

AG Mortgage Investment Trust, Inc.

Q2 2012 Earnings Presentation (August 7, 2012)



NYSE: MITT



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. 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 securities, 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 most recent filings with the Securities and Exchange Commission ("SEC"). Copies are available 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.



August 7, 2012

David Roberts

Chief Executive Officer

Jonathan Lieberman

Chief Investment Officer

Frank Stadelmaier

Chief Financial Officer

Lisa Yahr

Head of Investor Relations



AG Mortgage Investment Trust, Inc. is an actively managed REIT that opportunistically invests in a diversified risk-adjusted portfolio of Agency RMBS, Non-Agency RMBS, CMBS and ABS

- **\$2.85 per share of net income**
 - Net realized gains of \$7.6 million, or \$0.48 per share
- **\$0.86 per share of Core Earnings¹**
 - Increased from \$0.71 per share in Q1 2012
- **\$21.78 net book value per share² as of June 30, 2012**
 - Increased \$2.15 per share from \$19.63 per share as of March 31, 2012
 - Including impact of \$0.70 per share dividend declared for the quarter ended June 30, 2012 and paid on July 27, 2012
- **Approximately \$1.17 per share² of undistributed taxable income as of June 30, 2012**
- **20.0% return to investors who participated in the Initial Public Offering⁸**
- **27.6% annualized return on stock**
- **14.5% return on equity during the quarter⁹**



- **\$2.7 billion investment portfolio as of June 30, 2012^{3, 7}**
 - 83.6% Agency RMBS
 - 16.4% credit securities (Non-Agency RMBS, ABS, CMBS)
- **5.5% constant prepayment rate (“CPR”)⁴ on the Agency RMBS portfolio for the second quarter**
 - 5.1% CPR for the month of June, 2012
 - 5.0% CPR year-to-date
- **6.79x leverage as of June 30, 2012^{5, 7}**
- **2.55% net interest margin as of June 30, 2012⁶**

Investment selection and portfolio management premised upon risk-adjusted returns, liquidity, mark-to-market volatility and an economic outlook, including interest rate forecasts

- Macro-economic outlook
 - Low and slowing U.S. growth
 - Heavy U.S. household debt burden and growing government deficit
 - Core European countries experiencing a double dip recession and European periphery experiencing a depression
 - Emerging economies experiencing slowing growth, depreciating currencies and reducing interest rates
- U.S. unemployment
 - Will remain elevated for the foreseeable future
- U.S. housing and commercial real estate
 - Valuation moving closer to a bottom
 - REO rental programs supportive for home values
 - Recovery of Class A properties continues, Class B&C properties and secondary markets experiencing slower recovery
- U.S. interest rates
 - Short-term rates will remain low through 2014
 - Greater probability of QE3

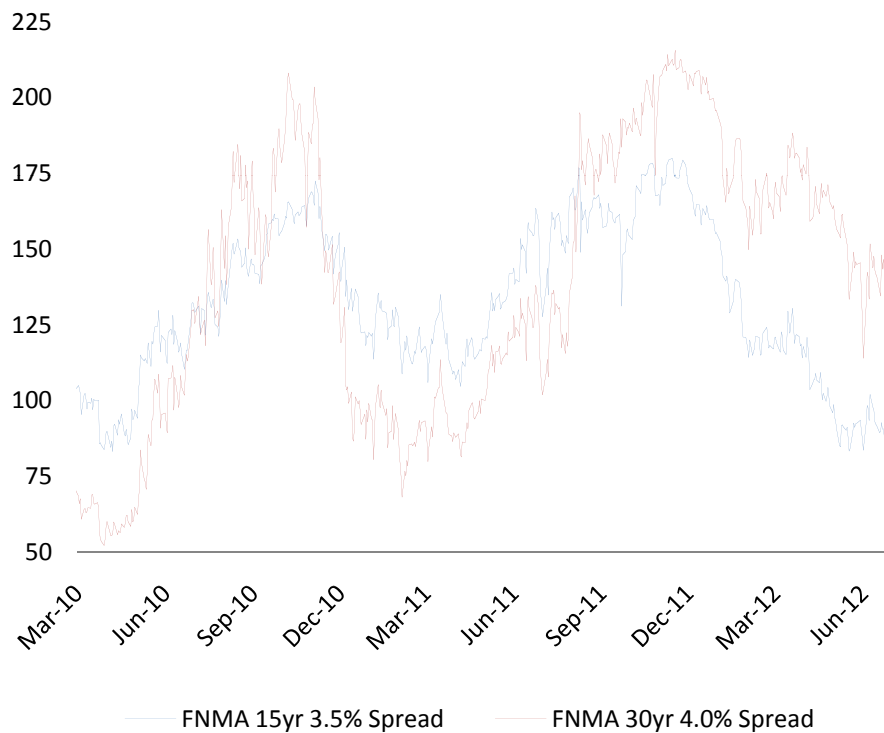
Interest rates and mortgage products rallied significantly in the second quarter

Interest Rates	9/30/2011	12/31/2011	3/31/2012	6/30/2012
Treasuries				
2-year	0.245	0.241	0.331	0.303
5-year	0.953	0.833	1.039	0.719
10-year	1.916	1.877	2.211	1.646
Swaps				
2-year	0.578	0.726	0.582	0.549
5-year	1.256	1.225	1.272	0.965
10-year	2.108	2.027	2.287	1.779
Mortgage Rates				
15-year	3.28%	3.24%	3.21%	2.94%
30-year	4.01%	3.95%	3.98%	3.66%
5/1 Adjustable-Rate Mortgage	3.02%	2.88%	2.86%	2.79%
1-year Adjustable-Rate Mortgage	2.83%	2.78%	2.78%	2.74%

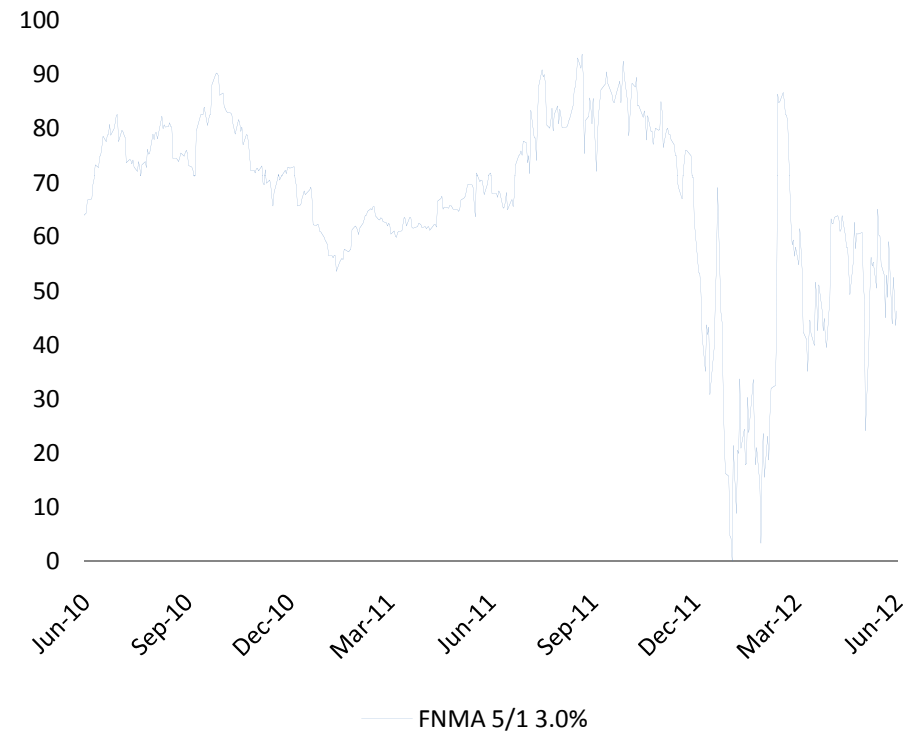
Agency RMBS	9/30/2011	12/31/2011	3/31/2012	6/30/2012
Fannie 15-year pass-thrus				
2.50%	NA	NA	NA	\$103-03+
3.00%	\$103-01+	\$103-09+	\$103-19+	\$104-26+
3.50%	\$104-13+	\$104-18+	\$104-29+	\$105-22+
4.00%	\$105-14+	105-16+	105-31+	106-11+
Fannie 30-year pass-thrus				
3.00%	NA	NA	\$99-23+	\$102-20+
3.50%	\$102-25+	\$102-27+	\$102-23+	\$105-05+
4.00%	\$104-28+	\$105-02+	\$104-28+	\$106-16+
4.50%	\$106-04+	\$106-14+	\$106-12+	\$107-10+
Adjustable-Rate Mortgages (\$ / Coupon)				
5/1	\$102-27	\$103-19	\$103-22	\$103-30+
	2.50%	2.50%	2.50%	2.50%
7/1	\$103-15+	\$104-03+	\$104-17	\$104-30
	3.00%	3.00%	3.00%	3.00%
10/1	\$103-24+	\$104-02+	\$104-27+	\$105-14
	3.50%	3.50%	3.50%	3.50%

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

Historical Agency 30/15 Year Spreads



Historical Agency Hybrid Z-Spreads



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

Credit Products rallied during the second quarter of 2012

	9/30/2011	12/31/2011	3/31/2012	6/30/2012
ABS				
BBB Credit Cards	135	135	95	80
Prime Auto	33	30	25	19
CMBS				
Super Senior	365	255	215	185
Mezzanine (AM)	700	525	485	450
Junior Mezzanine (AJ)	1700	1725	1575	1400
Non-Agency				
Prime Fixed	\$91	\$89	\$91	\$93
Prime Hybrids	\$77	\$72	\$77	\$79
Alt-A Fixed	\$79	\$73	\$78	\$78
Alt-A Floaters	\$55	\$48	\$52	\$53
Subprime LCF (ABX 07-1 AAA Index)	\$35.13	\$33.90	\$39.00	\$40.25

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

Q2 2012 Investment Portfolio Composition⁷ AG Mortgage Investment Trust, Inc.

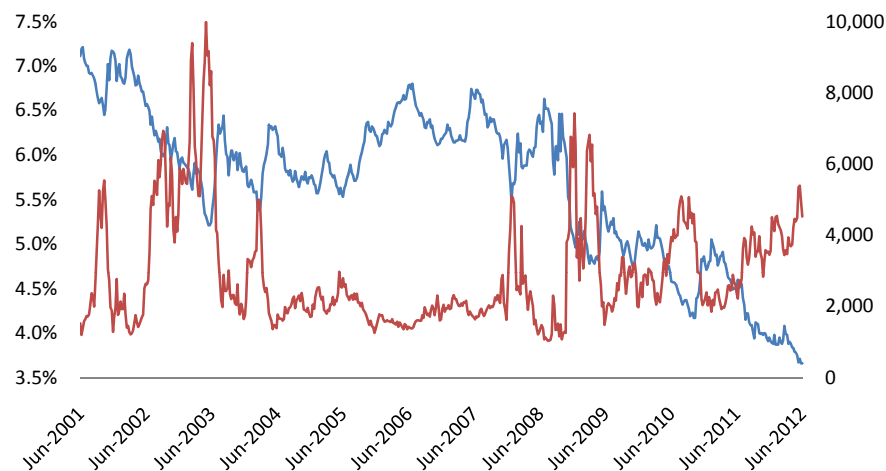


	Current Face	Premium (Discount)	Amortized Cost	Fair Value	Weighted Average Coupon	Weighted Average Yield
Agency RMBS						
15-year fixed rate	\$718,433,236	\$22,534,927	\$740,968,163	\$761,444,679	3.21%	2.43%
20-year fixed rate	267,032,664	9,993,509	277,026,173	283,090,665	3.60%	2.74%
30-year fixed rate	1,010,458,768	47,782,201	1,058,240,969	1,074,609,528	3.73%	3.00%
ARM	39,356,792	1,672,664	41,029,456	41,054,499	2.96%	2.13%
Interest only	481,251,064	(391,876,102)	89,374,962	89,693,016	6.11%	8.57%
Total Agency RMBS	\$2,516,532,524	\$(309,892,801)	\$2,206,639,723	\$2,249,892,387	4.01%	2.98%
Other Assets						
Non-Agency RMBS	\$419,933,685	(\$49,421,551)	\$370,512,134	\$371,702,981	4.73%	6.32%
ABS	13,500,000	(740)	13,499,260	13,509,441	6.59%	6.59%
CMBS	57,625,261	(2,915,219)	54,710,042	55,335,719	4.18%	6.86%
Total Credit Portfolio	\$491,058,946	(\$52,337,510)	\$438,721,436	\$440,548,141	4.72%	6.40%
Total Portfolio	\$3,007,591,470	\$(362,230,311)	\$2,645,361,159	\$2,690,440,528	4.13%	3.54%

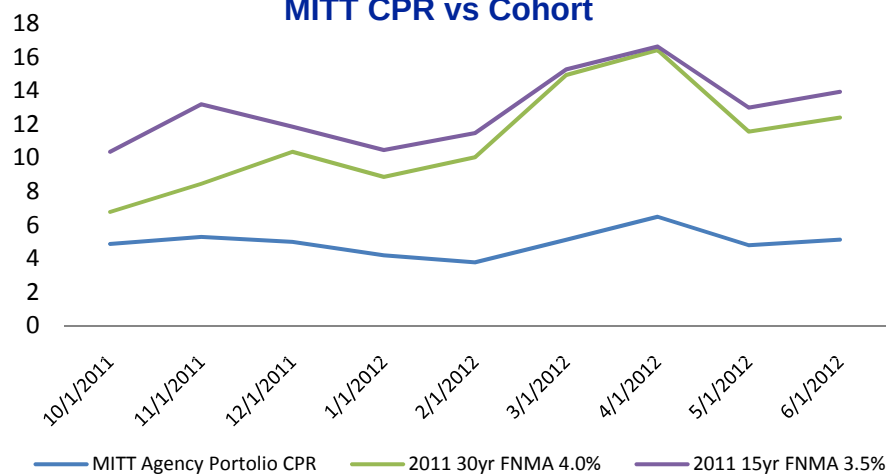
Prepayment risk remains elevated heading into the second half of 2012

- Mortgage rates continue their downward trajectory, recently touching a new low of 3.49% (as of July 26, 2012)
- Interest rates expected to remain “exceptionally low” through at least 2014, resulting in elevated CPRs for the Agency RMBS universe. CPRs, however, will vary widely within the sector based on underlying loan characteristics
- Depressed home values preventing many borrowers from refinancing but the recent expansion of HARP eligibility has assisted some and has translated into higher HARP 2.0 prepayments over the quarter
- Signs of capacity constraints in the mortgage origination and servicing channel, as witnessed by the widening of the primary/secondary spread.
- Weak macro environment has potential to lead to further expansion and/or extension of QE by the Fed. In the event of QE3 call protection stories expected to continue to perform well
- Certain collateral characteristics have continued to prepay significantly slower than the cohort, including loans with maximum balances under \$150,000 as well as new origination loans
- In addition to loan balance, less seasoned loans prepay at much lower CPRs

30-Year Mortgage Rate vs. Refinancing Index

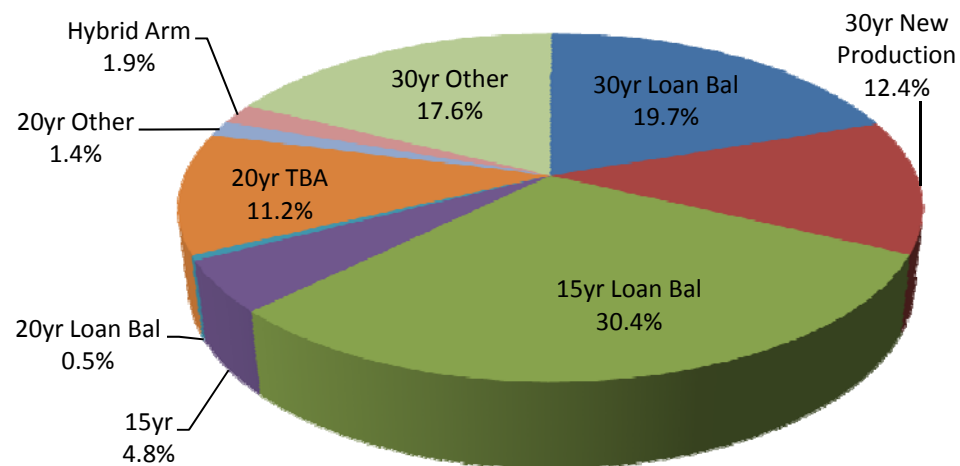


MITT CPR vs Cohort



MITT's Agency RMBS investment portfolio is constructed to limit prepayment risk while maintaining duration targets

- The MITT portfolio is comprised of prepayment protected pools and new production securities
 - 70% of specified pools backed by prepayment protected collateral - lower maximum loan balances, higher LTV and concentrations in slower prepaying geographic regions
 - Balance of the collateral is primarily new origination with a weighted average loan age of five months
 - Sold select 15-year securities where pay-ups for specified pools with favorable loan characteristics had appreciated meaningfully
 - Increased allocation to 30-year securities due to interest rate and relative value considerations
 - Focus on lower coupons to further minimize risk of prepayments
- Interest-Only Securities
 - Inverse interest-only (IIO) securities offer attractive current yield and valuations given the interest rate environment
 - Investment consistent with approach to specified pools with a focus on prepayment protected IIO
- CPRs on the portfolio were muted for the 2nd Quarter
 - 5.5% CPR for Q2 2012
 - 5.1 % CPR for June 2012



Percentages represent % of total agency specified pools as of 6/30/2012
30yr Other includes GEO, LTV and HARP pools

Description	Current Face (mm)	Fair Value (mm)	Coupon	Yields	Cost of Funds	NIM
Agency RMBS						
15-year fixed rate	\$718.4	\$761.4	3.2%	2.4%	0.9%	1.5%
20-year fixed rate	267.0	283.1	3.6%	2.7%	0.9%	1.8%
30-year fixed rate	1,010.5	1,074.6	3.7%	3.0%	0.9%	2.1%
Hybrid ARM	39.4	41.1	3.0%	2.1%	0.8%	1.3%
Interest-Only Securities	481.2	89.7	6.1%	8.6%	1.0%	7.6%
Total Agency RMBS	\$2,516.5	\$2,249.9	4.0%	3.0%	0.9%	2.1%

Increased investments in credit securities during the quarter to 16.4%

Non-Agency RMBS

- Increased holdings of non-agency RMBS by over 65%
- Focus on senior prime securities with high current yield as well as stable yield profiles across various housing stress scenarios
- Continued to increase allocation to senior short duration securities

Asset-backed securities (ABS)

- Attractive yields given relatively short duration and strong fundamentals
- Monetized gains on select ABS securities and deployed the proceeds in higher yielding credit assets
- Liquid asset class providing for stable market value

Commercial mortgage-backed securities (CMBS)

- Opportunities exist in both new issue and legacy CMBS securities
- Lever the expertise of dedicated Angelo, Gordon CMBS and Real Estate teams

Sector	Current Face (mm)	Fair Value (mm)	Yields	Cost of Funds	NIM
Non-Agency RMBS:					
Senior Prime Fixed	\$174.8	\$157.9	6.1%	1.8%	4.3%
Senior Prime Hybrid	49.9	41.4	5.6%	2.0%	3.6%
Senior Short Duration	81.4	82.0	5.4%	1.1%	4.3%
Other	113.8	90.4	8.0%	1.9%	6.1%
Total Non-Agency RMBS	\$419.9	\$371.7	6.3%	1.7%	4.6%
Other Credit Assets:					
ABS	\$13.5	\$13.5	6.6%	1.5%	5.1%
CMBS	\$57.6	\$55.3	6.9%	1.7%	5.2%
Totals Credit Assets	\$491.0	\$440.5	6.4%	1.7%	4.7%

Portfolio leverage of 6.79x as of June 30, 2012

- During the quarter, leverage decreased from 7.12x as of March 31, 2012 due to an increase in the allocation to credit securities
- Leverage is currently within our targeted range while leaving excess capacity to take advantage of opportunities in both the agency and credit markets

Asset Class	Leverage ⁽¹⁰⁾
Agency RMBS	7.4x ⁽¹¹⁾
Non-Agency RMBS	5.0x
CMBS	3.5x
ABS	3.0x

We maintained liquidity in excess of \$156 million as of June 30, 2012⁽¹²⁾

- Liquidity is more than sufficient to offset risks including higher haircuts, higher prepayments and decrease in market values
- If haircuts on Agency MBS increased from approximately 5% to 8%, liquidity of \$63.0 million would be needed to meet margin calls (i.e., 1% change is equal to \$21.0 million)
- If our Agency portfolio paid at a CPR equal to 5 times the June 2012 portfolio prepayment speed (5.1 CPR), liquidity of \$49.1 million would be required to meet any interim margin calls between factor date and payment date
- If the market value of the portfolio decreased by 1% across all assets, liquidity of \$25.5 million would be required to meet margin calls

Repurchase Agreements (“repo”) with 26 financial institutions

- Targeted counterparty exposure risk less than 10%
- Maximum exposure to any one counterparty was 9% at quarter end with the average being less than 5%
- Haircuts remained relatively unchanged during the quarter
- 0.63% weighted average repo cost of funds
 - The increase in repo cost of funds from Q1 2012 is primarily attributable to the increased allocation to Non-Agency RMBS and CMBS securities
 - Repo rates for agency securities increased slightly during the quarter

MITT Repos				
(\$ in thousands – as of June 30, 2012)				
Original Repo Maturities	Repo Outstanding	WA Interest Rate	WA Days to Maturity	% Repo Outstanding
30 Days or less	\$1,981,863	0.63%	16.1	84.1%
31-60 Days	192,398	0.46%	48.4	8.2%
61-90 Days	11,846	0.92%	69.8	0.5%
Greater than 90 Days	169,132	0.80%	270.4	7.2%
Total and WA	\$2,355,239	0.63%	37.3	100.0%

Hedging policy will not eliminate interest rate risk and market value risk. Rather, we seek to protect net interest margin and book value within a specified band of risk based upon our rates outlook. Hedges will be adjusted to respond to different interest rate expectations.

Interest rate swaps

- Standard interest rate swaps
- 50% of total repo notional hedged¹³
- Hedge ratio target range of 40% to 60% subject to current interest rate environment
- Interest rate swaps hedge debt and affect our NIM

Mortgage derivative hedges

- Efficient hedge due to positive carry with negative duration
- Seasoning and low loan balance provide call protection in a low rate environment
- MBS derivatives primarily function as a market value hedge as compared to swaps

Interest Rate Swaps (as of June 30, 2012)				
Maturity	Notional Amount	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Years to Maturity
2013	\$42,000,000	0.56%	0.24%	1.07
2014	204,500,000	1.00%	0.45%	2.04
2015	334,025,000	1.13%	0.49%	2.88
2016	307,500,000	1.16%	0.43%	3.77
2017	60,000,000	1.18%	0.53%	4.61
2018	120,000,000	1.61%	0.48%	5.89
2019	115,000,000	1.75%	0.47%	6.78
2022	20,000,000	0.47%	1.75%	9.97
Total / Wtd Avg	\$1,203,025,000	1.19%	0.48%	3.78

Duration gap of the portfolio was approximately 1.3 years as of June 30, 2012

- Duration gap is a measure of the difference in the interest rate sensitivity of our assets and our liabilities
- Hedges include impact of both interest rate swaps and MBS derivatives

Duration	Years
Assets	3.0
Hedges	-1.6
Repurchase Agreements	-0.1
Duration Gap	1.3

Interest Sensitivity Table

Change in Interest Rates (bps)	-100	-75	-50	-25	Base	25	50	75	100
Change in Market Value (\$ in Millions)	(\$7.7)	\$3.9	\$11.0	\$8.1	\$0.0	(\$11.7)	(\$26.4)	(\$43.6)	(\$62.8)
Change in Market Value as a % of Assets	-0.3%	0.1%	0.4%	0.3%	0.00%	-0.4%	-1.0%	-1.6%	-2.3%
Change in Market Value as a % of Equity	-2.2%	1.1%	3.2%	2.4%	0.00%	-3.4%	-7.7%	-12.7%	-18.2%
% Change in Projected Net Interest Income	6.0%	6.0%	5.8%	3.9%	0.00%	-3.9%	-7.8%	-11.8%	-15.7%

- The interest rate sensitivity table above shows the estimated impact of an immediate parallel shift in the yield curve up and down 25, 50, 75 and 100 basis points on the market value of the portfolio as of June 30, 2012



- \$44.9 million of net income, or \$2.85 per share, fully diluted
 - GAAP net income includes mark-to-market adjustments on our investment portfolio and our hedges
 - Net realized gains of \$7.6 million, or \$0.48 per share
- \$13.5 million of Core Earnings¹, or \$0.86 per share, fully diluted
 - Core Earnings equals GAAP net income excluding realized and unrealized gains on investments and derivatives
- \$0.70 per share dividend declared for the second quarter
- Approximately \$1.17 per share² of undistributed taxable income as of June 30, 2012
- 2.55% net interest margin⁶ as of June 30, 2012
- 20.0% return to investors who participated in the Initial Public Offering
- 14.5% return on equity during the quarter



Operating Metrics ⁷	Weighted Average at June 30, 2012	Weighted Average for the Quarter Ended June 30, 2012
Investment portfolio ³	\$2,690,440,528	\$2,561,561,211
Repurchase agreements	\$2,355,239,040	\$2,272,295,879
Stockholders' equity	\$344,202,616	\$329,475,936
Leverage ratio ⁵	6.79x	6.90x
Swap ratio ¹³	50%	52%
Yield on investment portfolio ¹⁴	3.54%	3.31%
Cost of funds ¹⁵	0.99%	0.95%
Net interest margin ⁶	2.55%	2.36%
Management fees ¹⁶	1.39%	1.45%
Other operating expenses ¹⁷	0.88%	0.92%

- 1 Core Earnings is defined as net income excluding both realized and unrealized gains (losses) on the sale or termination of securities, including those underlying linked transactions and derivatives.
- 2 Per share figures are calculated using outstanding shares including all shares granted to our Manager and our independent directors under our equity incentive plans as of quarter end.
- 3 The total investment portfolio is calculated by summing the fair market value of our Agency RMBS, Non-Agency RMBS, CMBS and ABS assets, including linked transactions. The percentage of Agency RMBS and credit investments are calculated by dividing the respective fair market value of each, including linked transactions, by the total investment portfolio.
- 4 Represents the weighted average monthly CPRs published during the period for our in-place portfolio during the same period.
- 5 The leverage ratio during the quarter was calculated by dividing our daily weighted average repurchase agreements, including those included in linked transactions, for the period by the weighted average stockholders' equity for the period. The leverage ratio at quarter end is calculated by dividing total repurchase agreements, including those included in linked transactions, plus the net payable/receivable on unsettled trades on our GAAP balance sheet by our GAAP stockholders' equity.
- 6 Net interest margin is calculated by subtracting the weighted average cost of funds from the weighted average yield for the Company's investment portfolio, which excludes cash held by the Company.
- 7 Generally when we purchase a security and finance it with a repurchase agreement, the security is included in our assets and the repurchase agreement is separately reflected in our liabilities on our balance sheet. For securities with certain characteristics (including those which are not readily obtainable in the market place) that are purchased and then simultaneously sold back to the seller under a repurchase agreement, US GAAP requires these transactions be netted together and recorded as a forward purchase commitment. Throughout this presentation where we disclose our investment portfolio and the repurchase agreements that finance them, including our leverage metrics, we have un-linked the transaction and used the gross presentation as used for all other securities. This presentation is consistent with how the Company's management evaluates the business, and believes provides the most accurate depiction of the Company's investment portfolio and financial condition.
- 8 Return to investors is calculated by taking the change in investment value divided by original cost. Original cost is equal to the Initial Public Offering price ("IPO price") or Follow-On price ("FO price") and the change in investment value is equal to the change from our IPO or FO price to the closing price on the last business day of the current quarter plus dividends declared
- 9 Return on equity during the quarter is calculated by dividing net income at quarter end by stockholders' equity at the beginning of the quarter.
- 10 Leverage includes the effects of unsettled trades and linked transactions for the periods presented.



- 11 Unpledged cash included as an asset for Agency RMBS.
- 12 Liquidity is defined as unpledged cash, unpledged Agency RMBS and unpledged credit securities.
- 13 The swap ratio during the quarter was calculated by dividing our daily weighted average swap notionals, excluding forward starting swaps and including receive fixed swap notionals as negative values, for the period by our daily weighted average repurchase agreements, including those included in linked transactions. The swap ratio at quarter end was calculated by dividing the notional value of our interest rate swaps by total repurchase agreements, including those included in linked transactions, plus the net payable/receivable on unsettled trades.
- 14 The yield on our investment portfolio represents an effective interest rate, which utilizes all estimates of future cash flows and adjusts for actual prepayment and cash flow activity as of quarter end. The yield on our investment portfolio during the quarter was calculated by annualizing interest income for the quarter and dividing by our daily weighted average securities held. This calculation excludes cash held by the Company.
- 15 The cost of funds during the quarter was calculated by annualizing the sum of our interest expense and our net pay rate of our interest rate swaps, and dividing by our daily weighted average repurchase agreements for the period. The cost of funds at quarter end was calculated as the sum of the weighted average rate on the repurchase agreements outstanding at period end and the weighted average net pay rate on our interest rate swaps. Both elements of the cost of funds were weighted by the repurchase agreements outstanding at quarter end.
- 16 The management fee percentage during the quarter was calculated by annualizing the management fees incurred during the quarter and dividing by our weighted average stockholders' equity for the quarter. The management fee percentage at quarter end was calculated by annualizing management fees incurred during the quarter and dividing by quarter-ended stockholders' equity.
- 17 The other operating expenses percentage during the quarter was calculated by annualizing the other operating expenses incurred 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-ended stockholders' equity.



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