

AG Mortgage Investment Trust, Inc. Q2 2013 Earnings Presentation



AG
MORTGAGE
Investment Trust, Inc.

August 7, 2013

- 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 future dividends, the credit component of our portfolio book value, deploying capital, the preferred stock offering and repurchase agreements. 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, market 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"). Copies are available free of charge on the SEC's website, <http://www.sec.gov/>. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to 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.

Title	
David Roberts	Chief Executive Officer
Jonathan Lieberman	Chief Investment Officer
Frank Stadelmaier	Chief Financial Officer
Lisa Yahr	Head of Investor Relations

- \$(2.66) per common share of net loss⁸
- \$ 0.83 per share of Core Earnings¹
- \$19.77 net book value per share² as of June 30, 2013
 - Including impact of \$0.80 per share dividend declared for the quarter ended June 30, 2013 and paid on July 26, 2013
- \$1.78 per common share² of undistributed taxable income¹⁷ as of June 30, 2013
- \$4.5 billion investment portfolio as of June 30, 2013^{3, 7}
 - 68.2% Agency RMBS and 31.8% credit securities
- Added approximately \$1 billion notional of swaps during the quarter
 - Swap ratio at quarter end of 134% of Agency RMBS repo notional, or 95% of total repo notional¹²
- 8.1% constant prepayment rate (“CPR”)⁴ on the Agency RMBS portfolio for the first quarter
 - 9.6% CPR for the month of June, 2013
- 5.40x leverage as of June 30, 2013^{5, 7}
- 1.96% net interest margin as of June 30, 2013⁶

Heightened Volatility in Rates and Agency MBS

Interest Rates	3/31/2013	5/02/2013	6/19/2013	6/30/2013	7/05/2013	7/31/2013
Treasuries						
2-year	0.244	0.198	0.308	0.357	0.397	0.311
5-year	0.765	0.648	1.249	1.395	1.614	1.379
10-year	1.850	1.626	2.354	2.487	2.740	2.577
Swaps						
2-year	0.417	0.338	0.473	0.510	0.585	0.478
5-year	0.948	0.814	1.475	1.566	1.820	1.553
10-year	2.007	1.809	2.562	2.697	2.994	2.770

Agency RMBS	3/31/2013	5/02/2013	6/19/2013	6/30/2013	7/5/2013	7/31/2013
Fannie Mae Pass-Thrus						
15 year 2.50%	103-21+	104-18+	100-24+	100-15+	98-18+	100-00+
15 year 3.00%	105-04+	105-18+	103-12+	102-26+	101-18+	102-30+
30 year 3.00%	103-01+	104-21+	98-19+	97-22+	94-28+	97-02+
30 year 3.50%	105-17+	106-16+	101-31+	101-15+	98-30+	100-29+
Mortgage Rates						
15-year	2.76%	2.56%	3.04%	3.50%	3.39%	3.43%
30-year	3.57%	3.35%	3.93%	4.46%	4.29%	4.39%

Source: Bloomberg. Data has not been independently validated.

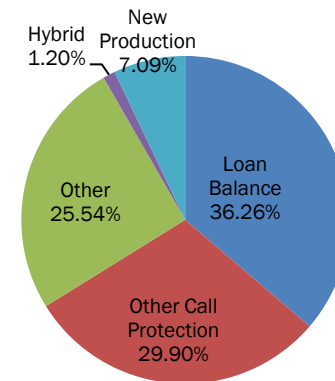
Q2 2013 Investment Portfolio Composition ⁷

	Current Face	Premium (Discount)	Amortized Cost	Fair Value	Weighted Average Coupon *	Weighted Average Yield
Agency RMBS						
15-year fixed rate	\$514,575,981	\$15,682,629	\$530,258,610	\$532,293,365	3.16%	2.50%
20-year fixed rate	296,875,147	13,800,140	310,675,287	303,320,182	3.28%	2.58%
30-year fixed rate	1,998,841,682	77,870,676	2,076,712,358	2,040,093,622	3.62%	2.92%
ARM	32,816,318	1,541,770	34,358,088	33,214,840	2.96%	2.44%
Interest only	973,733,259	(794,535,946)	179,197,313	177,837,123	5.10%	6.58%
Total Agency RMBS	\$3,816,842,387	\$(685,640,731)	\$3,131,201,656	\$3,086,759,132	3.90%	3.02%
Other Assets						
Non-Agency RMBS	\$1,347,360,002	\$(171,294,388)	\$1,176,065,614	\$1,191,158,261	4.34%	5.45%
ABS	100,004,252	-	100,004,252	97,916,107	3.78%	3.88%
CMBS	119,539,310	(7,964,638)	111,574,672	110,431,221	5.03%	5.90%
Interest only	214,609,130	(206,735,771)	7,873,359	7,581,320	0.62%	5.80%
Commercial Loan	30,000,000	122,936	30,122,936	30,000,000	9.00%	9.87%
Total Credit Portfolio	\$1,811,512,694	\$(385,871,861)	\$1,425,640,833	\$1,437,086,909	3.99%	5.47%
Total Portfolio	\$5,628,355,081	\$(1,071,512,592)	\$4,556,842,489	\$4,523,846,041	3.94%	3.80%

* Equity residual investments with a zero coupon rate and principal only securities are excluded from this calculation.

Agency Portfolio

Description	Current Face (mm)	Fair Value (mm)	Coupon	Yields	Cost of Funds	NIM
Agency RMBS						
15-year fixed rate	\$514.6	\$532.3	3.2%	2.5%	0.4%	2.1%
20-year fixed rate	296.9	303.3	3.3%	2.6%	0.4%	2.2%
30-year fixed rate	1,998.8	2,040.1	3.6%	2.9%	0.4%	2.5%
Hybrid ARM	32.8	33.1	3.0%	2.4%	0.4%	2.0%
Interest-Only Securities	973.7	177.8	5.1%	6.6%	0.9%	5.7%
Total Agency RMBS	\$3,816.8	\$3,086.8	3.9%	3.0%	0.4%	2.6%



Percentages represent % of total agency specified pools as of 6/30/2013. Other includes FICO, GEO, LTV and HARP pools; new production up to and including 7 WALA securities

Credit Portfolio

Sector	Current Face (mm)	Fair Value (mm)	Weighted Average Yields	Cost of Funds	NIM
Non-Agency RMBS:					
Prime	\$540.0	\$483.9	5.1%	1.8%	3.3%
Alt A	480.5	407.9	5.3%	1.8%	3.5%
Subprime	267.2	240.9	6.7%	2.0%	4.7%
Senior Short Duration	59.7	58.5	4.3%	1.8%	2.5%
Total Non-Agency RMBS	\$1,347.4	\$1,191.2	5.5%	1.9%	3.6%
Other Credit Assets:					
ABS	\$100.0	\$97.9	3.9%	1.9%	2.0%
CMBS	119.5	110.4	5.9%	1.7%	4.2%
Interest Only	214.6	7.8	5.8%	2.0%	3.8%
Commercial Loan	30.0	30.0	9.9%	0.0%	9.9%
Total Credit Assets	\$1,811.5	\$1,437.1	5.5%	1.9%	3.6%

- Master Repurchase Agreements with 30 financial institutions
 - Weighted average original maturity of 94 days as of June 30, increased from pro-forma 87 days as of March 31, 2013

MITT Repos (\$ in thousands)				
Original Repo Maturities	Repo Outstanding	WA Interest Rate	WA Days to Maturity	% Repo Outstanding
30 Days or less	\$2,465,386	0.95%	14	58.3%
31-60 Days	1,056,008	0.50%	44	25.0%
61-90 Days	232,580	0.60%	77	5.5%
Greater than 90 Days	472,430	0.92%	227	11.2%
Total and WA	\$4,226,403	0.82%	49	100.0%

- Duration gap of the portfolio was approximately -0.05 as of June 30, 2013, a decrease from 1.3 years as of March 31, 2013

Duration	Years
Assets	4.21
Hedges	-4.12
Repo Agreements	-0.14
Duration Gap	-0.05

Hedging and Interest Rate Sensitivity Summary

- Standard interest rate swaps used to hedge 134% of total Agency RMBS repo notional and 95% of total repo balance

Interest Rate Swaps as of June 30, 2013				
Maturity	Notional Amount	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Years to Maturity
2015	261,700,000	0.93%	0.27%	1.88
2016	397,500,000	1.02%	0.30%	2.87
2017	445,000,000	1.03%	0.28%	4.18
2018	1,153,370,000	1.33%	0.28%	4.89
2019	375,000,000	1.41%	0.28%	6.03
2020	783,200,000	1.75%	0.27%	6.83
2022	50,000,000	1.69%	0.27%	9.18
2023	296,000,000	2.48%	0.27%	9.94
Total / Wtd Avg	\$3,761,770,000	1.43%	0.28%	5.36

- The interest rate sensitivity table below shows the estimated impact of an immediate parallel shift in the yield curve up and down 25, 50, 75 and 100bps on the market value of the portfolio as of June 30, 2013

Changes in Interest Rates (bps)	-100	-75	-50	-25	Base	25	50	75	100
Change in Market Value (\$ in Millions)	\$12.9	\$11.6	\$5.9	\$2.1	\$0.0	(\$2.3)	(\$4.6)	(\$8.1)	(\$12.5)
Change in Market Value as a % of Assets	0.3%	0.3%	0.1%	0.0%	0.0%	-0.1%	-0.1%	-0.2%	-0.3%
Change in Market Value as a % of GAAP Equity ¹⁸	1.8%	1.6%	0.8%	0.3%	0.0%	-0.3%	-0.6%	-1.1%	-1.7%
% Change in Projected Net Interest Income	-6.2%	-6.2%	-6.2%	-3.3%	0.0%	2.7%	5.5%	8.2%	10.9%

Operating Metrics ⁷	Weighted Average at June 30, 2013	Weighted Average for the Quarter Ended June 30, 2013
Investment portfolio ³	\$4,523,846,041	\$5,084,149,375
Repurchase agreements	\$4,226,403,356	\$4,423,460,112
Stockholders' equity	\$722,110,625	\$808,708,921
Leverage ratio ⁵	5.40x	5.47x
Swap ratio – Total Repo ¹²	95%	64%
Swap ratio – Agency Repo ¹²	134%	89%
Yield on investment portfolio ¹³	3.80%	3.84%
Cost of funds ¹⁴	1.84%	1.46%
Net interest margin ⁶	1.96%	2.38%
Management fees ¹⁵	1.56%	1.39%
Other operating expenses ¹⁶	1.49%	1.33%

Supplemental Slides

Sharp Sell-off In Q2 2013

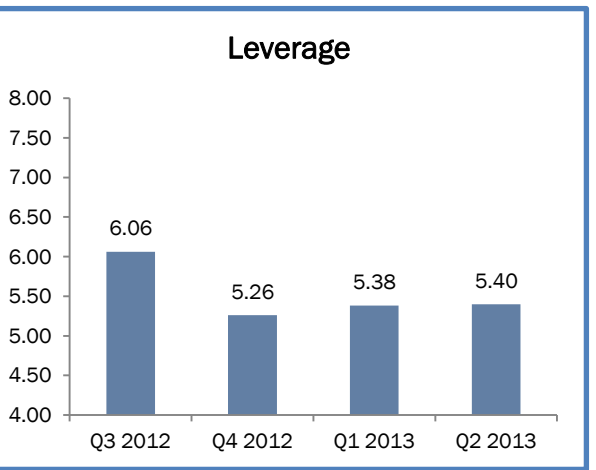
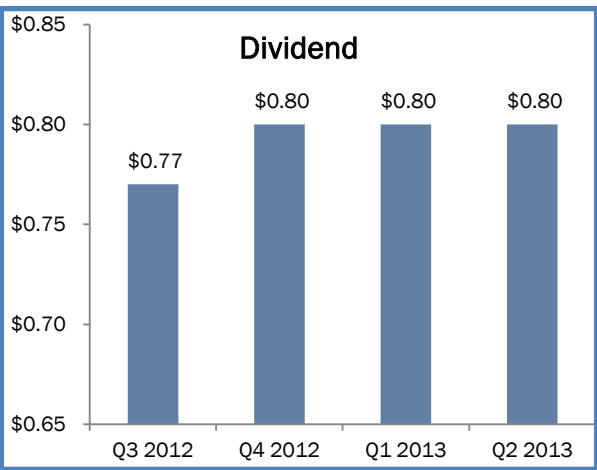
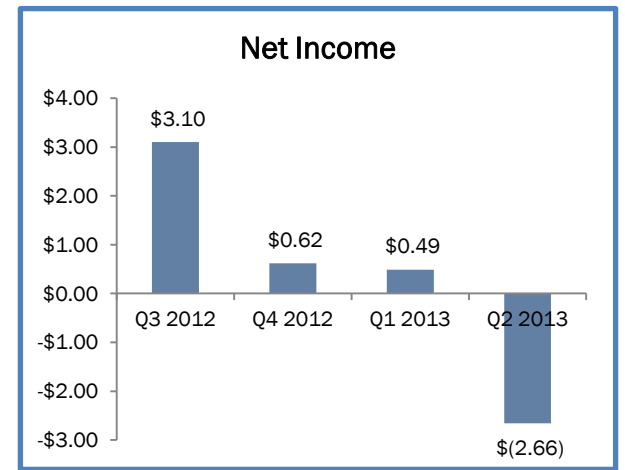
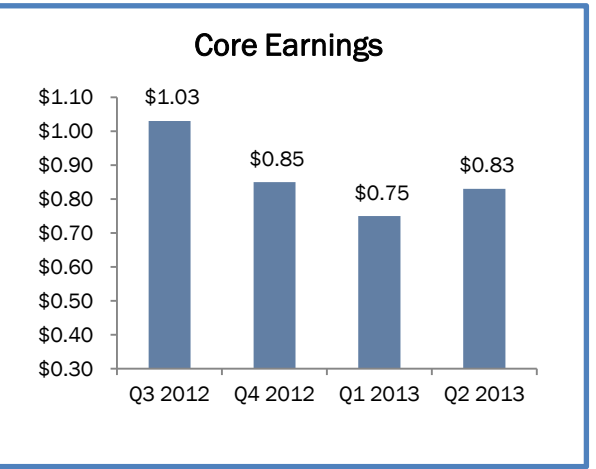
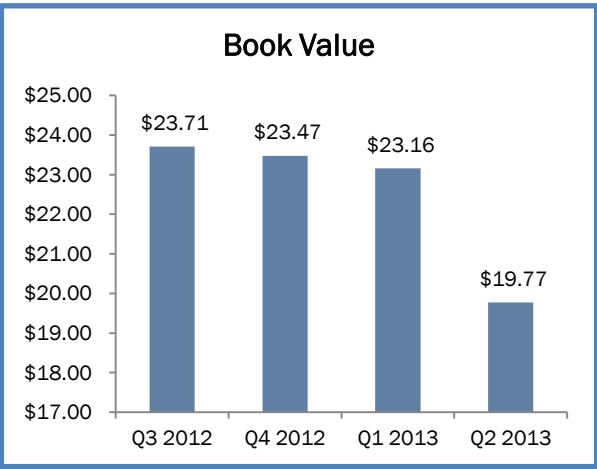
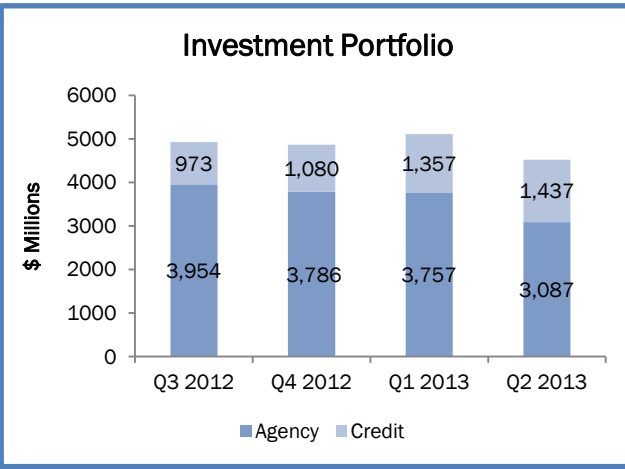
Interest Rates	9/30/2012	12/31/2012	3/31/2013	6/30/2013
Treasuries				
2-year	0.232	0.249	0.244	0.357
5-year	0.626	0.724	0.765	1.395
10-year	1.634	1.758	1.850	2.487
Swaps				
2-year	0.366	0.392	0.417	0.51
5-year	0.764	0.865	0.948	1.566
10-year	1.704	1.840	2.007	2.697

Agency RMBS	9/30/2012	12/31/2012	3/31/2013	6/30/2013
Fannie Mae Pass-Thrus				
15 year 2.50%	\$105-04+	\$104-14+	103-21+	100-15+
15 year 3.00%	\$106-00+	\$105-17+	105-04+	102-26+
30 year 3.00%	\$105-17+	\$104-25+	103-01+	97-22+
30 year 3.50%	\$107-08+	\$106-19+	105-17+	101-15+
Mortgage Rates				
15-year	2.73%	2.65%	2.76%	3.50%
30-year	3.40%	3.35%	3.57%	4.46%

Credit	9/30/2012	12/30/12	3/31/2013	6/30/2013
CDX IG	99	95	91	87
CMBS Junior Mezzanine (AJ)	1410	1295	1130	1280
Prime Fixed	\$96	\$98	\$99	\$98
Subprime LCF (ABX 07-1 AAA Index)	\$47	\$51	\$54	\$52

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

Quarter-over-Quarter Snapshot



1. Core Earnings is defined as net income excluding both realized and unrealized gains (losses) on the sale or termination of securities, including those underlying linked transactions, investments in affiliates and derivatives.
2. Per share figures are calculated using a denominator of all outstanding shares including all shares granted to our Manager and our independent directors under our equity incentive plans as of quarter end. Net book value uses stockholders' equity less net proceeds of the Company's 8.25% Series A and 8.00% Series B Cumulative Redeemable Preferred Stock as the numerator.
3. The total investment portfolio is calculated by summing the fair market value of our Agency RMBS, Non-Agency RMBS, ABS, CMBS and commercial loan assets, including linked transactions and assets owned through investments in affiliates. The percentage of Agency RMBS and credit investments are calculated by dividing the respective fair market value of each, including linked transactions, by the total investment portfolio.
4. Represents the weighted average monthly CPRs published during the period for our in-place portfolio during the same period.
5. The leverage ratio during the quarter was calculated by dividing our daily weighted average repurchase agreements, including those included in linked transactions, for the quarter by the weighted average stockholders' equity for the quarter. The leverage ratio at quarter end is calculated by dividing total repurchase agreements, including those included in linked transactions, plus or minus the net payable or receivable, as applicable, on unsettled trades on our GAAP balance sheet by our GAAP stockholders' equity at quarter end.
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.
7. Generally when we purchase a security and finance it with a repurchase agreement, the security is included in our assets and the repurchase agreement is separately reflected in our liabilities on our balance sheet. For securities with certain characteristics (including those which are not readily obtainable in the market place) that are purchased and then simultaneously sold back to the seller under a repurchase agreement, US GAAP requires these transactions be netted together and recorded as a forward purchase commitment. Throughout this press release where we disclose our investment portfolio and the repurchase agreements that finance it, including our leverage metrics, we have un-linked the transaction and used the gross presentation as used for all other securities. Additionally we invested in certain credit sensitive commercial real estate assets through an affiliated entity, for which we have used the equity method of accounting. Throughout this press release where we disclose our investment portfolio, we have presented the underlying assets consistently with all other investments. This presentation is consistent with how the Company's management evaluates the business, and believes provides the most accurate depiction of the Company's investment portfolio and financial condition.
8. Diluted per share figures are calculated using weighted average outstanding shares in accordance with GAAP.
9. Leverage includes the effects of linked transactions and excludes the effects of unsettled trades for the periods presented. All unsettled assets will be leveraged in a manner consistent with leverage figures presented.

10. Unpledged cash has been allocated using equity by product type as a basis for allocation.
11. Liquidity is defined as unpledged cash and unpledged Agency RMBS, excluding unsettled trades.
12. The swap ratio during the quarter was calculated by dividing our daily weighted average swap notionals, including receive fixed swap notionals as negative values, as applicable, for the period by either our daily weighted average total repurchase agreements or daily weighted average repurchase agreements secured by Agency RMBS, as indicated. The swap ratio at quarter end was calculated by dividing the notional value of our interest rate swaps, including receive fixed swap notionals as negative values, by either total repurchase agreements or repurchase agreements secured by Agency RMBS, as indicated, plus the net payable/receivable on either all unsettled trades, or unsettled Agency trades as indicated.
13. 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 securities held. This calculation excludes cash held by the Company.
14. The cost of funds during the quarter was calculated by annualizing the sum of our interest expense and our net pay rate of our interest rate swaps, and dividing by our daily weighted average repurchase agreements for the period. The cost of funds at quarter end was calculated as the sum of the weighted average rate on the repurchase agreements outstanding at period end and the weighted average net pay rate on our interest rate swaps. Both elements of the cost of funds were weighted by the repurchase agreements outstanding at quarter end.
15. The management fee percentage during the quarter was calculated by annualizing the management fees recorded during the quarter and dividing by our 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.
17. Undistributed taxable income per common share represents total undistributed taxable income less an adjustment for the amount of distributions that will accrue on our preferred shares through September 15, 2014.
18. The duration on the real estate investments other than Agency securities was assumed at 0.0 years.

ANGELO, GORDON & Co.
245 Park Avenue, 26th Floor
New York, NY 10167
Telephone: (212) 692-2000
Facsimile: (212) 867-9328
Email: lyahr@agmit.com
www.agmit.com