

AG Mortgage Investment Trust, Inc. Q1 2024 Earnings Presentation

March 31, 2024



Forward Looking Statements & 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, adjusted 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, our ability to generate attractive risk adjusted returns over the long term as a programmatic aggregator and issuer of Non-Agency residential loan securitizations; our ability to drive earnings power and enhance G&A efficiencies to make our company a more scaled and profitable pure-play residential mortgage REIT; failure to realize the anticipated benefits and synergies of the Western Asset Mortgage Capital Corporation (WMC) acquisition, including whether we will achieve the savings and accretion expected within the anticipated timeframe or at all; our ability to continue to opportunistically rotate capital through sales of legacy WMC or other non-core assets; whether market conditions will improve in the timeline anticipated or at all; our ability to continue to grow our residential investment portfolio; our acquisition pipeline; our ability to invest in higher yielding assets through Arc Home, other origination partners or otherwise; our levels of liquidity, including whether our liquidity will sufficiently enable us to continue to deploy capital within the residential whole loan space as anticipated or at all; the impact of market, regulatory and structural changes on the market opportunities we expect to have, and whether we will be able to capitalize on such opportunities in the manner we anticipate; the impact of market volatility on our business and ability to execute our strategy; our trading volume and liquidity; our portfolio mix, including levels of Non-Agency and Agency mortgage loans; our ability to manage warehouse exposure as anticipated or at all; our levels of leverage, including our levels of recourse and non-recourse financing; our ability to repay or refinance corporate leverage; our ability to execute securitizations, including at the pace anticipated or at all; our ability to achieve our forecasted returns on equity on warehoused assets and post-securitization, including whether such returns will support earnings growth; changes in our business and investment strategy; our ability to grow our adjusted book value; our ability to predict and control costs; changes in inflation, interest rates and the fair value of our assets, including negative changes resulting in margin calls relating to the financing of our assets; the impact of credit spread movements on our business; the impact of interest rate changes on our asset yields and net interest margin; changes in the yield curve; the timing and amount of stock issuances pursuant to our ATM program or otherwise; the timing and amount of stock repurchases, if any; our capitalization, including the timing and amount of preferred stock repurchases or exchanges, if any; expense levels, including levels of management fees; changes in prepayment rates on the loans we own or that underlie our investment securities; our distribution policy; Arc Home's performance, including its liquidity position and ability to manage current dynamics of the mortgage origination market; Arc Home's origination volumes; the composition of Arc Home's portfolio, including levels of MSR exposure; levels of leverage on Arc Home's MSR portfolio; our percentage allocation of loans originated by Arc Home; 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 or market 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 and Agency RMBS; our levels of Earnings Available for Distribution ("EAD"); market conditions impacting commercial real estate; legislative and regulatory actions by the U.S. Department of the Treasury, the Federal Reserve and other agencies and instrumentalities; regional bank failures; 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, 2023, as such factors may be updated from time to time in our 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, 2024, 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 EAD, investment portfolio, financing arrangements, and economic leverage ratio, which are calculated by including or excluding unconsolidated investments in affiliates, as described in the footnotes to this presentation. Our management team believes that this non-GAAP financial information, when considered with our GAAP financial statements, provides supplemental information useful for investors to help evaluate our financial performance. However, our management team also believes that our definition of EAD has important limitations as it does not include certain earnings or losses our management team considers in evaluating our financial performance. 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 2024 MITT Earnings Call Presenters

T.J. Durkin

Chief Executive Officer &
President

Nicholas Smith

Chief Investment Officer

Anthony Rossiello

Chief Financial Officer

MITT: A Pure Play Residential Mortgage REIT

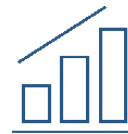
Committed to generating attractive risk adjusted returns over the long-term as a programmatic aggregator and issuer of Non-Agency residential loan securitizations



**Liquidity to Support
Continued
Portfolio Growth**



**Access to Investment
Opportunities**



**High Quality Portfolio
through a Credit-first
Mindset**



**Disciplined Approach
to Securitization
and Leverage**

Q1 2024 Financial Position

\$10.84

Book Value per Share¹

\$10.58

Adjusted Book Value per Share¹

\$539.6

Total Equity (in millions)

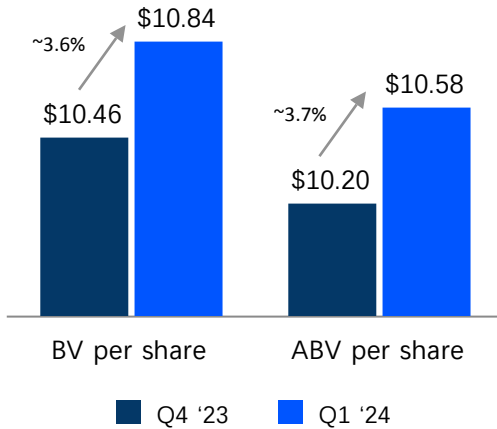
\$140.3

Liquidity² (in millions)

1.4x

Economic Leverage Ratio³

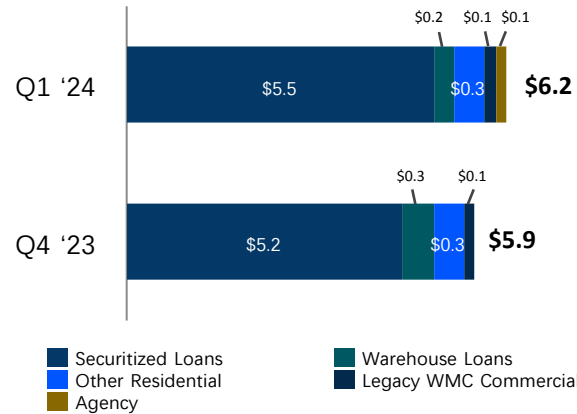
Book Value per Share¹



Q1 '24 Economic ROE⁴

5.5%

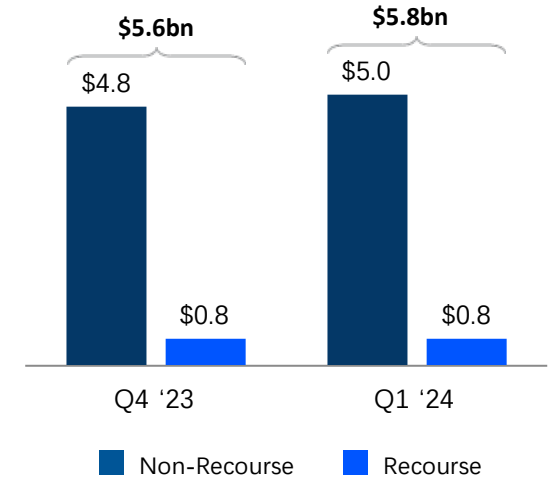
Investment Portfolio⁵ (\$bn)



Q1 '24 Growth

4.8%

Financing Profile⁵ (\$bn)



Economic Leverage Ratio³

1.4x

Q1 2024 Performance

Strong performance driven by asset appreciation and increase in EAD from scale

- GAAP earnings primarily driven by net mark-to-market gains on our investment portfolio and related hedges
- Full quarter of earnings contributed from acquired WMC assets with increase in net interest income and realized expense synergies

\$18.2mm

Q1 Net Interest Income

\$0.55

Q1 Earnings per Share⁶

\$0.21

Q1 EAD per Share^{6,7}

\$0.18

Dividend per Share Declared in Q1

\$285.3mm

Q1 Loan Purchases (FMV)

\$283.9mm

Current Pipeline (UPB)

\$377.5mm

Q1 Loans Securitized (UPB)

\$337.8mm

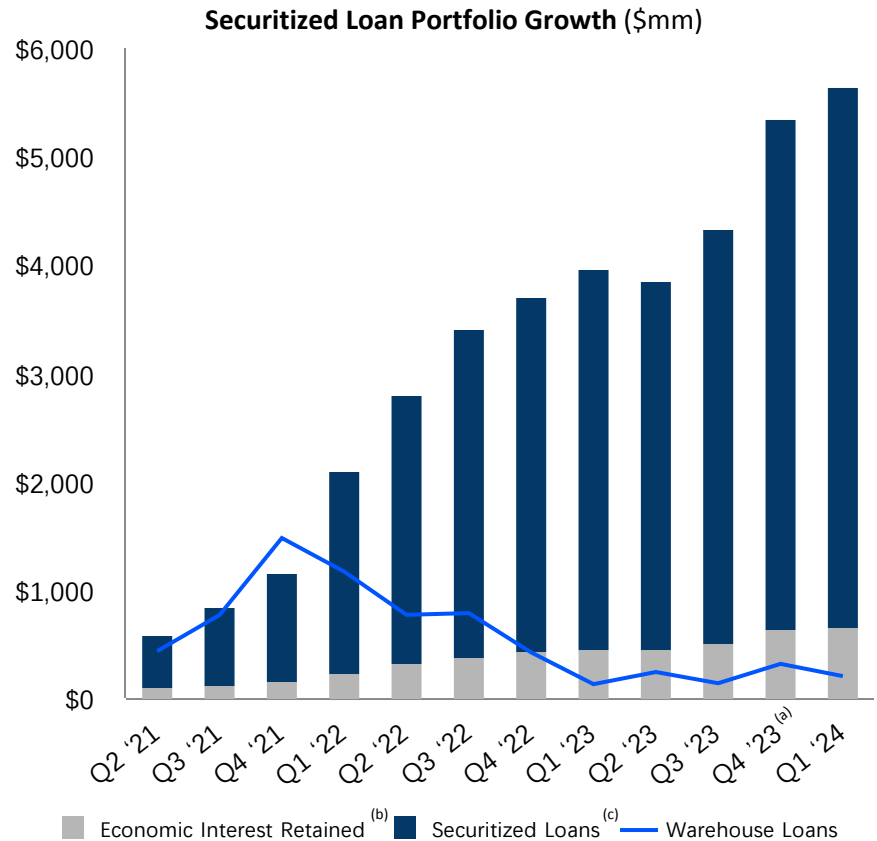
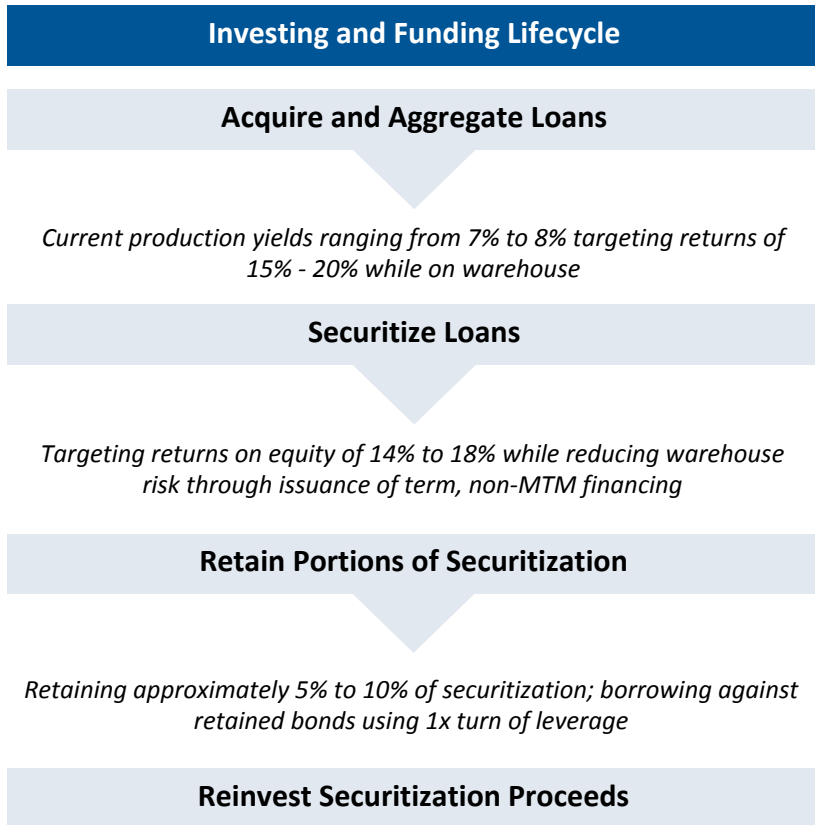
Q1 Arc Home Originations⁸

Continued to grow our investment portfolio and execute our securitization strategy

- Executed a securitization of Agency-Eligible loans
- Utilized excess cash to acquire \$127.7 million of Agency RMBS
- Issued \$34.5 million UPB of 9.500% senior unsecured notes due 2029 and repurchased \$7.1 million UPB of Legacy WMC Convertible Notes
- Opportunistically sold \$16.8 million of Non-Agency RMBS acquired from WMC, returning capital of \$9.4 million

Securitization Activity

Programmatic issuer of Non-Agency securitizations generating attractive equity returns on our investment portfolio



(a) Increase in economic interest retained and securitized loans in Q4 2023 is attributable to assets acquired in the WMC acquisition of \$134.5 million and \$971.8 million, respectively.

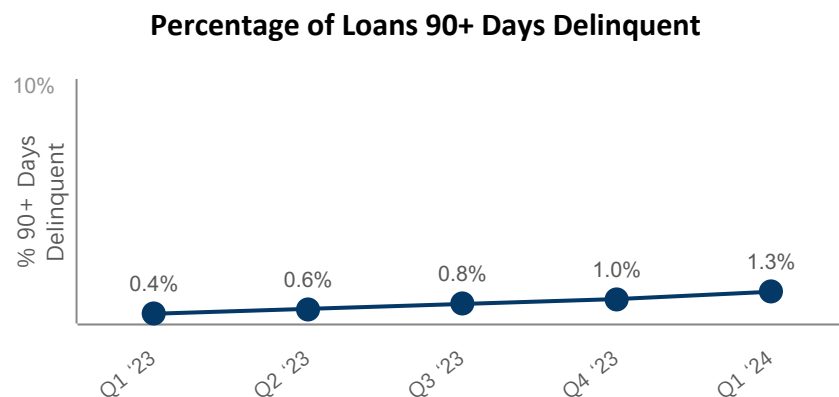
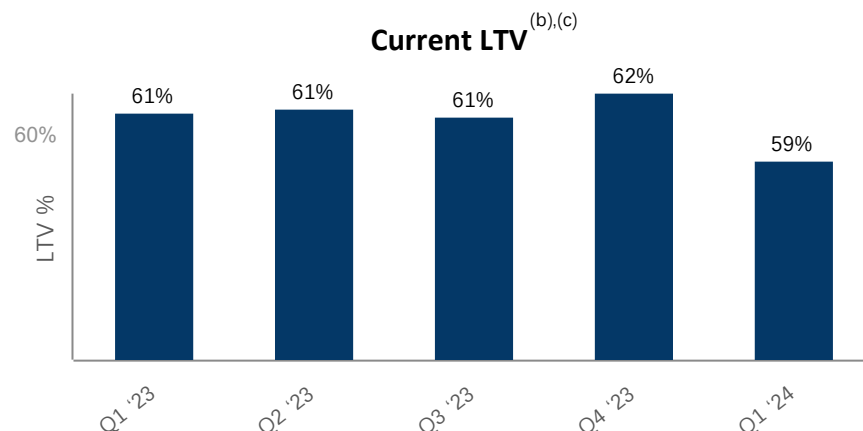
(b) Economic interest retained represents the fair market value of retained tranches from securitizations which are consolidated in the "Securitized residential mortgage loans, at fair value" line item on the Company's consolidated balance sheets.

(c) Securitized Loans represent Securitized Non-Agency and Re/Non-Performing Loans included in the "Securitized residential mortgage loans, at fair value" line item on the Company's consolidated balance sheets.

Non-Agency Loan Portfolio Snapshot

Portfolio of Non-Agency loans with strong borrower performance and low LTVs benefiting from accumulated HPA and loan amortization

\$5.9bn Securitized UPB ^(a)	\$197.5mm Warehouse UPB ^(a)
5.3% Securitized Coupon ^(b)	7.9% Warehouse Coupon ^(b)
59% Current LTV ^{(b),(c)}	748 FICO ^(b)
1.3% 90+ Days DQ % ^(d)	88% Fixed Rate % ^(d)



Note: Data as of February 29, 2024.

(a) Securitized UPB includes securitized non-agency loans and Warehouse UPB includes non-agency and agency-eligible loans financed via warehouse financing.

(b) Metrics including coupon, FICO, and current LTV represent weighted average calculations based off UPB. Weighted average current FICO excludes borrowers where FICO scores were not available.

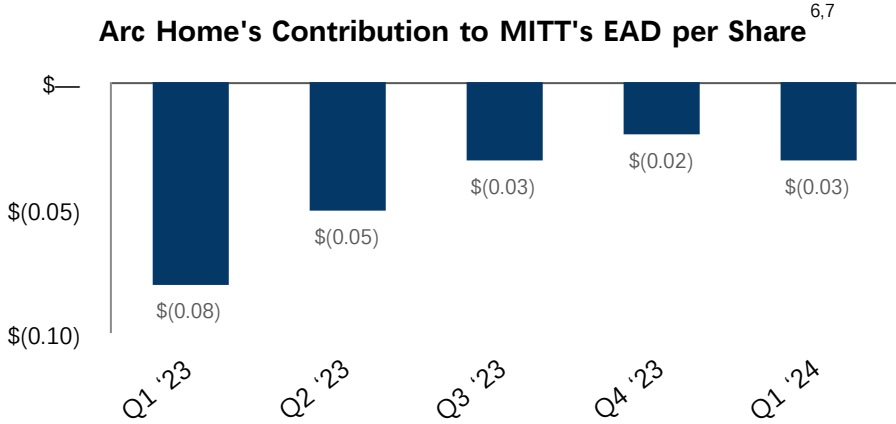
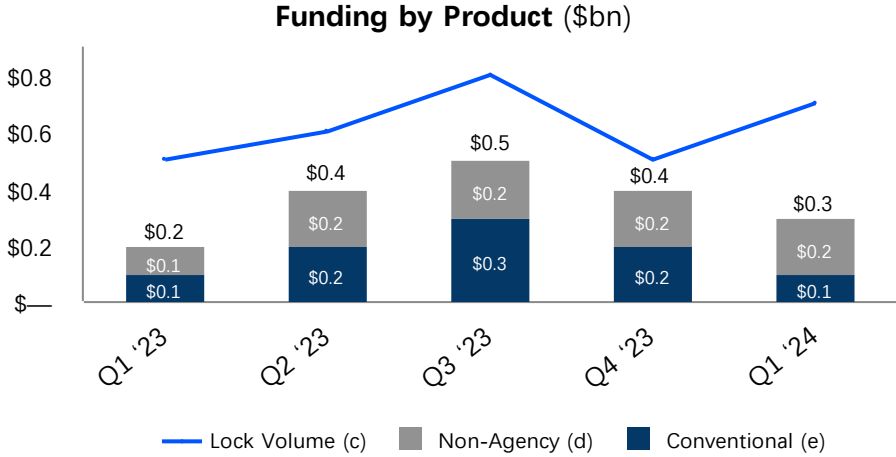
(c) Current LTV reflects loan amortization and estimated home price appreciation or depreciation since acquisition. Zillow Home Value Index (ZHVI) is utilized to estimate updated LTVs.

(d) Metrics shown calculated as a percentage of total UPB.

Arc Home: MITT's Proprietary Origination Channel⁸

Cash, along with Arc Home's MSR portfolio, provides a strong financial position to manage current dynamics in the mortgage origination market

\$10.9mm	\$79.9mm
Cash	Equity
\$134.6mm	\$33.2mm
Loans FMV	MITT's Investment in Arc Home ^(a)
\$85.7mm	5.1%
MSR FMV	% of MITT's Equity ^(b)
2.5x	\$(0.1)mm
Leverage Ratio	MITT's Share of Arc Home Net Income



(a) As of March 31, 2024, the fair value of MITT's investment in Arc Home was calculated using a valuation multiple of 0.89x book value.
 (b) Calculated as a percentage of equity exclusive of the 6.75% convertible senior unsecured notes due September 2024 assumed from WMC and MITT's 9.500% senior unsecured notes due 2029.
 (c) Represents loans yet to be funded whereby the borrower has entered into an interest rate lock agreement
 (d) Non-Agency includes Non-QM Loans and Jumbo Loans.
 (e) Conventional also includes Agency-Eligible Loans. Agency-Eligible Loans are loans that conform with GSE underwriting guidelines but sold to Non-Agency investors, including MITT.

Legacy WMC Commercial Investments

Expect to hold commercial investments as they organically mature or prudently exit through opportunistic sales

Commercial Investments

- Legacy Commercial Real Estate Loans and CMBS acquired in WMC merger represents 1.9% of our Investment Portfolio and 8.2% of total equity^(a)

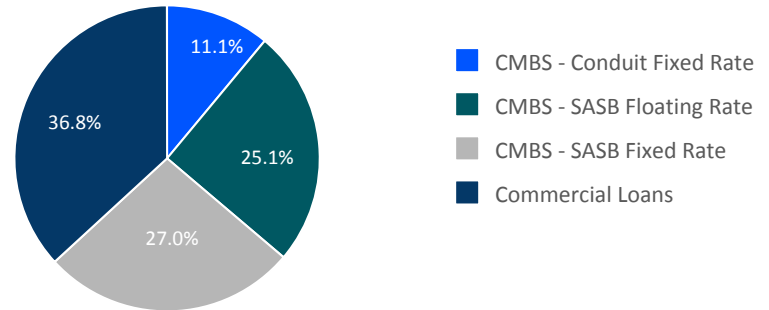
Commercial Loans Summary

- Remaining two investments are first mortgage loans
- Borrowers on both investments are current
- Weighted average LTV at acquisition of 63.6%
- Investments collateralized by hotel and retail properties
- Geography consists of: CT, NY, CA, IL, and FL
- Maturity profile on investments are May 2025 and August 2025
- Weighted average unlevered yield of 10.1%

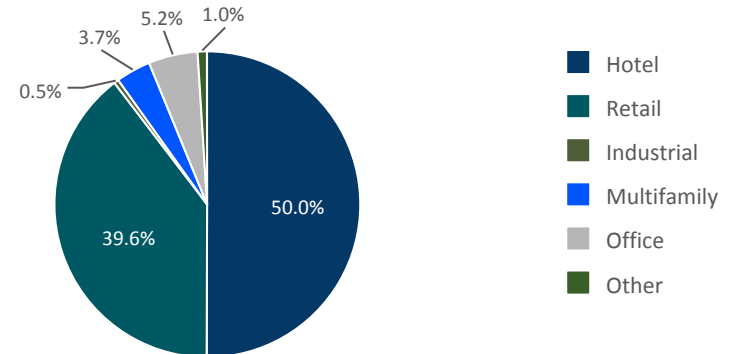
CMBS Summary

- Weighted average price of 53%, allowing for book value upside as markets improve
- Weighted average unlevered yield of 21.0%
- Weighted average life of 2.3 years

\$52.3mm of Equity Invested (by Investment Type)



\$120.9mm of Fair Value (by Collateral Type)

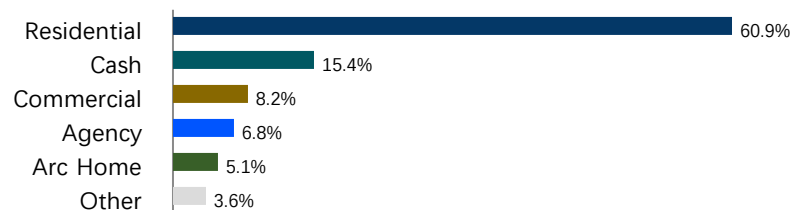


(a) Calculated as a percentage of equity exclusive of the 6.75% convertible senior unsecured notes due September 2024 assumed from WMC and MITT's 9.500% senior unsecured notes due 2029.

Earnings Power

Execution of our securitization business positions MITT with a significant amount of equity invested in retained bonds currently held at implied ROEs in the mid teens

Equity Allocation^(a)



Description (\$ in mm's)	Asset UPB / Notional ^(b)	Asset FMV	Yield ^(c)	Repo Financing	Cost of Funds ⁹ _(d)	Equity	Leverage ^{3,(e)}	ROE ^{(d),(f)}
Retained Non-Agency Bonds - Subs	\$543.8	\$400.0	8.3%	\$220.6	5.9%	\$179.4	1.0x	11.3%
Retained Non-Agency Bonds - IOs	N/A	197.4	15.4%	94.4	7.7%	103.0	0.7x	22.4%
Warehouse	199.9	204.4	7.0%	172.0	5.9%	32.4	5.3x	12.8%
Retained RPL/NPL Bonds	93.0	67.7	9.3%	43.6	7.3%	24.1	1.8x	12.8%
Non-Agency RMBS ^(g)	94.7	97.3	8.5%	40.0	6.0%	57.3	0.7x	10.2%
Agency	121.7	142.8	6.3%	98.4	3.8%	44.4	2.2x	11.7%
Legacy WMC Commercial Loans	67.2	66.5	9.9%	47.2	8.3%	19.3	2.5x	13.8%
Legacy WMC CMBS and Other Securities	103.4	55.6	22.0%	21.4	7.3%	34.2	0.6x	31.1%
Investment Portfolio^(h)	\$1,223.7	\$1,231.7	9.2%	\$737.6	6.1%	\$494.1	1.4x	13.6%
Cash and Cash Equivalents		100.3	5.2%	—		100.3		5.2%
Interest Rate Swaps ^(d)	454.3	13.4	1.6%	—		13.4		
Arc Home ⁸		33.2		—		33.2		
Unsecured Notes ⁽ⁱ⁾		—		111.3		(111.3)		
Non-interest earning assets, net		9.9		—		9.9		
Total		\$1,388.5		\$848.9		\$539.6	1.4x	

(a) The 6.75% convertible senior unsecured notes due September 2024 assumed from WMC and MITT's 9.500% senior unsecured notes due 2029 were excluded for purposes of calculating the equity allocation.

(b) UPB does not include notional on interest only assets.

(c) Represents the weighted average yield, gross of deal related expenses, calculated using the fair value as of March 31, 2024.

(d) Asset FMV on interest rate swaps represents the sum of the net fair value of interest rate swaps and the margin posted on interest rate swaps as of March 31, 2024. Yield on interest rate swaps represents the net receive/(pay) rate as of March 31, 2024. The impact of the net interest component of interest rate swaps on cost of funds and return on equity is included within the respective investment portfolio asset line items.

(e) Leverage is calculated by dividing recourse financing by the equity invested in the related investment type inclusive of any cash collateral posted on financing arrangements.

(f) Return on Equity is calculated by dividing the net interest income, inclusive of any cost or benefit on interest rate swaps, by the equity invested in the related investment type inclusive of any cash collateral posted on financing arrangements.

(g) Includes \$23.9 million and \$3.6 million of asset FMV and repo financing recorded in the "Investments in debt and equity of affiliates" line item on the Company's consolidated balance sheets.

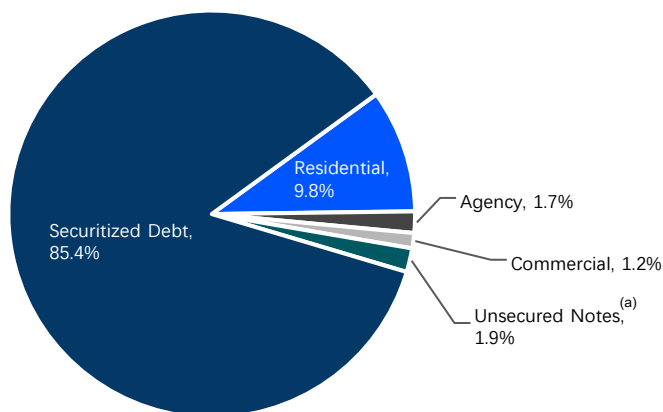
(h) Includes the fair value of real estate owned within Non-Agency VIEs.

(i) Includes \$78.5 million of 6.75% convertible senior unsecured notes due September 2024 assumed by MITT's subsidiary in the WMC acquisition and \$32.8 million of MITT's 9.500% senior unsecured notes due 2029.

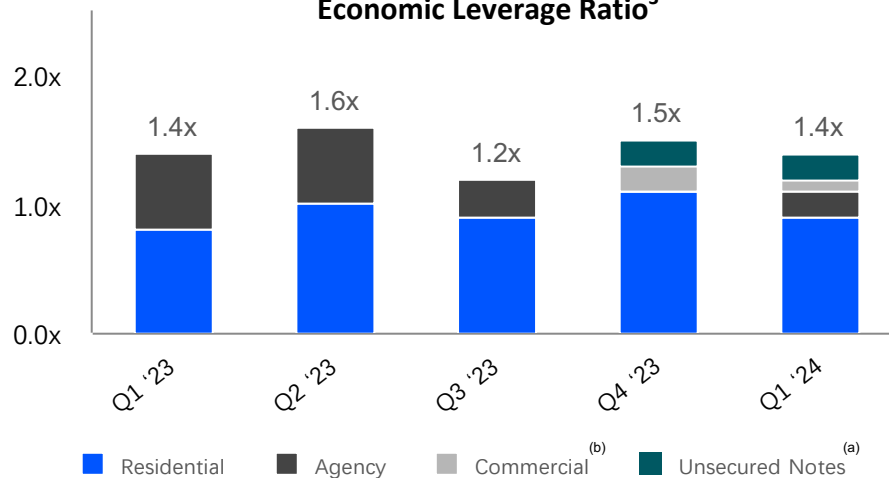
Financing Profile⁵

Successful in terming out warehouse financing through securitizations, reducing mark-to-market financing exposure and Economic Leverage Ratio³

\$5.8bn of Financing as of 3/31/2024



Economic Leverage Ratio³



As of 3/31/2024

	Securitized Debt	Residential Bond Financing ^(c)	Residential Loan Financing	Agency Financing	Legacy WMC Commercial Financing ^(b)	Unsecured Notes ^(a)	Total
Amount (in mm)	\$4,980.9	\$398.6	\$172.0	\$98.4	\$68.6	\$111.3	\$5,829.8
Cost of Funds ^{9, (d)}	5.0%	6.5%	5.9%	3.8%	8.0%	9.1%	5.3%
Advance Rate	88%	54%	87%	96%	58%	N/A	N/A
Available Capacity ^(e) (in mm)	N/A	N/A	\$1,628.0	N/A	N/A	N/A	\$1,628.0
Recourse/Non-Recourse	Non-Recourse	Recourse/Non-Recourse	Recourse	Recourse	Recourse	Recourse	Recourse/Non-Recourse

(a) Includes \$78.5 million of 6.75% convertible senior unsecured notes due September 2024 assumed by MITT's subsidiary in the WMC acquisition and \$32.8 million of MITT's 9.500% senior unsecured notes due 2029.

(b) Includes financing on Commercial loans and CMBS included in the "Commercial Loans, at fair value" and "Real Estate Securities, at fair value" line items, respectively, on the Company's consolidated balance sheets.

(c) Includes financing on the retained tranches from securitizations issued by the Company and consolidated in the "Securitized residential mortgage loans, at fair value" line item on the Company's consolidated balance sheets. Additionally, includes financing on Non-Agency RMBS included in the "Real Estate Securities, at fair value" and "Investments in debt and equity of affiliates" line items on the Company's consolidated balance sheets.

(d) Cost of Funds shown includes the cost or benefit from our interest rate hedges. Total Cost of Funds as of March 31, 2024 excluding the cost or benefit of our interest rate hedges was 5.4%.

(e) The borrowing capacity under our Non-Agency Loan and Agency-Eligible Loan warehouse financing arrangements is uncommitted by the lenders.

Book Value Roll-Forward¹

	Three Months Ended March 31, 2024	
	Amount (000's)	Per Diluted Share ⁶
12/31/23 Book Value	\$307,896	\$10.46
Common dividend	(5,301)	(0.18)
Equity based compensation	194	0.01
Earnings available for distribution ("EAD")	6,125	0.21
Net realized and unrealized gain/(loss) included within equity in earnings/ (loss) from affiliates	2,291	0.08
Net realized gain/(loss)	(1,103)	(0.04)
Net unrealized gain/(loss)	10,014	0.33
Transaction related expenses and deal related performance fees	(1,023)	(0.03)
3/31/24 Book Value	\$319,093	\$10.84
Change in Book Value	11,197	0.38
3/31/24 Book Value	\$319,093	\$10.84
Net proceeds less liquidation preference of preferred stock ^(a)	(7,519)	(0.26)
3/31/24 Adjusted Book Value^(a)	\$311,574	\$10.58

(a) Adjusted Book Value is calculated by reducing stockholders' equity by the liquidation preference of our preferred stock.

Reconciliation of Q1 2024 EAD⁷

Three Months Ended March 31, 2024

Reconciliation of GAAP Net Income to Earnings Available for Distribution	Amount (000's)	Per Diluted Share ⁶
Net Income/(loss) available to common stockholders	\$ 16,304	\$ 0.55
Add (Deduct):		
Net realized (gain)/loss	1,103	0.04
Net unrealized (gain)/loss	(10,014)	(0.33)
Transaction related expenses and deal related performance fees	1,023	0.03
Equity in (earnings)/loss from affiliates	(2,037)	(0.07)
EAD from equity method investments ^{(a)(b)}	(254)	(0.01)
Earnings Available for Distribution	\$ 6,125	\$ 0.21

Three Months Ended March 31, 2024

Components of Earnings Available for Distribution	Amount (000's)	Per Diluted Share ⁶
Net Interest Income	\$ 18,212	\$ 0.62
Net Interest Component of Interest Rate Swaps	1,900	0.07
Arc Home EAD	(993)	(0.03)
Less: Gains on loans sold to MITT ^(a)	(201)	(0.01)
Arc Home EAD to MITT	(1,194)	(0.04)
Management fee to affiliate	(1,741)	(0.06)
Non-investment related expenses	(3,114)	(0.11)
Investment related expenses	(3,352)	(0.11)
Dividends on preferred stock	(4,586)	(0.16)
Operating Expenses	(12,793)	(0.44)
Earnings Available for Distribution	\$ 6,125	\$ 0.21

(a) EAD excludes our portion of gains recorded by Arc Home in connection with the sale of residential mortgage loans to us. We eliminated such gains recognized by Arc Home and also decreased the cost basis of the underlying loans we purchased by the same amount. Upon reducing our cost basis, unrealized gains are recorded within net income based on the fair value of the underlying loans at quarter end.

(b) EAD excludes \$0.9 million or \$0.03 per share of realized and unrealized changes in the fair value of Arc Home's net mortgage servicing rights and changes in the fair value of corresponding derivatives, net of deferred tax expense or benefit for the three months ended March 31, 2024.



Appendix

MITT & Corporate Social Responsibility

TPG Angelo Gordon's values of integrity, fairness, honesty, entrepreneurship and long-term value guides MITT's business and commitment to corporate responsibility

Responsible Investing



- Industry Recognized Transactions with Community Development Financial Institutions (CDFIs) Partnerships
- Established ESG Policy for Residential/Consumer Debt, integrating ESG factors into the investment process
- Utilize SASB materiality map and other industry tools in due diligence to seek to mitigate climate and other geographic/environmental risk
- Robust TPG AG Anti-Money Laundering Policy, with Know-Your-Customer (KYC) procedures as its cornerstone
- TPG AG is a signatory to the UN-supported Principles of Responsible Investing (PRI)

Diversity & Inclusion



- Diverse MITT Board of Directors (3/8 Female)
- TPG AG's D&I priorities are organized around three pillars:
 - **Educate:** Leadership and firm wide D&I training
 - **Attract:** Hiring managers formally encouraged to expand diversity in candidate pools; Active partnerships with organizations including Toigo Foundation, SEO, Girls Who Invest, FastTrack and iMentor
 - **Retain & Develop:** TPG AG Diversity Council and TPG AG Women's Network driving networking, awareness and engagement initiatives

Operational Impact/Governance



- Adopted Corporate Governance Guidelines & Code of Business Conduct and Ethics
- Maintain Whistleblower/Ethics Hotline with anonymous reporting options
- Commitment to Board Refreshment (3.9 year Avg Director Tenure)
- Established Independent, Non-Executive Chair
- Board Committees comprised solely of Independent Directors
- Director shares subject to lock-up for duration of Board service, fostering strong alignment of interests
- Robust cybersecurity monitoring and action plans
- TPG AG Headquarters in building with LEED certification at the Gold level, in close proximity to major public transportation hub
- MITT's officers and directors, along with TPG AG and certain of its employees, collectively own more than 4.0% of MITT's outstanding common stock, fostering strong alignment of interests

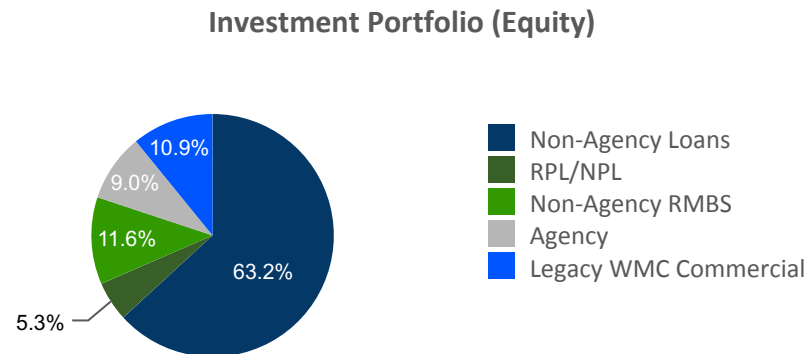
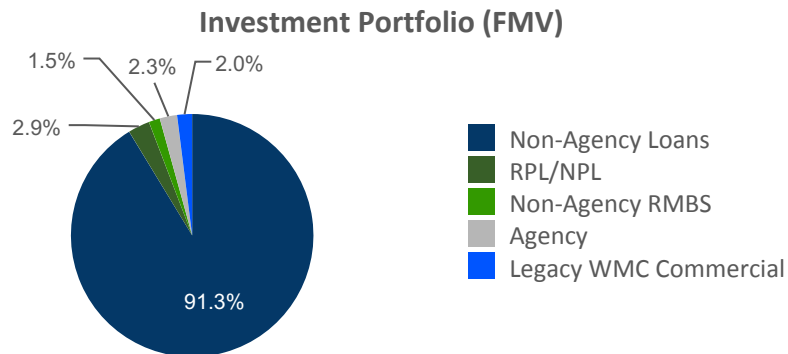
Community Engagement



- TPG AG has a long history of supporting local communities, focused on long term charity partners, employee priorities and disaster relief efforts
- Volunteering opportunities for TPG AG employees through partnership, such as NYC Cares, SuitUp and iMentor
- Philanthropic platform, TPG AG Gives
- Targeted employee matching activity

Q1 2024 Investment Portfolio Details

Description (\$ in mm's)	Asset FMV	Yield ¹⁰	Securitized Debt FMV	Assets less Securitized Debt	Repo Financing	Cost of Funds ^{9,(a)}
Residential Mortgage Loans						
Securitized Non-Agency Loans	\$5,467.6	5.6%	\$4,871.2	\$596.4	\$315.0	5.2%
Residential Mortgage Loans	204.4	8.3%	—	204.4	172.0	5.9%
Securitized RPL/NPL Loans	177.4	6.3%	109.7	67.7	43.6	4.4%
Non-Agency RMBS						
Non-Agency RMBS	73.4	9.3%	—	73.4	36.4	5.9%
MATT Non-QM Securities ^(b)	16.5	44.0%	—	16.5	—	—%
Re/Non-Performing Securities ^(b)	7.4	14.3%	—	7.4	3.6	8.0%
Agency RMBS	142.8	6.2%	—	142.8	98.4	3.8%
Legacy WMC Commercial Investments and Other						
Commercial Loans	66.5	10.1%	—	66.5	47.2	8.3%
CMBS and Other Securities	55.6	20.9%	—	55.6	21.4	7.3%
Total Investment Portfolio	\$6,211.6	6.1%	\$4,980.9	\$1,230.7	\$737.6	5.2%



(a) Represents the cost of funds on securitized debt and repo financing inclusive of the impact of the net interest component of interest rate swaps. Total cost of funds related to the financing on the Company's investment portfolio and unsecured notes was 5.3%. Total cost of funds as of March 31, 2024 excluding the cost or benefit of our interest rate hedges was 5.4%.

(b) MATT Non-QM Securities and Re/Non-Performing Securities are recorded in the "Investments in debt and equity of affiliates" line item on the Company's consolidated balance sheets.

Economic Leverage³

Reconciliation of GAAP Leverage Ratio to Economic Leverage Ratio - March 31, 2024 (\$ in thousands)

	Leverage	Stockholder's Equity	Leverage Ratio
Securitized debt, at fair value	\$ 4,980,942		
GAAP Financing arrangements	734,001		
Convertible senior unsecured notes	78,530		
Senior unsecured notes	32,810		
Restricted cash posted on financing arrangements	(2,109)		
GAAP Leverage	\$ 5,824,174	\$ 539,565	10.8x
Financing arrangements through affiliated entities	3,583		
Non-recourse financing arrangements ^(a)	(5,040,618)		
Net TBA receivable/(payable) adjustment	(32,552)		
Economic Leverage	\$ 754,587	\$ 539,565	1.4x

Reconciliation of GAAP Leverage Ratio to Economic Leverage Ratio - December 31, 2023 (\$ in thousands)

	Leverage	Stockholder's Equity	Leverage Ratio
Securitized debt, at fair value	\$ 4,711,623		
GAAP Financing arrangements	767,592		
Convertible senior unsecured notes	85,266		
Restricted cash posted on financing arrangements	(1,696)		
GAAP Leverage	\$ 5,562,785	\$ 528,368	10.5x
Financing arrangements through affiliated entities	3,605		
Non-recourse financing arrangements ^(a)	(4,774,595)		
Net TBA receivable/(payable) adjustment	(9,163)		
Economic Leverage	\$ 782,632	\$ 528,368	1.5x

(a) Non-recourse financing arrangements include securitized debt and other non-recourse financing arrangements.

Condensed Consolidated Balance Sheet

March 31, 2024 (Unaudited)

Amount (000's)

Assets

Securitized residential mortgage loans, at fair value	\$ 5,645,004
Residential mortgage loans, at fair value	204,351
Commercial loans, at fair value	66,474
Real estate securities, at fair value	271,868
Investments in debt and equity of affiliates	54,842
Cash and cash equivalents	100,287
Restricted cash	16,347
Other assets	41,495
Total Assets	\$ 6,400,668

Liabilities

Securitized debt, at fair value	\$ 4,980,942
Financing arrangements	734,001
Convertible senior unsecured notes	78,530
Senior unsecured notes	32,810
Dividend payable	5,301
Other liabilities	29,519
Total Liabilities	5,861,103

Commitments and Contingencies

Stockholders' Equity

Preferred stock	220,472
Common stock	295
Additional paid-in capital	823,908
Retained earnings (deficit)	(505,110)
Total Stockholders' Equity	539,565

Total Liabilities & Stockholders' Equity	\$ 6,400,668
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Condensed Consolidated Statement of Operations

Three Months Ended March 31, 2024 (unaudited)

Amount (000's)

Net Interest Income	
Interest income	\$ 95,572
Interest expense	78,393
Total Net Interest Income	17,179

Other Income/(Loss)	
Net interest component of interest rate swaps	1,900
Net realized gain/(loss)	(1,103)
Net unrealized gain/(loss)	10,014
Total Other Income/(Loss)	10,811

Expenses	
Management fee to affiliate	1,741
Non-investment related expenses	3,114
Investment related expenses	3,283
Transaction related expenses	999
Total Expenses	9,137

Income/(loss) before equity in earnings/(loss) from affiliates	18,853
Equity in earnings/(loss) from affiliates	2,037
Net Income/(Loss)	20,890

Dividends on preferred stock	(4,586)
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Net Income/(Loss) Available to Common Stockholders	\$ 16,304
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Total Earnings/(Loss) Per Share of Common Stock	
Earnings/(Loss) Per Share - Basic	\$ 0.55
Earnings/(Loss) Per Share - Diluted	\$ 0.55

WA Shares of Common Stock Outstanding	
Basic	29,453
Diluted	29,479

Footnotes

1. Book value is calculated using stockholders' equity less net proceeds of our cumulative redeemable preferred stock (\$220.5 million) as the numerator. Adjusted book value ("ABV") is calculated using stockholders' equity less the liquidation preference of our cumulative redeemable preferred stock (\$228.0 million) as the numerator.
2. Total liquidity includes \$100.3 million of cash and cash equivalents and \$40.0 million of unencumbered Agency RMBS.
3. 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 certain financing arrangements. 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.
4. The economic return on equity represents the change in adjusted book value per share during the period, plus the common dividends declared over the period, divided by adjusted book value per share from the prior period.
5. The Investment Portfolio consists of Residential Investments, Agency RMBS, and WMC Legacy Commercial Investments, all of which are held at fair value. Financing is inclusive of Securitized Debt, which is held at fair value, Financing Arrangements, Convertible Senior Unsecured Notes, and Senior Unsecured Notes. Throughout this presentation where we disclose the Investment Portfolio and the related financing, we have presented this information inclusive of (i) securities 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, but exclusive of our Convertible Senior Unsecured Notes and Senior Unsecured Notes. This presentation excludes investments through AG Arc LLC unless otherwise noted.
6. Diluted per share figures are calculated using diluted weighted average outstanding shares in accordance with GAAP.
7. We define EAD, a non-GAAP financial measure, as Net Income/(loss) available to common stockholders excluding (i) (a) unrealized gains/(losses) on loans, real estate securities, 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, disposition, or securitization of our investments as well as transaction related expenses incurred in connection with the WMC acquisition, (iii) accrued deal-related performance fees payable to third party operators to the extent the primary component of the accrual relates to items that are excluded from EAD, 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, and (vi) any bargain purchase gains recognized. Items (i) through (vi) 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, disposition, or securitization 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 EAD on the remainder of its portfolio. Management excludes all deferred taxes because it believes deferred taxes are not representative of current operations. EAD includes the net interest income and other income earned on our investments on a yield adjusted basis, including TBA dollar roll income/(loss) or any other investment activity that may earn or pay net interest or its economic equivalent.
8. We invest in Arc Home LLC, a licensed mortgage originator, through AG Arc LLC, one of our equity method investees. Our investment in AG Arc LLC is \$33.2 million as of March 31, 2024, representing a 44.6% ownership interest.
9. The cost of funds at quarter-end is calculated as the sum of (i) the weighted average funding costs on recourse financing outstanding at quarter end, (ii) the weighted average funding costs on non-recourse financing outstanding at quarter end, and (iii) the weighted average of the net pay or receive rate on our interest rate swaps outstanding at quarter end. The cost of funds at quarter-end are weighted by the outstanding financing at quarter-end, including any non-recourse financing.
10. The yield on our 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 fair value.



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