until 30 June 2023, and (ii) LIBOR is longer available from 1 July 2023, and the market generally is replacing LIBOR with the Secured Overnight Funding Rate (SOFR), which tracks the interest rate on borrowings collateralised by U.S. Treasury securities.
5. The dividend yield represents the last four quarterly dividends divided by the TFG NA share price at 30 June 2023. The latest declared dividend is included in the calculation.
6. The five-year Compound Annual Growth Rate (CAGR) figure is at 30 June 2023. The latest declared dividend is included in the calculation.
7. Based on TFG.NA.
8. Annual calculation as at 31 December 2022. The ongoing charges figure is calculated as defined by the AIC, and comprises all direct recurring expenses to Tetragon expressed as a percentage of average Net Assets, including the annual management fee of 1.5%.
9. H1 2023 total shareholder return, defined as share price appreciation including dividends reinvested, as sourced from Bloomberg.
10. Cumulative return determined on a quarterly compounding basis using the actual Tetragon quarterly incentive fee LIBOR-based hurdle rate. Beginning 1 July 2023, Tetragon's quarterly incentive fee hurdle rate will be SOFR-based.
11. Any indices and other financial benchmarks are provided for illustrative purposes only. Comparisons to indices have limitations because, for example, indices have volatility and other material characteristics that may differ from the fund. Any index information contained herein is included to show general trends in the markets in the periods indicated, is not meant to imply that these indices are the only relevant indices, and is not intended to imply that the portfolio or investment was similar to any particular index either in composition or element of risk. The indices shown here have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather is disclosed to allow for comparison of the investor's performance to that of certain well-known and widely-recognised indices. The volatility of the indices may be materially different from the individual performance attained by a specific investor. In addition, the fund's holdings may differ significantly from the securities that comprise the indices. The MSCI ACWI captures large and mid-cap representation across 23 developed markets and 24 emerging markets countries. With 2,935 constituents, the index covers approximately 85% of the global investable equity opportunity set. Further information relating to the index constituents and calculation methodology can be found at www.msci.com/acwi. The FTSE All-Share Index represents 98-99% of U.K. market capitalisation and is the aggregate of the FTSE 100, FTSE 250 and FTSE Small Cap indices. Further information relating to the index constituents and calculation methodology can be found at www.ftserussell.com/products/indices/uk.

Letter to our shareholders

Fellow shareholders:

As diversified, alternative investors, our investment objective continues to be to generate distributable income and capital appreciation. We do this by seeking to generate stable returns across economic cycles and market conditions.

H1 2023 Market Context

In 2022, global risk assets were punished by a combination of geopolitical crisis, supply chain stresses, and central banks aggressively hiking interest rates to curb sharply rising inflation. Against this backdrop, investors struggled to find true sources of diversification with stocks(1), government bonds(2), investment grade credit(3) and high yield credit(4) all down in excess of 10%. By year-end, concerns about the eventual impact of rapid rate increases, ongoing elevated inflation, expectations of more rate hikes and a broadly anticipated recession had resulted in an increasingly pessimistic investor outlook.

Many of these challenges came to a head in March 2023, when reported losses in U.S. regional bank investment portfolios raised solvency concerns and prompted an abrupt deposit flight towards "systemically important" banks. The resulting failure of several regional banks prompted the U.S. government to intervene with liquidity backstops in an attempt to reassure depositors and stabilise the regional banking system. Although this intervention was successful, the subsequent tightening of bank lending standards has set the stage for further stresses in markets reliant on regional bank lending, including commercial real estate and smaller corporations.

Despite these evolving challenges, broad risk assets rallied strongly in the first half of 2023. In the U.S., this was driven by clear signs of disinflation (year-on-year headline inflation declined from 6.5% at year-end to 3.0% in June), a resilient 3.6% unemployment rate near multi-decade lows, and indications from the Fed of an approaching end to the rate hiking cycle in the mid-5% range.

Equity markets posted particularly strong returns, led by the growth-oriented sectors that struggled the most in 2022. The Nasdaq 100 (which returned -32.5% in 2022) posted its strongest-ever first half to a year at +39.4%, buoyed by investor euphoria surrounding artificial intelligence "large language models" ("LLMs" like ChatGPT) and the potential revenue and savings driven by the integration of these capabilities into a wide array of corporate activities. In contrast, the smaller-cap segment of the U.S. market has been weighed down by concerns about regional access to credit and a potentially slowing economy, with the Russell 2000 rising +8.1%. The MSCI All Country World Gross Total Return Local Index rose +14.4%, the S&P 500 gained +16.9%, and the energy-heavy FTSE All Share Index rose a more modest +2.5%.[(5)]

Our performance

Tetragon's portfolio produced a net investment return on equity (RoE) of +1.7% and a NAV per share total return of +1.7% during H1 2023. Within Tetragon's portfolio, private and public equity exposures drove gains, along with appreciation in the portfolio of GP investments in asset management businesses. This was partially offset by smaller losses in the hedge fund and real estate private equity portfolios.

NAV Total Return 2023 YTD

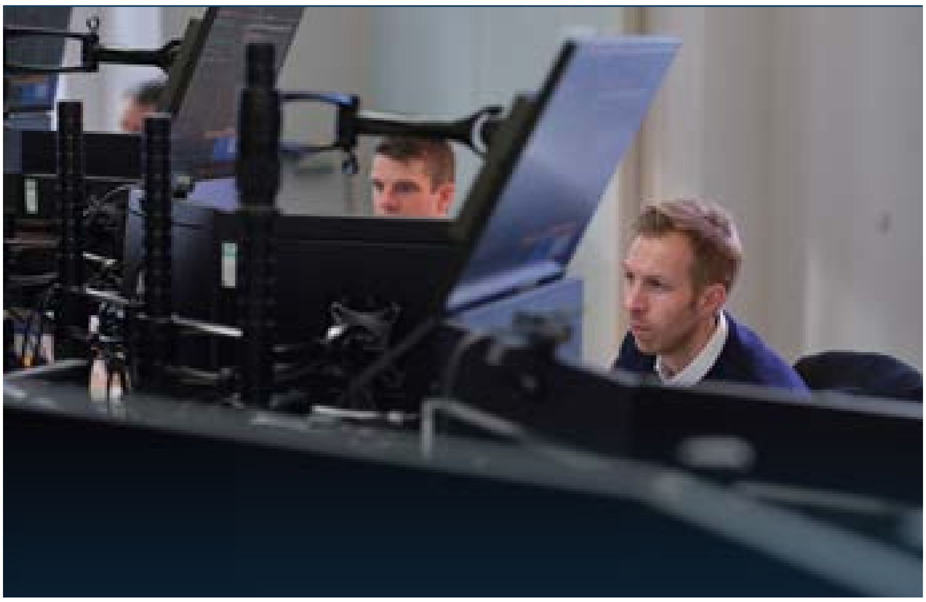
1.7%

Return on Equity 2023 YTD

1.7%

Dividends 2023 YTD

$0.22



"Within Tetragon's portfolio, private and public equity exposures drove gains, along with appreciation in the portfolio of GP investments in asset management businesses."

Outlook

In 2023, market sentiment has grown increasingly positive, with equity and credit markets reflecting hopes of a "soft landing" or, at worst, a mild-to-rolling recession. Risk appetites have been revitalised by the stabilisation of the regional banking system, signs of disinflation, an approaching end to rate hikes, the emergence of new AI technologies and the surprising resilience of both U.S. unemployment rates (3.7%) and real GDP forecasts (+1.3% estimated in 2023). However, the full consequences of rapid rate increases and tightening lending standards have yet to be fully discovered. In our 2022 Annual Report, we noted that such uncertain and contradictory times can pave the way for strong returns in the coming years. Our innovative approach to capital solutions and opportunistic portfolio construction enables us to invest in situations where other investors are rebalancing portfolios that are unbalanced, illiquid or impaired.

> In April, Tetragon repurchased $25.1 million of its non-voting shares.

Tetragon portfolio performance notes

Return on Equity. During the last 12 months, Tetragon's gross RoE was +8.3% (+5.9% net), as compared to +17.1% for the MSCI ACWI Index. Over the last five years, Tetragon's annualised gross RoE was 13.4% (+9.2% net) compared to +9.4% for the MSCI ACWI Index.(6)

Volatility. Over the last year, the annualised volatility of Tetragon's gross RoE was 4.8% (or 4.0% on the basis of its net RoE) and 10.2% for the last five years (or 8.2% on the basis of its net RoE). The volatility of the MSCI ACWI Index's gross RoE was 17.0% for the last year and 16.4% for the last five years.

Sharpe Ratio. Over the last year, Tetragon's gross Sharpe Ratio was 0.98 (0.57 on a net basis), compared to a Sharpe Ratio of 0.77 for the MSCI ACWI Index. Over the last five years, Tetragon's Sharpe Ratio was 1.16 on a gross basis (and 0.95 on a net basis). The Sharpe Ratio for the MSCI ACWI Index was 0.48 over the same time period.(7)

Board matters

Dividends and share repurchases

The second quarter 2023 dividend was declared at 11.00 cents per share, bringing the 2023 year-to-date dividend to 22.00 cents per share.

In April, Tetragon repurchased $25.1 million of its non-voting shares. The company has returned approximately $1.6 billion to investors through dividends and share repurchases since its initial public offering in 2007. Tetragon will continue to seek to return value to its shareholders, including through dividends and share repurchases.

Other investor matters

As previously mentioned, beginning 1 July 2023, the Hurdle Rate has been amended to equal to three-month term SOFR plus 2.747858% *per annum*.

With regards,

The Board of Directors

31 July 2023

Notes:

1 MSCI All Country World Gross Total Return Local Index -16%. Source: Bloomberg. Please see note 11 on page 6 for important disclosures. We refer throughout this letter to the MSCI All Country World Gross Total Return Local Index as the MSCI ACWI Index.

2 S&P US Treasury Bond Current 10-year Total Return Index -16%. Source: Bloomberg.

3 Bloomberg Global Aggregate Total Return Index Value Hedged USD -11%. Source: Bloomberg.

4 Bloomberg Global High Yield Total Return Index Value Hedged USD -11%. Source: Bloomberg.

5 All statistics are calculated using monthly datapoints. Source: Bloomberg.

6 All statistics are calculated using monthly datapoints. Represents the performance of the ACWI index if there were no foreign exchange fluctuations (similar to a portfolio with currency hedges), and with dividends reinvested, gross of any taxes. Source: Bloomberg.

7 The risk-free rate used in the calculation of the Sharpe Ratio is the yield on 1-month U.S. Treasury bills.

1

Manager’s review

Investment objective & strategy

Tetragon's investment objective is to generate distributable income and capital appreciation.

To achieve Tetragon's investment objective of generating distributable income and capital appreciation, our investment strategy is as follows:

1

Identify attractive asset class and investment strategies

2

Identify asset managers that Tetragon Financial Management believes to be superior

3

Use Tetragon Financial Management's market experience to negotiate favourable terms for Tetragon's investments

4

Own, where appropriate, all or a portion of the asset management companies with which Tetragon invests in order to enhance the returns achieved on its capital

In addition, the current investment strategy is to continue to grow and diversify TFG Asset Management – as our diversified alternative asset management business – as well as to enhance the value of our asset management companies with a view to realising value from the enterprise.

The ways we invest

Our investment strategy leads us to invest in three primary ways.

Investments in managed funds

Ownership stakes in asset managers

Direct investments

Investments in managed funds

Internally-managed funds

We invest in a range of specialised funds managed by TFG Asset Management managers, with a view to obtaining diversified returns on favourable terms. In so doing, Tetragon aims to not only produce asset-level returns, but also to enhance these returns with capital appreciation and investment income from its ownership stakes in asset management businesses that derive income from external investors.

Externally-managed funds

We also invest with high-quality third-party managers in which we do not have an ownership stake, in order to access asset classes and investment strategies that we believe are attractive, and we look to create beneficial structures for these investments.

Ownership stakes in asset managers

One of Tetragon's largest investments is TFG Asset Management, which manages, oversees and supervises our ownership stakes in asset management companies.

TFG Asset Management enhances the value of each individual investment and the entity as a whole through a shared strategic direction and operating infrastructure – encompassing critical business management functions such as risk management, investor relations, financial control, technology, and compliance/legal matters – while at the same time giving entrepreneurial independence to the managers of the underlying businesses.

Factors in building out TFG Asset Management

Considerations when evaluating the viability of a potential asset manager typically include performance track records, reputation, regulatory requirements, infrastructure needs and asset-gathering capacity. Potential profitability and scalability of the asset management business are also important considerations.

Additionally, the core capabilities, investment focus and strategy of any new business should offer a complementary operating income stream to TFG Asset Management's existing businesses. Tetragon looks to mitigate potential correlated risks across TFG Asset Management's investment managers by diversifying its exposure across asset classes, investment vehicles, durations and investor types, among other factors.

Longer-term investment strategy

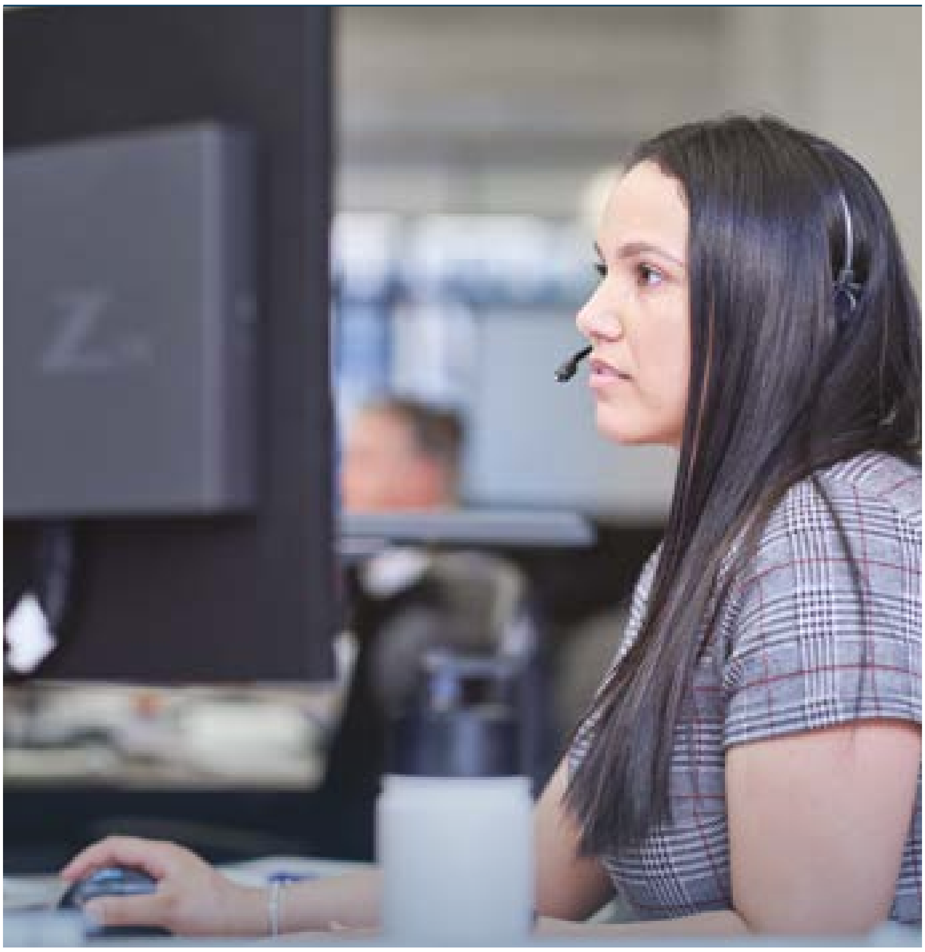
Tetragon's longer-term investment strategy with respect to TFG Asset Management is to continue to grow and diversify, as well as to enhance the value of its asset management companies, with a view to realising value from the enterprise. This may be through transactions relating to individual businesses within TFG Asset Management, potentially both private and public, that would take advantage of this value enhancement or an initial public offering or other strategic transaction at the TFG Asset Management level. Although transactions relating to individual businesses could shrink TFG Asset Management's portfolio of relatively mature market-leading businesses – thereby possibly delaying progress toward a strategic transaction at the TFG Asset Management level – they would enable it to reap the benefits of its success in growing asset management businesses without having to wait for an IPO or other strategic transaction at the TFG Asset Management level. In any event, TFG Asset Management will continue to seek to grow and diversify the business, leveraging its operating infrastructure and shared strategic direction, with Tetragon looking to support investments through co-investment and working capital.

Direct Investments

We make investments directly on our balance sheet.

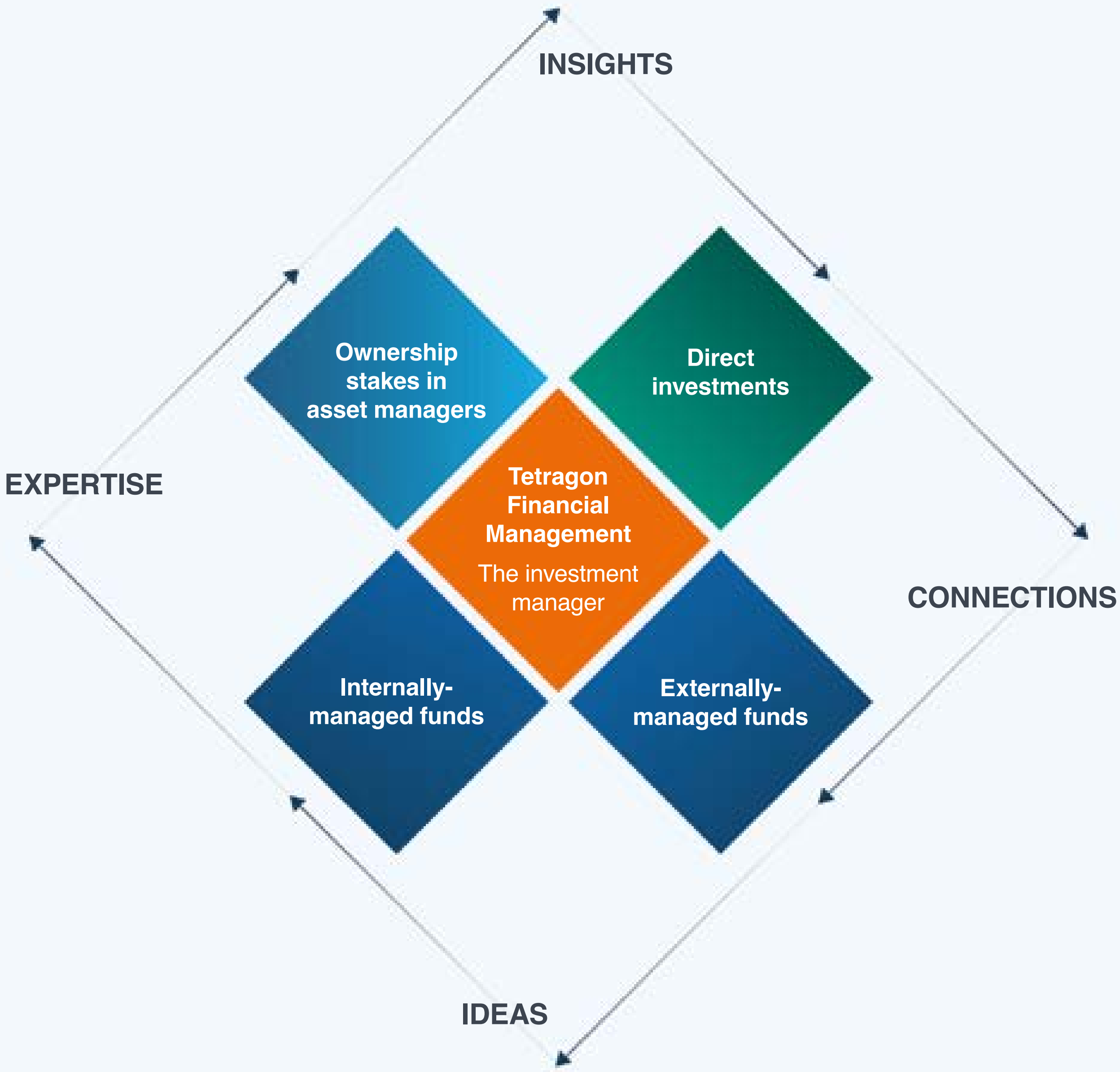
These investments reflect single-strategy ideas or idiosyncratic investments that we believe are attractive but may be unsuitable for an investment via TFG Asset Management vehicles. These investments tend to be opportunistic and with a catalyst.

"Tetragon looks to mitigate potential correlated risks across TFG Asset Management's investment managers by diversifying its exposure."



Our alpha-driven ecosystem

Our alpha-driven ecosystem generates ideas, expertise, insights and connections.



Key Performance Metrics

Tetragon focuses on the following key metrics when assessing how value is being created for, and delivered to, Tetragon shareholders:

NAV per share

Investment Returns/ Return on Equity

Dividends

Figure 3

Fully diluted NAV per share

NAV Per Share Total Return 2019-2023 YTD

Fully Diluted NAV per share (NAV per share) was $29.97 at 30 June 2023. NAV per share total return was 1.7% for H1 2023.

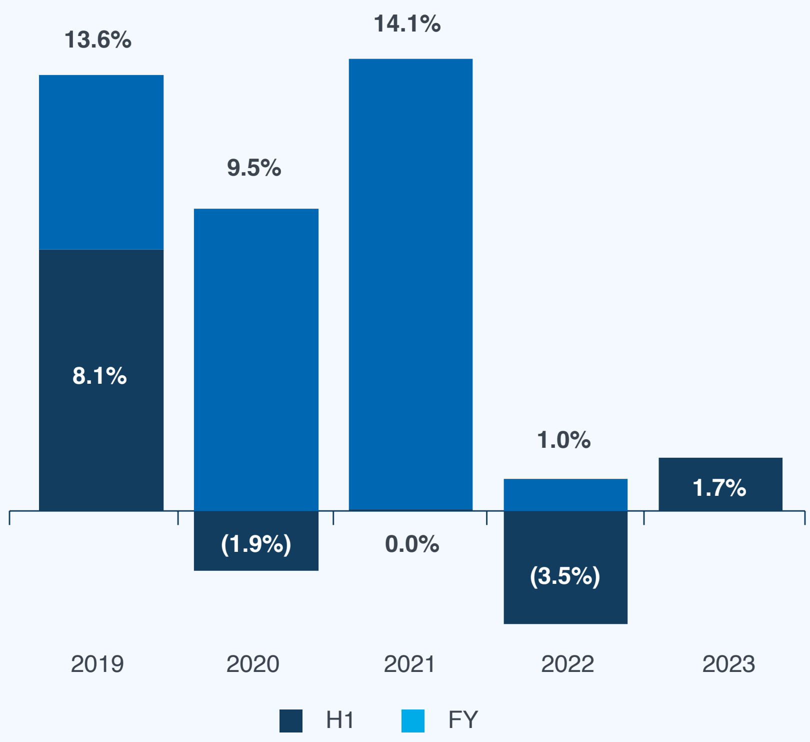


Figure 4

Investment returns / return on equity[1]

Return on Equity 2019-2023 YTD

RoE for H1 2023 was 1.7%. Adjusted Earnings Per Share (EPS) for the period was $0.52.

1 Average RoE is calculated from Tetragon's IPO in 2007. Tetragon seeks to deliver 10-15% RoE per annum to shareholders. Tetragon's returns will most likely fluctuate with LIBOR or an equivalent risk-free short-term rate which directly flows through some of Tetragon's investments and therefore in high-LIBOR environments, Tetragon should achieve higher sustainable returns; in low-LIBOR environments,Tetragon should achieve lower sustainable returns. Please note that (i) from 31 December 2021, LIBOR was replaced by an appropriate alternate rate as advised by ISDA in the IBOR Fallbacks Protocol, although certain LIBOR settings continued to be calculated and published using panel bank submissions until 30 June 2023, and (ii) LIBOR is longer available from 1 July 2023, and the market generally is replacing LIBOR with the Secured Overnight Funding Rate (SOFR), which tracks the interest rate on borrowings collateralised by U.S. Treasury securities.

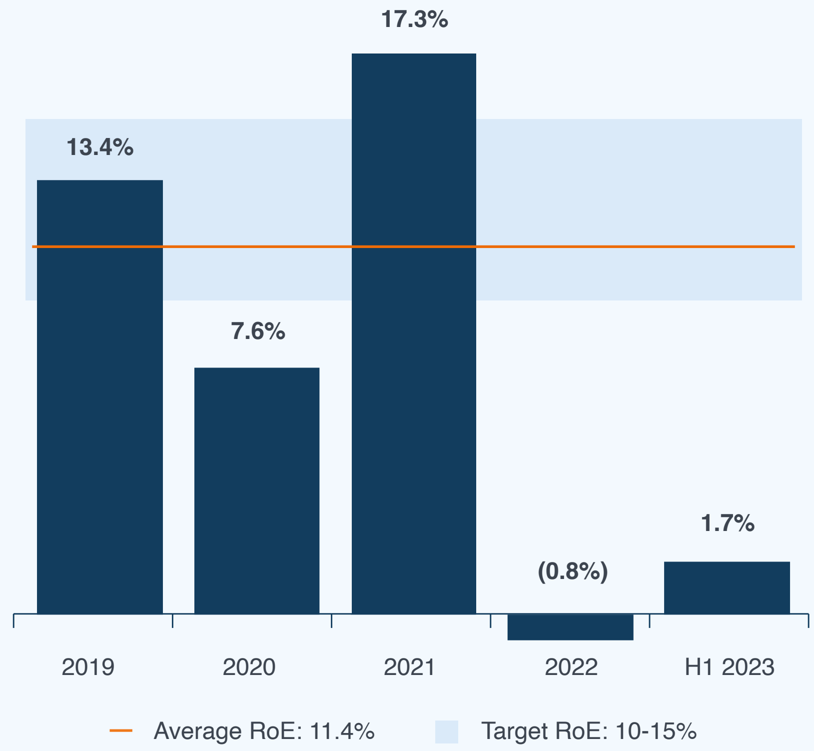
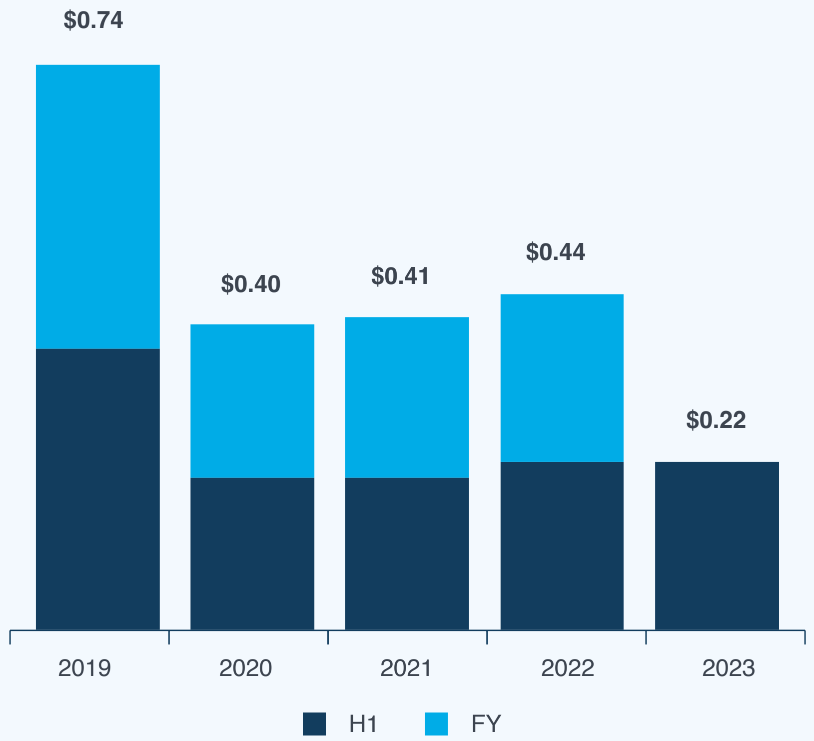


Figure 5

Dividends per share (DPS)

Dividend per Share Comparison 2019-2023 YTD

Tetragon declared a Q2 2023 dividend of $0.11 per share, for a half-year dividend payout of $0.22 per share. The cumulative DPS declared since Tetragon's IPO is $8.3875.



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Investment review

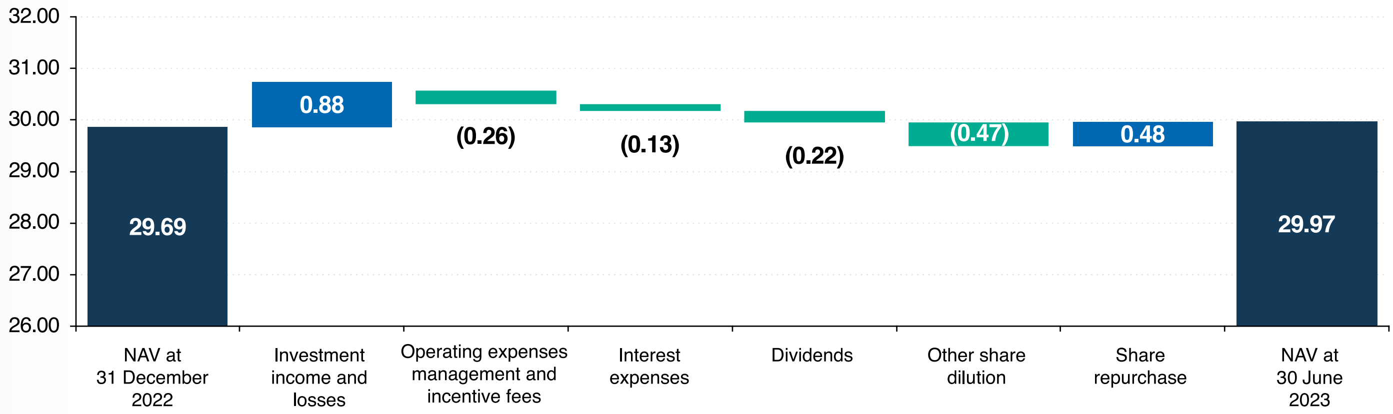
Tetragon's Fully Diluted NAV Per Share increased from $29.69 per share to $29.97 per share during the first half of 2023. The private equity and venture capital segment was the largest positive contributor to performance returns during the period, closely followed by Tetragon's investments in private equity in asset management companies, known as TFG Asset Management, and the other equities and credit investments. A detailed performance review of each asset class follows beginning on page 24.

Overview

Figure 6

Year-to-Date NAV Per Share Progression (USD)(i)

Tetragon's Fully Diluted NAV Per Share increased from $29.69 per share as at 31 December 2022 to $29.97 per share as at 30 June 2023.



Progression from 31 December 2022 to 30 June 2023 is an aggregate of each of the six months' NAV progressions. With the exception of share repurchases, all the aggregate monthly Fully Diluted NAV Per Share movements in the table are determined by reference to the fully diluted share count at the start of each month.

Figure 7

Net Asset Breakdown Summary

The table shows a breakdown of the composition of Tetragon's NAV at 31 December 2022 and 30 June 2023, and the factors contributing to the changes in NAV over the period.

All figures below are in millions of U.S. dollars.

Asset Classes	NAV at 31 Dec 2022	Additions(i)	Disposals/ Receipts(i)	Gains/ Losses	NAV at 30 Jun 2023
Private equity in asset management companies	1,343.3	44.8	(35.5)	30.2	1,382.8
Event-driven equities, convertible bonds and other hedge funds	548.9	27.1	(16.5)	(8.3)	551.2
Bank loans	304.1	5.5	(32.3)	0.5	277.8
Real estate	151.8	5.4	(4.0)	(3.2)	150.0
Private equity and venture capital	377.6	35.5	(3.8)	31.9	441.2
Legal assets	19.3	2.5	–	1.7	23.5
Other equities and credit(ii)	181.6	21.4	(27.3)	29.0	204.7
Net cash(iii)	(168.1)	–	(95.7)	1.5	(262.3)
Total	**2,758.5**	**142.2**	**(215.1)**	**83.3**	**2,768.9**

i Any gains or losses on foreign exchange hedging instruments attributable to a particular strategy or sub-asset class have been included in "additions" or "disposals/ receipts" respectively. For example, where a hedging gain or loss is made, this will result in either cash being received or paid, or cash being receivable or payable, which is equivalent to a receipt or disposal.

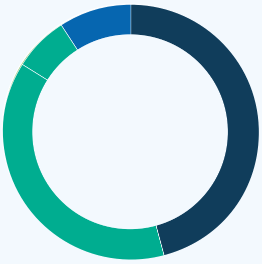
ii Assets characterised as "other equities and credit" consist of investment assets held directly on the balance sheet. For certain contracts for difference (CFD), gross value or required margin is used. Under IFRS, these CFDs are held at fair value which is the unrealised gain or loss at the reporting date. Payments and receipts on the same investments have been netted off against each other.

iii Net cash consists of: (1) cash held directly by Tetragon, (2) excess margin held by brokers associated with assets held directly by Tetragon, and (3) cash held in certain designated accounts related to Tetragon's investments, some of which may only be used for designated purposes without incurring significant tax and transfer costs, and (4) adjusted for all other assets and liabilities at the reporting date including any drawn amounts on the revolving credit facility.

Figure 8

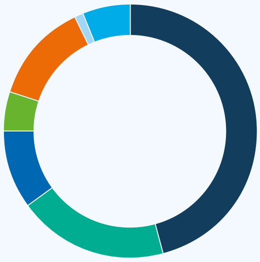
Net Asset Composition Summary

Invested in three ways



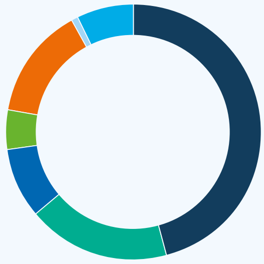
- **GP** 46%
- **LP internal** 38%
- **LP external** 7%
- **Direct** 9%

Net asset breakdown at 31 Dec 2022



- **Private equity in asset management** 46%
- **Event-driven equities, convertible bonds, other hedge funds** 19%
- **Bank loans** 10%
- **Real estate** 5%
- **Private equity and venture capital** 13%
- **Legal assets** 1%
- **Other equities and credit** 6%

Net asset breakdown at 30 Jun 2023



- **Private equity in asset management** 46%
- **Event-driven equities, convertible bonds, other hedge funds** 18%
- **Bank loans** 9%
- **Real estate** 5%
- **Private equity and venture capital** 14%
- **Legal assets** 1%
- **Other equities and credit** 7%

Figure 9

Top 10 Holdings by Value as of 30 June 2023

Rank	Holding	Asset Class	Value ($ millions)	% of Investments
1	Equitix	Private equity in asset management company	750.5	24.8%
2	Polygon European Equity Opportunity Fund - Absolute Return	Event-driven equities	294.4	9.7%
3	LCM	Private equity in asset management company	285.6	9.4%
4	BentallGreenOak	Private equity in asset management company	275.2	9.1%
5	Polygon European Equity Opportunity Fund - Long Bias	Event-driven equities	136.5	4.5%
6	Banyan Square Fund 1	Private equity and venture capital	129.5	4.3%
7	Acasta Global Fund	Convertible bonds	98.9	3.3%
8	Ripple Labs Inc. - Series A & B Preferred Stock	Private equity and venture capital	75.3	2.5%
9	Hawke's Point Fund 1	Private equity and venture capital	75.0	2.5%
10	TCI III	Bank loans	68.1	2.2%
	Total			**72.3%**

Figure 10

Detailed Investment Review

The table breaks out more detail showing the effect of capital flows and performance gains and losses on the NAV of each asset class during H1 2023; more detailed commentary for each asset class follows. All figures below are in millions of U.S. dollars.

Asset Classes	NAV at 31 Dec 2022	Additions(i)	Disposals/ Receipts(i)	Gains/ Losses	NAV at 30 Jun 2023	% of investments
Private equity in asset management companies						
Equitix	683.2	23.2	(9.1)	53.2	750.5	24.8%
BentallGreenOak	283.0	3.3	(8.7)	(2.4)	275.2	9.1%
LCM	290.7	3.4	-	(8.5)	285.6	9.4%
Platform and other asset managers	86.4	14.9	(17.7)	(12.1)	71.5	2.4%
Event-driven equities, convertible bonds and other hedge funds						
Polygon European Equity Opportunity Fund - Absolute Return	287.8	20.0	-	(13.4)	294.4	9.7%
Polygon European Equity Opportunity Fund - Long Bias	131.8	5.6	-	(0.9)	136.5	4.5%
Polygon Global Equities Fund	4.4	1.5	-	(1.3)	4.6	0.2%
Acasta funds	104.2	-	(10.0)	8.9	103.1	3.4%
Other hedge funds	20.7	-	(6.5)	(1.6)	12.6	0.4%
Bank loans						
U.S. CLOs (LCM)	159.7	-	(18.0)	6.3	148.0	4.9%
Tetragon Credit Partners funds	132.7	5.5	(12.8)	(4.6)	120.8	4.0%
U.S. CLOs (non-LCM)	11.7	-	(1.5)	(1.2)	9.0	0.3%
Real estate						
BentallGreenOak Europe funds and co-investments	35.3	3.2	-	-	38.5	1.3%
BentallGreenOak U.S. funds and co-investments	49.2	1.8	(1.2)	(4.3)	45.5	1.5%
BentallGreenOak Asia funds and co-investments	21.7	-	(1.6)	1.1	21.2	0.7%
BentallGreenOak debt funds	3.9	0.2	(1.2)	0.2	3.1	0.1%
Other real estate	41.7	0.2	-	(0.2)	41.7	1.4%
Private equity and venture capital						
Hawke's Point funds and co-investments	59.1	6.5	-	14.0	79.6	2.6%
Banyan Square funds	123.6	5.6	(3.5)	3.8	129.5	4.3%
Other funds and co-investments	130.4	12.9	(0.3)	3.4	146.4	4.8%
Direct	64.5	10.5	-	10.7	85.7	2.8%
Legal assets						
Contingency Capital funds	19.3	2.5	-	1.7	23.5	0.8%
Other equities and credit(ii)						
Other equities	165.7	21.3	(27.3)	29.0	188.7	6.2%
Other credit	15.9	0.1	-	-	16.0	0.5%
Cash						
Net cash(iii)	(168.1)	-	(95.7)	1.5	(262.3)	
Total	**2,758.5**	**142.2**	**(215.1)**	**83.3**	**2,768.9**	**100.0%**

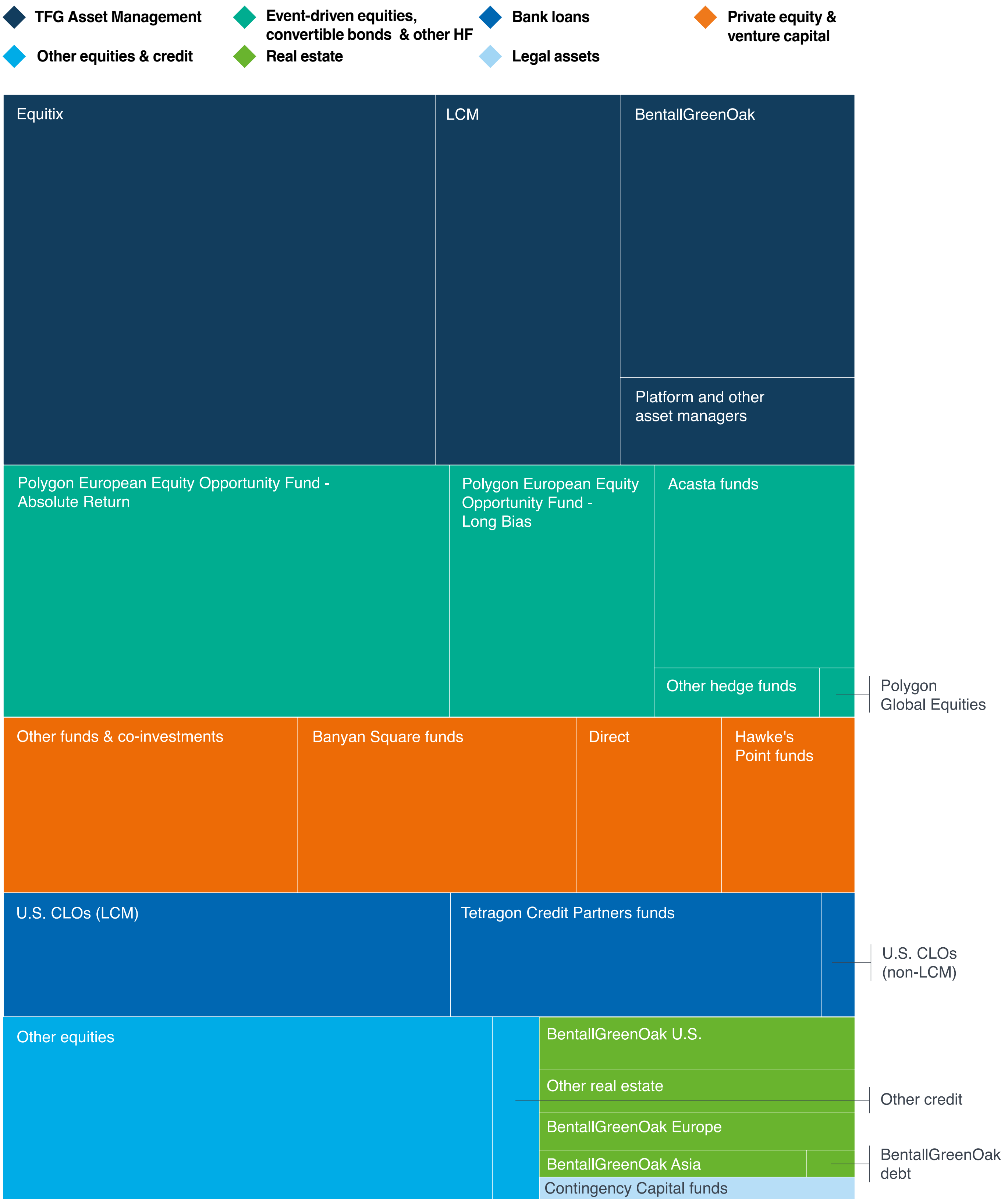
(i) Any gains or losses on foreign exchange hedging instruments attributable to a particular strategy or sub-asset class have been included in "additions" or "disposals/receipts" respectively. For example, where a hedging gain or loss is made, this will result in either cash being received or paid, or cash being receivable or payable, which is equivalent to a receipt or disposal.

(ii) Assets characterised as "other equities & credit" consist of investment assets held directly on the balance sheet. For certain contracts for difference (CFD), gross value or required margin is used. Under IFRS, these CFDs are held at fair value which is the unrealised gain or loss at the reporting date. Payments and receipts on the same investment have been netted off against each other.

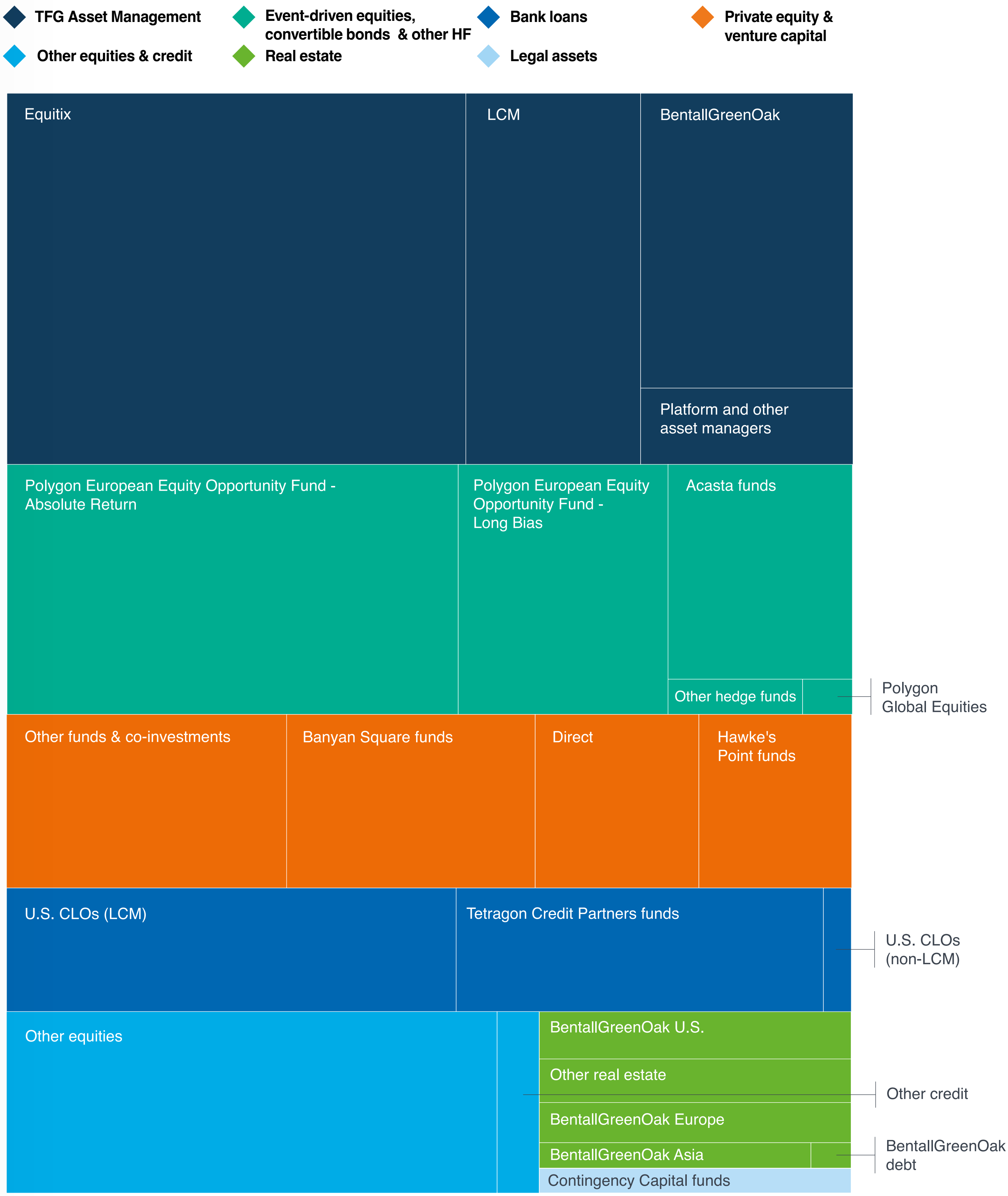
(iii) Net cash consists of: (1) cash held directly by Tetragon, (2) excess margin held by brokers associated with assets held directly by Tetragon, and (3) cash held in certain designated accounts related to Tetragon's investments, some of which may only be used for designated purposes without incurring significant tax and transfer costs, and (4) adjusted for all other assets and liabilities at the reporting date including any drawn amounts on the revolving credit facility.

Detailed net asset breakdown

31 December 2022



30 June 2023


TFG Asset Management
Other equities & credit
Event-driven equities, convertible bonds & other HF
Real estate
Bank loans
Legal assets
Private equity & venture capital
Equitix
LCM
BentallGreenOak
Platform and other asset managers
Polygon European Equity Opportunity Fund - Absolute Return
Polygon European Equity Opportunity Fund - Long Bias
Acasta funds
Other hedge funds
Polygon Global Equities
Other funds & co-investments
Banyan Square funds
Direct
Hawke's Point funds
U.S. CLOs (LCM)
Tetragon Credit Partners funds
U.S. CLOs (non-LCM)
Other equities
BentallGreenOak U.S.
Other real estate
Other credit
BentallGreenOak Europe
BentallGreenOak Asia
BentallGreenOak debt
Contingency Capital funds

Detailed investment review

1

Private equity investments in asset management companies

TFG Asset Management is Tetragon's diversified alternative asset management platform. It enables Tetragon to produce asset level returns on its investments in managed funds on the platform, and to enhance those returns through capital appreciation and investment income from its ownership stakes in the asset management businesses. The combination of relatively uncorrelated businesses across different asset classes and at different stages of development under TFG Asset Management is also intended to create a collectively more robust and diversified business and income stream.

As at 30 June 2022, TFG Asset Management comprised LCM[1], BentallGreenOak, Polygon[2], Acasta Partners[3], Equitix[4], Hawke's Point[5], Tetragon Credit Partners, Banyan Square Partners[6] and Contingency Capital[7]. TFG Asset Management recorded an investment gain of $30.2 million during the first half of 2023, driven by its investment in Equitix.

Equitix

Equitix is an integrated core infrastructure asset management and primary project platform, with a sector focus on social infrastructure, transport, renewable power, environmental services, network utilities and data infrastructure. Tetragon owns 75% of the company. During H1 2023, Equitix's AUM increased from £10.0 billion to £10.4 billion. Equitix started raising capital for Fund VII after closing Fund VI at £1.5 billion in AUM, and also raised some capital into managed accounts during the period. Tetragon's investment made a gain of $53.2 million in H1 2023, driven by a) higher valuation as the business continued to deliver against its business plan despite a 5% decrease in the market multiples, b) a reduction in net debt due to positive cash generation, c) dividend income received by Tetragon of $9.1 million, and d) strengthening of the British Pound which gained 5% against the U.S. dollar in H1 2023.

BentallGreenOak

BentallGreenOak is a real estate-focused principal investing, lending and advisory firm. During H1 2023, distributions to Tetragon totalled $8.7 million, reflecting a combination of fixed quarterly contractual payments, variable payments and carried interest. The value of Tetragon's investment decreased to $275.2 million during the period, which resulted in a small loss of $2.4 million, primarily due to reduction in carried interest estimates for certain existing funds. BentallGreenOak's operating income continued to rise versus its 2022 results and is in line with the business plan.

LCM

LCM is a bank loan asset management company. LCM manages loan assets through Collateralised Loan Obligations (CLOs), which are long-term, multi-year investment vehicles. Tetragon's investment in LCM made a loss of $8.5 million in H1 2023 as market multiples decreased and discount rates increased. In addition, AUM decreased by 5% and LCM has not issued any new CLOs so far this year owing to current market conditions.

Platform and other asset managers

TFG Asset Management's other asset managers consist of Polygon, a manager of open-ended hedge fund and private equity vehicles focused on event-driven equity investing; Acasta Partners, a manager of open-ended hedge fund and managed account vehicles, employing a multi-disciplinary approach; Tetragon Credit Partners, a structured credit investing business focused on primary CLO control equity as well as a broader series of offerings across the CLO capital structure; Hawke's Point, an asset management business that provides strategic capital to companies in the mining and resource sectors; Banyan Square Partners, a private equity firm focused on non-control equity investments; and Contingency Capital, a global asset management business focused on credit-oriented legal assets investments. The collective loss on Tetragon's investments in these managers was $12.1 million during the first half of 2023, owing to a combination of a reduction in the fair value of some of these managers, as well as working capital support provided to relatively nascent businesses.

Please see Note 4 in the 30 June 2023 Tetragon Financial Group Unaudited condensed financial statements for further details on the basis for determining the fair value of TFG Asset Management. Additionally, for further colour on the underlying performance of the asset managers, please see Figure 18 for TFG Asset Management's *pro forma* operating results and associated commentary.

2

Event-driven equities, convertible bonds and other hedge funds

Tetragon invests in event-driven equities and convertible bonds and credit through hedge funds. At 30 June 2023, these investments are primarily through hedge funds managed by Acasta Partners and Polygon. Investments in these funds generated a loss of $8.3 million during H1 2023.

- **Polygon European Equity Opportunity Fund:** This fund focuses on event-driven European equity strategies with catalysts, particularly in mergers and acquisitions, deep-value dislocation trades, and capital markets special situations. Tetragon's investments in these funds recorded a loss of $14.3 million during the period. Tetragon is invested in both of the fund's share classes; the Absolute Return class had net performance of -4.3% and the Long Bias share class returned +4.4%. Tetragon made an additional investment of $20.0 million into the fund.

- **Polygon Global Equities Fund:** Tetragon's investment had a small loss of $1.3 million during H1 2023. The position remains relatively small at $4.6 million.

- **Acasta Partners Funds:** The Acasta Global Fund pursues a multi-disciplinary approach to investing, employing niche strategies to profit over economic and risk cycles. The fund invests opportunistically across the credit universe with a particular emphasis on convertible securities, special situations, instruments trading at stressed or distressed levels, metals and mining capital structures including related commodities, and in volatility driven strategies. Acasta Partners also manages the Acasta Energy Evolution Fund, a portfolio targeted at opportunities driven by the transition of energy to renewable resources, and the resulting impact on metals and mining companies and associated commodities. Tetragon's investment in Acasta funds generated a gain of $8.9 million during H1 2023. Net performance in the Acasta Global Fund was +9.1% for its flagship share class, compared to the HFR RV Fixed Income-Convertible Arbitrage Index which returned +0.7% during the period.[8] Tetragon reduced its holding in Acasta Global Fund by $10.0 million during Q1 2023.

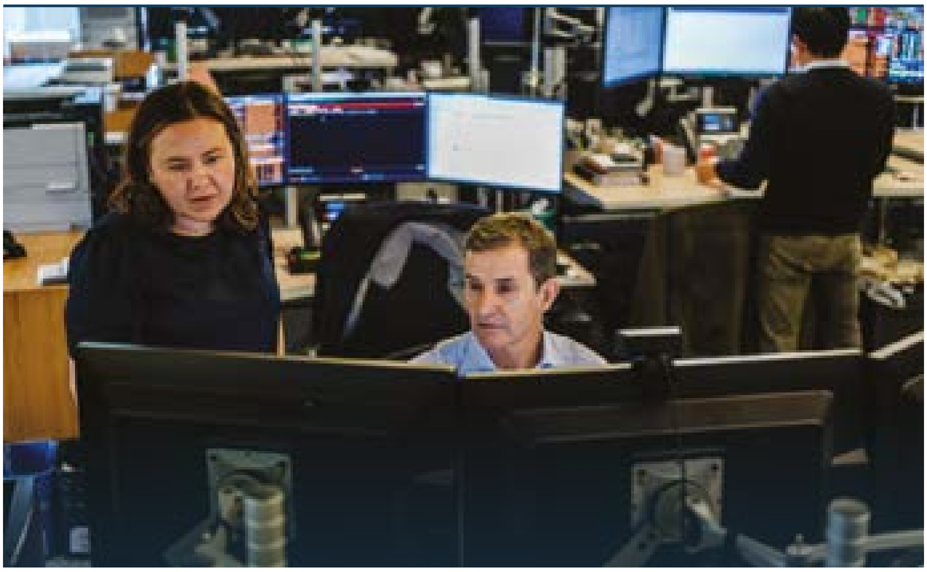
Other hedge funds

- Investments in hedge funds managed by third-party managers lost $1.6 million during H1 2023. There are five such holdings; Tetragon reduced its holdings by $6.5 million during the period.

3

Bank loans

Tetragon continues to invest in bank loans through CLOs primarily by taking majority positions in the equity tranches. Tetragon's CLO portfolio recorded a small gain during H1 2023. Tetragon made new U.S. CLO investments indirectly via the Tetragon Credit Partners platform. We continue to view CLOs as attractive vehicles for obtaining long-term exposure to the leveraged loan asset class.



- **U.S. CLOs (LCM):** Directly-owned LCM CLOs gained $6.3 million during H1 2023. This was driven by factors including: positive performance in certain newer-vintage CLOs, which we believe have benefited from low purchase costs for their initial loan portfolios; higher-yielding reinvestment opportunities within the underlying CLOs; rising risk-free rates, which may increase the cash flow generation ability of CLO equity; and a generally benign level of loan losses in newer-vintage CLOs, offset by the recognition of impairment of certain underlying loans held within older-vintage CLOs. Investments in this segment generated $18.0 million in cash proceeds and as of the end of the period, the total fair value was $148.0 million. As at the end of H1 2023, all LCM CLO transactions were compliant with their junior-most overcollateralisation (O/C) tests.(9)

  There were no new investments in directly-owned LCM CLOs during H1 2023. Tetragon currently expects to make most of its new-issue LCM CLO majority equity investments via the Tetragon Credit Partners platform, but may choose to make opportunistic investments directly, when appropriate.

- **Tetragon Credit Partners Funds(10):** TCI II, TCI III, and TCI IV are CLO investment vehicles established by Tetragon Credit Partners, a 100% owned subsidiary of TFG Asset Management. As of the end of H1 2023, Tetragon's commitment to TCI II was $70.0 million (which was fully funded), its commitment to TCI III was $85.9 million (which was fully funded), and its commitment to TCI IV was $25.6 million (which was 74.5% funded). TCI II and TCI III are fully invested, while TCI IV remains in its initial investment period. As at the end of H1 2023, the total fair value of this segment was $120.8 million.

  During H1 2023, Tetragon's investments in funds managed by Tetragon Credit Partners generated $12.8 million in cash distributions and a loss of $4.6 million. Performance was negatively impacted by the recognition of impairment of certain underlying loans held within the CLOs, which was partially offset by higher-yielding reinvestment opportunities within the underlying CLOs which had reinvestment capacity, and rising risk-free rates which may increase the cash flow generation ability of CLO equity. During the first half of 2023, TCI IV purchased stakes in mezzanine debt tranches of three U.S. CLOs. All CLOs held by TCI II, TCI III, and TCI IV were compliant with their junior-most O/C tests as of the end of June 2023.(11)

- **U.S. CLOs (non-LCM):** The non-LCM-managed CLO segment saw a loss of $1.2 million during H1 2023 and generated $1.5 million in cash distributions. Tetragon did not add any direct non-LCM-managed CLO investments, and as of the end of the period, the fair value of this segment stood at $9.0 million. As of the end of H1 2023, all non-LCM CLOs were compliant with their junior-most O/C tests.(12) Tetragon currently expects to make most of its new issue non-LCM equity investments indirectly via the Tetragon Credit Partners platform.

4

Real estate

- **BentallGreenOak Europe, U.S. and Asia funds and co-investments:** Tetragon holds most of its investments in real estate through BentallGreenOak-managed funds and co-investment vehicles. The majority of these vehicles are private equity-style funds concentrating on opportunistic investments targeting middle-market opportunities in the United States, Europe and Asia, where BentallGreenOak believes it can increase value and produce positive unlevered returns by sourcing off-market opportunities where it sees pricing discounts and market inefficiencies. This segment had a loss of $3.2 million in H1 2023, primarily due to losses in the U.S.-focused investments.

- **Other real estate:** In addition to the commercial real estate investments through BentallGreenOak-managed real estate funds, Tetragon also has investments in commercial farmland in Paraguay managed by a specialist third-party manager in South American farmland. This investment generated a loss of $0.2 million in H1 2023.

5

Private equity and venture capital

Tetragon's private equity and venture capital investments comprise several types of investments: (1) Tetragon's investments in Hawke's Point funds and co-investments; (2) investments in Banyan Square Partners funds and co-investments; (3) private equity investments with third-party managers; and (4) direct private equity investments, including venture capital investments. This segment was the largest driver of performance during H1 2023, generating gains of $31.9 million.

- **Hawke's Point:** Tetragon's mining finance investments managed by Hawke's Point generated a gain of $14.0 million during H1 2023, driven by operational progress at one of its Australian gold project investments and positive exploration results and corporate developments in another Australian investment. Tetragon invested an additional $6.5 million into Hawke's Point funds during the period.

- **Banyan Square Partners:** In H1 2023, most of Banyan Square's portfolio companies achieved solid operating results despite macro headwinds, with a particular focus on profitability. However, the portfolio's growth was partially offset by the continued contraction of multiples, resulting in a net gain during the period of $3.8 million. There are 13 positions in the fund, including positions focused on cybersecurity and applications software.

- **Other funds and co-investments:** Investments in externally-managed private equity funds and co-investment vehicles in Europe and North America made gains of $3.4 million in H1 2023, spread across 32 different positions.

- **Direct:** This category produced gains of $10.7 million during the period, related to positive performance in the investment in Ripple Labs Inc. It is also worth mentioning that post the H1 valuation date, in July 2023, a U.S. judge ruled that Ripple Labs did not violate federal securities law by selling its XRP token on public exchanges, which we believe is positive news for the company.

6

Legal assets

Tetragon makes investments in legal assets through vehicles managed by Contingency Capital. Tetragon has committed capital of $60 million, $19.7 million of which has been called to date, including $2.5 million during H1 2023. A gain of $1.7 million was generated from this investment. The performance of the Contingency Capital fund's portfolio continues to be above the underwritten projections and performance targets, and remains uncorrelated to the public equity and debt markets.

7

Other equities and credit

Tetragon also makes investments directly on its balance sheet reflecting single strategy ideas: either co-investing with some of its underlying managers or simply idiosyncratic investments which it believes are attractive but may be unsuitable for an investment via TFG Asset Management vehicles. These investments tend to be opportunistic and with a catalyst. We believe that the sourcing of these investments has been facilitated by the managers on the TFG Asset Management platform as well as third-party managers with whom Tetragon invests. We also believe this ability to invest flexibly is a benefit of Tetragon's structure.

- **Other equities:** This segment generated a gain of $29.0 million during the period, driven by several positions, including two larger technology holdings that drew down in 2022 but have benefitted from 2023's more supportive growth equity environment. Further gains were driven by a tactical trade in a temporarily-dislocated U.S. regional bank, and appreciation in a UK biotech company due to positive Phase 2 trial data for an oncology therapy.

- **Other credit:** This segment had flat performance during H1 2023 and currently comprises one position.

8

Cash

Tetragon's cash at bank balance was $31.5 million as at 30 June 2023. After adjusting for known accruals and liabilities (short- and long-dated), its net cash balance was -$262.3 million. Tetragon has access to a credit facility of $400 million with maturity date in July 2032. As at 30 June 2023, $300 million of this facility was drawn and this liability has been incorporated into the net cash balance calculation.

The company actively manages its cash levels to cover future commitments and to enable it to capitalise on opportunistic investments and new business opportunities. During H1 2023, Tetragon used $142.2 million of cash to make investments, $25.1 million to repurchase its shares and $10.3 million to pay dividends. $119.4 million of cash was received as distributions and proceeds from the sale of investments. Future cash commitments are $113.5 million, comprising investment commitments to BentallGreenOak funds of $30.2 million, private equity funds of $33.0 million, Tetragon Credit Partners fund of $6.5 million, Contingency Capital fund of $40.3 million and the Contingency Capital loan of $3.5 million.

Notes

1 LCM Asset Management LLC, referred to in this report as "LCM."

2 Polygon Global Partners LP and Polygon Global Partners LLP, referred to in this report as "Polygon".

3 Acasta Partners US and Acasta Partners UK, referred to in this report as "Acasta". Tetragon owns a non-controlling interest in the business.

4 Equitix Holdings Limited, referred to in this report as "Equitix".

5 Hawke's Point Manager LP, referred to in this report as "Hawke's Point".

6 Banyan Square Partners, referred to in this report as "Banyan Square".

7 Tetragon owns a non-controlling interest in the business.

8 The indices shown here have not been selected to represent appropriate benchmarks to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely-recognised indices. The volatility of the indices may be materially different from the individual performance attained by a specific investor. In addition, Tetragon's holdings may differ significantly from the securities that comprise the indices. You cannot invest directly in an index. The HFRX Convertible Arbitrage Index (Bloomberg Code: HFRXCA) is compiled by HFR Hedge Fund Research Inc. Further information relating to index constituents and calculation methodology can be found at https://www.hfr.com.

9 Based on the most recent trustee reports available as of 30 June 2023. Throughout this report, we refer to overcollateralisation or "O/C" tests, which are CLO-specific tests that measure the par amount of underlying CLO collateral (adjusted in certain cases for defaults or other "stressed" asset types) against the par value of the rated CLO debt tranches. The failure of an overcollateralisation test generally results in the temporary cessation of cash flows to the CLO's equity tranche.

10 TCI II refers to Tetragon Credit Income II L.P., TCI III refers to Tetragon Credit Income III L.P., and TCI IV refers to Tetragon Credit Income IV L.P.

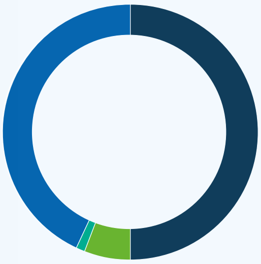
11 Based on the most recent trustee reports available as of 30 June 2023.

12 Based on the most recent trustee reports available as of 30 June 2023.

Figure 11

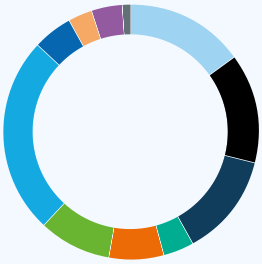
Further portfolio metrics - exposures at 30 June 2023

BY GEOGRAPHY(1)



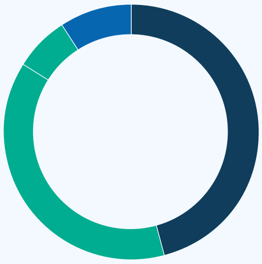
- **Europe** 50%
- **Asia Pacific** 6%
- **Latin America** 1%
- **North America** 43%

BY EXPOSURE[2]



- **Polygon(i)** 15%
- **LCM(i)** 14%
- **BentallGreenOak(i)** 13%
- **Acasta** 4%
- **External(ii)** 7%
- **Direct balance sheet(ii)** 9%
- **Equitix(iii)** 25%
- **Tetragon Credit Partners(i)** 5%
- **Hawke's Point(i)** 3%
- **Banyan Square(i)** 4%
- **Contingency Capital** 1%

BY INVESTMENT



- **Ownership stakes in asset managers**
  46% GP
- **Investments in managed funds**
  38% LP internal
  7% LP external
- **Direct Investments**
  9% Direct

Currency exposure:

Tetragon is a U.S. dollar-based fund and reports all of its metrics in U.S. dollars. During H1 2023, all investments denominated in other currencies were hedged to U.S. dollars except for some of the GBP-denominated exposure in Equitix.

Notes

(1) Assumptions for "By Geography":

- Event-driven equities, convertible bonds, other hedge funds, 'private equity and venture capital', 'legal assets' and 'other equities and credit' investments are based on the geographies of the underlying portfolio assets.
- U.S. CLOs and Tetragon Credit Partners funds (bank loans) are treated as 100% North America.
- LCM, Tetragon Credit Partners, Banyan Square Partners, and Contingency Capital (TFG Asset Management) are treated as 100% North America.
- BentallGreenOak (TFG Asset Management) is treated as 20% Europe, 67% North America, 13% Asia Pacific.
- Polygon and Equitix (TFG Asset Management) are treated as 100% Europe.
- Acasta Partners (TFG Asset Management) is treated as 80% Europe, 20% North America.
- Hawke's Point (TFG Asset Management) is treated as 100% Asia Pacific.

(2) Assumptions for "By Exposure"

(i) Exposure represents the net asset value of the private equity position in the relevant asset management company and investments in funds/accounts managed by that asset management company.
(ii) Exposure represents the net asset value of investments. (iii) Exposure represents the net asset value of the private equity position in the asset management company.

Source: Tetragon

3

Financial review

Financial highlights

Figure 12

Financial Highlights Through H1 2021 - H1 2023

	H1 2023	H1 2022	H1 2021
Reported GAAP Net income ($M)	$41.2	($149.5)	$31.9
Adjusted Net income ($M)	$45.8	($144.7)	$37.6
Reported GAAP EPS	$0.47	($1.68)	$0.36
Adjusted EPS	$0.52	($1.62)	$0.42
Return on equity	1.7%	-5.0%	1.5%
Net Assets ($M)	$2,768.9	$2,674.1	$2,499.7
IFRS number of shares outstanding (M)	84.1	87.3	89.4
NAV per share	$32.94	$30.65	$27.97
Fully diluted shares outstanding (M)	92.4	93.5	94.8
Fully diluted NAV per share	$29.97	$28.59	$26.38
NAV per share total return	1.7%	-3.5%	0.0%
DPS	$0.22	$0.22	$0.20

Tetragon uses the following metrics, among others, to understand the progress and performance of the business:

- **Adjusted Net income ($45.8 million):** Please see Figure 13 for more details and a breakdown of the Adjusted Net Income.
- **Return on Equity (1.7%):** Adjusted Net Income ($45.8 million divided by Net Assets at the start of the year ($2,758.5 million).
- **Fully Diluted Shares Outstanding (92.4 million):** Adjusts the IFRS shares outstanding (84.1 million) for various dilutive factors (8.3 million shares). Please see Figure 21 for more details.
- **Adjusted EPS ($0.52):** Calculated as Adjusted Net Income ($45.8 million) divided by the time-weighted average IFRS shares during the period (87.7 million).
- **Fully Diluted NAV Per Share ($29.97):** Calculated as Net Assets ($2,768.9 million) divided by Fully Diluted Shares Outstanding (92.4 million).

Figure 13

Pro Forma Statement of Comprehensive Income H1 2022-H1 2023

	H1 2023 ($M)	H1 2022 ($M)
Net gain/(loss) on financial assets at fair value through profit or loss	108.6	(160.5)
Net (loss)/gain on derivative financial assets and liabilities	(28.1)	42.6
Net foreign exchange gain	1.3	2.0
Interest income	1.5	-
Investment income	**83.3**	**(115.9)**
Management and incentive fees	(20.9)	(20.9)
Other operating and administrative expenses	(4.9)	(3.5)
Interest expense	(11.7)	(4.4)
Total operating expenses	**(37.5)**	**(28.8)**
Adjusted Net income	**45.8**	**(144.7)**

For H1 2023, the difference between Adjusted Net income as shown here and IFRS profit and total comprehensive income is an adjustment to remove share-based compensation expense of $4.6 million (H1 2022: $4.8 million). This adjustment is consistent with how Adjusted Net income has been determined in prior periods.

No incentive fee was expensed or remain outstanding for H1 2023.

Figure 14

Pro Forma Statement of Financial Position

as at 31 December 2022 and 30 June 2023

	30 June 2023 ($M)	31 Dec 2022 ($M)
ASSETS		
Investments	3,024.3	2,919.2
Derivative financial assets	5.1	21.7
Other receivables	7.4	6.1
Amounts due from brokers	18.8	5.5
Cash and cash equivalents	31.5	21.7
Total assets	**3,087.1**	**2,974.2**
LIABILITIES		
Loans and borrowings	(300.0)	(115.0)
Derivative financial liabilities	(15.9)	(2.5)
Amounts due to brokers	-	(68.0)
Other payables and accrued expenses	(2.3)	(30.2)
Total liabilities	**(318.2)**	**(215.7)**
NET ASSETS	**2,768.9**	**2,758.5**

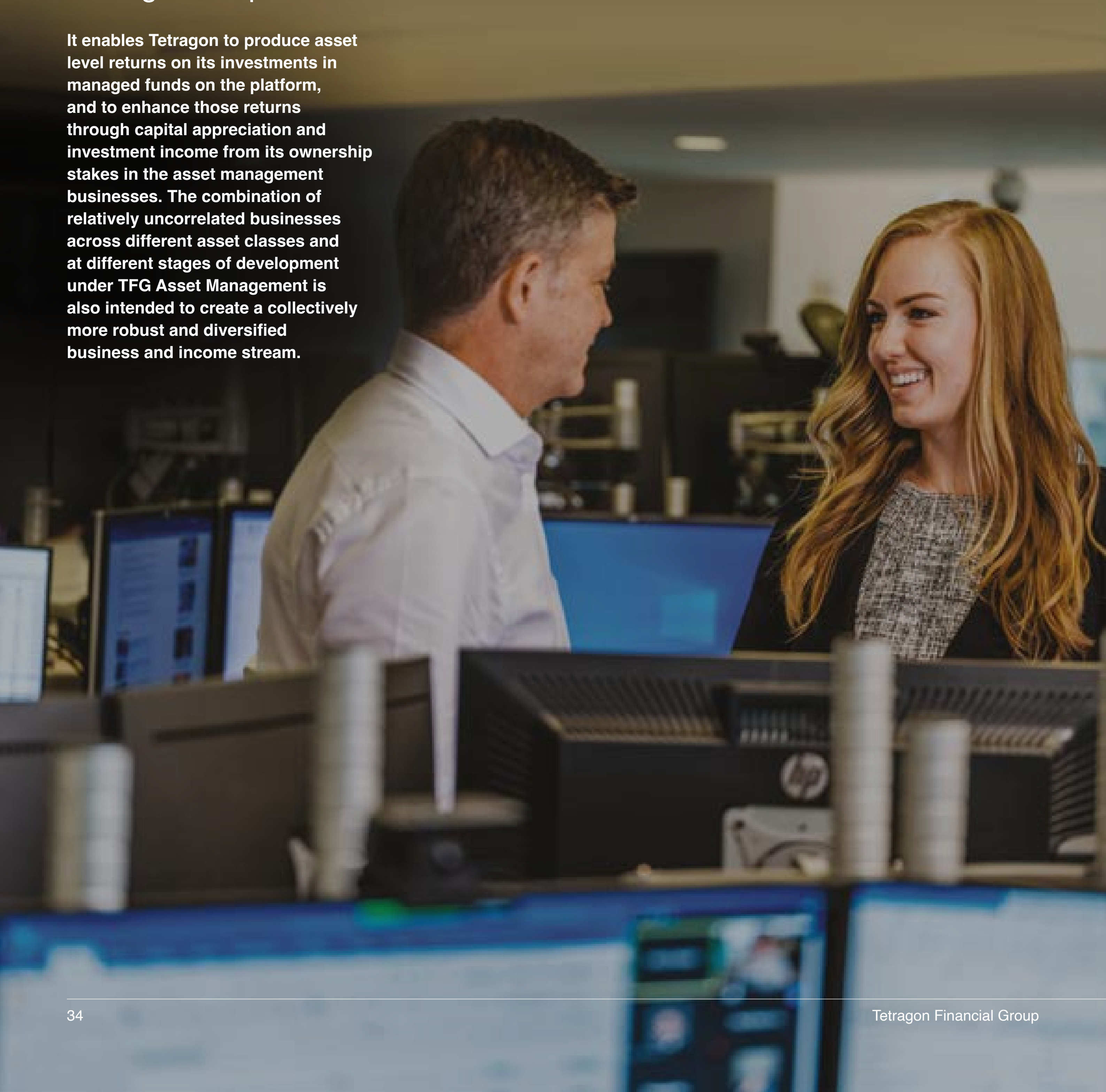
4

Other Information

TFG Asset Management

TFG Asset Management is Tetragon's diversified alternative asset management platform.[1]

It enables Tetragon to produce asset level returns on its investments in managed funds on the platform, and to enhance those returns through capital appreciation and investment income from its ownership stakes in the asset management businesses. The combination of relatively uncorrelated businesses across different asset classes and at different stages of development under TFG Asset Management is also intended to create a collectively more robust and diversified business and income stream.



2010	9	530	$42bn
Launched	**Asset managers**	**Employees** (Excluding BentallGreenOak)	**Assets Under Management**[(2)]

Delivering for Tetragon

Growth

Proven value creation

Access

Specialised products on favourable terms

Expertise

Insights from alternative asset managers

Diversification

Wide range of income streams

Delivering for our managers

Infrastructure

High-quality support for niche and scalable businesses

Access to capital

Tetragon can seed business growth

Management expertise

Experienced, strategic insight

Connections

Access to relationships and information

Notes

(1) TFG Asset Management L.P. is registered as an investment adviser under the United States Investment Advisers Act of 1940. TFG Asset Management UK LLP, which is part of TFG Asset Management, is authorised and regulated by the United Kingdom Financial Conduct Authority. Reade Griffith and Paddy Dear hold certain membership interests in TFG Asset Management UK LLP which collectively entitle them to exercise all of the voting rights in respect of the entity. Mr Griffith and Mr Dear have agreed that they will (i) exercise their voting rights in a manner that is consistent with the best interests of Tetragon and (ii) upon the request of Tetragon, for nominal consideration, sell, transfer, and deliver their membership interests in TFG Asset Management UK LLP to TFG Asset Management.

(2) Includes the AUM of LCM, BentallGreenOak, Polygon, Acasta Partners, Equitix, Hawke's Point, Tetragon Credit Partners, Banyan Square Partners and TCICM, as calculated by the applicable fund administrators at 30 June 2023 (AUM of Tetragon Credit Partners represents committed capital). TCICM (which comprises TCI Capital Management II LLC and TCI Capital Management LLC) acts as a CLO collateral manager for certain CLO investments. It had AUM of $2.4 billion at 30 June 2023. Includes, where relevant, investments by Tetragon. The AUM for BentallGreenOak represents Tetragon's *pro rata* share (12.86%) of BentallGreenOak AUM ($82.7 billion).

Other information

Figure 15

	LCM	BentallGreenOak Strategic Capital Partners	POLYGON	ACASTA
Established	2001	2010	2002	2009
Joined Tetragon	2009	2010	2012	2012
Asset class	Bank loans	Global real estate funds	Event-driven equity	Multi-disciplinary
AUM at 30 June 2023 ($Bn)(1)	$11.9	$10.6	$0.9	$1.0
Percentage Tetragon ownership	100%	13%	100%(2)	Non-controlling interest(2)
Products	U.S. CLOs	Real estate investment strategies	Open-ended hedge fund and private equity vehicles	Open-ended hedge fund and managed account vehicles
Average fund duration	10-12 years(3)	7-10 years	Quarterly liquidity	Quarterly liquidity

(1) AUM as calculated by the applicable fund administrators at 30 June 2023. Includes, where relevant, investments by Tetragon. The AUM for BentallGreenOak represents Tetragon's *pro rata* share (12.86%) of BentallGreenOak AUM ($82.7 billion).

(2) TFG Asset Management owns a non-controlling interest in this manager as well as providing all infrastructure services to it. Michael Humphries owns a controlling stake.

(3) Currently, LCM manages loan assets exclusively through CLOs, which are long-term, multi-year investment vehicles. The typical duration of a CLO, and thus LCM's management fee stream, depends on, among other things, the term of its reinvestment period (currently typically four to five years for a new issue CLO), the prepayment rate of the underlying loan assets, as well as post-reinvestment period reinvestment flexibility and weighted average life constraints.

	equitix	HAWKE'S POINT	TETRAGON CREDIT PARTNERS	BANYAN SQUARE	Contingency Capital
Established	2007	2014	2015	2019	2020
Joined Tetragon	2015	2014	2015	2019	2020
Asset class	Infrastructure funds	Mining finance	Structured credit	Private equity	Legal assets
AUM at 30 June 2023 ($Bn)[1]	$13.2	$0.1	$0.9	$0.1	$0.7
Percentage Tetragon ownership	75%	100%	100%	100%	Non-controlling interest[4]
Products	Infrastructure and renewable funds and managed accounts	Private equity-style funds and managed accounts	Private equity-style vehicles	Private equity funds	Private equity funds and managed accounts
Average fund duration	25 years	Not applicable	10 years	Not applicable	7 years

(4) TFG Asset Management owns a non-controlling interest in this manager as well as providing all infrastructure services to it. Brandon Baer owns a controlling stake.

“TFG Asset Management enhances the value of each investment through a shared strategic direction and operating infrastructure – while giving entrepreneurial independence to the managers of the underlying businesses. We support both niche and scalable strategies, leveraging Tetragon’s long-term capital and our ecosystem of ideas, insights, connections and expertise.”

Figure 16

TFG Asset Management AUM by Business at 30 June 2023(i)

This chart shows the breakdown of the AUM by business in billions of U.S. dollars.

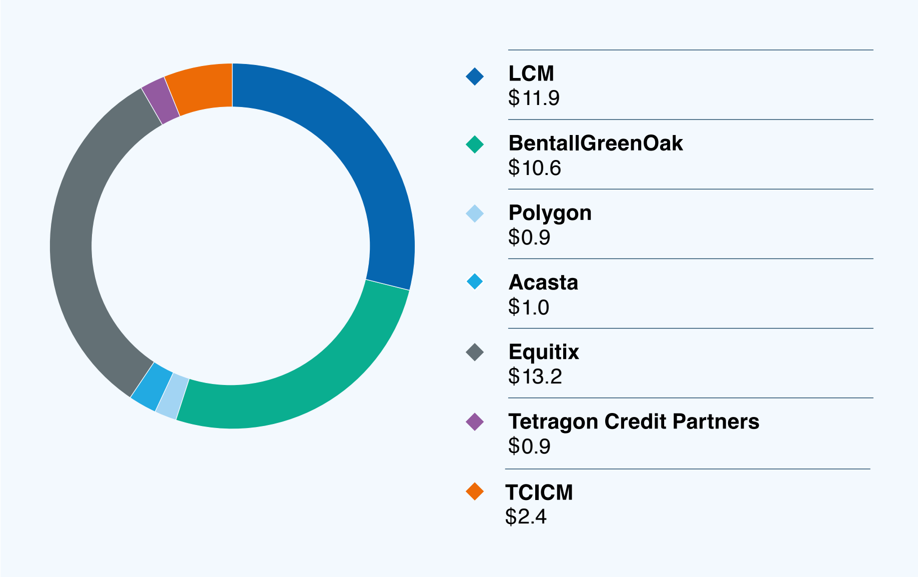
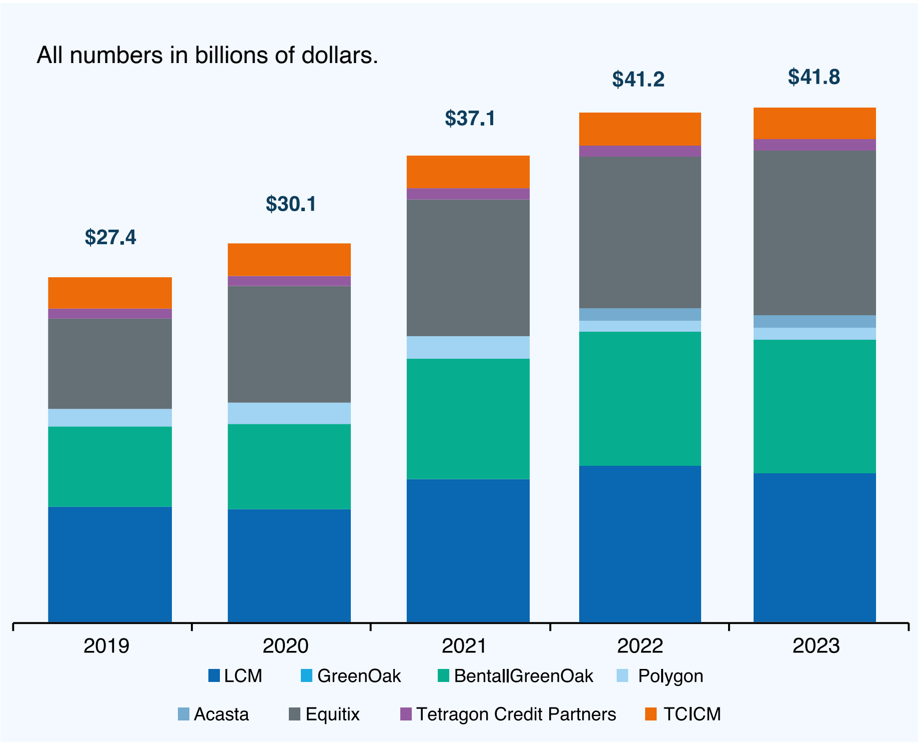


Figure 17

TFG Asset Management AUM at 30 June 2023(ii)

This chart depicts the growth of that AUM over the past five years in billions of U.S. dollars. AUM for TFG Asset Management as of 30 June 2023 totalled $41.8 billion.



Notes

(i) Please see Note 2 on page 35.

(ii) AUM for BentallGreenOak for 2019-2022 represents Tetragon's *pro rata* share (12.86%) of BentallGreenOak AUM at 31 December of those years, and at 30 June for 2023.

Figure 18

TFG Asset Management Pro Forma Statement of Operations(i)

	H1 2023 ($m)	H1 2022 ($m)	H1 2021 ($m)
Management fee Income	89.8	80.6	68.4
Performance and success fees(ii)	16.7	20.7	23.6
Other fee income	19.2	13.4	11.2
Distributions from BentallGreenOak	9.4	10.1	10.7
Interest income	0.6	2.8	0.6
Total income	**135.7**	**127.6**	**114.5**
Operating, employee and administrative expenses	(92.0)	(86.4)	(75.0)
Minority Interest	(10.0)	(8.9)	(12.0)
Net Income "EBITDA equivalent"	**33.7**	**32.3**	**27.5**

i This table includes the income and expenses attributable to TFG Asset Management's businesses (with the exception of BentallGreenOak), during that period. In the table above, 100% of Equitix's income and expenses are reflected and 25% of Equitix's income and expenses are reversed out through the Non-TFG Asset Management-owned interest line, being the proportion not attributable to Tetragon. Similarly, 100% of the income and expenses from Acasta Partners, in which TFG Asset Management has a non-controlling interest, are reflected above with the percentage not owned by TFG Asset Management reversed out through the Non-TFG Asset Management owned interest line. BentallGreenOak EBITDA is not included, but distributions relating to ordinary income and carried interest are included. The EBITDA equivalent is a non-GAAP measure and is designed to reflect the operating performance of the TFG Asset Management businesses rather than is or what was reflected in Tetragon's financial statements.

ii The performance and success fees include some realised and unrealised Polygon and Acasta performance fees. These represent the fees calculated by the applicable administrator of the relevant funds, in accordance with the applicable fund constitutional documents, when determining NAV at the reporting date. Similar amounts, if any, from LCM are recognised when received. Tetragon pays full management and performance fees on its investments in the open Polygon and Acasta funds. Success fees also include fees earned by Equitix on successfully completing certain primary projects and delivering de-risked investments into their secondary funds; these are recognised once Equitix is entitled to recover them.

Overview: Figure 18 shows a *pro forma* statement of operations that reflects the operating performance of the majority-owned asset management companies within TFG Asset Management.

The reported fee income includes some amounts which were earned on capital invested in certain funds by Tetragon. During H1 2023, this included $6.3 million of management fees (H1 2022: $6.4 million) and $0.6 million of performance and success fees (H1 2022: $3.0 million).

BentallGreenOak's contribution has been captured by including the distributions that it has made to TFG Asset Management.

- **EBITDA:** In H1 2023, TFG Asset Management's EBITDA was $33.7 million, $1.4 million higher than in H1 2022, as income growth outweighed the increase in operating expenses.
- **Management fee income:** Management fee income continued to grow, increasing by $9.2 million or 11% year-on-year.

  Of note, Equitix management fee income increased by $6.7 million, or 16%, as AUM continued to grow.

  LCM added $2.1 million, following the raising of three new CLOs in the past year.
- **Performance and success fees:** Overall, this category was down $4.0 million on the prior year, driven primarily by a decrease in fee income earned by Equitix funds. As noted previously, unlike management fee income, performance and success fees can be quite volatile in nature and subject to timing differences.
- **Other fee income:** This category includes two different buckets of fees: (i) income generated by Equitix on management services contracts, which is known as the EMS business and (ii) certain cost recoveries from Tetragon relating to seeded funds.

  EMS fee income continues to be the main driver, and this increased year-on-year.
- **Distributions from BentallGreenOak:** Distributions from BentallGreenOak reflect (i) quarterly fixed distributions, (ii) quarterly variable distributions and (iii) distributions of carried interest. A slight decrease in the quarterly variable distributions was the main driver for the decrease in this line item.
- **Operating expenses:** Operating expenses increased by $5.6 million (6%) versus H1 2022. This was driven by an increase in headcount as existing businesses added additional investment and operational capability.

Share repurchases & distributions

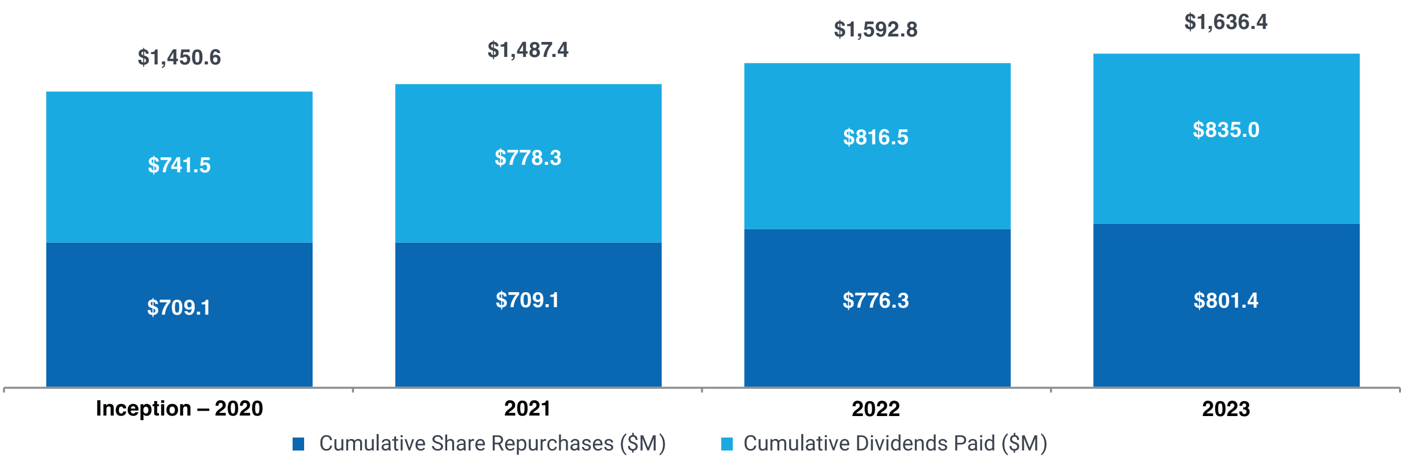
Figure 19

Share repurchase and dividends history ($ millions)

Year	Amount Repurchased	Cumulative Amount Repurchased	Dividends	Cumulative Dividends
2007	$2.2	$2.2	$56.5	$56.5
2008	$12.4	$14.5	$60.4	$117.0
2009	$6.6	$21.2	$18.8	$135.7
2010	$25.5	$46.7	$37.5	$173.3
2011	$35.2	$81.9	$46.4	$219.6
2012	$175.6	$257.5	$51.5	$271.1
2013	$16.1	$273.6	$55.5	$326.6
2014	$50.9	$324.5	$58.7	$385.3
2015	$60.9	$385.4	$63.3	$448.6
2016	$157.8	$543.2	$61.0	$509.6
2017	$65.4	$608.6	$64.0	$573.6
2018	-	$608.6	$65.1	$638.7
2019	$50.3	$658.8	$66.5	$705.2
2020	$50.3	$709.1	$36.4	$741.5
2021	-	$709.1	$36.8	$778.3
2022	$67.1	$776.3	$38.2	$816.5
2023	$25.1	$801.4	$18.4	$835.0
TOTAL	**$801.4**		**$835.0**	

Figure 20

The graph below shows cumulative historical share repurchases and dividends distributed by Tetragon from inception to 30 June 2023 in millions of U.S. dollars.(i)



(i) Tetragon seeks to return value to its shareholders, including through dividends and share repurchases. Decisions with respect to declaration of dividends and share repurchases may be informed by a variety of considerations, including (i) the expected sustainability of the company's cash generation capacity in the short and medium term, (ii) the current and anticipated performance of the company, (iii) the current and anticipated operating and economic environment, (iv) other potential uses of cash ranging from preservation of the company's investments and financial position to other investment opportunities and (v) Tetragon's share price. Cumulative dividends paid includes the cash and stock dividends paid to shareholders, but excludes dividends declared on shares held in escrow.

Share reconciliation and shareholdings

Figure 21

IFRS to Fully Diluted Shares Reconciliation	Shares at 30 June 2023 (millions)
Legal Shares Issued and Outstanding	**139.7**
Less: Shares Held in Treasury	45.1
Less: Total Escrow Shares[1.i]	10.5
IFRS Shares Outstanding	**84.1**
Add: Dilution for equity-based awards[1.ii]	8.3
Fully Diluted Shares Outstanding	**92.4**

Shareholdings

Persons affiliated with Tetragon maintain significant interests in Tetragon shares. For example, as of 30 June 2023, the following persons own (directly or indirectly) interests in shares in Tetragon in the amounts set forth below:

Figure 22

Individual	Shareholding at 30 June 2023
Mr. Reade Griffith[2.i]	18,885,864
Mr. Paddy Dear	5,551,127
Mr. David O'Leary	55,070
Mr. Steven Hart	28,668
Mr. Deron Haley	28,668
Other Tetragon/TFG Asset Management Employees	6,873,304
Equity-based awards[2.ii]	3,451,651

Notes

1 (i) The Total Escrow Shares of 10.5 million consists of shares held in separate escrow accounts in relation to certain equity-based compensation.

(ii) Dilution in relation to equity-based awards by TFG Asset Management for certain senior employees as well as equity-based awards by Tetragon to its independent Directors. At the reporting date, this was 8.3 million. The basis and pace of recognition is expected to match the rate at which service is being provided to TFG Asset Management or Tetragon in relation to these shares. Please see Equity-Based Compensation Plans on pages 44 and 45 for more details. Certain of these persons may from time to time enter into purchases or sales trading plans (each a, "Fixed Trading Plan") providing for the sale of Vested Shares or the purchase of Tetragon shares in the market, or may otherwise sell their Vested Shares or purchase Tetragon shares, subject to applicable compliance policies. Applicable brokerage firms may be authorised to purchase or sell Tetragon shares under the relevant Fixed Trading Plan pursuant to certain irrevocable instructions. Each Fixed Trading Plan is intended to comply with Rule 10b5-1 under the United States Securities Exchange Act of 1934, as amended. Each Fixed Trading Plan has been or will be approved by Tetragon in accordance with its applicable compliance policies.

Rule 10b5-1 provides a "safe harbor" that is designed to permit individuals to establish a pre-arranged plan to buy or sell company stock if, at the time such plan is adopted, the individuals are not in possession of material, non-public information.

2 (i) Includes approximately 2.5 million incentive shares held in escrow with respect to Mr. Griffith's employment agreement vesting in July 2024 that are not subject to performance criteria per se. The remaining incentive shares covered by Mr. Griffith's employment agreement are subject to agreed-upon investment performance criteria and are excluded from this figure. Please see pages 44 and 45 for further details.

(ii) Equity-based awards are intended to give certain senior employees of TFG Asset Management long-term exposure to Tetragon stock (with vesting subject to forfeiture and certain restrictions). Where shares have vested but not yet been released, they have been removed from this line and included in shares owned by "Other Tetragon/TFG Asset Management Employees". Please see pages 44 and 45 for further details.

Additional CLO portfolio statistics

Figure 23

Tetragon's CLO Portfolio Details as of 30 June 2023

Transaction[i]	Status[ii]	Primary or Secondary Investment[iii]	Original Invest. Cost ($m USD)	Deal Closing Date	Year of Maturity	End of Reinv. Period	Wtd Avg Spread (bps)[iv]	Original Cost of Funds (bps)[v]	Current Cost of Funds (bps)[vi]	Current Jr-most O/C Cushion[vii]	Jr-Most O/C Cushion at Close[viii]	Annualised (Loss) Gain of Cushion[ix]	IRR[x]	ITD Cash Received as % of Cost[xi]
Transaction 83	Outstanding	Primary	20.8	2013	2029	2021	332	208	205	0.0%	6.2%	(0.6%)	12.0%	143.3%
Transaction 84	Outstanding	Primary	24.6	2013	2027	2021	325	198	213	0.4%	4.0%	(0.3%)	16.9%	165.5%
Transaction 85	Outstanding	Primary	1.0	2013	2031	2023	361	185	189	1.3%	5.0%	(0.4%)	10.7%	127.1%
Transaction 101	Outstanding	Primary	0.2	2018	2031	2023	361	178	189	1.3%	4.9%	(0.4%)	13.4%	96.5%
Transaction 88	Outstanding	Primary	30.1	2014	2030	2022	334	214	196	0.4%	4.0%	(0.4%)	11.5%	130.1%
Transaction 96	Outstanding	Secondary	2.7	2017	2030	2022	334	214	196	0.4%	3.0%	(0.3%)	3.6%	68.3%
Transaction 97	Outstanding	Primary	9.9	2017	2030	2022	334	193	196	0.4%	3.9%	(0.4%)	6.2%	79.4%
Transaction 89	Outstanding	Primary	33.6	2014	2031	2023	346	210	194	1.4%	4.0%	(0.3%)	13.2%	127.5%
Transaction 94	Outstanding	Secondary	6.6	2016	2031	2023	346	210	194	1.4%	3.3%	(0.2%)	15.0%	116.0%
Transaction 104	Outstanding	Primary	9.8	2018	2031	2023	346	181	194	1.4%	4.5%	(0.3%)	13.1%	74.1%
Transaction 90	Outstanding	Primary	20.7	2014	2031	2023	356	218	186	1.0%	4.0%	(0.3%)	12.5%	123.8%
Transaction 103	Outstanding	Primary	5.6	2018	2031	2023	356	174	186	1.0%	4.5%	(0.4%)	17.0%	92.1%
Transaction 91	Outstanding	Primary	27.8	2015	2031	2023	349	230	174	0.9%	4.0%	(0.4%)	12.3%	122.1%
Transaction 93	Outstanding	Secondary	6.1	2016	2031	2023	349	230	174	0.9%	3.6%	(0.3%)	16.5%	134.1%
Transaction 102	Outstanding	Primary	5.0	2018	2031	2023	349	163	174	0.9%	4.5%	(0.4%)	19.2%	112.6%
Transaction 92	Outstanding	Primary	34.6	2015	2027	2020	364	214	344	4.0%	4.0%	(0.0%)	6.6%	103.7%
Transaction 95	Outstanding	Primary	2.6	2016	2029	2022	353	209	197	0.3%	4.4%	(0.6%)	6.7%	86.8%
Transaction 98	Outstanding	Primary	33.2	2017	2030	2022	336	193	180	0.4%	4.5%	(0.7%)	8.1%	92.2%
Transaction 100	Outstanding	Primary	2.6	2018	2031	2023	369	126	138	3.9%	7.8%	(0.7%)	24.6%	124.8%
Transaction 99	Outstanding	Primary	8.3	2017	2030	2022	329	179	171	3.5%	4.5%	(0.2%)	10.4%	84.5%
Transaction 107	Outstanding	Primary	2.0	2021	2034	2026	367	179	190	4.4%	4.5%	(0.0%)	18.3%	33.4%
Transaction 108	Outstanding	Primary	2.0	2021	2034	2026	368	182	193	4.5%	4.5%	0.0%	17.6%	30.1%
Transaction 109	Outstanding	Primary	2.0	2021	2034	2026	372	182	193	4.1%	4.5%	(0.3%)	18.3%	29.0%
Transaction 110	Outstanding	Primary	2.4	2021	2034	2027	379	182	194	4.4%	4.5%	(0.0%)	18.5%	27.5%
Transaction 111	Outstanding	Primary	21.2	2022	2034	2025	378	202	202	4.3%	4.5%	(0.1%)	20.7%	22.5%
Transaction 112	Outstanding	Primary	0.9	2022	2034	2025	379	255	276	4.6%	4.6%	-	30.6%	28.2%
Transaction 113	Outstanding	Primary	6.8	2022	2034	2027	378	273	276	4.5%	4.5%	-	15.4%	9.8%
Transaction 114	Outstanding	Primary	5.3	2022	2036	2028	377	283	285	5.0%	5.0%	-	21.1%	7.2%
Transaction 106	Outstanding	Primary	2.1	2021	2034	2026	366	177	188	4.5%	4.5%	(0.0%)	17.3%	37.3%
Total CLO Portfolio:			**330.4**				**348**	**207**	**210**	**1.7%**	**4.3%**	**(0.3%)**	**12.7%**	**104.5%**

i Transactions are investments made on a particular investment date. Multiple transactions may be associated with the same tranche of the same CLO deal. Note that certain transactions may have been removed from the table above, as the remaining value of the assets of those CLOs is immaterial. The transactions continue to be held as of the date of this report.

ii "Outstanding" refers to investments in CLOs which have not yet been optionally redeemed, sold, or wound down to less-than-material remaining expected value. "Called" refers to investments in CLOs where Tetragon initiated or approved an optional redemption, and "wound down" refers to CLOs which have amortised or repaid without an optional redemption, in both cases with less-than-material remaining expected value.

iii "Primary" refers to investments made in the new issuance CLO market, whereas "Secondary" refers to investments made after the original issue date of the CLO.

iv Par weighted average spread over LIBOR or EURIBOR (as appropriate) of the underlying loan assets in each CLO's portfolio.

v Notional weighted average spread over SOFR of the debt tranches issued by each CLO, as of the closing date of each transaction. Tranches that are referencing LIBOR are converted to SOFR-equivalent tranches by adding 15 basis points to the LIBOR spread.

vi Notional weighted average spread over SOFR of the debt tranches issued by each CLO, as of the most recent trustee report date. Tranches that are referencing LIBOR are converted to SOFR-equivalent tranches by adding 15 basis points to the LIBOR spread.

vii The current junior-most O/C cushion is the excess (or deficit) of the junior-most O/C test ratio over the test requirement, as of the latest trustee report available as of the report date.

viii The junior-most O/C cushion at close is the excess (or deficit) of the junior-most O/C test ratio over the test requirement that was expected on each deal's closing date (or date of purchase, if later).

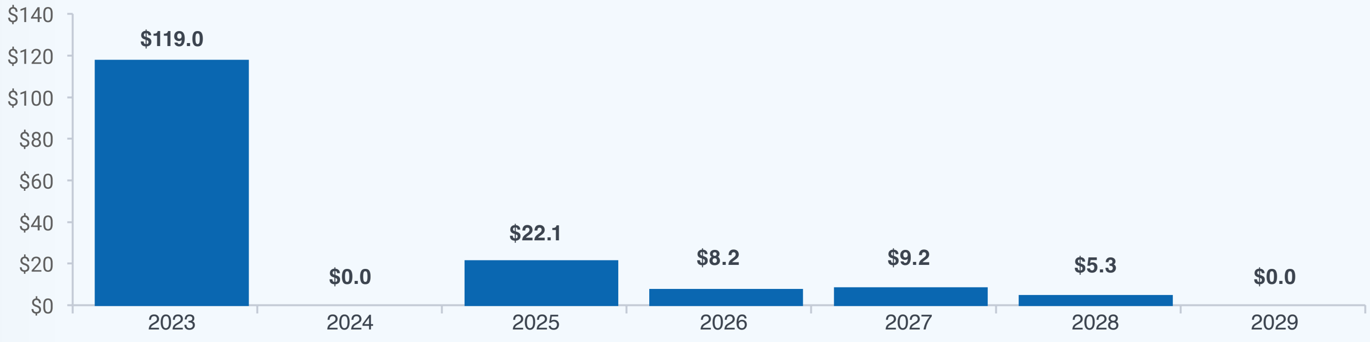
ix Calculated by annualising the change from the expected closing date junior-most O/C cushion to the current junior-most O/C cushion.

x Calculated from Tetragon's investment date. For outstanding investments, includes both historical cash flows received to date and prospective cash flows expected to be received, based on Tetragon's base case modelling assumptions. Refer to www.tetragoninv.com for more information on Tetragon's modelling assumptions and methodology. For all other investments, includes only historical realised cash flows received to date.

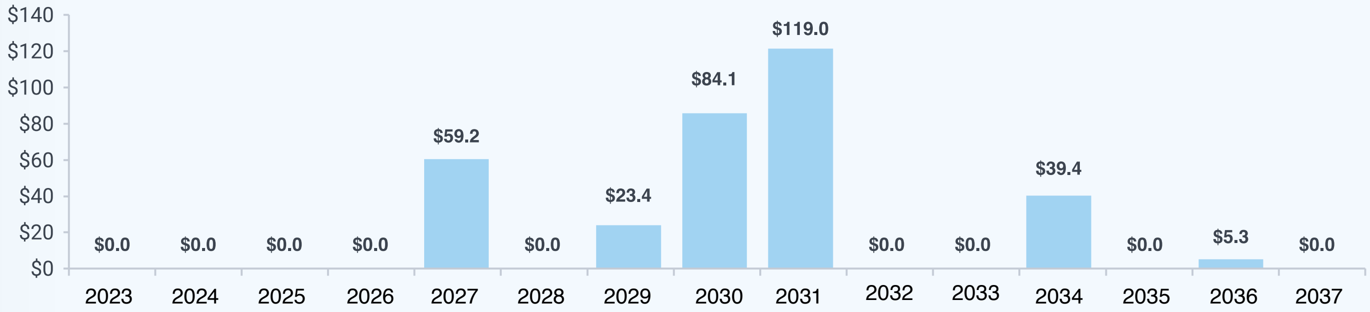
xi Inception to report date cash flow received on each transaction as a percentage of its original cost.

Figure 24

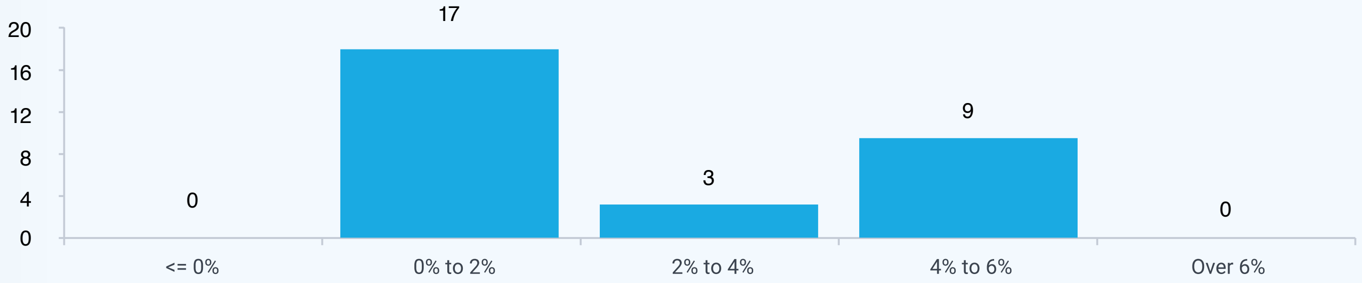
Reinvestment End Date of Outstanding Investments Based on Original Investment Size ($ Millions)



CLO Deal Maturities of Outstanding Investments Based on Original Investment Cost ($ Millions)



Current Junior-Most O/C Test Cushion Distribution of Outstanding Investments (by Number of Transactions)



Certain regulatory information

This annual report is made public by means of a press release, which contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation, and has been filed with the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten). In addition, this report is also made available to the public by way of publication on the Tetragon website (www.tetragoninv.com).

An investment in Tetragon 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 Tetragon.

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 Tetragon have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to U.S. persons unless they are registered under applicable law or exempt from registration. Tetragon 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, Tetragon has not been and will not be registered under the U.S. Investment Company Act of 1940, and investors will not be entitled to the benefits of such Act. Tetragon is registered in the public register of the Netherlands Authority for the Financial Markets under Section 1:107 of the FMSA as an alternative investment scheme from a designated country.

Tetragon shares are subject to legal and other restrictions on resale and the Euronext Amsterdam and SFS trading markets are less liquid than other major exchanges, which could affect the price of the shares.

There are additional restrictions on the resale of Tetragon shares by shareholders who are located in the United States or who are U.S. persons, and on the resale of shares by any shareholder to any person who is located in the United States or is a U.S. person. These restrictions include that each shareholder who is located in the United States or who is a U.S. person must be a "Qualified Purchaser" or a "Knowledgeable Employee" (each as defined in the Investment Company Act of 1940), and, accordingly, that shares may be resold to a person located in the United States or who is a U.S. person only if such person is a "Qualified Purchaser" or a "Knowledgeable Employee" under the Investment Company Act of 1940. These restrictions may adversely affect overall liquidity of the shares.

Tetragon's shares are not intended for European retail investors. Tetragon anticipates that its typical investors will be institutional and professional investors who wish to invest for the long term in a predominantly income-producing investment and who have experience in investing in financial markets and collective investment undertakings and are capable themselves of evaluating the merits and risks of Tetragon shares and who have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment.

Equity-based employee compensation plans

In 2015, Tetragon bought back approximately 5.65 million of its non-voting shares in a tender offer to hedge against (or otherwise offset the future impact of) grants of shares under an equity-based long-term incentive plan and other equity awards by TFG Asset Management for certain senior employees (excluding the principals of the investment manager).

These awards under the long-term incentive plan, along with other equity-based awards, are typically spread over multiple vesting dates up to 2024 which may vary for each employee and are subject to forfeiture provisions.

The arrangements may also include additional periods, beyond the vesting dates, during which employees gain exposure to the performance of Tetragon shares, but the shares are not issued to the employees. Such periods may range from one to five years beyond the vesting dates.

In February 2021, further awards to certain senior TFG Asset Management employees (excluding the principals of the investment manager) were made covering vesting and release periods out to 2032. 2.3 million shares acquired during the buybacks made in 2020 will be used to hedge against (or otherwise offset the future impact of) these awards.

The shares underlying these equity-based incentive programmes typically will be held in escrow until they vest and will be eligible to receive shares under the Tetragon Optional Stock Dividend Plan (DRIP Shares).

In July 2019, TFG Asset Management entered into an employment agreement with Mr. Reade Griffith, Director of Tetragon, which covers his services to TFG Asset Management for the period through to 30 June 2024. Mr. Griffith is currently the Chief Investment Officer of TFG Asset Management as well as the Chief Investment Officer of its Polygon event-driven European equity strategies (in addition to other roles). Under the terms of this agreement, Mr. Griffith received $9.5 million in cash in July 2019, $3.75 million in cash in July 2020, 0.3 million Tetragon non-voting shares in July 2021 and will receive the following:

- 2.1 million Tetragon non-voting shares in July 2024; and
- Between zero and an additional 3.15 million Tetragon non-voting shares – with the number of shares based on agreed-upon investment performance criteria – vesting in years 5, 6 and 7.

All of the Tetragon non-voting shares covered by Mr. Griffith's employment agreement are subject to forfeiture conditions. The shares are held in escrow for release upon vesting and are eligible to participate in the optional stock dividend programme, and as a result of subsequent dividends, further shares will be added to the escrow. Of the shares held in escrow with respect to Mr. Griffith's employment agreement, the 2.1 million shares (plus dividend shares) vesting in July 2024 are not subject to performance criteria per se and are included in Figure 21. The remaining shares are subject to agreed-upon investment performance criteria and are excluded from Figure 21.

For the purposes of determining the fully diluted NAV per Share, the dilutive effect of the equity-based compensation plans will be reflected in the fully diluted share count over the life of the plans. Such dilution will include, among other things and in addition to the award shares, any DRIP Shares and shares that will be required to cover employer taxes. At 30 June 2023, approximately 8.3 million shares were included in the fully diluted share count.

On 1 January 2020, the Independent Directors were awarded 24,490 shares each in Tetragon which vested on 31 December 2022. The fair value of the award, as determined by the share price on grant date of $12.25 per share, is $300,000 per Independent Director. In November 2022, a further 7,724 shares were awarded to each Independent Director with one-third of the shares vesting on 31 December 2023, 31 December 2024 and 31 December 2025. The fair value of the award, as determined by the relevant share price of $9.71, is $75,000 per Independent Director. The Independent Directors have deferred the settlement of all the awards to the earlier of five years from the vesting date or separation from service with Tetragon.

Shareholder information

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market of Euronext Amsterdam N.V.

London Stock Exchange
(Specialist Fund Segment)

Administrator and Registrar
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(Guernsey) Limited
Mill Court, La Charroterie
St. Peter Port
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Channel Islands

5

Unaudited condensed financial statements

for the six months ended 30 June 2023 (“H1 2023”)

Consolidated Statement of Financial Position

As of	Note	30 Jun 2023 $M	31 Dec 2022 $M
Assets			
Non-derivative financial assets at fair value through profit or loss	4	3,024.3	2,919.2
Derivative financial assets	4	5.1	21.7
Other receivables and prepayments		7.4	6.1
Amounts due from brokers		18.8	5.5
Cash and cash equivalents		31.5	21.7
Total assets		**3,087.1**	**2,974.2**
Liabilities			
Loans and borrowings	5	300.0	115.0
Derivative financial liabilities	4	15.9	2.5
Other payables and accrued expenses		2.3	30.2
Amount due to brokers		-	68.0
Total liabilities		**318.2**	**215.7**
Net assets		**2,768.9**	**2,758.5**
Equity			
Share capital		0.1	0.1
Other equity		751.9	768.7
Share-based compensation reserve		66.3	61.7
Retained earnings		1,950.6	1,928.0
		2,768.9	**2,758.5**
Shares outstanding		**Million**	**Million**
Number of shares	7	84.1	85.6
Net Asset Value per share		**$32.94**	**$32.24**

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

Signed on behalf of the Board of Directors by:

David O'Leary
Director

Steven Hart
Director

Date: 31 July 2023

Consolidated Statement of Comprehensive Income

For the six months ended	Note	30 Jun 2023 $M	30 Jun 2022 $M
Net gain/(loss) on non-derivative financial assets at fair value through profit or loss		108.6	(160.5)
Net (loss)/gain on derivative financial assets and liabilities		(28.1)	42.6
Net gain on foreign exchange		1.3	2.0
Interest income		1.5	-
Total income/(loss)		**83.3**	**(115.9)**
Management fees		(20.9)	(20.9)
Legal and professional fees		(2.7)	(1.1)
Share-based compensation		(4.6)	(4.8)
Audit fees		(0.4)	(0.3)
Other operating expenses and administrative expenses		(1.8)	(2.1)
Operating expenses		**(30.4)**	**(29.2)**
Operating profit/(loss) before finance costs		**52.9**	**(145.1)**
Finance costs		(11.7)	(4.4)
Gain/(loss) and total comprehensive income/(loss) for the period		**41.2**	**(149.5)**
Earnings per share		**$**	**$**
Basic	11	0.47	(1.68)
Diluted	11	0.44	(1.50)
Weighted average shares outstanding		**Million**	**Million**
Basic	11	87.7	89.2
Diluted	11	94.1	99.3

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

Consolidated Statement of Changes in Equity

	Share capital $M	Other equity $M	Retained earnings $M	Share-based compensation reserve $M	Total $M
As at 1 January 2023	**0.1**	**768.7**	**1,928.0**	**61.7**	**2,758.5**
Profit and total comprehensive income for the period	-	-	41.2	-	41.2
Transactions with owners recognised directly in equity					
Share-based compensation	-	-	-	4.6	4.6
Cash dividends	-	-	(10.3)	-	(10.3)
Stock dividends	-	8.3	(8.3)	-	-
Purchase of treasury shares	-	(25.1)	-	-	(25.1)
As at 30 June 2023	**0.1**	**751.9**	**1,950.6**	**66.3**	**2,768.9**
As at 1 January 2022	**0.1**	**814.7**	**2,001.9**	**60.1**	**2,876.8**
Loss and total comprehensive loss for the period	-	-	(149.5)	-	(149.5)
Transactions with owners recognised directly in equity					
Shares released from escrow	-	7.3	-	(7.3)	-
Dividends on shares released from escrow	-	2.9	(2.9)	-	-
Share-based compensation	-	-	-	4.8	4.8
Cash dividends	-	-	(11.6)	-	(11.6)
Stock dividends	-	8.0	(8.0)	-	-
Purchase of treasury shares	-	(46.4)	-	-	(46.4)
As at 30 June 2022	**0.1**	**786.5**	**1,829.9**	**57.6**	**2,674.1**

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

Consolidated Statement of Cash Flows

For the six months ended	30 Jun 2023 $M	30 Jun 2022 $M
Operating activities		
Profit/(loss) for the period	41.2	(149.5)
Adjustments for:		
(Gains)/losses on investments and derivatives	(80.5)	117.9
Share-based compensation	4.6	4.8
Interest income	(1.5)	-
Finance costs	11.7	4.4
Operating cash flows before movements in working capital	**(24.5)**	**(22.4)**
Increase in receivables	(0.4)	(0.4)
Decrease in payables	(26.5)	(104.4)
(Increase)/decrease in amounts due from brokers	(13.3)	0.9
(Decrease)/increase in amounts due to brokers	(68.0)	15.4
Cash flows from operations	**(132.7)**	**(110.9)**
Proceeds from sale/prepayment/maturity of investments	135.7	199.5
Net receipts/(payments) for derivative financial instruments	2.8	(4.9)
Purchase of investments	(135.4)	(269.8)
Cash interest received	1.5	-
Net cash used in operating activities	**(128.1)**	**(186.1)**
Financing activities		
Repayment of loans and borrowings	(100.0)	-
Proceeds from loans and borrowings	285.0	175.0
Finance costs paid	(11.7)	(4.4)
Purchase of treasury shares	(25.1)	(46.4)
Dividends paid to shareholders	(10.3)	(11.6)
Net cash generated from financing activities	**137.9**	**112.6**
Net increase/(decrease) in cash and cash equivalents	**9.8**	**(73.5)**
Cash and cash equivalents at beginning of period	21.7	198.8
Cash and cash equivalents at end of period	**31.5**	**125.3**

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

Notes to the financial statements

Note 1 Corporate Information

Tetragon Financial Group Limited ("Tetragon" or the "Fund") was registered in Guernsey on 23 June 2005 as a company limited by shares, with registered number 43321. All voting shares of the Fund are held by Polygon Credit Holdings II Limited (the "Voting Shareholder"). The Fund continues to be registered and domiciled in Guernsey, and the Fund's non-voting shares (the "Shares") are listed on Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. (ticker symbol: TFG.NA) and on the Specialist Fund Segment of the London Stock Exchange plc (ticker symbols: TFG.LN and TFGS.LN). The registered office of the Fund is Mill Court, La Charroterie, St. Peter Port, Guernsey, GY1 1EJ, Channel Islands.

Note 2 Significant Accounting Policies

Basis of preparation

The unaudited condensed consolidated financial statements of the Fund (the "Financial Statements") have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the European Union, and give a true and fair view. The same accounting policies, presentation and methods of computation have been followed in these financial statements as were applied in the preparation of the Fund's audited financial statements for the year ended 31 December 2022.

The unaudited condensed consolidated financial statements do not contain all the information and disclosures required in a full set of annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Fund for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial statements are presented in United States Dollars ("USD" or "$"), which is the functional currency of the Company, expressed in USD millions (unless otherwise stated).

In accordance with IFRS 10 *Consolidated Financial Statements* ("IFRS 10"), the Fund is an investment entity and, as such, does not consolidate the entities it controls where they are deemed to be subsidiaries except for Tetragon Financial Group (Delaware) LLC. Tetragon Financial Group (Delaware) LLC was formed in July 2020 to hold the collateral for the revolving credit facility. The subsidiary's main purpose and activity is to provide a service to the Fund, as such, it is consolidated on a line-by-line basis with balances between the Fund and the subsidiary eliminated. The financial statements for this subsidiary are prepared at the same reporting date using the same accounting policies. All other interests in subsidiaries are classified as fair value through profit or loss ("FVTPL"). Investments in associates are also classified as FVTPL. Subsidiaries are consolidated from the date control is established by Tetragon and cease to be consolidated on the date control is transferred from Tetragon.

The Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing these financial statements and that the Fund will be able to continue to meet its liabilities for at least twelve months from the date of approval of the financial statements. In making this determination, the Directors have considered the cash flow and liquidity projections for the next twelve months, the nature of the Fund's capital (including readily available resources such as cash, undrawn credit facility and liquid equities) and the applicable covenants on the revolving credit facility.

New standards and amendments to existing standards

The Fund has considered all the standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements. These standards and interpretations are not relevant to the Fund's activities, or their effects are not expected to be material.

Note 3 Significant Accounting Judgements, Estimates and Assumptions

As explained in the audited consolidated financial statements for the year ended 31 December 2022, the following areas contain a higher degree of judgement, assumptions or estimates that are significant to the financial statements:

- Investment entity status
- Measurement of fair values (see Note 4)

Note 4 Financial Assets and Financial Liabilities at Fair Value through Profit or Loss

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 Quoted in active markets for identical instruments.

Level 2 Prices determined using other significant observable inputs. These may include quoted prices for similar securities, interest rates, prepayments spreads, credit risk and others.

Level 3 Unobservable inputs. Unobservable inputs reflect assumptions market participants would be expected to use in pricing the asset or liability.

Notes to the financial statements (continued)

Recurring fair value measurement of assets and liabilities

The following table shows financial instruments measured at fair value by the level in fair value hierarchy as of 30 June 2023:

Non-derivative financial assets at FVTPL	Level 1 $M	Level 2 $M	Level 3 $M	Total Fair Value $M
TFG Asset Management	-	-	1,382.8	1,382.8
Investment funds and vehicles	-	619.3	582.7	1,202.0
Listed stock	180.7	-	-	180.7
CLO equity tranches[1]	-	-	154.9	154.9
CLO debt tranches[1]	-	2.2	-	2.2
Unlisted stock	-	-	85.7	85.7
Corporate bonds	-	16.0	-	16.0
Total non-derivative financial assets at FVTPL	**180.7**	**637.5**	**2,206.1**	**3,024.3**
Derivative financial assets				
Currency options (asset)	-	5.0	-	5.0
Forward foreign exchange contracts (asset)	-	0.1	-	0.1
Total derivative financial assets	**-**	**5.1**	**-**	**5.1**
Derivative financial liabilities				
Contracts for difference (liability)	-	(1.2)	-	(1.2)
Forward foreign exchange contracts (liability)	-	(14.7)	-	(14.7)
Total derivative financial liabilities	**-**	**(15.9)**	**-**	**(15.9)**

1 Investment in CLO equity and debt tranches held through special purpose vehicles are included in these captions.

The following table shows financial instruments measured at fair value by the level in fair value hierarchy as of 31 December 2022:

Non-derivative financial assets at FVTPL	Level 1 $M	Level 2 $M	Level 3 $M	Total Fair Value $M
TFG Asset Management	-	-	1,343.3	1,343.3
Investment funds and vehicles	-	595.0	570.6	1,165.6
Listed stock	158.5	-	-	158.5
CLO equity tranches[1]	-	-	170.2	170.2
CLO debt tranches[1]	-	1.2	-	1.2
Unlisted stock	-	-	64.5	64.5
Corporate bonds	-	15.9	-	15.9
Total non-derivative financial assets at FVTPL	**158.5**	**612.1**	**2,148.6**	**2,919.2**
Derivative financial assets				
Contracts for difference (asset)	-	0.3	-	0.3
Currency options (asset)	-	3.0	-	3.0
Forward foreign exchange contracts (asset)	-	18.4	-	18.4
Total derivative financial assets	**-**	**21.7**	**-**	**21.7**
Derivative financial liabilities				
Contracts for difference (liability)	-	(0.1)	-	(0.1)
Forward foreign exchange contracts (liability)	-	(2.4)	-	(2.4)
Total derivative financial liabilities	**-**	**(2.5)**	**-**	**(2.5)**

Notes

1 Investment in CLO equity and debt tranches held through special purpose vehicles are included in these captions.

Transfers between levels
There were no transfers between levels during the period from 1 January 2022 to 30 June 2023.

Other financial assets and liabilities
For all other financial assets and liabilities, the carrying value is an approximation of fair value, including other receivables, amounts due from/to brokers, cash and cash equivalents, loans and borrowings, and other payables.

Notes to the financial statements (continued)

Level 3 reconciliation

The following is a reconciliation of the Fund's assets in which significant unobservable inputs (Level 3) were used in determining fair value at 30 June 2023.

	CLO Equity Tranches $M	Unlisted Stock $M	Investment Funds and Vehicles $M	TFG Asset Management $M	Total $M
Balance at 1 January 2023	**170.2**	**64.5**	**570.6**	**1,343.3**	**2,148.6**
Additions	-	10.5	29.7	14.0	54.2
Proceeds	(19.5)	-	(20.6)	(19.8)	(59.9)
Net gains through profit or loss	4.2	10.7	3.0	45.3	63.2
Balance at 30 June 2023	**154.9**	**85.7**	**582.7**	**1,382.8**	**2,206.1**
Change in unrealised gains/(losses) through profit or loss for assets held at year end	(3.1)	10.7	(0.3)	27.5	34.8

The following is a reconciliation of the Fund's assets in which significant unobservable inputs (Level 3) were used in determining fair value at 31 December 2022.

	CLO Equity Tranches $M	Unlisted Stock $M	Investment Funds and Vehicles $M	TFG Asset Management $M	Total $M
Balance at 1 January 2022	**164.4**	**50.3**	**521.7**	**1,256.3**	**1,992.7**
Additions	34.7	32.3	95.8	26.1	188.9
Proceeds	(56.6)	(18.7)	(97.4)	(34.8)	(207.5)
Net gains through profit or loss	27.7	0.6	50.5	95.7	174.5
Balance at 31 December 2022	**170.2**	**64.5**	**570.6**	**1,343.3**	**2,148.6**
Change in unrealised gains through profit or loss for assets held at year end	0.9	0.6	9.3	60.9	71.7

Valuation process (framework)
TMF Group Fund Services (Guernsey) Limited (the "Administrator") serves as the Fund's independent administrator and values the investments of the Fund on an ongoing basis in accordance with the valuation principles and methodologies approved by the Fund's Audit Committee, which comprises Independent Directors, from time to time.

For certain investments, such as TFG Asset Management, a third-party valuation agent is also used. However, the Directors are responsible for the valuations and may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with IFRS.

Valuation techniques

CLO equity tranches

A mark to model approach using discounted cash flow analysis ("DCF Approach") has been adopted to determine the value of the equity tranche CLO investments. The model contains certain assumption inputs that are reviewed and adjusted as appropriate to factor in how historic, current, and potential market developments (examined through, for example, forward-looking observable data) might potentially impact the performance of these CLO equity investments. Since this involves modelling, among other things, forward projections over multiple years, this is not an exercise in recalibrating future assumptions to the latest quarter's historical data.

Subject to the foregoing, the Fund seeks to derive a value at which market participants could transact in an orderly market and also seeks to benchmark the model inputs and resulting outputs to observable market data when available and appropriate. Although seeking to utilise, where possible, observable market data, for certain assumptions the Investment Manager may be required to make subjective judgements and forward-looking determinations, and its experience and knowledge is instrumental in the valuation process.

As at 30 June 2023, key modelling assumptions used are disclosed below. The modelling assumptions disclosed below are a weighted average (by USD amount) of the individual deal assumptions. Each individual deal's assumptions may differ from this average and vary across the portfolio.

Constant Annual Default Rate ("CADR")	3.0% up to 30 June 2024, 2.39% thereafter (2022: 3.0% up to 31 December 2023, 2.39% thereafter), which is 1.0x of the original Weighted Average Rating Factor ("WARF") derived base-case default rate for the life of the transaction.
Recovery Rate	65% up to 30 June 2024, 70% thereafter (2022: 65% up to 31 December 2023, 70% thereafter).
Prepayment Rate	20% (2022: 20%), the original base-case prepayment rate with a 0% prepayment rate (2022: 0%) on bonds throughout the life of the transaction.
Reinvestment Price and Spread	Assumed reinvestment price is par for the life of the transaction with reinvestments being modelled for deals that are still in their reinvestment period. Reinvestment assets consist of 100% U. S. syndicated loans with an effective spread over Term SOFR of 379 bps (2022: 379 bps).

When determining the fair value of the equity tranches, a discount rate is applied to the expected future cash flows derived from the third-party valuation model. The discount rate applied to those future cash flows reflects the perceived level of risk that would be used by another market participant in determining fair value. In determining the discount rates to use, an analysis of the observable risk premium data as well as the individual deal's structural strength and credit quality is undertaken. At 30 June 2023, a discount rate of 13% (31 December 2022: 13%) is applied unless the deal is within its non-refinancing period, in which case the deal internal rate of return ("IRR") is utilised as the discount rate. For deals in this category, the weighted average IRR or discount rate is 17.7% (31 December 2022: 17.9%). If the deal is past six months from the end of its reinvestment period, a discount rate of 15% (31 December 2022: 13%) is applied.

Sensitivity analysis

The discount rate used has a significant impact on the fair value of CLO equity tranches. A reasonable possible alternative assumption is to change the discount rate by 1%.

Notes to the financial statements (continued)

Changing the discount rate and keeping all other variables constant would have the following effects on net assets and profits:

	30 Jun 2023 $M	31 Dec 2022 $M
-1% discount rate	4.0	4.8
+1% discount rate	(3.8)	(4.5)

Private equity in asset management companies

The Fund owns a 100% interest in TFG Asset Management which holds majority and minority private equity stakes in asset management companies. The valuation calculation for TFG Asset Management was prepared by a third-party valuation agent engaged by the Fund's Audit Committee. Although TFG Asset Management is valued as a single investment, a sum of the parts approach, valuing each business separately has been utilised. This approach aggregates the fair value of all asset managers held by TFG Asset Management overlaying the central costs and net assets at TFG Asset Management level. Currently, no premium has been attributed to the valuation of TFG Asset Management in respect of diversification or synergies between different income streams. Any benefit from operating on the TFG Asset Management platform has been captured in the valuation of the individual asset managers by incorporating it in the business plans used in the DCF and Market Multiple Approaches.

The DCF Approach calculates the enterprise value of the investments by utilising a business specific model to estimate the generation of future net cash flows. Each model reflects the business plan over a specific period of 5-10 years which includes, where applicable, assumptions (which may not be linear) around planned capital raising and/or organic growth through investment returns. The DCF Approach may also include a terminal value which is calculated by applying a growth formula to the projected cash flows in the terminal year or to the average of yearly cash flows in the business plan. This terminal value calculation is used in the DCF approach for Equitix, LCM, Polygon and Acasta. All estimates of future free cash flows and the terminal value are discounted at a weighted average cost of capital ("WACC") that captures the risk inherent in the projections. From the enterprise value derived by the DCF Approach, market value of net debt is deducted to arrive at the equity value. An adjustment is made to account for a discount for lack of liquidity ("DLOL"), generally in the range of 10% to 20%.

The Market Multiple Approach applies a multiple, considered to be an appropriate and reasonable indicator of value to certain metrics of the business, such as earnings or assets under management ("AUM"), to derive the equity value. The multiple applied in each case is derived by considering the multiples of quoted comparable companies. The multiple is then adjusted to ensure that it appropriately reflects the specific business being valued, considering its business activities, geography, size, competitive position in the market, risk profile, and earnings growth prospects of the business. The valuation agent considered a multiple of earnings such as a company's earnings before interest, taxes, depreciation, and amortisation ("EBITDA"), to perform this analysis. These multiples were then adjusted for control premium if the comparable companies are valued on a minority basis.

Equitix and LCM are valued using a combination of DCF Approach and quoted market multiples ("Market Multiple Approach") based on comparable companies to determine an appropriate valuation range. Both approaches are given 50/50 weighting in the valuation. Polygon, Acasta, Contingency Capital and Tetragon Credit Partners are valued using DCF Approach.

TFG Asset Management holds approximately 13% interest in BentallGreenOak and is entitled to receive a series of fixed and variable profit distributions. Sun Life have an option to acquire the remaining interest in the merged entity in 2026. TFG Asset Management and other minority owners are entitled to sell their interest to Sun Life in 2027. The exercise price will be determined based on the average EBITDA of BentallGreenOak during the two years prior to exercising the option. The Fund's investment in BentallGreenOak is valued using the DCF Approach on expected cash flows.

The following table shows the unobservable inputs used by the third-party valuation specialist in valuing TFG Asset Management.

30 June 2023

Investment	Fair Value $M	AUM (billion)	Valuation methodology	Significant unobservable inputs				
				WACC	EV/EBITDA Multiple	DLOL	Control premium	Forecast 5Y CAGR
Equitix	750.5	£10.4	DCF and Market Multiples	10.5%	10.5x	10%	20%	11.8% (AUM)
BentallGreenOak	275.2	$10.6	DCF (sum-of-the-parts)	5.5-12%	NA	5-15%	NA	18.6% (EBITDA)
LCM	285.6	$11.9	DCF and Market Multiples	11.75%	11.8x	15%	20%	10.5% (AUM)
Other asset managers	71.5	$6.2	DCF, replacement cost	11-13.25%	NA	15-20%	NA	7.9% (AUM)

31 December 2022

Investment	Fair Value $M	AUM (billion)	Valuation methodology	Significant unobservable inputs				
				WACC	EV/EBITDA Multiple	DLOL	Control premium	Forecast 5Y CAGR
Equitix	683.2	£10.0	DCF and Market Multiples	10.5%	11x	10%	20%	12.6% (AUM)
BentallGreenOak	283.0	$10.6	DCF (sum-of-the-parts)	4.8-12%	NA	5-15%	NA	21.7% (EBITDA)
LCM	290.7	$12.5	DCF and Market Multiples	11.5%	12.6x	15%	20%	12.0% (AUM)
Other asset managers	86.4	$6.1	DCF, replacement cost	11-13%	NA	15-20%	NA	8.0% (AUM)

Notes to the financial statements (continued)

Sensitivity analysis

30 June 2023

Investment	Effects on net assets and profits ($M)									
	WACC		EV/EBITDA multiple		DLOL		Control premium		Forecast 5Y CAGR	
	-100 bps	+100 bps	+3%	-3%	-500 bps	+500 bps	+500 bps	-500 bps	+100 bps	-100 bps
Equitix	53.9	(42.6)	11.8	(11.8)	40.2	(40.2)	17.9	(17.9)	14.2	(14.0)
BentallGreenOak	6.8	(6.5)	NA	NA	15.3	(15.3)	NA	NA	3.6	(3.6)
LCM	13.4	(11.0)	4.8	(4.8)	15.0	(15.0)	7.7	(7.7)	4.7	(4.7)
Other asset managers	6.3	(5.3)	NA	NA	4.6	(4.6)	NA	NA	7.0	(7.2)

31 December 2022

Investment	Effects on net assets and profits ($M)									
	WACC		EV/EBITDA multiple		DLOL		Control premium		Forecast 5Y CAGR	
	-100 bps	+100 bps	+3%	-3%	-500 bps	+500 bps	+500 bps	-500 bps	+100 bps	-100 bps
Equitix	48.9	(38.8)	11.6	(11.6)	38.7	(38.7)	17.8	(17.8)	13.6	(13.6)
BentallGreenOak	8.2	(7.8)	NA	NA	13.5	(13.5)	NA	NA	14.3	(10.9)
LCM	14.5	(11.8)	4.9	(4.9)	15.5	(15.5)	7.7	(7.7)	4.0	(4.3)
Other asset managers	6.4	(5.4)	NA	NA	4.7	(4.7)	NA	NA	6.5	(8.0)

Investment funds and vehicles

Investments in unlisted investment funds, classified as Level 2 and Level 3 in the fair value hierarchy, are valued utilising the net asset valuations provided by the managers of the underlying funds and/or their administrators. Management's assessment is that these valuations are the fair value of these investments. In determining any adjustments necessary to the net asset valuations, management has considered the date of the valuation provided. No adjustment was deemed material following this review.

The Fund has an investment in an externally managed investment vehicle that holds farmlands in Paraguay. These farmlands are valued utilising inputs from an independent third-party valuation agent.

Sensitivity analysis

A 10% increase in net asset value ("NAV") of the unlisted investment funds included in Level 3 will increase net assets and profits of the Fund by $58.3 million (31 December 2022: $57.1 million). A decrease in the NAV of the unlisted investment funds will have an equal and opposite effect.

Unlisted stock

At 30 June 2023, the Level 3 unlisted stock includes four investments in private companies.

Investment number	Fair value ($M)		Valuation methodology
	30 Jun 2023	31 Dec 2022	
1	75.3	54.1	Transaction price; redemption price
2	2.5	2.5	Expected value of cash flows
3	7.5	7.5	Transaction price
4	0.4	0.4	Expected value of cash flows

Sensitivity analysis

A 5% increase in the valuation will increase the net assets and profits of the Fund by $4.3 million (31 December 2022: $3.2 million). A 5% decrease will have an equal but opposite effect on the net assets and profits.

Listed stock

For listed stock in an active market, the closing exchange price is utilised as the fair value price.

Corporate bonds and CLO debt tranches

The corporate bonds and CLO debt tranches held by the Fund are valued using the broker quotes obtained at the valuation date.

Forward foreign exchange contracts and currency options

Forward foreign exchange contracts and currency options are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are based on observable foreign currency forward rates, recent market transactions, and valuation techniques, including discounted cash flow models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The best evidence of fair value of a forward foreign exchange contract at initial recognition is the transaction price. The currency options are recognised initially at the amount of premium paid or received.

Contracts for difference

The Fund enters into contracts for difference ("CFD") arrangements with financial institutions. CFDs are typically traded on the over the counter ("OTC") market. The arrangement generally involves an agreement by the Fund and a counterparty to exchange the difference between the opening and closing price of the position underlying the contract, which are generally on equity positions.

Fair values are based on quoted market prices of the underlying security, contract price, and valuation techniques including expected value models, as appropriate.

Notes to the financial statements (continued)

Note 5
Credit Facility

The Fund has access to a $400.0 million revolving credit facility with maturity date in July 2032. The facility is subject to a non-usage fee of 0.5% which is applied to the undrawn notional amount and a servicing fee of 0.015% of the total size of the facility. Any drawn portion incurred interest at a rate of 3M Term SOFR plus a spread of 3.40%.

	30 Jun 2023 $M	30 Jun 2022 $M
Drawn balance at start of the period	115.0	75.0
Interest and fees expensed	11.7	4.4
Interest and fees paid	(11.7)	(4.4)
Drawdowns	285.0	175.0
Repayments	(100.0)	-
Drawn balance at the end of the period	**300.0**	**75.0**

Note 6
Incentive Fee

There was no incentive fee for the period ended 30 June 2023 (H1 2022: nil) and none remains outstanding (31 December 2022: $26.5 million).

Note 7
Share Capital

Share Transactions	Voting Shares No.	Non-Voting Shares* No. M	Treasury Shares No. M	Shares held in Escrow No. M
Shares in issue at 1 January 2022	10	90.2	38.6	10.9
Stock dividends	-	1.6	(2.0)	0.4
Issued through release of tranche of escrow shares	-	1.0	-	(1.0)
Shares purchased during the year	-	(7.2)	7.2	-
Shares in issue at 31 December 2022	**10**	**85.6**	**43.8**	**10.3**
Stock dividends	-	0.8	(1.0)	0.2
Shares purchased during the year	-	(2.3)	2.3	-
Shares in issue at 30 June 2023	**10**	**84.1**	**45.1**	**10.5**

*Non-voting shares do not include the treasury shares, or the shares held in escrow.

Treasury Shares and Share Repurchases

Treasury shares consist of shares that have been bought-back by the Fund from its investors through various tender offers and plans. Whilst they are held by the Fund, the shares are neither eligible to receive dividends nor are they included in the shares outstanding in the Consolidated Statement of Financial Position.

In April 2023, under the terms of "modified Dutch auctions", the Fund accepted for purchase approximately 2.3 million (2022: 4.3 million) non-voting shares at an aggregate cost of $25.1 million (2022: $42.0 million), including applicable fees and expenses of $0.1 million (2022: $0.2 million).

Note 8 Dividends

	31 Dec 2022 $M	31 Dec 2021 $M
Quarter ended 31 December 2021 of $0.1100 per share	-	9.9
Quarter ended 31 March 2022 of $0.1100 per share	-	9.6
Quarter ended 30 June 2022 of $0.1100 per share	-	9.6
Quarter ended 30 September 2022 of $0.1100 per share	-	9.7
Quarter ended 31 December 2022 of $0.1100 per share	9.4	-
Quarter ended 31 March 2023 of $0.1100 per share	9.2	-
Total	**18.6**	**38.8**

The second quarter dividend of $0.1100 per share was approved by the Directors on 31 July 2023 and has not been included as a liability in these financial statements.

Note 9 Contingencies and Commitments

The Fund has the following unfunded commitments:

	30 Jun 2023 $M	31 Dec 2022 $M
BentallGreenOak investment vehicles	30.2	34.1
Private equity funds	33.0	26.0
Contingency Capital loan	3.5	2.1
Contingency Capital fund	40.3	42.6
Tetragon Credit Income IV	6.5	11.0
Total	**113.5**	**115.8**

Notes to the financial statements (continued)

Note 10 Related-party Transactions

There were no material changes in the transactions or arrangements with related parties as described in the audited financial statements for the year ended 31 December 2022 that would have a material effect on the financial position or performance of the Fund for the period ended 30 June 2023.

Reade Griffith, Paddy Dear, David O'Leary, Steven Hart, and Deron Haley – all Directors of the Fund during the period – maintained (directly or indirectly) interests in shares of the Fund as at 30 June 2023, with interests of 16,251,941, 5,551,127, 55,070, 28,668 and 28,668 shares respectively (31 December 2022: 16,010,947, 5,445,046, 51,458, 28,070 and 28,070 shares, respectively).

Note 11 Earnings per Share

The calculation of the basic and diluted earnings per share is based on the following data:

	Period ended 30 Jun 2023 $M	Period ended 30 Jun 2022 $M
Earnings for the purposes of basic earnings per share being net profit attributable to shareholders for the year	41.2	(149.5)
Weighted average number of shares for the purposes of basic earnings per share	87.7	89.2
Effect of dilutive potential shares		
Share-based compensation – equity-based awards	6.4	10.1
Weighted average number of shares for the purposes of diluted earnings per share	**94.1**	**99.3**

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding assuming conversion of all dilutive potential shares. Share-based employee compensation shares are dilutive potential shares.

In respect of share-based employee compensation – equity-based awards, it is assumed that all the time-based share awards will be issued, thereby increasing the weighted average number of shares. The number of dilutive performance-based shares is based on the number of shares that would be issuable if the end of the period were the end of the performance period.

Note 12
Segment Information

IFRS 8 *Operating Segments* requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

For management purposes, the Fund is organised into one main operating segment – its investment portfolio - which invests, either directly or via fund vehicles, in a range of alternative asset classes including equity securities, debt instruments, real estate, infrastructure, loans and related derivatives. The Fund's investment activities are all determined by the Investment Manager in accordance with the Fund's investment objective.

All the Fund's activities are interrelated, and each activity is dependent on the others.

Accordingly, all significant operating decisions are based upon analysis of the Fund as one segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

The shares in issue are in US Dollars. The Fund's investment geographical exposure is as follows:

Region	30 Jun 2023	31 Dec 2022
Europe	50%	48%
North America	43%	45%
Asia Pacific	6%	5%
Latin America	1%	2%

Note 13
Subsequent Events

The Directors have evaluated the period up to 31 July 2023, which is the date that the financial statements were approved. The Directors have concluded that there are no material events that require disclosure or adjustment to the financial statement.

Note 14
Approval of Financial Statements

The Directors approved and authorised for issue the financial statements on 31 July 2023.


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