AG Mortgage Investment Trust, Inc.
Q1 2017 Earnings Presentation

May 4, 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, investment returns, liquidity and financing, taxes, our assets, and our interest rate sensitivity. 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 4, 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.

Q1 2017 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

Q1 2017 Performance and Highlights

- First Quarter 2017:
  - $0.78 of Net Income/(Loss) per diluted common share[1]
  - $0.41 of Core Earnings per diluted common share[1, 2]
    - Includes de minimus retrospective adjustment
    - Includes $0.01 of dollar roll income associated with our net TBA position
  - 4.4% economic return on equity for the quarter, 17.6% annualized[5]
  - $18.17 book value per share as of March 31, 2017[1], inclusive of our current quarter common dividend
    - Book value increased $0.31 or 1.7% from last quarter, inclusive of:
      - $(0.01) or (0.1)% due to our investments in Agency RMBS and associated derivative hedges
        - Spreads to both the Treasury and swap curves were largely unchanged on the quarter allowing our hedged Agency RMBS portfolio to maintain book value stability
      - $0.38 or 2.1% due to our investments in Credit
        - Mortgage and asset-backed markets rallied during the first quarter, driven by strong demand for yield and supported by the risk-on sentiment in the broader markets; credit spread tightening during the quarter drove an increase in book value
      - $(0.06) or (0.3)% due to core earnings below the $0.475 dividend
        - We took a more defensive position at the end of the fourth quarter, increasing liquidity and reducing leverage

Q1 2017 Performance and Highlights (cont'd)

- $2.6 billion investment portfolio as of March 31, 2017 as compared to the $2.5 billion investment portfolio as of December 31, 2016[3, 4]
  - 54% of our Credit Investments are fixed rate coupon and 46% are floating rate coupon[15]
- 2.86% Net Interest Margin ("NIM") excluding net TBA position as of March 31, 2017[8]
  - Increase in cost of funds primarily due to the addition of hedges and increased cost of financing due to an increase of 25 bps in the federal-funds rate in March
- 3.0x "At Risk" Leverage including net TBA position[4, 7]

	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017
Yield on Investment Portfolio[9]	4.75%	4.82%	4.73%	5.18%	5.02%
Cost of Funds[10]	1.73%	1.76%	1.76%	2.02%	2.16%
NIM excluding net TBA position[8]	3.02%	3.06%	2.97%	3.16%	2.86%
"At Risk" Leverage including net TBA position[7]	3.4x	3.4x	3.2x	2.9x	3.0x

Q1 2017 Activity

($ in millions) Description	Net Purchased/ (Sold/Payoff)	Net Repo (Added)/ Removed*	Net Equity Invested/ (Returned)**
30 Year Fixed Rate	$113.4	$(89.4)	$24.0
Agency Interest Only and Excess MSRs	2.9	-	2.9
Fixed Rate 30 Year TBA	41.9	-	1.3
Total Agency RMBS	158.2	(89.4)	28.2
Prime	12.7	(9.7)	3.0
Subprime	0.5	-	0.5
Credit Risk Transfer	(0.2)	(0.7)	(0.9)
RPL/NPL	7.1	0.2	7.3
Total Residential Investments	20.1	(10.2)	9.9
CMBS	(25.8)	25.9	0.1
Freddie Mac K-Series CMBS	(4.4)	-	(4.4)
Commercial Whole Loans	(1.8)	-	(1.8)
Total Commercial Investments	(32.0)	25.9	(6.1)
Total ABS	(0.9)	0.8	(0.1)
Total Q1 Activity	$145.4	$(72.9)	$31.9

- Deployed net equity of $31.9 mm during the quarter
  - Increased allocation to Agency RMBS during the quarter
  - $12.1 mm of commercial loan payoff offset by loan purchase of $10.3 mm

*Timing and size of repo added may differ from that of repo removed
**Net equity in TBA represents initial margin on TBA purchases

Macro-Economic Conditions

- In March, the FOMC raised rates 25 bps and revised inflation marginally higher
  - The FOMC maintained its median expectation for two additional policy rate increases in 2017, three in 2018 and three in 2019
  - Consensus building at the Federal Reserve to lay out a plan to reduce the size of investment portfolio by year-end; limited details, but indications point to gradual reduction that seeks to minimize any potential impact on financial conditions
    - Greater comfort level with market reaction to balance sheet reduction has increased our willingness to add Agency MBS exposure on a duration hedged basis
- Domestic economy continues to show modest but inconsistent growth
- Housing activity remains stable and generally positive
- Improving borrower credit quality; credit availability remains stable to favorable
- The administration's proposed agenda still offers some upside risk to growth but less so for this calendar year, as timelines for implementing fiscal measures continue to extend

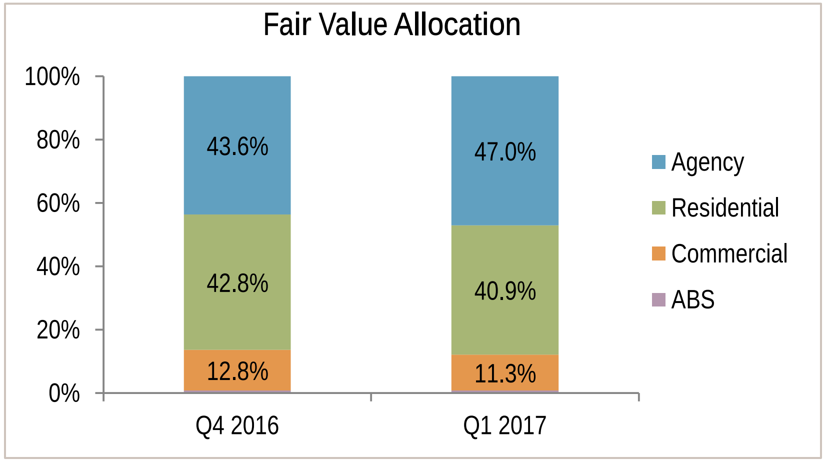
Investment Opportunity Set

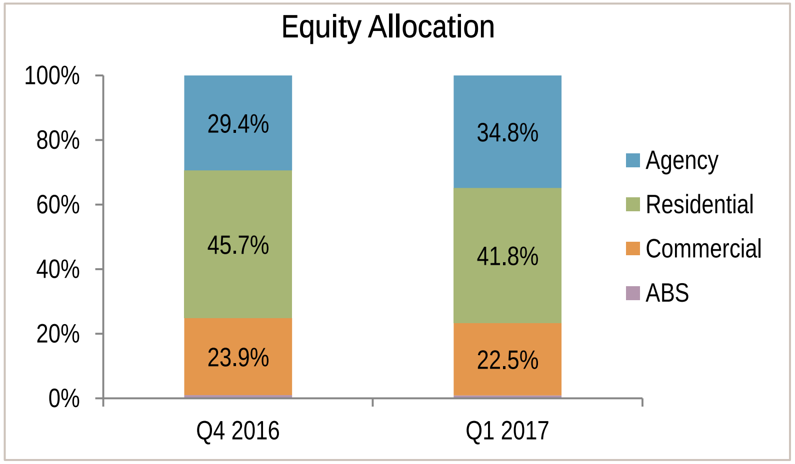
Agency RMBS	▪ Hypothetical Duration Hedged Gross Levered ROE: 8-14% ▪ 30/20/15 Year Fixed Rate, Hybrid ARM, Fixed Rate CMO, Agency IO, Inverse IO
Residential Investments	▪ Hypothetical Gross Levered ROE: 9-18% ▪ CRT, NPL, RPL, Non-QM, Legacy
Commercial Investments	▪ Hypothetical Gross Levered ROE: 11-18% ▪ Freddie Mac K-series, Commercial Whole Loans
ABS	▪ Hypothetical Gross Levered ROE: 10-18% ▪ Consumer and auto backed debt

Note: The hypothetical Gross 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 2017 Investment Portfolio Composition[3,4]

	Amortized Cost (mm)	Fair Value (mm)	Percent of Fair Value	Allocated Equity (mm)[17]	Percent of Equity	Weighted Average Yield[9]	Funding Cost[(a)]	NIM[(a)]	Leverage[(a)]
Agency RMBS	$1,226.2	$1,233.2	47.0%	$231.0	34.8%	3.2%	1.0%	2.2%	4.5x
Residential Investments	1,046.8	1,073.9	40.9%	278.0	41.8%	6.1%	2.5%	3.6%	2.9x
Commercial Investments	295.2	297.0	11.3%	149.8	22.5%	8.0%	2.5%	5.5%	1.0x
ABS	20.8	21.2	0.8%	5.8	0.9%	6.4%	2.5%	3.9%	2.7x
Total Investment Portfolio	$2,589.0	$2,625.3	100.0%	$664.6	100.0%	5.0%	2.2%	2.9%	3.0x



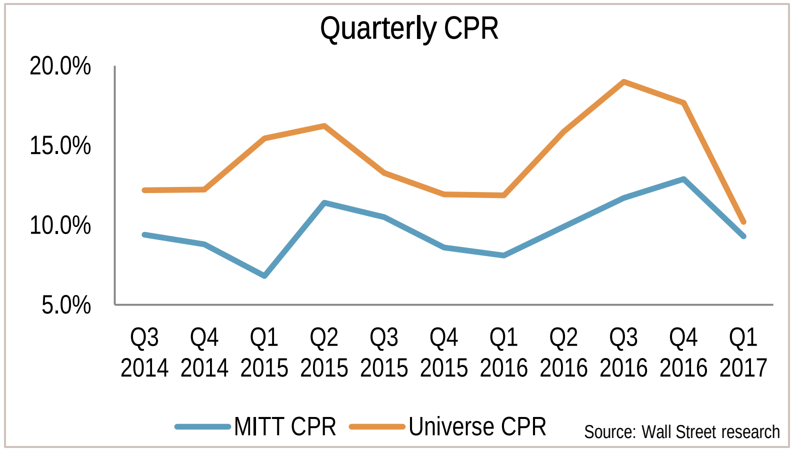


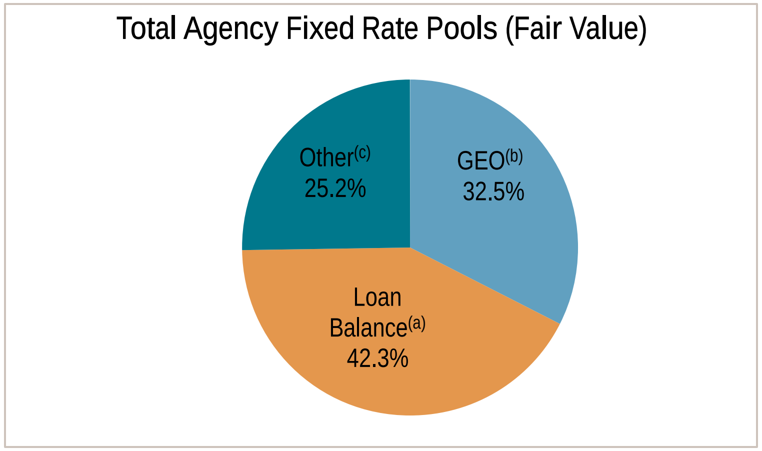
- As of Q1 2017, 47.0% of fair value allocated to Agency and 53.0% to Credit
- As of Q1 2017, 34.8% of equity allocated to Agency and 65.2% to Credit

(a) Total funding cost and NIM includes cost of interest rate hedges. Total leverage ratio includes any net receivables on TBA and the leverage ratio by type is calculated based on allocated equity.
Note: The above table includes fair value of $9.3 mm of Residential Investments and $51.5 mm of Commercial Investments that are included in the “Investments in debt and equity of affiliates” line item on our consolidated balance sheet. Figures may not foot due to rounding.

Q1 2017 Agency Portfolio Details

Description	Current Face (mm)	Fair Value (mm)	Percent of Fair Value	Weighted Average Coupon[15]	Weighted Average Yield[9]
30 Year Fixed Rate	$795.8	$830.4	67.4%	3.8%	3.1%
Fixed Rate CMO	60.7	61.8	5.0%	3.0%	2.8%
Hybrid ARM	201.0	203.7	16.5%	2.3%	2.8%
Inverse Interest Only	92.8	11.4	0.9%	3.4%	6.1%
Agency Interest Only and Excess MSRs	431.9	32.5	2.6%	2.4%	7.7%
Fixed Rate 30 Year TBA	90.0	93.4	7.6%	3.8%	N/A
Total Agency RMBS	$1,672.2	$1,233.2	100.0%	3.3%	3.2%



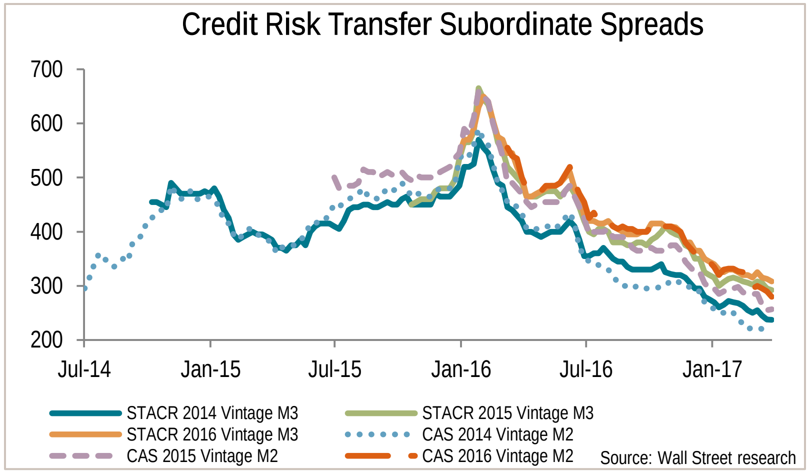


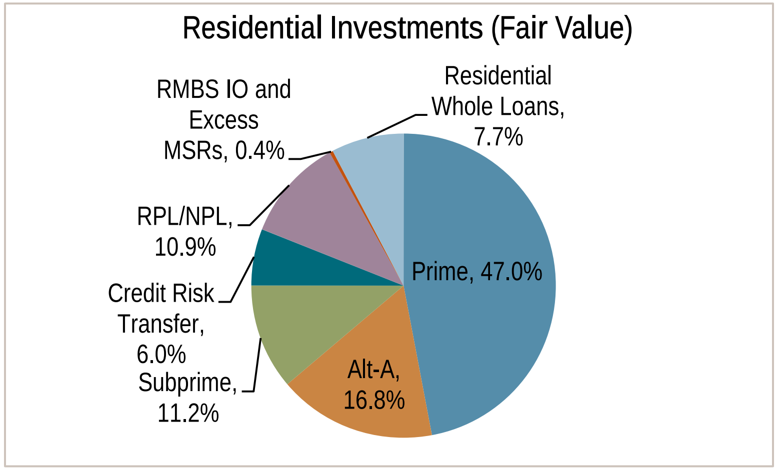
- 9.3% constant prepayment rate ("CPR")[6] on the Agency RMBS investment portfolio for Q1 2017

(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 2017 Residential Portfolio Details

Description	Current Face (mm)	Fair Value (mm)	Percent of Fair Value	Weighted Average Coupon[15]	Weighted Average Yield[9]
Prime[(a)]	$605.7	$504.8	47.0%	4.3%	5.9%
Alt-A[(a)]	271.3	180.2	16.8%	4.6%	5.7%
Subprime[(a)]	125.2	120.6	11.2%	4.2%	5.6%
Credit Risk Transfer	60.8	64.6	6.0%	5.7%	6.2%
RPL/NPL[(b)]	117.8	117.1	10.9%	4.3%	4.7%
RMBS Interest Only and Excess MSRs	485.8	3.9	0.4%	0.3%	13.9%
Residential Whole Loans[(c)]	114.1	82.7	7.7%	5.0%	10.9%
Total Residential Investments	$1,780.7	$1,073.9	100.0%	3.3%	6.1%

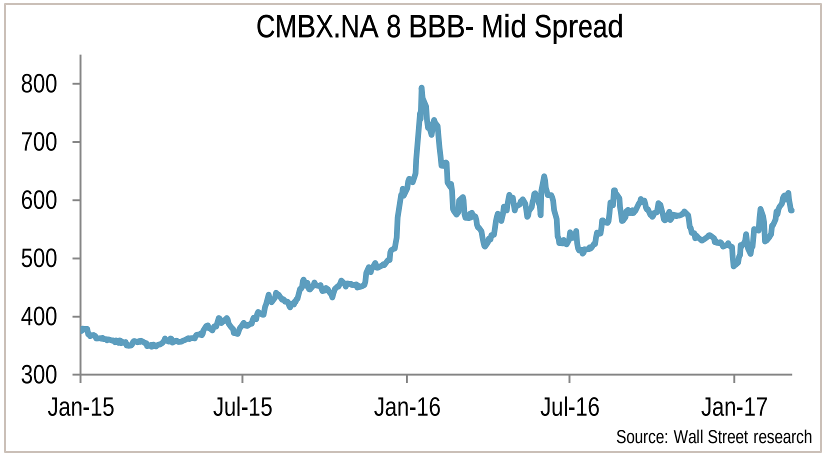


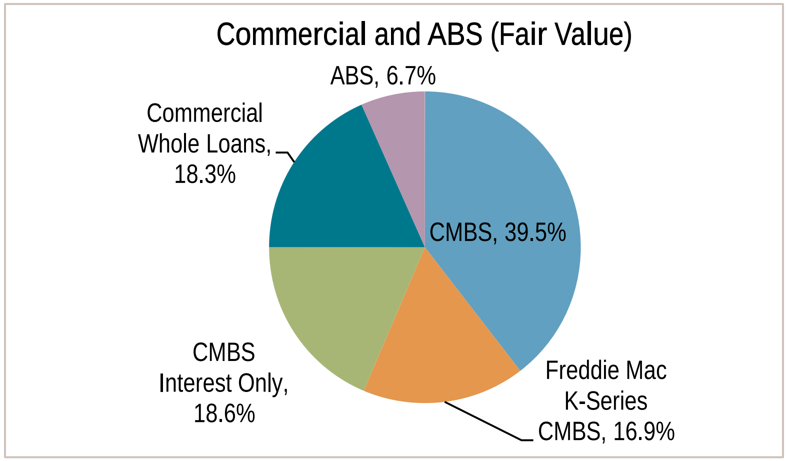


(a) $173.0 mm of Prime is new issue, of this, $68.6 mm is new issue Prime Jumbo. $46.5 mm of Alt-A is new issue and $35.0 mm of Subprime is new issue.[14]
(b) RPL/NPL MBS whose deal structures contain an interest rate step-up feature.
(c) Consolidated whole loan positions as well as whole loans purchased by an affiliate of our manager in securitized form.

Q1 2017 Commercial and ABS Portfolio Details

Description	Current Face (mm)	Fair Value (mm)	Percent of Fair Value	Weighted Average Coupon[15]	Weighted Average Yield[9]
CMBS	$182.0	$125.8	39.5%	5.0%	6.0%
Freddie Mac K-Series CMBS	152.3	53.7	16.9%	5.9%	13.5%
CMBS Interest Only	2,849.1	59.2	18.6%	0.3%	6.5%
Commercial Whole Loans	58.9	58.3	18.3%	7.6%	8.6%
Total Commercial Investments	3,242.3	297.0	93.3%	0.7%	8.0%
ABS	21.1	21.2	6.7%	5.5%	6.4%
Total Commercial and ABS	$3,263.4	$318.2	100.0%	0.7%	7.9%





Note: Our Credit Investments include fair value of $60.8 mm of investment in debt and equity of affiliates comprised of $9.3 mm of Residential Whole Loans, $6.2 mm of CMBS IO and $45.3 mm of Freddie Mac K-Series CMBS. These items inclusive of our investment in AG Arc LLC[16] and other items net to $69.5 mm which is included in the "Investments in debt and equity of affiliates" line item on our GAAP Balance Sheet. See slide 10 for further detail on Residential Whole Loans.

Financing

- Financing arrangements with 39 counterparties
  - Currently financing investments at 24 of the counterparties
  - Our weighted average days to maturity is 57 days and our original days to maturity is 140 days
  - Financing counterparties remain stable

Repurchase Agreements[a] ($ in millions)				
	Agency		Credit	
Maturing Within	Amount Outstanding	WA Funding Cost	Amount Outstanding	WA Funding Cost
30 Days or less	$612.0	1.0%	$778.5	2.4%
31-60 Days	145.1	1.0%	65.4	2.5%
61-90 Days	45.8	1.1%	40.2	2.7%
90-180 Days	29.4	1.2%	-	-
Greater than 180 Days	100.0	1.4%	71.4	3.4%
Total and WA	$932.3	1.0%	$955.5	2.5%

(a) Numbers in table above do not include securitized debt of $19.9 mm.

Duration Gap[13] and Interest Rate Sensitivity Summary

- Duration gap was approximately 1.52 years as of March 31, 2017, versus 1.53 years as of December 31, 2016

Duration	Years
Agency	2.14
Credit	1.37
Hedges	(1.92)
Repo Agreements	(0.07)
Duration Gap	1.52

- The interest rate sensitivity table below shows estimated impact of an immediate parallel shift in the yield curve up and down 50 and 100bps on the market value of the investment portfolio as of March 31, 2017[13]

Changes in Interest Rates (bps)	-100	-50	Base	50	100
Change in Market Value as a % of Assets	1.2%	0.7%	0.0%	-0.9%	-2.0%
Change in Market Value as a % of GAAP Equity	4.8%	2.9%	0.0%	-3.7%	-7.8%

Hedging

- Added hedges as we increased our exposure to Agency RMBS during the quarter

Hedge Portfolio Summary as of March 31, 2017 ($ in millions)		
	Notional	Duration[13]
Interest Rate Swaps	$924.0	(1.61)
Treasury Futures, net	106.5	(0.31)
Total	$1,030.5	(1.92)

Interest Rate Swaps as of March 31, 2017 ($ in millions)				
Maturity	Notional Amount	Weighted Average Pay-Fixed Rate	Weighted Average Receive Variable Rate[(a)]	Weighted Average Years to Maturity
2017	$36.0	0.88%	1.04%	0.59
2019	170.0	1.36%	1.05%	2.63
2020	155.0	1.62%	1.04%	2.90
2021	60.0	1.86%	1.12%	4.69
2022	218.0	2.00%	1.08%	5.03
2023	85.0	2.30%	1.10%	6.18
2024	25.0	2.16%	1.01%	6.77
2025	30.0	2.48%	1.10%	8.18
2026	95.0	2.17%	1.06%	9.65
2027	50.0	2.40%	1.05%	9.87
Total / Wtd Avg	$924.0	1.85%	1.07%	5.03

(a) 100% of our receive float interest rate swap notionals reset quarterly based on three-month LIBOR

Q1 2017 Financial Metrics

($ in millions) Key Statistics	March 31, 2017	Weighted Average for the quarter-ended March 31, 2017
Investment portfolio[3, 4]	$2,625.3	$2,471.8
Repurchase agreements[4]	1,887.8	1,819.9
Total Financing[7]	2,020.6	1,837.5
Stockholders' equity	664.6	659.7
GAAP Leverage	2.9x	2.8x
"At Risk" Leverage[7]	3.0x	2.8x
Yield on investment portfolio[9]	5.02%	5.03%
Cost of funds[10]	2.16%	2.14%
Net interest margin[8]	2.86%	2.89%
Management fees[11]	1.49%	1.50%
Other operating expenses[12]	1.68%	1.69%
Book value, per share[1]	$18.17	
Undistributed taxable income, per common share[(a)]	$1.84	
Dividend, per share[1]	$0.475	

(a) Refer to slide 22 for further detail

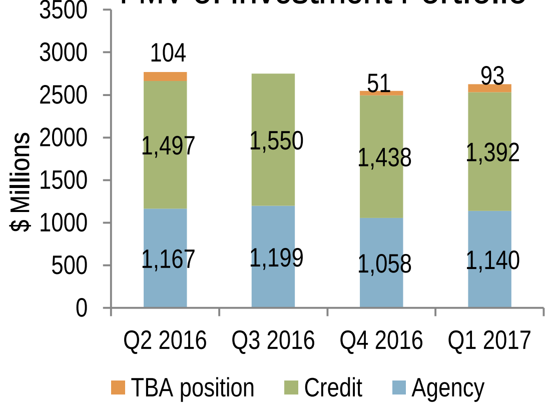
Non-GAAP Financial Information

- 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. AG Mortgage Investment Trust, Inc.'s management believes that this non-GAAP financial information, 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 its 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.

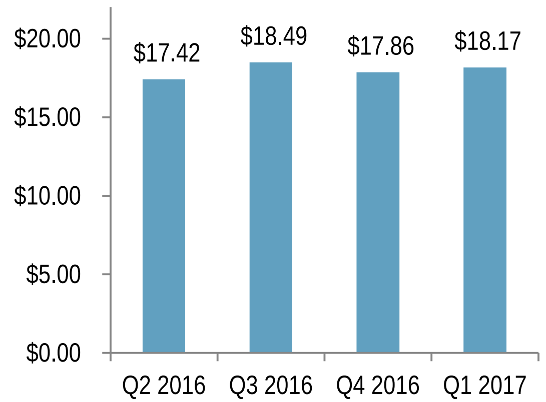
Supplemental Information & Financial Statements

Quarter-Over-Quarter Snapshot

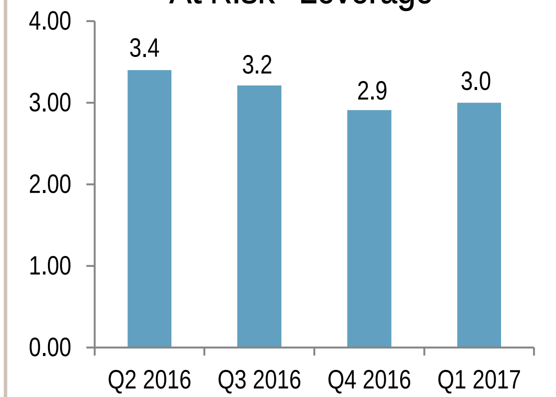
FMV of Investment Portfolio



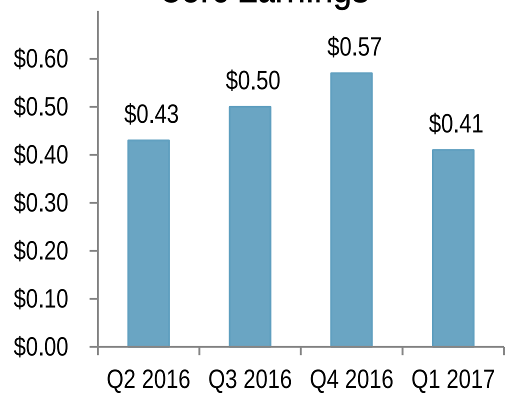
Book Value



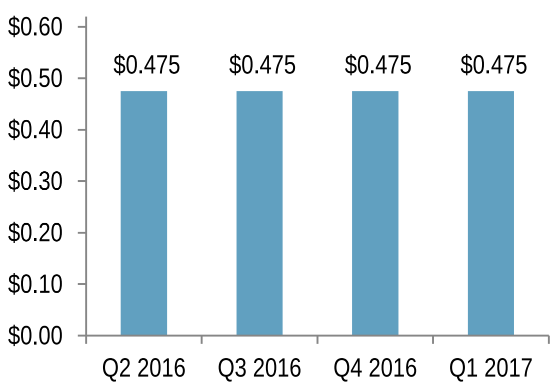
"At Risk" Leverage



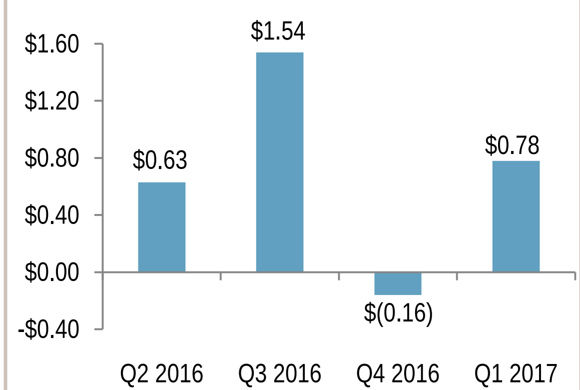
Core Earnings



Dividend



Net Income/(Loss)



Market Snapshot

Interest Rates	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17
Treasuries					
2-year	0.723	0.584	0.764	1.190	1.256
5-year	1.206	1.000	1.150	1.928	1.922
10-year	1.770	1.471	1.595	2.445	2.388
Swaps					
3 month LIBOR	0.629	0.654	0.854	0.998	1.150
2-year	0.841	0.735	1.013	1.452	1.618
5-year	1.172	0.983	1.181	1.975	2.052
10-year	1.639	1.364	1.456	2.337	2.384

Agency RMBS	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17
Fannie Mae Pass-Thrus					
15 year 2.50%	102-22+	103-16+	103-18+	100-01+	100-02+
15 year 3.00%	104-16+	104-27+	104-31+	102-15+	102-17+
30 year 3.00%	102-21+	103-26+	103-31+	99-06+	99-07+
30 year 3.50%	104-29+	105-17+	105-17+	102-10+	102-11+
Mortgage Rates					
15-year	2.98%	2.78%	2.72%	3.55%	3.39%
30-year	3.71%	3.48%	3.42%	4.32%	4.14%

Credit Spreads	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17
CDX IG	79	77	75	68	66
CAS 2016 Vintage M2	555	520	400	360	295
CMBX.NA 8 BBB- Mid Spread	570	616	578	539	582

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

Book Value Roll-Forward

	Amount (000's)	Per Share[1]
12/31/16 Book Value	$ 494,662	$ 17.86
Common dividend	(13,158)	(0.47)
Core earnings	11,468	0.41
Equity based compensation	138	0.00
Capital Appreciation/(Reduction)	(1,552)	(0.06)
Net realized gain/(loss)	(2,428)	(0.09)
Net realized and unrealized gain/(loss) on investments in affiliates	440	0.02
Net unrealized gain/(loss)	12,270	0.44
Net realized and unrealized gain/loss	10,282	0.37
3/31/17 Book Value	$ 503,392	$ 18.17
Change in Book Value	8,730	0.31

Reconciliation of GAAP Net Income to Core Earnings[2]

3 Months Ended March 31, 2017	Amount (000's)	Per Share[1]
Net Income/(loss) available to common stockholders	$ 21,750	$ 0.78
Add (Deduct):		
Net realized (gain)/loss	2,428	0.09
Drop income	355	0.01
Equity in (earnings)/loss from affiliates	(2,502)	(0.09)
Net interest income and expenses from equity method investments	2,062	0.08
Unrealized (gain)/loss on real estate securities and loans, net	(12,751)	(0.46)
Unrealized (gain)/loss on derivative and other instruments, net	126	0.00
Core Earnings	$ 11,468	$ 0.41

Undistributed Taxable Income Roll-Forward

	Amount (000's)	Per Share[1]
12/31/16 Undistributed Taxable Income	$ 52,679	$ 1.90
Q1 Core Earnings	11,468	0.41
Q1 Recurring Core-Tax Differences	68	0.00
Q1 Non-Recurring Core-Tax Differences	0	0.00
Q1 2017 Ordinary Taxable Income, Net of Preferred Distribution	11,536	0.41
Q1 2017 Common Distribution	(13,158)	(0.48)
3/31/17 Undistributed Taxable Income	$ 51,057	$ 1.84

Figures may not foot due to rounding.

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)			March 31, 2017 (Unaudited)
Assets		**Liabilities**	
Real estate securities, at fair value	$ 2,375,499	Repurchase agreements	$ 1,879,343
Residential mortgage loans, at fair value	36,256	Securitized debt, at fair value	19,949
Commercial loans, at fair value	58,274	Payable on unsettle trades	31,830
Investments in debt and equity of affiliates	69,536	Interest payable	2,451
Excess mortgage servicing rights, at fair value	1,056	Derivative liabilities, at fair value	2,505
Cash and cash equivalents	29,648	Dividend payable	13,158
Restricted cash	22,731	Due to affiliates	4,350
Interest receivable	8,781	Accrued expenses and other liabilities	2,446
Receivable on unsettled trades	12,885	Total Liabilities	1,956,032
Derivative assets, at fair value	1,677	**Stockholders' Equity**	
Other assets	4,097	Preferred stock	161,214
Due from broker	198	Common stock	277
Total Assets	$ 2,620,638	Additional paid-in capital	576,414
		Retained earnings (deficit)	(73,299)
		Total Stockholders' Equity	664,606
		Total Liabilities & Stockholders' Equity	$ 2,620,638

Consolidated Statement of Operations

Amount (000's)	Three Months Ended March 31, 2017 (Unaudited)		
Net Interest Income			
Interest income	$ 27,959	Income/(loss) before equity in earnings/(loss) from affiliates	22,615
Interest expense	8,161	Equity in earnings/(loss) from affiliates	2,502
	19,798	Net Income/(Loss)	25,117
Other Income			
Net realized gain/(loss)	(2,428)	Dividends on preferred stock	3,367
Realized loss on interest settlements of derivative instruments, net	(1,610)		
Unrealized gain/(loss) on real estate securities and loans, net	12,750	Net Income/(Loss) Available to Common Stockholders	$ 21,750
Unrealized gain/(loss) on derivative and other instruments, net	(126)		
Other Income	28	Earnings/(Loss) Per Share of Common Stock	
	8,614	Basic	$ 0.79
Expenses		Diluted	$ 0.78
Management fee to affiliate	2,476		
Other operating expenses	2,793	WA Shares of Common Stock Outstanding	
Servicing fees	76	Basic	27,702
Equity based compensation to affiliate	77	Diluted	27,709
Excise tax	375		
	5,797		

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 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 $0.1 million in the first quarter of 2017. See page 21 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 long TBA position, 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 4 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 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 or Securitized debt. 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 16 for further details on AG Arc LLC.

5. The economic return on equity for the quarter represents the change in book value per share from December 31, 2016 to March 31, 2017, plus the dividends declared over that period, divided by book value per share as of December 31, 2016. The annualized economic return on equity is the quarterly return on equity multiplied by four.

6. 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.

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 March 31, 2017. Our net TBA position (at cost) was $93.4 million, $(22.9) million, $0.0 million, $103.5 million, $0.0 million, $77.5 million, and $0.1 million for the periods ending March 31, 2017, December 31, 2016, September 30, 2016, June 30,2016, March 31, 2016, 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 repurchase agreements and unsettled trades on U.S. Treasuries.

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

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, 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.

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

17. 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 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.

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