



CHERRYHILL
MORTGAGE INVESTMENT CORPORATION

Investor Presentation

Third Quarter 2021

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, 2020, 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 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.

Third Quarter 2021

Third Quarter 2021 Highlights

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Financial Results

\$9.07 book value per common share¹

- 5.8% decrease, net of 3Q21 dividend

\$0.27 dividend per share declared and paid²

3.0% total quarterly economic loss³

EAD of \$0.25 per share after giving effect to a \$0.03 one-time regulatory payment by the Company's MSR holder^{4, 5}

Portfolio Update

3.2x leverage ratio for aggregate portfolio

16.7% CPR for RMBS⁶

2.26% net interest spread for RMBS

22.2% net CPR for MSRs⁶

Highlights

Acquired approximately \$720 million in MSR UPB during the quarter

Recapture rate of 21.7% on MSRs

Active forbearance fell from approximately 2.9% of our loan servicing portfolio in mid July to approximately 2.2% in late October

Note: Figures presented are rounded. As of September 30, 2021, unless noted otherwise.

1. Based on 17,666,950 common shares outstanding at September 30, 2021.

2. Third Quarter 2021 \$0.27 dividend was paid in cash on October 26, 2021 to stockholders of record on September 30, 2021.

3. Total loss on book value for the quarter ended June 30, 2021 is defined as the decrease in book value from June 30, 2021 to September 30, 2021 of \$0.56, plus the dividend declared of

\$0.27 per share, divided by June 30, 2021 book value of \$9.63 per share.

4. Starting with the current quarter, the Company has relabeled "core earnings" to "earnings available for distribution" or "EAD".

5. Based on 17,206,086 fully diluted weighted average common shares outstanding during the three-month period ended September 30, 2021.

6. Weighted average CPR for the three-month period ended September 30, 2021.

Mortgage Landscape

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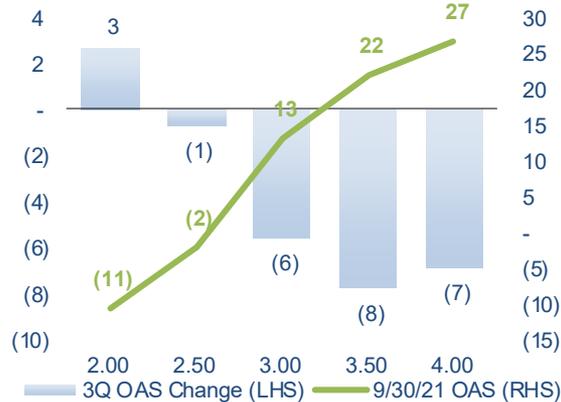
Market Trends¹

	U.S. Treasuries - Yield Changes							Mortgage Dollar Price Changes								
	2yr	3yr	5yr	7yr	10yr	20yr	30yr	30 Year MBS				15 Year MBS				
								1.50%	2.00%	2.50%	3.00%	3.50%	4.00%	1.50%	2.00%	2.50%
December 31, 2020	0.1210	0.1650	0.3610	0.6430	0.9130	1.4400	1.6450	\$101.050	\$103.880	\$105.625	\$104.906	\$105.813	\$106.844	N/A	\$104.625	\$104.125
March 31, 2021	0.1600	0.3460	0.9390	1.4190	1.7400	2.3110	2.4110	\$96.219	\$99.277	\$101.996	\$103.957	\$105.648	\$107.488	\$99.941	\$102.195	\$103.828
June 30, 2021	0.2490	0.4600	0.8890	1.2360	1.4680	2.0180	2.0860	\$98.059	\$100.988	\$103.410	\$104.242	\$105.250	\$106.484	\$101.168	\$103.133	\$104.270
September 30, 2021	0.2760	0.5080	0.9650	1.2850	1.4870	1.9880	2.0450	\$97.063	\$100.188	\$103.031	\$104.594	\$105.781	\$107.125	\$100.938	\$102.969	\$104.156
1Q Change	0.0390	0.1810	0.5780	0.7760	0.8270	0.8710	0.7660	(\$4.831)	(\$4.603)	(\$3.629)	(\$0.949)	(\$0.164)	\$0.645	NM	(\$2.430)	(\$0.297)
2Q Change	0.0890	0.1140	(0.0500)	(0.1830)	(0.2720)	(0.2930)	(0.3250)	\$1.840	\$1.711	\$1.414	\$0.285	(\$0.398)	(\$1.004)	\$1.227	\$0.938	\$0.441
3Q Change	0.0270	0.0480	0.0760	0.0490	0.0190	(0.0300)	(0.0410)	(\$0.996)	(\$0.801)	(\$0.379)	\$0.352	\$0.531	\$0.641	(\$0.230)	(\$0.164)	(\$0.113)

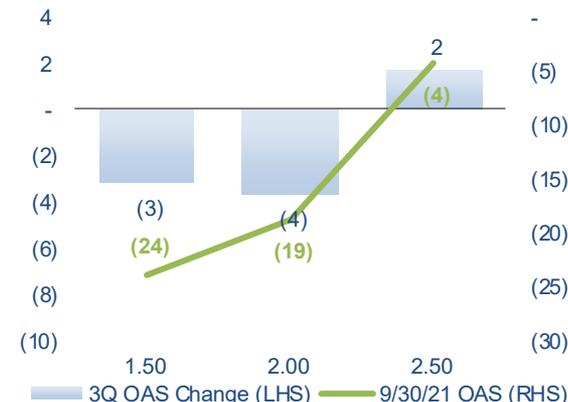
Mortgage Basis Spread² vs. 10 Year Swap



30-Year MBS OAS & 3Q Change³



15-Year MBS OAS & 3Q Change³



Note: Figures presented are rounded. Dollars in thousands. As of September 30, 2021, unless noted otherwise.

1. Source: Bloomberg.

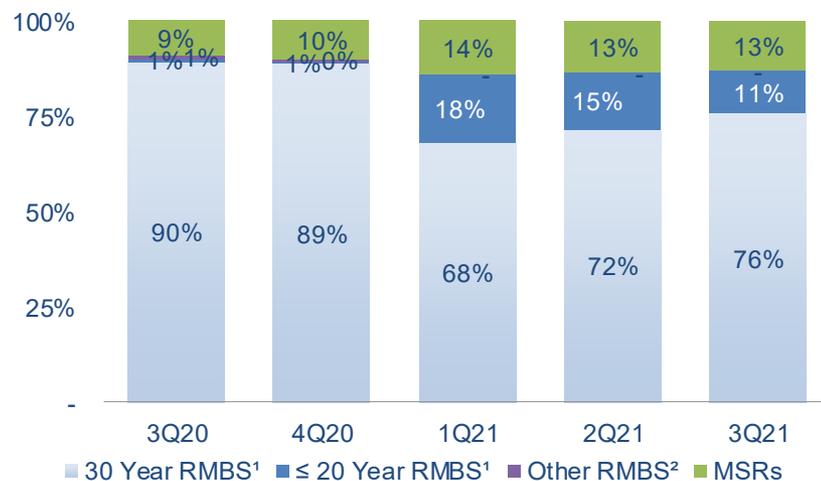
2. Source: Bloomberg. FNMA 30 Year current coupon vs 10 year swaps.

3. Source: Citigroup. 3Q change represents the difference between values at September 30, 2021 and June 30, 2021.

Portfolio Metrics

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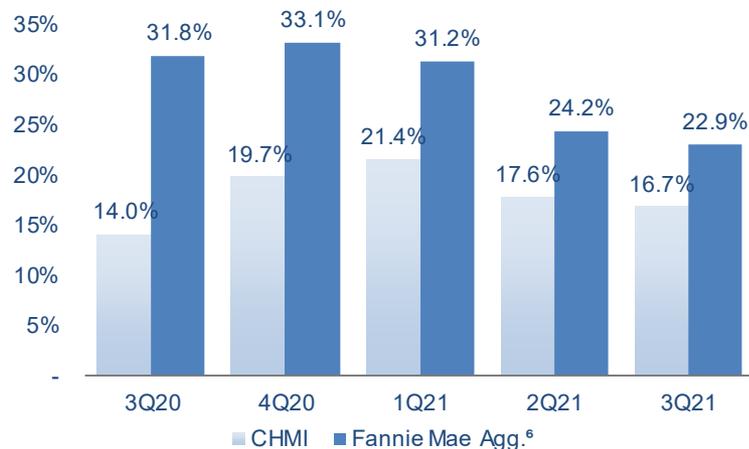
Asset Investment Composition (ex. Cash)



Equity Composition



Quarterly RMBS CPR Performance



Quarterly MSR Net CPR Performance



Note: Figures presented are rounded. Dollars in thousands. As of September 30, 2021, unless noted otherwise.

1. Includes open net TBAs.
2. Comprised of CRT and Private Label assets.
3. Comprised of MSRs and other related assets.

4. Comprised of RMBS and other related assets and liabilities.
5. Comprised of non-invested assets and liabilities, primarily cash.
6. Source: Fannie Mae Monthly Flash Prepayment Report.
7. Source: Bloomberg ILM3NAVG index.

MSR Portfolio Overview

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September 30, 2021 MSR Characteristics

Characteristics	FNMA	FHLMC	Total
UPB (\$)	12,807,572,764	7,973,848,050	20,781,420,814
Avg UPB (\$'000)	230,917	232,115	231,375
WAC	3.55	3.60	3.57
Net Servicing Fee	0.25	0.25	0.25
WAM (Mths)	312	322	316
WALA (Mths)	25	22	24
Original FICO	754	757	755
Original LTV	75.7	77.6	76.4
ARM %	0.1%	0.1%	0.1%
60+ DQ	2.6%	2.6%	2.6%

Cherry Hill Historical MSR UPB (\$ millions)



Commentary

Investments in MSRs totaled \$210.8 million, related to approximately \$20.8 billion in UPB of underlying Fannie Mae and Freddie Mac loans as of September 30, 2021

Acquired approximately \$720 million in Fannie Mae/Freddie Mac MSR UPB during the quarter

Recapture rate on conventional MSRs was 21.7% in the quarter

Note: Figures presented are rounded. Dollars in thousands, unless noted otherwise. As of September 30, 2021, unless noted otherwise.

RMBS Portfolio Overview

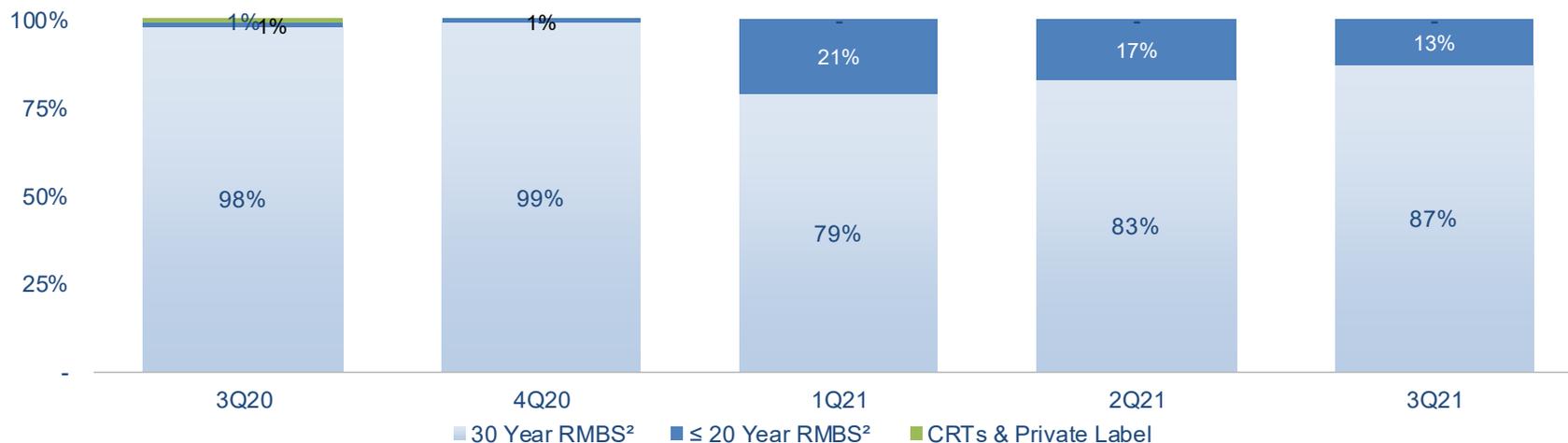
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RMBS Portfolio Characteristics

30 Year RMBS (87% of Total)							
Coupon	FMV	Book Value	Par Amount	WAC	WALA	1 Mo. CPR	LT CPR ¹
≤ 2.5%	\$317,315	\$319,856	\$305,566	3.2%	7	7.2	10.7
3.0%	223,205	221,849	210,086	3.7%	10	14.4	13.2
3.5%	151,868	144,407	140,100	4.2%	35	32.7	15.5
4.0%	160,990	151,353	146,711	4.5%	56	27.6	16.5
Total	\$853,378	\$837,465	\$802,463	3.8%	21	17.2	13.2
Open Net TBAs	\$374,425	\$378,490	\$370,500	N/A	N/A	N/A	N/A
30 Year Total	\$1,227,803	\$1,215,955	\$1,172,963	3.8%	21	17.2	13.2

≤ 20 Year RMBS (13% of Total)							
	FMV	Book Value	Par Amount	WAC	WALA	1 Mo. CPR	LT CPR ¹
≤ 2.5%	\$12,526	\$12,517	\$11,919	3.3%	3	0.7	12.9
Total	\$12,526	\$12,517	\$11,919	3.3%	3	0.7	12.9
Open Net TBAs	\$170,142	\$170,865	\$165,500	N/A	N/A	N/A	N/A
≤ 20 Year Total	\$182,668	\$183,382	\$177,419	3.3%	3	0.7	12.9

RMBS Portfolio Composition History



Note: Figures presented are rounded. Dollars in thousands. As of September 30, 2021, 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

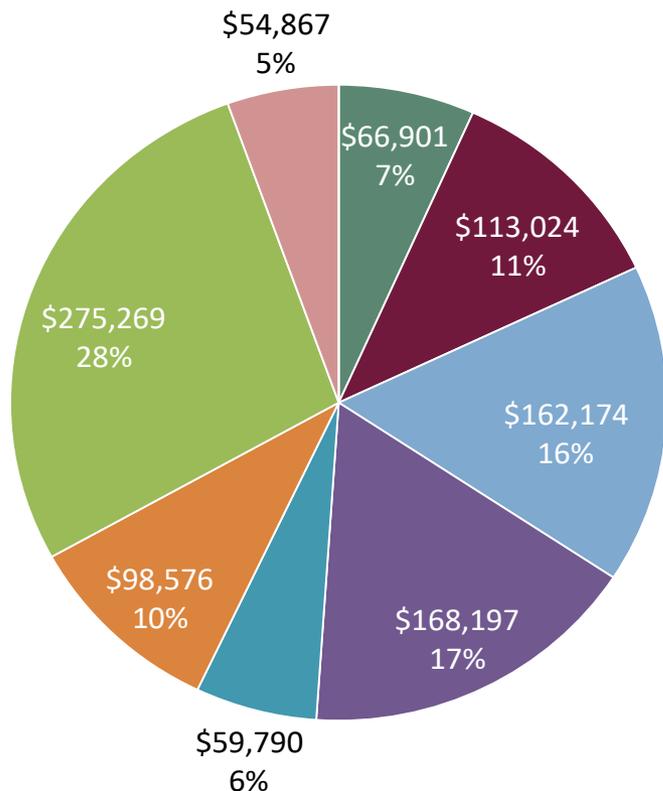


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June 30, 2021

RMBS Collateral (ex. TBA): \$998,799



■ ≤ 125K Max Pools

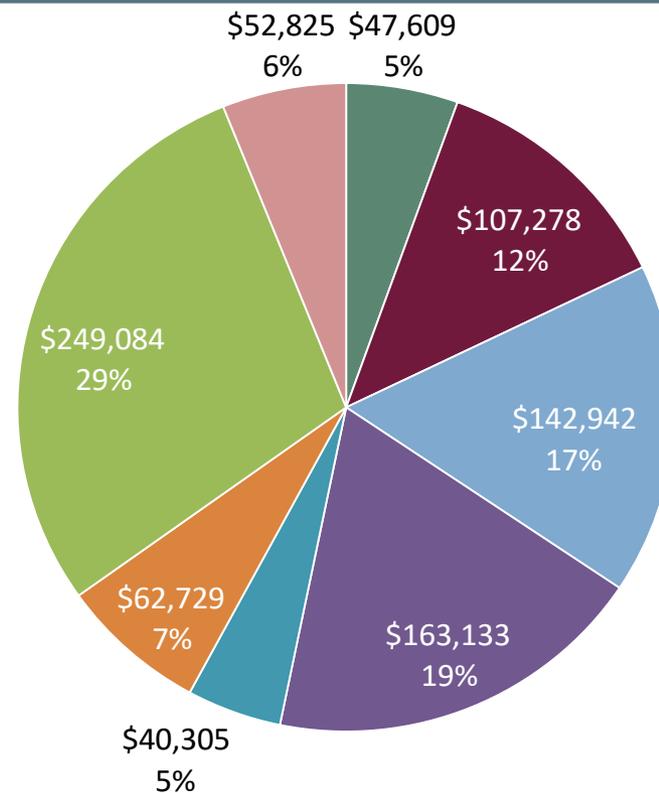
■ ≤ 150K Max Pools

■ ≤ 250K Max Pools

■ MHA/HFA Pools¹

September 30, 2021

RMBS Collateral (ex. TBA): \$865,904



■ ≤ 175K Max Pools

■ ≤ 200K Max Pools

■ Geographic Stories²

■ Investor

Note: Figures noted are rounded. As of September 30, 2021, unless noted otherwise. Dollars in thousands.

1. MHA pools consist of borrowers who have refinanced through the Home Affordable Refinance Program (HARP). Securities are collateralized by loans with greater than or equal to 80% loan to value (LTV). High LTV pools are

predominantly Making Homeownership Affordable (MHA) pools.

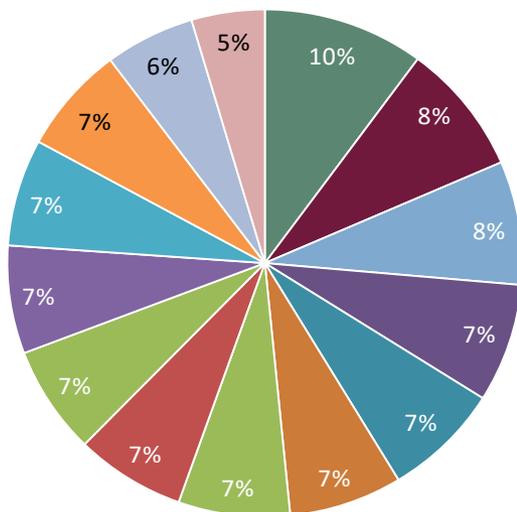
2. Geographic stories are single state pools such as NY or PR.

3. Includes Jumbo pools, CRT pools and pools without prepayment protection.

Financing Summary

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Repurchase Agreement Counterparty Utilization¹



Commentary

Average REPO cost was 0.11% with a weighted average days remaining to maturity of 38 days

32 REPO relationships established

Borrowings with 14 financing counterparties

Weighted average “haircut” of 4.8%

Repurchase Agreement Characteristics

Remaining Maturity	REPO Outstanding	Percentage	WA Rate	Remaining Days to Maturity	Original Days to Maturity
Less than one month	\$300,823	38.7%	0.11%	15	62
One to three months	476,593	61.3%	0.12%	52	64
Total / WA	\$777,416	100.0%	0.11%	38	63

Note: Figures noted are rounded. As of September 30, 2021, 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				
Yrs. To Maturity	Amount	WA Pay Rate	WA Receive	WA Yrs. to Mat.
x ≤ 3 Years	\$60,000	0.22%	0.09%	1.9
3 > x ≤ 5 Years	385,000	0.59%	0.11%	3.7
5 > x ≤ 7 Years	321,900	0.58%	0.12%	6.5
7 > x ≤ 10 Years	228,100	0.88%	0.11%	8.9
Total/WA	\$995,000	0.63%	0.11%	5.7

Receiver Swaps				
Yrs. To Maturity	Amount	WA Pay Rate	WA Receive	WA Yrs. to Mat.
x ≤ 3 Years	-	-	-	-
3 > x ≤ 5 Years	-	-	-	-
5 > x ≤ 7 Years	-	-	-	-
7 > x ≤ 10 Years	\$418,000	0.13%	2.14%	7.8
Total/WA	\$418,000	0.13%	2.14%	7.8

Treasury Futures

Treasury Futures				
Maturity	Long Notional	Short Notional	Net	Fair Value
10 Year	-	(\$30,000)	(\$30,000)	(\$42)
Total	-	(\$30,000)	(\$30,000)	(\$42)

Treasury Futures Options				
Maturity	Long Notional	Short Notional	Net	Fair Value
10 Year	\$80,000	(\$30,000)	\$50,000	\$198
Total	\$80,000	(\$30,000)	\$50,000	\$198

Swaptions

\$55 million notional swaptions with options to enter into fixed pay swaps prior to March 2022

3.7 year weighted average duration

Commentary

Approximately \$1.4 billion notional interest rate swaps

5.1 years weighted average duration on Payer swaps

7.3 years weighted average duration on Receiver swaps

Note: Figures presented are rounded. Dollars in thousands. As of September 30, 2021, unless noted otherwise.

Appendix

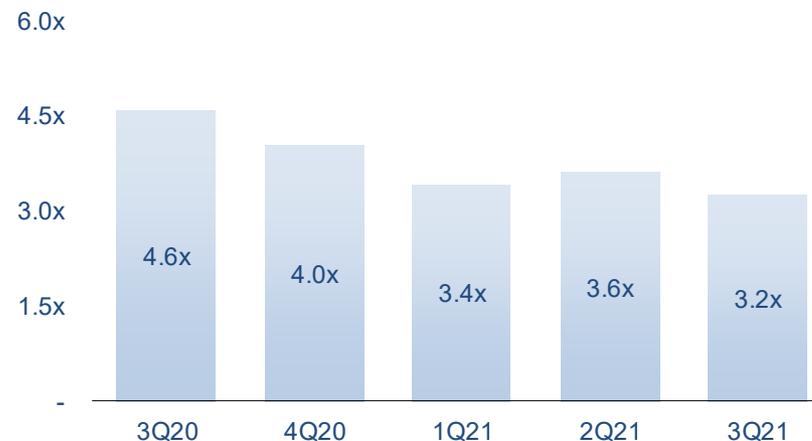
Historical Portfolio Overview

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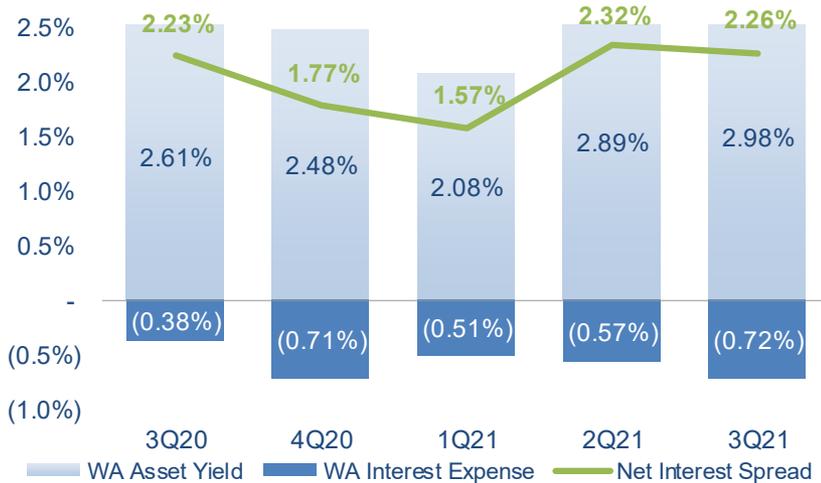
Asset Composition



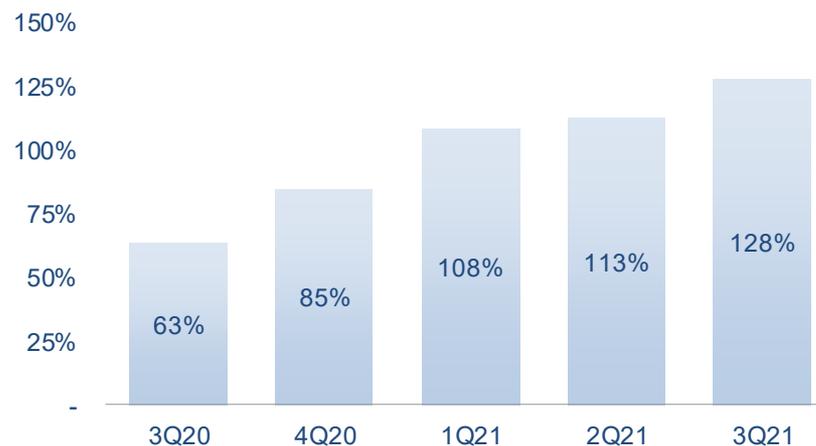
Company Leverage



RMBS Net Interest Spread



RMBS Hedge Ratio²



Note: Figures presented are rounded. Dollars in millions. As of September 30, 2021, unless noted otherwise.

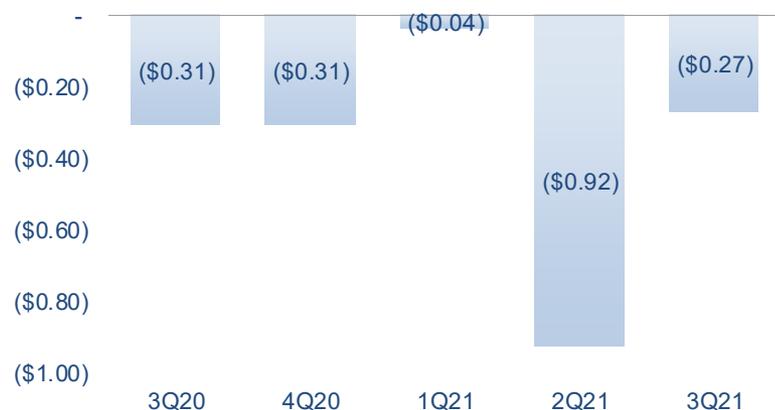
1. Excludes TBAs.

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

Historical Performance Metrics

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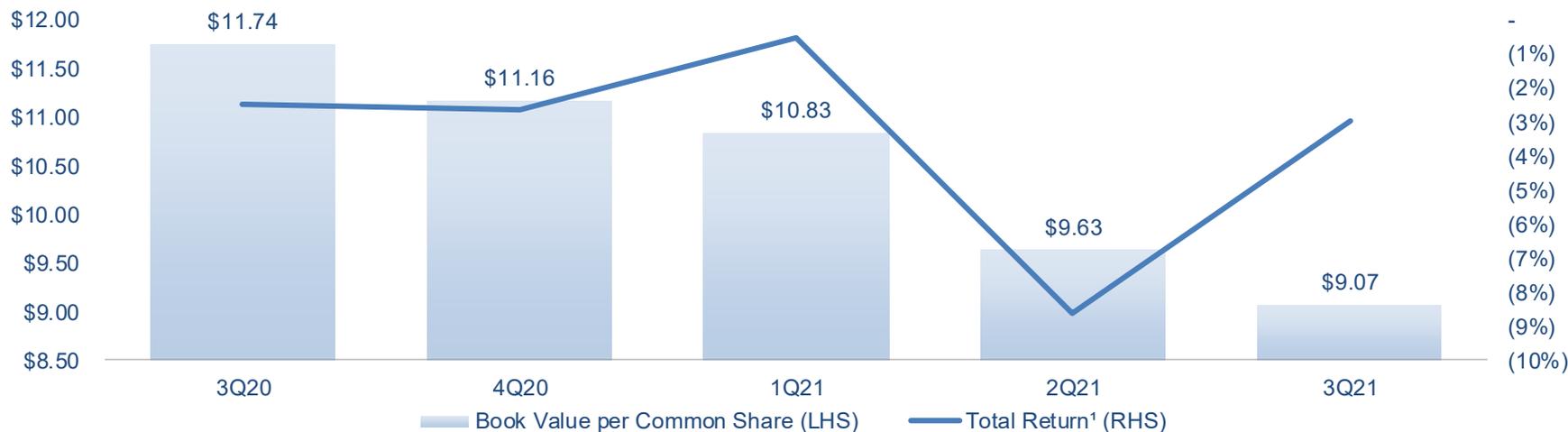
Comprehensive Income (Loss) per Common Share



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 September 30, 2021, 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 and Interest Rate Sensitivity¹

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

	-50 bps	-25 bps	No Change	+25 bps	+50 bps
Basis Risk Sensitivity					
Estimated Change in NAV	\$26,529	\$13,367	-	(\$14,637)	(\$29,977)
Proforma NAV as of September 30, 2021	\$309,035	\$295,873	\$282,506	\$267,869	\$252,529
Proforma percentage change in NAV	9.4%	4.7%	-	(5.2%)	(10.6%)
Proforma BV per Common Share as of September 30, 2021	\$10.57	\$9.83	\$9.07	\$8.24	\$7.38
Proforma percentage change in BV per Common Share	16.6%	8.3%	-	(9.1%)	(18.7%)

Interest Rate Sensitivity on Current Portfolio²

	-50 bps	-25 bps	No Change	+25 bps	+50 bps
Interest Rate Sensitivity					
Estimated Change in NAV	(\$10,254)	(\$2,691)	-	(\$358)	(\$4,570)
Proforma NAV as of September 30, 2021	\$272,252	\$279,815	\$282,506	\$282,148	\$277,936
Proforma percentage change in NAV	(3.6%)	(1.0%)	-	(0.1%)	(1.6%)
Proforma BV per Common Share as of September 30, 2021	\$8.49	\$8.92	\$9.07	\$9.05	\$8.81
Proforma percentage change in BV per Common Share	(6.4%)	(1.7%)	-	(0.2%)	(2.9%)

Basis Risk Sensitivity



Interest Rate Sensitivity²



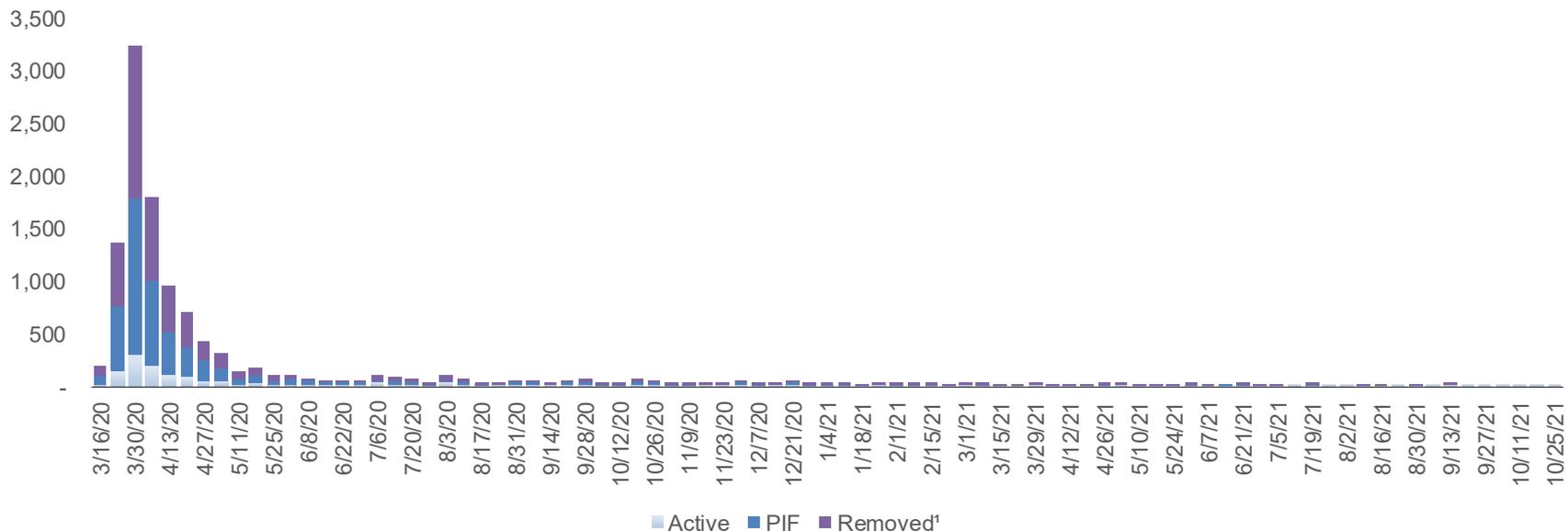
Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of September 30, 2021, unless noted otherwise.

- Interest rate sensitivity to parallel shifts and spread sensitivity are derived from models that are 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 analysis excludes Treasury futures options as no Treasury futures options were in-the-money as of September 30, 2021.

Forbearance Update as of October 26, 2021

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Forbearance Trend by Week



Commentary

Approximately 5% of borrowers in forbearance are current and have made all payments due

Approximately 17% of borrowers granted forbearance remain in forbearance

Approximately 2.2% of our loan servicing portfolio was in active forbearance

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of October 26, 2021, unless noted otherwise.

1. Represents borrows who have requested to be removed from forbearance or exited forbearance through loss mitigation.

Balance Sheet



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Consolidated Balance Sheets

	September 30, 2021	December 31, 2020
Assets		
RMBS, available-for-sale, at fair value (including pledged assets of \$801,102 and \$1,164,416, respectively)	\$ 865,904	\$ 1,228,251
Investments in Servicing Related Assets, at fair value (including pledged assets of \$210,819 and \$174,414, respectively)	210,819	174,414
Cash and cash equivalents	62,922	83,892
Restricted cash	16,240	46,326
Derivative assets	18,118	15,970
Receivables and other assets	40,362	44,635
Total Assets	\$ 1,214,365	\$ 1,593,488
Liabilities and Stockholders' Equity		
Liabilities		
Repurchase agreements	\$ 777,416	\$ 1,149,978
Derivative liabilities	5,150	5,878
Notes payable	135,000	111,379
Dividends payable	6,900	6,725
Due to manager	4,458	3,217
Accrued expenses and other liabilities	2,935	3,745
Total Liabilities	\$ 931,859	\$ 1,280,922
Stockholders' Equity		
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 September 30, 2021 and 100,000,000 shares authorized and 2,781,635 shares issued and outstanding as of December 31, 2020, liquidation preference of \$69,541 as of September 30, 2021 and liquidation preference of \$69,541 as of December 31, 2020	\$ 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 September 30, 2021 and 100,000,000 shares authorized and 2,000,000 shares issued and outstanding as of December 31, 2020, liquidation preference of \$50,000 as of September 30, 2021 and liquidation preference of \$50,000 as of December 31, 2020	48,068	48,068
Common stock, \$0.01 par value per share, 500,000,000 shares authorized and 17,666,950 shares issued and outstanding as of September 30, 2021 and 500,000,000 shares authorized and 17,076,858 shares issued and outstanding as of December 31, 2020	181	175
Additional paid-in capital	306,122	300,997
Accumulated Deficit	(157,671)	(141,980)
Accumulated other comprehensive income	15,803	35,594
Total Cherry Hill Mortgage Investment Corporation Stockholders' Equity	\$ 279,814	\$ 310,165
Non-controlling interests in Operating Partnership	2,692	2,401
Total Stockholders' Equity	\$ 282,506	\$ 312,566
Total Liabilities and Stockholders' Equity	\$ 1,214,365	\$ 1,593,488

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of September 30, 2021, unless noted otherwise.

Income Statement

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Consolidated Statements of Income

	Three Months Ended September 30,	
	2021	2020
Income		
Interest income	\$ 7,043	\$ 10,001
Interest expense	646	(18)
Net interest income	6,397	10,019
Servicing fee income	13,839	14,365
Servicing costs	3,080	5,266
Net servicing income	10,759	9,099
Other income (loss)		
Realized gain (loss) on RMBS, available-for-sale, net	(1,050)	6,722
Realized loss on investments in MSRs, net	-	-
Realized gain (loss) on derivatives, net	(3,023)	(7,841)
Realized gain (loss) on acquired assets, net	(19)	(95)
Unrealized gain (loss) on derivatives, net	(5,467)	3,702
Unrealized loss on investments in Servicing Related Assets	(7,914)	(20,972)
Total Income (Loss)	\$ (317)	\$ 634
Expenses		
General and administrative expense	1,729	1,503
Management fee to affiliate	1,959	1,989
Total Expenses	\$ 3,688	\$ 3,492
Income (Loss) Before Income Taxes	(4,005)	(2,858)
Provision for (benefit from) corporate business taxes	(215)	(2,116)
Net Income (Loss)	\$ (3,790)	\$ (742)
Net (income) loss allocated to noncontrolling interests in Operating Partnership	77	10
Dividends on preferred stock	2,462	2,459
Net Income (Loss) Applicable to Common Stockholders	\$ (6,175)	\$ (3,191)
Net Income (Loss) Per Share of Common Stock		
Basic	\$ (0.36)	\$ (0.19)
Diluted	\$ (0.36)	\$ (0.19)
Weighted Average Number of Shares of Common Stock Outstanding		
Basic	17,185,872	17,054,634
Diluted	17,206,086	17,076,858

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of September 30, 2021, unless noted otherwise.

Comprehensive Income

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Consolidated Statement of Comprehensive Income

	Three Months Ended September 30,	
	2021	2020
Net income (loss)	\$ (3,790)	\$ (742)
Other comprehensive income (loss):		
Net unrealized gain (loss) on RMBS	512	4,612
Reclassification of net realized gain (loss) on RMBS included in earnings	1,050	(6,722)
Other comprehensive income (loss)	1,562	(2,110)
Comprehensive income (loss)	\$ (2,228)	\$ (2,852)
Comprehensive income (loss) attributable to noncontrolling interests in Operating Partnership	\$ (42)	\$ (49)
Dividends on preferred stock	2,462	2,459
Comprehensive income (loss) attributable to common stockholders	\$ (4,648)	\$ (5,262)
Comprehensive Income (Loss) Per Share of Common Stock		
Basic	\$ (0.27)	\$ (0.31)
Diluted	\$ (0.27)	\$ (0.31)

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of September 30, 2021, unless noted otherwise.

Earnings Available for Distribution (formerly “Core Earnings”)

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Earnings Available for Distribution

	Three Months Ended September 30,	
	2021	2020
Net Income (Loss)	\$ (3,790)	\$ (742)
Other comprehensive income (loss):		
+ Realized loss (gain) on RMBS, net	1,050	(6,722)
+ Realized loss (gain) on derivatives, net	3,023	7,841
+ Realized loss (gain) on acquired assets, net	19	95
+ Unrealized loss (gain) on derivatives, net	5,467	(3,702)
+ Unrealized loss on investments in MSRs, net of estimated MSR amortization	417	15,091
+ Tax expense on realized and unrealized gain on MSRs	655	(1,017)
Total EAD:	\$ 6,841	\$ 10,844
EAD attributable to noncontrolling interests in Operating Partnership	(134)	(198)
Dividends on preferred stock	2,462	2,459
EAD Attributable to Common Stockholders	\$ 4,245	\$ 8,187
EAD Attributable to Common Stockholders, per Diluted Share	\$ 0.25	\$ 0.48
GAAP Net Loss Per Share of Common Stock, per Diluted Share	\$ (0.36)	\$ (0.19)

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of September 30, 2021, unless noted otherwise. Beginning with this quarter, the Company has retitled core earnings as earnings available for distribution or EAD. In connection with the retitling, no changes were made to the method of calculating core earnings, now called EAD. EAD is a non-GAAP financial measure and is currently defined by the Company as GAAP net income (loss), excluding realized gain (loss) on RMBS, realized and unrealized gain (loss) on investments in MSRs (net of any estimated MSR amortization), realized and unrealized gain (loss) on derivatives and realized (gain) loss on acquired assets. EAD is adjusted to exclude outstanding LTIP-OP Units in our Operating Partnership and dividends paid on preferred stock. MSR amortization refers to the portion of the change in fair value of the MSRs that is primarily due to the realization of cashflows or runoff and includes an adjustment for any gain or loss on the capital used to purchase the MSR. Additionally, EAD excludes any tax (benefit) expense on realized and unrealized gain (loss) on MSRs. EAD are provided for purposes of potential comparability to other issuers that invest in residential mortgage-related assets. The Company believes providing investors with EAD, in addition to related GAAP financial measures, may provide investors some insight into the Company's 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 the Company and each other. As a result, EAD should not be considered a substitute for the Company's GAAP net income (loss) or as a measure of the Company's 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.

Segment Results

UNAUDITED

Results of Operations

	Servicing Related Assets	RMBS	All Other	Total
Income Statement				
Three Months Ended September 30, 2021				
Interest income	\$ 120	\$ 6,923	\$ -	\$ 7,043
Interest expense	(808)	1,454	-	646
Net interest income	928	5,469	-	6,397
Servicing fee income	13,839	-	-	13,839
Servicing costs	3,080	-	-	3,080
Net servicing income	10,759	-	-	10,759
Other expense	(14,210)	(3,263)	-	(17,473)
Other operating expenses	1,030	-	2,658	3,688
Benefit from corporate business taxes	(215)	-	-	(215)
Net Income (Loss)	\$ (3,338)	\$ 2,206	\$ (2,658)	\$ (3,790)
Balance Sheet				
September 30, 2021				
Investments	\$ 210,819	\$ 865,904	\$ -	\$ 1,076,723
Other assets	46,350	28,281	63,011	137,642
Total assets	257,169	894,185	63,011	1,214,365
Debt	135,000	777,416	-	912,416
Other liabilities	1,829	5,212	12,402	19,443
Total liabilities	136,829	782,628	12,402	931,859
Book value	\$ 120,340	\$ 111,557	\$ 50,609	\$ 282,506

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of September 30, 2021, unless noted otherwise.

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 Market 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



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