AG Mortgage Investment Trust, Inc.

Q2 2018 Earnings Presentation

August 7, 2018

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 investment and portfolio strategy, investment returns, return on equity, liquidity and financing, taxes, our assets, our interest rate sensitivity, and our views on certain macroeconomic trends, among others. Forward-looking statements are based on estimates, projections, beliefs and assumptions of management of the Company at the time of such statements and are not guarantees of future performance. Forward-looking statements involve risks and uncertainties in predicting future results and conditions. Actual results could differ materially from those projected in these forward-looking statements due to a variety of factors, including, without limitation, changes in interest rates, changes in the yield curve, changes in prepayment rates, the availability and terms of financing, changes in the market value of our assets, general economic conditions, conditions in the market for Agency RMBS, Non-Agency RMBS, ABS and CMBS securities and loans, conditions in the real estate market, and legislative and regulatory changes that could adversely affect the business of the Company. Additional information concerning these and other risk factors are contained in the Company's filings with the Securities and Exchange Commission ("SEC"), including its most recent Annual Report on Form 10-K and subsequent filings. Copies are available free of charge on the SEC's website, http://www.sec.gov/. All information in this presentation is as of August 6, 2018. The Company undertakes no duty to update any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

Non-GAAP Financial Information: In addition to the results presented in accordance with GAAP, this presentation includes certain non-GAAP financial results and financial metrics derived therefrom, which are calculated by including or excluding unconsolidated investments in affiliates, TBAs, and U.S. Treasuries, or by allocating non-investment portfolio related items based on their respective characteristics, as described in the footnotes. Our management believes that this non-GAAP financial information, when considered with our GAAP financials, provide supplemental information useful for investors in evaluating our results of operations. This presentation also contains Core Earnings, a non-GAAP financial measure. 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 from these results should be carefully evaluated.

Q2 2018 MITT Earnings Call Presenters

David Roberts	T.J. Durkin	Brian Sigman	Karen Werbel
Chief Executive Officer	Chief Investment Officer	Chief Financial Officer	Head of Investor Relations

Q2 2018 Performance and Highlights

- Second quarter 2018:
  - Common dividend increase of 5.3% to $0.50 per common share[1]
  - $0.17 of Net Income/(Loss) per diluted common share[1]
  - $0.55 of Core Earnings per diluted common share[1, 2]
    - Includes de minimus retrospective adjustment
  - 0.8% economic return on equity for the quarter, 3.2% annualized[3]
  - $18.98 book value per share[1] as of June 30, 2018, inclusive of our current quarter $0.50 common dividend
    - Book value decreased $(0.34) or (1.8)% from the prior quarter primarily due to:
      - Modest rise in interest rates given positive duration gap
      - Acquisition and securitization expenses related to residential whole loans
      - Spread widening in mortgage derivatives
      - Underperformance of specified pools versus TBA
    - Book value increased approximately 2% in July due to an increase in the value of our credit portfolio

Q2 2018 Performance and Highlights *(cont'd)*

- $3.6 billion investment portfolio as of June 30, 2018 as compared to the $3.8 billion investment portfolio as of March 31, 2018[4,5]
  - Decrease in portfolio size due to securitization of whole loans and sales and payoffs of commercial investments
- 2.71% Net Interest Margin ("NIM") as of June 30, 2018[6]
  - Net Interest Margin remained stable during the quarter
- 4.4x "At Risk" Leverage as of June 30, 2018[7]

	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018
Yield on Investment Portfolio[8]	4.75%	4.69%	4.64%	4.99%	5.08%
Cost of Funds[9]	2.27%	2.12%	2.26%	2.30%	2.37%
NIM[6]	2.48%	2.57%	2.38%	2.69%	2.71%
"At Risk" Leverage[7]	4.2x	4.2x	4.4x	4.6x	4.4x

Q2 2018 Activity

($ in millions)

Description	Purchased	Sold/Payoff	Net Activity
30 Year Fixed Rate	$438.1	$(467.2)	$(29.1)
Inverse Interest Only	12.6	(4.3)	8.3
Interest Only	14.3	-	14.3
Fixed Rate 30 Year TBA	328.5	(305.6)	22.9
Total Agency RMBS	793.5	(777.1)	16.4
Prime	-	(5.1)	(5.1)
Credit Risk Transfer	2.3	(1.6)	0.7
Residential Whole Loans	122.2	(30.9)	91.3
Total Residential Investments	124.5	(37.6)	86.9
CMBS	26.1	(47.3)	(21.2)
Freddie Mac K-Series	-	(0.8)	(0.8)
CMBS Interest Only	-	(4.7)	(4.7)
Commercial Whole Loans	-	(14.5)	(14.5)
Total Commercial Investments	26.1	(67.3)	(41.2)
Total ABS	0.8	-	0.8
Total Q2 Activity	$944.9	$(882.0)	$62.9

- Acquired a pool of primarily re-performing mortgage loans, investing $18.8 mm of equity
- Payoffs and sales of commercial investments returned $17.2 mm of equity, which was primarily reinvested in a commercial whole loan at the end of July
- MITT, along with another Angelo, Gordon fund, participated in a term securitization in June which refinanced re-performing mortgage loans from repo into lower cost, fixed rate, non-recourse long-term financing, returning $12.7 million of equity
    - The Company maintained exposure to the securitization through an interest in the subordinated tranches as well as through its ownership of the vertical risk retention portion of the securitization

Note: The chart above is based on trade date.

Q2 2018 Macro-Economic Conditions

Macro Environment	▪ In June, the FOMC increased the federal funds rate by an additional 25 basis points ▪ Interest rates rose by 12 to 20 basis points across the yield curve, with the front end leading the move higher ▪ While growth moderated in Q1, economic data suggests a strong rebound in Q2 as the economy experiences the peak effects of tax cuts ▪ Year-over-year core inflation has moved very close to the Fed's 2.0% goal as transitory factors from 2017 fade
Housing	▪ Housing activity remained subdued, while home price appreciation remains robust due to a lack of supply
Agency RMBS	▪ Agency RMBS spreads were stable to modestly tighter during the quarter in the face of muted volatility, manageable supply and strong money manager demand ▪ Despite accelerating runoff of Agency RMBS from the Fed's balance sheet, lower than forecast net supply, contained interest rate volatility, competing valuations and healthy demand remain generally supportive of Agency RMBS
Credit	▪ Fundamental mortgage residential collateral performance, as measured by delinquency and default rates, continues to approach pre-crisis levels

Investment Opportunity Set

Agency RMBS	▪ Hypothetical Duration Hedged Levered ROE: 8-14%[a][b] ▪ 30/20/15 Year Fixed Rate, Hybrid ARM, Fixed Rate CMO, Agency IO, Inverse IO, Excess MSRs
Residential Investments	▪ Hypothetical Levered ROE: 8-14%[b] ▪ CRT, NPL, RPL, Non-QM, Legacy
Commercial Investments	▪ Hypothetical Levered ROE: 10-16%[b] ▪ Conduit, Single Asset/Single Borrower, Freddie Mac K-series, Commercial Whole Loans
ABS	▪ Hypothetical Levered ROE: 8-14%[b] ▪ Consumer, auto backed debt, credit card, other non-residential ABS

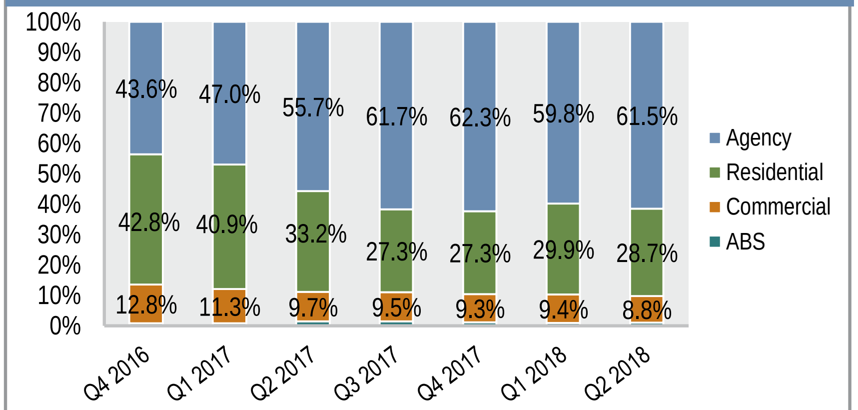
(a) Hypothetical levered returns on Agency RMBS are presented on a duration hedged basis, net of related costs.
(b) ROE values are presented gross of management fee and other corporate expenses.
Note: The above-listed investment opportunity set represents a subset of the types of assets that the Company can acquire. The hypothetical Levered Returns on Equity ("ROE") depicted above are dependent on a variety of inputs and assumptions, which are assumed to be static, and do not reflect the impact of operating expenses. Actual results could differ materially based on a number of factors, including changes in interest rates, spreads, prepayments, asset values, funding levels, risk positions, hedging costs, expenses and other factors.

Q2 2018 Investment Portfolio Composition[4,5]

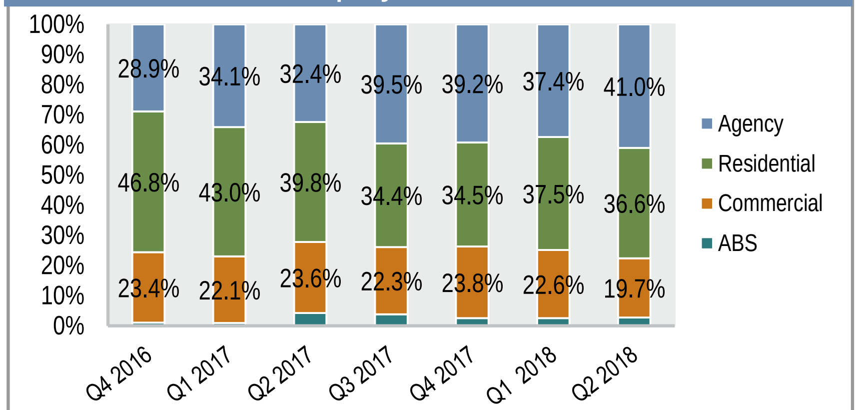
	Amortized Cost (mm)	Fair Value (mm)	Percent of Fair Value	Allocated Equity (mm)[10]	Percent of Equity	Weighted Average Yield[8]	Funding Cost[(a)]	NIM[(a)]	Leverage[(b)]
Agency RMBS[(c)]	$2,267.4	$2,241.4	61.5%	$285.5	41.0%	3.7%	2.1%	1.6%	7.1x
Residential Investments[(c)]	989.3	1,046.7	28.7%	254.9	36.6%	6.7%	3.5%	3.2%	3.2x
Commercial Investments[(c)]	319.1	319.6	8.8%	137.2	19.7%	8.0%	3.4%	4.6%	1.3x
ABS	37.3	37.8	1.0%	19.0	2.7%	9.0%	3.6%	5.4%	1.0x
Total Investment Portfolio	$3,613.1	$3,645.5	100.0%	$696.6	100.0%	5.1%	2.4%	2.7%	4.4x

(a) Funding cost and NIM shown in each investment category line exclude the costs of our interest rate hedges, however these costs are included in the total funding cost and NIM lines. The total funding cost and NIM lines excluding the cost of our interest rate hedges would be 2.6% and 2.5%, respectively.
(b) The leverage ratio on Agency RMBS includes any net receivables on TBA. The leverage ratio by type of investment is calculated based on allocated equity.
(c) Includes fair value of $0.9 mm of Agency RMBS, $131.5 mm of Residential Investments and $66.1 mm of Commercial Investments that are included in the "Investments in debt and equity of affiliates" line item on our consolidated balance sheet.

Fair Value Allocation



Equity Allocation

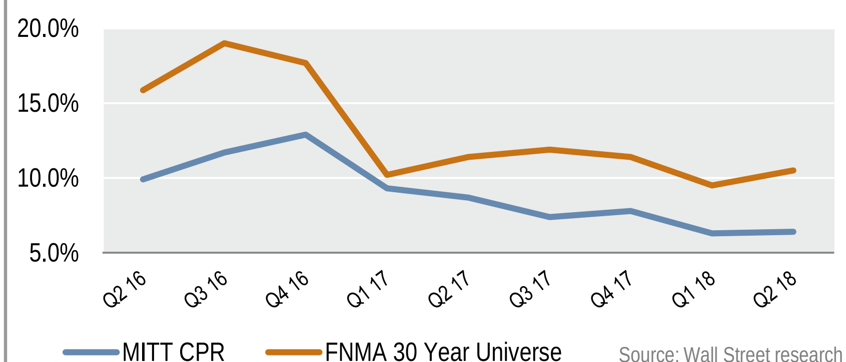


- As of Q2 2018, 61.5% of fair value allocated to Agency and 38.5% to Credit
- As of Q2 2018, 41.0% of equity allocated to Agency and 59.0% to Credit

Q2 2018 Agency Portfolio Details

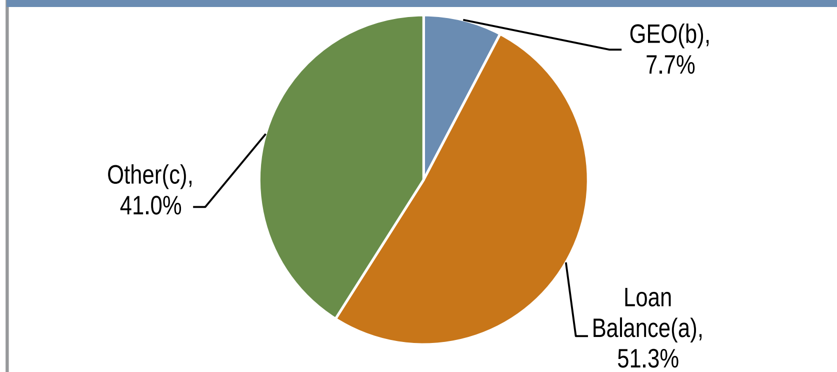
Description	Current Face (mm)	Fair Value (mm)	Percent of Fair Value	Weighted Average Coupon[12]	Weighted Average Yield[8]
30 Year Fixed Rate	$1,744.1	$1,772.1	79.1%	3.9%	3.4%
Fixed Rate CMO	48.5	48.1	2.2%	3.0%	2.8%
ARM	112.5	110.8	4.9%	2.4%	2.9%
Inverse Interest Only	258.3	45.3	2.0%	4.1%	8.4%
Interest Only	399.0	68.5	3.1%	3.5%	7.3%
Excess MSRs	3,954.3	30.0	1.3%	N/A	11.0%
Fixed Rate 30 Year TBA	160.0	166.6	7.4%	4.5%	N/A
Total Agency RMBS	$6,676.7	$2,241.4	100.0%	3.8%	3.7%

Quarterly CPR



- 6.4% constant prepayment rate ("CPR")[11] on the Agency RMBS investment portfolio for Q2 2018

Total Agency Fixed Rate Pools (Fair Value)



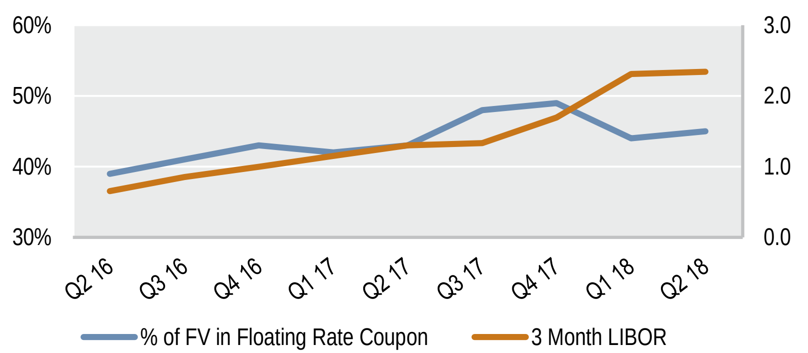
(a) Loan Balance: Pools made up of loans with original balances less than $200,000
(b) Geography: Pools made up of loans originated in states that offer favorable prepayment profiles
(c) Other: Pools made up of newly originated loans, loans on investor properties, loans with higher LTVs or loans taken out by borrowers with lower than average FICOs

Q2 2018 Residential Portfolio Details

Description	Current Face (mm)	Fair Value (mm)	Percent of Fair Value	Weighted Average Coupon[12]	Weighted Average Yield[8]
Prime	$491.4	417.2	39.9%	4.5%	6.6%
Alt-A/Subprime	244.0	171.0	16.3%	4.7%	6.4%
Credit Risk Transfer	114.3	122.6	11.7%	5.7%	6.0%
RPL/NPL[(a)]	87.5	86.8	8.3%	3.5%	3.5%
Interest Only and Excess MSRs	380.6	3.1	0.3%	0.5%	16.5%
Residential Whole Loans[(b)]	310.2	246.0	23.5%	4.8%	8.4%
Total Residential Investments	$1,628.0	$1,046.7	100.0%	4.1%	6.7%

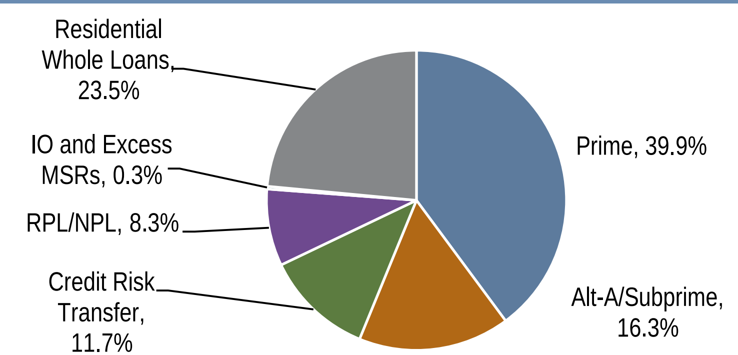
(a) RPL/NPL whose deal structures contain an interest rate step-up feature.
(b) Consolidated whole loan positions as well as whole loans purchased from an affiliate or affiliates of our manager in securitized form.

Percent of Fair Value in Floating Rate Coupon[(c)] vs. 3 Month LIBOR



- 55% of our Residential Investments[(c)] are fixed rate coupon and 45% are floating rate coupon[12]

Residential Investments (Fair Value)

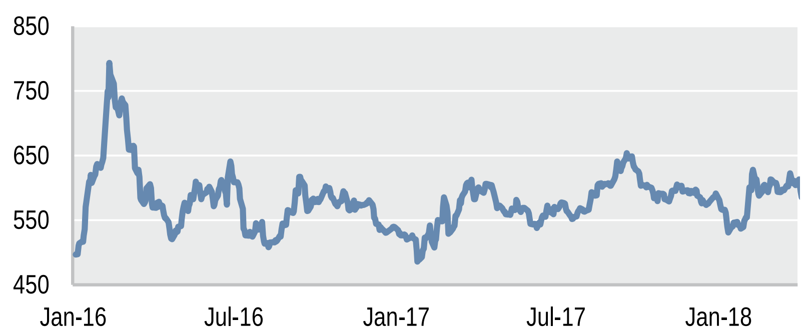


(c) Excludes Residential Whole Loans

Q2 2018 Commercial and ABS Portfolio Details

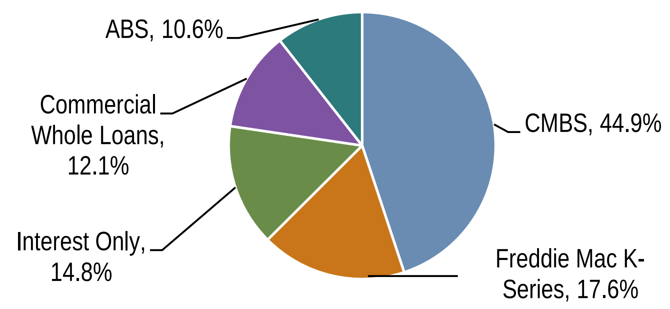
Description	Current Face (mm)	Fair Value (mm)	Percent of Fair Value	Weighted Average Coupon[12]	Weighted Average Yield[8]
CMBS	$206.4	$160.5	44.9%	5.8%	6.4%
Freddie Mac K-Series	189.9	63.0	17.6%	6.0%	12.2%
Interest Only	3,411.6	52.9	14.8%	0.3%	6.8%
Commercial Whole Loans	43.2	43.2	12.1%	8.3%	9.0%
Total Commercial Investments	3,851.1	319.6	89.4%	0.6%	8.0%
ABS	39.8	37.8	10.6%	8.8%	9.0%
Total Commercial and ABS	$3,890.9	$357.4	100.0%	0.7%	8.1%

CMBX.NA 8 BBB- Mid Spread



Source: Wall Street research

Commercial and ABS (Fair Value)



- 28% of our Commercial and ABS Investments are fixed rate coupon and 72% are floating rate coupon[12]

Note: Agency RMBS include fair value of $0.9 mm of investment in debt and equity of affiliates related to Excess MSRs. Credit Investments[4] include fair value of $197.6 mm of investment in debt and equity of affiliates comprised of $131.5 mm of Residential Whole Loans, $9.7 mm of Interest Only and $56.4 mm of Freddie Mac K-Series. These items, inclusive of our investment in AG Arc LLC[13] and other items, net to $129.4 mm which is included in the "Investments in debt and equity of affiliates" line item on our GAAP Balance Sheet. See slides 9 and 10 for further detail on our Agency RMBS and Residential Whole Loans, respectively.

Financing

- Financing arrangements with 40 counterparties
  - Currently financing investments with 29 counterparties
  - Our weighted average days to maturity is 58 days and our weighted average original days to maturity is 116 days
  - Financing counterparties remain stable

Repurchase Agreements[a] ($ in millions)				
	Agency		Credit	
Maturing Within	Amount Outstanding	WA Funding Cost	Amount Outstanding	WA Funding Cost
Overnight	$110.7	2.3%	$-	-
30 Days or less	1,155.1	2.1%	636.0	3.2%
31-60 Days	314.1	2.2%	106.0	3.5%
61-90 Days	132.6	2.1%	62.5	4.1%
Greater than 180 Days	-	-	202.4	4.0%
Total and WA	$1,712.5	2.1%	$1,006.9	3.4%

(a) Numbers do not include securitized debt of $14.0 mm.

Duration Gap[14]

Duration gap was approximately 1.08 years as of June 30, 2018

Duration	Years
Agency	2.93
Hedges	(2.95)
Agency Gap Subtotal	(0.02)
Credit	1.10
Duration Gap	1.08

Duration gap was approximately 1.25 years as of March 31, 2018

Duration	Years
Agency	2.77
Hedges	(2.72)
Agency Gap Subtotal	0.05
Credit	1.20
Duration Gap	1.25

Hedging

Hedge Portfolio Summary as of June 30, 2018 ($ in millions)		
	Notional	Duration[14]
Interest Rate Swaps	$(2,396.0)	(2.80)
Swaptions	(250.0)	(0.11)
Treasury Futures, net	(20.0)	(0.04)
Total	$(2,666.0)	(2.95)

Interest Rate Swaps as of June 30, 2018 ($ in millions)				
Maturity	Notional Amount	Weighted Average Pay-Fixed Rate	Weighted Average Receive Variable Rate[(a)]	Weighted Average Years to Maturity
2019	$170.0	1.36%	2.34%	1.38
2020	540.0	1.64%	2.34%	1.88
2022	653.0	1.90%	2.34%	4.10
2023	149.0	2.94%	2.35%	4.90
2024	230.0	2.06%	2.33%	6.00
2025	125.0	2.87%	2.34%	6.88
2026	75.0	2.12%	2.33%	8.39
2027	264.0	2.35%	2.34%	9.19
2028	190.0	2.94%	2.34%	9.79
Total / Wtd Avg	$2,396.0	2.07%	2.34%	4.93

(a) 100% of our receive variable interest rate swap notional amount resets quarterly based on three-month LIBOR

Q2 2018 Financial Metrics

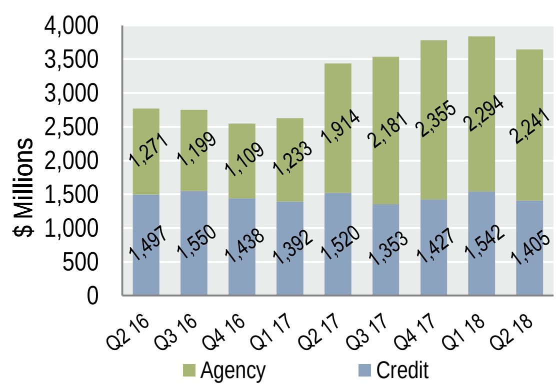
Key Statistics	June 30, 2018	Weighted Average for the quarter-ended June 30, 2018
Investment portfolio[4,5]	$3,645.5	$3,566.7
Repurchase agreements[5]	2,719.4	2,848.8
Total Financing[7]	3,040.5	2,965.2
Stockholders' equity	696.6	706.8
GAAP Leverage	4.0x	3.8x
"At Risk" Leverage[7]	4.4x	4.2x
Yield on investment portfolio[8]	5.08%	4.80%
Cost of funds[9]	2.37%	2.43%
Net interest margin[6]	2.71%	2.37%
Management fees[15]	1.37%	1.35%
Other operating expenses[16]	1.98%	1.95%
Book value, per share[1]	$18.98	
Undistributed taxable income, per share[(a)]	$1.57	
Common Dividend, per share[1]	$0.50	

(a) Refer to slide 21 for further detail

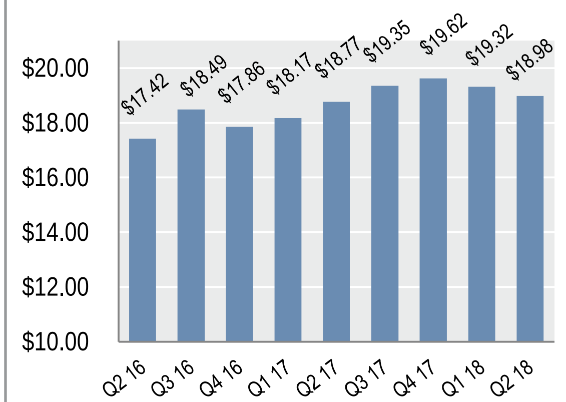
Supplemental Information & Financial Statements

Quarter-Over-Quarter Snapshot

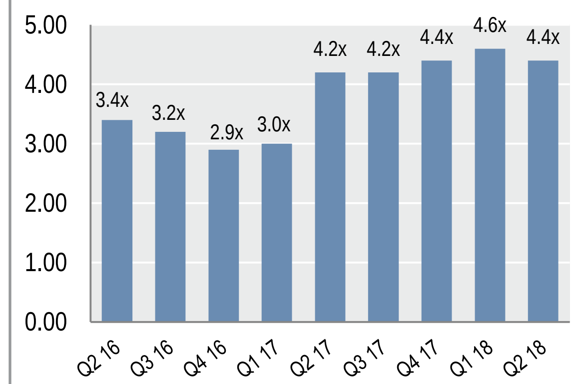
FMV of Investment Portfolio



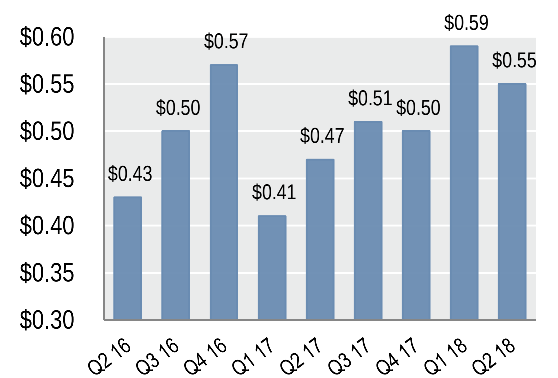
Book Value



"At Risk" Leverage

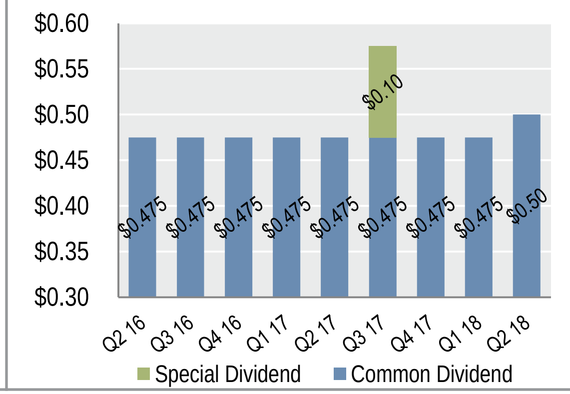


Core Earnings*

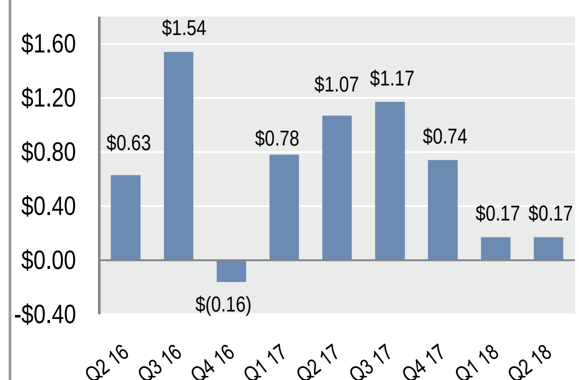


*Includes retrospective adjustment

Dividend



Net Income (Loss)



Market Snapshot

Interest Rates	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18
Treasuries					
2-year	1.384	1.486	1.885	2.268	2.530
5-year	1.889	1.937	2.207	2.563	2.739
10-year	2.305	2.334	2.406	2.740	2.861
Swaps					
3 month LIBOR	1.299	1.334	1.694	2.312	2.336
2-year	1.618	1.741	2.078	2.582	2.792
5-year	1.958	2.004	2.244	2.708	2.890
10-year	2.281	2.291	2.398	2.790	2.934

Agency RMBS	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18
Fannie Mae Pass-Throughs					
15 year 2.50%	100-15+	100-21+	99-29+	97-27+	97-04+
15 year 3.00%	102-19+	102-23+	101-28+	99-25+	99-12+
30 year 3.00%	99-26+	100-08+	100-01+	97-17+	96-25+
30 year 3.50%	102-21+	103-01+	102-23+	100-06+	99-14+
Mortgage Rates					
15-year	3.17%	3.13%	3.44%	3.90%	4.04%
30-year	3.88%	3.83%	3.99%	4.44%	4.55%

Credit Spreads	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18
CDX IG	61	56	49	66	68
CAS 2016 Vintage M2	230	235	160	92	94
CMBX.NA 8 BBB- Mid Spread	568	628	591	604	542

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

Book Value Roll-Forward

	Amount (000's)	Per Share[1]
3/31/18 Book Value	$ 544,612	$ 19.32
Common dividend	(14,100)	(0.50)
Core earnings	15,404	0.55
Transaction related expenses	(1,208)	(0.04)
Equity based compensation	194	0.01
Net proceeds from Issuance of Common Stock	(162)	(0.02)
Capital Appreciation/(Reduction)	128	0.00
Net realized gain/(loss)	(11,060)	(0.39)
Net realized and unrealized gain/(loss) on investments in debt and equity of affiliates	(1,882)	(0.07)
Net unrealized gain/(loss)	3,546	0.12
Net realized and unrealized gain/loss	(9,396)	(0.34)
6/30/18 Book Value	$ 535,344	$ 18.98
Change in Book Value	(9,268)	(0.34)

Reconciliation of GAAP Net Income to Core Earnings[2]

Three Months Ended June 30, 2018	Amount (000's)	Per Share[1]
Net Income/(loss) available to common stockholders	$ 4,801	$ 0.17
Add (Deduct):		
Net realized (gain)/loss	11,060	0.39
Dollar roll income	657	0.02
Equity in (earnings)/loss from affiliates	(323)	(0.01)
Net interest income and expenses from equity method investments	2,205	0.09
Transaction related expenses	1,207	0.04
Unrealized (gain)/loss on real estate securities and loans, net	578	0.02
Unrealized (gain)/loss on derivative and other instruments, net	(4,781)	(0.17)
Core Earnings	$ 15,404	$ 0.55

Undistributed Taxable Income Roll-Forward

	Amount (000's)	Per Share[1]
3/31/18 Undistributed Taxable Income	$ 43,303	$ 1.54
Q2 Core Earnings	15,404	0.55
Q2 Recurring Core-Tax Differences	(277)	(0.02)
Q2 2018 Ordinary Taxable Income, Net of Preferred Distribution	15,127	0.53
Q2 2018 Common Distribution	(14,100)	(0.50)
6/30/18 Undistributed Taxable Income	$ 44,330	$ 1.57

Note: This estimate of undistributed taxable income per share represents the total estimated undistributed taxable income as of quarter-end. Undistributed taxable income is based on current estimates and projections. The actual amount is not finalized until we file our annual tax return, typically in October of the following year. Figures may not foot due to rounding.

Condensed Consolidated Balance Sheet

June 30, 2018 (Unaudited)			
Amount (000's)			
Assets		**Liabilities**	
Real estate securities, at fair value	$ 3,114,827	Repurchase agreements	$ 2,634,182
Residential mortgage loans, at fair value	93,129	Securitized debt, at fair value	13,984
Commercial loans, at fair value	43,217	Payable on unsettle trades	134,597
Investments in debt and equity of affiliates	129,378	Interest payable	7,193
Excess mortgage servicing rights, at fair value	29,282	Derivative liabilities, at fair value	626
Cash and cash equivalents	31,145	Dividend payable	14,100
Restricted cash	50,981	Due to affiliates	4,036
Interest receivable	12,156	Accrued expenses and other liabilities	7,209
Derivative assets, at fair value	4,223	Total Liabilities	2,815,927
Other assets	2,583	**Commitments and Contingencies**	
Due from broker	1,564	**Stockholders' Equity**	
Total Assets	$ 3,512,485	Preferred stock	161,214
		Common stock	282
		Additional paid-in capital	585,642
		Retained earnings (deficit)	(50,580)
		Total Stockholders' Equity	696,558
		Total Liabilities & Stockholders' Equity	$ 3,512,485

Condensed Consolidated Statement of Operations

	Three Months Ended June 30, 2018 (Unaudited)		
Amount (000's)			
Net Interest Income		**Earnings/(Loss) Per Share of Common Stock**	
Interest income	$ 36,012	Basic	$ 0.17
Interest expense	16,271	Diluted	$ 0.17
	19,741		
Other Income		**WA Shares of Common Stock Outstanding**	
Net realized gain/(loss)	(11,060)	Basic	28,201
Realized loss on interest settlements of derivative instruments, net	1,262	Diluted	28,228
Unrealized gain/(loss) on real estate securities and loans, net	(578)		
Unrealized gain/(loss) on derivative and other instruments, net	4,781		
Other Income	20		
	(5,575)		
Expenses			
Management fee to affiliate	2,387		
Other operating expenses	3,443		
Servicing fees	22		
Equity based compensation to affiliate	94		
Excise tax	375		
	6,321		
Income/(loss) before equity in earnings/(loss) from affiliates	7,845		
Equity in earnings/(loss) from affiliates	323		
Net Income/(Loss)	8,168		
Dividends on preferred stock	3,367		
Net Income/(Loss) Available to Common Stockholders	$ 4,801		

Footnotes

1. Diluted per share figures are calculated using weighted average outstanding shares in accordance with GAAP. Per share figures are calculated using a denominator of all outstanding common shares including all shares granted to our Manager and our independent directors under our equity incentive plans as of quarter-end. Book value uses stockholders' equity less net proceeds of the Company's 8.25% Series A and 8.00% Series B Cumulative Redeemable Preferred Stock as the numerator.

2. Core Earnings are defined as Net Income/(loss) available to common stockholders excluding (i) unrealized and realized gains/(losses) on the sale or termination of securities and the related tax expense/benefit or disposition expense, if any, on such sale, including investments held in affiliated entities and derivatives and, beginning with Q2 2018, (ii) any transaction related expenses. Management considers transaction related expenses to be similar to realized losses incurred at acquisition and do not view them as being part of its core operations. As defined, Core Earnings include the net interest and other income earned on these 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. Earnings from AG Arc LLC were $(0.1) million in the second quarter of 2018. See page 20 for a reconciliation of GAAP net income to Core Earnings. See footnote 13 for further details on AG Arc LLC.

3. The economic return on equity for the quarter represents the change in book value per share from March 31, 2018 to June 30, 2018, plus the common dividends declared over that period, divided by book value per share as of March 31, 2018. The annualized economic return on equity is the quarterly return on equity multiplied by four.

4. The investment portfolio at period end is calculated by summing the fair market value of our Agency RMBS, any long positions in TBAs, Residential Investments, Commercial Investments, and ABS Investments, including securities and mortgage loans owned through investments in affiliates, exclusive of AG Arc LLC. Our Credit Investments refer to our Residential Investments, Commercial Investments, and ABS Investments. Refer to footnote 5 for more information on the GAAP accounting for certain items included in our investment portfolio. The percentage of fair market value includes any net TBA positions and securities and mortgage loans owned through investments in affiliates and is exclusive of AG Arc LLC. See footnote 13 for further details on AG Arc LLC.

5. Generally, when we purchase a security and employ leverage, the security is included in our assets and the leverage is reflected in our liabilities on our consolidated balance sheet as either "Repurchase agreements" 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) unconsolidated ownership interests in affiliates that are accounted for under GAAP using the equity method and (ii) long positions in TBAs, which are accounted for as derivatives under GAAP. This presentation excludes investments through AG Arc LLC unless otherwise noted. This presentation of our investment portfolio is consistent with how our management evaluates the business, and we believe this presentation, when considered with the GAAP presentation, provides supplemental information useful for investors in evaluating our investment portfolio and financial condition. See footnote 13 for further details on AG Arc LLC.

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. Net interest margin also excludes any net TBA position. See footnotes 8 and 9 for further detail.

7. "At Risk" Leverage is calculated by dividing total financing including any net TBA position by our GAAP stockholders' equity at quarter-end. Our net TBA position (at cost) was $166.2 million, $143.7 million, $102.5 million, $121.6 million, and $310.5 million for the periods ending June 30, 2018, March 31, 2018, December 31, 2017, September 30, 2017, and June 30, 2017, respectively. Total financing at quarter-end, and when shown, daily weighted average total financing, includes repurchase agreements inclusive of repurchase agreements through affiliated entities, exclusive of any financing utilized through AG Arc LLC, plus the payable on all unsettled buys less the financing on all unsettled sells, securitized debt, and any net TBA position (at cost). Total financing excludes any repurchase agreements and unsettled trades on U.S. Treasuries.

8. 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 is calculated by annualizing interest income for the quarter and dividing by our daily weighted average investment portfolio. This calculation excludes cash held by the Company and excludes any net TBA position. The calculation of weighted average yield is weighted based on fair value.

Footnotes *(cont'd)*

9. The cost of funds during the quarter is calculated by annualizing the sum of our interest expense and net interest settlements on all derivative instruments and dividing that sum by our daily weighted average total financing for the period. Interest earning/paying derivative instruments may include interest rate swaps and U.S. Treasuries. The cost of funds at quarter-end is calculated as the sum of (i) the weighted average funding costs on total financing outstanding at quarter-end and (ii) the weighted average of the net pay rate on our interest rate swaps, the net receive rate on our Treasury long positions, the net pay rate on our Treasury short positions and the net receivable rate on our IO index derivatives, if any. Both elements of the cost of funds at quarter-end are weighted by the outstanding repurchase agreements and securitized debt outstanding at quarter-end, excluding repurchase agreements associated with U.S. Treasury positions. The cost of funds excludes any net TBA position.

10. The Company allocates its equity by investment using the fair market value of its investment portfolio, less any associated leverage, inclusive of any long TBA position (at cost). The Company allocates all non-investment portfolio related items based on their respective characteristics in order to sum to the Company's stockholders' equity per the consolidated balance sheets. The Company's equity allocation method is a non-GAAP methodology and may not be comparable to similarly titled measures or concepts of other companies, who may use different calculations.

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

12. Equity residuals, excess MSRs and principal only securities with a zero coupon rate are excluded from this calculation. The calculation of weighted average coupon is weighted based on face value.

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

14. The Company estimates duration based on third-party models. Different models and methodologies can produce different effective duration estimates for the same securities. We allocate the net duration by asset type based on the interest rate sensitivity. Duration includes any net TBA position. Duration does not include our equity interest in AG Arc LLC. Duration related to repurchase agreements is netted within its respective agency and credit line items.

15. The management fee percentage during the quarter is 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 is 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 is 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 is calculated by annualizing other operating expenses recorded during the quarter and dividing by quarter-end stockholders' equity.

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