



## ALESCO FINANCIAL INC.

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### **ALESCO FINANCIAL INC. REPORTS THIRD QUARTER 2006 RESULTS**

Philadelphia, Pennsylvania, November 3, 2006 – Alesco Financial Inc. (NYSE: AFN) (formerly Sunset Financial Resources, Inc.) announced today it has filed a Quarterly Report on Form 10-Q with the SEC to report its financial results for the period ended September 30, 2006. On October 6, 2006, Sunset Financial Resources, Inc. acquired by merger Alesco Financial Trust, a specialty finance company externally managed by a subsidiary of Cohen & Company, and changed its name to Alesco Financial Inc. The Company has also filed a Current Report on Form 8-K with the SEC to report historical and pro-forma combined financial results for Alesco Financial Trust for the period ended September 30, 2006.

The three months ended September 30, 2006 represent the final quarter of historical operations for Sunset due to the merger with Alesco Financial Trust, which is the accounting acquirer in the merger. Operating results to be presented by the Company going forward will reflect the historical operations of Alesco Financial Trust until October 6, 2006 and the operations of the combined company thereafter. Because Alesco Financial Trust is the accounting acquirer in the merger, the earnings of Sunset prior to the merger will not be included in the future reported earnings of the combined company, Alesco Financial Inc.

The 10-Q and 8-K filings are available on the SEC's web site, [www.sec.gov](http://www.sec.gov), as well as the Company's web site, [www.alescofinancialtrust.com](http://www.alescofinancialtrust.com).

On April 27, 2006, Sunset entered into a management agreement with Cohen & Company Management, LLC, a subsidiary of Cohen & Company. Cohen & Company is a specialized research, investment banking and asset management firm which provides financing to small and mid-sized companies in financial services, real estate and other sectors. In connection with entering into the management agreement, Sunset shifted its investment strategy to focus on target asset classes similar to those in which Alesco Financial Trust invests.

As of the merger date, Sunset had made significant progress in executing its asset redeployment and reinvesting its capital into new targeted asset classes, including collateralized debt obligations and collateralized loan obligations, which are collateralized by residential mortgage-

backed securities, subordinated debt financings, primarily in the form of trust preferred securities issued by banks and insurance companies, and leveraged loans.

Through September 30, 2006 and shortly following the October 6, 2006 merger date, Sunset had redeployed capital of nearly \$80 million into nearly \$2 billion of assets in these target classes.

On October 18, 2006 the Company declared a \$0.28 per share dividend to be paid on December 15, 2006 to stockholders of record as of November 1, 2006.

### **About Alesco Financial Inc.**

Alesco Financial Inc. is a specialty finance REIT headquartered in Philadelphia, Pennsylvania and its common stock is listed on the New York Stock Exchange under the symbol "AFN." Alesco is externally managed by Cohen & Company Management, LLC, a subsidiary of Cohen & Company. Alesco invests primarily in collateralized debt obligations and collateralized loan obligations securitized by trust preferred securities issued by banks and insurance companies, middle market loans and residential mortgage backed securities.

### **About Cohen & Company**

Cohen & Company is a leading asset management firm with approximately \$23 billion in assets under management, including over \$17.0 billion in our target asset classes and over \$9 billion in trust preferred securities. Based in Philadelphia, PA, Cohen & Company has over 120 professionals in offices in Philadelphia, New York City and Paris. The Company believes Cohen & Company is a market leader in trust preferred securities origination for banks and insurance companies with a 35% market share in 2005. Cohen & Company has managed 23 CDO and CLO transactions since 2002 and was ranked as the second largest manager of aggregate CDO assets under management for 2003-2005, according to Asset-Backed Alert, a weekly publication on worldwide securitizations.

Certain statements in this news release may constitute "forward-looking statements" within the meaning of the federal securities laws and involve risks, uncertainties and other factors, which may cause the actual performance of Sunset Financial Resources, Inc. to be materially different from the performance expressed or implied by such statements. These risks include the failure of the Company to successfully execute its business plan, gain access to additional financing, the availability of additional loan portfolios for future acquisition, continued qualification as a REIT, the cost of capital, as well as the additional risks and uncertainties detailed in the Company's periodic reports and registration statements filed with the Securities and Exchange Commission.

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