AG Mortgage Investment Trust, Inc.
Q3 2014 Earnings Presentation

November 5, 2014

Forward Looking Statements

AG MITT AG MORTGAGE Investment Trust, Inc.

- 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 common and preferred stock offerings 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.

Q3 2014 MITT Earnings Call Presenters

	Title
David Roberts	Chief Executive Officer
Jonathan Lieberman	President/Chief Investment Officer
Brian Sigman	Chief Financial Officer
Karen Werbel	Head of Investor Relations

Q3 2014 Performance and Highlights

AG MITT AG MORTGAGE Investment Trust, Inc.

- $0.67 per diluted common share of Net Income[1]
- $0.63 per diluted common share of Core Earnings[2]
  - $0.64 less a $0.01 retrospective adjustment
  - Includes $0.04 of dollar roll income associated with the average net position in agency mortgage-backed securities ("MBS") in the "to-be-announced" ("TBA") market
- $20.33 net book value per share[3] as of September 30, 2014
  - Including impact of $0.60 per share dividend declared for the quarter ended September 30, 2014 and paid on October 27, 2014
- 3.3% economic return[16] on equity for the quarter, 13.2% annualized
- $3.6 billion investment portfolio including net TBA position as of September 30, 2014[4, 5]

	12/31/2013	3/31/2014	6/30/2014	9/30/2014
Agency RMBS	65.1%	61.7%	58.5%	55.8%
Credit	34.9%	38.3%	41.5%	44.2%

- Hedge ratio[6] at quarter end of 106% of Agency RMBS repo notional, or 59% of total repo notional
  - Hedge ratio at quarter end including net TBA position was 93% of Agency RMBS repo notional and 55% of total repo notional
- 9.4% constant prepayment rate ("CPR")[7] on the Agency RMBS investment portfolio for the third quarter, excluding net TBA position

- 4.05x “At Risk” Leverage[8] including implied leverage from net TBA position and 2.92% Net Interest Margin (“NIM”) excluding net TBA position as of September 30, 2014[5, 8, 9]

	12/31/2013	3/31/2014	6/30/2014	9/30/2014
Yield on Investment Portfolio[11]	4.13%	4.27%	4.41%	4.63%
Cost of Funds[12]	1.67%	1.65%	1.71%	1.71%
NIM excluding net TBA position	**2.46%**	**2.62%**	**2.70%**	**2.92%**
“At Risk” Leverage including net TBA position[8]	4.42x	4.36x	4.37x	4.05x
Leverage excluding net TBA position[8]	4.42x	4.36x	4.25x	3.77x

- Invested approximately $35.0mm of equity for the purchase of four residential loan pools
  - Together with Angelo Gordon private funds, MITT purchased approximately $63.6mm of loans held in security form with $47.8mm of associated financing
  - Acquired approximately $49.5mm of residential mortgage loans with $30.3mm of associated financing
- Closed on a $150.0mm Commercial Real Estate (“CRE”) facility with Wells Fargo for a fully extended term of 5 years that is being used to finance commercial real estate loan investments
  - Borrowed $22.5mm during the quarter to finance existing commercial real estate loan investments
- In September through an affiliate we securitized approximately 40% of loans from a residential loan pool purchased in June
  - Asset-backed transaction named GCAT 2014-2

2014 Outlook and Positioning

- Macro-economic expectation
  - In October the Federal Reserve completed its taper of QE3. Potentially could raise short term interest rates in early to mid 2015
  - Domestic economy continues to show modest growth improvement, but global economy regressing
  - Housing stable with modest appreciation
- Washington, D.C. housing policy initiatives accelerating under FHFA Director Mel Watt. Positive support for housing and mortgage finance in 2015
- AG MITT’s portfolio outlook
  - Anticipate further opportunistic rotation of capital into Angelo Gordon sourced residential and commercial real estate loans
  - Portfolio conservatively positioned to withstand a range of interest rate movements with ongoing fine-tuning of hedges, including potential for additional swaptions, IO Index derivatives, and U.S. Treasury shorts

Q3 2014 Investment Portfolio Composition [5]

AG MITT AG MORTGAGE Investment Trust, Inc.

	Current Face (mm)	Premium (Discount) (mm)	Amortized Cost (mm)	Fair Value (mm)	Weighted Average Coupon *	Weighted Average Yield ***
Agency RMBS						
20-30 Year Fixed Rate	$1,102.5	$55.7	$1,158.2	$1,158.9	3.9%	3.2%
Fixed Rate CMO	90.7	0.9	91.6	92.5	3.0%	2.8%
Hybrid ARM	434.4	(0.7)	433.7	436.7	2.4%	2.8%
Inverse Interest Only and Interest Only	807.8	(679.0)	128.8	132.1	4.6%	8.0%
Agency RMBS Subtotal	**2,435.4**	**(623.1)**	**1,812.3**	**1,820.2**	**3.8%**	**3.4%**
Fixed Rate 30 Year TBA	200.0	10.8	210.8	210.6	4.0%	N/A
Total Agency RMBS including TBAs	**2,635.4**	**(612.3)**	**2,023.1**	**2,030.8**	**3.8%**	**3.4%**
Credit Investments						
Non-Agency RMBS and ABS**	1,505.7	(193.1)	1,312.6	1,337.0	4.0%	5.7%
CMBS and CMBS Interest Only	186.6	(73.0)	113.6	117.7	3.7%	7.6%
Commercial Loans	72.8	(0.4)	72.4	72.8	6.8%	8.4%
Residential Loans	120.5	(36.0)	84.5	83.7	5.5%	7.5%
Excess Mortgage Servicing Rights	94.4	(93.7)	0.7	0.7	N/A	7.4%
Total Credit Investments	**1,980.0**	**(396.2)**	**1,583.8**	**1,611.9**	**4.2%**	**6.0%**
Total Portfolio including TBAs	**$4,615.4**	**$(1,008.5)**	**$3,606.9**	**$3,642.7**	**4.0%**	**4.6%**

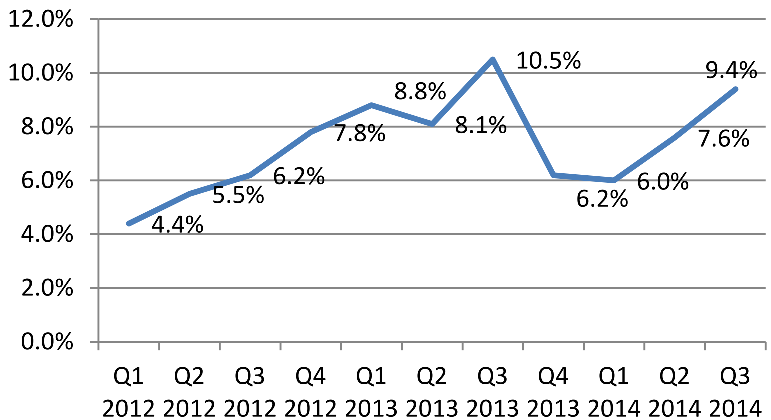
*Equity residuals and principal only securities with a zero coupon rate are excluded from this calculation.
**Non-Agency RMBS includes approximately $168mm fair value of residential loans that were purchased in securitized form by MITT.
***Weighted average yield excludes net TBA position

Q3 2014 Agency Portfolio Details

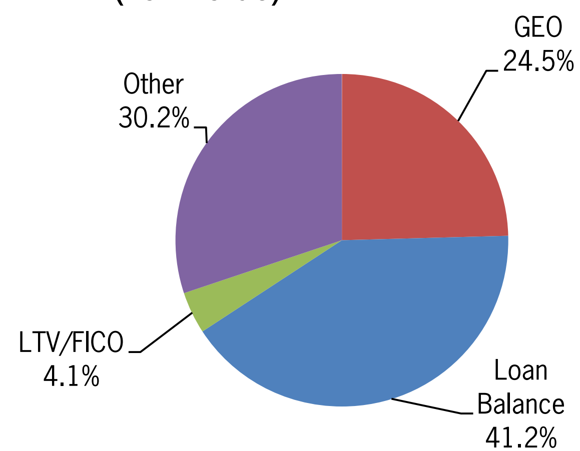
AG MORTGAGE Investment Trust, Inc.

Description	Current Face (mm)	Fair Value (mm)	Weighted Average Coupon	Weighted Average Yield*	Funding Cost*	NIM**
20-year fixed rate	$130.9	$137.6	3.7%	2.8%	0.3%	2.5%
30-year fixed rate	971.6	1,021.3	3.9%	3.2%	0.4%	2.8%
Fixed rate CMO	90.7	92.5	3.0%	2.8%	0.4%	2.4%
Hybrid ARM	434.4	436.7	2.4%	2.8%	0.4%	2.4%
Inverse Interest Only	398.2	76.4	6.2%	8.1%	0.8%	7.3%
Interest Only	409.6	55.7	3.0%	7.8%	0.8%	7.0%
Agency RMBS Subtotal	**$2,435.4**	**$1,820.2**	**3.8%**	**3.4%**	**0.4%**	**3.0%**
Fixed Rate 30 Year TBA	200.0	210.6	4.0%	N/A	N/A	N/A
Total Agency RMBS including TBAs	**$2,635.4**	**$2,030.8**	**3.8%**	**3.4%**	**0.4%**	**3.0%**

Quarterly CPR *



Total Agency Fixed Rate Pools (Fair Value)*



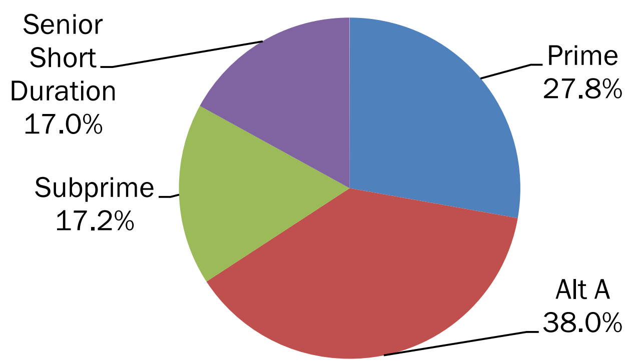
*Excludes net TBA position

**Excludes cost of interest rate hedges and net TBA position

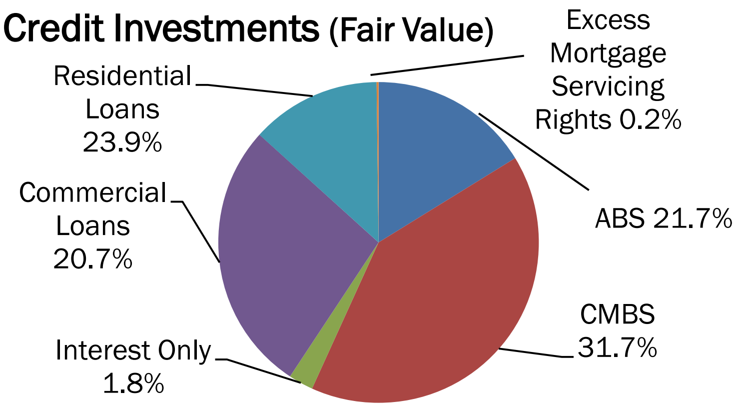
Q3 2014 Credit Portfolio Details

Description	Current Face (mm)	Fair Value (mm)	Weighted Average Coupon*	Weighted Average Yield	Funding Cost	NIM**
Non-Agency RMBS:						
Prime***	$398.1	$351.0	4.8%	5.7%	1.8%	3.9%
Alt A****	579.0	479.0	4.2%	5.6%	1.9%	3.7%
Subprime	236.0	216.7	2.2%	6.7%	1.7%	5.0%
Senior Short Duration	215.6	214.3	3.9%	4.7%	1.8%	2.9%
Total Non-Agency RMBS	**$1,428.7**	**$1,261.0**	**4.0%**	**5.7%**	**1.8%**	**3.9%**
Other Credit Investments:						
ABS	77.0	76.0	5.0%	5.6%	2.1%	3.5%
CMBS	134.2	111.2	4.6%	7.7%	1.6%	6.1%
CMBS Interest Only	52.4	6.4	1.9%	5.7%	2.0%	3.7%
Commercial Loans	72.8	72.8	6.8%	8.4%	2.7%	5.7%
Residential Loans	120.5	83.7	5.5%	7.5%	3.2%	4.3%
Excess Mortgage Servicing Rights	94.4	0.7	N/A	7.4%	N/A	7.4%
Total Other Credit Investments	**551.3**	**350.8**	**5.0%**	**7.3%**	**2.4%**	**4.9%**
Total Credit Investments	**$1,980.0**	**$1,611.8**	**4.2%**	**6.0%**	**1.9%**	**4.1%**

Non-Agency RMBS (Fair Value)



Other Credit Investments (Fair Value)



*Equity residuals and principal only securities with a zero coupon rate are excluded from this calculation.
**Excluding cost of interest rate hedges.
***Prime includes $41mm fair value of residential loans that were purchased in securitized form by MITT.
****Alt A includes $127mm fair value of residential loans that were purchased in securitized form by MITT.

Financing and Duration Gap

- Master Repurchase Agreements with 33 financial institutions
  - Currently financing investments at 24 of the financial institutions
  - Weighted average funding cost of 0.4% for Agency RMBS and 1.9% for credit securities

Repurchase Agreements ($ in thousands)				
Original Repo Maturities	**Repo Outstanding**	**WA Funding Cost**	**WA Days to Maturity***	**% Repo Outstanding**
30 Days or less	$1,317,980	0.88%	16	45.9%
31-60 Days	632,701	0.63%	45	22.0%
61-90 Days	292,024	0.40%	72	10.2%
Greater than 90 Days	628,749	1.88%	412	21.9%
Total and WA	$2,871,454	0.99%	115	100.0%

- Duration gap[15] of the portfolio was approximately 0.25 years as of September 30, 2014, versus 0.16 years as of June 30, 2014, which includes net TBA position

Duration	Years
Assets	2.81
Hedges	(2.32)
Repo Agreements	(0.24)
Duration Gap	**0.25**

*Our weighted average original days to maturity is 157 days.

Hedging and Interest Rate Sensitivity Summary

AG MITT AG MORTGAGE Investment Trust, Inc.

- Excluding net TBA position, 106% of total Agency RMBS repo notional and 59% of total repo balance hedged[6] as of September 30, 2014. Hedge ratio at quarter end including net TBA position was 93% of Agency RMBS repo notional and 55% of total repo notional*
  - No forward starting swaps. Net TBA position excluded from derivative notional amount below.

Interest Rate Swaps as of September 30, 2014 ($ in thousands)				
Maturity	Notional Amount	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Years to Maturity
2017	$80,000	0.86%	0.28%	2.93
2018	210,000	1.05%	0.23%	3.51
2019	306,000	1.34%	0.23%	4.86
2020	440,000	1.61%	0.23%	5.49
2022	50,000	1.69%	0.23%	7.93
2023	328,000	2.49%	0.23%	8.81
2024	67,000	2.74%	0.23%	9.48
Total / Wtd Avg	$1,481,000	1.68%	0.24%	5.94

- 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 September 30, 2014*

Changes in Interest Rates (bps)	-100	-75	-50	-25	Base	25	50	75	100
Change in Market Value ($ in Millions)	($9.5)	($0.5)	$3.5	$3.5	$0.0	($5.6)	($12.8)	($21.3)	($30.9)
Change in Market Value as a % of Assets	-0.3%	0.0%	0.1%	0.1%	0.0%	-0.2%	-0.4%	-0.6%	-0.9%
Change in Market Value as a % of GAAP Equity[15]	-1.3%	-0.1%	0.5%	0.5%	0.0%	-0.8%	-1.7%	-2.9%	-4.2%

*Additional hedges not included in the first table are as follows: a net short position of $28.0 million notional in U.S. Treasury securities, interest rate swaptions with a notional of $105.0 million and $38.4 million of IO Index notional. The entire portfolio is included in the interest rate sensitivity calculation including assets, liabilities, and hedges.

Q3 2014 Financial Metrics

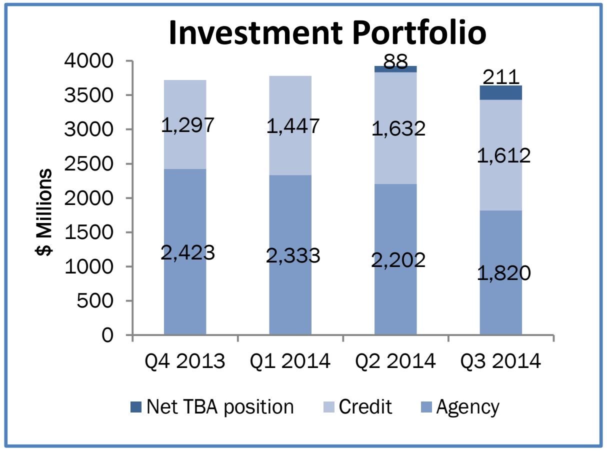
AG MITT AG MORTGAGE Investment Trust, Inc.

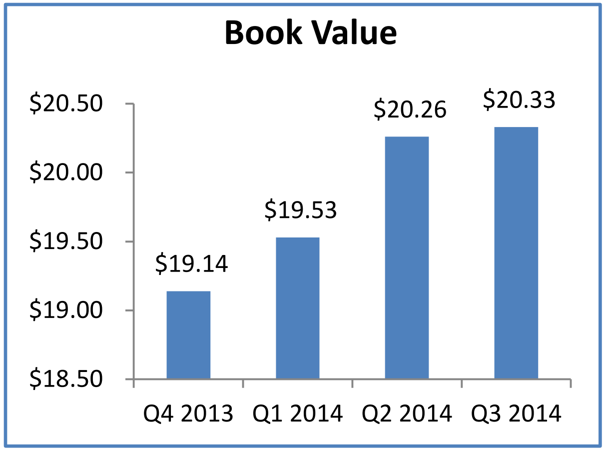
($ in thousands)

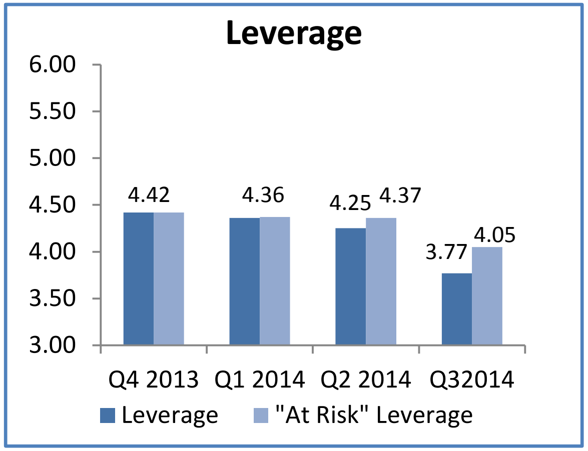
Operating Metrics[5]	September 30, 2014	Weighted Average for the Quarter Ended September 30, 2014
Investment portfolio including net TBA position[4, 5]	$3,642,655	$3,723,414
Investment portfolio excluding net TBA position	$3,432,014	$3,638,618
Repurchase agreements	$2,871,454	$2,996,119
Stockholders' equity	$738,312	$737,514
Leverage ratio[8]	3.77x	4.06x
Hedge ratio – Total Repo[6]	59%	62%
Hedge ratio – Agency Repo[6]	106%	102%
"At Risk" Leverage[8] including net TBA position	4.05x	4.25x
Hedge ratio – Total Repo[6] including net TBA position	55%	59%
Hedge ratio – Agency Repo[6] including net TBA position	93%	81%
Yield on investment portfolio[11]	4.63%	4.31%
Cost of funds[12]	1.71%	1.69%
Net interest margin[9]	2.92%	2.62%
Management fees[13]	1.38%	1.38%
Other operating expenses[14]	1.70%	1.70%
Book value, per share[3]	$20.33	
Undistributed taxable income, per common share[10]	$1.89	
Dividend, per share	$0.60	

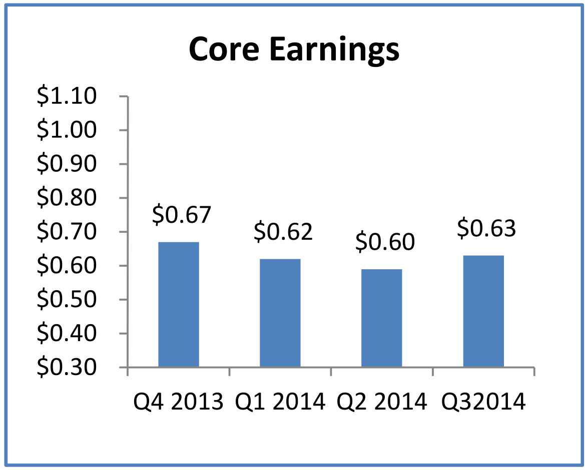
Supplemental Information & Financial Statements

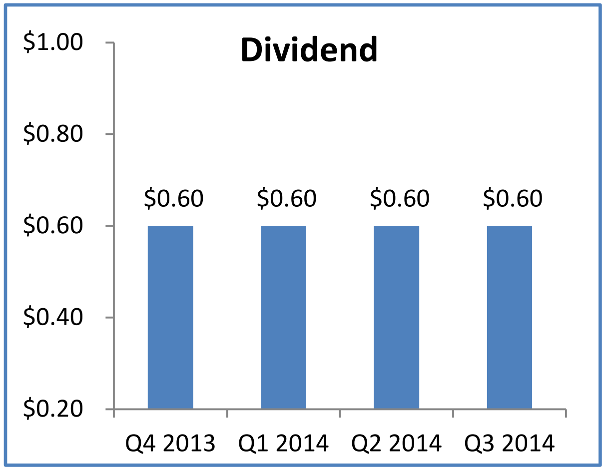
Quarter-over-Quarter Snapshot

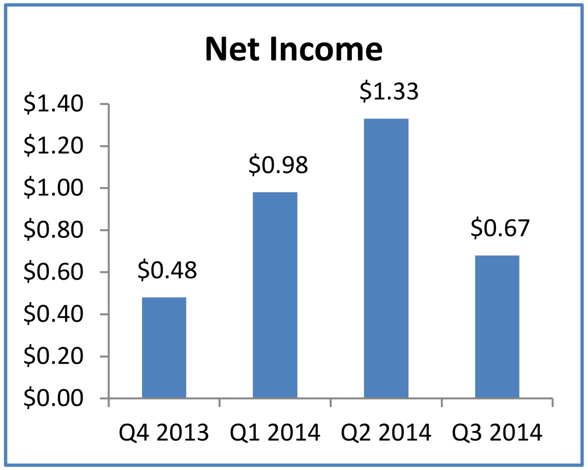












Market Snapshot

Interest Rates	12/31/2013	3/31/2014	6/30/2014	9/30/2014
Treasuries				
2-year	0.382	0.420	0.459	0.569
5-year	1.743	1.719	1.631	1.757
10-year	3.029	2.719	2.531	2.490
Swaps				
2-year	0.489	0.545	0.583	0.819
5-year	1.786	1.803	1.702	1.933
10-year	3.086	2.842	2.631	2.639

Agency RMBS	12/31/2013	3/31/2014	6/30/2014	9/30/2014
Fannie Mae Pass-Thrus				
15 year 2.50%	98-29+	99-30+	101-16+	100-20+
15 year 3.00%	102-00+	102-23+	103-25+	103-02+
30 year 3.00%	94-31+	96-19+	98-21+	98-22+
30 year 3.50%	99-11+	100-21+	102-25+	102-09+
Mortgage Rates				
15-year	3.52%	3.42%	3.22%	3.36%
30-year	4.48%	4.40%	4.14%	4.20%

Credit	12/31/2013	3/31/2014	6/30/2014	9/30/2014
CDX IG	62	69	59	64
CMBS Junior Mezzanine (AJ)	1115	1065	1020	1025
Subprime LCF (ABX 07-1 AAA Index)	$59	$69	$70	$74

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

Quarter-over-Quarter Book Value Roll-Forward

	Amount (000's)	Per Share[3]
6/30/14 Book Value	$ 575,021	$ 20.26
Common Dividend	(17,031)	(0.60)
Core Earnings	17,813	0.63
Equity based compensation	85	0.00
	867	0.03
Net realized gains	10,539	0.37
Net realized and unrealized gains on linked transactions	1,521	0.05
Net unrealized losses	(11,023)	(0.39)
Other gains	173	0.01
	1,210	0.04
9/30/14 Book Value	**$577,098**	**$20.33**
Change in Book Value	2,077	0.07

Undistributed Taxable Income Roll-Forward [10]

	Amount (000's)	Per Share[3]
6/30/14 Undistributed Taxable Income	**$ 54,104**	**$ 1.91**
Q3 Core Earnings	17,813	$0.63
Q3 Recurring Core-Tax Differences	(615)	(0.03)
Q3 Non-Recurring Core-Tax Differences	(583)	(0.02)
Q3 2014 Ordinary Taxable Income, Net of Q3 Preferred Dividend	**16,615**	**$ 0.58**
Q3 2014 Common Dividend	(17,031)	$ (0.60)
9/30/14 Undistributed Taxable Income	**53,688**	**$ 1.89**

Condensed Consolidated Balance Sheet

AG MITT AG MORTGAGE Investment Trust, Inc.

	September 30, 2014
	(Unaudited)
Amount (000's)	
Assets	
Real estate securities, at fair value	$ 3,101,770
Residential mortgage loans, at fair value	83,711
Commercial loans, at fair value	72,800
Investment in affiliates	13,689
Excess mortgage servicing rights, at fair value	680
Linked transactions, net, at fair value	28,347
Cash and cash equivalents	43,712
Restricted cash	40,724
Interest receivable	11,633
Receivable on unsettled trades	151,920
Receivable under reverse repurchase agreements	28,245
Derivative assets, at fair value	24,810
Other assets	12,910
Due from broker	3,502
Total Assets	$ 3,618,453
Liabilities	
Repurchase agreements	$ 2,740,347
Obligation to return securities borrowed under reverse repurchase agreements, at fair value	28,046
Payable on unsettled trades	61,462
Interest payable	2,607
Derivative liabilities, at fair value	4,947
Dividend payable	17,031
Due to affiliates	4,738
Accrued expenses and other liabilities	20,963
Total Liabilities	2,880,141
Stockholders' Equity	
Preferred stock	161,214
Common stock	284
Additional paid-in capital	585,944
Retained earnings (deficit)	(9,130)
Total Stockholders' Equity	738,312
Total Liabilities & Stockholders' Equity	$ 3,618,453

Condensed Consolidated Statement of Operations

AG MORTGAGE Investment Trust, Inc.

	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2014
	(Unaudited)	(Unaudited)
Amount (000's)		
Net Interest Income		
Interest income	$ 36,198	$ 106,420
Interest expense	6,820	19,750
	29,378	86,670
Other Income		
Net realized gain	10,539	9,262
Income from linked transactions, net	3,482	11,018
Realized loss on periodic interest settlements of derivative instruments, net	(5,260)	(17,342)
Unrealized gain/(loss) on real estate securities and loans, net	(19,457)	52,563
Unrealized gain/(loss) on derivative and other instruments, net	9,459	(33,639)
	(1,237)	21,862
Expenses		
Management fee to affiliate	2,549	7,557
Other operating expenses	3,140	8,523
Servicing fees	157	320
Equity based compensation to affiliate	68	222
Excise tax	533	1,408
	6,447	18,030
Income before income tax benefit and equity in earnings from affiliate	21,694	90,502
Income tax benefit	173	80
Equity in earnings from affiliate	523	4,159
Net Income	22,389	94,741
Dividends on preferred stock	3,367	10,102
Net Income Available to Common Stockholders	$ 19,022	$ 84,639
Earnings Per Share of Common Stock		
Basic	$ 0.67	$ 2.98
Diluted	$ 0.67	$ 2.98
Weighted Average Number of Shares of Common Stock Outstanding		
Basic	28,384	28,378
Diluted	28,405	28,397

Footnotes

1. Diluted per share figures are calculated using weighted average outstanding shares in accordance with GAAP.

2. Core Earnings are defined as net income excluding both realized and unrealized gains/(losses) on the sale or termination of securities and the related tax expense/benefit or disposition expense, if any, on such, including securities underlying linked transactions, investments held in affiliated entities and derivatives.

3. 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. 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.

4. The total investment portfolio is calculated by summing the fair market value of our Agency RMBS, net TBA position, Non-Agency RMBS, ABS, CMBS, mortgage loan assets, and excess mortgage servicing rights, including linked transactions and assets owned through investments in affiliates. The percentage of Agency RMBS and credit investments is calculated by dividing the respective fair market value of each, including the net TBA positions as Agency RMBS and linked transactions and assets owned through investments in affiliates as credit investments, by the total investment portfolio.

5. 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 the 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 presentation 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 securities through affiliated entities, for which we have used the equity method of accounting. Throughout this presentation where we disclose our investment portfolio, we have presented the underlying assets consistently with all other investments. Lastly, GAAP requires TBAs to be accounted for as derivatives, representing a forward purchase, or sale, of Agency RMBS. We have included net TBA positions as part of Agency RMBS in our portfolio composition unless otherwise stated. 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.

6. The hedge ratio during the quarter was calculated by dividing our daily weighted average swap notionals, net short positions in U.S. Treasury securities, IO Index notionals, and interest rate swaptions, including receive fixed swap notionals and short positions in U.S. Treasury securities 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 hedge ratio at quarter end was calculated by dividing the notional value of our interest rate swaps, net short positions in U.S. Treasury securities, IO Index notionals, and interest rate swaptions, including receive fixed swap notionals and short positions in U.S. Treasury securities as negative values as applicable, 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 RMBS trades as indicated. The hedge ratios including the net TBA are calculated as previously stated plus an additional $210.8 million of our at risk TBA position (at cost) added to either total repurchase agreements or repurchase agreements secured by Agency RMBS.

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

8. 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 was calculated by dividing total repurchase agreements, including repurchase agreements accounted for as 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. "At Risk" Leverage includes the components of "leverage" plus our net TBA position (at cost) of $210.8 million and $87.9 million for the periods ending September 30, 2014 and June 30, 2014, respectively. There were no outstanding net TBA positions for the periods ending March 31, 2014 and December 31, 2014.

9. 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. See notes 11 and 12 for further detail. NIM also excludes our net TBA position.

Footnotes (cont.)

10. Undistributed taxable income per common share represents total undistributed taxable income as of quarter end.

11. 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 our net TBA position.

12. The cost of funds during the quarter was calculated by annualizing the sum of our interest expense on our repos and net interest settlements on all derivative instruments and dividing that sum 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 funding costs on the repurchase agreements outstanding at quarter end and the weighted average of the net pay rate on our interest rate swaps and the net receive rate on our IO Index derivatives. Both elements of the cost of funds at quarter end were weighted by the repurchase agreements outstanding at quarter end. The cost of funds excludes our net TBA position.

13. 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.

14. 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.

15. The duration on the real estate investments other than Agency securities was assumed to be 0.0 years. Duration includes our net TBA position.

16. The economic return on equity for the quarter represents the increase in net book value per share from prior quarter, plus the dividend declared in the current quarter, divided by prior quarter's net book value per share.

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