AG MORTGAGE Investment Trust, Inc.

AG Mortgage Investment Trust, Inc. Investor Presentation
NYSE: MITT

Q3 2019

Forward Looking Statements and Non-GAAP Financial Information

Forward Looking Statements: This presentation includes "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995 related to dividends, book value, our investments, our investment and portfolio strategy, investment returns, return on equity, liquidity, financing, taxes, our assets, our interest rate sensitivity, and our views on certain macroeconomic trends and conditions, among others. Forward-looking statements are based on estimates, projections, beliefs and assumptions of management of the Company at the time of such statements and are not guarantees of future performance. Forward-looking statements involve risks and uncertainties in predicting future results and conditions. Actual results could differ materially from those projected in these forward-looking statements due to a variety of factors, including, without limitation, changes in interest rates, changes in the yield curve, changes in prepayment rates, changes in default rates, the availability and terms of financing, changes in the market value of our assets, general economic conditions, conditions in the market for Agency RMBS, Non-Agency RMBS, ABS and CMBS securities, Excess MSRs and loans, our ability to integrate single-family rental assets into our investment portfolio, our ability to predict and control costs, conditions in the real estate market, and legislative and regulatory changes that could adversely affect the business of the Company. Additional information concerning these and other risk factors are contained in the Company's filings with the Securities and Exchange Commission ("SEC"), including its most recent Annual Report on Form 10-K and subsequent filings. Copies are available free of charge on the SEC's website, http://www.sec.gov/. All information in this presentation is as of November 4, 2019. The Company undertakes no duty to update any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

Non-GAAP Financial Information: In addition to the results presented in accordance with GAAP, this presentation includes certain non-GAAP financial results and financial metrics derived therefrom, which are calculated by including or excluding depreciation and amortization, unconsolidated investments in affiliates, TBAs, and U.S. Treasuries, or, with respect to our equity allocation calculation, by allocating all non-investment portfolio related assets and liabilities to our portfolio categories based on the characteristics of such assets and liabilities, as described in the footnotes to this presentation. Our management team believes that this non-GAAP financial information, when considered with our GAAP financials, provides supplemental information useful for investors as it enables them to evaluate our current core performance using the same metrics that management uses to operate the business. This presentation also contains Core Earnings, a non-GAAP financial measure. Our presentation of non-GAAP financial information may not be comparable to similarly-titled measures of other companies, who may use different calculations. This non-GAAP financial information should not be considered a substitute for, or superior to, the financial measures calculated in accordance with GAAP. Our GAAP financial results and the reconciliations from these results should be carefully evaluated.

Who is Angelo Gordon?

A leading privately held alternative investment firm with a focus on Credit and Real Estate strategies

- **1988** company founded
- **100%** owned by AG founders and employees, and their related parties
- **$34 billion** Assets Under Management(a)
- **Over 500** employees(a)
- Headquartered in New York with offices globally
- Angelo Gordon and employees have approximately **$1 billion** of capital in our funds(b)

(a) As of June 30, 2019
(b) Approximate as of June 30, 2019. Includes GP, affiliates and employee related investments and accrued performance allocations. Includes committed, but uncalled capital.

MITT Builds Upon Angelo Gordon's Expansive Real Estate Platform

- MITT benefits from Angelo Gordon's residential mortgage, real estate debt, and real estate equity expertise
    - 5 PMs, 85 investment professionals
- Bottom-up idea selection combined with broad investment pipeline results in high degree of selectivity
- Fluid, daily interaction supplemented by ongoing investment and risk meetings

MITT

David Roberts, CEO
T.J. Durkin, CIO
Brian Sigman, CFO

	Residential / Consumer Debt	Commercial Real Estate Debt	Private Equity Real Estate (U.S./EUR/Asia)
Portfolio Manager(s)	T.J. Durkin Yong Joe Jason Biegel	Andrew Solomon	Adam Schwartz
Team Size[a]	23	6	56
Team Avg. Experience[a]	15 years	15 years	11 years
AG AUM[b]	$4.6 bn	$1.3 bn	$10.2 bn

(a) As of September 30, 2019.
(b) As of June 30, 2019. Figures represent assets across the firm including commingled multi-strategy funds and multi-strategy separate accounts.

Angelo Gordon Platform Provides MITT a Competitive Advantage in Sourcing Residential and Consumer Debt Opportunities

Experienced Residential and Consumer Debt Team	▪ Integrated mortgage credit team that has expanded to 23 professionals in order to meet the broadening opportunity set ▪ As one of the most active alternative credit managers across the mortgage credit markets, Angelo Gordon has robust insight into market trends, fundamental performance and relative value

Prominent participant in the mortgage credit market as both a buyer and an issuer	▪ Angelo Gordon has purchased approximately $80 billion of residential credit and consumer ABS since the MITT IPO[(a)]
	    ▪ AG is a top alternative asset counterparty to sell-side firms resulting in proprietary and off-market deal flow
	▪ Angelo Gordon has issued 19 transactions totaling approximately $3.8 billion of bonds sold to unaffiliated third parties under its GCAT program since the MITT IPO[(a)]
	▪ Angelo Gordon was selected as one of nine PPIP managers by the U.S. Treasury in 2009
	    ▪ Net IRR of 24.8% and Net Multiple of Paid in Capital of 1.69x[(b)]

Angelo Gordon Platform includes Arc Home, a licensed residential mortgage servicer and originator, and Red Creek, a wholly-owned asset management affiliate	▪ Arc Home and Red Creek offer additional insight into the U.S. residential mortgage market and the behavior of the U.S. consumer
	    ▪ Arc Home gives MITT direct access to a captive, affiliated fully licensed mortgage originator for products such as Mortgage Servicing Rights, Non-QM whole loans and other residential mortgage credit
	    ▪ Red Creek actively manages approximately 8,400 modified or distressed residential whole loans and 2,800 Non-QM whole loans that MITT and other Angelo Gordon Funds own, providing real time, on the ground information about local housing markets[(a)]

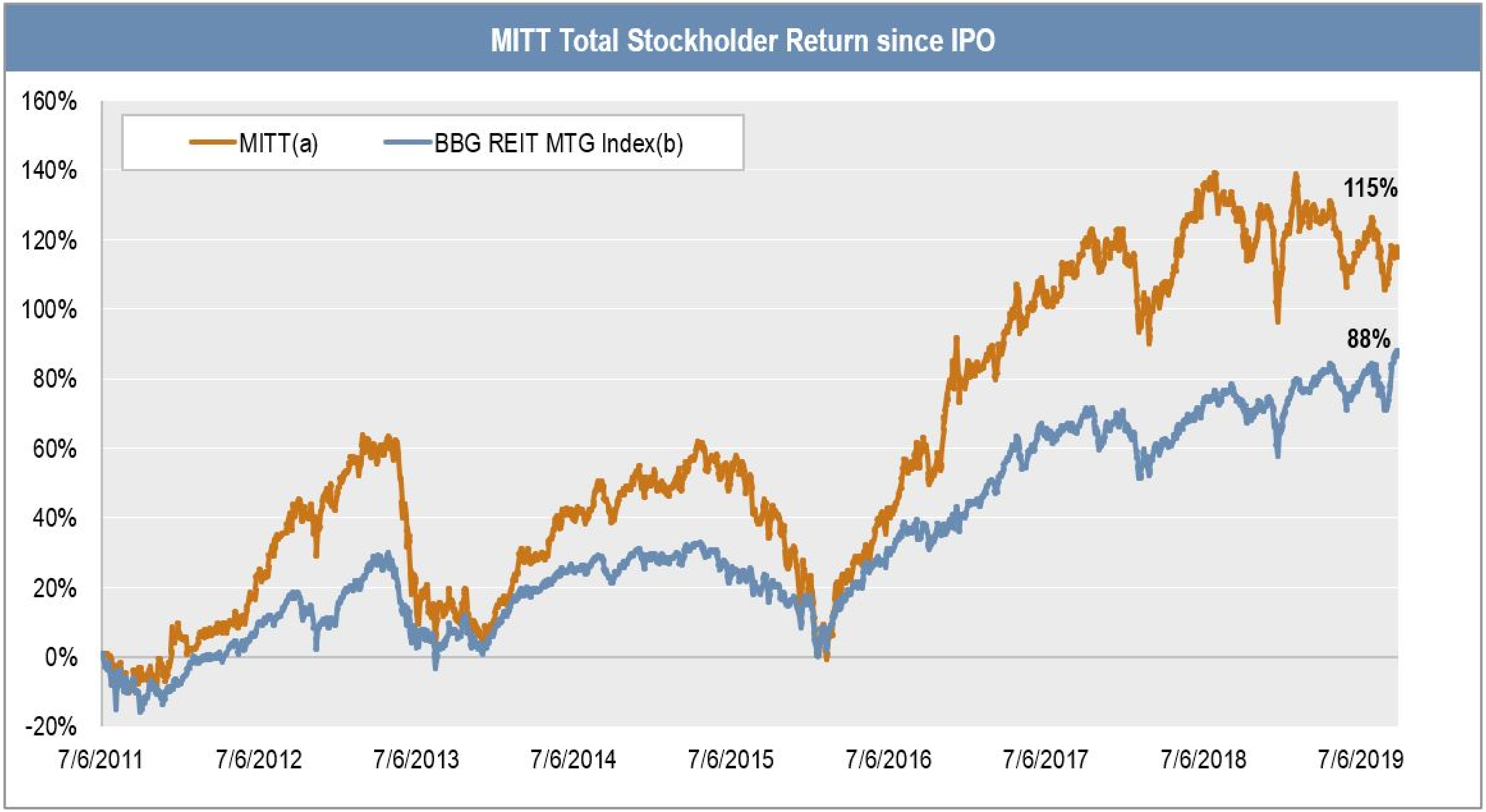
(a) As of September 30, 2019
(b) Source: www.treasury.gov

Angelo Gordon Platform Provides MITT a Competitive Advantage in Sourcing Commercial Real Estate Opportunities

Experienced Commercial Real Estate Debt team	▪ The team has purchased approximately $10 billion of CMBS and Commercial Real Estate Debt since the MITT IPO[(a)] ▪ 6 investment professionals with experience across all major segments of the real estate debt market including loan origination, special servicing, trading, CDO structuring, and private equity real estate investing
Experienced Private Equity Real Estate team	▪ The team has acquired over 190 properties at an aggregate purchase price of approximately $13 billion since the MITT IPO[(b)] ▪ 56 investment professionals
Angelo Gordon's Real Estate groups provide MITT the ability to source Commercial Real Estate lending opportunities	▪ Angelo Gordon's Private Equity team utilizes a local operating partner model which allows for real time local market information from over 50 JV partners with geographic and property type expertise ▪ Angelo Gordon's operating partner model offers critical and timely insight into local markets and sub-markets ▪ The Commercial Real Estate Debt investment team utilizes this local knowledge when analyzing individual loans in CMBS transactions ▪ CRE is an inefficient market and Angelo Gordon's broad relationships provide unique sourcing advantage to MITT

(a) As of September 30, 2019
(b) As of June 30, 2019

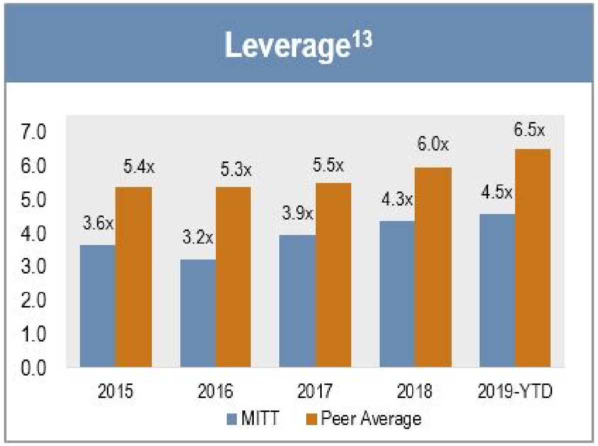
Focus on Driving Strong Long-Term Returns

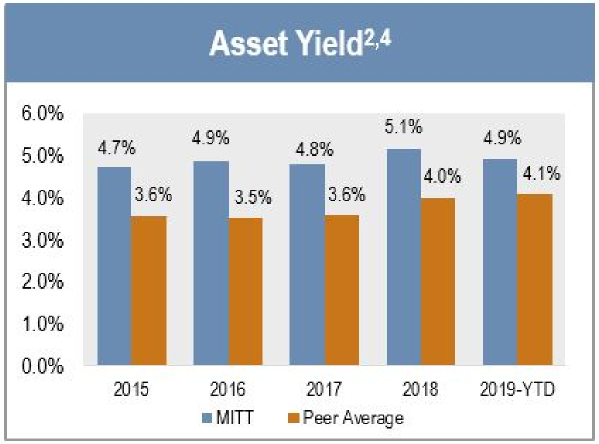


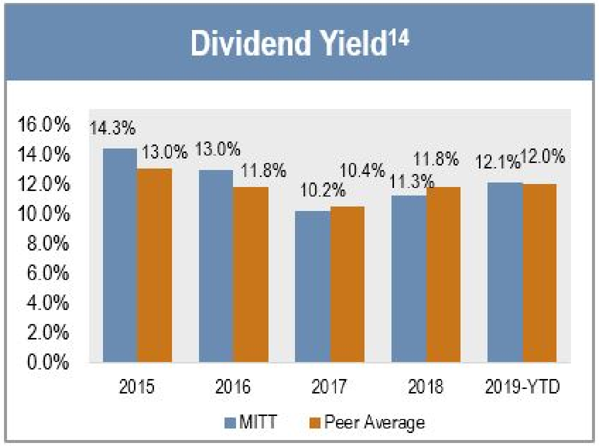
Data as of September 30, 2019. Historical prices are not necessarily indicative of future price performance.
a) MITT's total stockholder return is calculated for the period July 6, 2011 through September 30, 2019. Total stockholder return is defined as stock price appreciation including reinvestment of dividends. Source: Bloomberg.
b) Bloomberg REIT Mortgage Index total stockholder return for the period July 6, 2011 through September 30, 2019. The Bloomberg REIT Mortgage Index tracks publicly traded REITs whose principal business consists of originating, servicing or investing in residential mortgage interests. The index uses a modified market capitalization weighted methodology, and components are reviewed quarterly for eligibility. Source: Bloomberg.

MITT Delivers Attractive Returns with Lower Risk

- MITT is a hybrid mortgage REIT that invests in, acquires and manages a portfolio of Agency RMBS, Credit Investments, and Single-Family Rental Properties
- MITT has the ability to opportunistically allocate capital to drive long term stockholder value
- The Angelo Gordon platform has enabled MITT to maintain lower leverage, higher asset yield, and higher or comparable dividend yield versus the peer group
- MITT's diversified business model takes advantage of the evolving mortgage credit landscape







Note: Peers include MFA, IVR, WMC, DX, TWO, and NLY. MITT and peer financial data for Leverage and Asset Yield is based on available financial information in the company earnings presentation or as filed with the SEC and represents the average for all reportable quarters per respective fiscal year through September 30, 2019. Peer dividend data based on peer company press releases and Bloomberg data.

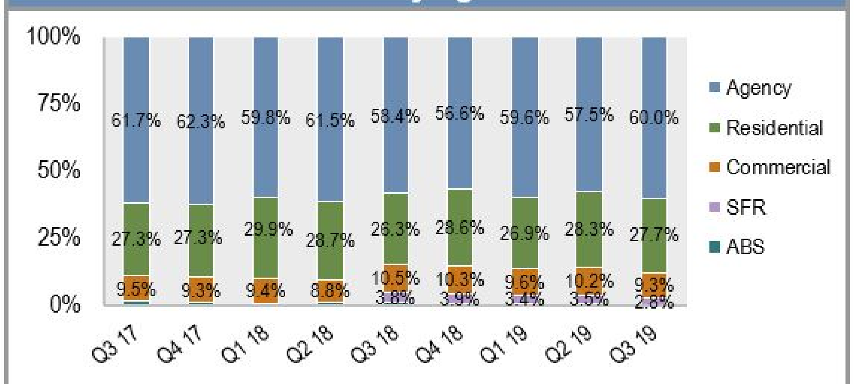
Quarterly Performance and Highlights

Q3 2019 Investment Portfolio Composition[1,2]

	Amortized Cost (mm)	Net Carrying Value (mm)	Percent of Net Carrying Value	Allocated Equity (mm)[3]	Percent of Equity	Economic Leverage Ratio[9,(a)]
Agency RMBS[(b)]	$2,900.7	$2,965.7	60.0%	$342.5	41.1%	7.8x
Residential Investments[(b)]	1,294.5	1,369.8	27.7%	307.4	36.9%	2.9x
Commercial Investments[(b)]	429.2	457.8	9.3%	145.9	17.4%	2.2x
ABS	12.9	12.3	0.2%	3.0	0.4%	3.1x
Single-Family Rental Properties	136.1	136.1	2.8%	35.4	4.2%	N/A
Total Investment Portfolio	**$4,773.4**	**$4,941.7**	**100.0%**	**$834.2**	**100.0%**	**4.7x**

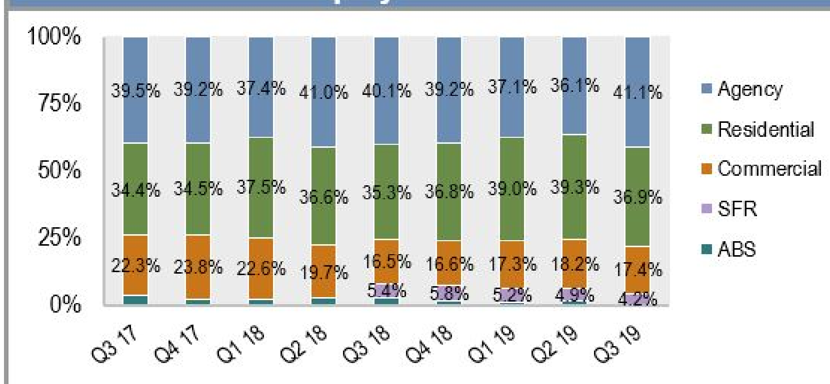
(a) The Economic Leverage Ratio on Agency RMBS includes any net payables or receivables on TBA. The Economic Leverage Ratio by type of investment is calculated by dividing the investment type's total recourse financing arrangements by its allocated equity.[3] The Economic Leverage Ratio excludes any non-recourse financing arrangements, including securitized debt and the term loan on our single-family rental properties. The Economic Leverage Ratio on single-family rental properties would be 2.9x if it included the term loan financing on the portfolio.
(b) The table above includes fair value of $0.5 million of Agency RMBS, $272.4 million of Residential Investments and $5.9 million of Commercial Investments that are included in the "Investments in debt and equity of affiliates" line item on our consolidated balance sheet.

Net Carrying Value



- As of Q3 2019, 60.0% Agency, 37.2% Credit, and 2.8% SFR

Equity Allocation



- As of Q3 2019, 41.1% Agency, 54.7% Credit and 4.2% SFR

Q3 2019 Performance and Highlights

- Third quarter 2019:
  - $0.19 of Net Income/(Loss) per diluted common share[5]
  - $0.40 of Core Earnings per diluted common share[5,6]
    - Includes $(0.02) retrospective adjustment
  - 1.3% Economic Return on Equity for the quarter, 5.2% annualized[7]
  - $17.16 Book Value per share[5] as of September 30, 2019
  - $17.34 Undepreciated Book Value per share[5] as of September 30, 2019 versus $17.57 as of June 30, 2019
    - Undepreciated Book Value decreased $(0.23) or (1.3)% from the prior quarter primarily due to:
      - $(0.28) or (1.6)% due to our investments in Agency RMBS, Residential Loans[(a)], mortgage servicing exposure and associated derivatives
        - Agency RMBS spreads widened versus benchmarks as the rally in interest rates continued to apply pressure in the form of elevated gross supply, prepayment uncertainty and increased implied volatility
      - $0.08 or 0.5% due to Credit Securities
        - The rally in interest rates benefited Freddie Mac K-Series and CRT subordinates performed well with significant spread tightening. Legacy RMBS and CMBS spreads were generally unchanged during the quarter
      - $(0.03)[(b)] or (0.2)% due to core earnings below the $0.45 dividend
  - Completed preferred stock offering on September 17, 2019 of our 8.000% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, raising net proceeds of $111.2 million

(a) Residential Loans includes Re/Non-Performing Loans and New Origination Loans
(b) Includes $0.01 or 0.1% due to equity based compensation and $0.01 or 0.1% due to cumulative and undeclared dividend on the Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock

Q3 2019 Performance and Highlights *(cont'd)*

- $4.9 billion investment portfolio as of September 30, 2019 as compared to the $4.0 billion investment portfolio as of June 30, 2019[1,2]
  - Increase due to deploying preferred equity raised during the quarter. See next slide for additional details.
- 2.0% Net Interest Margin ("NIM") as of September 30, 2019[8]
- 4.7x Economic Leverage Ratio as of September 30, 2019[9]

	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019
Yield on Investment Portfolio[4]	5.2%	5.3%	5.2%	5.0%	4.6%
Cost of Funds[10]	2.7%	3.0%	3.1%	3.0%	2.6%
NIM[8]	2.5%	2.3%	2.1%	2.0%	2.0%
Economic Leverage Ratio[9]	4.1x	4.4x	4.6x	4.3x	4.7x

Note: Funding cost and NIM shown include the costs or benefits from our interest rate hedges. Funding cost and NIM as of September 30, 2019 excluding the cost or benefit of our interest rate hedges would be 2.8% and 1.8%, respectively.

Q3 2019 Activity

($ in millions) Description	Purchased	Sold/Payoff	Net Activity
30 Year Fixed Rate	$904.7	$(118.1)	$786.6
Fixed Rate CMO	—	(40.1)	(40.1)
Inverse Interest Only	1.9	(5.0)	(3.1)
Interest Only	26.7	(31.9)	(5.2)
Fixed Rate 30 Year TBA	482.0	(454.4)	27.6
Total Agency RMBS	**1,415.3**	**(649.5)**	**765.8**
Prime	0.2	—	0.2
Alt-A/Subprime	14.6	(5.1)	9.5
Credit Risk Transfer	13.3	(10.4)	2.9
Non-U.S. RMBS	48.2	—	48.2
Re/Non-Performing Loans	200.6	(20.4)	180.2
New Origination Loans	212.5	(185.1)	27.4
Total Residential Investments	**489.4**	**(221.0)**	**268.4**
CMBS	39.1	(15.5)	23.6
CMBS Interest Only	—	(0.9)	(0.9)
Commercial Real Estate Loans	60.8	(32.8)	28.0
Total Commercial Investments	**99.9**	**(49.2)**	**50.7**
Total ABS	**—**	**(8.1)**	**(8.1)**
Total Q3 Activity	**$2,004.6**	**$(927.8)**	**$1,076.8**

Residential Loan Activity

- Completed a rated RPL securitization in August which refinanced primarily re-performing mortgage loans into lower cost, fixed rate non-recourse long-term financing, returning $11.1mm of equity to MITT. MITT is treating the securitization as a secured financing and is reporting the securitized loans and the secured financing on its balance sheet as "Residential mortgage loans, at fair value" and "Securitized debt, at fair value," respectively.
  - MITT maintained exposure to the securitization through an interest in the subordinated tranches
- Purchased two pools of Re/Non-Performing loans
- Continued to purchase Non-QM pools alongside other Angelo Gordon funds and participated in a rated Non-QM securitization alongside other Angelo Gordon funds in September, which refinanced Non-QM loans from repurchase agreement financing into lower cost, fixed rate, non-recourse long-term financing, returning $22.9mm of equity to MITT.
  - MITT maintained exposure to the securitization through an interest in the subordinated tranches

Commercial Real Estate Loan Activity

- Originated a commercial real estate loan and received a payoff at par of a previously held commercial real estate loan
- Continued to fund existing commercial real estate loans

Note: The chart above is based on trade date for securities and settle date for loans.

Duration Gap[11]

Duration gap was approximately 0.73 years as of September 30, 2019

Duration	Years
Agency	1.02
Residential Loans[(a)]	0.36
Hedges	(1.27)
Subtotal	**0.11**
Credit excluding Residential Loans[(a)]	0.62
Duration Gap	**0.73**

Duration gap was approximately 0.98 years as of June 30, 2019

Duration	Years
Agency	0.77
Residential Loans[(a)]	0.72
Hedges	(1.16)
Subtotal	**0.33**
Credit excluding Residential Loans[(a)]	0.65
Duration Gap	**0.98**

(a) Residential Loans includes Re/Non-Performing Loans and New Origination Loans. As of June 30, 2019, Residential Loans are presented pro-forma for the purchase of $234.2 million of Re/Non-Performing Loans that we committed to purchase but that did not settle as of June 30, 2019 as the hedges related to these purchases had already been added to the portfolio. The duration gap exclusive of these commitments would have been 0.67

Investment Opportunity Set

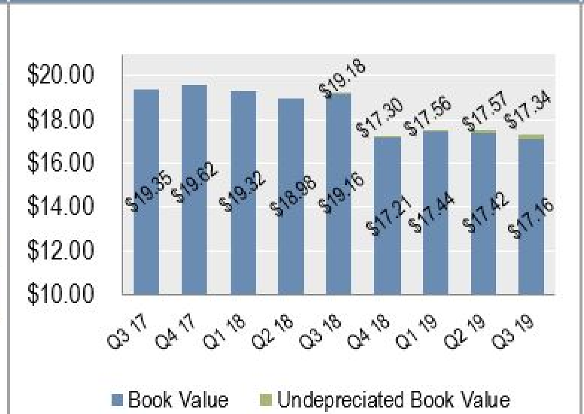
Agency RMBS	▪ Hypothetical Duration Hedged Levered ROE: 9-14%(a)(b) ▪ 30/20/15 Year Fixed Rate, Hybrid ARM, Fixed Rate CMO, Agency IO, Inverse IO, Excess MSRs
Residential Investments	▪ Hypothetical Levered ROE: 8-14%(b) ▪ CRT, NPL, RPL, Non-QM, Legacy
Commercial Investments	▪ Hypothetical Levered ROE: 10-16%(b) ▪ Conduit, Single Asset/Single Borrower, Freddie Mac K-series, Commercial Loans
ABS	▪ Hypothetical Levered ROE: 8-14%(b) ▪ Consumer, auto backed debt, credit card, other non-residential ABS
Single-Family Rental Properties	▪ Hypothetical Levered ROE: 8-12%(b)

(a) Hypothetical levered returns on Agency RMBS are presented on a duration hedged basis, net of related costs.
(b) ROE values are presented gross of management fee and other corporate expenses.
Note: The above-listed investment opportunity set represents a subset of the types of assets that the Company can acquire. The hypothetical Levered Returns on Equity ("ROE") depicted above are dependent on a variety of inputs and assumptions, which are assumed to be static, and do not reflect our current portfolio or the impact of operating expenses. Actual returns could differ materially from those presented based on a number of factors, including changes in interest rates, spreads, prepayments, asset values, funding levels, risk positions, hedging costs, expenses, occupancy, rental rates and other factors.

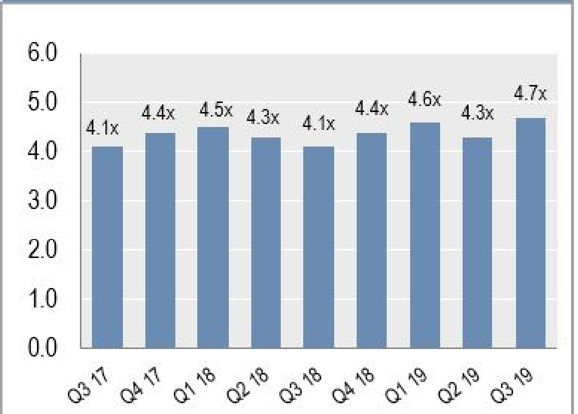
Quarter-Over-Quarter Snapshot

Net Carrying Value of Investment Portfolio

Undepreciated Book Value(5)



Economic Leverage Ratio(9)



Core Earnings(6)

*Includes retrospective adjustment

Dividend

Net Income (Loss)

Footnotes

1. The investment portfolio at period end is calculated by summing the net carrying value of our Agency RMBS, any long positions in TBAs, Residential Investments, Commercial Investments, ABS Investments, and our SFR portfolio, including securities and mortgage loans owned through investments in affiliates, exclusive of AG Arc LLC. Our Agency RMBS, Residential Investments, Commercial Investments, and ABS Investments are held at fair market value and our SFR portfolio is held at purchase price plus capitalized expenses less accumulated depreciation and amortization and any adjustments related to impairment. Our Credit Investments refer to our Residential Investments, Commercial Investments and ABS Investments. Refer to footnote 5 for more information on the GAAP accounting for certain items included in our investment portfolio. The percentage of net carrying value includes any net TBA positions and securities and mortgage loans owned through investments in affiliates and is exclusive of AG Arc LLC. Agency RMBS include fair value of $0.5 million of investment in debt and equity of affiliates related to Excess MSRs. Credit Investments include fair value of $278.3 million of investment in debt and equity of affiliates comprised of $83.6 million of Re/Non-Performing Loans, $188.8 million of New Origination Loans, $1.0 million of Interest Only and $4.9 million of Freddie Mac K-Series. These items, inclusive of our investment in AG Arc LLC and other items, net to $141.2 million which is included in the "Investments in debt and equity of affiliates" line item on our GAAP Balance Sheet. See footnote 12 for further details on AG Arc LLC.
2. Generally, when we purchase an investment and finance it, the investment is included in our assets and the financing is reflected in our liabilities on our consolidated balance sheet as either "Financing arrangements, net" or "Securitized debt, at fair value." Throughout this presentation where we disclose our investment portfolio and the related financing, we have presented this information inclusive of (i) securities and mortgage loans owned through investments in affiliates that are accounted for under GAAP using the equity method and (ii) long positions in TBAs, which are accounted for as derivatives under GAAP. This presentation excludes investments through AG Arc LLC unless otherwise noted. This presentation of our investment portfolio is consistent with how our management evaluates the business, and we believe this presentation, when considered with the GAAP presentation, provides supplemental information useful for investors in evaluating our investment portfolio and financial condition. See footnote 12 for further details on AG Arc LLC.
3. The Company allocates its equity by investment using the fair market value of our investment portfolio, less any associated leverage, inclusive of any long TBA position (at cost). The Company allocates all non-investment portfolio related items based on their respective characteristics, beginning by allocating those items within the Securities and Loans Segment and Single-Family Rental Properties Segment and then allocating Corporate between the Securities and Loans Segment and Single-Family Rental Properties Segment in order to sum to stockholders' equity per the consolidated balance sheets. The Company's equity allocation method is a non-GAAP methodology and may not be comparable to the similarly titled measure or concepts of other companies, who may use different calculations and allocation methodologies.
4. The yield on our debt investments represents an effective interest rate, which utilizes all estimates of future cash flows and adjusts for actual prepayment and cash flow activity as of quarter-end. The yield on our SFR portfolio represents annualized net operating income for the quarter divided by its carrying value, gross of accumulated depreciation and amortization. Net operating income on our SFR portfolio is comprised of rental income and other SFR related income less property operating expenses. Our calculation excludes cash held by the Company and excludes any net TBA position. The calculation of weighted average yield is weighted based on net carrying value.
5. Diluted per share figures are calculated using weighted average outstanding shares in accordance with GAAP. Per share figures are calculated using a denominator of all outstanding common shares including vested shares granted to our Manager and our independent directors under our equity incentive plans as of quarter-end. Core earnings as presented in the undepreciated book value roll-forward slide and the undistributed taxable income roll-forward slide is calculated using weighted average outstanding shares in accordance with GAAP. Book value uses stockholders' equity less net proceeds of the Company's 8.25% Series A Cumulative Redeemable Preferred Stock, the 8.00% Series B Cumulative Redeemable Preferred Stock, and the 8.000% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock as the numerator. Undepreciated book value per share is a non-GAAP book value metric which adds accumulated depreciation and amortization back to book value to present an adjusted book value that incorporates the Company's single-family rental property portfolio at its undepreciated basis. This metric allows management to consider the investment portfolio exclusive of non-cash adjustments and facilitates the comparison of our financial performance to peer REITs. Book value and Undepreciated book value include the current quarter dividend.
6. Core Earnings are defined as Net Income/(loss) available to common stockholders excluding (i) unrealized gains/(losses) on real estate securities, loans, derivatives and other investments, realized gains/(losses) on the sale or termination of such instruments, and any OTTI, (ii) beginning with Q2 2018, as a policy change, any transaction related expenses incurred in connection with the acquisition or disposition of investments, (iii) beginning with Q3 2018, concurrent with a change in the Company's business, any depreciation or amortization expense related to the Company's SFR portfolio, (iv) beginning with Q3 2018, as a policy change, accrued deal related performance fees payable to Arc Home and third party operators to the extent the primary component of the accrual relates to items that are excluded from Core Earnings, such as unrealized and realized gains/(losses), (v) beginning with Q4 2018 and applied retrospectively, as a policy change, realized and unrealized changes in the fair value of Arc Home's net mortgage servicing rights as well as realized and unrealized changes in the fair value of derivatives that are intended to offset changes in the fair value of those net mortgage servicing rights, and (vi) beginning in Q3 2019, concurrent with a change in the Company's business, any foreign currency gains/(losses) relating to monetary assets and liabilities. Items (i) through (vi) above include any amounts related to those items held in affiliated entities. This metric, in conjunction with related GAAP measures provides greater transparency into the information used by our management team in its financial and operation decision-making. Management considers the transaction related expenses referenced in (ii) above to be similar to realized losses incurred at acquisition or disposition and does not view them as being part of its core operations. Management views the exclusion described in (v) above to be consistent with how it calculates Core Earnings on the remainder of its portfolio. As defined, Core Earnings include the net interest income and other income earned on the Company's investments on a yield adjusted basis, including TBA dollar roll income or any other investment activity that may earn or pay net interest or its economic equivalent. Core Earnings includes earnings from AG Arc LLC.

Footnotes *(cont'd)*

7. The economic return on equity for the quarter represents the change in undepreciated book value per share from June 30, 2019 to September 30, 2019, plus the common dividends declared over that period, divided by undepreciated book value per share as of June 30, 2019. The annualized economic return on equity is the quarterly return on equity multiplied by four.
8. Net interest margin is calculated by subtracting the weighted average cost of funds from the weighted average yield for the Company's investment portfolio, which excludes cash held by the Company. Net interest margin also excludes any net TBA position. See footnotes 4 and 10 for further detail.
9. The Economic Leverage Ratio is calculated by dividing total Economic Leverage, including any net TBA position, by our GAAP stockholders' equity at quarter-end. Our net TBA position (at cost) was $154.0 million, $23.4 million, $125.8 million, $0.0 million, and $75.2 million for the periods ending September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, respectively. Total Economic Leverage at quarter-end, and when shown, daily weighted average total Economic Leverage, includes financing arrangements inclusive of financing arrangements through affiliated entities, exclusive of any financing utilized through AG Arc LLC, plus the payable on all unsettled buys less the financing on all unsettled sells and any net TBA position (at cost). Total Economic Leverage excludes any non-recourse financing arrangements and any financing arrangements and unsettled trades on U.S. Treasuries. Non-recourse financing arrangements include securitized debt and the term loan on our SFR portfolio. Historically, we reported non-GAAP "At-Risk" leverage, which included non-recourse financing arrangements, but we believe that the adjustments made to our GAAP leverage in order to compute Economic Leverage, including the exclusion of non-recourse financing arrangements, allow investors the ability to identify and track the leverage metric that management uses to evaluate and operate the business. Our obligation to repay our non-recourse financing arrangements is limited to the value of the pledged collateral thereunder and does not create a general claim against us as an entity.
10. The cost of funds during the quarter is calculated by annualizing the sum of our interest expense and net interest component on all derivative instruments and dividing that sum by our daily weighted average total Economic Leverage plus any non-recourse financing arrangements for the period. Interest earning/paying derivative instruments may include interest rate swaps and U.S. Treasuries. The cost of funds at quarter-end is calculated as the sum of (i) the weighted average funding costs on recourse financing arrangements outstanding at quarter-end, (ii) the weighted average funding costs on non-recourse financing arrangements, and (iii) the weighted average of the net pay rate on our interest rate swaps, the net receive rate on our Treasury long positions, the net pay rate on our Treasury short positions and the net receivable rate on our IO index derivatives, if any. The cost of funds at quarter-end are weighted by the outstanding financing arrangements at quarter-end, including any non-recourse financing arrangements and excluding financing arrangements associated with U.S. Treasury positions. The cost of funds excludes any net TBA position.
11. The Company estimates duration based on third-party models. Different models and methodologies can produce different effective duration estimates for the same securities. We allocate the net duration by asset type based on the interest rate sensitivity. Duration includes any net TBA position. Duration does not include our equity interest in AG Arc LLC or our investment in SFR. Duration related to financing arrangements is netted within its respective agency and credit line items.
12. The Company invests in Arc Home LLC through AG Arc LLC, one of its indirect subsidiaries.
13. "Leverage" in the heading of the chart on slide 7 for us refers to our Economic Leverage Ratio. See footnote 9 for a description of our Economic Leverage Ratio. For our peers, "Leverage" refers to the most comparable disclosed leverage for each peer for each period based on available financial information in the company earnings presentation or as filed with the SEC.
14. Each quarter's dividend yield is calculated by annualizing such quarter's dividend and dividing by that quarter end stock price. Dividend yield represents the average for all reported quarters per respective fiscal year.

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