AG Mortgage Investment Trust, Inc.
Q4 2016 Earnings Presentation

March 1, 2017

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, our strategy related to our investments and portfolio, liquidity and financing, our assets, and regulatory approvals. 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, 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 and loans, 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 March 1, 2017. 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.

Q4 2016 MITT Earnings Call Presenters

David Roberts	TJ Durkin	Brian Sigman	Karen Werbel
Chief Executive Officer & Chief Investment Officer	Co-Portfolio Manager & Head Trader	Chief Financial Officer	Head of Investor Relations

Q4 2016 Performance and Highlights

- Fourth Quarter 2016:
  - $(0.16) of Net Income/(Loss) per diluted common share[1]
  - $0.57 of Core Earnings per diluted common share[1, 2]
    - Includes $0.06 retrospective adjustment and de minimus earnings from Arc Home during the quarter
    - Includes $0.03 one-time positive impact from certain reduced operating expenses
  - $17.86 net book value per share as of December 31, 2016[1]
    - Includes impact of common dividend of $0.475 declared for the quarter and paid on January 31, 2017
    - Book value decreased $(0.63) or (3.4)% from last quarter, inclusive of:
      - $(0.47) or (2.5)% due to our investments in Agency RMBS and associated derivative hedges
        - Positive duration gap resulted in a negative impact to book value during the quarter, partially offset by spread tightening; reduced duration gap in response to greater overall market uncertainty, in addition to hedging the duration extension of our Agency RMBS
      - $(0.25) or (1.4)% due to our investments in Credit
        - Fixed rate securities and CMBS interest only securities experienced unrealized losses due to higher interest rates during the fourth quarter; these losses were partially offset by credit spread tightening
      - $0.09 or 0.5% due to core earnings above the $0.475 dividend

Full Year 2016 Performance and Highlights

- Full Year 2016:
  - $1.80 of Net Income/(Loss) per diluted common share[1]
  - $1.90 of Core Earnings per diluted common share[1, 2]
    - Includes $(0.02) retrospective adjustment
  - $1.90 dividend per common share[1]
  - 10.5% economic return on equity for the year[5]
  - 48.1% total stock return for the year, including price appreciation and reinvestment of dividends
  - Repurchased 614,695 shares or $8.7 mm of common stock during the year at an average purchase price of $14.20, representing 2.2% of shares outstanding as of December 31, 2016

Q4 2016 Performance and Highlights

- $2.5 billion investment portfolio including net TBA positions as of December 31, 2016 as compared to the $2.7 billion investment portfolio as of September 30, 2016[3, 4]
  - 57% of our credit portfolio is fixed rate coupon and 43% is floating rate[15]

Portfolio Composition[3,4]					
	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016
Agency RMBS	77.8%	65.1%	55.4%	44.2%	43.5%
Credit	22.2%	34.9%	44.6%	55.8%	56.5%

- 12.9% constant prepayment rate ("CPR")[6] on the Agency RMBS investment portfolio for the fourth quarter, excluding net TBA position
  - 12.6% CPR on the Agency RMBS investment portfolio in January
  - Moderate increase in prepayment speeds was driven by near all-time low in primary mortgage rate offered to the borrower during Q3

Q4 2016 Performance and Highlights (cont'd)

- 3.16% Net Interest Margin ("NIM") excluding net TBA position as of December 31, 2016[8]
  - Increase in yield primarily due to the increase of interest rates and rotation into higher yielding unlevered investments, resulting in an increase in Net Interest Margin
  - Increase in cost of funds primarily due to the addition of hedges and increased cost of financing due to an increase of 25bps in the federal-funds rate in December
- 2.9x "At Risk" Leverage including net TBA position[4, 7]
  - During the quarter, decreased leverage due to the addition of certain unlevered positions to the credit book, as well as heightened uncertainty over interest rates

	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016
Yield on Investment Portfolio[9]	4.86%	4.75%	4.82%	4.73%	5.18%
Cost of Funds[10]	1.81%	1.73%	1.76%	1.76%	2.02%
NIM excluding net TBA position	3.05%	3.02%	3.06%	2.97%	3.16%
"At Risk" Leverage including net TBA position[7]	3.5x	3.4x	3.4x	3.2x	2.9x

Q4 2016 Performance and Highlights (cont'd)

- Agency RMBS and Derivatives:
  - The 10-Year U.S. Treasury rate increased 85 bps during the quarter; the sharp rise in interest rates resulted in a sizeable extension of the duration of our Agency RMBS portfolio
  - To offset this duration extension and to reduce the duration gap in response to a more uncertain rate environment over the near-term we:
    - Sold face value of $136.8 mm of Agency RMBS 30 Year and lower coupon TBA and purchased face value of $50.0mm higher coupon TBA
    - Added $275.0 mm notional pay fixed swap positions and net sold $238.0 mm of U.S. Treasuries and U.S. Treasury Futures
- Credit Investments:
  - Residential investments:
    - Purchased face value of $80.3 mm of Prime and Alt-A securities; sold and received full paydowns of $10.8 mm of Prime securities and $43.1 mm of Alt-A securities
    - Purchased face value of $56.6 mm of RMBS IO ($0.3 mm fair value), $5.6 mm of Subprime securities and $2.5 mm of CRT securities; sold $13.0 mm of CRT securities
  - Commercial Investments:
    - Purchased face value of $10.0 mm CMBS, $468.3 mm CMBS IO ($7.4mm fair value) and $32.7 mm Freddie Mac K-series CMBS
    - Purchased face value of $16.0 mm of a commercial real estate loan
  - ABS Investments:
    - Sold and received full paydowns of $49.2 mm of ABS securities

Outlook and Positioning

Macro-Economic Conditions

- In December, the FOMC raised rates 25 bps and revised inflation marginally higher
  - The FOMC increased its median expectation for the number of additional policy rate increases in 2017 from two to three 25bp moves, while it held the pace of policy rate moves in 2018 and 2019 unchanged
- Domestic economy continues to show modest but inconsistent growth
- Housing activity remains stable and generally positive
- Improving borrower credit quality and credit availability remains stable to favorable

AG MITT's Portfolio Outlook

- Anticipate further opportunistic rotation of capital into Angelo, Gordon sourced residential and commercial real estate opportunities subject to '40 Act constraints
- Portfolio is well diversified and positioned to withstand a range of interest rate movements with ongoing fine-tuning of hedges, including potential for swaptions, IO Index derivatives, U.S. Treasuries, futures, and swaps
- Anticipate that MITT will be investing in mortgage related products originated and sourced by Arc Home in 2017

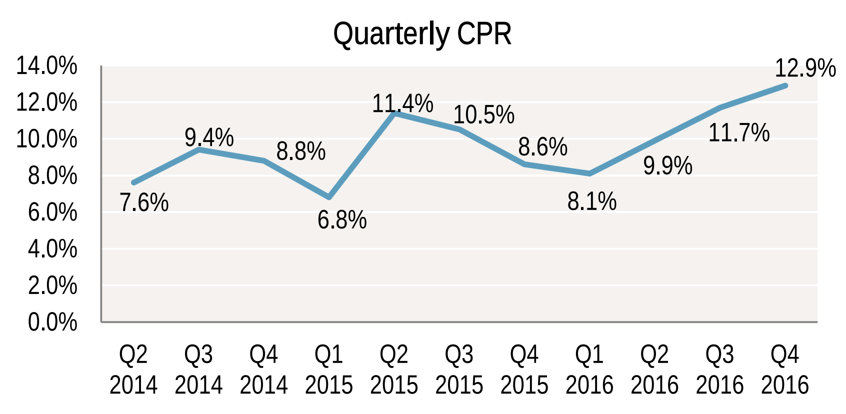
Q4 2016 Investment Portfolio Composition[3,4]

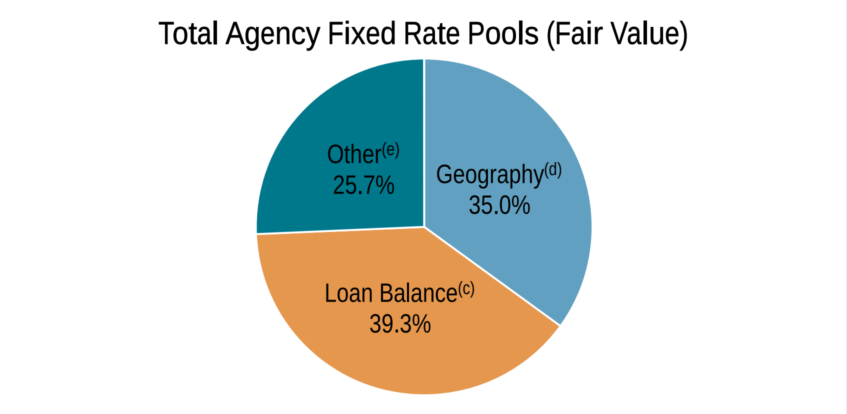
	Current Face (mm)	Premium (Discount) (mm)	Amortized Cost (mm)	Fair Value (mm)	Percent of Total Portfolio	Weighted Average Coupon (a)	Weighted Average Yield (b)
Agency RMBS							
30 Year Fixed Rate	713.2	28.3	741.5	739.7	29.0%	3.6%	3.0%
Fixed Rate CMO	62.6	0.5	63.1	63.7	2.5%	3.0%	2.8%
Hybrid ARM	208.6	(1.6)	207.0	211.3	8.3%	2.4%	2.8%
Inverse Interest Only and Interest Only	416.9	(375.8)	41.1	42.9	1.7%	2.7%	8.3%
Total Agency RMBS	1,401.3	(348.6)	1,052.7	1,057.6	41.5%	3.1%	3.2%
Fixed Rate 30 Year TBA	50.0	1.4	51.4	51.3	2.0%	3.5%	N/A
Total Agency RMBS incl. TBAs	1,451.3	(347.2)	1,104.1	1,108.9	43.5%	3.2%	3.2%
Credit Investments							
Residential Investments	1,837.0	(765.8)	1,071.2	1,091.3	42.9%	3.3%	6.3%
Commercial Investments	3,284.8	(2,957.4)	327.4	325.7	12.8%	0.7%	7.9%
ABS	22.0	(0.4)	21.6	21.2	0.8%	5.4%	6.3%
Total Credit Investments	5,143.8	(3,723.6)	1,420.2	1,438.2	56.5%	1.6%	6.7%
Total Investment Portfolio incl. TBAs	6,595.1	(4,070.8)	2,524.3	2,547.1	100.0%	2.0%	5.2%

(a) Equity residuals, MSRs and principal only securities with a zero coupon rate are excluded from this calculation.
(b) Weighted average yield excludes net TBA position
Note: The above table includes fair values of $9.5 mm of Residential Investments and $54.0 mm of Commercial Investments that are included in the "Investments in debt and equity of affiliates" line item on our consolidated GAAP balance sheet.

Q4 2016 Agency Portfolio Details

Description	Current Face (mm)	Fair Value (mm)	Percent of Total Agency	Weighted Average Coupon	Weighted Average Yield[a]	Funding Cost[a]	NIM[b]
30-year fixed rate	713.2	739.7	66.7%	3.6%	3.0%	1.0%	2.0%
Fixed rate CMO	62.6	63.7	5.7%	3.0%	2.8%	1.1%	1.7%
Hybrid ARM	208.6	211.3	19.1%	2.4%	2.8%	0.9%	1.9%
Inverse Interest Only	99.1	12.4	1.1%	3.5%	7.3%	1.5%	5.8%
Interest Only	317.8	30.5	2.8%	2.5%	8.7%	1.5%	7.2%
Agency RMBS Subtotal	1,401.3	1,057.6	95.4%	3.1%	3.2%	1.0%	2.2%
Fixed Rate 30 Year TBA	50.0	51.3	4.6%	3.5%	N/A	N/A	N/A
Total Agency RMBS	1,451.3	1,108.9	100.0%	3.2%	3.2%	1.0%	2.2%





(a) Excludes net TBA position
(b) Excludes cost of interest rate hedges

(c) Loan Balance: Pools made up of loans with original balances less than $150,000
(d) Geography: Pools made up of loans originated in states that offer favorable prepayment profiles
(e) Other: Pools made up of newly originated loans, loans on investor properties, loans with higher LTVs or loans taken out by borrowers with lower than average FICOs

Q4 2016 Credit Portfolio Details

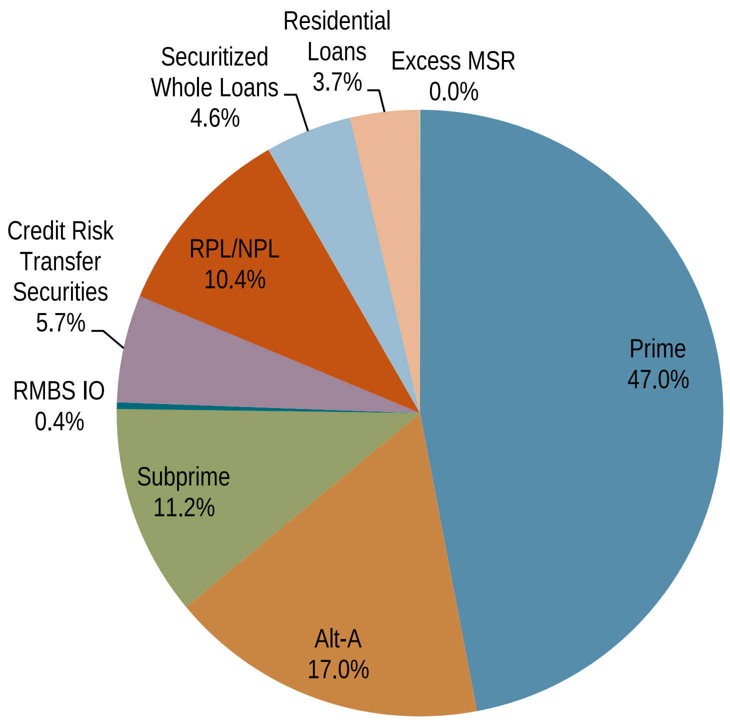
Description	Current Face (mm)	Fair Value (mm)	Percent of Total Credit	Weighted Average Coupon[b]	Weighted Average Yield	Funding Cost	NIM[c]
Residential Investments:							
Prime[a]	619.3	512.8	35.7%	4.2%	6.0%	2.2%	3.8%
Alt-A[a]	279.9	185.4	12.9%	4.5%	5.6%	2.3%	3.3%
Subprime[a]	128.0	122.6	8.4%	4.0%	5.3%	2.2%	3.1%
RMBS Interest Only	449.7	3.9	0.3%	0.2%	12.5%	N/A	12.5%
Credit Risk Transfer Securities	60.7	62.6	4.4%	5.6%	6.8%	2.3%	4.5%
RPL/NPL[d]	115.0	113.2	7.9%	4.4%	4.9%	2.5%	2.4%
Securitized Whole Loans[e]	68.7	50.3	3.5%	4.0%	14.7%	3.2%	11.5%
Residential Loans	56.8	40.1	2.8%	5.6%	8.7%	3.8%	4.9%
Excess MSR	58.9	0.4	0.0%	N/A	34.8%	N/A	34.8%
Total Residential Investments	1,837.0	1,091.3	75.9%	3.3%	6.3%	2.4%	3.9%
Commercial Investments:							
CMBS	209.5	150.8	10.4%	5.0%	6.0%	2.3%	3.7%
Freddie Mac K-Series CMBS	159.0	56.3	3.9%	5.7%	13.1%	2.5%	10.6%
CMBS Interest Only	2,855.5	58.5	4.1%	0.3%	6.5%	1.8%	4.7%
Commercial Loans	60.8	60.1	4.2%	7.4%	9.2%	4.5%	4.7%
Total Commercial Investments	3,284.8	325.7	22.6%	0.7%	7.9%	2.5%	5.4%
ABS	22.0	21.2	1.5%	5.4%	6.3%	2.3%	4.0%
Total Credit Investments	5,143.8	1,438.2	100.0%	1.6%	6.7%	2.4%	4.3%

(a) Includes fair value of $164.7 mm new issue Prime, of this, $71.3 mm is new issue Prime Jumbo. Also includes $48.7 mm of new issue Alt-A and $35.0 mm of new issue Subprime.[14]
(b) Equity residuals, MSRs and principal only securities with a zero coupon rate are excluded from this calculation.
(c) Excluding cost of interest rate hedges.
(d) RPL/NPL MBS whose deal structures contain an interest rate step-up feature.
(e) Whole loans purchased by a MITT related party in securitized form.
Note: The above table includes fair value of $63.5 mm of investment in affiliates comprised of $7.6 mm of Securitized Whole Loans, $1.9 mm of Residential Loans, $6.4 mm of CMBS IO and $47.6 mm of Freddie Mac K-Series CMBS. These items inclusive of our investment in AG Arc LLC[16] and other items net to $72.2 mm which is included in the "Investments in debt and equity of affiliates" line item on our GAAP Balance Sheet.

Q4 2016 Credit Portfolio Details (cont'd)

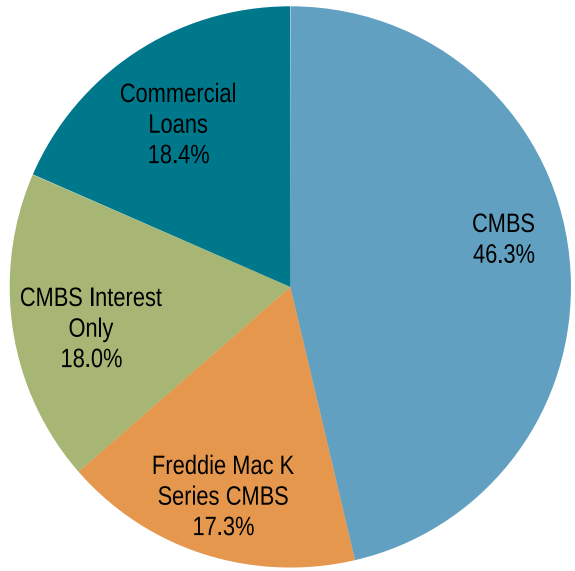
Residential Investments (Fair Value)

Total Fair Value: $1,091 mm



Commercial Investments (Fair Value)

Total Fair Value: $326 mm



Financing

- Financing arrangements with 37 counterparties
  - Currently financing investments at 23 of the counterparties
  - Weighted average funding cost of 1.0% for Agency RMBS and 2.4% for Credit Investments
  - Financing counterparties remain stable

Repurchase Agreements[a] ($ in thousands)				
Maturing Within	Amount Outstanding	WA Funding Cost	WA Days to Maturity [b]	% Outstanding
Overnight	$70,899	0.7%	3	3.7%
30 Days or less	961,185	1.8%	11	50.3%
31-60 Days	465,776	1.2%	47	24.4%
61-90 Days	129,119	1.7%	72	6.8%
Greater than 90 Days	283,530	2.3%	351	14.8%
Total and WA	$1,910,509	1.7%	74	100.0%

(a) Numbers in table above do not include securitized debt of $21.5 mm and loan participation payable of $1.8 mm.
(b) Our weighted average original days to maturity is 155 days.

Duration Gap[13] and Interest Rate Sensitivity Summary

- Duration gap of the Agency and Credit portfolio was approximately 1.53 years as of December 31, 2016, versus 1.81 years as of September 30, 2016

Duration	Years
Agency	1.87
Credit	1.41
Hedges	(1.66)
Repo Agreements	(0.09)
Duration Gap	1.53

- The interest rate sensitivity table below shows estimated impact of an immediate parallel shift in the yield curve up and down 25, 50, 75 and 100bps on the market value of the investment portfolio as of December 31, 2016[13]

Changes in Interest Rates (bps)	-100	-75	-50	-25	Base	25	50	75	100
Change in Market Value as a % of Assets	1.3%	1.1%	0.8%	0.4%	0.0%	-0.4%	-0.9%	-1.4%	-1.9%
Change in Market Value as a % of GAAP Equity	5.2%	4.2%	3.0%	1.6%	0.0%	-1.7%	-3.6%	-5.5%	-7.5%

Hedging

- Reduced duration gap during the quarter in response to greater overall market uncertainty, in addition to hedging the duration extension of our Agency RMBS
  - Sold US Treasuries and US Treasury futures during the quarter

Hedge Portfolio Summary as of December 31, 2016 ($ in thousands)		
	Notional	Duration
Interest Rate Swaps	$644,000	(1.18)
U.S. Treasuries, net	$24,000	(0.08)
Treasury Futures, net	$141,500	(0.40)
Total	$809,500	(1.66)

- Swap position increased during the quarter

Interest Rate Swaps as of December 31, 2016 ($ in thousands)				
Maturity	Notional Amount	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Years to Maturity
2017	36,000	0.88%	0.89%	0.84
2019	170,000	1.36%	0.91%	2.88
2020	115,000	1.59%	0.90%	3.20
2021	60,000	1.86%	0.96%	4.94
2022	53,000	1.69%	0.94%	5.69
2023	85,000	2.30%	0.94%	6.43
2025	30,000	2.48%	0.94%	8.43
2026	95,000	2.17%	0.92%	9.90
Total / Wtd Avg	$644,000	1.74%	0.92%	5.01

Arc Home Update

- Arc Home, one of the Company's indirect subsidiaries, is originating mortgages in 44 states through retail, correspondent and wholesale channels and will continue to pursue licenses in the remaining states
  - Loan originations across all channels totaled approximately $247 mm for the quarter. Generally, new loans are packaged and sold to the GSEs or Ginnie Mae within 30 days of origination
  - While it is expected that volumes will grow over time, there is no assurance that such growth will be achieved as residential mortgage origination is a highly competitive industry and increases in prevailing interest rates will materially impact origination volumes
- Arc Home is working diligently to build out its MSR investment platform
  - Arc Home completed the sale of an excess servicing strip on purchased MSRs with over $2 bn notional principal balance during the quarter and retained servicing on an additional $212 mm of notional principal balance loans it originated
  - It is expected that a substantial portion of Arc Home's capital will be deployed to purchase/retain MSRs, but such deployments are subject to competitive market dynamics
  - Post quarter-end, Arc Home launched its retention strategy with respect to its MSR portfolios

Q4 2016 Financial Metrics

($ in thousands) Key Statistics[5]	December 31, 2016	Weighted Average for the quarter-ended December 31, 2016
Investment portfolio including net TBA position[3, 4]	$2,547,054	$2,548,082
Investment portfolio excluding net TBA position	$2,495,804	$2,558,608
Repurchase agreements[4]	$1,910,509	$2,017,807
Total Financing[7]	$1,908,171	$2,042,543
Stockholders' equity	$655,876	$665,886
GAAP Leverage	2.9x	3.1x
"At Risk" Leverage[7]	2.9x	3.1x
Yield on investment portfolio[9]	5.18%	5.24%
Cost of funds[10]	2.02%	1.83%
Net interest margin[8]	3.16%	3.41%
Management fees[11]	1.52%	1.49%
Other operating expenses[12] [(b)]	1.04%	1.03%
Book value, per share[1]	$17.86	
Undistributed taxable income, per common share[(a)]	$1.90	
Dividend, per share[1]	$0.475	

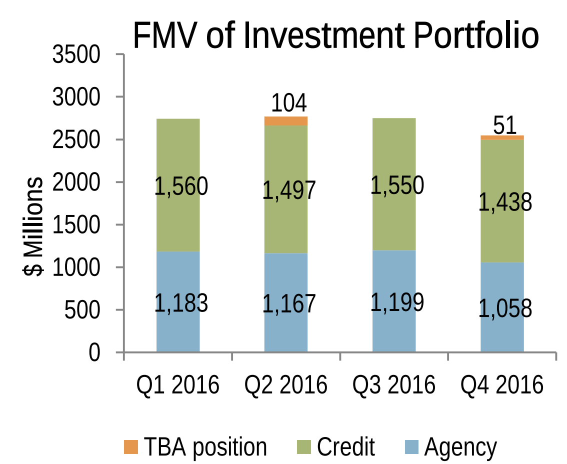
(a) Refer to slide 24 for further detail
(b) Includes $0.03 one-time positive impact from certain reduced operating expenses

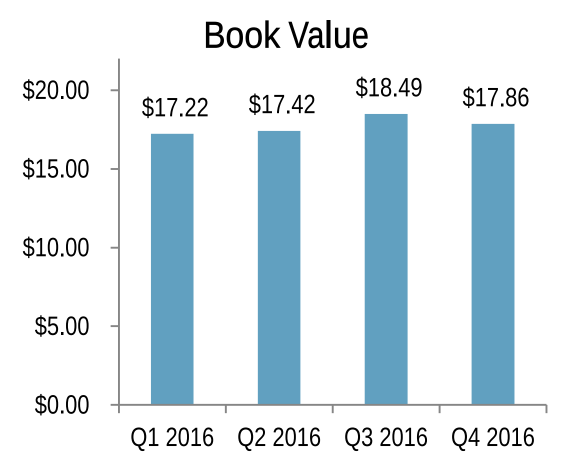
Non-GAAP Financial Information

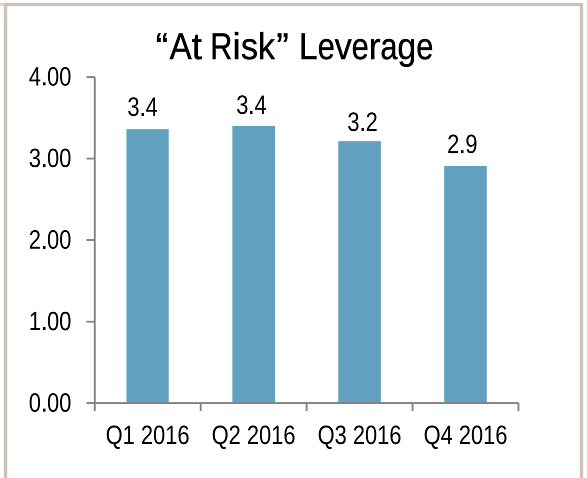
- In addition to the results presented in accordance with GAAP, this presentation includes certain non-GAAP financial results and financial metrics derived therefrom, which are calculated by including or excluding unconsolidated investments in affiliates, TBAs, and U.S. Treasuries as described in the footnotes. AG Mortgage Investment Trust, Inc.'s management believes that these non-GAAP measures, when considered with the Company's GAAP financials, provide supplemental information useful for investors in evaluating the results of the Company's operations. This presentation also contains Core Earnings, a non-GAAP financial measure. The Company's presentation of Core Earnings may not be comparable to similarly-titled measures of other companies, who may use different calculations. This non-GAAP measure 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.

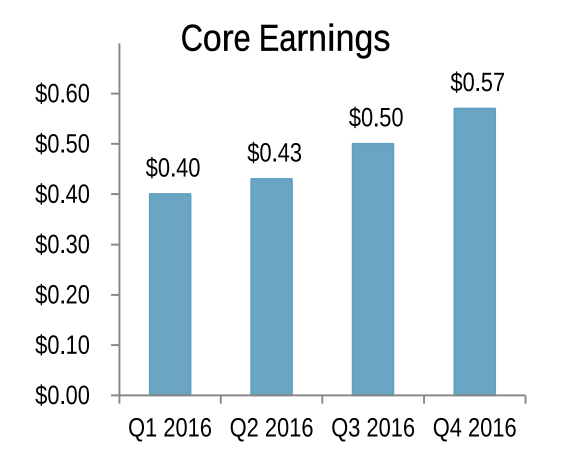
Supplemental Information & Financial Statements

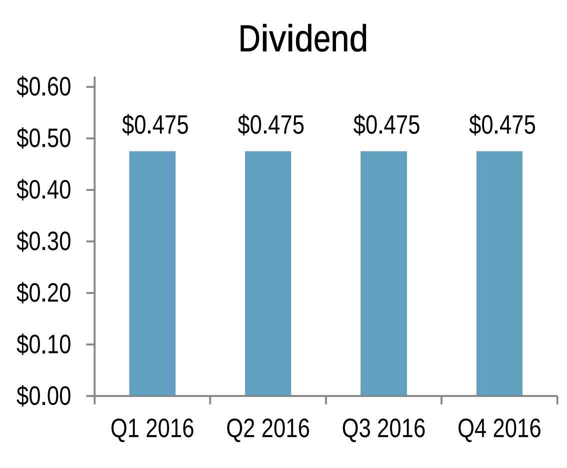
Quarter-Over-Quarter Snapshot

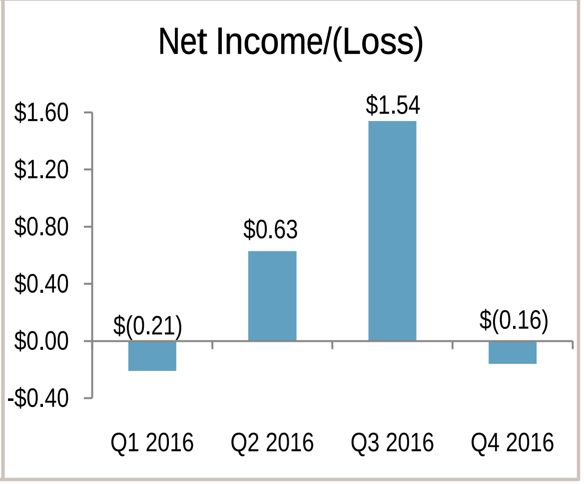












Market Snapshot

Interest Rates	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16
Treasuries					
2-year	1.050	0.723	0.584	0.764	1.190
5-year	1.761	1.206	1.000	1.150	1.928
10-year	2.270	1.770	1.471	1.595	2.445
Swaps					
3 month LIBOR	0.613	0.629	0.654	0.854	0.998
2-year	1.179	0.841	0.735	1.013	1.452
5-year	1.737	1.172	0.983	1.181	1.975
10-year	2.187	1.639	1.364	1.456	2.337

Agency RMBS	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16
Fannie Mae Pass-Thrus					
15 year 2.50%	100-27+	102-22+	103-16+	103-18+	100-01+
15 year 3.00%	103-02+	104-16+	104-27+	104-31+	102-15+
30 year 3.00%	100-01+	102-21+	103-26+	103-31+	99-06+
30 year 3.50%	103-07+	104-29+	105-17+	105-17+	102-10+
Mortgage Rates					
15-year	3.24%	2.98%	2.78%	2.72%	3.55%
30-year	4.01%	3.71%	3.48%	3.42%	4.32%

Credit	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16
CDX IG	88	79	77	75	68
CMBX.NA 8 BBB- Mid Spread	489	570	616	578	539
Subprime LCF (ABX 07-1 AAA Index)	$77	$74	$75	$75	$77

Source: Bloomberg and Wall Street research. Data has not been independently validated.

Book Value Roll-Forward

	Amount (000's)	Per Share[1]
9/30/16 Book Value	$ 512,159	$ 18.49
Common dividend	(13,158)	(0.48)
Core earnings	15,826	0.57
Equity based compensation	110	0.00
Capital Appreciation/(Reduction)	2,778	0.09
Net realized gain/(loss)	(1,666)	(0.06)
Net realized and unrealized gain/(loss) on investments in affiliates	(1,374)	(0.05)
Net unrealized gain/(loss)	(17,235)	(0.61)
Net realized and unrealized gain/loss	(20,275)	(0.72)
12/31/16 Book Value	$ 494,662	$ 17.86
Change in Book Value	(17,497)	(0.63)

Reconciliation of GAAP Net Income to Core Earnings[2]

3 Months Ended December 31, 2016	Amount (000's)	Per Share[1]
Net Income/(loss) available to common stockholders	$ (4,449)	$ (0.16)
Add (Deduct):		
Net realized (gain)/loss	1,666	0.06
Drop income	52	0.00
Equity in (earnings)/loss from affiliates	(364)	(0.01)
Net interest income and expenses from equity method investments	1,738	0.06
Unrealized (gain)/loss on real estate securities and loans, net	30,588	1.10
Unrealized (gain)/loss on derivative and other instruments, net	(13,405)	(0.48)
Core Earnings	$ 15,826	$ 0.57

Undistributed Taxable Income Roll-Forward

	Amount (000's)	Per Share[1]
9/30/16 Undistributed Taxable Income	$ 55,105	$ 1.99
Q4 Core Earnings	15,826	0.57
Q4 Recurring Core-Tax Differences	(1,685)	(0.06)
Q4 Non-Recurring Core-Tax Differences	(3,409)	(0.12)
Q4 2016 Ordinary Taxable Income, Net of Preferred Distribution	10,732	0.39
Q4 2016 Common Distribution	(13,158)	(0.48)
12/31/16 Undistributed Taxable Income	$ 52,679	$ 1.90

Note: This estimate of undistributed taxable income per common share represents the total estimated undistributed taxable income as of quarter-end. Undistributed taxable income is based on current estimates. The actual amount is not finalized until we file our annual tax return, typically in September of the following year.

Condensed Consolidated Balance Sheet

Amount (000's)	December 31, 2016 (Unaudited)
Assets	
Real estate securities, at fair value	$ 2,333,566
Residential mortgage loans, at fair value	38,196
Commercial loans, at fair value	60,069
Investments in debt and equity of affiliates	72,216
Excess mortgage servicing rights, at fair value	413
Cash and cash equivalents	52,470
Restricted cash	26,584
Interest receivable	8,570
Receivable on unsettled trades	3,633
Receivable under reverse repurchase agreements	22,680
Derivative assets, at fair value	3,703
Other assets	5,600
Due from broker	945
Total Assets	$ 2,628,645
Liabilities	
Repurchase agreements	$ 1,900,510
Securitized debt, at fair value	21,492
Obligation to return securities borrowed under reverse repurchase agreements, at fair value	22,365
Loan participation payable, at fair value	1,800
Interest payable	2,571
Derivative liabilities, at fair value	2,907
Dividend payable	13,158
Due to affiliates	3,968
Accrued expenses and other liabilities	3,998
Total Liabilities	1,972,769
Stockholders' Equity	
Preferred stock	161,214
Common stock	277
Additional paid-in capital	576,276
Retained earnings (deficit)	(81,891)
Total Stockholders' Equity	655,876
Total Liabilities & Stockholders' Equity	$ 2,628,645

Condensed Consolidated Statement of Operations

	Three Months Ended December 31, 2016 (Unaudited)
Amount (000's)	
Net Interest Income	
Interest income	$ 31,535
Interest expense	8,302
	23,233
Other Income	
Net realized gain/(loss)	(1,666)
Realized loss on periodic interest settlements of derivative instruments, net	(990)
Unrealized gain/(loss) on real estate securities and loans, net	(30,587)
Unrealized gain/(loss) on derivative and other instruments, net	13,405
Other Income	5
	(19,833)
Expenses	
Management fee to affiliate	2,487
Other operating expenses	1,708
Servicing fees	45
Equity based compensation to affiliate	81
Excise tax	525
	4,846
Income/(loss) before equity in earnings/(loss) from affiliates	(1,446)
Equity in earnings/(loss) from affiliates	364
Net Income/(Loss)	(1,082)
Dividends on preferred stock	3,367
Net Income/(Loss) Available to Common Stockholders	$ (4,449)
Earnings/(Loss) Per Share of Common Stock	
Basic	$ (0.16)
Diluted	$ (0.16)
Weighted Average Number of Shares of Common Stock Outstanding	
Basic	27,700
Diluted	27,700

Footnotes

1. Per share figures are calculated using a denominator of all outstanding common shares including all shares granted to our Manager and our independent directors under our equity incentive plans as of quarter-end. Diluted per share figures are calculated using weighted average outstanding shares in accordance with GAAP. Net book value uses stockholders' equity less net proceeds of the Company's 8.25% Series A and 8.00% Series B Cumulative Redeemable Preferred Stock as the numerator.

2. Core Earnings are defined as net income excluding both unrealized and realized gains/(losses) on the sale or termination of securities and the related tax expense/benefit or disposition expense, if any, and on such sale or termination, including investments held in affiliated entities and derivatives. See page 23 for a reconciliation of GAAP net income to core earnings.

3. The total investment portfolio at period end is calculated by summing the fair market value of our Agency RMBS, any net TBA position, Residential Investments, Commercial Investments, and ABS Investments, including securities and mortgage loans owned through investments in affiliates, exclusive of AG Arc LLC. Refer to footnote 4 for more information on the GAAP accounting for certain items included in our investment portfolio. The percentage of Agency RMBS and Credit Investments is calculated by dividing the respective fair market value of each, including any net TBA positions as Agency RMBS and securities and mortgage loans owned through investments in affiliates as Credit Investments, by the total investment portfolio, exclusive of AG Arc LLC. See footnote 16 for further details on AG Arc LLC.

4. Generally when we purchase a security and employ leverage, the security is included in our assets and the leverage is reflected in our liabilities on the balance sheet as either Repurchase agreements, Securitized debt, or Loan participations payable. Throughout this presentation where we disclose our investment portfolio and the related repurchase agreements that finance it, we have presented this information inclusive of (i) unconsolidated ownership interests in affiliates that are accounted for under GAAP using the equity method and (ii) 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 16 for further details on AG Arc LLC.

5. The economic return on equity for 2016 represents the change in net book value per share from December 31, 2015 to December 31, 2016, plus the dividends declared over that period, divided by net book value per share as of December 31, 2015.

6. This represents the weighted average monthly CPRs published during the quarter or month, as applicable, for our in-place portfolio during the same period. Any net TBA position is excluded from the CPR calculation.

7. At Risk" Leverage was calculated by dividing total financing including any net TBA position by our GAAP stockholders' equity at quarter-end as of December 31, 2016. "At Risk" Leverage includes the components of "leverage" plus our net TBA position (at cost) of \$(22.9) million, \$0.0 million, \$103.5 million, \$0.0 million, \$77.5 million, \$0.1 million, and \$0.6 million for the periods ending December 31, 2016, September 30, 2016, June 30,2016, March 31, 2016, December 31, 2015, respectively. Total financing at quarter-end, and when shown, daily weighted average total financing, includes repurchase agreements inclusive of repurchase agreements 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, securitized debt, loan participations payable and any net TBA position (at cost). Total financing excludes repurchase agreements and unsettled trades on U.S. Treasuries. See footnote 16 for further details on AG Arc LLC.

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 9 and 10 for further detail.

9. The yield on our investment portfolio 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 investment portfolio during the quarter was calculated by annualizing interest income for the quarter and dividing by our daily weighted average investment portfolio. This calculation excludes cash held by the Company and excludes any net TBA position.

Footnotes (cont.)

10. The cost of funds during the quarter was calculated by annualizing the sum of our interest expense and net interest settlements on all derivative instruments and dividing that sum by our daily weighted average total financing for the period. Interest earning/paying derivative instruments may include interest rate swaps and U.S. Treasuries. The cost of funds at quarter-end was calculated as the sum of the weighted average funding costs on total financing outstanding at quarter-end and the weighted average of the net pay rate on our interest rate swaps, the net receive/pay rate on our Treasury long and short positions, respectively, and the net receivable rate on our IO index derivatives, if any. Both elements of the cost of funds at quarter-end were weighted by the outstanding repurchase agreements, securitized debt outstanding and loan participations payable outstanding at quarter-end, excluding repurchase agreements associated with U.S. Treasury positions. The cost of funds excludes any net TBA position.

11. The management fee percentage during the quarter was calculated by annualizing the management fees recorded during the quarter and dividing by the weighted average stockholders' equity for the quarter. The management fee percentage at quarter-end was calculated by annualizing management fees recorded during the quarter and dividing by quarter-end stockholders' equity.

12. The other operating expenses percentage during the quarter was calculated by annualizing the other operating expenses recorded during the quarter and dividing by our weighted average stockholders' equity for the quarter. The other operating expenses percentage at quarter-end was calculated by annualizing other operating expenses recorded during the quarter and dividing by quarter-end stockholders' equity.

13. 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.

14. New issue RMBS is defined as securities issued after 2010. Securities issued in 2010 or earlier are considered legacy RMBS. Jumbo is defined as a security with an initial rating of AAA and a weighted average original loan balance greater than the conforming loan limits published by the FHFA.

15. Equity residuals, MSRs and principal only securities with a zero coupon rate are excluded from this calculation.

16. The Company invests in Arc Home LLC through AG Arc LLC, one of its indirect subsidiaries.

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