



CHERRYHILL  
MORTGAGE INVESTMENT CORPORATION

# Investor Presentation

Second Quarter 2023

**FORWARD-LOOKING STATEMENTS.** Certain statements in this presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation references to potential or expected future cash flows, estimated or expected returns, sometimes referred to as initial IRR, updated IRR, expected IRR, lifetime IRR, life-to-date IRR or current-to-maturity IRR, potential discount rates, potential future investments, expected yields, potential or implied investment multiples, potential or projected future cash flows, expected CRR, CDR, Loss Severities, Loss Rates and Delinquencies. These statements are based on management's current expectations and beliefs and are subject to a number of risks, trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond our control. Cherry Hill Mortgage Investment Corporation (the "Company") can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained in this presentation. Risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. For a description of factors that may cause actual results or performance to differ from the forward-looking statements in this presentation, please review the information under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, and in other documents filed by the Company with the SEC. The Company's forward-looking statements speak only as of the date of this presentation. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

**CAUTIONARY NOTE REGARDING EXPECTED RETURNS AND EXPECTED YIELDS.** Expected returns and expected yields are presented for illustrative purposes only and are estimates of the annualized effective rate of return that we presently expect to be earned over the expected average life of an investment (i.e., IRR), after giving effect, in the case of returns, to existing leverage and existing hedging costs, and calculated on a weighted average basis. Expected returns and expected yields reflect our estimates of an investment's coupon, amortization of premium or discount, and costs and fees, as well as our assumptions regarding prepayments, defaults and loan losses, among other things. In the case of Servicing Related Assets, these assumptions include, but are not limited to, recapture rates, prepayment rates and delinquency rates. Income recognized by the Company in future periods may be significantly less than the income that would have been recognized if an expected return or expected yield were actually realized, and the estimates we use to calculate expected returns and expected yields could differ materially from actual results. Statements about expected returns and expected yields in this presentation are forward-looking statements. You should carefully read the cautionary statement above under the caption "Forward-looking Statements," which directly applies to our discussion of expected returns and expected yields.

**PAST PERFORMANCE.** Past performance is not a reliable indicator of future results and should not be relied upon for any reason.

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**Second Quarter 2023**

# Second Quarter 2023 Highlights



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## Financial Results

**\$5.19 book value per common share<sup>1</sup>**

- 6.0% decrease, net of 1Q23 dividend

**\$0.15 dividend per share declared and paid<sup>2</sup>**

**3.3% total quarterly economic loss<sup>3</sup>**

**EAD of \$0.16 per share<sup>4</sup>**

## Portfolio Update

**4.4x leverage ratio for aggregate portfolio**

**3.8% net interest spread for RMBS**

**4.2% CPR for RMBS<sup>5</sup>**

**6.2% net CPR for MSRs<sup>5</sup>**

*Note: Figures presented are rounded. As of June 30, 2023, unless noted otherwise.*

- 1. Based on 26,978,077 common shares outstanding at June 30, 2023.*
- 2. Second quarter 2023 \$0.15 dividend was paid in cash on July 31, 2023 to stockholders of record on June 30, 2023.*
- 3. Total economic loss for the quarter ended June 30, 2023 is defined as the decrease in book value from March 31, 2023 to June 30, 2023 of \$0.33, plus the dividend declared of \$0.15 per*

*share, divided by March 31, 2023 book value of \$5.52 per share.*

- 4. Based on 26,034,399 fully diluted weighted average common shares outstanding during the three-month period ended June 30, 2023.*
- 5. Weighted average CPR for the three-month period ended June 30, 2023.*

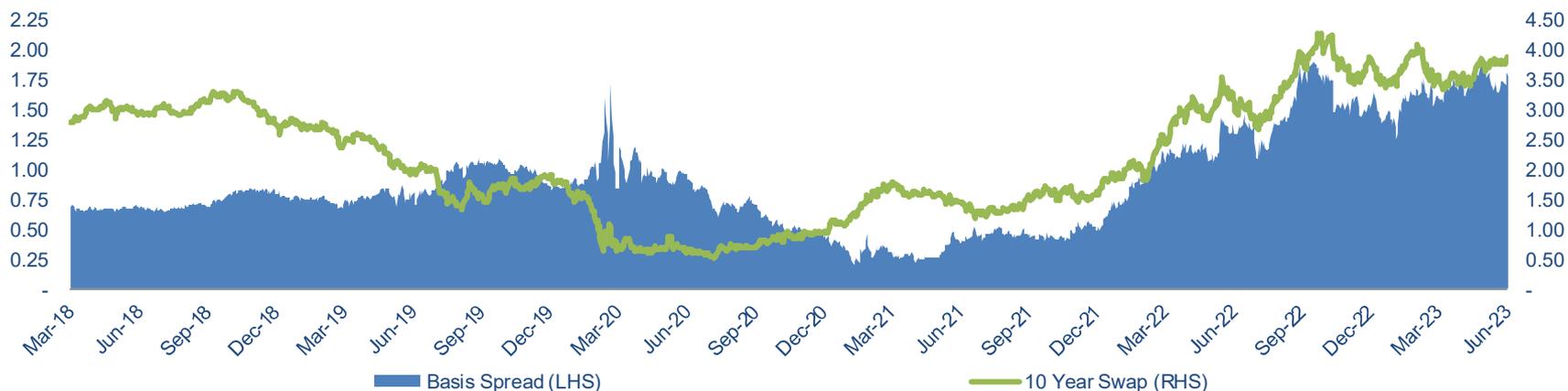
# Mortgage Landscape

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## Market Trends<sup>1</sup>

	U.S. Treasuries - Yield Changes							Mortgage Dollar Price Changes								
								30 Year MBS						15 Year MBS		
	2yr	3yr	5yr	7yr	10yr	20yr	30yr	3.50%	4.00%	4.50%	5.00%	5.50%	6.00%	4.00%	4.50%	5.00%
September 30, 2022	4.2790	4.2880	4.0900	3.9810	3.8290	4.0880	3.7760	\$89.938	\$92.719	\$95.219	\$97.375	\$99.438	\$101.594	\$96.469	\$98.094	\$100.250
December 31, 2022	4.4260	4.2240	4.0040	3.9650	3.8750	4.1440	3.9630	\$91.063	\$93.969	\$96.531	\$98.719	\$100.406	\$101.656	\$94.781	\$99.500	\$100.688
March 31, 2023	4.0250	3.7880	3.5730	3.5310	3.4680	3.7950	3.6500	\$92.902	\$95.629	\$97.953	\$99.688	\$100.965	\$101.973	\$98.488	\$99.750	\$100.676
<b>June 30, 2023</b>	<b>4.9000</b>	<b>4.5290</b>	<b>4.1560</b>	<b>3.9990</b>	<b>3.8400</b>	<b>4.0740</b>	<b>3.8620</b>	<b>\$91.191</b>	<b>\$93.902</b>	<b>\$96.188</b>	<b>\$97.988</b>	<b>\$99.516</b>	<b>\$100.836</b>	<b>\$96.629</b>	<b>\$98.066</b>	<b>\$99.316</b>
3Q22 Change	1.3260	1.2800	1.0520	0.9130	0.8160	0.6540	0.5930	(\$6.375)	(\$6.031)	(\$5.313)	(\$4.781)	(\$4.375)	(\$3.313)	(\$4.469)	(\$4.031)	(\$2.688)
4Q22 Change	0.1470	(0.0640)	(0.0860)	(0.0160)	0.0460	0.0560	0.1870	\$1.125	\$1.250	\$1.313	\$1.344	\$0.969	\$0.063	(\$1.688)	\$1.406	\$0.438
1Q23 Change	(0.4010)	(0.4360)	(0.4310)	(0.4340)	(0.4070)	(0.3490)	(0.3130)	\$1.840	\$1.660	\$1.422	\$0.969	\$0.559	\$0.316	\$3.707	\$0.250	(\$0.012)
<b>2Q23 Change</b>	<b>0.8750</b>	<b>0.7410</b>	<b>0.5830</b>	<b>0.4680</b>	<b>0.3720</b>	<b>0.2790</b>	<b>0.2120</b>	<b>(\$1.711)</b>	<b>(\$1.727)</b>	<b>(\$1.766)</b>	<b>(\$1.699)</b>	<b>(\$1.449)</b>	<b>(\$1.137)</b>	<b>(\$1.859)</b>	<b>(\$1.684)</b>	<b>(\$1.359)</b>

## Mortgage Basis Spread<sup>2</sup> vs. 10 Year Swap



Note: Figures presented are rounded. Dollars in thousands. As of June 30, 2023, unless noted otherwise.

1. US treasuries source: Bloomberg; mortgage prices and changes source: Citigroup.
2. Source: Bloomberg. FNMA 30 Year current coupon vs 10 year swaps.

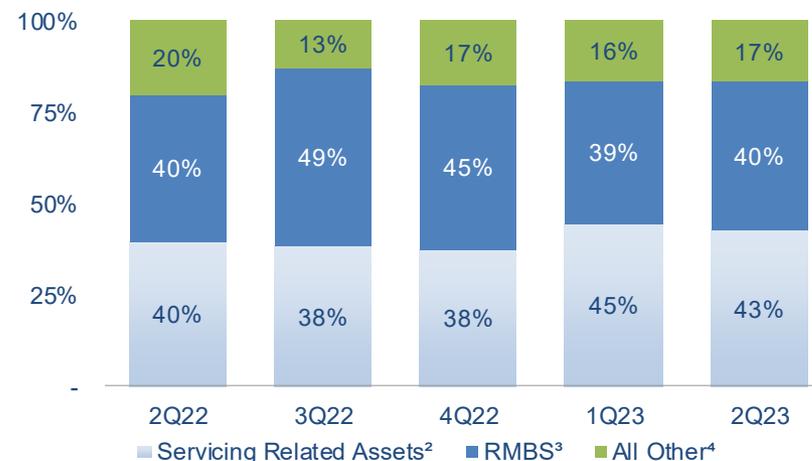
# Portfolio Metrics

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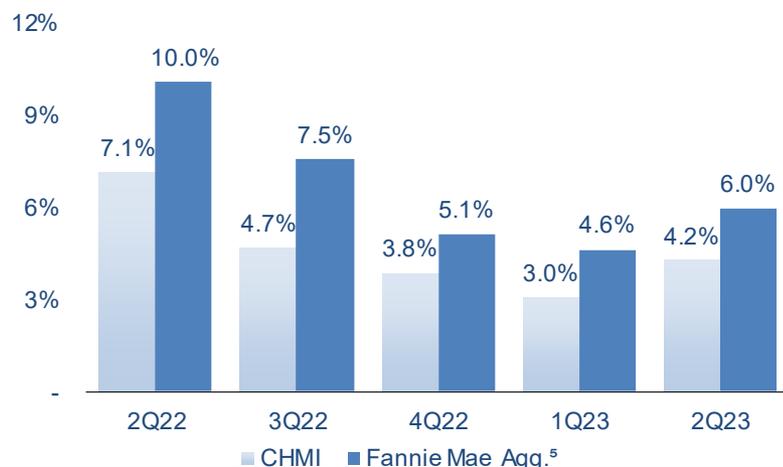
## Asset Investment Composition (ex. Cash)



## Equity Composition



## Quarterly RMBS CPR Performance



## Quarterly MSR Net CPR Performance



Note: Figures presented are rounded. Dollars in thousands. As of June 30, 2023, unless noted otherwise.

1. Includes open net TBAs.

2. Comprised of MSRs and other related assets.

3. Comprised of RMBS and other related assets and liabilities.

4. Comprised of non-invested assets and liabilities, primarily cash.

5. Source: Fannie Mae Monthly Flash Prepayment Report.

6. Source: Bloomberg ILM3NAVG index.

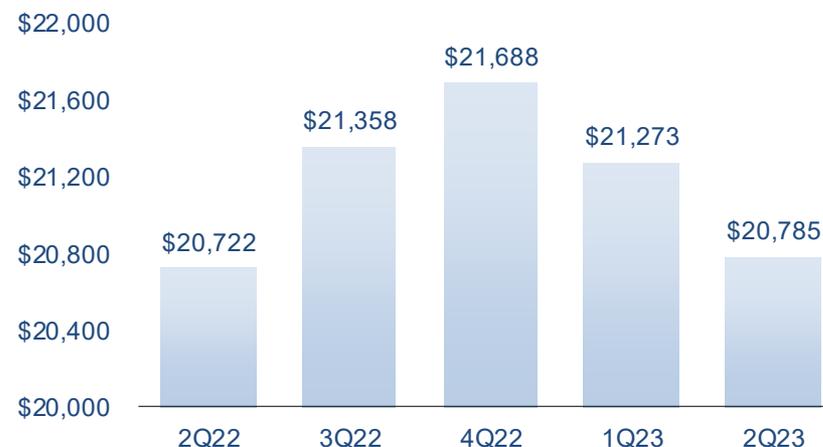
# MSR Portfolio Overview

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## June 30, 2023 MSR Characteristics

Characteristics	FNMA	FHLMC	Total
UPB	\$13,151,139	\$7,634,233	\$20,785,371
Avg UPB	\$226	\$225	\$226
WAC	3.47	3.51	3.49
Net Servicing Fee	0.25	0.25	0.25
WAM (Mths)	303	308	305
WALA (Mths)	37	36	37
Original FICO	754	758	756
Original LTV	75.3	76.7	75.8
ARM %	0.0%	0.1%	0.1%
60+ DQ	0.8%	0.9%	0.8%

## Cherry Hill Historical MSR UPB (\$ millions)



## Commentary

Investments in MSRs totaled \$264.9 million, related to approximately \$20.8 billion in UPB of underlying Fannie Mae and Freddie Mac loans as of June 30, 2023

Recapture rate on conventional MSRs was 0.9% in the quarter

*Note: Figures presented are rounded. Dollars in thousands, unless noted otherwise. As of June 30, 2023, unless noted otherwise.*

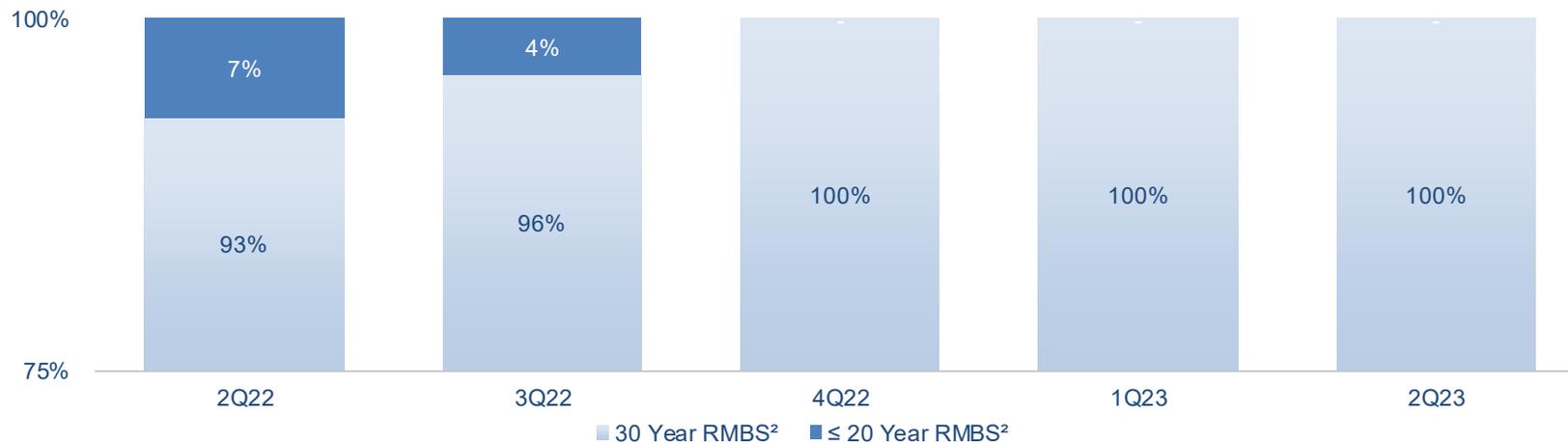
# RMBS Portfolio Overview

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## RMBS Portfolio Characteristics

30 Year RMBS (100% of Total)							
Coupon	FMV	Book Value	Par Amount	WAC	WALA	1 Mo. CPR	LT CPR <sup>1</sup>
3.0%	\$73,051	\$75,796	\$82,467	3.7%	16	5.3	5.9
3.5%	143,486	147,841	156,727	4.1%	20	3.6	3.0
4.0%	148,140	155,603	157,374	4.8%	15	7.7	5.0
≥ 4.5%	689,574	699,292	706,247	5.3%	9	2.6	4.1
<b>Total</b>	<b>\$1,054,251</b>	<b>\$1,078,532</b>	<b>\$1,102,815</b>	<b>5.0%</b>	<b>12</b>	<b>3.7</b>	<b>4.2</b>
Open Net TBAs	(\$452,078)	(\$454,694)	(\$476,000)	N/A	N/A	N/A	N/A
<b>30 Year Total</b>	<b>\$602,173</b>	<b>\$623,838</b>	<b>\$626,815</b>	<b>5.0%</b>	<b>12</b>	<b>3.7</b>	<b>4.2</b>

## RMBS Portfolio Composition History



Note: Figures presented are rounded. Dollars in thousands. As of June 30, 2023, unless noted otherwise. CPR values presented are annualized.

1. LT CPR is produced using Yieldbook's third party prepayment model.

2. Includes open net TBA positions.

# RMBS Portfolio with Prepayment Protection

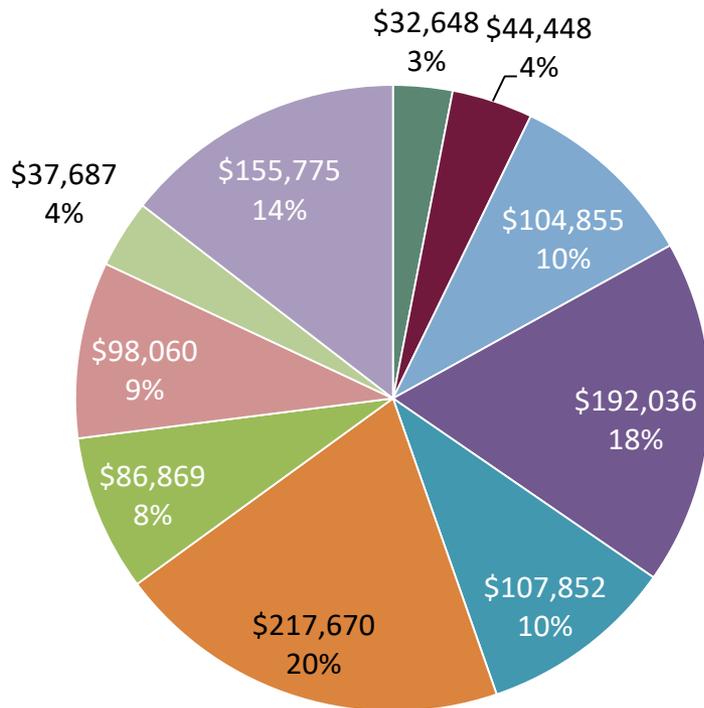


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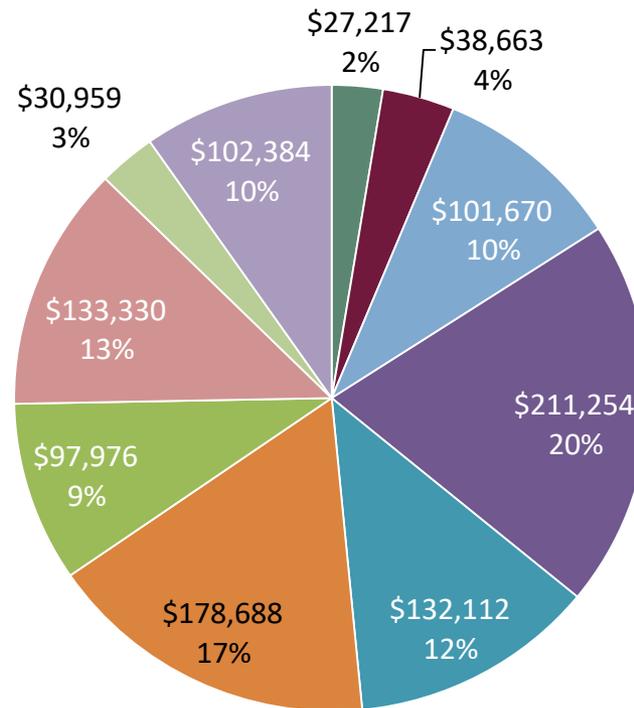
March 31, 2023

RMBS Collateral (ex. TBA): \$1,077,899



June 30, 2023

RMBS Collateral (ex. TBA): \$1,054,251



- ≤ 150K Max Pools
- ≤ 175K Max Pools
- ≤ 200K Max Pools
- ≤ 225K Max Pools
- ≤ 300K Max Pools
- Geographic Stories<sup>1</sup>
- LTV
- Investor
- FICO
- Other RMBS

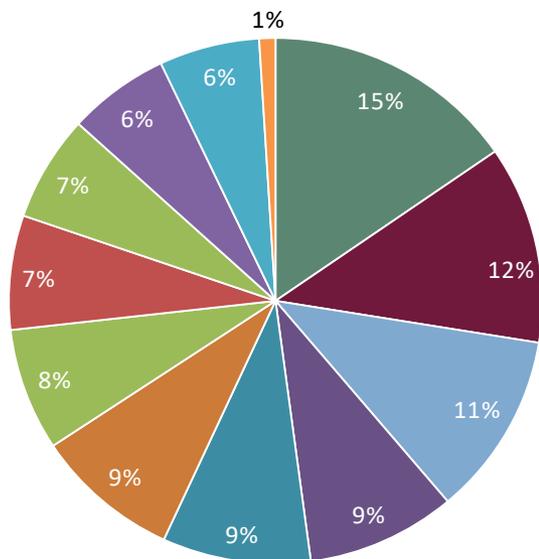
Note: Figures noted are rounded. As of June 30, 2023, unless noted otherwise. Dollars in thousands.

1. Geographic stories are single state pools such as NY or PR.

# Financing Summary

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## Repurchase Agreement Counterparty Utilization<sup>1</sup>



## Commentary

Average REPO cost was 5.3% with a weighted average days remaining to maturity of 19 days

34 REPO relationships established

Borrowings with 12 financing counterparties

Weighted average “haircut” of 4.1%

## Repurchase Agreement Characteristics

Remaining Maturity	REPO Outstanding	Percentage	WA Rate	Remaining Days to Maturity	Original Days to Maturity
Less than one month	\$870,830	88.9%	5.2%	16	38
One to three months	109,077	11.1%	5.3%	46	61
<b>Total / WA</b>	<b>\$979,907</b>	<b>100.0%</b>	<b>5.3%</b>	<b>19</b>	<b>41</b>

Note: Figures noted are rounded. As of June 30, 2023, unless noted otherwise. Dollars in thousands.

1. Reflects the percentage by dollar amount per counterparty of outstanding borrowings for our RMBS portfolio.

# Hedging Summary

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## Swaps

Payer Swaps					Receiver Swaps				
Yrs. To Maturity	Notional	WA Pay Rate	WA Receive	WA Yrs. to Mat.	Yrs. To Maturity	Notional	WA Pay Rate	WA Receive	WA Yrs. to Mat.
x ≤ 3 Years	\$425,000	0.56%	5.47%	1.8	x ≤ 3 Years	-	-	-	-
3 > x ≤ 5 Years	183,900	0.76%	5.35%	4.2	3 > x ≤ 5 Years	-	-	-	-
5 > x ≤ 7 Years	206,400	0.62%	5.36%	5.6	5 > x ≤ 7 Years	\$165,000	5.38%	3.16%	6.2
7 > x ≤ 10 Years	127,700	1.09%	5.38%	8.0	7 > x ≤ 10 Years	-	-	-	-
<b>Total/WA</b>	<b>\$943,000</b>	<b>0.68%</b>	<b>5.41%</b>	<b>3.9</b>	<b>Total/WA</b>	<b>\$165,000</b>	<b>5.38%</b>	<b>3.16%</b>	<b>6.2</b>

## Treasury Futures

Treasury Futures				
Maturity	Long Notional	Short Notional	Net	Fair Value
5 years	\$116,400	-	\$116,400	(\$1,579)
10 years <sup>1</sup>	-	(\$53,900)	(\$53,900)	\$486
<b>Total</b>	<b>\$116,400</b>	<b>(\$53,900)</b>	<b>\$62,500</b>	<b>(\$1,093)</b>

## Commentary

Approximately \$1.1 billion notional interest rate swaps

3.0 years weighted average duration on Payer swaps

5.1 years weighted average duration on Receiver swaps

*Note: Figures presented are rounded. Dollars in thousands. As of June 30, 2023, unless noted otherwise.*

*1. Includes 10-year U.S. futures and 10-year Ultra futures contracts.*

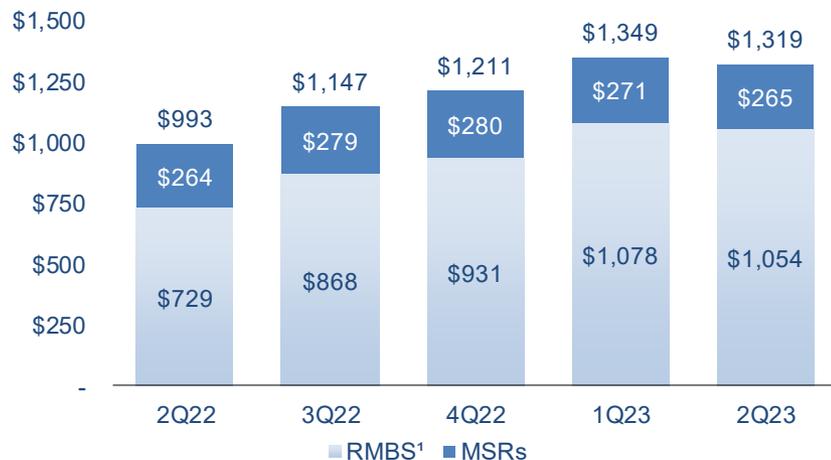
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**Appendix**

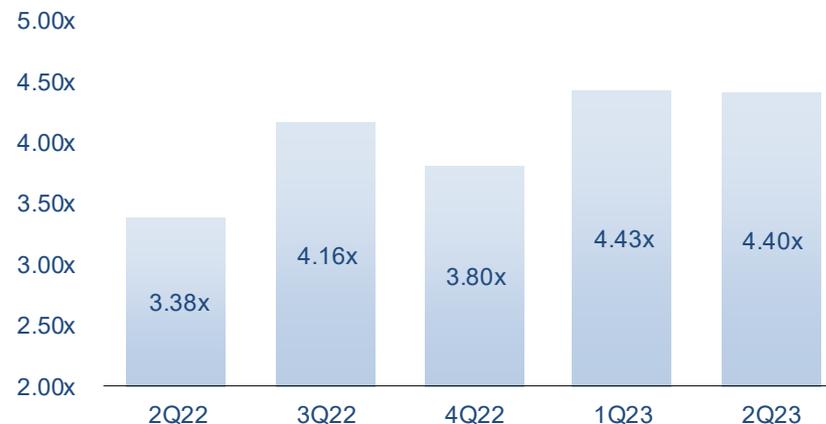
# Historical Portfolio Overview

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## Asset Composition



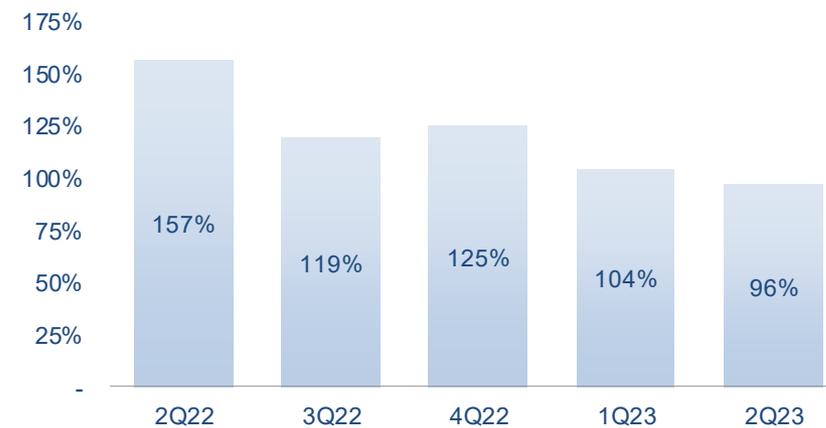
## Company Leverage



## RMBS Net Interest Spread



## RMBS Hedge Ratio<sup>2</sup>



Note: Figures presented are rounded. Dollars in millions. As of June 30, 2023, unless noted otherwise.

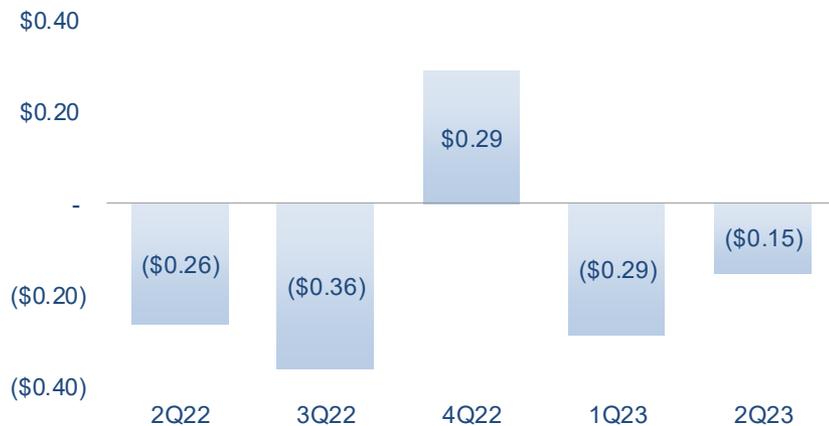
1. Excludes TBAs.

2. RMBS hedge ratio represents notional value of payer swaps relative to outstanding repurchase agreement borrowings.

# Historical Performance Metrics

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## Comprehensive Income (Loss) per Common Share



## Dividends per Common Share & Dividend Yield



## Book Value & Total Quarterly Return (Loss)



Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of June 30, 2023, unless noted otherwise.

1. Total quarterly return (loss) on book value is defined as the change in book value per common share ("BVPS") from the prior quarter to the current quarter, plus the dividend declared in the prior quarter, divided by the prior quarter BVPS.

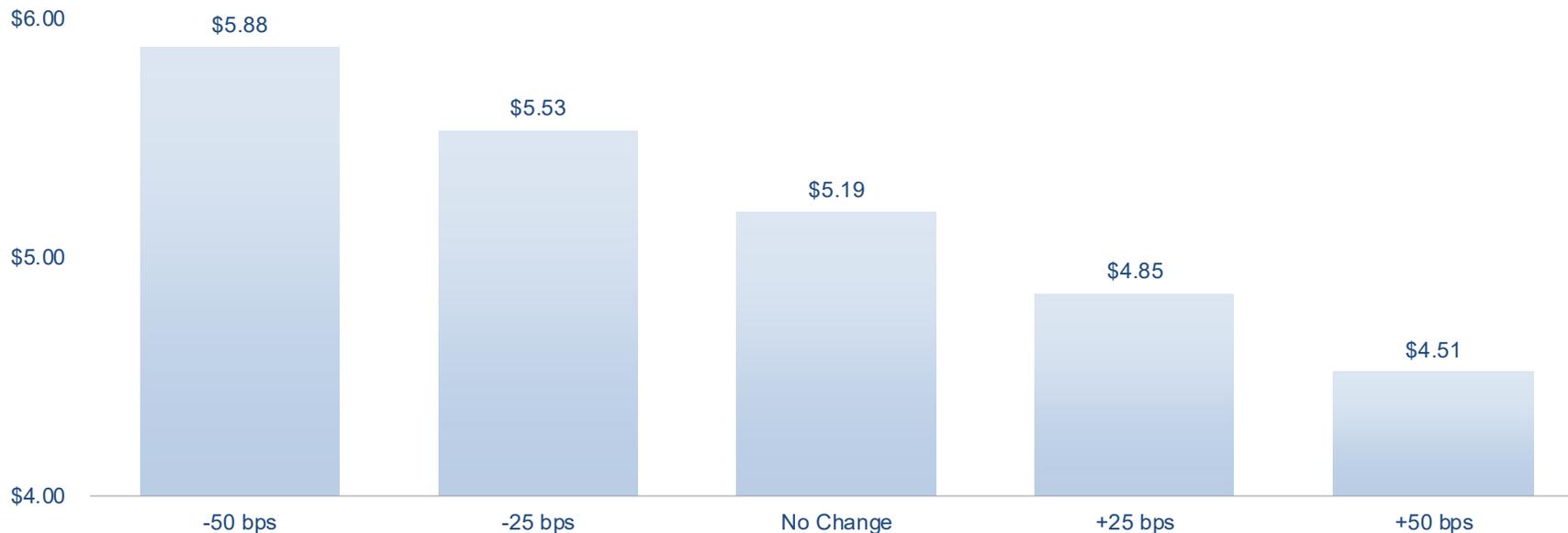
# Basis Risk Sensitivity<sup>1</sup>

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## RMBS and MSR Spread (“Basis Risk”) Sensitivity on Current Portfolio

	-50 bps	-25 bps	No Change	+25 bps	+50 bps
<b>Basis Risk Sensitivity</b>					
Estimated Change in NAV	\$18,696	\$9,285	-	(\$9,136)	(\$18,100)
Pro forma NAV as of June 30, 2023	\$281,265	\$271,854	\$262,569	\$253,433	\$244,469
Pro forma percentage change in NAV	7.1%	3.5%	-	(3.5%)	(6.9%)
Pro forma BV per Common Share as of June 30, 2023	\$5.88	\$5.53	\$5.19	\$4.85	\$4.51
Pro forma percentage change in BV per Common Share	13.4%	6.6%	-	(6.5%)	(12.9%)

## Basis Risk Sensitivity



Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of June 30, 2023, unless noted otherwise.

1. Spread sensitivities are derived from a model that is dependent on inputs and assumptions provided by third parties as well as by our investment team and, accordingly, actual results could differ materially from these estimates. Rates are floored at zero percent.

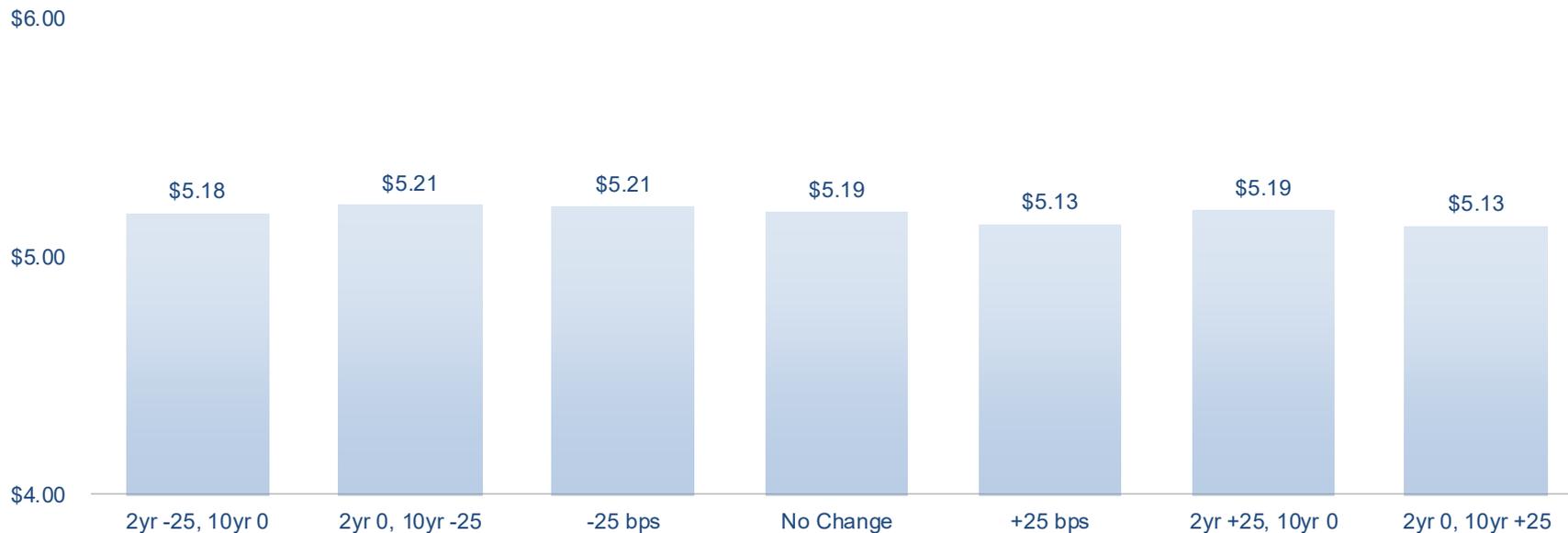
# Interest Rate Sensitivity<sup>1</sup>

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## Interest Rate Sensitivity on Current Portfolio

	2yr -25, 10yr 0	2yr 0, 10yr -25	-25 bps	No Change	+25 bps	2yr +25, 10yr 0	2yr 0, 10yr +25
<b>Interest Rate Sensitivity</b>							
Estimated Change in NAV	(\$177)	\$688	\$575	\$0	(\$1,383)	\$143	(\$1,589)
Pro forma NAV as of June 30, 2023	\$262,392	\$263,257	\$263,144	\$262,569	\$261,186	\$262,712	\$260,980
Pro forma percentage change in NAV	(0.1%)	0.3%	0.2%	0.0%	(0.5%)	0.1%	(0.6%)
Pro forma BV per Common Share as of June 30, 2023	\$5.18	\$5.21	\$5.21	\$5.19	\$5.13	\$5.19	\$5.13
Pro forma percentage change in BV per Common Share	(0.1%)	0.5%	0.4%	0.0%	(1.0%)	0.1%	(1.1%)

## Interest Rate Sensitivity



Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of June 30, 2023, unless noted otherwise.

1. Interest rate sensitivities are derived from a model that is dependent on inputs and assumptions provided by third parties as well as by our investment team and, accordingly, actual results could differ materially from these estimates.



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## Commentary

Corporate capital structure can amplify the impacts of changes in capital on common shareholders equity

- Over the past four years, due to market impacts, the portion of Cherry Hill's capital structure not comprised of common equity has risen significantly

For a given percentage change in total capital, the higher the portion of capital that is not common equity, the greater the multiplier effect to the percentage change in common equity and common BVPS

As a result, changes in actual total capital position, or NAV, are typically less than the corresponding common BVPS changes

### Historical Relationship between NAV and Common Book Value per Share<sup>1</sup>



Note: Figures presented are rounded. Dollars in thousands, unless noted otherwise. As of June 30, 2023, unless noted otherwise.

1. Quarterly changes in capital position, or NAV, exclude the effects of any changes from share issuances or repurchases. Quarterly leverage multiples represent the weighted average quarterly difference between common equity and NAV.

# Balance Sheet

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## Consolidated Balance Sheets

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
<b>Assets</b>		
RMBS, at fair value (including pledged assets of \$1,014,269 and \$815,171, respectively)	\$ 1,054,251	\$ 931,431
Investments in Servicing Related Assets, at fair value (including pledged assets of \$264,906 and \$279,739, respectively)	264,906	279,739
Cash and cash equivalents	53,021	57,320
Restricted cash	7,889	8,234
Derivative assets	26,504	45,533
Receivables from unsettled trades	-	49,803
Receivables and other assets	34,942	36,765
<b>Total Assets</b>	<b>\$ 1,441,513</b>	<b>\$ 1,408,825</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Repurchase agreements	\$ 979,907	\$ 825,962
Derivative liabilities	7,472	24,718
Notes payable	174,968	183,888
Dividends payable	6,188	8,483
Due to manager	1,863	1,870
Payables for unsettled trades	-	78,881
Accrued expenses and other liabilities	8,546	19,507
<b>Total Liabilities</b>	<b>\$ 1,178,944</b>	<b>\$ 1,143,309</b>
<b>Stockholders' Equity</b>		
Series A Preferred stock, \$0.01 par value per share, 100,000,000 shares authorized and 2,781,635 shares issued and outstanding as of June 30, 2023 and 100,000,000 shares authorized and 2,781,635 shares issued and outstanding as of December 31, 2022, liquidation preference of \$69,541 as of June 30, 2023 and liquidation preference of \$69,541 as of December 31, 2022	\$ 67,311	\$ 67,311
Series B Preferred stock, \$0.01 par value per share, 100,000,000 shares authorized and 2,000,000 shares issued and outstanding as of June 30, 2023 and 100,000,000 shares authorized and 2,000,000 shares issued and outstanding as of December 31, 2022, liquidation preference of \$50,000 as of June 30, 2023 and liquidation preference of \$50,000 as of December 31, 2022	48,068	48,068
Common stock, \$0.01 par value per share, 500,000,000 shares authorized and 26,978,077 shares issued and outstanding as of June 30, 2023 and 500,000,000 shares authorized and 23,508,130 shares issued and outstanding as of December 31, 2022	274	239
Additional paid-in capital	363,612	344,510
Accumulated Deficit	(202,243)	(168,989)
Accumulated other comprehensive loss	(17,587)	(29,104)
<b>Total Cherry Hill Mortgage Investment Corporation Stockholders' Equity</b>	<b>\$ 259,435</b>	<b>\$ 262,035</b>
Non-controlling interests in Operating Partnership	3,134	3,481
<b>Total Stockholders' Equity</b>	<b>\$ 262,569</b>	<b>\$ 265,516</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 1,441,513</b>	<b>\$ 1,408,825</b>

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of June 30, 2023, unless noted otherwise.

# Income Statement

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## Consolidated Statements of Income

	Three Months Ended	
	June 30, 2023	March 31, 2023
<b>Income</b>		
Interest income	\$ 12,534	\$ 11,795
Interest expense	<u>13,168</u>	<u>11,955</u>
Net interest expense	(634)	(160)
Servicing fee income	13,436	13,874
Servicing costs	<u>2,464</u>	<u>2,765</u>
Net servicing income	10,972	11,109
Other income (loss)		
Realized loss on RMBS, net	(10,274)	(981)
Realized gain (loss) on derivatives, net	11,640	(5,600)
Unrealized loss on RMBS, measured at fair value through earnings, net	(6,619)	(192)
Unrealized gain (loss) on derivatives, net	6,827	(12,246)
Unrealized loss on investments in Servicing Related Assets	<u>(6,010)</u>	<u>(8,668)</u>
<b>Total Income (Loss)</b>	<b>\$ 5,902</b>	<b>\$ (16,738)</b>
<b>Expenses</b>		
General and administrative expense	1,995	1,523
Management fee to affiliate	<u>1,694</u>	<u>1,680</u>
<b>Total Expenses</b>	<b>\$ 3,689</b>	<b>\$ 3,203</b>
Income (Loss) Before Income Taxes	2,213	(19,941)
Provision for (Benefit from) corporate business taxes	587	(619)
<b>Net Income (Loss)</b>	<b>\$ 1,626</b>	<b>\$ (19,322)</b>
Net (income) loss allocated to noncontrolling interests in Operating Partnership	(37)	377
Dividends on preferred stock	2,465	2,463
<b>Net Loss Applicable to Common Stockholders</b>	<b>\$ (876)</b>	<b>\$ (21,408)</b>
<b>Net Loss Per Share of Common Stock</b>		
Basic	\$ (0.03)	\$ (0.87)
Diluted	\$ (0.03)	\$ (0.87)
<b>Weighted Average Number of Shares of Common Stock Outstanding</b>		
Basic	26,014,830	24,662,823
Diluted	26,034,399	24,685,241

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of June 30, 2023, unless noted otherwise.

# Comprehensive Income

UNAUDITED

## Consolidated Statement of Comprehensive Income

	Three Months Ended	
	June 30, 2023	March 31, 2023
Net income (loss)	\$ 1,626	\$ (19,322)
<b>Other comprehensive income (loss):</b>		
Unrealized gain (loss) on RMBS, available-for-sale, net	(3,122)	14,639
<b>Net other comprehensive income (loss)</b>	<b>(3,122)</b>	<b>14,639</b>
<b>Comprehensive loss</b>	<b>\$ (1,496)</b>	<b>\$ (4,683)</b>
Comprehensive loss attributable to noncontrolling interests in Operating Partnership	(27)	(91)
Dividends on preferred stock	2,465	2,463
<b>Comprehensive loss attributable to common stockholders</b>	<b>\$ (3,934)</b>	<b>\$ (7,055)</b>
<b>Comprehensive Loss Per Share of Common Stock</b>		
Basic	\$ (0.15)	\$ (0.29)
Diluted	\$ (0.15)	\$ (0.29)

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of June 30, 2023, unless noted otherwise.

# Earnings Available for Distribution

UNAUDITED

## Earnings Available for Distribution

	Three Months Ended	
	June 30, 2023	March 31, 2023
Net Income (Loss)	\$ 1,626	\$ (19,322)
+ Realized loss on RMBS, net	10,274	981
+ Realized loss (gain) on derivatives, net <sup>1</sup>	(1,883)	14,021
+ Unrealized loss on RMBS, measured at fair value through earnings, net	6,619	192
+ Unrealized loss (gain) on derivatives, net	(6,827)	12,246
+ Unrealized gain on investments in MSRs, net of estimated MSR amortization	(4,043)	(739)
+ Tax expense on realized and unrealized gain on MSRs	1,065	459
<b>Total EAD:</b>	<b>\$ 6,831</b>	<b>\$ 7,838</b>
EAD attributable to noncontrolling interests in Operating Partnership	(129)	(153)
Dividends on preferred stock	2,465	2,463
<b>EAD Attributable to Common Stockholders</b>	<b>\$ 4,237</b>	<b>\$ 5,222</b>
<b>EAD Attributable to Common Stockholders, per Diluted Share</b>	<b>\$ 0.16</b>	<b>\$ 0.21</b>
<b>GAAP Net Loss Per Share of Common Stock, per Diluted Share</b>	<b>\$ (0.03)</b>	<b>\$ (0.87)</b>

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of June 30, 2023, unless noted otherwise.

Earnings available for distribution ("EAD") is a non-GAAP financial measure that we define as GAAP net income (loss), excluding realized gain (loss) on RMBS, unrealized gain (loss) on RMBS measured at fair value through earnings, realized and unrealized gain (loss) on derivatives, realized gain (loss) on acquired assets, realized and unrealized gain (loss) on investments in MSRs (net of any estimated MSR amortization) and any tax expense (benefit) on realized and unrealized gain (loss) on MSRs. MSR amortization refers to the portion of the change in fair value of the MSR that is primarily due to the realization of cashflows, runoff resulting from prepayments and an adjustment for any gain or loss on the capital used to purchase the MSR. EAD also includes interest rate swap periodic interest income (expense) and drop income on TBA dollar roll transactions, which are included in "Realized loss on derivatives, net" on the consolidated statements of income (loss). EAD is adjusted to exclude outstanding LTIP-OP Units in our Operating Partnership and dividends paid on our preferred stock.

EAD is provided for purposes of potential comparability to other issuers that invest in residential mortgage-related assets. We believe providing investors with EAD, in addition to related GAAP financial measures, may provide investors some insight into our ongoing operational performance. However, the concept of EAD does have significant limitations, including the exclusion of realized and unrealized gains (losses), and given the apparent lack of a consistent methodology among issuers for defining EAD, it may not be comparable to similarly titled measures of other issuers, which define EAD differently from us and each other. As a result, EAD should not be considered a substitute for our GAAP net income (loss) or as a measure of our liquidity. While EAD is one indicia of the Company's earnings capacity, it is not the only factor considered in setting a dividend and is not the same as REIT taxable income which is calculated in accordance with the rules of the IRS.

1. Excludes drop income on TBA dollar rolls of \$855 thousand and interest rate swap periodic interest income of \$8.9 million for the three-month period ended June 30, 2023.

Excludes drop income on TBA dollar rolls of \$538 thousand and interest rate swap periodic interest income of \$7.9 million for the three-month period ended March 31, 2023.

# Segment Results

UNAUDITED

## Results of Operations

	Servicing Related Assets	RMBS	All Other	Total
<b>Income Statement</b>				
<b>Three Months Ended June 30, 2023</b>				
Interest income	\$ -	\$ 12,534	\$ -	\$ 12,534
Interest expense	359	12,809	-	13,168
<b>Net interest expense</b>	<b>(359)</b>	<b>(275)</b>	<b>-</b>	<b>(634)</b>
Servicing fee income	13,436	-	-	13,436
Servicing costs	2,464	-	-	2,464
<b>Net servicing income</b>	<b>10,972</b>	<b>-</b>	<b>-</b>	<b>10,972</b>
Other income (expense)	(13,283)	8,847	-	(4,436)
Other operating expenses	(570)	(167)	(2,952)	(3,689)
Provision for corporate business taxes	(587)	-	-	(587)
<b>Net Income (Loss)</b>	<b>\$ (3,827)</b>	<b>\$ 8,405</b>	<b>\$ (2,952)</b>	<b>\$ 1,626</b>
<b>Balance Sheet</b>				
<b>June 30, 2023</b>				
Investments	\$ 264,906	\$ 1,054,251	\$ -	\$ 1,319,157
Other assets	30,616	38,428	53,312	122,356
<b>Total assets</b>	<b>295,522</b>	<b>1,092,679</b>	<b>53,312</b>	<b>1,441,513</b>
Debt	174,968	979,907	-	1,154,875
Other liabilities	8,445	6,433	9,191	24,069
<b>Total liabilities</b>	<b>183,413</b>	<b>986,340</b>	<b>9,191</b>	<b>1,178,944</b>
<b>Net Assets</b>	<b>\$ 112,109</b>	<b>\$ 106,339</b>	<b>\$ 44,121</b>	<b>\$ 262,569</b>

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of June 30, 2023, unless noted otherwise. Certain prior period amounts have been reclassified to conform to current period presentation.

## This presentation may include the below abbreviations, which have the following meanings

- **30+ DQ** – Percentage of loans that are delinquent by 30 days or more
- **Age (mths) or Loan Age (mths)** – Weighted average number of months loans are outstanding
- **Carrying Value** – represents Cost Basis plus adjustment for mark to market
- **Cost Basis** – Initial investment less return of capital received life to date
- **CDR** – Constant Default Rate
- **CLTV** – ratio of current loan balance to estimated current asset value.
- **COUP** – coupon or interest rate
- **CPR** – Constant Prepayment Rate, expressed as the sum of the CDR and CRR
- **CRR** – Constant Repayment Rate
- **EAD** – Earnings Available for Distribution
- **FHLMC** – Freddie Mac / Federal Home Loan Mortgage Corporation
- **FMV** – Fair Mark Value
- **FNMA** – Fannie Mae / Federal National Mortgage Association
- **FICO** – A borrower’s credit metric generated by the credit scoring model created by the Fair Isaac Corporation
- **Flow Arrangements** – contractual recurring agreements, often monthly or quarterly, to purchase servicing of newly originated or highly delinquent loans
- **GNMA** – Ginnie Mae / Government National Mortgage Association
- **Gross CPR** – Gross CPR is CPR prior to factoring in recapture
- **Gross CRR** – Gross CRR is CRR prior to factoring in recapture
- **HPA** – Home price appreciation
- **LT** – Long Term
- **LTD Cash Flows** – Actual life to date cash flow collected from the investment as of the end of the current month
- **LTD** – Life to Date
- **Net CPR** – CPR after taking into account recapture activity
- **OCI** – Other comprehensive income
- **Projected Future Cash Flows** – Future cash flow expected per the current market valuation
- **Recapture Rate** – Percentage of voluntarily prepaid loans that are refinanced by recapture partner
- **Total Cash Flow** – Sum of all LTD cash flows and all projected future cash flows
- **Uncollected Payments** – Percentage of loans that missed their most recent payment
- **UPB** – Unpaid Principal Balance
- **Updated IRR** – Internal rate of return calculated based on the cash flow received to date through the current month and the expected future cash flow based on our original underwriting assumptions.
- **U/W LTD** – Underwritten life-to-date
- **WA/WAVG** – Weighted Average
- **WAL** – Weighted Average Life to Maturity
- **WALA** – Weighted Average Loan Age
- **WAC** – Weighted Average Coupon



# CHERRYHILL

MORTGAGE INVESTMENT CORPORATION

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