Tetragon Financial Group Limited: PERFORMANCE REPORT FOR PERIOD ENDED 30 SEPTEMBER 2015

LONDON, Nov. 5, 2015

Shareholder Return

The numbers below show annualised total shareholder return to 30 September 2015, defined as share price appreciation including dividends reinvested, for one year, three years, five years, and since the Company's initial public offering in April 2007.

Figure 1

Total Shareholder Return Analysis (Annualised)	
1 Year	-6%
3 Years	10%
5 Years	24%
From IPO (April 2007)	7%

Source: Bloomberg TRA function.

Tetragon Financial Group Limited ("TFG" or the "Company") is a Guernsey closed-ended investment company traded on Euronext Amsterdam N.V. under the ticker symbol "TFG" and (as of 9 November 2015) on the Specialist Fund Market of the London Stock Exchange under ticker symbol "TFG.LN".[(1)] In this report, we provide an update on TFG's results of operations for the period ending 30 September 2015.

EXECUTIVE SUMMARY

TFG has a number of key announcements to make in this performance report for the third quarter of 2015:

- **Key performance metrics revised to include the Fair Value(2) of all TFG Asset Management(3) businesses**
  TFG has revised and prepared its non-GAAP key performance metrics for the third quarter of 2015 on the basis that all of TFG Asset Management's businesses are held at Fair Value, details of which are described below. These revised key metrics are expected to be reflected in TFG's performance reports going forward as they provide a consistent Fair Value treatment for all of TFG Asset Management's businesses, in line with the rest of TFG's investment portfolio. U.S. GAAP metrics are also provided as usual in the Financial Highlights section starting at page [28]. Reconciliations between GAAP and non-GAAP measures are shown in the Financial Highlights section and in Appendix IV.

- **TFG Key Performance Metrics for Q3 2015**
  TFG's Fair Value net income for the third quarter of 2015 was $119.4 million, approximately $107.8 million of which was attributable to a reflection of the Fair Value of certain TFG Asset Management assets (LCM[(4)], Polygon[(5)] and Hawke's Point[(6)]) and $11.6 million of which was from other assets. RoE on a like-for like basis was +0.6% in Q3, +6.6% year to date and +8.8% annualised. The Fair Value adjustment added a further 6% of performance, giving an

adjusted annualised Fair Value Return on Equity ("Fair Value RoE")[(7)] of 14.8%, towards the top of the Company's over-the-cycle target of 10-15% per annum.[(8)]

- **Q3 2015 dividend of 16.25 cents per share**
  The third quarter dividend was declared at 16.25 cents per share, giving 12 months' rolling dividend growth of 4.9%.
- **Possible IPO of TFG Asset Management**
  Tetragon Financial Management LP, TFG's investment manager ("TFM" or the "Investment Manager"), has determined that it will continue to grow TFG Asset Management, as TFG's diversified alternative asset management business, with a view to a planned initial public offering and listing of shares of TFG Asset Management in the next three to five years (the "IPO Strategy"). This determination follows an assessment by a strategic and capital markets specialist advisor as to the feasibility for such an IPO – this is discussed below.
- **Appointment of Stephen Prince as Co-Head of TFG Asset Management and Head of North America for Tetragon Financial Management LP**
  As part of our initiatives to increase shareholder value, we are very pleased to announce the appointment of Stephen Prince as Co-Head of TFG Asset Management and TFM's Head of North America. Stephen joins us from Silver Creek Capital Management LLC, a $7 billion alternative investment firm, where he most recently served as Deputy Chief Investment Officer and Chair of the Investment Committee. We believe Stephen will be instrumental in helping to build value at TFG as we continue to seek to grow TFG Asset Management organically and through acquisitions, attract investment talent and optimise risk-adjusted returns for TFG's capital.
- **Long Term Incentive Programme for TFG Asset Management employees**
  In concert with the IPO Strategy, TFG Asset Management has introduced a Long Term Incentive Programme ("LTIP") for certain long-standing and senior TFG Asset Management employees (excluding any principals of the Investment Manager). The LTIP, along with existing equity-based incentive compensation awards, are intended to give certain senior employees of TFG Asset Management long-term exposure to TFG stock at current prices with vesting (subject to forfeiture and certain restrictions) to the participants over an eight-year schedule. Consequently, we currently expect both the expense and dilutive impact of the LTIP to be spread over the eight year LTIP period. These equity-based incentive compensation awards are designed to incentivise TFG Asset Management employees, align them with TFG shareholders and help ensure a stable team particularly during the next phase of growth at TFG Asset Management as TFM pursues the IPO Strategy and hopefully beyond. Like certain other TFG Asset Management costs, the costs associated with the LTIP (including the cost of acquiring any TFG shares granted under the LTIP) will be allocated between TFG Asset Management and the Investment Manager in accordance with existing audited allocation methodologies.[(9)]
- **Accounting for TFG Asset Management**
  In TFG's Semi-Annual Performance Report for the period ended 30 June 2015, we indicated (based on independent technical input) that should the IPO Strategy for TFG Asset Management be settled upon, one result may be that all the businesses owned by TFG Asset Management would be required under U.S. GAAP to move to a consistent basis of accounting – Fair Value – rather than being partly Fair Valued (as is the case with Equitix[(10)] and GreenOak[(11)]) and partly consolidated (as is the case with LCM, Polygon and Hawke's Point). However, while further clarity is sought on what is considered an area of subjectivity and judgment under U.S. GAAP, as at 30 September 2015, the Audit Committee has determined to continue to prepare the Company's U.S. GAAP financial statements on the same basis as it did for the second quarter of 2015, with Polygon, LCM and Hawke's Point consolidated. As the business continues to develop and evolve, the Audit Committee will continue to consider the appropriate U.S. GAAP accounting treatment for TFG as a whole as well as for these TFG Asset Management businesses.

  In anticipation of the possible change to Fair Value accounting in Q3 2015 for Polygon, LCM and Hawke's Point, TFG's Audit Committee commissioned an independent valuation specialist to report on the Fair Value of TFG Asset Management as a whole and we have included the results of their work in Appendix III.

TFG and its Investment Manager believe that it is important that TFG's performance metrics are prepared consistently across the business and over time, particularly given the IPO Strategy for TFG Asset Management. Thus, given the current inconsistent U.S. GAAP treatment for elements of TFG Asset Management, we are reporting TFG's key performance metrics for Q3 2015 as if all of TFG Asset Management's businesses were held at Fair Value – along with reporting certain U.S. GAAP metrics. The reconciling adjustments between U.S. GAAP measures and TFG's non-U.S. GAAP performance metrics are explained in Appendix IV. These adjustments to TFG's performance metrics (to include the Fair Value of the elements of TFG Asset Management that are consolidated under U.S. GAAP) have no impact on any fees being paid to the Investment Manager as those fees are currently determined by the U.S. GAAP-based numbers.

- **Repurchase of up to $60 million of TFG non-voting shares**
  TFG intends to conduct a tender offer for a number of TFG non-voting shares with a maximum value of up to $60 million. Substantially all of the TFG shares acquired in the tender offer are expected to be held to hedge against (or otherwise offset the impact of) future grants of shares by TFG Asset Management in satisfaction of TFG Asset Management's obligations under the LTIP and other existing equity-based incentive compensation awards. Any TFG shares acquired that are not required to be held for such hedging purposes will be held by TFG as treasury shares for future issuance. Deutsche Bank will act as dealer manager in the tender offer, which will use a modified Dutch auction structure. Details of this planned tender offer will be announced shortly. A repurchase of TFG shares at a price below NAV will be accretive to NAV per share.
- **TFG shares to be admitted for trading on the Specialist Fund Market of the London Stock Exchange**
  As part of a series of initiatives to improve liquidity in TFG's shares, we are pleased to confirm that TFG's shares will be admitted for trading on the Specialist Fund Market ("SFM")[(12)] of the London Stock Exchange on 9 November 2015 (ticker: TFG.LN). TFG believes that the principal benefits of having this additional trading venue should be improved liquidity through access to a broader investor base and expanded analyst coverage. TFG will maintain its listing on Euronext in Amsterdam.

- **Retention of new corporate brokers**
  TFG has retained Stifel Nicolaus Europe Ltd. and Cantor Fitzgerald Europe as joint corporate brokers to the company as of October 2015. We look forward to working with our new brokers to bring TFG's story to a broader investor group.

- **Investor Day**
  TFG is hosting its annual Investor Day in London on 17 November 2015. The event will be webcast live. Further details regarding registration and the agenda will be published on our website, www.tetragoninv.com.

We provide additional detail regarding these announcements in this report and will also discuss these on our quarterly investor call scheduled for 11 November and at our upcoming Investor Day.

Performance for the Quarter

The environment during the quarter was a broadly challenging one for investors, with global equities indices such as the S&P 500 down 6.9%, the MSCI World down 8.9%, and broad alternative indices such as the HFRX Global down 4.3%.[(13)] Against this backdrop, we were pleased with the performance of TFG. In Figure 9 of this report, we provide the income for the quarter by TFG's various asset categories; in total, Q3 2015 Fair Value net income was $119.4 million, a return of 6.6% (as noted above, of that total, $107.8 million (5.9%) was attributable to a reflection of the Fair Value of certain TFG Asset Management assets with the remaining $11.6 million (0.64%) being attributable to other performance).

The Company's CLO portfolio continued to make a positive contribution in the third quarter, with real estate investments managed by the GreenOak joint venture and equities held on the balance sheet making notable positive contributions. Event-driven equities and the Convertible and Distressed hedge fund investments lost money, although they performed well in relative terms. The investment in TFG Asset Management was a contributor during the quarter, with Equitix valued higher by $17.7 million, reflecting its strong performance which was boosted by a first close to its fourth core United Kingdom infrastructure fund of approximately £306 million, alongside continued performance of its other funds and primary business.

Possible IPO of TFG Asset Management

As discussed in TFG's 2015 Semi-Annual Performance Report, TFM's investment strategy with respect to TFG Asset Management has led it to become a diversified alternative asset management business that owns majority and minority stakes in asset managers. As stated in that report, the Investment Manager hired a strategic and capital markets specialist advisor (the "Advisor") to assess the feasibility of the IPO Strategy.

The Advisor considered so-called "multi-boutique asset managers" as a relevant potential peer group, as well as the listing eligibility requirements of stock markets in New York and London and investor expectations and investment criteria. The Advisor's work focused primarily on a potential premium listing in London but also considered other stock markets, namely the New York Stock Exchange, Nasdaq and AIM. Successful premium listings vary in size, but generally attract those companies with market capitalisations higher than those that are admitted to AIM. Furthermore, they require a minimum level of free float, either driven by regulatory requirements (a minimum of 25%) or by investor demands for liquidity. These regulatory requirements and investor demands may be overcome in certain circumstances and may, of course, change in the coming years, but are still useful to consider as they reflect the current practice for a premium listing. The Advisor also highlighted some important structural and corporate governance considerations that would potentially need to be addressed before an IPO of TFG Asset Management could be undertaken.

The Advisor's report supports TFM's belief that an optimum valuation would be achieved by creating a strong track record based on growth in assets under management (AUM) and EBITDA, market-leading manager teams delivering underlying fund outperformance, a well-diversified alternative asset portfolio and the support of TFG. It would be useful to have demonstrated success in all potential routes for growth be they organic, new fund launches or rollouts, as well as acquisitions.

TFM is encouraged by the Advisor's report as to the feasibility of the IPO Strategy, and has confirmed to TFG's Board of Directors that it, on behalf of TFG, will continue to grow TFG Asset Management, as TFG's diversified alternative asset management business, with a view to a possible initial public offering and listing of shares of TFG Asset Management in the next three to five years. We will update investors in our quarterly reports on developments with respect to certain criteria that may be important to the success of an IPO of TFG Asset Management.

TFG OVERVIEW

Tetragon Financial Group Limited ("TFG") is a Guernsey closed-ended company traded on Euronext Amsterdam N.V. under the ticker symbol "TFG" and (as of 9 November 2015) on the Specialist Fund Market of the London Stock Exchange under ticker symbol "TFG.LN".

TFG's investment objective is to generate distributable income and capital appreciation. It aims to provide stable returns to investors across various credit, equity, interest rate, inflation and real estate cycles. The company's investment portfolio comprises a broad range of assets, including a diversified alternative asset management business, TFG Asset Management, and covers bank loans, real estate, equities, credit, convertible bonds and infrastructure.

TFG's Fair Value Net Asset Value as of 30 September 2015 was approximately $2.0 billion.

TFG Asset Management consists of:

- LCM Asset Management – a CLO loan manager.
- The GreenOak Real Estate joint venture – a real estate-focused principal investing, lending and advisory firm.
- Polygon Global Partners – a manager of open-ended hedge fund and private equity vehicles across a number of strategies.
- Equitix – an integrated core infrastructure asset management and primary project platform.
- Hawke's Point – a mining finance company.

Assets under management for TFG Asset Management as of 30 September 2015 totalled approximately $15.5 billion.(14)

To achieve TFG's investment objective of generating distributable income and capital appreciation, TFG's current investment strategy is:

- To identify attractive asset classes and investment strategies.
- To identify asset managers it believes to be superior.
- To use the market experience of TFM, TFG's investment manager, to negotiate favourable terms for its investments.
- Through TFG Asset Management, and where sensible, to seek to own all, or a portion, of asset management companies with which it invests in order to enhance the returns achieved on its capital.

In addition, TFM's current investment strategy is to continue to grow TFG Asset Management – as TFG's diversified alternative asset management business – with a view to a possible initial public offering and listing of its shares.

As part of its investment strategy, TFM may employ hedging strategies and leverage in seeking to provide attractive returns while managing risk.

The Investment Manager seeks to identify asset classes that offer excess returns relative to their investment risk, or "intrinsic *alpha.*" It analyses the risk/reward, correlation, duration and liquidity characteristics of each potential capital use to gauge its attractiveness and incremental impact on the Company.

The Investment Manager then seeks to find high-quality managers who invest in these asset classes; selects or structures suitable investment vehicles that optimise risk-adjusted returns for TFG's capital; and/or seeks for TFG (via TFG Asset Management) to own a share of the asset management company. TFG aims to not only produce asset level returns, but also aims to enhance these returns with profits from owning asset management businesses that derive income from external investors.

Certain 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 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. The Investment Manager 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.

TFG's asset management businesses can operate autonomously, or on the TFG Asset Management platform. In either case, the objective is for them to benefit from an established infrastructure, which can assist in critical business management functions such as risk management, investor relations, financial control, technology, and compliance/legal matters, while maintaining entrepreneurial independence.

Figure 2 shows the company's current net asset breakdown including TFG Asset Management at full estimated Fair Value.

Figure 2(i)(ii)

Fair Value Net Asset Breakdown at 30 September 2015	
CLO Equity	35.4%
Equities	13.5%
Credit	7.4%
Real Estate	7.4%
Asset Managers: TFG AM	19.9%
Net Cash	16.4%
Total	**100.0%**

(i) Net Cash consists of: (1) cash held directly by Tetragon Financial Group Master Fund Limited, (2) excess margin held by brokers associated with assets held directly by Tetragon Financial Group Master Fund Limited, and (3) cash held in certain designated accounts related to TFG's investments, which may only be used for designated purposes without incurring significant tax and transfer costs, net of "Other Net Assets and Liabilities."

(ii) Assets characterised as "Equities" consist of the fair value of investments in Polygon-managed equity funds as well as the fair value of, or capital committed to, equity assets (as applicable) held directly on TFG's balance sheet. Please see Figure 9 for further details on asset composition.

Board of Directors

TFG's Board of Directors is comprised of six members, four of whom are non-executive independent directors who have significant experience in asset management and financial markets. Biographies of the directors can be found in Appendix VII.

- Rupert Dorey (Independent Director)
- Frederic Hervouet (Independent Director)
- David Jeffreys (Independent Director)
- Byron Knief (Independent Director)
- Reade Griffith
- Paddy Dear

KEY METRICS

The Company focuses on the following key metrics when assessing how value is being created for, and delivered to, TFG shareholders: Earnings, NAV per share, and Dividends. As explained in the Executive Summary, TFG's Key Metrics have been modified, effective from Q3 2015, to incorporate the value that is being created in TFG Asset Management on a consistent Fair Value basis using valuations provided by an independent valuation specialist reporting to the Audit Committee. The resulting Fair Value metrics are described in this section and further detail on the drivers for each of the Fair Value metrics is discussed in the following sections of the report.

EARNINGS - FAIR VALUE RETURN ON EQUITY ("FAIR VALUE RoE")

Fair Value RoE for the first three quarters of 2015 was an annualised 16.7%, above TFG's long-term target range of 10-15%,[15] enhanced in Q3 by the reflection of the Fair Value of LCM, Polygon and Hawke's Point ("Q3 Fair Value Adjustment") which added Net Economic Income[16] of $107.8 million or 6.0% of RoE. TFG performance on a like for like basis in Q3 was +0.6%, +6.6% year to date and 8.8% annualised. Adjusted annualised performance was +14.8%.

Q3 was a challenging quarter for investors across many asset classes and we were pleased that, excluding the Q3 Fair Value Adjustment for TFG Asset Management, TFG generated Net Economic Income of $11.6 million in the quarter and $120.6 million year to date, or 6.6% year to date RoE. This equated to an annualised RoE of 8.8%. If we add to this the uplift in TFG Asset Management of 6.0%, then the adjusted annualised run rate for 2015 is 14.8%, lower than the headline annualised number of 16.7%, but still at the top end of TFG's target range.

Figure 3[i]

Annual Fair Value Return on Equity 2011-YTD 2015

2011	36.1%
2012	20.8%
2013	15.3%
2014	6.6%
2015 Annualised	16.7%
Average	13.7%

(i) Average RoE is calculated from TFG's IPO in 2007. 2015 annualised RoE includes a fair value adjustment for certain TFG Asset Management businesses, the value of which has accumulated over several years. Consequently the annualised return of 14.8% is not prepared on a like for like basis with prior years. Like for like annualised performance to Q3 2015 was 8.8%.

FAIR VALUE EARNINGS PER SHARE ("FAIR VALUE EPS")

TFG generated a Fair Value Adjusted EPS[17] of $2.37 year to date through 30 September 2015.

The Fair Value Net Economic Income[18] of $228.4 million for the year to date through 30 September 2015 resulted in a Fair Value EPS of $2.37, of which $1.12 related to the inclusion of Fair Value adjustments for elements of TFG Asset Management. The EPS performance, excluding the fair Value adjustment, of $1.25 represents a 28% increase over the corresponding period in 2014.

Figure 4[i]

Fair Value EPS Comparison 2011 - Q3 2015 (USD)

	Q3 YTD	Q4	FY
FY 2011	$2.77	$0.69	$3.46
FY 2012	$1.77	$0.93	$2.70
FY 2013	$1.39	$1.13	$2.52
FY 2014	$0.98	$0.26	$1.24
Q3 2015	$2.37	N/A	N/A

(i) For Q3 2015, $1.12 of the EPS amount relates to the Fair Value adjustment.

Further detailed information on the drivers of the Company's performance is provided later in this report.

FAIR VALUE NAV PER SHARE

FAIR VALUE NAV per Share was $18.47 at the end of Q3 2015, up 8.3% from the end of Q4 2014

- Total Fair Value NAV for TFG rose to $2,025.4 million at 30 September 2015, which equated to Fair Value NAV per Share[19] of $18.47
- The 8.3% growth in Fair Value NAV per Share recorded in the first three quarters of the year is after distributing dividends of $0.4775 during that period. The Fair Value NAV per Share growth year to date, adjusting for the dividend distributions, was approximately 11.1%.

Figure 5(i)

Fair Value NAV per Share Q3 2011 - Q3 2015 (USD)

2011	$12.06
2012	$14.29
2013	$15.49
2014	$16.82
2015	$18.47

(i) Source: NAV per share based on TFG's financial statements as of 30 September of each of the years shown. Please note that the Fair Value NAV per share reported at each date excludes any shares held in treasury or in a subsidiary as of that date, but includes shares held in escrow which are expected to be released and incorporated into the U.S. GAAP NAV per Share over a five-year period and the number of shares corresponding to the applicable intrinsic value of the options issued to the Investment Manager at the time of the Company's IPO. Please see Figure 19 on page 27 for more details.

DIVIDENDS PER SHARE ("DPS")

TFG held its quarterly dividend unchanged at 16.25 cents per share

- TFG declared a Q3 2015 DPS of $0.1625, the same level as for Q2 2015. On a rolling 12-month basis, the dividend of $0.64 cents per share represents a 4.9% increase over the prior 12-month period and equated to an annualised dividend yield of 6.7% on the 30 September 2015 share price of $9.65.
- This dividend declaration continues TFG's progressive dividend policy, which targets a payout ratio of 30-50% of normalised earnings. The Q3 2015 DPS of $0.1625 brings the cumulative DPS declared since TFG's IPO to $3.925.

Figure 6

Dividend Per Share Comparison 2011-2015 (USD)

	Q3 YTD	Q4	FY
2011	$0.290	$0.105	$0.395
2012	$0.335	$0.135	$0.470
2013	$0.415	$0.150	$0.565
2014	$0.460	$0.1575	$0.6175
2015	$0.4825	N/A	N/A

Q3 2015 IN REVIEW

PERFORMANCE BY ASSET TYPE

The figure below illustrates the composition of TFG's Fair Value net assets as of the end of Q3 2015 and year end 2014.

Figure 7[(i)(ii)]

Fair Value Net Asset Composition Summary(i)(ii)

	Net Asset Breakdown at 31 December 2014	Fair Value Net Asset Breakdown at 30 September 2015
CLO Equity	45.0%	35.4%
Equities	14.5%	13.5%
Credit	8.8%	7.4%
Real Estate	4.9%	7.4%
Asset Managers: TFG AM	6.5%	19.9%
Net Cash	20.3%	16.4%
Total	**100.0%**	**100.0%**

(i) Net Cash consists of: (1) cash held directly by Tetragon Financial Group Master Fund Limited, (2) excess margin held by brokers associated with assets held directly by Tetragon Financial Group Master Fund Limited, and (3) cash held in certain designated accounts related to TFG's investments, which may only be used for designated purposes without incurring significant tax and transfer costs, net of "Other Net Assets and Liabilities."

(ii) Assets characterised as "Equities" consist of the fair value of investments in Polygon-managed equity funds as well as the fair value of, or capital committed to, equity assets (as applicable) held directly on TFG's balance sheet. Please see Figure 9 for further details on asset composition.

Top 10 Holdings as of 30 September 2015

The table below highlights TFG's ten top holdings as of the end of the quarter.

Figure 8

Top Holdings as of 30 September 2015

	Holding	Description	Asset Class	Fair Value $MM	% of Fair Value NAV
1	Equitix (Manager)	£1.7 Bn UK infrastructure fund asset manager	TFG Asset Management	161.6	8.0%
2	Polygon European Equity Opportunity Fund	European event driven equity hedge fund	Equities	127.2	6.3%
3	LCM (Manager)	$5.9 Bn CLO manager	TFG Asset Management	104.4	5.2%
4	Polygon Distressed Opportunities Fund	Distressed opportunities hedge fund	Credit	95.7	4.7%
5	Polygon (Manager)	$1.5 Bn hedge fund manager	TFG Asset Management	68.6	3.4%
6	GreenOak Real Estate (Manager)	$6 Bn global real estate asset manager	TFG Asset Management	67.0	3.3%
7	Polygon Convertible Opportunity Fund	Event driven credit hedge fund	Credit	44.2	2.2%
8	Polygon Mining Opportunities Fund	Mining-related equity hedge fund	Equities	36.7	1.8%
9	LCM XIX LP	US broadly syndicated corporate loans (CLO)	CLO Equity	35.6	1.8%
10	LCM XVI LP	US broadly syndicated corporate loans (CLO)	CLO Equity	31.7	1.6%
	TOTAL				**38.1%**

NET ASSET BREAKDOWN AND INCOME FOR Q3 2015

Figure 9

NET ASSET BREAKDOWN AND INCOME FOR Q3 2015

Asset Category	Asset Subcategory	Q3 2015 Fair value Net Assets ($MM)	Q3 2015 YTD Fair Value Net Income ($MM)	Q3 2015 Fair Value Net Income ($MM)

CLO Equity	U.S. CLO 1.0(i)	339.8	41.3	5.3
CLO Equity	U.S. CLO 2.0(i)	300.4	28.6	2.5
CLO Equity	European CLOs	75.8	5.1	3.5
Equities	Equity Funds	183.6	5.7	(9.0)
Equities	Other Equities(ii)	89.2	47.4	4.8
Credit	Convertible Bond Fund	44.2	1.7	(0.4)
Credit	Distressed Fund	95.7	(4.8)	(5.2)
Credit	Direct Loans	9.6	0.7	-
Real Estate	Real Estate	149.2	27.7	6.6
Asset Management	TFG Asset Management(iii)	402.3	158.9	145.0
Net Cash	Net Cash	335.6	0.1	-
Net Cash	Corporate Fees and Expenses	NA	(74.7)	(38.9)
Net Cash	Net Hedge PnL and Taxes	NA	(9.3)	5.2
		2,025.4	**228.4**	**119.4**

(i) "U.S. CLO 1.0" refers to U.S. CLOs issued before or during 2008. "U.S. CLO 2.0" refers to U.S. CLOs issued after 2008. The U.S. CLO 1.0 segment includes an investment in the BB tranche of a U.S. CLO 1.0 with fair value of $1.8 million.

(ii) Assets characterised as "Other Equities" consist of the fair value of, or capital committed to, investment assets held directly on the balance sheet.

(iii) The TFG Asset Management income figure includes the consolidated net economic income before tax of Polygon, LCM and Hawke's Point to 30 June 2015, and changes in the fair value of those investments from 1 July to 30 September 2015. The income relating to investments in Equitix and GreenOak reflects the changes in the carrying value of these equity investments, and in the case of Equitix, interest income and changes in fair value connected to the loans held.

Figure 9 above shows net assets and net income by asset class for Q3 2015.

- **U.S. CLO 1.0 deals:** The performance of TFG's U.S. CLO 1.0 investments during Q3 2015 was positive despite more challenging credit and technical market conditions including increased loan price volatility and concerns about weaker credit quality within energy and commodity-related industries. Additionally, a moderate pace of ongoing structural deleveraging continued to support CLO equity performance given a slightly lower loan market prepayment rate during Q3 2015. As of the end of Q3 2015, all of TFG's U.S. CLO 1.0 deals were passing their junior-most O/C tests.[20] In aggregate, year to date through Q3 2015, this asset class generated net income of $41.3 million, with $5.3 million of this generated during Q3. TFG is invested in the equity tranches of 39 U.S. CLO 1.0 deals, the largest of which is $22.4 million in fair value.
- **U.S. CLO 2.0 deals:** The performance of TFG's U.S. CLO 2.0 deals was accretive during Q3 2015. Nonetheless, this segment's level of income generation during Q3 2015 decelerated versus the first half of the year, as many managers rotated out of certain perceived higher-risk credits and O/C ratio cushions declined slightly due to modest exposure to certain oil & gas defaults. As of the end of Q3 2015, all of TFG's U.S. CLO 2.0s were in compliance with their junior-most O/C tests.[21] Year to date through Q3 2015, these CLOs generated net income of $28.6 million (with $2.5 million of this generated during Q3). TFG is invested in the equity tranches of 16 U.S. CLO 2.0 deals, the largest of which is $35.6 million in fair value.
- **European CLOs:** All of TFG's European CLOs were in compliance with their junior-most O/C tests as of the end of Q3 2015.[22] The pace of structural deleveraging of this segment of the portfolio stabilised during the third quarter, in-line with a market-wide decline in European loan prepayment rates, allowing for a marginally longer period of excess interest generation for TFG's equity positions. Year to date though Q3 2015, this portfolio segment generated net income of $5.1 million (with $3.5 million of this generated during Q3). TFG is invested in the equity tranches of eight European CLOs, the largest of which is $18.1 million in fair value.

- **Equity Funds:** Polygon's event-driven equity investments had negative net income of $9.0 million in Q3 2015; year to date through the end of Q3 2015, net income generated was $5.7 million. The quarter was difficult for many market participants in the event-driven space due to, among other things, nervousness around the Greek bailout referendum in July and the Chinese stock market selloff in August. The HFRX Event-Driven index was down 7.7% in Q3(23); by comparison, Polygon's European event-driven strategy was down 4.3% net, and its mining equity vehicle was down 3.8% net in Q3. Please refer to page 22 for further details on the performance of the individual funds.
- **Other Equities:** These assets had positive returns of $4.8 million in Q3 2015, and year to date net income of $47.4 million through 30 September 2015.
- **Convertible Fund**: The contribution from Polygon's convertible fund investment was slightly negative during Q3 2015 (negative $0.4 million of net income), with net income at $1.7 million year to date. The fund's performance was down 0.75% net during Q3 2015, slightly stronger than the HFRX Convertible Index which was down 1.1%.(24) Please refer to page 22 for further details on the fund's performance.
- **Distressed Fund**: This asset subcategory had negative net income of $5.2 million during Q3 2015, with net income at negative $4.8 million year to date. Polygon's distressed fund performance was down 3.4% net in Q3 2015, compared to the HFRX Distressed Index which was down 5.6% net during a difficult quarter for distressed funds.(25) Please refer to page 22 for further details.
- **Real Estate:** GreenOak-managed real estate investments contributed $6.6 million to net income during Q3 2015, with the majority of this coming from investments in the Japan Fund, where there was a distribution of realised proceeds, and U.S. Fund I where certain underlying properties were revalued. Year to date income stands at $27.7 million. We are invested in 19 investment vehicles.
- **TFG Asset Management:** TFG's investment in TFG Asset Management generated $145.0 million of capital appreciation and investment income during the third quarter, as its investments in Polygon and LCM were Fair Valued for the first time in TFG's Key Metrics, and the Fair Value of its equity stake in Equitix was adjusted upwards.(26) On a gross, before-fees basis, the impact of deconsolidating Polygon, LCM and Hawke's Point added $125.6 million to the Fair Value Net Income and Fair Value NAV.(27) The remaining income was attributable to a combination of a fair value recalibration of TFG's equity stake in Equitix, and interest income on its loans to that entity. For further information on the basis for determining the fair value of the TFG Asset Management investment, please see Appendix III. TFG Asset Management's *pro forma* operating results are set out in Figure 18.

Figure 10
TFG Asset Management - U.S. GAAP Carrying value vs Fair Value

	30 Sep 15		30 Jun 15	
Business	**U.S. GAAP Treatment**	**U.S. GAAP Value ($MM)**	**Fair Value ($MM)**	**Difference ($MM)**
Equitix	Fair Value	161.6	161.6	-
GreenOak Joint Venture	Fair Value	67.0	67.0	-
Hawke's Point	Consolidated	-	0.8	0.8
LCM	Consolidated	-	104.4	104.4
Polygon	Consolidated	-	68.6	68.6
Net assets of consolidated businesses	Consolidated	46.9	-	(46.9)
		275.5	402.3	**126.9**

Q3 2015 Major New Investments

- **U.S. CLO 2.0s**: In Q3 2015, TFG acquired a majority equity position in one LCM-managed CLO for a total cost of approximately $34.6 million.
- **Real Estate**: During Q3 2015, TFG invested approximately $13.0 million into various real estate funds and vehicles which focus on a variety of geographical areas including the Americas, Europe and Asia.

Q3 2015 Major Asset Sales and Optional Redemptions

- **U.S. CLOs**: During Q3 2015, TFG exercised its optional call rights on two U.S. CLO 1.0 deals, generating partial call proceeds of approximately $2.5 million. Remaining distributions on those transactions are expected in the coming months, pending the sale or settlement of certain underlying assets. Additionally, TFG collected $16.1 million from the wind-down of a U.S. CLO 1.0 transaction undertaken by its collateral manager during Q3 2015. Finally, shortly after the end of Q3 2015, TFG exercised its optional call rights on one additional U.S. CLO 1.0 transaction, which is expected to be finalised during Q4 2015 - Q1 2016.
- **European CLOs**: TFG exercised its optional call rights on one European CLO in Q3 2015, which is expected to make a partial distribution in Q1 2016. Furthermore, the manager of one additional European CLO has initiated a portfolio wind-down and TFG is expected to receive its share of those proceeds during Q4 2015.
- **Real Estate**: During Q3 2015, TFG received approximately $10.0 million, representing both capital and income on certain investments that are past their re-investment periods and are starting to sell down their assets. The majority of these receipts were from investments focused on the United States and Japan.

TFG ASSET MANAGEMENT OVERVIEW

One of TFG's significant investments is TFG Asset Management, a diversified alternative asset management business that owns majority and minority stakes in asset managers. At 30 September 2015, TFG Asset Management comprised LCM, the GreenOak joint venture, Polygon, Equitix and Hawke's Point (please see Figure 11 for the breakdown of AUM and Fair Value by business line). TFG Asset Management has approximately $15.5 billion of assets under management [28] and has 205 employees globally. Figure 12 depicts the growth of that AUM over the last five years.

Figure 11[i]

TFG AM AUM by Business Line at 30 September 2015 ($BN)	
LCM: U.S. CLOs	5.9
GreenOak: Global Commercial Real Estate	5.6
Polygon: Hedge Funds	1.5
Equitix: UK Infrastructure	2.6

TFG AM Fair Value by Business Line at 30 September 2015 ($MM)	
Equitix	161.6
GreenOak Joint Venture	67.0
Hawke's Point	0.8
LCM	104.4
Polygon	68.6
TOTAL	**402.3**

Figure 12[ii]

TFG AM Assets Under Management at 30 September 2011-2015 ($BN)	
Q3 2011	3.4

Q3 2012	5.8
Q3 2013	9.1
Q3 2014	10.6
Q3 2015	15.5

(i) Includes GreenOak funds and advisory assets, LCM Asset Management LLC, Polygon Recovery Fund LP, Polygon Convertible Opportunity Master Fund, Polygon European Equity Opportunity Master Fund and associated managed account, Polygon Mining Opportunity Master Fund, Polygon Global Equities Master Fund, Polygon Distressed Opportunities Master Fund, and Equitix Holdings as calculated by the applicable administrator for value date 30 September 2015. Includes, where relevant, investments by Tetragon Financial Group Master Fund Limited. TFG Asset Management AUM as used in this report includes the assets under management of several investment advisers, including Tetragon Asset Management L.P., and GreenOak Real Estate, LP, each of which is an investment manager registered under the U.S. Investment Advisers Act of 1940.

(ii) Please see note (i) above.

BUSINESS OVERVIEWS

The following pages outline the progress of each asset management business during Q3 2015 in turn.

All data is at 30 September 2015, unless otherwise stated.

LCM

Description of Business:	• LCM is a specialist in below-investment grade U.S. broadly-syndicated leveraged loans. • The business was established in 2001 and has offices in New York and London. • TFG owns 100% of LCM. • 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. • CLO managers typically earn a management fee of up to 0.50% of total assets, and a performance fee of 20% over a CLO equity IRR hurdle. • Further information on LCM is available at www.lcmam.com.
Amount of TFG's Investment in Products:	$264.1 million. TFG held CLO equity investments with total Fair Value of $254.5 million (U.S. CLO 1.0: $31.7 million, U.S. CLO 2.0: $222.8 million) in LCM-managed CLOs.
AUM/ Fair Value:	$5.9 billion, compared to $5.6 billion at the end of H1 2015. Estimated Fair Value is $104.4 million. LCM XIX, a $617.5 million CLO, closed on 28 July 2015. During the quarter, LCM-managed CLOs had $289 million of amortization. ***[REFER TO FIGURE 13 BELOW]***
Performance in Q3 2015:	Performance in LCM-managed CLOs remained steady during Q3 2015, despite headwinds related to certain oil and gas-related realised and unrealised losses. While loans classified as being in the oil and gas industry represented nearly 8% of overall leveraged loan issuance year to date through Q3 2015, exposure to this industry in LCM-managed CLOs was considerably lower, with the typical exposure at the beginning of the third quarter between 2% and 4.5% of the underlying loans.[29] As of the end of the quarter, all LCM-managed CLOs remained in compliance with their coverage tests and continue to generate cash flows for their equity tranches.

Figure 13
LCM AUM History ($BN)

YE 2011	3.4

YE 2012	4.3
YE 2013	4.2
YE 2014	5.3
Q3 2015	5.9

GREENOAK

Description of Business:	• GreenOak is a real estate-focused principal investing, lending and advisory firm that seeks to create long-term value for its investors and provide strategic advice to its clients. • The business was established in 2010 as a joint venture with TFG and has a presence in New York, London, Tokyo, Los Angeles, Luxembourg, Madrid, Munich, and Seoul. • TFG owns 23% of the business. • GreenOak currently has funds with investments focused on the United States, Japan, Spain, and the United Kingdom. • Funds are typically structured with management fees of 1.5%-2.0% and carried interest over a preferred return. The funds generally have a multi-year investment period, with a fund term of seven years after the final close, with possible extensions subject to certain approvals. • Further information on GreenOak is available at www.greenoakrealestate.com.
Amount of TFG's Investment in Products:	$123.1 million. The outlook for 2015-2016 is to increase the allocation to GreenOak by $25 - $75 million.
AUM / Fair Value:	$5.6 billion, which was flat compared to the end of H1 2015. The Fair Value of TFG Asset Management's 23% share of GreenOak is $67.0 million. ***[REFER TO FIGURE 14 – BELOW]***

Figure 14
GreenOak AUM History[i]($BN)

YE 2011	0.6
YE 2012	2.3
YE 2013	3.6
YE 2014	4.4
Q3 2015	5.6

(i) Includes investment funds and advisory assets managed by GreenOak at 30 September 2015. TFG owns a 23% stake in GreenOak. AUM include all third-party interests and total projected capital investment costs. Includes, where relevant, investments by TFG.

POLYGON

Description of Business:	• Polygon manages open-ended hedge fund and private equity vehicles across a number of strategies. • Polygon was established in 2002 and has offices in New York and London. • TFG owns 100% of the business. • Fees in these products include a management fee that is generally between 1.5% and 2.0% and the

	typical performance fee or carried interest is 20%. • Further information on Polygon is available at www.polygoninv.com.
Amount of TFG's Investment in Products:	$323.5 million. The outlook for 2015-2016 is to maintain a stable allocation in these assets.
AUM / Fair Value:	$1.5 billion for all funds; $1.2 billion for open strategies. AUM was flat compared to the end of H1 2015. Estimated Fair Value is $68.6 million. ***[REFER TO FIGURE 15 – BELOW]***
Performance in Q3 2015:	During Q3 2015, most Polygon hedge funds experienced losses, reversing some of the positive performance delivered earlier in the year. However, the funds outperformed or were in line with the HFRX Global Hedge Fund Index which had a negative return of 4.3% during the quarter, and compared favourably to sector specific benchmark performance during Q3: the HFRX Event Driven Index was down 7.7%; the HFRX Convertible Arbitrage Index was down 1.1%; the HFRX Distressed Index was down 5.6%; and the GDXJ Market Vectors Junior Gold Miners Index was down 18.9%.[30] Performance for each strategy is shown in Figure 16. ***[REFER TO FIGURE 16 – BELOW]*** Note: The AUM noted above includes investments in the relevant strategies by TFG, other than in respect of the Private Equity Vehicle, where there is no such investment. The Private Equity vehicle, at the time of the Polygon transaction and currently, remains a closed investment strategy. Past performance or experience (actual or simulated) does not necessarily give a guide for the future and no representation is being made that the funds listed will or are likely to achieve profits or losses similar to those shown. Past performance or experience (actual or simulated) does not necessarily give a guide for the future and no representation is being made that the funds listed will or are likely to achieve profits or losses similar to those shown. Except as otherwise noted, all performance numbers provided herein reflects the actual net performance of the funds net of management and performance fees, as well as any commissions and direct expenses incurred by the funds, but before withholding taxes, and other indirect expenses. All returns include the reinvestment of dividends, if any. Differences in account size, timing of transactions and market conditions prevailing at the time of investment may lead to different results. Differences in the methodology used to calculate performance may also lead to different performance results than those shown. P&L for the Private Equity Vehicle was $25.3 million in YTD through 30 September 2015 before FX movements of -$14.8 million. P&L is +$150.8 million from closing date net asset value before FX movements of -$35.5 million. The fund is generally precluded from hedging FX exposure. The fund has made life to date distributions of $530 million to its partners. The estimated approximate LTD multiple is based on the fund's quarter end net asset value and historical distributions and other returns over an original aggregate purchase price for the fund's initial assets of approximately $459 million and excludes the effects of FX and certain assets purchased through recycled capital. The estimated approximate LTD multiple including those two items (FX and recycled capital) would be 1.88x. Each of these multiples will be different from the multiples reflected for specific limited partners in the fund, which would be calculated with respect to relevant class of partners in accordance with the fund's limited partnership agreement.

Figure 15 [i]
Polygon Hedge Funds AUM History ($MM)
(Convertibles, European Event-Driven Equity, Mining Equities, Distressed, Other Equity)

YE 2011	409
YE 2012	529
YE 2013	855
YE 2014	1,113
Q3 2015	1,206

(i) Includes AUM for Polygon Convertible Opportunity Master Fund, Polygon European Equity Opportunity Master Fund and associated managed account, Polygon Mining Opportunity Master Fund, Polygon Global Equities Master Fund and Polygon Distressed Opportunities Master Fund, as calculated by the applicable fund administrator at 31 December 2011, 2012, 2013, and 2014, and 30 September 2015. Includes, where relevant, investments by Tetragon Financial Group Master Fund Limited.

Figure 16[31]
Polygon Funds Summary

Fund		AUM at 30 Sep 2015 ($MM)	Q3 2015 Net Performance	YTD Net Performance	Annualised Net LTD Performance
Convertibles[31.i]	$	417.8	-0.7%	3.5%	17.6%
European Event-Driven Equity[31.ii]	$	598.2	-4.3%	4.9%	10.8%
Mining Equities[31.iii]	$	66.4	-3.8%	1.1%	2.0%
Distressed Opportunities[31.iv]	$	100.6	-3.4%	-1.0%	5.4%
Other Equity[31.v]	$	22.5	0.8%	8.0%	16.6%
Total AUM - Open Funds	**$**	**1,205.6**			**Estimated approx. LTD Multiple**
Private Equity Vehicle[31.vi]	$	299.5	N/A	N/A	1.88x
Total AUM	**$**	**1,505.1**			

EQUITIX

Description of Business:	• Equitix is an integrated core infrastructure asset management and primary project platform. • Equitix was established in 2007 and is based in London. • TFG owns 85% of the business; over time, TFG's holding is expected to decline to approximately 74.8%. Management own the balance. • Equitix typically invests in infrastructure projects in the United Kingdom with long-term revenue streams across the healthcare, education, social housing, highways & street lighting, offshore transmission and renewable and waste sectors. • Fees in this product include a management fee, and a carry interest fee that is over a hurdle currently set at 7.5%. The carried interest fee is typically 20% over the hurdle, and the management fee after the investment period is typically between 1.25% and 1.65%; during the investment period it has ranged between 0.95% and 2.0% on invested capital. The core funds also have an additional fee on committed capital of approximately 0.30%. • Further information on Equitix is available at www.equitix.co.uk.
Amount of TFG's Investment in Products:	TFG has exposure to the performance of Equitix funds indirectly through its ownership of the company as Equitix holds certain GP interests in the funds it manages. As at 30 September 2015, these interests were valued at £9.9 million ($14.9 million).
AUM / Fair Value:	£1.7 billion ($2.6 billion)[i], compared to £1.4 billion at the end of H1 2015. During Q3 2015, Equitix had a first close on Equitix IV of approximately £306 million. Equitix is held at Fair Value which is $161.6 million. ***[REFER TO FIGURE 17 – BELOW]***
Performance in Q3 2015:	Equitix Fund I and Equitix Fund II are fully invested across 21 projects and 35 projects respectively, are cash generative and are producing stable yields to investors. Equitix Fund II is fully committed and the portfolio is cash generative. Equitix Energy Efficiency Funds are in their investment period, are 70% committed to a diversified portfolio of projects, and are cash generative. The Equitix Managed Account is fully committed and the portfolio is cash generative.

Figure 17
Equitix AUM History (£MM)

YE 2011	339
YE 2012	493
YE 2013	1,027
YE 2014	1,328
Q3 2015	1,687

(i) USD-GBP exchange rate at 30 September 2015.

HAWKE'S POINT

Description of Business:	• Hawke's Point is a mining finance company established by TFG in Q4 2014 which seeks to provide capital to companies in the mining and resource sectors. • TFG Asset Management established Hawke's Point in Q4 2014 and owns 100% of the business. • Hawke's Point is currently actively evaluating a range of mine financing opportunities.
Amount of TFG's Investment in Products:	As this is a start-up business, there are not yet any investments on which to report. The outlook for 2015-2016 is for TFG to allocate up to $100 million to this segment.
AUM/ Fair Value	The Hawke's Point team continues to assess a broad range of investment opportunities although has yet to commit capital.
	The Estimated Fair Value of the business has been determined using a replacement cost methodology and is $0.8 million.

TFG ASSET MANAGEMENT PRO-FORMA EBITDA (Ex-GreenOak)

Figure 18
TETRAGON FINANCIAL GROUP
TFG Asset Management Pro Forma Statement of Operations (excluding GreenOak)

	YTD Q3 2015(i) $MM	**YTD Q3 2014 $MM**	**YTD Q3 2013 $MM**
Management fee income	39.9	32.3	28.0
Performance and success fees(ii)	28.9	13.1	5.2
Other fee income	16.5	10.6	12.6
Interest income	0.7	0.2	0.2
Total income	**86.0**	**56.2**	**46.0**
Operating, employee and administrative expenses	(46.9)	(32.8)	(27.6)
Minority Interest	(4.7)	-	-
Net income - "EBITDA equivalent"	**34.4**	**23.4**	**18.4**

(i) For YTD Q3 2015 this table includes the income and expenses attributable to TFG's majority owned businesses, Polygon, LCM and Equitix during that period. In the case of Equitix this only covers the period from 2 February 2015, the date of the closing of TFG's acquisition of Equitix. Although TFG currently has an 85% effective economic share of its business, 100% of Equitix's income and expenses are reflected with the 15% not attributable to TFG backed out through the minority interest line. GreenOak is not included. The EBITDA equivalent is a non-GAAP measure and is designed to show the performance of the TFG Asset Management businesses rather than what is reflected in TFG's U.S. GAAP financial statements.

(ii) The performance and success fees include some unrealised Polygon performance fees. These represent the fees calculated by the applicable administrator of the relevant Polygon funds, in accordance with the applicable fund constitutional documents, when determining NAV at quarter end, less certain assumed costs. Similar amounts, if any, from LCM and GreenOak are excluded from this line item. Such fees would typically not be realised or recognised under U.S. GAAP until calendar year end, and are therefore subject to change based on fund performance during the remainder of the year. There can be no assurance that the company will realise all or any portion of such amounts. Through 30 September 2015, this amount equalled $0.0 million. TFG is able to invest at a preferred level of fees.

- **Overview:** Figure 18 shows a *pro forma* statement of operations which reflects the operating performance of the majority-owned asset management companies within TFG Asset Management. Although they are currently reported under U.S. GAAP partially at Fair Value and partially on a consolidated basis, the aim of also presenting the underlying performance in this way is to give investors insight into a key driver behind that valuation. GreenOak, in which TFG holds a minority interest, is not included in the *pro forma* EBITDA currently.
- **EBITDA:** EBITDA equivalent for the majority-owned TFG Asset Management businesses rose by 53% in the first nine months of 2015 compared with the equivalent period in 2014, accelerated in large part by the inclusion of Equitix from the start of February 2015.
- **Management fee income:** Management fee income continued to increase with the growth of the TFG Asset Management businesses. Fee-paying capital increased significantly year on year, both through organic growth of the Polygon and LCM businesses and, notably, from the acquisition of Equitix which added approximately $2.0 billion of fee-paying AUM from early February onwards. See Figures 11 and 12 for further information on TFG Asset Management's AUM.
- **Performance and success fees:** Compared to last year, performance and success fees have increased significantly, boosted by the addition of Equitix to TFG Asset Management. Taken in isolation, however, the third quarter has been challenging in certain areas, particularly in relation to Polygon hedge fund performance fees (realised and unrealised).(32) Negative performance during the quarter has resulted in unrealised performance fees generated earlier in the year being partially given up and as a result, overall only a net figure of $2.0 million was added to this category in Q3 2015.
- **Other fee income:** This category includes third party CLO management fee income, all of which relates to U.S. CLO 1.0 transactions, which continued to decline in line with expectations as these transactions amortised down. In addition, it includes certain cost recoveries from TFG relating to seeded Polygon hedge funds and management services revenues earned by Equitix. The cost recoveries, which are described in more detail in the TFG Asset Management Overview section of this report, increased year on year as the teams supporting the seeded funds continued to grow. As these businesses mature and build third party capital, such cost recoveries should reduce.
- **Operating expenses:** Operating expenses rose by approximately 43% in the first three quarters of 2015 in relation to the comparable period in 2014, largely driven by the addition of the Equitix business in early 2015, plus additions to the teams supporting the growing Polygon and Hawke's Point businesses. Viewing Q3 2015 in isolation, they increased by $14.6 million which was below the run rate in the first half of the year, reflecting reduced compensation expense as certain unrealised performance fees in the hedge funds were given back.

Q3 2015 FINANCIAL REVIEW

This section shows consolidated financial data incorporating TFG and its 100% subsidiary, Tetragon Financial Group Master Fund Limited (the "Master Fund"), adjusted from Q3 2015 to reflect the Fair Value of TFG Asset Management's businesses which are consolidated under U.S. GAAP, and provides comparative data where applicable.(33)

FINANCIAL HIGHLIGHTS

Figure 19
TETRAGON FINANCIAL GROUP
Financial Highlights Through Q3 2013 - 2015

	YTD Q3 2015	YTD Q3 2014	YTD Q3 2013
U.S. GAAP net income ($MM)	$103.3	$74.4	$118.1
Fair Value Net economic income ($MM)	$228.4	$93.9	$136.5
U.S. GAAP EPS	$1.07	$0.78	$1.21
Fair Value EPS	$2.37	$0.98	$1.39

Fair Value Return on equity	12.6%	5.2%	8.4%
Fair Value Net Assets ($MM)	$2,025.4	$1,804.4	$1,704.0
U.S. GAAP number of shares outstanding (MM)	97.1	94.5	97.7
Fair Value NAV per share	$20.87	$19.10	$17.45
Pro Forma number of shares outstanding (MM)	109.6	107.2	110.0
Fully diluted Fair Value NAV per share	$18.47	$16.82	$15.49
DPS	$0.1625	$0.155	$0.140

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

- **Fair Value Net Economic Income ("Fair Value NEI") ($228.4 million):** Adds back to the U.S. GAAP net income ($103.3 million) the imputed YTD Q3 2015 share based compensation ($17.3 million), which is generated on an ongoing basis resulting from the 2012 Polygon transaction and the Fair Value adjustment ($107.8) attributable to Polygon, LCM and Hawke's Point which are currently consolidated under U.S. GAAP but are reflected in TFG's key metrics as if they are held at Fair Value and not consolidated. Please see Appendix IV for further details.
- **Fair Value Return on Equity (12.6%):** Net Economic Income ($228.4 million) divided by Net Assets at the start of the year ($1,818.5 million).
- **Pro Forma Fully Diluted Shares (109.6 million):** Adjusts the U.S. GAAP shares outstanding (97.1 million) for the impact of escrow shares used as consideration in the Polygon transaction and associated stock dividends (together, 10.9 million) and for the potential impact of share options issued (1.7 million). These options represent the intrinsic value of shares available for the GreenOak Founders as at the end of Q3 2015 (1.7 million)[34.iii] plus potential impact of options issued to TFG's investment manager at the time of TFG's IPO (0.0 million)[34.ii]. See also Figure 37.
- **Fair Value EPS ($2.37):** Calculated as Fair Value Net Economic Income ($228.4 million) divided by weighted-average U.S. GAAP shares[i] during the period (96.5 million).
- **Fully Diluted Fair Value NAV per Share ($18.47):[34]:** Calculated as Net Assets ($2,025.4 million) divided by Pro Forma Fully Diluted shares (109.6 million).

(i) The time-weighted average daily U.S. GAAP Shares outstanding during the applicable year.

FAIR VALUE EPS ANALYSIS Q3 2013-Q3 2015

Figure 20
TETRAGON FINANCIAL GROUP
TFG Fair Value Earnings per Share Analysis Through Q3 2013 - 2015

	YTD Q3 2015	**YTD Q3 2014**	**YTD Q3 2013**
Investment portfolio segment			
U.S. CLO 1.0	$0.43	$1.04	$0.90
U.S. CLO 2.0	$0.30	$0.19	$0.16
European CLOs	$0.05	$0.24	$0.55
Equity Funds	$0.06	$0.03	$0.12
Other Equities	$0.49	($0.25)	$0.06
Convertible Bond Fund	$0.02	$0.05	$0.02
Distressed Fund	($0.05)	$0.07	-
Direct Loans	$0.01	$0.01	$0.02
Real Estate	$0.29	$0.11	$0.02
TFG Asset Management	$1.65	$0.22	$0.11
FX, Options and Hedges	($0.10)	($0.12)	$0.05
Corporate Expenses	($0.78)	($0.54)	($0.58)
Corporate Income Taxes	-	($0.07)	($0.04)
Fair Value EPS	**$2.37**	**$0.98**	**$1.39**
Weighted Average Shares (MM)	96.5	95.4	97.9

STATEMENT OF OPERATIONS

Figure 21
TETRAGON FINANCIAL GROUP
Fair Value Statement of Operations Through Q3 2013 - 2015

	YTD Q3 2015 $MM	YTD Q3 2014 $MM	YTD Q3 2013 $MM
Interest income	101.7	120.1	158.9
Fee income	32.4	51.9	43.7
Unrealised Polygon performance fees	-	4.1	2.1
Other income - cost recovery	9.9	17.1	15.4
Dividend income	0.1	-	-
Investment income	**144.1**	**193.2**	**220.1**
Management and performance fees	(77.7)	(39.7)	(51.1)
Other operating and administrative expenses	(31.2)	(63.4)	(51.4)
Amortisation of intangible assets	(29.7)	(5.1)	(5.1)
Total operating expenses	**(138.6)**	**(108.2)**	**(107.6)**
Net investment income	**5.5**	**85.0**	**112.5**
Net change in unrealised appreciation in investments	169.4	(60.7)	10.6
Realised gain on investments	58.9	85.3	11.0
Realised and unrealised losses from hedging and fx	(5.9)	(8.8)	6.2
Net realised and unrealised gains from investments and fx	**222.4**	**15.8**	**27.8**
Net economic income before tax	**227.9**	**100.8**	**140.3**
Income tax	0.5	(6.9)	(3.8)
Net economic income	**228.4**	**93.9**	**136.5**

Performance Fee

A performance fee of $4.8 million was accrued in Q3 2015 in accordance with TFG's investment management agreement. The hurdle rate for the Q4 2015 incentive fee has been reset at 2.971858% (Q3 2015: 2.931458%) as per the process outlined in TFG's 2014 audited financial statements and in accordance with TFG's investment management agreement. Please see TFG's website, www.tetragoninv.com, and the 2014 TFG audited financial statements for more details on the calculation of this fee.

BALANCE SHEET (FAIR VALUE BASIS)

Figure 22
TETRAGON FINANCIAL GROUP
Fair Value Balance Sheet as at 31 December 2013 and 2014, and 30 September 2015

	Q3 2015 $MM	2014 $MM	2013 $MM
Assets			
Investments, at fair value	1,633.3	1,356.2	1,533.0
Intangible assets	-	29.7	36.5
Cash and cash equivalents	340.4	402.0	245.9
Amounts due from brokers	65.8	52.1	42.0
Derivative financial assets	15.0	19.2	15.2
Property, plant and equipment	-	0.1	0.3
Deferred tax asset and income tax receivable	-	10.0	8.3
Other receivables	9.7	33.4	26.5
Total assets	**2,064.2**	**1,902.7**	**1,907.7**
Liabilities			
Other payables and accrued expenses	33.2	54.5	79.8
Amounts payable on share options	-	12.3	10.7
Deferred tax liability and income tax payable	3.6	11.5	10.7
Derivative financial liabilities	2.0	5.9	3.3
Total liabilities	**38.8**	**84.2**	**104.5**
Net assets	**2,025.4**	**1,818.5**	**1,803.2**

See Appendix IV for the reconciliation between the U.S. GAAP consolidated balance sheet and the Balance sheet prepared on a Fair Value basis.

STATEMENT OF CASH FLOWS

Figure 23
TETRAGON FINANCIAL GROUP
Fair Value Statement of Cash Flows Through Q3 2013 - 2015

	YTD Q3 2015 $MM	YTD Q3 2014 $MM	YTD Q3 2013 $MM
Operating Activities			
Operating cash flows after incentive fees and before movements in working capital	197.1	205.2	294.5
Purchase of fixed assets	(0.1)	(0.1)	(0.4)
Change in payables / receivables	(20.4)	7.9	5.6
Cash flows from operating activities	**176.6**	**213.0**	**299.7**
Investment Activities			
Proceeds on sales of investments			
- Proceeds from sale of CLOs	6.5	153.1	-
- Net proceeds from derivative financial instruments	4.4	-	7.2
- Proceeds from investments	68.0	14.6	91.4
- Proceeds from realisation of real estate investments	25.5	29.4	10.9
- Proceeds from GreenOak working capital repayment	6.4	2.6	-
Purchase of investments			
- Purchase of CLOs	(62.4)	(63.6)	(46.4)
- Purchase of bank loans	-	(1.4)	(20.5)
- Purchase of real estate investments	(67.9)	(68.5)	(33.4)
- Investments in asset managers	(133.1)	-	(0.5)
- Investments in Equity Funds	-	-	(85.0)
- Investments in Convertible Bond Fund	-	(15.0)	(10.0)
- Investments in Distressed Fund	(5.0)	(10.0)	(50.0)
- Investments in Other	(22.1)	(45.6)	-
Cash flows from operating and investing activities	**(3.1)**	**208.6**	**163.4**
Amounts due from broker	(13.7)	(12.6)	(29.5)
Net purchase of shares	8.4	(47.0)	(12.7)
Dividends paid to shareholders	(46.1)	(43.6)	(40.1)
Cash flows from financing activities	**(51.4)**	**(103.2)**	**(82.3)**
Net (decrease) / increase in cash and cash equivalents	(54.5)	105.4	81.1
Cash and cash equivalents at beginning of period	402.0	245.9	175.9
Adjustment to cash balance upon deconsolidation	(7.6)	-	-
Effect of exchange rate fluctuations on cash and cash equivalents	0.5	(1.0)	(0.1)
Cash and cash equivalents at end of period	**340.4**	**350.3**	**256.9**

NET ECONOMIC INCOME TO U.S. GAAP RECONCILIATION

Figure 24
Fair Value Net Economic Income to U.S. GAAP Reconciliation

	YTD Q3 2015 $MM
Fair Value Net economic income	**228.4**
Fair Value Adjustments	(107.8)
Share based compensation	(17.3)
U.S. GAAP net income	**103.3**

TFG is primarily reporting earnings through a non-GAAP measurement called Fair Value Net Economic Income.

The reconciliation on the table above shows the adjustments required to get from this measure of earnings to U.S. GAAP net income.

1. Adjustment one takes into account a Fair Value adjustment of $107.8 million for Polygon, LCM and Hawke's Point as if they were de-consolidated and held at Fair Value rather than consolidated as they currently are for U.S. GAAP purposes. Further details are provided in Appendix IV.
2. Adjustment two removes share based compensation of $17.3 million as, under ASC 805, TFG is recognizing the value of the shares given in consideration for the Polygon transaction as compensation over the period in which they are vesting. This mechanic and future vesting schedule are described in more detail in the Master Fund unaudited financial statements for the period ended 30 September 2015.

APPENDICES

APPENDIX I

CERTAIN REGULATORY INFORMATION

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

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

This release does not contain or constitute an offer to sell or a solicitation of an offer to purchase securities in the United States or any other jurisdiction. The securities of TFG have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act"), 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. TFG does not intend to register any portion of its securities in the United States or to conduct a public offer of securities in the United States. In addition, TFG has not been and will not be registered under the U.S. Investment Company Act of 1940, and investors will not be entitled to the benefits of such Act. TFG is registered in the public register of the Netherlands Authority for the Financial Markets under Section 1:107 of the FMSA as a collective investment scheme from a designated country. This release constitutes regulated information ("gereglementeerde informatie") within the meaning of Section 1:1 of the FMSA.

TFG shares (the "Shares") are subject to legal and other restrictions on resale and the Euronext Amsterdam N.V. trading market is less liquid than other major exchanges, which could affect the price of the Shares.

There are additional restrictions on the resale of 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.

APPENDIX II

FAIR VALUE DETERMINATION OF CLO EQUITY INVESTMENTS

In accordance with the valuation policies set forth on TFG's website, the values of TFG's CLO equity investments are determined using a third-party cash flow modelling tool. 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 TFG's 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, when determining the U.S. GAAP-compliant fair value of TFG's portfolio, the Company 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.

The below modelling assumptions are unchanged from last quarter.

Figure 25
U.S. CLOs Modelling Assumption

Variable	Year	Current Assumptions
CADR	**Until deal maturity**	1.0x WARF-implied default rate (2.2%)
Recovery Rate	**Until deal maturity**	73%
Prepayment Rate	**Until deal maturity**	20.0% p.a. on loans; 0.0% on bonds
Reinvestment Price	**Until deal maturity**	100%

Figure 26
European CLOs Modelling Assumption

Variable	Year	Current Assumptions
CADR	**Until deal maturity**	1.0x WARF-implied default rate (2.1%)
Recovery Rate	**Until deal maturity**	67%
Prepayment Rate	**Until deal maturity**	20.0% p.a. on loans; 0.0% on bonds
Reinvestment Price	**Until deal maturity**	100%

Figure 27
Discount Rates

CLO Type	Q3 2015	Q4 2014
U.S. 1.0	12.0%	12.0%
European 1.0	13.0%	13.0%
U.S. 2.0 - seasoned	11.0%	11.0%
U.S. 2.0 - less than 12 months old	Deal IRR	Deal IRR

APPENDIX III

FAIR VALUE DETERMINATION IN TFG ASSET MANAGEMENT

In accordance with the accounting guidance in the AICPA Audit and Accounting Guide (2014): Investment Companies (the "Guide"), as an Investment Company, TFG carries all investments at Fair Value. However, operating entities are consolidated where TFG (i) has an economic interest in excess of 50%; (ii) is deemed to have control over the significant operational and financial decisions of the entity; and (iii) where the purpose of the operating entity is to provide services to the Fund rather than realize a gain on the sale of the investment. As at 30 June 2015 this consolidation exemption as outlined in section 7.10 of the Guide, applied to the fund's holdings in Polygon, LCM and Hawke's Point (the "Subsidiaries").

Following the determination and articulation of the IPO Strategy for TFG Asset Management, the purpose of the subsidiaries is to be held as an investment for capital appreciation, in line with TFG's investment objective, and thus we anticipated, based on independent technical input to the Audit Committee and as reported in TFG's 2015 Semi-Annual Performance Report, that the Subsidiaries no longer meet requirement (iii) of the exemption and should be held at Fair Value from Q3 2015. However, while further clarity is sought on what is considered an area of subjectivity and judgment under U.S. GAAP, as at 30 September 2015, the Audit Committee has determined to continue to prepare the Company's U.S. GAAP financial statements on the same basis as it did for the second quarter of 2015, with Polygon, LCM and Hawke's Point consolidated. As the business continues to develop and evolve, the Audit Committee will continue to consider the appropriate U.S. GAAP accounting treatment for TFG as a whole as well as for these TFG Asset Management businesses.

From the perspective of U.S. GAAP, TFG's investments in the TFG Asset Management businesses are considered to be Level 3 valuations. The Audit Committee of TFG, comprising the independent directors, has engaged third party valuation specialists to determine an indicative valuation for each of these businesses and these have been adopted for the purposes of reporting the Fair Value impact in TFG's metrics as at 30 September 2015.

Figure 28 sets out the valuation approach utilised for each of the businesses as well as the range of market metrics utilised in determining Fair Value.

Figure 28
Valuation approach to TFG's investments in TFG Asset Management

Investment	TFG holding	Fair Value ($MM)	Valuation approach	Ranges utilised Discount Rate	 P/E multiple	 Value as % of AUM
Equitix	75% & Debt	161.6	Quoted market multiples and cross-check to recent transaction. Debt at par + accrued interest	N/A	5.3 x - 6.3 x 20% discount built-in	N/A
GreenOak	23%	67.0	Quoted market multiples and cross-check using blended EBITDA and quoted market multiples	N/A	9.9 x- 10.4 x	N/A
LCM	100%	104.4	Discounted cash flow analysis, cross checked to market multiples	11.5%-13.5% 15% Discount for Lack of Liquidity ("DLOL")	7.7 x -10.8 x DLOL built-in	1.6% -2.1% DLOL built-in
Polygon	100%	68.6	Discounted cash flow analysis, cross checked to market multiples	13%-15% 20% DLOL	7.3 x- 8.1 x DLOL built-in	3.9 x - 4.4 x DLOL built-in
Hawke's Point	100%	0.8	Replacement cost basis	N/A	N/A	N/A

APPENDIX IV

RECONCILIATION BETWEEN U.S. GAAP AND FAIR VALUE BASIS

This section describes how the non-GAAP Fair Value adjustments relating to LCM, Polygon and Hawke's Point have been made to the U.S. GAAP financials to arrive at the Key Performance Metrics.

Figure 29 details the impact of such a change in accounting treatment for LCM, Polygon and Hawke's Point in terms of carrying value and performance fees.

In arriving at the imputed performance fee, the change in NAV is adjusted by the full amortisation of the remaining base cost ($31.0 million) of the purchase of 25% of LCM in 2012. Previously, this was being amortised on a straight-line basis over 10 years, and each quarter an applicable adjustment is made to reduce the performance fees payable to the investment manager.

Figure 29

TFG Asset Management - Impact of Use of fair Value Metrics on Consolidated Businesses

	Fair Value 30-Sep-15 ($MM)	**U.S. GAAP Consolidated Value 30-Jun-15 ($MM)**	**Change ($MM)**
Polygon	68.6	24.6	44.0
LCM	104.4	-	104.4
Hawke's Point	0.8	-	0.8
Net assets of consolidated businesses	-	22.3	(22.3)
Deferred tax liability re intangible assets	-	(6.5)	6.5
Fair Value impact gross of imputed performance fee	**173.8**	**40.4**	**133.4**
			$MM
Gross change in NAV for purposes of incentive fee calculation			1323.4
Full amortisation of LCM base cost			(31.0)
NAV for purposes of incentive fee calculation			102.4
Deferred performance fee			25.6
Fair Value impact net of imputed performance fee			107.8

Figure 30 shows a reconciliation between the Statement of Operations prepared on a full Fair Value basis and on a U.S. GAAP basis. We assume that the date of notional de-consolidation was the start of Q3, the quarter in which the IPO Strategy, and thus the change in the purpose for the expanded TFG Asset Management, was confirmed.

In addition to adding in the unrealised Fair Value as detailed in Figure 29, the reconciliation shows the removal of the operating P&L for Q3, and the reversal of certain balance sheet items relating to Polygon, LCM or Hawke's Point. Such items include the remaining intangible asset balance relating to Polygon's management contracts and a reversal of a deferred tax liability.

We adjust for notional performance fees of $25.6 million as calculated in Figure 29.

In addition, as in prior periods, we back out share-based compensation of $17.5 million as, under ASC 805, TFG is recognizing the value of the shares given in consideration for the Polygon transaction as compensation over the period in which they are vesting. This mechanic and future vesting schedule are described in more detail in the Master Fund unaudited financial statements for the period ended 30 June 2015.

Figure 30

Fair Value to U.S. GAAP Statement of Operations Reconciliation Through Q3 2015 YTD

	Fair Value Net Economic Income $MM	Fair Value Adjustments $MM	Share Based Compensation $MM	U.S. GAAP $MM
Interest income	101.7	-	-	101.7
Fee income	32.4	13.4	-	45.9
Unrealised Polygon performance fees	-	-	-	-
Other income - cost recovery	9.9	5.0	-	14.9
Dividend income	0.1	-	-	0.1
Investment income	**144.1**	**18.4**	**-**	**162.6**
Management and performance fees	(77.7)	25.8	-	(52.1)
Other operating and administrative expenses	(31.2)	(17.0)	(17.3)	(65.5)
Amortisation of intangible assets	(29.7)	24.6	-	(5.1)
Total operating expenses	**(138.6)**	**33.4**	**(17.3)**	**(122.7)**
Net investment income	**5.5**	**51.8**	**(17.3)**	**39.9**
Net change in unrealised appreciation in investments	169.4	(151.9)	-	17.6
Realised gain on investments	58.9	-	-	58.9
Realised and unrealised losses from hedging and fx	(5.9)	-	-	(5.9)
Net realised and unrealised gains from investments and fx	**222.4**	**(151.9)**	**-**	**70.6**
Net economic income before tax	**227.9**	**(100.1)**	**(17.3)**	**110.5**
Income tax	0.5	(7.7)	-	(7.2)
Net economic income	**228.4**	**(107.8)**	**(17.3)**	**103.3**

Figure 31 shows a reconciliation between the Balance Sheet prepared on a full Fair Value basis and on a U.S. GAAP basis. As noted above, we assume that the date of notional de-consolidation was the start of Q3, the quarter in which the IPO Strategy, and thus the purpose for the expanded TFG Asset Management – to be held as an investment for IPO – was confirmed.

In addition to adding in the unrealised Fair Value of $173.7 million as detailed in Figure 29, the reconciliation shows the removal of certain balance sheet items relating to Polygon, LCM and Hawke's Point, including the value of Polygon's un-amortised management contracts ($24.6 million), cash of $41.5 million held in TFG Asset Management, a small amount of fixed assets, a deferred tax asset and receivables, which mainly relate to cost recoveries. On the liability side, we reverse certain accrued expenses including compensation and add back a notional performance fee of $25.6 million relating to the Fair Value adjustment as detailed in Figure 29.

Figure 31

Fair Value to U.S. GAAP Balance Sheet Reconciliation as at 30 September 2015

	Fair Value $MM	Fair Value Adjustments $MM	U.S. GAAP $MM
Assets			
Investments, at fair value	1,633.3	(173.7)	1,459.6
Intangible assets	-	24.6	24.6
Goodwill	-	-	-
Cash and cash equivalents	340.4	41.5	381.9
Amounts due from brokers	65.8	-	65.8
Derivative financial assets	15.0	-	15.0
Property, plant and equipment	-	0.2	0.2
Deferred tax asset and income tax receivable	-	8.0	8.0
Other receivables	9.7	16.2	25.9
Total assets	**2,064.2**	**(83.2)**	**1,981.0**
Liabilities			

Other payables and accrued expenses	33.2		16.5	49.7
Loans and borrowings	-		-	-
Amounts payable on share options	-		-	-
Deferred tax liability and income tax payable	3.6		8.0	11.6
Derivative financial liabilities	2.0		-	2.0
Total liabilities	**38.8**		**24.5**	**63.3**
Net assets	**2,025.4**	**(107.7)**		**1,917.7**

APPENDIX V

ADDITIONAL CLO PORTFOLIO STATISTICS

Each individual deal's metrics used in the calculation of the figures below will differ from the overall averages and vary across the portfolio**.**

[Figure 32 cannot be reproduced]

[Figure 33 cannot be reproduced]

CLO PORTFOLIO CREDIT QUALITY

Figure 34

Figure 34

ALL CLOs	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Caa1/CCC+ or Below Obligors:	6.0%	5.1%	5.0%	4.9%	5.4%	4.6%	3.7%	4.5%	3.3%	3.2%	4.5%	3.8%
WARF:	2,599	2,541	2,568	2,553	2,542	2,565	2,621	2,554	2,442	2,350	2,507	2,488
U.S. CLOs	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Caa1/CCC+ or Below Obligors:	4.5%	4.0%	4.1%	3.9%	3.8%	3.4%	3.0%	4.4%	2.5%	2.2%	2.6%	2.5%
WARF:	2,524	2,510	2,550	2,534	2,513	2,544	2,556	2,489	2,347	2,257	2,402	2,399
EUR CLOs	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Caa1/CCC+ or Below Obligors:	11.7%	9.7%	8.7%	9.1%	11.8%	9.4%	6.9%	4.8%	6.5%	7.2%	12.8%	10.0%
WARF:	2,896	2,670	2,642	2,631	2,658	2,650	2,894	2,819	2,826	2,729	2,974	2,888

CLO EQUITY PORTFOLIO DETAILS
AS OF 30 SEPTEMBER 2015

Figure 35
Tetragon Financial Group Limited (TFG)
CLO Equity Portfolio Details
As of 30 September 2015

	Original	Deal		End of	Wtd Avg	Original

Transaction(i)	Deal Type	Invest. Cost ($MM USD)(ii)	Closing Date	Year of Maturity	Reinv Period	Spread (bps)(iii)	Cost of Funds (bps)(iv)
Transaction 1	EUR CLO	37.5	2007	2024	2014	370	55
Transaction 2	EUR CLO	29.7	2006	2023	2013	390	52
Transaction 5	EUR CLO	36.9	2007	2022	2014	396	60
Transaction 6	EUR CLO	33.3	2006	2022	2012	390	51
Transaction 7	EUR CLO	38.5	2007	2023	2013	427	46
Transaction 8	EUR CLO	26.9	2005	2021	2011	410	53
Transaction 10	EUR CLO	27.0	2006	2022	2012	361	50
Transaction 86	EUR CLO	3.6	2006	2022	2012	361	50
EUR CLO Subtotal:		**233.4**				**392**	**52**
Transaction 11	US CLO	20.5	2006	2018	2012	287	45
Transaction 12	US CLO	22.8	2006	2019	2013	333	46
Transaction 13	US CLO	15.2	2006	2018	2012	302	47
Transaction 14	US CLO	26.0	2007	2021	2014	330	49
Transaction 15	US CLO	28.1	2007	2021	2014	395	52
Transaction 16	US CLO	23.5	2006	2020	2013	360	46
Transaction 17	US CLO	26.0	2007	2021	2014	304	40
Transaction 18	US CLO	16.7	2005	2017	2011	296	45
Transaction 19	US CLO	1.2	2005	2017	2011	296	45
Transaction 20	US CLO	26.6	2006	2020	2012	384	52
Transaction 22	US CLO	37.4	2007	2021	2014	383	53
Transaction 24	US CLO	16.9	2006	2018	2012	351	46
Transaction 25	US CLO	20.9	2006	2018	2013	377	46
Transaction 26	US CLO	27.9	2007	2019	2013	395	43
Transaction 29	US CLO	19.1	2005	2018	2011	-	66
Transaction 30	US CLO	12.4	2006	2018	2012	-	67
Transaction 32	US CLO	24.0	2007	2021	2014	305	59
Transaction 34	US CLO	22.2	2006	2020	2012	368	50
Transaction 36	US CLO	28.4	2007	2021	2013	344	46
Transaction 47	US CLO	28.3	2006	2021	2013	337	47
Transaction 56	US CLO	23.0	2007	2019	2014	354	42
Transaction 57	US CLO	0.6	2007	2019	2014	354	42
Transaction 58	US CLO	21.8	2007	2019	2014	342	49
Transaction 59	US CLO	0.4	2007	2019	2014	342	49
Transaction 61	US CLO	29.1	2007	2021	2014	335	45
Transaction 63	US CLO	27.3	2007	2021	2013	357	53
Transaction 64	US CLO	15.4	2007	2021	2013	361	38
Transaction 65	US CLO	26.9	2006	2021	2013	347	47
Transaction 66	US CLO	21.3	2006	2020	2013	292	49
Transaction 68	US CLO	19.3	2006	2020	2013	330	48
Transaction 69	US CLO	28.2	2007	2019	2013	328	44
Transaction 72	US CLO	4.8	2007	2019	2014	354	42
Transaction 73	US CLO	1.9	2007	2019	2014	354	42
Transaction 74	US CLO	5.5	2007	2019	2014	342	49
Transaction 75	US CLO	32.7	2011	2022	2014	369	168
Transaction 77	US CLO	14.5	2011	2023	2016	389	212
Transaction 78	US CLO	22.9	2012	2023	2015	423	217
Transaction 79	US CLO	19.4	2012	2022	2015	384	215
Transaction 80	US CLO	22.7	2012	2022	2016	396	185
Transaction 81	US CLO	21.7	2012	2024	2016	419	216
Transaction 82	US CLO	25.4	2012	2022	2016	399	206
Transaction 83	US CLO	20.8	2013	2025	2017	452	193
Transaction 84	US CLO	24.6	2013	2023	2017	392	183
Transaction 85	US CLO	1.0	2013	2025	2017	394	170
Transaction 87	US CLO	23.0	2013	2026	2018	402	199
Transaction 88	US CLO	30.1	2014	2024	2018	397	199
Transaction 89	US CLO	33.6	2014	2026	2018	412	195
Transaction 90	US CLO	20.7	2014	2026	2018	417	203
Transaction 91	US CLO	27.8	2015	2027	2019	431	215
Transaction 92	US CLO	34.6	2015	2027	2020	438	199
US CLO Subtotal:		**1,044.9**				**357**	**102**
Total CLO Portfolio:		**1,278.3**				**364**	**93**

Figure 35 (continued)

Figure 35

CLO Equity Portfolio Details (continued)
As of 30 September 2015

Transaction(i)	Current Cost of Funds (bps)(v)	Current Jr-Most O/C Cushion(vi)	Jr-Most O/C Cushion at Close(vii)	Annualized (Loss) Gain of Cushion(viii)	IRR(ix)	ITD Cash Received as % of Cost(x)
Transaction 1	113	5.08%	3.86%	0.15%	-	47.9%
Transaction 2	104	3.74%	3.60%	0.02%	10.1%	135.1%
Transaction 5	60	0.88%	5.74%	(0.60%)	11.2%	119.1%
Transaction 6	128	37.53%	4.70%	3.50%	-	59.0%
Transaction 7	91	21.46%	3.64%	2.10%	4.8%	56.6%
Transaction 8	175	42.55%	4.98%	3.71%	9.8%	115.5%
Transaction 10	131	13.30%	4.54%	0.96%	0.8%	56.8%
Transaction 86	131	13.30%	3.11%	1.11%	8.6%	42.6%
EUR CLO Subtotal:	**112**	**16.98%**	**4.40%**	**1.33%**		**82.0%**
Transaction 11	95	30.30%	4.55%	2.85%	20.3%	201.7%
Transaction 12	93	29.87%	4.45%	2.85%	20.1%	202.0%
Transaction 13	66	9.98%	4.82%	0.56%	21.9%	231.1%
Transaction 14	71	3.67%	5.63%	(0.23%)	19.2%	218.7%
Transaction 15	55	4.28%	4.21%	0.01%	29.8%	285.5%
Transaction 16	60	6.00%	4.44%	0.17%	21.1%	234.7%
Transaction 17	41	4.89%	4.24%	0.08%	24.7%	243.7%
Transaction 18	79	17.21%	4.77%	1.26%	20.4%	216.8%
Transaction 19	79	17.21%	4.77%	1.26%	24.5%	211.1%
Transaction 20	134	17.12%	5.28%	1.32%	22.1%	213.7%
Transaction 22	72	5.98%	5.00%	0.12%	21.9%	222.2%
Transaction 24	104	32.07%	4.17%	3.06%	17.6%	198.6%
Transaction 25	123	27.45%	4.13%	2.66%	22.2%	214.7%
Transaction 26	95	14.43%	4.05%	1.22%	19.0%	197.5%
Transaction 29	N/A	N/A	4.82%	N/A	19.4%	213.1%
Transaction 30	N/A	-	5.16%	(0.56%)	18.7%	203.4%
Transaction 32	68	4.66%	5.57%	(0.11%)	22.3%	224.7%
Transaction 34	105	12.59%	6.66%	0.67%	18.7%	205.7%
Transaction 36	80	4.52%	5.18%	(0.08%)	19.3%	196.5%
Transaction 47	55	4.90%	4.34%	0.06%	22.8%	236.5%
Transaction 56	181	17.33%	4.53%	1.50%	22.6%	209.0%
Transaction 57	181	17.33%	4.53%	1.50%	49.2%	1240.9%
Transaction 58	121	14.93%	4.04%	1.31%	24.4%	228.2%
Transaction 59	121	14.93%	4.04%	1.31%	51.3%	1823.8%
Transaction 61	50	2.41%	4.04%	(0.19%)	18.0%	189.4%
Transaction 63	98	6.23%	4.78%	0.18%	19.5%	207.2%
Transaction 64	53	N/A	N/A	N/A	23.2%	239.3%
Transaction 65	106	17.25%	4.96%	1.39%	14.8%	171.1%
Transaction 66	62	4.96%	4.05%	0.10%	22.9%	239.4%
Transaction 68	53	8.21%	4.41%	0.43%	28.2%	289.9%
Transaction 69	51	10.62%	5.61%	0.59%	27.0%	267.9%
Transaction 72	181	17.33%	4.53%	1.50%	19.4%	110.2%
Transaction 73	181	17.33%	4.53%	1.50%	19.4%	110.2%
Transaction 74	121	14.93%	4.04%	1.31%	19.8%	124.2%
Transaction 75	187	6.69%	4.05%	0.62%	11.3%	81.7%
Transaction 77	213	5.08%	5.04%	0.01%	13.3%	67.3%
Transaction 78	175	6.80%	4.00%	0.76%	17.4%	89.8%
Transaction 79	182	3.92%	4.00%	(0.02%)	8.8%	63.3%
Transaction 80	185	3.34%	4.17%	(0.25%)	11.1%	64.8%
Transaction 81	194	3.99%	4.00%	(0.00%)	8.1%	48.2%
Transaction 82	207	3.68%	4.00%	(0.11%)	9.8%	48.3%
Transaction 83	193	6.96%	6.17%	0.30%	15.2%	54.4%
Transaction 84	184	3.91%	4.02%	(0.04%)	16.5%	63.8%
Transaction 85	171	4.95%	5.01%	(0.03%)	10.2%	47.8%
Transaction 87	199	3.52%	4.00%	(0.26%)	4.9%	30.9%
Transaction 88	200	3.78%	4.02%	(0.15%)	12.1%	36.1%
Transaction 89	195	3.74%	3.96%	(0.17%)	14.3%	30.8%
Transaction 90	202	3.88%	4.00%	(0.12%)	12.4%	18.8%
Transaction 91	214	4.06%	4.00%	0.13%	15.5%	8.8%
Transaction 92	199	4.05%	3.99%	0.33%	15.9%	0.0%
US CLO Subtotal:	**122**	**8.60%**	**4.46%**	**0.49%**		**158.0%**
Total CLO Portfolio:	**120**	**10.13%**	**4.45%**	**0.65%**		**144.1%**

Notes

(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. TFG may continue to hold such transactions as of the date of this report.

(ii) The USD investment cost reflects a USD-EUR exchange rate fixed at a single historical rate to avoid the impact of skewed weightings and FX volatility over time. As such, the investment costs of European CLOs as shown in this table may not be comparable to the investments costs as shown in TFG's financial statements.

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

(iv) Notional weighted-average spread over LIBOR or EURIBOR (as appropriate) of the debt tranches issued by each CLO, as of the closing date of each transaction.

(v) Notional weighted-average spread over LIBOR or EURIBOR (as appropriate) of the debt tranches issued by each CLO, as of the most recent trustee report date.

(vi) 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. Calculations are ignored and stated as "N/A" In certain cases where debt has been substantially, but not fully, repaid, resulting in a junior-most O/C test cushion that is not meaningful.

(vii) 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. Please note that two of TFG's investments are so called "par structures" which don't include a junior O/C test. They have been marked by an "N/A" in the relevant junior-most O/C test columns.

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

(ix) Calculated from TFG's investment date. Includes both historical cash flows received to-date and prospective cash flows expected to be received, based on TFG's base case modeling assumptions.

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

CLO EQUITY PORTFOLIO DETAILS (CONTINUED)
AS OF 30 SEPTEMBER 2015

[Figure 36 cannot be reproduced]

APPENDIX VI

SHARE RECONCILIATION AND SHAREHOLDINGS

Figure 37[(35)]

Figure 37
U.S. GAAP to Fully Diluted Shares Reconciliation

	Q3 2015 Shares (MM)
Legal Shares Issued and Outstanding	**137.4**
Less: Shares Held In Subsidiary	(16.6)
Less: Shares Held In Treasury	(12.8)
Less: Escrow Shares(375.i)	(10.9)
U.S. GAAP Shares Outstanding	**97.1**
Add: Dilution for Share Options	1.7
Add: Escrow Shares(375.i)	10.9
Pro Forma Fully Diluted Shares	**109.6**

SHAREHOLDINGS

Persons affiliated with TFG maintain significant interests in TFG shares. For example, as of 30 September 2015, the following persons own (directly or indirectly) interests in shares in TFG in the amounts set forth below:

Mr. Reade Griffith*	7,984,807
Mr. Paddy Dear*	2,882,374
Mr. David Wishnow	243,894
Mr. Jeff Herlyn	170,904
Mr. Rupert Dorey	101,078
Mr. Michael Rosenberg	68,052
Mr. Frederic Hervouet	7,516

*The amounts set forth above in regards to Messrs. Griffith and Dear include their interests with respect to the Escrow Shares. In addition to the foregoing, as of 30 September 2015, certain employees of subsidiaries of TFG and other affiliated persons own in the aggregate approximately 3.5 million shares, including interests with respect to the Escrow Shares, in each case, however, excluding any TFG shares held by the GreenOak principals or employees.

As previously disclosed, non-voting shares of TFG (together with accrued dividends and previously vested shares, (the "Vested Shares")) that were issued pursuant to TFG's acquisition in October 2012 of TFG Asset Management L.P. (f/k/a Polygon Management L.P.) and certain of its affiliates (the "Polygon Transaction") have vested with certain persons (other than Messrs. Griffith and Dear) (such persons, the "Sellers"), all of whom are employees or partners ("Employees") of TFG-owned or affiliated entities, pursuant to the Polygon Transaction.

Certain Sellers have agreed to sell to Messrs. Griffith and Dear and certain employees of TFG Asset Management on 29 October 2015 an aggregate of approximately 260,000 Vested Shares at a price equal to the tender offer clearing price. Messrs. Griffith and Dear are currently expected to in the aggregate acquire approximately 50% of such shares. Messrs. Griffith and Dear have advised TFG that they have no plans to dispose of these shares.

Certain of these Employees may from time to time enter into sales trading plans (each a, "Fixed Trading Plan") providing for the sale of Vested Shares in the market or may otherwise sell their Vested Shares subject to applicable compliance policies. Applicable brokerage firms may be authorised to sell such TFG 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 TFG in accordance with its applicable compliance policies.

For additional information regarding the Polygon Transaction and the future vesting schedule for shares issued thereunder, see Note 22 to the 2014 Tetragon Financial Group Master Fund Limited audited financial statements, included in the TFG 2014 Annual Report.

Rule 10b5-1 provides a "safe harbour" 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, nonpublic information.

APPENDIX VII

BOARD OF DIRECTORS

Rupert Dorey has over 30 years of experience in financial markets. Mr Dorey was at CSFB for 17 years from 1988 to 2005 where he specialised in credit related products, including derivative instruments where his expertise was principally in the areas of debt distribution, origination and trading, covering all types of debt from investment grade to high yield and distressed debt. He held a number of positions at CSFB, including establishing CSFB's high yield debt distribution business in Europe, fixed income credit product coordinator for European offices and head of UK Credit and Rates Sales. Since 2005, he has been acting in a Non-Executive Directorship capacity for a number of Hedge Funds, Private Equity & Infrastructure Funds, for both listed and unlisted vehicles. He is former President of the Guernsey Chamber of Commerce and is a member of the Institute of Directors. Mr. Dorey, who is based in Guernsey, is an Independent Director.

Frederic Hervouet has over 17 years of experience in financial markets and hedge funds, including in multi-asset class investment and risk management, structured products and structured finance. Until September 2013, Mr. Hervouet was a Managing Director and Head of Commodity Derivatives Asia for BNP Paribas, where he was focused on trading, structuring and sales. Previously, Mr. Hervouet was a Director and Global Head of Sales at Diapason Commodities Management SA, a partner at Systeia Capital Management, which is now part of Amundi Asset Management, and a Director and Head of European Market Distribution at BAREP Asset Management, the hedge fund management subsidiary of Société Générale. Mr. Hervouet has a MSc in Applied Mathematics and International Finance and a Masters Degree (DESS) in Financial Markets, Commodities Markets and Risk Management from the Université Paris Dauphine. He is a member of the Institute of Directors (IoD) and of the Guernsey Chamber of Commerce. Mr. Hervouet who is based in Guernsey, is an Independent Director.

David Jeffreys provides directorship services to a small number of fund groups. From 1993 until June 2004, Mr. Jeffreys was managing director of Abacus Fund Managers (Guernsey) Limited, where he was involved with private client trust arrangements, corporate administration, pension schemes and fund administration. He was a board member of Abacus' principal administration operating companies and served on the boards of various administrated client companies. Previously, Mr. Jeffreys worked as an auditor and accountant for 12 years with Coopers & Lybrand (and its predecessor firms). He has an undergraduate degree in Economics and Accounting from the University of Bristol and is a fellow of the Institute of Chartered Accountants in England and Wales. Mr. Jeffreys who is based in Guernsey, is an Independent Director.

Byron Knief is Managing Director of Court Square Capital Advisor, LLC. Since 1989, he has raised and invested over $3 billion of capital through a series of mezzanine and leveraged debt funds. Prior to 1989, he ran a variety of businesses for Citigroup in the United States, Europe, Canada and Latin America. Mr. Knief received an undergraduate degree from Northwestern University and an MBA from Columbia University. He has served as a director on the boards of several public and private companies. Current corporate board memberships include DavCo Restaurants, Inc., JAC Products, Inc. and Olameter, Inc. He was also formerly a director of Polygon Global Opportunities Fund and certain of its affiliates. Mr. Knief's charitable board memberships include The Milbank Memorial Fund and The Mountain Top Arboretum. Mr. Knief who is based in the United States of America, is an Independent Director.

Reade Griffith co-founded Polygon in 2002 and Tetragon Financial Management LP in 2005. He was previously the founder and chief executive officer of the European office of Citadel Investment Group, a multi-strategy hedge fund that he joined in 1998. He was a partner and senior managing director responsible for running the Global Event Driven arbitrage team of 25 people in Tokyo, London and Chicago for the firm. He was previously with Baker, Nye, where he was an analyst working on an arbitrage and special situations portfolio. Mr. Griffith holds a JD from Harvard Law School and an undergraduate degree in Economics from Harvard College. He also served as an officer in the United States Marine Corps and left as a Captain following the 1991 Gulf War. He is a Principal of Tetragon Financial Group Management LP. Mr. Griffith, who is based in the United Kingdom, is an Internal Director.

Paddy Dear co-founded Polygon in 2002 and Tetragon Financial Management LP in 2005. He was previously managing director and the global head of Hedge Fund Coverage for UBS Warburg Equities. As global head of Hedge Fund Coverage and Chairman of the Global Hedge Fund Committee, he was responsible for the delivery of all of the bank's products and services to hedge fund clients globally. He was on the board of UBS Netherlands, and was a member of both the European Equity Business Committee and the Extended Global Equity Business Committee. Prior to this, Mr. Dear was co-head of European sales trading, execution, arbitrage sales and flow derivatives. He had been with UBS since 1988, including six years in New York. Mr. Dear was in equity sales at Prudential Bache before UBS. Prior to moving into investment banking, Mr. Dear was a petroleum engineer with Marathon Oil Co. He received a Bachelor of Science in Petroleum Engineering from Imperial College in London. He is a Principal of Tetragon Financial Group Management LP. Mr. Dear, who is based in the United Kingdom, is an Internal Director.

FURTHER INFORMATION

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General Partner of Investment Manager
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ENDNOTES

TFG is not responsible for the contents of any third-party website noted in this report.

(1) TFG invests substantially all its capital through a master fund, Tetragon Financial Group Master Fund Limited ("TFGMF"), in which it holds 100% of the issued non-voting shares. In this report, unless otherwise stated, we report on the consolidated business incorporating TFG and TFGMF. References to "we" are to Tetragon Financial Management LP, TFG's investment manager (the "Investment Manager").

Executive Summary

(2) The vast majority of TFG's investments are held at fair value in accordance with U.S. GAAP. The fair value basis for TFG's key performance metrics adjusts U.S. GAAP to also include the fair value of certain TFG Asset Management businesses that are currently consolidated under U.S. GAAP. The fair values used are as determined by TFG's Audit Committee based on information provided by an independent valuation specialist. The consistent use of fair value across all investments is hereinafter referred to in this report as "Fair Value". Fair Value Key Metrics such as Fair Value RoE and Fair Value NAV are also adjusted to reflect incentive fees that would otherwise have arisen if these Fair Values were actually reflected in the U.S. GAAP accounting for TFG's financial statements.

(3) TFG Asset Management L.P., TFG's diversified alternative asset management business, hereinafter referred to in this report as "TFG Asset Management".

(4) LCM Asset Management, a CLO loan manager that is part of TFG Asset Management, hereinafter referred to in this report as "LCM".

(5) Polygon Global Partners LP and Polygon Global Partners LLP (and certain of their affiliates), managers of open-ended hedge fund and private equity vehicles across a number of strategies that are part of TFG Asset Management, hereinafter referred to in this report as "Polygon". Polygon Global Partners LLP is authorised and regulated by the United Kingdom Financial Conduct Authority.

(6) Hawke's Point, a mining finance company that is part of TFG Asset Management, hereinafter referred to in this report as "Hawke's Point".

(7) Please see Note 2.

(8) LIBOR directly flows through some of TFG's investments and, as it can be seen as the risk-free short-term rate, it should affect all of TFG's investments. In high-LIBOR environments, TFG should achieve higher sustainable returns; in low-LIBOR environments, TFG should achieve lower sustainable returns.

(9) Certain costs of the LTIP (including the principal and interest payable on a loan from TFG to TFG Asset Management in an initial principal amount equal to the purchase price of the TFG shares to be held to hedge against future grants under the LTIP and other existing equity-based incentive compensation awards) will be allocated between TFM and TFG Asset Management annually, over the eight years of the programme, under an existing audited cost allocation methodology which also covers, among other things, other employee costs including employee share-based compensation, legal and professional fees and other operating and administrative expenses.

(10) Equitix Holdings Limited, hereinafter referred to in this report as "Equitix".

(11) GreenOak Real Estate, LP, a real estate-focused principal investing, lending and advisory joint venture that is part of TFG Asset Management, hereinafter referred to in this report as "GreenOak". GreenOak is separately registered as an investment adviser under the U.S. Investment Advisers Act of 1940. TFG owns a 23% interest in GreenOak through TFG Asset Management.

(12) Euronext in Amsterdam is a regulated market of Euronext Amsterdam N.V. ("Euronext Amsterdam"). As is the case for Euronext Amsterdam, the Specialist Fund Market is a regulated market for the purposes of the Markets in Financial Instruments Directive.

(13) 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 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, the Fund's holdings may differ significantly from the securities that comprise the indices. You cannot invest directly in an index. The S&P 500 Index (Bloomberg Code: SPX) is compiled by Standard & Poor's. Further information relating to index constituents and calculation methodology can be found at http://spindices.com. The MSCI World Index (Bloomberg Code: MXWO) is compiled by MSCI Inc. Further information relating to index constituents and calculation methodology can be found at www.msci.com. The HFRX Global Hedge Fund Index (Bloomberg Code: HFRXGL) is compiled by HFR Hedge Fund Research Inc. Further information relating to index constituents and calculation methodology can be found at www.hedgefundresearch.com.

TFG Overview

(14) Includes GreenOak funds and advisory assets, LCM Asset Management LLC, Polygon Recovery Fund LP, Polygon Convertible Opportunity Master Fund, Polygon European Equity Opportunity Master Fund and associated managed account, Polygon Mining Opportunity Master Fund, Polygon Global Equities Master Fund, Polygon Distressed Opportunities Master Fund, and Equitix Holdings as calculated by the applicable administrator for value date 30 September 2015. Includes, where relevant, investments by Tetragon Financial Group Master Fund Limited. TFG Asset Management AUM as used in this report includes the assets under management of several investment advisers, including Tetragon Asset Management L.P., and GreenOak Real Estate, LP, each of which is an investment manager registered under the U.S. Investment Advisers Act of 1940.

Key Metrics

(15) Please see Note 8.

(16) Please refer to Financial Highlights on page 27 of this report for the definition of Net Economic Income.

(17) Please refer to Financial Highlights on page 27 of this report for the definition of Fair Value EPS.

(18) Please see Note 17.

(19) Please refer to Financial Highlights on page 27 of this report for the definition of Pro Forma Fully Diluted Shares and Fully Diluted Fair Value NAV per Share.

Q3 2015 in Review

(20) Based on the most recent trustee reports available as of 30 September 2015.

(21) Based on the most recent trustee reports available as of 30 September 2015.

(22) Based on the most recent trustee reports available as of 30 September 2015.

(23) 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 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, the Funds' holdings may differ significantly from the securities that comprise the indices. You cannot invest directly in an index. The HFRX ED: Event Driven Index (Bloomberg Code: HFRXED) is compiled by HFR Hedge Fund Research Inc. Further information relating to index constituents and calculation methodology can be found at www.hedgefundresearch.com.

(24) 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 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, the Funds' holdings may differ significantly from the securities that comprise the indices. You cannot invest directly in an index. The HFRX RV: FI-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 www.hedgefundresearch.com.

(25) 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 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, the Funds' holdings may differ significantly from the securities that comprise the indices. You cannot invest directly in an index. The HFRX DS: Distressed Restructuring Index (Bloomberg Code: HFRXDS) is compiled by HFR Hedge Fund Research Inc. Further information relating to index constituents and calculation methodology can be found at www.hedgefundresearch.com.

(26) TFG's investments in the asset management businesses are Level 3 valuations from the perspective of U.S. GAAP. TFG's Board engaged a third party valuation specialist to undertake an assessment of the indicative valuation of each of these businesses and to report these valuations to them, and these have

been adopted by the Board for the purposes of reporting as at 30 September 2015. See Appendix III for further details.

(27) In addition, a deferred tax liability, held in relation to the timing of recognition of the amortisation of management contracts, was released. This had a positive impact on net assets of +$6.9 million, generating an aggregated before fees impact of $132.5 million.

(28) Please see Note 15.

(29) "Oil & Gas Snapshot", Thomson Reuters LPC, September 2015. LCM data based on trustee reports available for each CLO.

(30) 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 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, the Fund's holdings may differ significantly from the securities that comprise the indices. You cannot invest directly in an index. The HFRX Global Hedge Fund Index (Bloomberg Code: HFRXGL) is compiled by HFR Hedge Fund Research Inc. Further information relating to index constituents and calculation methodology can be found at www.hedgefundresearch.com. The HFRX RV: FI-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 www.hedgefundresearch.com. The HFRX ED: Event Driven Index (Bloomberg Code: HFRXED) is compiled by HFR Hedge Fund Research Inc. Further information relating to index constituents and calculation methodology can be found at www.hedgefundresearch.com. The Market Vectors Junior Gold Miners Index (Bloomberg Code: GDXJ) is compiled by Market Vectors Index Solutions, a subsidiary of Van Eck. Further information relating to index constituents and calculation methodology can be found at www.marketvectorsindices.com. The HFRX DS: Distressed Restructuring Index (Bloomberg Code: HFRXDS) is compiled by HFR Hedge Fund Research Inc. Further information relating to index constituents and calculation methodology can be found at www.hedgefundresearch.com.

(31) (i) The fund began trading with Class B shares, which carry no incentive fees, on 20 May 2009. Class A shares of the fund were first issued on 1 April 2010 and returns from inception through March 2010 have been *pro forma* adjusted to match the fund's Class A share terms as set forth in the Offering Memorandum (1.5% management fee, 20% incentive fee over a hurdle and other items, in each case, as set forth in the Offering Memorandum). AUM figure and net performance is for the Polygon Convertible Opportunity Master Fund as calculated by the applicable fund administrator.

(ii) The fund began trading 8 July 2009 with Class B shares which carry no incentive fee. Class A shares commenced trading on 1 December 2009. Returns from inception through November 2009 for Class A shares have been *pro forma* adjusted to match the fund's Class A share terms as set forth in the Offering Memorandum (1.5% management fee, 20% incentive fee and other items, in each case, as set forth in the offering Memorandum). From December 2009 to February 2011, the table reflects actual Class A share performance on the terms set forth in the Offering Memorandum. From March 2011, forward, the table reflects actual Class A1 share performance on the terms set forth in the Offering Memorandum. Class A1 share performance is equivalent to Class A share performance for prior periods. AUM figure and net performance is for the Polygon European Equity Opportunity Master Fund and associated managed account as calculated by the applicable fund administrators.

(iii) The fund began trading with Class B1 shares, which carry no incentive fees, on 1 June 2012. Returns through October 2013 have been *pro forma* adjusted to account for a 2.0% management fee, a 20% incentive fee, and non-trading expenses capped at 1%, in each case, as set forth in the Offering Memorandum. Class A1 shares of the Fund were first issued on 1 November 2013. From November 2013, forward, performance reflects actual Class A1 share performance on the terms set forth in the Offering Memorandum. AUM figure and net performance is for the Polygon Mining Opportunity Master Fund as calculated by the applicable fund administrator.

(iv) The fund began trading on 2 September 2013. Class A shares of the fund were first issued in September 2013 and returns from inception through September 2014 have been adjusted to match the fund's class A share terms as set forth in the Offering Memorandum (1.5% management fee, 20% incentive fee and other items, in each case, as set forth in the Offering Memorandum). AUM figure and net performance is for the Polygon Distressed Opportunities Master Fund as calculated by the applicable fund administrator.

(v) The fund began trading with Class B/B1 shares, which carry no incentive fees, on 12 September 2011. Returns shown from inception through August 2013 have been *pro forma* adjusted to account for a 2.0% management fee and a 20% incentive fee, in each case, as to be set forth in further definitive documents. The fund began trading Class A shares, which are not new issue eligible, on 23 September 2011. Class A1 shares of the Fund, which are new issue eligible, were first issued on 1 November 2013, and returns from inception through October 2013 have been *pro forma* adjusted to match the Fund's Class A1 performance. AUM figure and net performance is for the Polygon Global Equities Master Fund as calculated by the applicable fund administrator.

(vi) The Private Equity Vehicle noted is the Polygon Recovery Fund L.P. ("PRF"). The manager of the PRF is a subsidiary of TFG. The management fees earned in respect of PRF are included in the TFG Asset Management business segment described herein. PRF is a limited-life vehicle seeking to dispose of its portfolio securities prior to the expiration of its term, extended to March 2016, and subject to a further one-year extension based on investor approval. Individual investor performance will vary based on their high water mark. Currently, the majority of Class C share class investors have not reached their high water mark, so their performance is the same as their gross performance. The AUM figure for PRF is as calculated by the applicable fund administrator.

(32) Unrealised Polygon performance fees represent the fees calculated by the applicable administrator of the relevant Polygon funds, in accordance with the applicable fund constitutional documents, when determining NAV at quarter end, less certain assumed costs. Similar amounts, if any, from LCM and GreenOak are excluded from this line item. Such fees would typically not be realised or recognised under U.S. GAAP until calendar year end, and are therefore subject to change based on fund performance during the remainder of the year. There can be no assurance that the company will realise all or any portion of such amounts. Through 30 September 2015, this amount equalled $0.0 million. TFG is able to invest at a preferred level of fees.

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(33) On occasion, figures may not total due to rounding.

(34) Pro Forma Fully Diluted NAV per Share seeks to reflect certain potential changes to the total non-voting shares over the next few years, which may be utilised in the calculation of NAV per Share. Specifically, the number of shares used to calculate U.S. GAAP NAV per Share has been adjusted to incorporate:

(i) The Escrow Shares, which have been used as consideration for the acquisition of Polygon and applicable stock dividends relating thereto, and which are held in escrow and are expected to be released and incorporated into the U.S. GAAP NAV per Share over the next three years.

(ii) The number of shares corresponding to the applicable intrinsic value of the options issued to the Investment Manager at the time of the company's IPO with a strike price of $10.00, to the extent such options are in the money at period end. The intrinsic value of the manager (IPO) share options is calculated as the excess of (x) the closing price of the shares as of the final trading day in the relevant period over (y) $10.00 (being the exercise price per share) times (z) 12,545,330 (being a number of shares subject to the options before the application of potential anti-dilution). The terms of exercise under the options allow for exercise using cash, as well as, with the consent of the board of the company, certain forms of cashless exercise. Each of these prescribed methods of exercise may give rise to the issuance of a different number of shares than the approach described herein. If the options were to be surrendered for their intrinsic value with the board's consent, rather than exercised, the number of shares issued would equal the intrinsic value divided by the closing price of the shares as of the final trading day in the relevant period. This approach has been selected because we currently believe it is more reasonably illustrative of a likely outcome if the options are exercised. The options are exercisable until 26 April 2017.

(iii) The number of shares corresponding to the applicable intrinsic value of the options issued to the GreenOak Founders in relation to the acquisition of a 10% stake in GreenOak in September 2010. The intrinsic value of the GreenOak share options is calculated as the excess of (x) the closing price of the shares as of the final trading day in the relevant period over (y) $5.50 (being the exercise price per share) times (z) 3,908,241 (being a number of shares subject to the options). Previously, As there were a number of contingent elements to the vesting of these options, including the repayment of the working capital loan and continued service provision to GreenOak by the Founders, in accordance with U.S. GAAP, the options were carried as a liability in the balance sheet of TFG Limited. Using a Black-Scholes model, these were revalued at each reporting date, and changes in the valuation were reflected through the Statement of Operations. On 15 September 2015 the options vested, and as a result of vesting, all contingent elements to the options, other than market price, were removed. Under ASC 815, once the vesting conditions were met, the options were reclassified to equity. The accounting result of this is that a liability of $16.3 million was reclassified to the capital reserve in respect of share options, and accordingly these share options are now incorporated into this dilution calculation.

Appendix V

(35) Please see Note 34.

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

This release does not contain or constitute an offer to sell or a solicitation of an offer to purchase securities in the United States or any other jurisdiction. The securities of TFG have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act"), 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. TFG does not intend to register any portion of its securities in the United States or to conduct a public offer of securities in the United States. In addition, TFG has not been and will not be registered under the U.S. Investment Company Act of 1940, and investors will not be entitled to the benefits of such Act. TFG is registered in the public register of the Netherlands Authority for the Financial Markets under Section 1:107 of the FMSA as a collective investment scheme from a designated country. This release constitutes regulated information ("gereglementeerde informatie") within the meaning of Section 1:1 of the FMSA.

END

SOURCE: Tetragon Financial Group Limited