AG MORTGAGE Investment Trust, Inc.

AG Mortgage Investment Trust, Inc.

Q1 2021 Earnings Presentation

May 6, 2021

Forward Looking Statements and Non-GAAP Financial Information

Forward Looking Statements: This presentation includes "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995 related to dividends, 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 COVID-19 pandemic and of responsive measures implemented by various governmental authorities, businesses and other third parties; our ability to continue executing on our strategic goals, including our ability to continue increasing the size of our investment portfolio and shifting into residential whole loans; our ability to prudently grow our Non-Agency loan portfolio by delivering origination partners attractive product offerings or otherwise; whether growth in the new origination Non-Agency mortgage space will occur as anticipated or at all; whether market, regulatory and structural changes will result in the market opportunities we expect or at all, and whether we will be able to capitalize on such opportunities in the manner we anticipate; our levels of leverage, including our levels of non-recourse financing; changes in our business and investment strategy; our ability to predict and control costs; changes in interest rates and the fair value of our assets, including negative changes resulting in margin calls relating to the financing of our assets; changes in the yield curve; the timing and amount of stock issuances pursuant to our ATM program or otherwise; changes in prepayment rates on the loans we own or that underlie our investment securities; 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 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, Agency RMBS, and Commercial Investments; legislative and regulatory actions by the U.S. Department of the Treasury, the Federal Reserve and other agencies and instrumentalities in response to the economic effects of the COVID-19 pandemic; how COVID-19 may affect us, our operations and personnel; the forbearance program included in the Coronavirus Aid, Relief, and Economic Security Act; 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, 2020, as such factors may be updated from time to time our period 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, 2021, 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 Core Earnings, 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. Our management team believes that this non-GAAP financial information, when considered with our GAAP financials, provides supplemental information useful for investors as it enables them to evaluate our current core performance using the same metrics that management uses to operate the business. 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 2021 MITT Earnings Call Presenters

David Roberts	T.J. Durkin	Nicholas Smith	Anthony Rossiello
Chief Executive Officer	President	Chief Investment Officer	Chief Financial Officer

Q1 2021 Performance and Highlights

Financial Performance

- $4.92 Book Value per share and $4.76 Adjusted Book Value per share as of March 31, 2021, as compared to $4.13 and $3.94 as of December 31, 2020, respectively[1,2]
    - Adjusted Book Value subtracts the full liquidation preference of our preferred stock from total equity, which does not reflect underwriting discounts and offering expenses incurred at issuance that impact our Book Value
    - Adjusted Book Value per share increased $0.82, or 20.8%, primarily due to mark-to-market gains on our Residential and Commercial portfolios, as well as income generated at Arc Home
- Quarterly Economic Return of 22.3%[3]
- $0.91 of Net Income per diluted common share for Q1 2021, as compared to $1.16 for Q4 2020[1]
    - Includes retrospective adjustment of $0.01 per share in Q1 2021 related to our agency portfolio
- $0.08 of Core Earnings per share for Q1 2021, as compared to $0.22 for Q4 2020[1,4]
    - Q4 2020 Core Earnings per share was elevated by record origination volumes produced by Arc Home coupled with elevated gain on sale margins experienced throughout the industry

First Quarter Activity

- Continued to reposition our investment portfolio, increasing our concentration of residential investments through the acquisition of Non-QM Loans and Agency RMBS
- Declared dividends of $0.06 per common share in March 2021
- Declared and paid $5.0 million of preferred dividends during the quarter
- Exchanged 0.5 million shares of preferred stock, at a slight discount to par, for 2.8 million shares of common stock in a private exchange offer
- Utilized ATM program to raise approximately $10.0 million in net proceeds through the issuance of approximately 2.2 million shares of common stock at a weighted average price of $4.53 per share

Q1 2021 Portfolio and Financing Update

Investment Portfolio

- $1.9 billion Investment Portfolio[5,6] and 2.6x Economic Leverage Ratio[7] as of March 31, 2021, as compared to $1.4 billion and 1.5x, respectively, as of December 31, 2020
  - Increased our Non-QM Loan and Agency RMBS portfolios through net purchases of $208.5 million and $443.6 million, respectively
  - Sold two Commercial Loans and several CMBS and Non-Agency RMBS to support growth in our residential portfolios

Financing

- $1.2 billion of MTM recourse financing and $422.9 million of non-MTM non-recourse financing as of March 31, 2021, as compared to $580.1 million and $466.3 million, respectively, as of December 31, 2020[(a)]
  - At March 31, 2021, MITT had total liquidity of $51.6 million of cash, as compared to total liquidity of $54.2 million as of December 31, 2020
- Repaid $10 million secured note and accrued interest to our Manager upon maturity on March 31, 2021

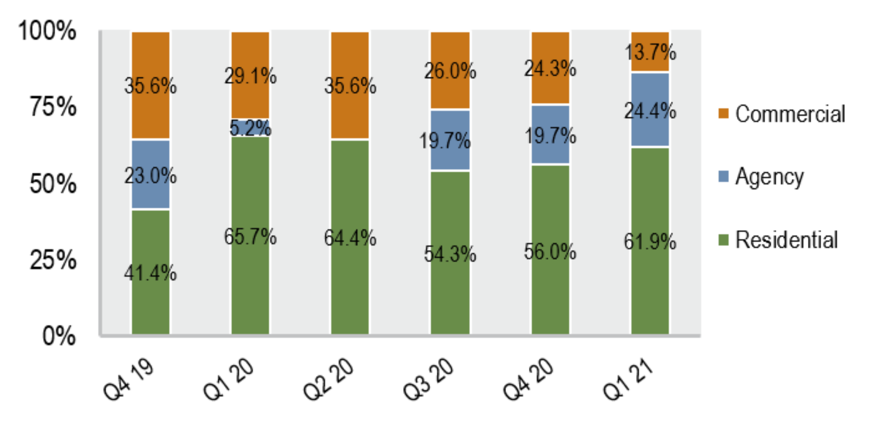
	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021
Yield on Investment Portfolio[8]	4.8%	6.0%	6.5%	5.3%	4.4%	**4.4%**
Cost of Funds[9]	2.3%	3.3%	3.8%	3.0%	2.1%	**1.7%**
Net Interest Margin[10]	2.5%	2.7%	2.7%	2.3%	2.3%	**2.7%**
Economic Leverage Ratio[7]	4.1x	3.3x	0.8x	0.9x	1.5x	**2.6x**

Note: Cost of funds and NIM shown include the costs or benefits of any interest rate hedges.
(a) As of March 31, 2021, total financing of $1.6 billion includes financing arrangements of $1.2 billion, collateralized by various asset types in our investment portfolio, and securitized debt of $344.4 million, collateralized by Re/Non-Performing Loans. As of December 31, 2020, total financing of $1.0 billion includes financing arrangements of $680.8 million, collateralized by various asset types in our investment portfolio; securitized debt of $355.2 million, collateralized by Re/Non-Performing Loans; and a secured loan from the Manager of $10.4 million.[6]

Q1 2021 Investment Portfolio Composition[5,6]

	Fair Value (mm)	Percent of Fair Value	Allocated Equity (mm)[11]	Percent of Equity
Residential Investments[(a)]	$876.8	46.2%	$281.9	61.9%
Agency RMBS[(a)]	918.8	48.4%	111.0	24.4%
Commercial Investments	104.0	5.4%	62.4	13.7%
Total Investment Portfolio	**$1,899.6**	**100.0%**	**$455.3**	**100.0%**

Equity Allocation



Investment Portfolio Highlights

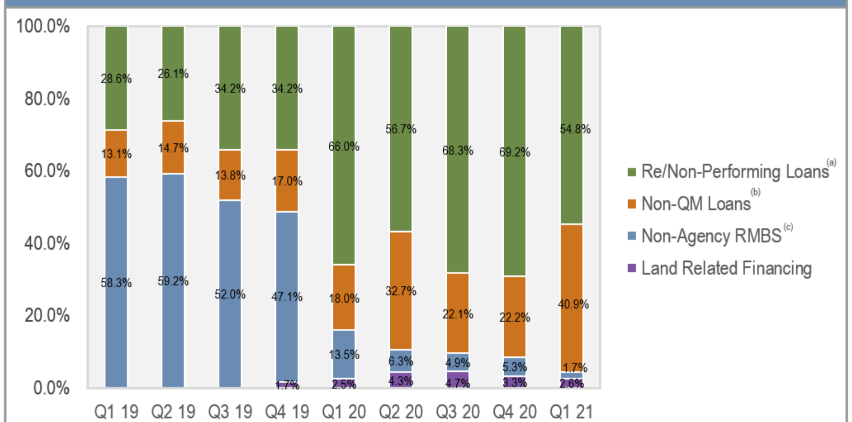
- Continued focus on repositioning our portfolio through investing in residential whole loans
- Current quarter increase in Residential Investments, specifically in Non-QM Loans facilitated through Arc Home's origination growth in the product offering as well as acquisitions from third party originators
- Increased our Non-QM portfolio to represent 18.9% of our Investment Portfolio at quarter end, up from 11.0% as of December 31, 2020
- Approximately $0.3 billion of Non-QM Loans aggregated for future securitizations as of March 31, 2021, while continuing to grow this population subsequent to quarter end

(a) As of March 31, 2021, the table above includes fair value of $217.4 million of Residential Investments and $0.4 million of Agency RMBS that are included in the "Investments in debt and equity of affiliates" line item on our consolidated balance sheet. These Residential Investments include $149.0 million of Non-QM Loans, $45.7 million of Re/Non-Performing Loans, and $22.7 million of Land Related Financing.

Q1 2021 Residential Portfolio Details

Description	Fair Value (mm)	Weighted Average Yield[8]	Percent of Residential Portfolio Fair Value	Percent of Investment Portfolio Fair Value
Re/Non-Performing Loans[(a)]	$480.9	7.0%	54.8%	25.3%
Non-QM Loans[(b)]	358.4	7.1%	40.9%	18.9%
Non-Agency RMBS[(c)]	14.8	13.6%	1.7%	0.8%
Land Related Financing	22.7	14.6%	2.6%	1.2%
Total Residential Investments[(d)]	**$876.8**	**7.4%**	**100.0%**	**46.2%**

Residential Investments (Fair Value)



(a) Consolidated whole loan positions as well as whole loans purchased from affiliates of our Manager in securitized form.
(b) Includes Non-QM Loans as well as Non-QM positions held in securitized form, of which $149.0 million is recorded within the "Investments in debt and equity of affiliates" line item on our consolidated balance sheet.
(c) Comprised of Prime, Alt-A/Subprime, Credit Risk Transfer, Non-US RMBS, RMBS Interest Only and Excess MSRs.
(d) The total funding cost and NIM for Residential Investments is 2.8% and 4.6%, respectively.

Residential Investments Activity

- Purchased $208.5 million of Non-QM Loans, $59.2 million of which were purchased from Arc Home
- Sold several Prime, Non-U.S. RMBS, and Credit Risk Transfer positions for proceeds of $23.2 million

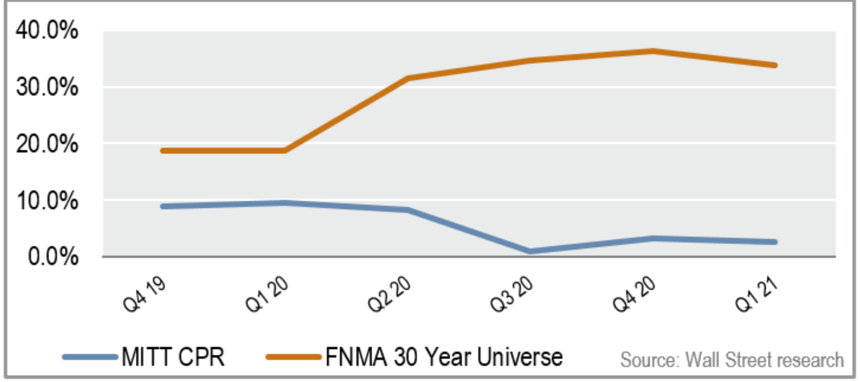
Transactions Subsequent to Quarter End

- Purchased $154.2 million of Non-QM Loans, $47.3 million of which were purchased from Arc Home
- We amended or entered into financing arrangements to increase our maximum uncommitted borrowing capacity to finance Non-QM Loans to $800 million
- Participated in a rated Non-QM securitization alongside other Angelo Gordon funds, which termed out repo financing into lower cost, fixed rate, long-term financing related to Non-QM loans with a fair value of $171.4 million
    - Maintained exposure to the securitization through an interest in the subordinated tranches

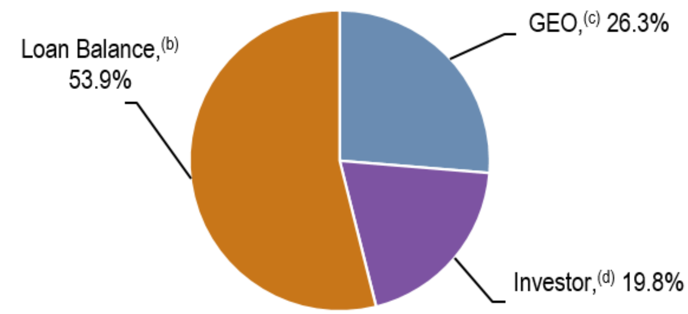
Q1 2021 Agency Portfolio Details

Description	Fair Value (mm)	Weighted Average Yield[8]	Percent of Agency Portfolio Fair Value	Percent of Investment Portfolio Fair Value
30 Year Fixed Rate	$915.5	1.6%	99.6%	48.2%
Excess MSRs	3.3	4.1%	0.4%	0.2%
Total Agency RMBS[(a)]	**$918.8**	**1.6%**	**100.0%**	**48.4%**

Quarterly CPR



Total Agency Fixed Rate Pools (Fair Value)



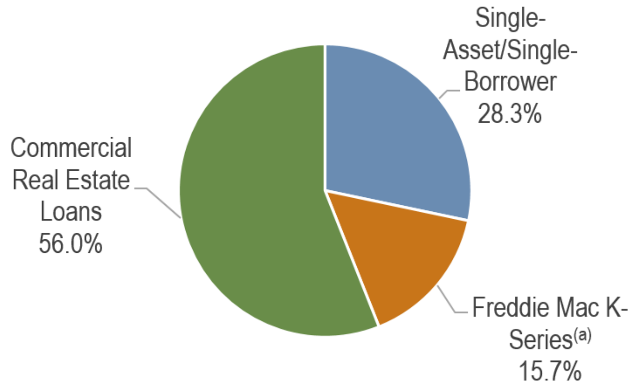
- 3.3% constant prepayment rate ("CPR") on the Agency RMBS investment portfolio for Q1 2021.
- Reduced prepayment speeds are representative of low coupon, new origination collateral characteristics.

(a) The total funding cost and NIM for Agency RMBS is 0.1% and 1.5%, respectively.
(b) Loan Balance: Pools made up of loans with original balances less than $200,000.
(c) Geography: Pools made up of loans originated in states that offer favorable prepayment profiles.
(d) Investor: Pools made up of loans on non-owner occupied properties or investment properties.

Q1 2021 Commercial Portfolio Details

Description	Fair Value (mm)	Weighted Average Yield[8]	Percent of Commercial Portfolio Fair Value	Percent of Investment Portfolio Fair Value
Single-Asset/Single-Borrower	$29.4	4.5%	28.3%	1.5%
Freddie Mac K-Series[(a)]	16.4	8.7%	15.7%	0.8%
Commercial Real Estate Loans	58.2	3.1%	56.0%	3.1%
Total Commercial Investments[(b)]	**$104.0**	**4.4%**	**100.0%**	**5.4%**

Commercial Investments (Fair Value)



- 27% of our Commercial Investments are fixed rate coupon and 73% are floating rate coupon[12]

Commercial Investments Activity

- Sold two commercial loans for gross proceeds of $74.3 million, releasing unfunded commitments of approximately $28.8 million as of December 31, 2020
- Sold various Single/Asset-Single/Borrower, Conduit and Freddie Mac-K Series positions for proceeds of $17.2 million
- Reduced our Commercial Investments portfolio as a percentage of our Investment Portfolio to 5.4% as of March 31, 2021 from 13.1% as of December 31, 2020

Transactions Subsequent to Quarter End

- Sold remaining Freddie Mac K-Series positions for total proceeds of $16.8 million
- After the Freddie Mac K-Series sale, our Commercial Investment portfolio as a percentage of our Investment Portfolio decreased to less than 5%

(a) Comprised of Freddie Mac K-Series and Interest Only which were sold subsequent to quarter end.
(b) The total funding cost and NIM for Commercial Investments is 2.8% and 1.6%, respectively.

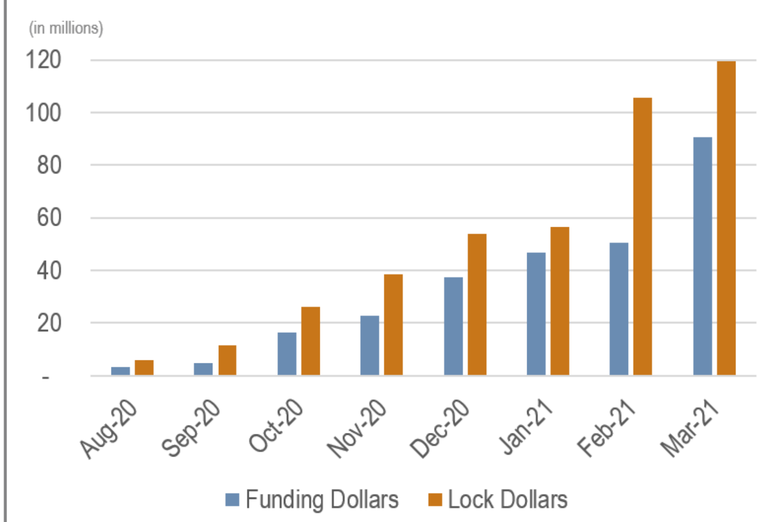
Arc Home Update

- MITT, alongside other Angelo Gordon funds, owns Arc Home,[13] a licensed mortgage originator. MITT indirectly owns approximately 44.6% of Arc Home
- Arc Home re-entered the Non-QM market in July of 2020 and has since focused its efforts on growth within this product offering
  - Non-QM originations grew to $187.9 million in Q1 2021
  - Increased composition of funding dollars to 15.6% in Q1 2021, as compared to 6.5% in Q4 2020
- Arc Home generated pre-tax net income of $18.1 million in the first quarter
  - Resulted in net income of $6.3 million for MITT
- The tables below provide a summary of Arc Home's comparative performance and Non-QM origination growth:

	2019 FY	2020 FY	Q4 2020	Q1 2021
Origination Volume				
Lock Dollars $B[(a)]	$2.2	$5.3	$1.4	**$1.4**
Funding Dollars $B	$1.6	$3.8	$1.2	**$1.2**
Funding by Channel [(b)]				
Retail/Direct	20.7%	32.0%	27.0%	**24.7%**
Wholesale	34.1%	35.9%	38.7%	**50.2%**
Correspondent	45.2%	32.0%	34.3%	**25.1%**
Funding by Product [(b)]				
Conventional	62.7%	79.8%	78.6%	**73.7%**
Government	34.5%	15.4%	13.9%	**7.9%**
Jumbo	1.5%	0.7%	1.0%	**2.8%**
Non-QM	1.3%	4.1%	6.5%	**15.6%**
Gain on Sale Margin	145bps	310bps	353bps	**255bps**

(a) *Represents loans yet to be funded whereby the borrower has entered into an interest rate lock agreement*
(b) *Represents the weighted average calculated based on quarterly funding dollars*

Arc Home Non-QM Originations



Residential Whole Loan Opportunities

Non-Agency Residential Mortgage Origination Tailwinds

- Expect to see growth in most segments of the New Origination Non-Agency mortgage space including Non-QM, Prime Jumbo, Expanded Prime, Jumbo Prime High LTV along with conventional (GSE Eligible) products
  - Over the next few years, annual issuances can grow up to $150-200 billion as compared to the historical market that had struggled to surpass $50 billion since the Financial Crisis
- Growth will be driven by a combination of market, regulatory, and structural changes:
  - Recent amendments to the Preferred Stock Purchase Agreements for Fannie Mae and Freddie Mac, inclusive of a 7% cap on second homes and investor properties, and the expiring GSE QM ("Qualified Mortgage") Patch will create opportunity for private capital
  - CFPB amendment of the Ability to Repay framework replaced with a spread to APR over Average Prime Offer Rate for determining QM Safe Harbor and QM Rebuttable Presumption is expected to expand origination volumes as institutions re-evaluate associated risks and underwriting costs
  - Margin compression combined with historic capacity and regulatory relief will drive originators who previously de-emphasized or discontinued Non-Agency production to re-enter the market as well as bring new competitors into the space

Market and Economic Outlook

- Attractive risk adjusted returns with prudent expansion of underwriting
  - The MBA Mortgage Credit Availability Index is currently at levels last seen in 2013
- Favorable gestation financing and securitization markets
- Increased production driven by the new regulatory framework
  - Decreased risk, costs, and timelines associated with origination
  - Increased capital efficiency
- Fundamentals remain favorable for the housing market and the consumer

Residential Whole Loan Opportunities *(cont'd)*

Our Strategic Plan

- Streamline MITT's business model to focus on residential whole loan investments, ultimately positioning the company as a pure play residential credit company
  - Simplified asset mix with a focus on strong credit fundamentals when deploying capital into newly originated Non-Agency whole loan opportunities
  - Reduced leverage risk due to emphasis on securitization financing which provides non-MTM non-recourse financing at lower cost of funds
  - Utilize Agency RMBS for our investment company act exemption and liquidity purposes while also generating attractive returns

Competitive Advantage

- MITT is uniquely positioned to capitalize on this opportunity given the depth of the current investment team which has a proven record of sourcing whole loans
- Red Creek, an affiliate of Angelo Gordon, allows MITT to streamline asset management services over its investment portfolio
- Arc Home, a vertically integrated mortgage origination affiliate, provides the ability to organically grow origination and product offerings

Duration Gap[14]

Duration gap was approximately 0.46 years as of March 31, 2021

Duration[a]	Years
Agency RMBS	3.47
Residential Loans[b]	0.88
Hedges	(4.05)
Subtotal	**0.30**
Credit Investments,[5] excluding Residential Loans[b]	0.16
Duration Gap	**0.46**

Duration gap was approximately 0.58 years as of December 31, 2020

Duration[a]	Years
Agency RMBS	1.73
Hedges	(2.20)
Agency Subtotal	**(0.47)**
Residential Loans[b]	0.80
Credit Investments,[5] excluding Residential Loans[b]	0.25
Duration Gap	**0.58**

(a) Duration related to financing arrangements is netted within its respective line items.
(b) Residential Loans include Re/Non Performing Loans, Non-QM Loans, and Land Related Financing.

Book Value Roll-Forward

		Amount (000's)		Per Share[1]
12/31/20 Book Value	**$**	**171,227**	**$**	**4.13**
Common dividend		(2,791)		(0.06)
Core earnings		3,474		0.08
Net proceeds from issuance of common stock and preferred share exchange offers[(a)]		22,247		0.03
Net realized and unrealized gain/(loss) included within equity in earnings/(loss) from affiliates		19,014		0.41
Net realized gain/(loss)		(4,038)		(0.10)
Net unrealized gain/(loss)		19,863		0.43
Transaction related expenses and deal related performance fees		12		—
3/31/21 Book Value	**$**	**229,008**	**$**	**4.92**
Change in Book Value		57,781		0.79
3/31/21 Book Value	**$**	**229,008**	**$**	**4.92**
Net proceeds less liquidation preference of preferred stock[(b)]		(7,715)		(0.16)
3/31/21 Adjusted Book Value[(b)]	**$**	**221,293**	**$**	**4.76**

(a) This balance primarily relates to the impact on book value as a result of the preferred stock exchange and usage of the ATM program that occurred during the quarter.
(b) Adjusted Book Value is calculated by reducing stockholders' equity by the liquidation preference of our preferred stock.

Reconciliation of GAAP Net Income to Core Earnings[4]

Three Months Ended March 31, 2021				
		Amount (000's)		Per Diluted Share[1]
Net Income/(loss) available to common stockholders	**$**	**38,683**	**$**	**0.91**
Add (Deduct):				
Net realized (gain)/loss		4,038		0.10
Unrealized (gain)/loss on real estate securities and loans, net		6,658		0.16
Unrealized (gain)/loss on derivative and other instruments, net		(26,507)		(0.63)
Equity in (earnings)/loss from affiliates		(26,336)		(0.62)
Net interest income and expenses from equity method investments		7,322		0.17
Transaction related expenses and deal related performance fees		(12)		—
Foreign currency (gain)/loss, net		(14)		—
(Gains) from Exchange Offer, net		(358)		(0.01)
Core Earnings	**$**	**3,474**	**$**	**0.08**

Market Snapshot

Interest Rates	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21
Treasuries						
2-year	1.569	0.246	0.149	0.127	0.121	0.160
5-year	1.691	0.380	0.288	0.277	0.361	0.939
10-year	1.918	0.670	0.656	0.684	0.913	1.740
Swaps						
3 month LIBOR	1.908	1.451	0.302	0.234	0.238	0.194
2-year swaps	1.698	0.490	0.225	0.220	0.198	0.292
5-year swaps	1.729	0.524	0.326	0.346	0.430	1.057
10-year swaps	1.895	0.716	0.639	0.710	0.925	1.782

Agency RMBS	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21
Fannie Mae Pass-Throughs						
30 year 3.00%	101-25+	105-13+	105-16+	104-18+	104-25+	104-04
30 year 3.50%	103-01+	105-22+	105-09+	105-15+	105-23+	105-19+
30 year 4.00%	104-09+	106-20+	106-03+	106-19+	106-25+	107-10
30 year 4.50%	105-23+	107-17+	107-19+	107-31+	108-12+	108-27
Mortgage Rates						
15-year	3.19%	2.92%	2.59%	2.40%	2.17%	2.45%
30-year	3.74%	3.50%	3.13%	2.90%	2.67%	3.17%

Credit Spreads	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21
CDX IG	45	114	76	59	50	54
New Issue CAS M2	186	1,180	320	307	277	255
CMBX.NA 10 BBB- Mid Spread	305	865	695	820	552	569

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

Condensed Consolidated Balance Sheet

March 31, 2021 (Unaudited)					
Amount (000's)					
Assets			**Liabilities**		
Residential mortgage loans, at fair value	$	642,959	Financing arrangements	$	1,132,200
Real estate securities, at fair value		977,632	Securitized debt, at fair value		344,429
Commercial loans, at fair value		58,209	Dividend payable		2,791
Investments in debt and equity of affiliates		160,323	Other liabilities		7,875
Excess mortgage servicing rights, at fair value		3,000	Total Liabilities		1,487,295
Cash and cash equivalents		51,637			
Restricted cash		39,918	**Commitments and Contingencies**		
Other assets		8,922	**Stockholders' Equity**		
Total Assets	$	1,942,600	Preferred stock		226,297
			Common stock		465
			Additional paid-in capital		710,746
			Retained earnings (deficit)		(482,203)
			Total Stockholders' Equity		455,305
			Total Liabilities & Stockholders' Equity	$	1,942,600

Condensed Consolidated Statement of Operations

Three Months Ended March 31, 2021 (Unaudited)					
Amount (000's)					
Net Interest Income			**Total Earnings/(Loss) Per Share of Common Stock**		
Interest income	$	12,119	Earnings/(Loss) Per Share - Basic	$	0.91
Interest expense		4,061	Earnings/(Loss) Per Share - Diluted	$	0.91
Total Net Interest Income		8,058			
Other Income/(Loss)			**WA Shares of Common Stock Outstanding**		
Net realized gain/(loss)		(4,038)	Basic		42,348
Net interest component of interest rate swaps		(741)	Diluted		42,348
Unrealized gain/(loss) on real estate securities and loans, net		(6,658)			
Unrealized gain/(loss) on derivative and other instruments, net		26,507			
Foreign currency gain/(loss), net		14			
Other Income		23			
Total Other Income/(Loss)		15,107			
Expenses					
Management fee to affiliate		1,654			
Other operating expenses		3,983			
Servicing fees		615			
Total Expenses		6,252			
Income/(loss) before equity in earnings/(loss) from affiliates		16,913			
Equity in earnings/(loss) from affiliates		26,336			
Net Income/(Loss)		43,249			
Gain on Exchange Offer, net		358			
Dividends on preferred stock		(4,924)			
Net Income/(Loss) Available to Common Stockholders	**$**	**38,683**			

Footnotes

1. Diluted per share figures are calculated using diluted weighted average outstanding shares in accordance with GAAP.
2. As of March 31, 2021, book value is calculated using stockholders' equity less net proceeds of our cumulative redeemable preferred stock ($226.3 million) as the numerator. As of March 31, 2021, adjusted book value is calculated using stockholders' equity less the liquidation preference of our cumulative redeemable preferred stock ($234.0 million) as the numerator.
3. The economic return on equity for the quarter represents the change in adjusted book value per share from December 31, 2020 to March 31, 2021, plus the common dividends declared over that period, divided by adjusted book value per share as of December 31, 2020.
4. We define Core Earnings, a non-GAAP financial measure, as Net Income/(loss) available to common stockholders excluding (i) (a) unrealized gains/(losses) on real estate securities, loans, 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 or disposition of our investments, (iii) accrued deal-related performance fees payable to Arc Home and third party operators to the extent the primary component of the accrual relates to items that are excluded from Core Earnings, 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, (vi) any foreign currency gain/(loss) relating to monetary assets and liabilities, (vii) income from discontinued operations, and (viii) any gains/(losses) associated with exchange transactions on our common and preferred stock. Items (i) through (viii) 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 or disposition 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 Core Earnings on the remainder of its portfolio. Management excludes all deferred taxes because it believes deferred taxes are not representative of current operations. As defined, Core Earnings include the net interest income and other income earned on our investments on a yield adjusted basis, including TBA dollar roll income or any other investment activity that may earn or pay net interest or its economic equivalent. Core Earnings includes earnings from AG Arc LLC. See slide 15 for a reconciliation of GAAP net income to Core Earnings. See footnote 13 for further details on AG Arc LLC.
5. The investment portfolio at period end consists of the net carrying value of our Residential Investments, Agency RMBS, Commercial Investments, and where applicable, any long positions in TBAs, including securities and mortgage loans owned through investments in affiliates, exclusive of AG Arc LLC. Our Residential Investments, Agency RMBS, and Commercial Investments are held at fair value. Our Credit Investments refer to our Residential Investments and Commercial Investments. Refer to footnote 6 for more information on the GAAP accounting for certain items included in our investment portfolio. The percentage of fair value includes any net TBA positions and securities and mortgage loans owned through investments in affiliates and is exclusive of AG Arc LLC.
6. 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) securities and mortgage loans 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. The related financing includes financing of $114.0 million and $116.7 million recorded within "Investments in debt and equity of affiliates" on the Company's consolidated balance sheet as of March 31, 2021 and December 31, 2020, respectively. This presentation excludes investments through AG Arc LLC unless otherwise noted.
7. 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 certain Non-QM Loans. 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.
8. The yield on our debt 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 face value.
9. 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, and (iii) the weighted average of the net pay rate on our interest rate swaps. The cost of funds at quarter-end are weighted by the outstanding financing arrangements at quarter-end, including any non-recourse financing arrangements. The cost of funds excludes any net TBA position.
10. Net interest margin is calculated by subtracting the weighted average cost of funds from the weighted average yield for our investment portfolio, which excludes cash held. Net interest margin also excludes any net TBA position.
11. We allocate our equity by investment using the fair value of our investment portfolio, less any associated leverage, inclusive of any long TBA position (at cost). We allocate all non-investment portfolio related assets and liabilities to our investment portfolio categories based on the characteristics of such assets and liabilities in order to sum to stockholders' equity per the consolidated balance sheets. Our equity allocation method is a non-GAAP methodology and may not be comparable to the similarly titled measure or concepts of other companies, who may use different calculations and allocation methodologies.

Footnotes *(cont'd)*

12. Equity residuals and principal only securities with a zero coupon rate are excluded from this calculation.
13. We invest in Arc Home LLC through AG Arc LLC, one of our equity method investees. Our investment in AG Arc LLC is $52.1 million as of March 31, 2021, representing a 44.6% ownership interest.
14. We estimate 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.

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