

AG Mortgage Investment Trust, Inc. Q1 2023 Earnings Presentation

March 31, 2023

Forward Looking Statements & Non-GAAP Financial Information

Forward Looking Statements: This presentation includes "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995 related to dividends, book value, adjusted book value, our investments, our business and investment strategy, investment returns, return on equity, liquidity, financing, taxes, our assets, our interest rate sensitivity, and our views on certain macroeconomic trends and conditions, among others. Forward-looking statements are based on estimates, projections, beliefs and assumptions of management of our 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, the uncertainty and economic impact of the novel coronavirus ("COVID-19") pandemic and of responsive measures implemented by various governmental authorities, businesses and other third parties; our ability to generate attractive risk adjusted returns over the long term as a programmatic aggregator and issuer of Non-Agency residential loan securitizations; whether challenging market conditions will provide us with attractive investment opportunities we anticipate or at all; our ability to continue to grow our residential investment portfolio; our acquisition pipeline; our ability to invest in higher yielding assets through Arc Home, other origination partners or otherwise; our levels of liquidity, including whether our liquidity will sufficiently enable us to continue to deploy capital within the residential whole loan space as anticipated or at all; the impact of market, regulatory and structural changes on the market opportunities we expect to have, and whether we will be able to capitalize on such opportunities in the manner we anticipate; the impact of market volatility and economic recession on our business and ability to execute our strategy; whether we will be able to generate liquidity from additional opportunistic liquidations in our Re/Non-performing loan portfolio; our portfolio mix, including levels of Non-Agency/Agency-Eligible and Agency mortgage loans; our ability to manage warehouse exposure as anticipated or at all; our levels of leverage, including our levels of recourse and non-recourse financing; our ability to execute securitizations, including at the pace anticipated or at all; our ability to achieve our forecasted returns on equity on warehoused assets and post-securitization, including whether such returns will support earnings growth; changes in our business and investment strategy; our ability to grow our adjusted book value; our ability to predict and control costs; changes in inflation, interest rates and the fair value of our assets, including negative changes resulting in margin calls relating to the financing of our assets; the impact of credit spread movements on our business; the impact of interest rate changes on our asset yields and net interest margin; changes in the yield curve; the timing and amount of stock issuances pursuant to our ATM program or otherwise; the timing and amount of stock repurchases, if any; our capitalization, including the timing and amount of preferred stock repurchases or exchanges, if any; expense levels, including levels of management fees; changes in prepayment rates on the loans we own or that underlie our investment securities; our distribution policy; Arc Home's performance, including its liquidity position and ability to increase origination volumes, in Non-Agency loans or otherwise; the composition of Arc Home's portfolio, including levels of MSR exposure; levels of leverage on Arc Home's MSR portfolio; our percentage allocation of loans originated by Arc Home; increased rates of default or delinquencies and/or decreased recovery rates on our assets; the availability of and competition for our target investments; our ability to obtain and maintain financing arrangements on terms favorable to us or at all; changes in general economic or market conditions in our industry and in the finance and real estate markets, including the impact on the value of our assets; conditions in the market for Residential Investments and Agency RMBS; our levels of Earnings Available for Distribution ("EAD"); legislative and regulatory actions by the U.S. Department of the Treasury, the Federal Reserve and other agencies and instrumentalities; regional bank failures, how COVID-19 may affect us, our operations and personnel; our ability to make distributions to our stockholders in the future; our ability to maintain our qualification as a REIT for federal tax purposes; and our ability to qualify for an exemption from registration under the Investment Company Act of 1940, as amended.

Additional information concerning these and other risk factors are contained in our filings with the Securities and Exchange Commission ("SEC"), including those described in Part I – Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as such factors may be updated from time to time in our filings with the SEC. Copies are available free of charge on the SEC's website, <http://www.sec.gov/>. All forward looking statements in this presentation speak only as of the date of this presentation. We undertake no duty to update any forward-looking statements to reflect any change in our expectations or any change in events, conditions or circumstances on which any such statement is based. All financial information in this presentation is as of March 31, 2023, unless otherwise indicated.

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, including EAD, investment portfolio, financing arrangements, and economic leverage ratio, which are calculated by including or excluding unconsolidated investments in affiliates or, with respect to our equity allocation calculation, by allocating all non-investment portfolio related assets and liabilities to our investment portfolio categories based on the characteristics of such assets and liabilities, as described in the footnotes to this presentation. Management believes that this non-GAAP information, when considered with our GAAP financial statements, provides supplemental information useful for investors to help evaluate our financial performance. However, management also believes that our definition of EAD has important limitations as it does not include certain earnings or losses our management team considers in evaluating our financial performance. 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 of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP should be carefully evaluated.

This presentation may contain statistics and other data that has been obtained or compiled from information made available by third-party service providers. We have not independently verified such statistics or data.

Q1 2023 MITT Earnings Call Presenters

T.J. Durkin

Chief Executive Officer &
President

Nicholas Smith

Chief Investment Officer

Anthony Rossiello

Chief Financial Officer

MITT: A Pure Play Residential Mortgage REIT

Committed to generating attractive risk adjusted returns over the long-term as a programmatic aggregator and issuer of Non-Agency residential loan securitizations



**Liquidity to
Support Continued
Portfolio Growth**



**Access to
Investment
Opportunities**



**High Quality
Portfolio through
a Credit-first
Mindset**



**Disciplined
Approach to
Securitization and
Leverage**

Q1 2023 Financial Position

Disciplined approach to our securitization strategy leaves MITT well positioned with strong liquidity and low leverage

\$11.85

Book Value per Share¹

\$11.48

Adjusted Book Value per Share¹

\$461.9

Total Equity
(in millions)

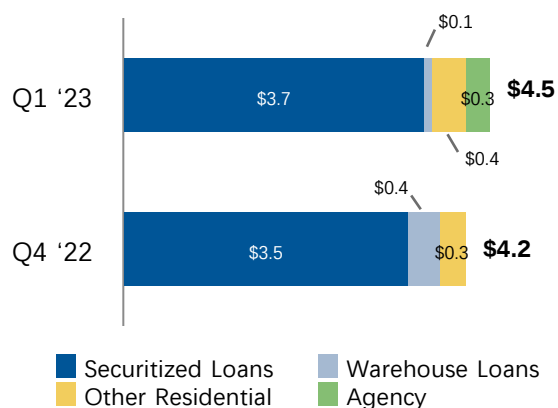
\$87.9

Liquidity²
(in millions)

1.4x

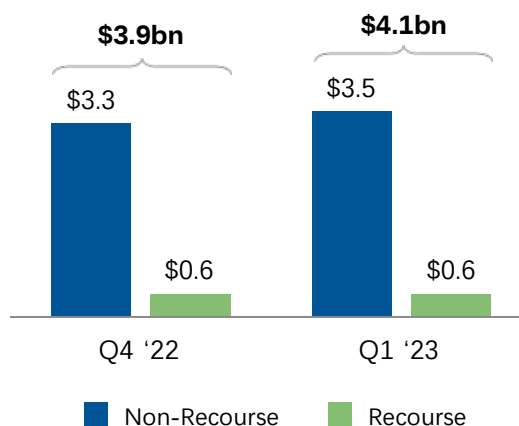
Economic Leverage Ratio³

Investment Portfolio^{4,5} (\$bn)



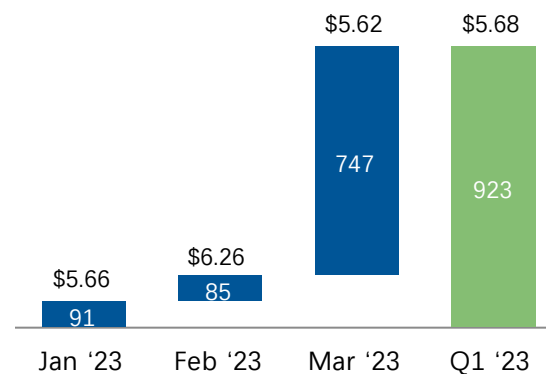
Q1 Portfolio Growth 6%

Financing Profile⁵ (\$bn)



Economic Leverage Ratio³ 1.3x 1.4x

Share Repurchases & Weighted Average Price^(a)



Q1 Book Value Accretion^(b) 2%

(a) Share repurchases in thousands.

(b) Reflects the impact of Q1 2023 share repurchases on the December 31, 2022 Book Value per share.

Q1 2023 Performance

4% increase in Book Value quarter over quarter

- Common share repurchases resulted in 2% accretion to Book Value during the quarter
- GAAP earnings were primarily driven by unrealized mark to market gains as rates fell during the quarter

\$13.2mm

**Q1 Net Interest
Income**

\$0.38

**Q1 Earnings per
Share⁶**

\$0.03

**Q1 EAD per
Share^{6,7}**

\$0.18

**Dividend per Share
Declared in Q1**

\$133.5mm

**Q1 Loan Purchases/
Commitments (FMV)**

\$271.2mm

**Q1 UPB
Securitized**

\$239.1mm

**Q1 Arc Home
Originations⁸**

\$5.2mm

**Q1 Shares
Repurchased**

De-risked warehouse exposure and prudently deployed excess capital

- Executed one Non-Agency Loan securitization
- Acquired Non-Agency and Agency RMBS at attractive returns on equity
- Strong new origination loan pipeline of \$281.1 million of UPB as of the date of this presentation

Securitization Activity

Programmatic issuer of Non-Agency securitizations throughout 2022 and into 2023 with remaining warehouse and pipeline exposure at current coupons

Investing and Funding Lifecycle

Acquire and Aggregate Loans

Current production yields ranging from 7% to 8% targeting returns in the low to mid teens while on warehouse

Securitize Loans

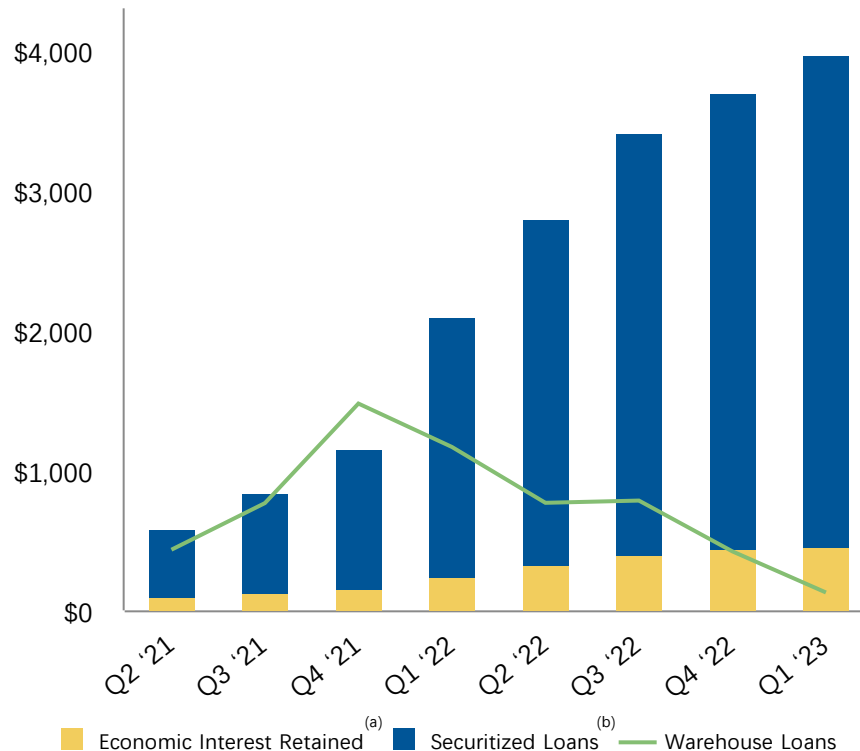
Targeting returns on equity of 18% to 25% while reducing warehouse risk through issuance of term, non-MTM financing

Retain Portions of Securitization

Retaining approximately 5% to 10% of securitization; borrowing against retained bonds using 1x to 2x turns of leverage

Reinvest Securitization Proceeds

Securitized Loan Portfolio Growth (\$mm)



(a) Economic interest retained represents the fair market value of retained tranches from securitizations which are consolidated in the "Securitized residential mortgage loans, at fair value" line item on the Company's consolidated balance sheets.

(b) Securitized Loans includes Securitized Non-Agency and Re/Non-Performing Loans included in the "Securitized residential mortgage loans, at fair value" line item on the Company's consolidated balance sheets.

Loan Portfolio Snapshot

Portfolio built with a credit-first mindset which has benefited from strong home price appreciation

Non-Agency and Agency-Eligible Loan Portfolio Characteristics

	March 31, 2023 Loan Portfolio			Current Loan Portfolio	
	Securitized Loans	Warehouse Loans	Total Portfolio	Pipeline ^(a)	Total Portfolio
UPB (\$ in 000's)	\$4,049,191	\$126,969	\$4,176,160	\$281,097	\$4,457,257
Avg UPB (\$ in 000's)	\$434	\$554	\$437	\$478	\$439
Loan Count	9,330	229	9,559	754	10,313
Coupon (%) ^(b)	4.8 %	7.2 %	4.9 %	7.9 %	5.1 %
Current FICO ^(b)	737	725	737	754	738
Current LTV (%) ^{(b),(c)}	61 %	69 %	61 %	74 %	62 %
DTI (%) ^{(b),(d)}	34 %	33 %	34 %	33 %	34 %
Fixed (%)	95 %	90 %	95 %	100 %	95 %
Self Employed (%)	51 %	65 %	52 %	N/A	52 %
60+ Days Delinquent (%)	1 %	3 %	1 %	— %	1 %
State 1	CA 35%	CA 34%	CA 35%	CA 25%	CA 34%
State 2	NY 16%	FL 16%	NY 16%	FL 20%	NY 15%
State 3	FL 10%	NY 13%	FL 10%	NY 5%	FL 11%

(a) As of the date of this presentation, our current pipeline includes: (1) commitments to purchase Non-Agency Loan pools from Arc Home; however, there can be no assurance that any of the loan pools will close on the anticipated terms or at all, and (2) identified Non-Agency Loan pools for which we have reached agreement on the basic terms of each loan pool; however, we have not entered into binding commitment letters or definitive documentation for these loan pools and each loan pool purchase is subject to our continuing due diligence. As a result, there can be no assurance that any of the loan pools will close on the anticipated terms or at all. Total UPB of the pipeline is pull through adjusted.

(b) Metrics including coupon, FICO, LTV, and DTI represent weighted average calculations.

(c) Current LTV reflects loan amortization and estimated home price appreciation or depreciation since acquisition. Zillow Home Value Index (ZHVI) is utilized to estimate updated LTVs.

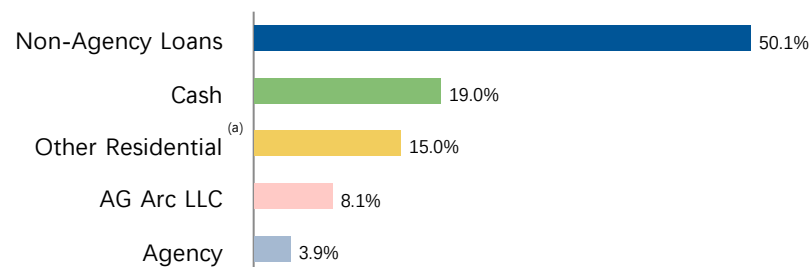
(d) Approximately 13% of the total loan portfolio are underwritten using a debt service coverage ratio or other underwriting methods that do not require a DTI ratio. These loans are excluded from the weighted average DTI calculation.

Earnings Power

Execution of our securitization business positions MITT with a significant amount of equity invested in retained bonds currently held at implied ROEs in the mid to high teens

- Ample liquidity for reinvestment

Equity Allocation



Description (\$ in mm's)	Asset UPB / Notional	Asset FMV	Yield ^(b)	Repo Financing	Cost of Funds ¹⁰	Equity	Leverage ^{3,(c)}	ROE
Retained Non-Agency Bonds - Subs	\$358.1	\$248.2	9.1%	\$131.1	6.3%	\$117.1	1.0x	13.3%
Retained Non-Agency Bonds - IOs	8,718.3	156.3	14.2%	77.1	6.8%	79.2	0.9x	21.4%
Warehouse	127.0	127.5	6.5%	105.8	6.8%	21.7	4.9x	17.6%
Retained RPL/NPL Bonds	498.8	101.4	9.6%	42.6	7.4%	58.8	0.7x	11.2%
Non-Agency RMBS	151.2	35.8	8.7%	22.4	6.1%	13.4	1.7x	14.9%
Agency	388.5	287.2	5.9%	269.2	5.0%	18.0	15.0x	26.6%
Land Related Financing	10.8	10.8	14.5%	—	—%	10.8	—	14.5%
Investment Portfolio	\$10,252.7	\$967.2	8.8%	\$648.2	6.0%	\$319.0	2.0x	16.3%
Cash and Cash Equivalents		87.9	4.6%	—	—%	87.9	—	4.6%
Interest Rate Swaps ^(d)	468.0	11.7	1.2%	—	—%	11.7	—	
Arc Home ⁸		37.5		—		37.5		
Non-interest earning assets, net		5.8		—		5.8		
Total		\$1,110.1		\$648.2		\$461.9	1.4x	

(a) Includes Re/Non-Performing Loans and Land Related Financing.

(b) Represents the weighted average yield, gross of deal related expenses, calculated using the fair value as of March 31, 2023.

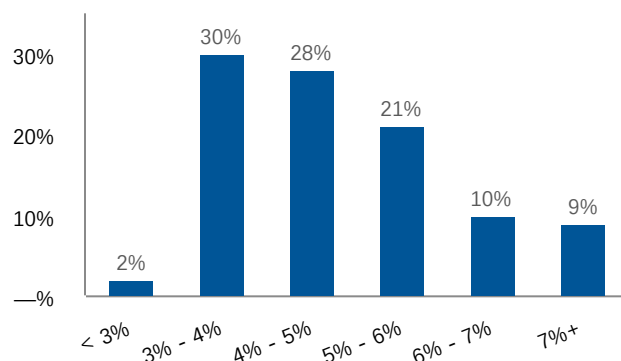
(c) Leverage is calculated by dividing recourse financing by the equity invested in the related investment type.

(d) Asset FMV on interest rate swaps represents the sum of the net fair value of interest rate swaps and the cash posted on interest rate swaps as of March 31, 2023. The impact of the net interest component of interest rate swaps on return on equity is included within the respective investment portfolio asset line items.

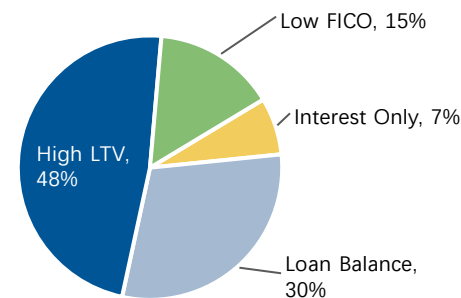
Q1 2023 Investment Portfolio Details

Description (\$ in mm's)	Asset FMV	Yield ⁹	Securitized Debt FMV	Repo Financing	Cost of Funds ^{10,(a)}
Residential Mortgage Loans					
Securitized Non-Agency Loans	\$3,696.7	4.7%	\$3,323.8	\$193.0	4.4%
Non-Agency Loans	122.6	6.9%	—	101.5	6.8%
Agency-Eligible Loans	4.9	5.0%	—	4.3	6.5%
Re/Non-Performing Loans	275.3	7.4%	181.7	39.1	3.9%
Land Related Financing	10.8	14.5%	—	—	—%
Non-Agency RMBS					
Non-Agency RMBS	35.8	10.1%	—	22.4	6.1%
MATT Non-QM Securities	31.6	21.1%	—	15.2	4.8%
Re/Non-Performing Securities	7.8	14.1%	—	3.5	7.2%
Agency RMBS	287.2	5.8%	—	269.2	5.0%
Total Investment Portfolio	\$4,472.7	5.2%	\$3,505.5	\$648.2	4.4%

Loan Interest Rate Distribution



Agency Pool Characteristics^(b)



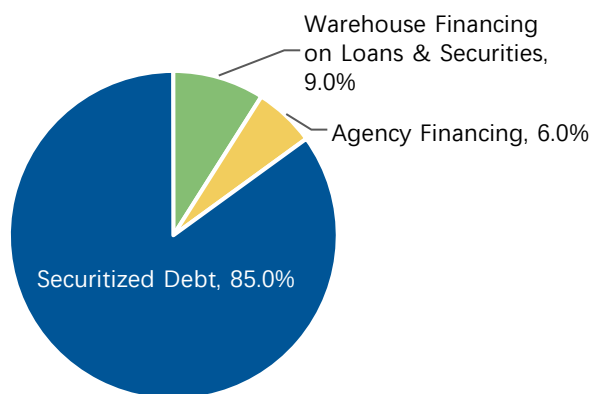
(a) Represents the cost of funds on securitized debt and repo financing. Total Cost of Funds shown includes the cost or benefit from our interest rate hedges. Total Cost of Funds as of March 31, 2023 excluding the cost or benefit of our interest rate hedges was 4.5%.

(b) Agency characteristics are as follows: High LTV includes securities collateralized by loans with LTVs greater than or equal to 80%, Low FICO includes securities collateralized by loans with FICO scores below 680, and Loan Balance includes securities collateralized by loans with original balances less than \$250,000.

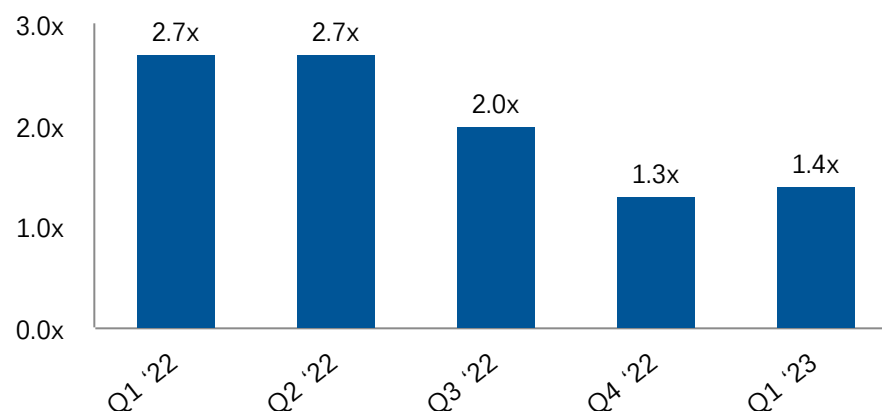
Financing Profile⁵

Successful in terming out warehouse financing and currently operating with a low Economic Leverage Ratio³

\$4.1bn of Financing as of 3/31/2023



Economic Leverage Ratio³



As of 3/31/2023	Securitized Debt	Residential Bond Financing ^(a)	Residential Loan Warehouse Financing	Agency Financing	Total
Amount (in mm)	\$3,505.5	\$273.2	\$105.8	\$269.2	\$4,153.7
Cost of Funds ^{10, (b)}	4.2%	6.6%	6.8%	5.0%	4.4%
Advance Rate	88%	53%	84%	94%	N/A
Available Capacity ^(c) (in mm)	N/A	N/A	\$2,094.2	N/A	\$2,094.2
Recourse/Non-Recourse	Non-Recourse	Recourse	Recourse	Recourse	85% Non-Recourse 15% Recourse

(a) Includes financing on the retained tranches from securitizations issued by the Company and consolidated in the "Securitized residential mortgage loans, at fair value" line item on the Company's consolidated balance sheets. Additionally, includes financing on certain securities included in the "Real Estate Securities, at fair value" and "Investments in debt and equity of affiliates" line items on the Company's consolidated balance sheets.

(b) Total Cost of Funds shown includes the cost or benefit from our interest rate hedges. Total Cost of Funds as of March 31, 2023 excluding the cost or benefit of our interest rate hedges was 4.5%.

(c) The borrowing capacity under our Non-Agency Loan and Agency-Eligible Loan warehouse financing arrangements is uncommitted by the lenders.

Arc Home: MITT's Proprietary Origination Channel⁸

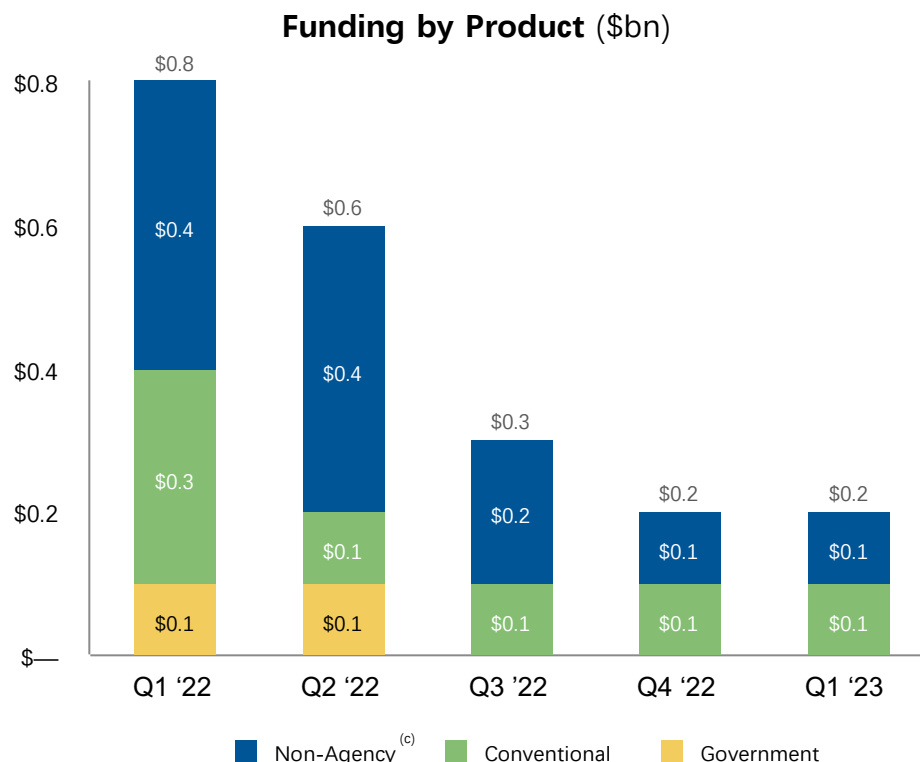
Cash, along with Arc Home's MSR portfolio, provides a strong financial position to manage current dynamics in the mortgage origination market

Arc Home Balance Sheet (\$mm)	Q1 '23
Cash and Cash Equivalents	\$ 17.2
Mortgage Loans held for sale, at fair value	103.7
Mortgage Servicing Rights, at fair value	88.2
Goodwill	1.7
Other Assets ^(a)	52.3
Total Assets	\$ 263.1

Loan Warehouse Financing	\$ 97.0
MSR Financing	24.5
Other Liabilities ^(a)	53.4
Total Liabilities	\$ 174.9
Total Equity	\$ 88.2
Total Liabilities & Equity	\$ 263.1

MITT's Investment^(b)	\$ 37.5
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Arc Home Earnings Contribution (\$mm)	Q1 '23
After-Tax Net Income/(Loss)	\$ (5.2)
MITT's After-Tax Share of Net Income/(Loss)	\$ (2.3)



(a) Arc Home, as an issuer, has the unilateral right to repurchase Ginnie Mae pool loans it has previously sold or loans in pools it acquired in an MSR purchase (generally loans that are more than 90 days past due). When Arc Home determines there is more than a trivial benefit to repurchase the loans, it records the loans on its consolidated balance sheets as an asset and a corresponding liability. As of March 31, 2023, \$41.7 million of loans eligible to be repurchased are recorded within Other assets and Other liabilities.

(b) As of March 31, 2023, the fair value of MITT's investment in Arc Home was calculated using a valuation multiple of 0.94x book value.

(c) Non-Agency includes Non-QM Loans, QM Loans, Jumbo Loans, and Agency-Eligible Loans. Agency-Eligible Loans are loans that conform with GSE underwriting guidelines but sold to Non-Agency investors, including MITT.

Book Value Roll-Forward¹

	Three Months Ended March 31, 2023	
	Amount (000's)	Per Diluted Share ⁶
12/31/22 Book Value	\$242,328	\$11.39
Common dividend	(3,684)	(0.18)
Net repurchase of common stock	(5,157)	0.26
Earnings available for distribution ("EAD")	582	0.03
Net realized and unrealized gain/(loss) included within equity in earnings/(loss) from affiliates	355	0.02
Net realized gain/(loss)	100	0.01
Net unrealized gain/(loss)	8,717	0.41
Transaction related expenses and deal related performance fees	(1,800)	(0.09)
3/31/23 Book Value	\$241,441	\$11.85
Change in Book Value	(887)	0.46
3/31/23 Book Value	\$241,441	\$11.85
Net proceeds less liquidation preference of preferred stock ^(a)	(7,519)	(0.37)
3/31/23 Adjusted Book Value^(a)	\$233,922	\$11.48

(a) Adjusted Book Value is calculated by reducing stockholders' equity by the liquidation preference of our preferred stock.

Reconciliation of Q1 2023 EAD⁷

Three Months Ended March 31, 2023

Reconciliation of GAAP Net Income to Earnings Available for Distribution	Amount (000's)	Per Diluted Share ⁶
Net Income/(loss) available to common stockholders	\$ 7,954	\$ 0.38
Add (Deduct):		
Net realized (gain)/loss	(100)	(0.01)
Net unrealized (gain)/loss	(8,717)	(0.41)
Transaction related expenses and deal related performance fees	1,800	0.09
Equity in (earnings)/loss from affiliates	(16)	—
Net interest income and expenses from equity method investments ^(a)	(339)	(0.02)
Earnings Available for Distribution	\$ 582	\$ 0.03

Three Months Ended March 31, 2023

Components of Earnings Available for Distribution	Amount (000's)	Per Diluted Share ⁶
Net Interest Income	\$ 13,217	\$ 0.63
MITT's After-Tax Share of Arc Home Net Income	(2,315)	(0.11)
Less: MSR MTM losses / deferred tax benefit ^(a)	582	0.03
Arc Home EAD to MITT	(1,733)	(0.08)
Net interest component of interest rate swaps	1,020	0.05
Hedge Income/(Expense)	1,020	0.05
Management fee to affiliate	(2,075)	(0.10)
Non-investment related expenses	(2,820)	(0.13)
Investment related expenses	(2,441)	(0.12)
Dividends on preferred stock	(4,586)	(0.22)
Operating Expenses	(11,922)	(0.57)
Earnings Available for Distribution	\$ 582	\$ 0.03

(a) EAD excludes \$0.6 million or \$0.03 per share of realized and unrealized changes in the fair value of Arc Home's net mortgage servicing rights and corresponding derivatives, net of deferred tax expense for the three months ended March 31, 2023.

Appendix

MITT & Corporate Social Responsibility

Angelo Gordon's values of integrity, fairness, honesty, entrepreneurship and long-term value guides MITT's business and commitment to corporate responsibility.

Responsible Investing



- Industry Recognized Transactions with Community Development Financial Institutions (CDFIs) Partnerships
- Established ESG Policy for Residential/Consumer Debt, integrating ESG factors into the investment process
- Utilize SASB materiality map and other industry tools in due diligence to seek to mitigate climate and other geographic/environmental risk
- Robust AG Anti-Money Laundering Policy, with Know-Your-Customer (KYC) procedures as its cornerstone
- AG is a signatory to the UN-supported Principles of Responsible Investing (PRI)

Diversity & Inclusion



- Diverse MITT Board of Directors (33% Female)
- AG's D&I priorities are organized around three pillars:
 - **Educate:** Leadership and firm wide D&I training
 - **Attract:** Hiring managers formally encouraged to expand diversity in candidate pools; Active partnerships with organizations including Toigo Foundation, SEO, Girls Who Invest, FastTrack and iMentor
 - **Retain & Develop:** AG Diversity Council and AG Women's Network driving networking, awareness and engagement initiatives

Operational Impact/Governance



- Adopted Corporate Governance Guidelines & Code of Business Conduct and Ethics
- Maintain Whistleblower/Ethics Hotline with anonymous reporting options
- Commitment to Board Refreshment (4 year Avg Director Tenure)
- Established Independent, Non-Executive Chair
- Board Committees comprised solely of Independent Directors
- Director shares subject to lock-up for duration of Board service, fostering strong alignment of interests
- Robust cybersecurity monitoring and action plans
- AG Headquarters in building with LEED certification at the Gold level, in close proximity to major public transportation hub

Community Engagement



- AG has a long history of supporting local communities, focused on long term charity partners, employee priorities and disaster relief efforts
- Volunteering opportunities for AG employees through partnership, such as NYC Cares, SuitUp and iMentor
- Philanthropic platform, AG Gives
- Targeted employee matching activity

Condensed Consolidated Balance Sheet

March 31, 2023 (Unaudited)

Amount (000's)

Assets

Securitized residential mortgage loans, at fair value	\$ 3,968,770
Residential mortgage loans, at fair value	130,741
Real estate securities, at fair value	322,984
Investments in debt and equity of affiliates	69,638
Cash and cash equivalents	87,876
Restricted cash	14,546
Other assets	27,381
Total Assets	\$ 4,621,936

Liabilities

Securitized debt, at fair value	\$ 3,505,529
Financing arrangements	629,458
Dividend payable	3,684
Other liabilities	21,352
Total Liabilities	4,160,023

Commitments and Contingencies

Stockholders' Equity

Preferred stock	220,472
Common stock	204
Additional paid-in capital	773,457
Retained earnings (deficit)	(532,220)
Total Stockholders' Equity	461,913

Total Liabilities & Stockholders' Equity	\$ 4,621,936
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Condensed Consolidated Statement of Operations

Three Months Ended March 31, 2023 (unaudited)

Amount (000's)

Net Interest Income

Interest income	\$ 57,803
Interest expense	46,188
Total Net Interest Income	11,615

Other Income/(Loss)

Net interest component of interest rate swaps	1,020
Net realized gain/(loss)	100
Net unrealized gain/(loss)	8,717
Total Other Income/(Loss)	9,837

Expenses

Management fee to affiliate	2,075
Non-investment related expenses	2,820
Investment related expenses	2,326
Transaction related expenses	1,707
Total Expenses	8,928

Income/(loss) before equity in earnings/(loss) from affiliates	12,524
Equity in earnings/(loss) from affiliates	16
Net Income/(Loss)	12,540

Dividends on preferred stock	(4,586)
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Net Income/(Loss) Available to Common Stockholders	\$ 7,954
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Total Earnings/(Loss) Per Share of Common Stock

Earnings/(Loss) Per Share - Basic	\$ 0.38
Earnings/(Loss) Per Share - Diluted	\$ 0.38

WA Shares of Common Stock Outstanding

Basic	21,066
Diluted	21,066

Footnotes

1. Book value is calculated using stockholders' equity less net proceeds of our cumulative redeemable preferred stock (\$220.5 million) as the numerator. Adjusted book value ("ABV") is calculated using stockholders' equity less the liquidation preference of our cumulative redeemable preferred stock (\$228.0 million) as the numerator.
2. Total liquidity includes \$87.9 million of cash and cash equivalents.
3. The Economic Leverage Ratio is calculated by dividing total Economic Leverage, including any net TBA position, by our GAAP stockholders' equity at quarter-end. Total Economic Leverage at quarter-end includes recourse financing arrangements recorded within "Investments in debt and equity of affiliates" exclusive of any financing utilized through AG Arc LLC, plus the payable on all unsettled buys less the financing on all unsettled sells and any net TBA position (at cost). Total Economic Leverage excludes any non-recourse financing arrangements. Non-recourse financing arrangements include securitized debt, as well as financing on MATT Non-QM Securities. Our obligation to repay our non-recourse financing arrangements is limited to the value of the pledged collateral thereunder and does not create a general claim against us as an entity.
4. The Investment Portfolio at period end consists of the net carrying value of our Residential Investments, Agency RMBS, and, where applicable, any long positions in TBAs, including mortgage loans and securities owned through investments in affiliates, exclusive of AG Arc LLC. Our Residential Investments and Agency RMBS are held at fair value. Refer to footnote 5 for more information on the GAAP accounting for certain items included in our Investment portfolio.
5. Generally, when we purchase an investment and finance it, the investment is included in our assets and the financing is reflected in our liabilities on our consolidated balance sheet as either "Financing arrangements" or "Securitized debt, at fair value." Throughout this presentation where we disclose our Investment Portfolio and the related financing, we have presented this information inclusive of (i) mortgage loans and securities owned through investments in affiliates that are accounted for under GAAP using the equity method and, where applicable, (ii) long positions in TBAs, which are accounted for as derivatives under GAAP. This presentation excludes investments through AG Arc LLC unless otherwise noted.
6. Diluted per share figures are calculated using diluted weighted average outstanding shares in accordance with GAAP.
7. We define Earnings Available for Distribution ("EAD"), a non-GAAP financial measure, as Net Income/(loss) available to common stockholders excluding (i) (a) unrealized gains/(losses) on loans, real estate securities, derivatives and other investments, inclusive of our investment in AG Arc, and (b) net realized gains/(losses) on the sale or termination of such instruments, (ii) any transaction related expenses incurred in connection with the acquisition, disposition, or securitization of our investments, (iii) accrued deal-related performance fees payable to third party operators to the extent the primary component of the accrual relates to items that are excluded from EAD, such as unrealized and realized gains/(losses), (iv) realized and unrealized changes in the fair value of Arc Home's net mortgage servicing rights and the derivatives intended to offset changes in the fair value of those net mortgage servicing rights, (v) deferred taxes recognized at our taxable REIT subsidiaries, if any, and (vi) any gains/(losses) associated with exchange transactions on our common and preferred stock. Items (i) through (vi) above include any amount related to those items held in affiliated entities. Management considers the transaction related expenses referenced in (ii) above to be similar to realized losses incurred at the acquisition, disposition, or securitization of an asset and does not view them as being part of its core operations. Management views the exclusion described in (iv) above to be consistent with how it calculates EAD on the remainder of its portfolio. Management excludes all deferred taxes because it believes deferred taxes are not representative of current operations. EAD include the net interest income and other income earned on our investments on a yield adjusted basis, including TBA dollar roll income/(loss) or any other investment activity that may earn or pay net interest or its economic equivalent.
8. We invest in Arc Home LLC, a licensed mortgage originator, through AG Arc LLC, one of our equity method investees. Our investment in AG Arc LLC is \$37.5 million as of March 31, 2023, representing a 44.6% ownership interest.
9. The yield on our investments represents an effective interest rate, which utilizes all estimates of future cash flows and adjusts for actual prepayment and cash flow activity as of quarter-end. Our 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.
10. The cost of funds at quarter-end is calculated as the sum of (i) the weighted average funding costs on recourse financing arrangements outstanding at quarter end, (ii) the weighted average funding costs on non-recourse financing arrangements outstanding at quarter end, and (iii) the weighted average of the net pay or receive rate on our interest rate swaps outstanding at quarter end. The cost of funds at quarter-end are weighted by the outstanding financing arrangements at quarter-end, including any non-recourse financing arrangements.



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