AG Mortgage Investment Trust, Inc.
Q1 2018 Earnings Presentation

May 3, 2018

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, our investment and portfolio strategy, investment returns, return on equity, liquidity and financing, taxes, our assets, our interest rate sensitivity, and our views on certain macroeconomic trends, 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, 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 May 2, 2018. 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 unconsolidated investments in affiliates, TBAs, and U.S. Treasuries, or by allocating non-investment portfolio related items based on their respective characteristics, as described in the footnotes. Our management believes that this non-GAAP financial information, when considered with our GAAP financials, provide supplemental information useful for investors in evaluating results of our operations. 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.

Q1 2018 MITT Earnings Call Presenters

David Roberts	TJ Durkin	Brian Sigman	Karen Werbel
Chief Executive Officer	Chief Investment Officer	Chief Financial Officer	Head of Investor Relations

Q1 2018 Performance and Highlights

- First Quarter 2018:
  - $0.17 of Net Income/(Loss) per diluted common share[1]
  - $0.59 of Core Earnings per diluted common share[1, 2]
    - Includes $0.02 retrospective adjustment
    - Includes $0.03 one-time positive impact from commercial loan payoff subsequent to quarter end
  - 0.9% economic return on equity for the quarter, 3.6% annualized[3]
  - $19.32 book value per share[1] as of March 31, 2018, inclusive of our current quarter $0.475 common dividend
    - Book value decreased $(0.30) or (1.5)% from last quarter, inclusive of:
      - $(0.36) or (1.8)% due to our investments in Agency RMBS and associated derivative hedges
        - Increased interest rates and modest spread widening resulted in negative impact to book value
      - $(0.05) or (0.3)% due to our Credit investments
        - Periodic bouts of equity market volatility had sector specific effects, but spreads overall were generally unchanged
      - $0.11 or 0.6% due to core earnings above the $0.475 dividend

Q1 2018 Performance and Highlights (cont'd)

- $3.8 billion investment portfolio as of March 31, 2018[4,5]
  - Net purchases of $42.7 million of Agency and TBA securities, inclusive of unsettled trades, and net purchases of $143.8 million of Credit Investments
- 2.69% Net Interest Margin ("NIM") as of March 31, 2018[6]
  - Increase in yield primarily due to the increase in interest rates and a commercial loan payoff subsequent to quarter end
  - Increase in cost of funds primarily due to an increase of 25 bps in the federal funds rate in March partially offset by repo spread tightening versus LIBOR
- 4.6x "At Risk" Leverage as of March 31, 2018[7]
  - Increase in leverage primarily due to the addition of TBA securities

	3/31/2017	6/30/2017	9/30/2017	12/31/2017	3/31/2018
Yield on Investment Portfolio[8]	5.02%	4.75%	4.69%	4.64%	4.99%
Cost of Funds[9]	2.16%	2.27%	2.12%	2.26%	2.30%
NIM[6]	2.86%	2.48%	2.57%	2.38%	2.69%
"At Risk" Leverage[7]	3.0x	4.2x	4.2x	4.4x	4.6x

Q1 2018 Activity

($ in millions) Description	Net Purchased/ (Sold/Payoff)	Net Repo (Added)/ Removed[a]	Net Equity Invested/ (Returned)
30 Year Fixed Rate	$20.8	$(18.2)	2.6
Hybrid ARM	(51.8)	50.4	(1.4)
Inverse Interest Only	(0.8)	(1.7)	(2.5)
Interest Only and Excess MSR	20.5	(10.1)	10.4
Total Agency RMBS	(11.3)	20.4	9.1
Prime	(18.9)	10.1	(8.8)
Alt-A/Subprime	(52.8)	41.9	(10.9)
Credit Risk Transfer	(38.9)	31.1	(7.8)
RPL/NPL	32.4	(27.5)	4.9
Residential Whole Loans	203.4	(164.9)	38.5
Total Residential Investments	125.2	(109.3)	15.9
CMBS	30.2	(23.4)	6.8
Freddie Mac K-Series	(11.3)	0.0	(11.3)
Total Commercial Investments	18.9	(23.4)	(4.5)
Total ABS	(4.0)	5.3	1.3
Total Q1 Activity Prior to TBA	128.8	(107.0)	21.8
Fixed Rate 30 Year TBA	41.3	N/A	1.2[b]
Total Q1 Activity including TBA	$170.1	N/A	$23.0

- At quarter end, there were $120.9 mm of unsettled purchases with $96.9 mm of expected repo financing and $104.5 mm of unsettled sales with $102.9 mm of repo financing

(a) Timing and size of repo added may differ from that of repo removed. Excludes repo on prior period purchases.
(b) Net equity in TBA represents initial margin on TBA purchases.
Note: The chart above includes settled purchases, sales and full payoffs on investments, and the associated repo added or removed within the quarter.

Q1 2018 Activity (cont'd)

- Deployed net equity of $23.0 million during the quarter
  - Purchases:
    - Two pools of primarily RPL mortgage loans alongside another Angelo, Gordon fund
    - Two Non-QM pools alongside other Angelo, Gordon funds
    - Excess MSR stripped from government and conventional loans
    - Revolving note on credit card ABS bridge securitization
  - Sales:
    - Generated realized gains from sales of Freddie Mac K-Series
    - Sales and payoffs of Subprime RMBS securities
    - Sold CRT securities to take advantage of relatively tight spreads

Q1 2018 Macro-Economic Conditions

Macro Environment	▪ In March, the FOMC increased the federal funds rate by an additional 25 basis points ▪ Interest rates rose by 30 to 40 basis points across the yield curve, with the front end moving marginally higher than the long end ▪ Growth moderated from the prior quarter but remains solid and should be underpinned near-term by fiscal tailwinds, such as tax cuts ▪ Inflation continues to gradually move higher toward the Fed's 2.0% goal
Housing	▪ Housing activity remained constrained, while home price appreciation remains at or near post crisis highs
Agency RMBS	▪ Agency RMBS spreads modestly widened during the quarter along with other spread product in response to an uptick in volatility and continued tapering of the Fed's reinvestment of paydowns ▪ Relative tightness of valuations across competing investment alternatives and moderating interest rate volatility remain generally supportive of Agency RMBS
Credit	▪ Fundamental mortgage residential collateral performance remains stable as delinquency and default rates are at pre-crisis levels

Investment Opportunity Set

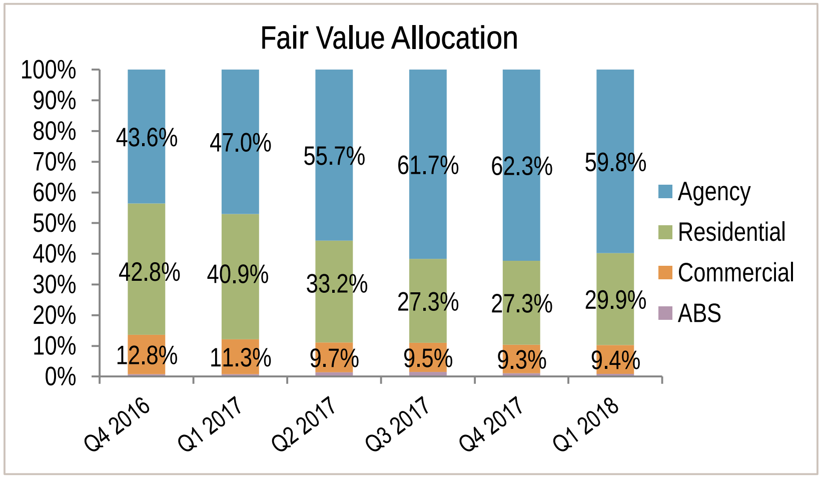
Agency RMBS	▪ Hypothetical Duration Hedged Levered ROE: 8-14%[(a)(b)] ▪ 30/20/15 Year Fixed Rate, Hybrid ARM, Fixed Rate CMO, Agency IO, Inverse IO, Excess MSRs
Residential Investments	▪ Hypothetical Levered ROE: 8-14%[(b)] ▪ CRT, NPL, RPL, Non-QM, Legacy
Commercial Investments	▪ Hypothetical Levered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

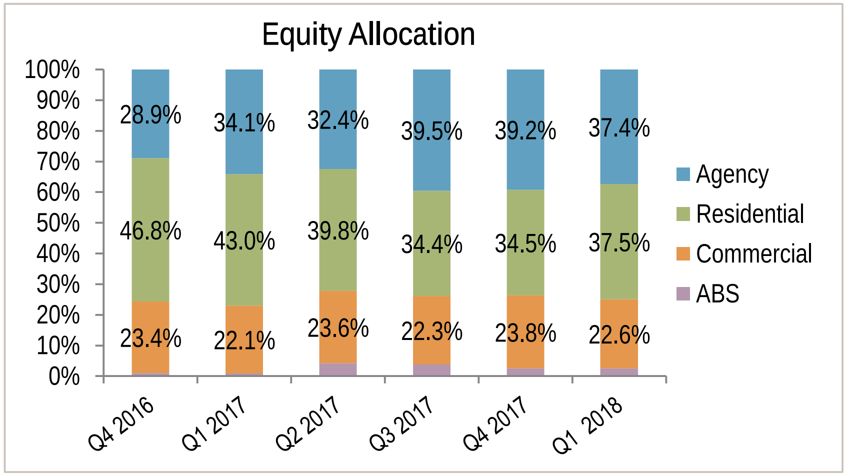
(a) Hypothetical levered returns on Agency RMBS are presented on a duration hedged basis, net of related costs.
(b) ROE values are presented gross of management fee and other corporate expenses.
Note: The hypothetical Levered Returns on Equity ("ROE") depicted above are dependent on a variety of inputs and assumptions, which are assumed to be static, and do not reflect the impact of operating expenses. Actual results could differ materially based on a number of factors, including changes in interest rates, spreads, prepayments, asset values, funding levels, risk positions, hedging costs, expenses and other factors.

Q1 2018 Investment Portfolio Composition[4,5]

	Amortized Cost (mm)	Fair Value (mm)	Percent of Fair Value	Allocated Equity (mm)[10]	Percent of Equity	Weighted Average Yield[8]	Funding Cost[(a)]	NIM[(a)]	Leverage[(b)]
Agency RMBS	$2,322.0	$2,293.6	59.8%	$263.7	37.4%	3.6%	1.8%	1.8%	7.9x
Residential Investments[(c)]	1,083.0	1,143.7	29.9%	264.7	37.5%	6.3%	3.2%	3.1%	3.5x
Commercial Investments[(c)]	363.3	362.4	9.4%	159.4	22.6%	8.8%	3.1%	5.7%	1.3x
ABS	35.4	35.8	0.9%	18.0	2.5%	8.8%	3.3%	5.5%	1.0x
Total Investment Portfolio	$3,803.7	$3,835.5	100.0%	$705.8	100.0%	5.0%	2.3%	2.7%	4.6x

(a) Total funding cost and NIM includes cost of interest rate hedges.
(b) Total leverage ratio includes any net receivables on TBA and the leverage ratio by type is calculated based on allocated equity.
(c) Includes fair value of $264.9 mm of Residential Investments and $63.9 mm of Commercial Investments that are included in the “Investments in debt and equity of affiliates” line item on our consolidated balance sheet.

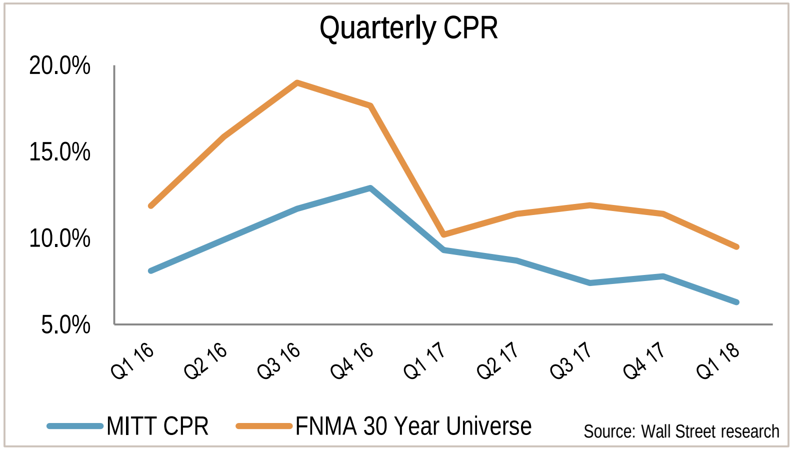


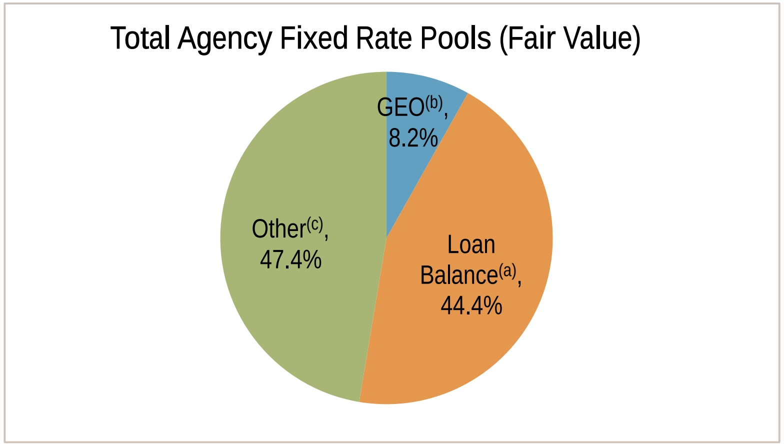


- As of Q1 2018, 59.8% of fair value allocated to Agency and 40.2% to Credit
- As of Q1 2018, 37.4% of equity allocated to Agency and 62.6% to Credit

Q1 2018 Agency Portfolio Details

Description	Current Face (mm)	Fair Value (mm)	Percent of Fair Value	Weighted Average Coupon[12]	Weighted Average Yield[8]
30 Year Fixed Rate	$1,811.4	$1,855.4	80.9%	3.9%	3.3%
Fixed Rate CMO	50.9	50.9	2.2%	3.0%	2.8%
ARM	117.0	115.9	5.1%	2.4%	2.8%
Inverse Interest Only	218.6	39.7	1.7%	4.3%	7.9%
Interest Only and Excess MSRs	4,476.1	88.0	3.8%	3.5%	8.3%
Fixed Rate 30 Year TBA	139.0	143.7	6.3%	4.2%	N/A
Total Agency RMBS	$6,813.0	$2,293.6	100.0%	3.8%	3.6%





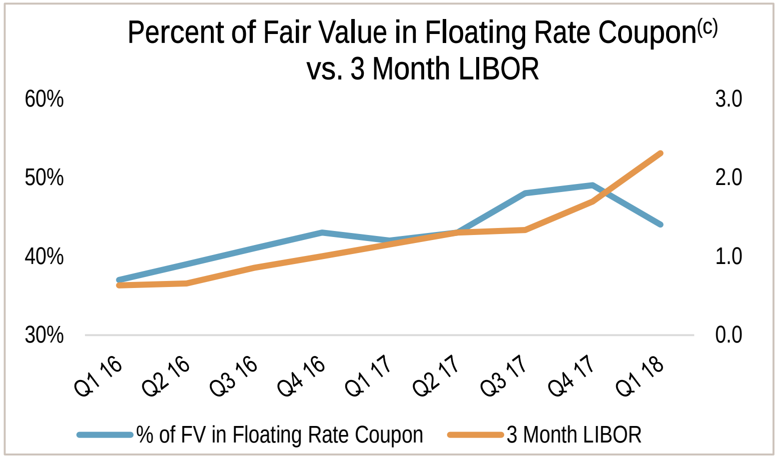
- 6.3% constant prepayment rate ("CPR")[11] on the Agency RMBS investment portfolio for Q1 2018

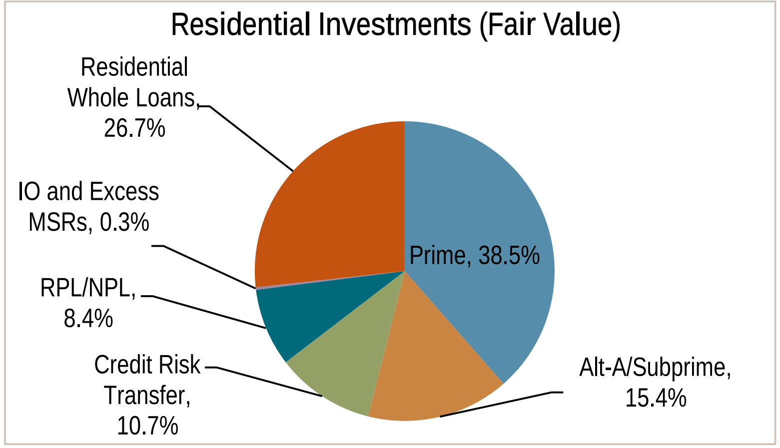
(a) Loan Balance: Pools made up of loans with original balances less than $200,000
(b) Geography: Pools made up of loans originated in states that offer favorable prepayment profiles
(c) Other: Pools made up of newly originated loans, loans on investor properties, loans with higher LTVs or loans taken out by borrowers with lower than average FICOs

Q1 2018 Residential Portfolio Details

Description	Current Face (mm)	Fair Value (mm)	Percent of Fair Value	Weighted Average Coupon[12]	Weighted Average Yield[8]
Prime	$517.0	$440.9	38.5%	4.5%	6.5%
Alt-A/Subprime	251.5	175.9	15.4%	4.8%	6.4%
Credit Risk Transfer	113.6	121.9	10.7%	5.5%	5.7%
RPL/NPL[(a)]	96.6	96.2	8.4%	3.5%	3.5%
Interest Only and Excess MSRs	407.1	3.2	0.3%	0.4%	15.0%
Residential Whole Loans[(b)]	365.4	305.6	26.7%	5.5%	7.0%
Total Residential Investments	**$1,751.2**	**$1,143.7**	**100.0%**	**4.2%**	**6.3%**

(a) RPL/NPL whose deal structures contain an interest rate step-up feature.
(b) Consolidated whole loan positions as well as whole loans purchased from an affiliate or affiliates of our manager in securitized form.





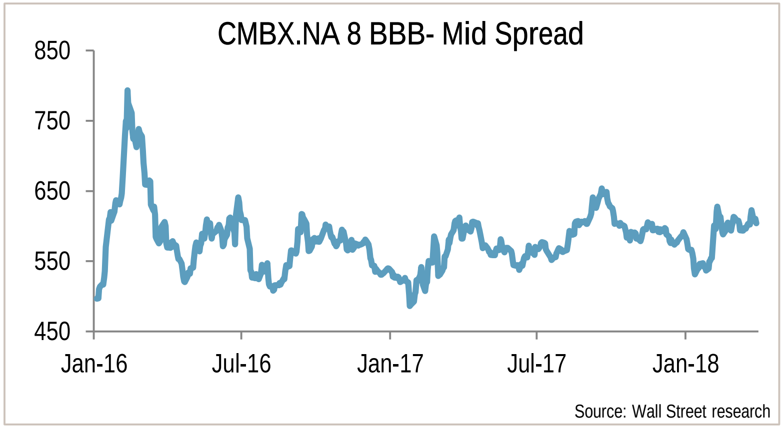
- 56% of our Residential Investments[(c)] are fixed rate coupon and 44% are floating rate coupon[12]

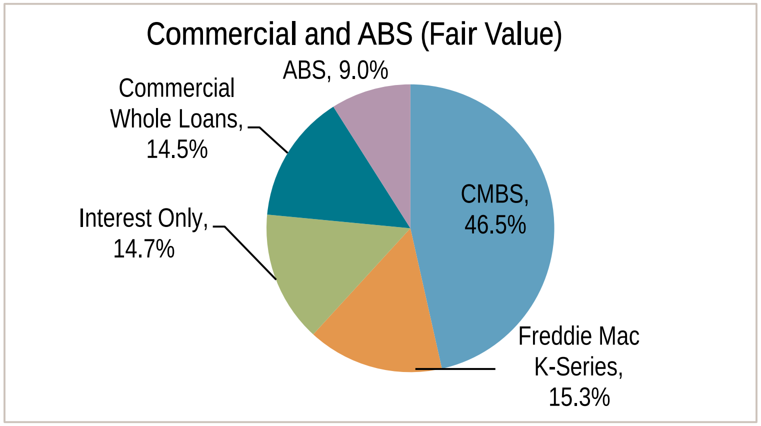
(c) Excludes Residential Whole Loans

Q1 2018 Commercial and ABS Portfolio Details

Description	Current Face (mm)	Fair Value (mm)	Percent of Fair Value	Weighted Average Coupon[12]	Weighted Average Yield[8]
CMBS	$232.8	$185.1	46.5%	5.7%	6.2%
Freddie Mac K-Series	191.6	61.0	15.3%	5.9%	12.1%
Interest Only	3,485.6	58.6	14.7%	0.3%	6.7%
Commercial Whole Loans	57.7	57.7	14.5%	8.4%	15.8%
Total Commercial Investments	3,967.7	362.4	91.0%	0.7%	8.8%
ABS	35.6	35.8	9.0%	8.3%	8.8%
Total Commercial and ABS	$4,003.3	$398.2	100.0%	0.8%	8.8%

Note: Our Credit Investments[4] include fair value of $328.8 mm of investment in debt and equity of affiliates comprised of $264.9 mm of Residential Whole Loans, $10.0 mm of Interest Only and $53.9 mm of Freddie Mac K-Series. These items, inclusive of our investment in AG Arc LLC[13] and other items, net to $141.7 mm which is included in the "Investments in debt and equity of affiliates" line item on our GAAP Balance Sheet. See slide 11 for further detail on Residential Whole Loans.





- 29% of our Commercial and ABS Investments are fixed rate coupon and 71% are floating rate coupon[12]

Financing

- Financing arrangements with 39 counterparties
  - Currently financing investments with 28 counterparties
  - Our weighted average days to maturity is 75 days and our weighted average original days to maturity is 129 days
  - Financing counterparties remain stable

Repurchase Agreements[(a)] ($ in millions)				
	Agency		Credit	
Maturing Within	Amount Outstanding	WA Funding Cost	Amount Outstanding	WA Funding Cost
Overnight	$151.9	1.9%	$-	-
30 Days or less	1,355.0	1.8%	670.1	2.9%
31-60 Days	305.8	1.8%	119.5	3.1%
61-90 Days	-	-	36.8	3.5%
90-180 Days	100.9	2.0%	1.7	4.1%
Greater than 180 Days	-	-	293.7	3.8%
Total and WA	$1,913.6	1.8%	$1,121.8	3.2%

(a) Numbers do not include securitized debt of $15.5 mm.

Duration Gap[14]

- Duration gap was approximately 1.25 years as of March 31, 2018

Duration	Years
Agency	2.77
Hedges	(2.72)
Agency Gap Subtotal	0.05
Credit	1.20
Duration Gap	1.25

- Duration gap was approximately 1.15 years as of December 31, 2017

Duration	Years
Agency	2.77
Hedges	(2.59)
Agency Gap Subtotal	0.18
Credit	0.97
Duration Gap	1.15

Hedging

Hedge Portfolio Summary as of March 31, 2018 ($ in millions)		
	Notional	Duration[14]
Interest Rate Swaps	$(2,442.0)	(2.56)
Swaptions	(210.0)	(0.09)
Treasury Futures, net	(50.0)	(0.07)
Total	$(2,702.0)	(2.72)

Interest Rate Swaps as of March 31, 2018 ($ in millions)				
Maturity	Notional Amount	Weighted Average Pay-Fixed Rate	Weighted Average Receive Variable Rate[(a)]	Weighted Average Years to Maturity
2019	$170.0	1.36%	1.89%	1.63
2020	835.0	1.77%	2.02%	2.28
2022	653.0	1.90%	2.00%	4.34
2023	75.0	2.70%	1.79%	4.85
2024	230.0	2.06%	1.94%	6.25
2025	45.0	2.78%	2.08%	6.93
2026	75.0	2.12%	1.90%	8.64
2027	264.0	2.35%	1.97%	9.44
2028	95.0	2.81%	1.87%	9.87
Total / Wtd Avg	$2,442.0	1.97%	1.98%	4.59

(a) 100% of our receive variable interest rate swap notional amount resets quarterly based on three-month LIBOR

Q1 2018 Financial Metrics

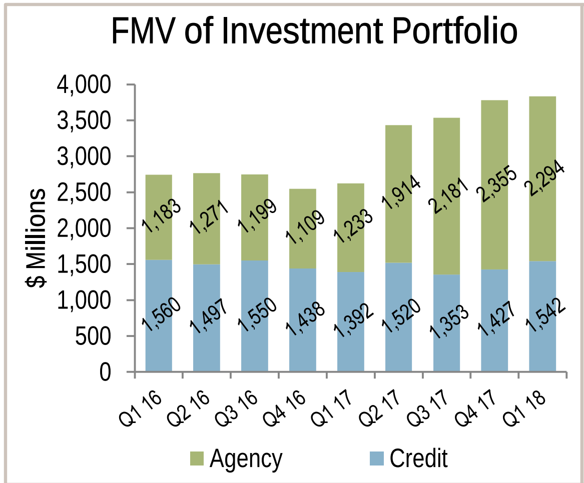
($ in millions)

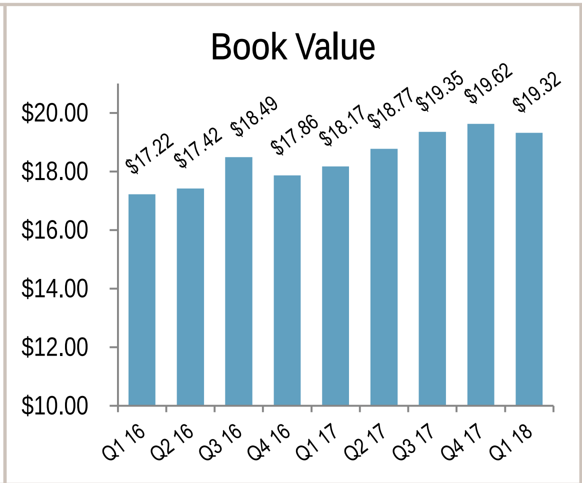
Key Statistics	March 31, 2018	Weighted Average for the quarter-ended March 31, 2018
Investment portfolio[4,5]	$3,835.5	$3,665.0
Repurchase agreements[5]	3,035.4	2,939.0
Total Financing[7]	3,220.4	2,966.6
Stockholders' equity	705.8	713.8
GAAP Leverage	4.1x	4.1x
"At Risk" Leverage[7]	4.6x	4.2x
Yield on investment portfolio[8]	4.99%	4.65%
Cost of funds[9]	2.30%	2.33%
Net interest margin[6]	2.69%	2.32%
Management fees[15]	1.38%	1.37%
Other operating expenses[16]	1.83%	1.81%
Book value, per share[1]	$19.32	
Undistributed taxable income, per share[(a)]	$1.54	
Common Dividend, per share[1]	$0.475	

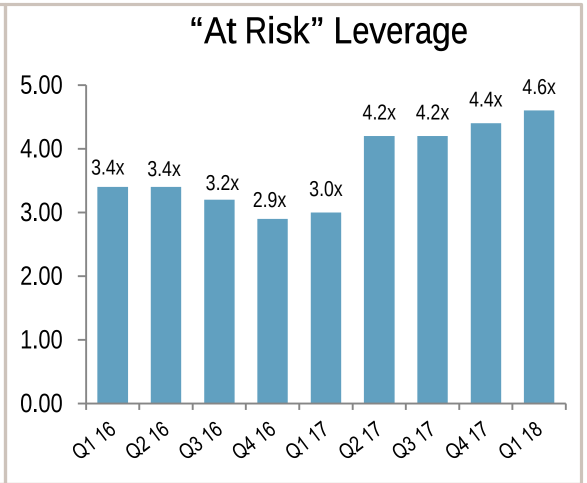
(a) Refer to slide 22 for further detail

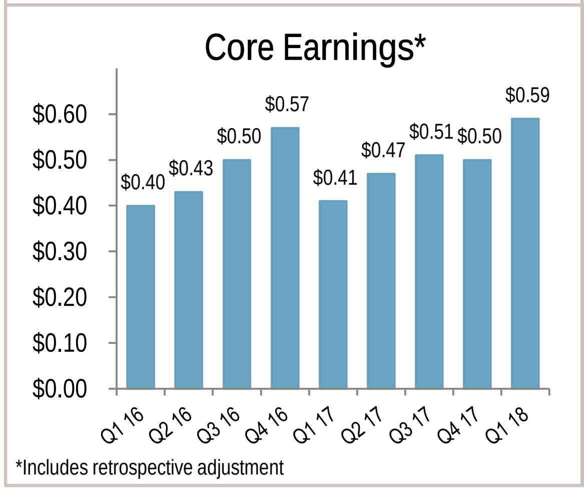
Supplemental Information & Financial Statements

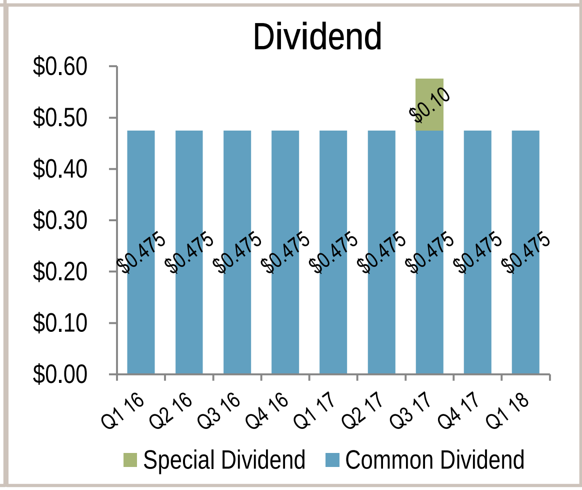
Quarter-Over-Quarter Snapshot

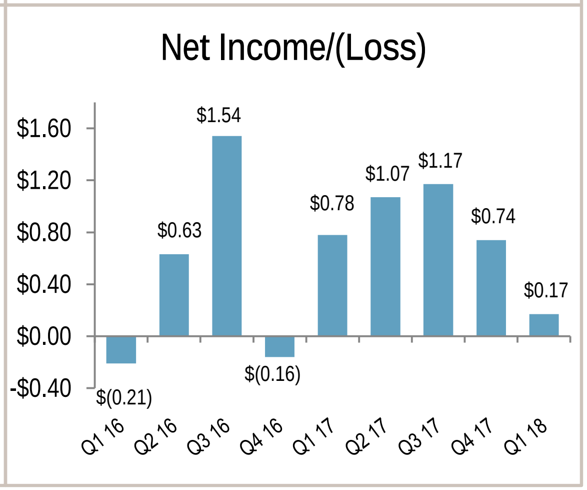












Market Snapshot

Interest Rates	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18
Treasuries					
2-year	1.256	1.384	1.486	1.885	2.268
5-year	1.922	1.889	1.937	2.207	2.563
10-year	2.388	2.305	2.334	2.406	2.740
Swaps					
3 month LIBOR	1.150	1.299	1.334	1.694	2.312
2-year	1.618	1.618	1.741	2.078	2.582
5-year	2.052	1.958	2.004	2.244	2.708
10-year	2.384	2.281	2.291	2.398	2.790

Agency RMBS	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18
Fannie Mae Pass-Throughs					
15 year 2.50%	100-02+	100-15+	100-21+	99-29+	97-27+
15 year 3.00%	102-17+	102-19+	102-23+	101-28+	99-25+
30 year 3.00%	99-07+	99-26+	100-08+	100-01+	97-17+
30 year 3.50%	102-11+	102-21+	103-01+	102-23+	100-06+
Mortgage Rates					
15-year	3.39%	3.17%	3.13%	3.44%	3.90%
30-year	4.14%	3.88%	3.83%	3.99%	4.44%

Credit Spreads	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18
CDX IG	66	61	56	49	66
CAS 2016 Vintage M2	295	230	235	160	92
CMBX.NA 8 BBB- Mid Spread	582	568	628	591	604

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

Book Value Roll-Forward

	Amount (000's)	Per Share[1]
12/31/17 Book Value	$ 553,045	$ 19.62
Common dividend	(13,393)	(0.48)
Core earnings	16,532	0.59
Equity based compensation	143	0.0
Net proceeds from Issuance of Common Stock	(63)	0.0
Capital Appreciation/(Reduction)	3,219	0.11
Net realized gain/(loss)	(11,839)	(0.42)
Net realized and unrealized gain/(loss) on investments in debt and equity of affiliates	(260)	(0.01)
Net unrealized gain/(loss)	447	0.02
Net realized and unrealized gain/loss	(11,652)	(0.41)
3/31/18 Book Value	$ 544,612	$ 19.32
Change in Book Value	(8,433)	(0.30)

Reconciliation of GAAP Net Income to Core Earnings[2]

Three Months Ended March 31, 2018	Amount (000's)	Per Share[1]
Net Income/(loss) available to common stockholders	$ 4,880	$ 0.17
Add (Deduct):		
Net realized (gain)/loss	11,839	0.42
Dollar roll income	488	0.02
Equity in (earnings)/loss from affiliates	(2,740)	(0.10)
Net interest income and expenses from equity method investments	3,000	0.12
Unrealized (gain)/loss on real estate securities and loans, net	36,155	1.27
Unrealized (gain)/loss on derivative and other instruments, net	(37,090)	(1.31)
Core Earnings	$ 16,532	$ 0.59

Undistributed Taxable Income Roll-Forward

	Amount (000's)	Per Share[1]
12/31/17 Undistributed Taxable Income	$ 43,381	$ 1.54
Q1 Core Earnings	16,532	0.59
Q1 Recurring Core-Tax Differences	(3,217)	(0.11)
Q1 2018 Ordinary Taxable Income, Net of Preferred Distribution	13,315	0.48
Q1 2018 Common Distribution	(13,393)	(0.48)
3/31/18 Undistributed Taxable Income	$ 43,303	$ 1.54

Note: This estimate of undistributed taxable income per share represents the total estimated undistributed taxable income as of quarter-end. Undistributed taxable income is based on current estimates and projections. The actual amount is not finalized until we file our annual tax return, typically in October of the following year. Figures may not foot due to rounding.

Condensed Consolidated Balance Sheet

		March 31, 2018 (Unaudited)	
Amount (000's)			
Assets		**Liabilities**	
Real estate securities, at fair value	$ 3,253,685	Repurchase agreements	$ 2,826,579
Residential mortgage loans, at fair value	19,872	Securitized debt, at fair value	15,496
Commercial loans, at fair value	57,666	Payable on unsettle trades	117,356
Investments in debt and equity of affiliates	141,707	Interest payable	5,867
Excess mortgage servicing rights, at fair value	30,746	Derivative liabilities, at fair value	786
Cash and cash equivalents	25,294	Dividend payable	13,393
Restricted cash	42,279	Due to affiliates	4,081
Interest receivable	12,396	Accrued expenses and other liabilities	7,700
Receivable on unsettled trades	104,654	Total Liabilities	2,991,258
Derivative assets, at fair value	4,571	**Stockholders' Equity**	
Other assets	2,831	Preferred stock	161,214
Due from broker	1,383	Common stock	282
Total Assets	$ 3,697,084	Additional paid-in capital	585,610
		Retained earnings (deficit)	(41,280)
		Total Stockholders' Equity	705,826
		Total Liabilities & Stockholders' Equity	$ 3,697,084

Condensed Consolidated Statement of Operations

	Three Months Ended March 31, 2018 (Unaudited)		
Amount (000's)			
Net Interest Income		**Earnings/(Loss) Per Share of Common Stock**	
Interest income	$ 39,357	Basic	$ 0.17
Interest expense	15,326	Diluted	$ 0.17
	24,031		
Other Income		**WA Shares of Common Stock Outstanding**	
Net realized gain/(loss)	(11,839)	Basic	28,196
Realized loss on interest settlements of derivative instruments, net	(1,470)	Diluted	28,217
Unrealized gain/(loss) on real estate securities and loans, net	(36,155)		
Unrealized gain/(loss) on derivative and other instruments, net	37,090		
	(12,374)		
Expenses			
Management fee to affiliate	2,439		
Other operating expenses	3,223		
Servicing fees	62		
Equity based compensation to affiliate	51		
Excise tax	375		
	6,150		
Income/(loss) before equity in earnings/(loss) from affiliates	5,507		
Equity in earnings/(loss) from affiliates	2,740		
Net Income/(Loss)	8,247		
Dividends on preferred stock	3,367		
Net Income/(Loss) Available to Common Stockholders	$ 4,880		

Footnotes

1. 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 all shares granted to our Manager and our independent directors under our equity incentive plans as of quarter-end. 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 available to common stockholders 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. Core Earnings includes earnings from AG Arc LLC. Earnings from AG Arc LLC were $0.5 million in the first quarter of 2018. See page 21 for a reconciliation of GAAP net income to Core Earnings. See footnote 13 for further details on AG Arc LLC.

3. The economic return on equity for the quarter represents the change in book value per share from December 31, 2017 to March 31, 2018, plus the common dividends declared over that period, divided by book value per share as of December 31, 2017. The annualized economic return on equity is the quarterly return on equity multiplied by four.

4. The investment portfolio at period end is calculated by summing the fair market value of our Agency RMBS, any long positions in TBAs, Residential Investments, Commercial Investments, and ABS Investments, including securities and mortgage loans owned through investments in affiliates, exclusive of AG Arc LLC. 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 fair market value includes any net TBA positions and securities and mortgage loans owned through investments in affiliates and is exclusive of AG Arc LLC. See footnote 13 for further details on AG Arc LLC.

5. 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 our consolidated balance sheet as either "Repurchase agreements" or "Securitized debt, at fair value." 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) 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 13 for further details on AG Arc LLC.

6. 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 8 and 9 for further detail.

7. "At Risk" Leverage was calculated by dividing total financing including any net TBA position by our GAAP stockholders' equity at quarter-end. Our net TBA position (at cost) was $143.7 million, $102.5 million, $121.6 million, $310.5 million and $93.4 million for the periods ending March 31, 2018, December 31, 2017, September 30, 2017, June 30, 2017 and March 31, 2017, 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, and any net TBA position (at cost). Total financing excludes any repurchase agreements and unsettled trades on U.S. Treasuries.

8. 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. The calculation of weighted average yield is weighted based on fair value.

Footnotes (cont.)

9. 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 (i) the weighted average funding costs on total financing outstanding at quarter-end and (ii) 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. Both elements of the cost of funds at quarter-end were weighted by the outstanding repurchase agreements and securitized debt outstanding at quarter-end, excluding repurchase agreements associated with U.S. Treasury positions. The cost of funds excludes any net TBA position.

10. The Company allocates its equity by investment using the fair market value of its 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 in order to sum to the Company's stockholders' equity per the consolidated balance sheets. The Company's equity allocation method is a non-GAAP methodology and may not be comparable to similarly titled measures or concepts of other companies, who may use different calculations.

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

12. Equity residuals, excess MSRs and principal only securities with a zero coupon rate are excluded from this calculation. The calculation of weighted average coupon is weighted based on face value.

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

14. 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. Duration related to repurchase agreements is netted within its respective agency and credit line items.

15. 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.

16. 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.

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