



CHERRYHILL  
MORTGAGE INVESTMENT CORPORATION

# Investor Presentation

Fourth 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, 2021, 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.

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**Fourth Quarter 2021**

# Fourth Quarter 2021 Highlights

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## Financial Results

**\$8.56 book value per common share<sup>1</sup>**

- 5.6% decrease, net of 4Q21 dividend

**\$0.27 dividend per share declared and paid<sup>2</sup>**

**2.6% total quarterly economic loss<sup>3</sup>**

**EAD of \$0.32 per share<sup>4</sup>**

## Portfolio Update

**3.6x leverage ratio for aggregate portfolio**

**12.0% CPR for RMBS<sup>5</sup>**

**2.46% net interest spread for RMBS**

**18.8% net CPR for MSRs<sup>5</sup>**

## Highlights

**Acquired approximately \$1.2 billion in MSR UPB during the quarter**

**Recapture rate of 23.1% on MSRs**

*Note: Figures presented are rounded. As of December 31, 2021, unless noted otherwise.*

1. *Based on 18,261,848 common shares outstanding at December 31, 2021.*

2. *Fourth quarter 2021 \$0.27 dividend was paid in cash on January 25, 2022 to stockholders of record on December 31, 2021.*

3. *Total loss on book value for the quarter ended December 31, 2021 is defined as the decrease in book value from September 30, 2021 to December 31, 2021 of \$0.51, plus the dividend*

*declared of \$0.27 per share, divided by September 30, 2021 book value of \$9.07 per share.*

4. *Based on 17,983,769 fully diluted weighted average common shares outstanding during the three-month period ended December 31, 2021.*

5. *Weighted average CPR for the three-month period ended December 31, 2021.*

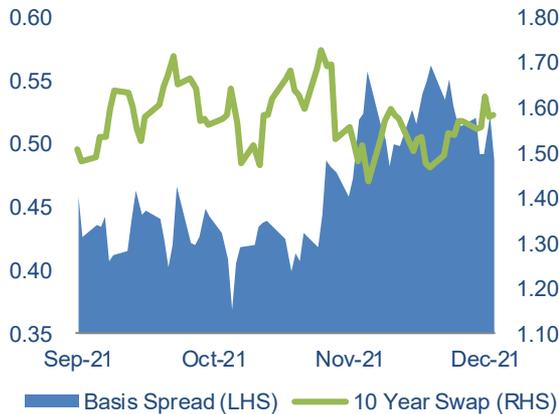
# Mortgage Landscape

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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	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
<b>December 31, 2021</b>	<b>0.7320</b>	<b>0.9570</b>	<b>1.2630</b>	<b>1.4360</b>	<b>1.5100</b>	<b>1.9330</b>	<b>1.9030</b>	<b>\$96.418</b>	<b>\$99.285</b>	<b>\$101.613</b>	<b>\$103.305</b>	<b>\$105.047</b>	<b>\$106.402</b>	<b>\$100.051</b>	<b>\$102.063</b>	<b>\$103.281</b>
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)
<b>4Q Change</b>	<b>0.4560</b>	<b>0.4490</b>	<b>0.2980</b>	<b>0.1510</b>	<b>0.0230</b>	<b>(0.0550)</b>	<b>(0.1420)</b>	<b>(\$0.645)</b>	<b>(\$0.902)</b>	<b>(\$1.418)</b>	<b>(\$1.289)</b>	<b>(\$0.734)</b>	<b>(\$0.723)</b>	<b>(\$0.887)</b>	<b>(\$0.906)</b>	<b>(\$0.875)</b>

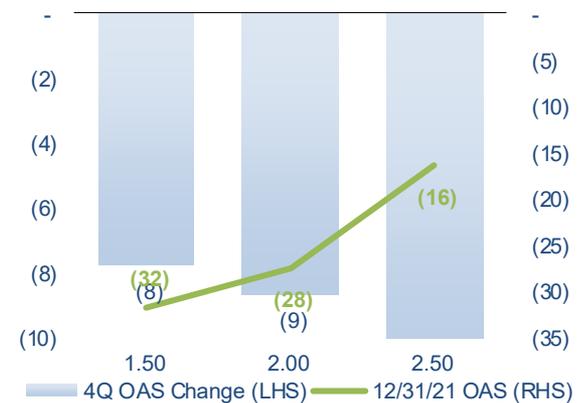
### Mortgage Basis Spread<sup>2</sup> vs. 10 Year Swap



### 30-Year MBS OAS & 4Q Change<sup>3</sup>



### 15-Year MBS OAS & 4Q Change<sup>3</sup>



Note: Figures presented are rounded. Dollars in thousands. As of December 31, 2021, unless noted otherwise.

1. Source: Bloomberg.

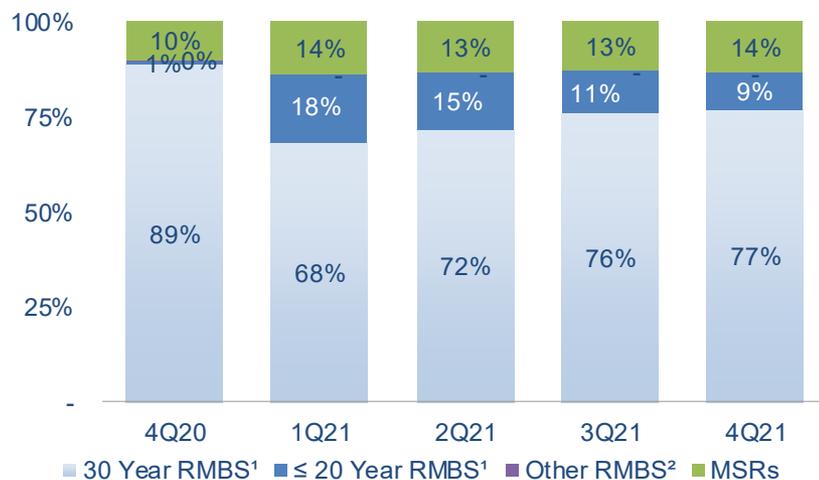
2. Source: Bloomberg. FNMA 30 Year current coupon vs 10 year swaps.

3. Source: Citigroup. 4Q change represents the difference between values at September 30, 2021 and December 31, 2021.

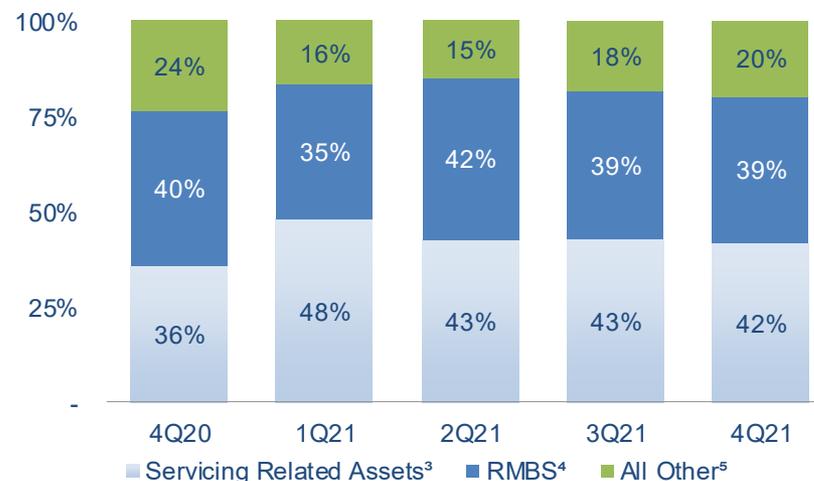
# Portfolio Metrics

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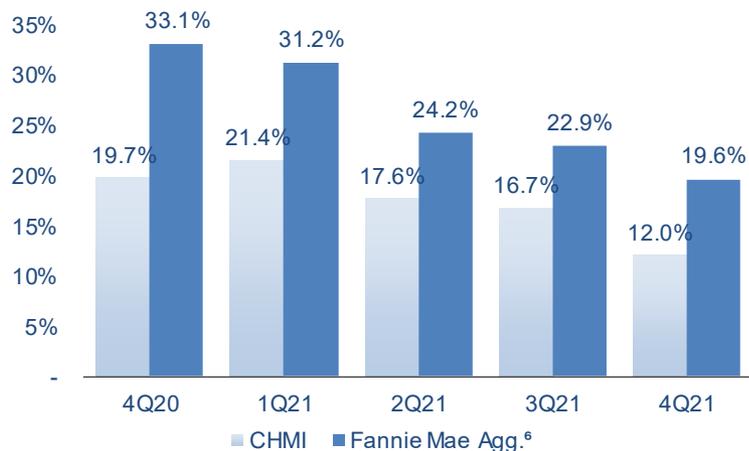
## Asset Investment Composition (ex. Cash)



## Equity Composition



## Quarterly RMBS CPR Performance



## Quarterly MSR Net CPR Performance



Note: Figures presented are rounded. Dollars in thousands. As of December 31, 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.

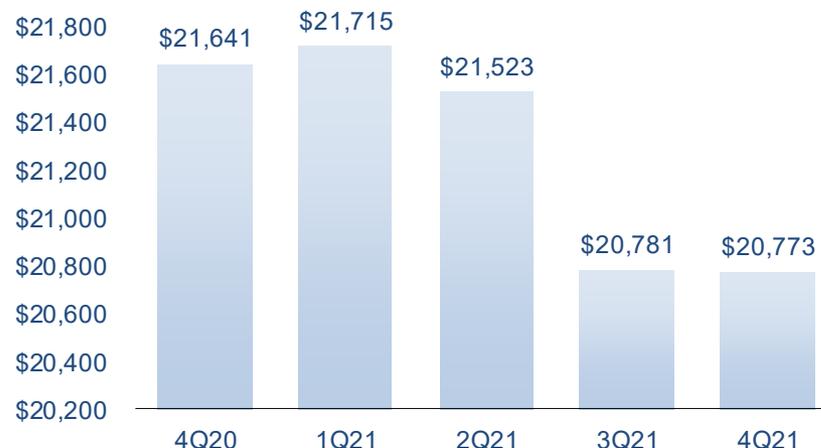
# MSR Portfolio Overview

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## December 31, 2021 MSR Characteristics

Characteristics	FNMA	FHLMC	Total
UPB (\$)	12,738,844,291	8,034,433,959	20,773,278,251
Avg UPB (\$'000)	232,839	233,119	232,947
WAC	3.50	3.52	3.51
Net Servicing Fee	0.25	0.25	0.25
WAM (Mths)	312	321	316
WALA (Mths)	26	23	25
Original FICO	754	758	756
Original LTV	75.3	76.7	75.8
ARM %	0.1%	0.1%	0.1%
60+ DQ	2.0%	2.0%	2.0%

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



## Commentary

Investments in MSRs totaled \$218.7 million, related to approximately \$20.8 billion in UPB of underlying Fannie Mae and Freddie Mac loans as of December 31, 2021

Acquired approximately \$1.2 billion in Fannie Mae/Freddie Mac MSR UPB during the quarter

Recapture rate on conventional MSRs was 23.1% in the quarter

As of February 22, 2022, approximately 1.6% of our loan servicing portfolio was in active forbearance with 13% being current and having made all payments due

*Note: Figures presented are rounded. Dollars in thousands, unless noted otherwise. As of December 31, 2021, unless noted otherwise.*

# RMBS Portfolio Overview

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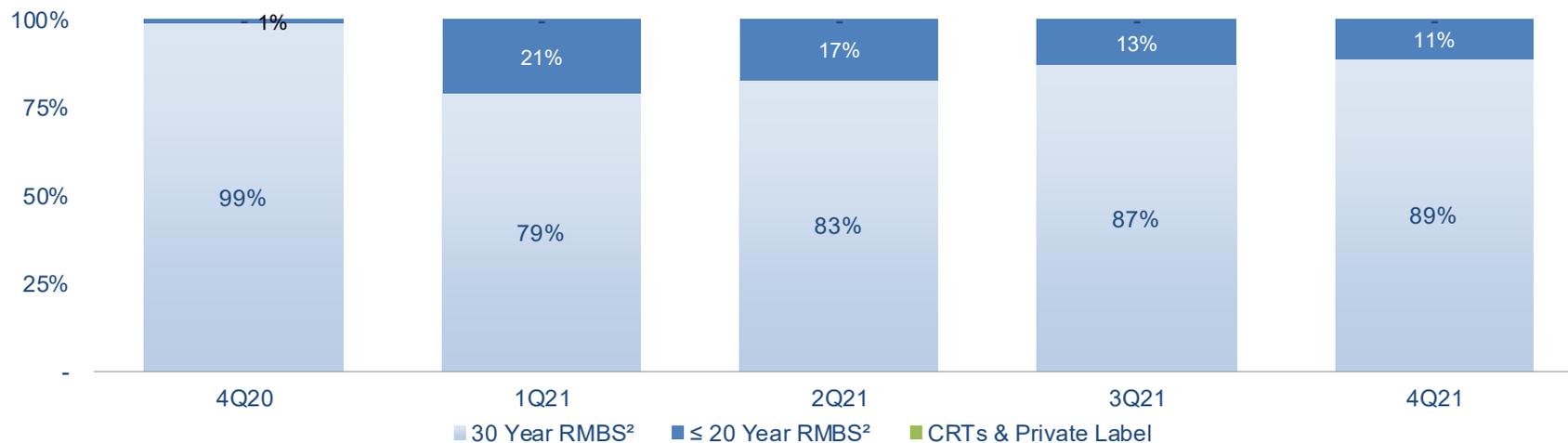
## RMBS Portfolio Characteristics

30 Year RMBS (89% of Total)							
Coupon	FMV	Book Value	Par Amount	WAC	WALA	1 Mo. CPR	LT CPR <sup>1</sup>
≤ 2.5%	\$294,989	\$298,982	\$286,779	3.2%	8	6.6	10.0
3.0%	348,220	350,105	330,856	3.6%	9	10.9	13.0
3.5%	150,850	144,793	140,072	4.2%	35	15.7	14.5
4.0%	147,361	139,753	135,573	4.5%	59	18.3	15.6
<b>Total</b>	<b>\$941,420</b>	<b>\$933,633</b>	<b>\$893,280</b>	<b>3.7%</b>	<b>20</b>	<b>11.4</b>	<b>12.7</b>
Open Net TBAs	\$301,998	\$303,233	\$301,500	N/A	N/A	N/A	N/A
<b>30 Year Total</b>	<b>\$1,243,418</b>	<b>\$1,236,866</b>	<b>\$1,194,780</b>	<b>3.7%</b>	<b>20</b>	<b>11.4</b>	<b>12.7</b>

≤ 20 Year RMBS (11% of Total)							
	FMV	Book Value	Par Amount	WAC	WALA	1 Mo. CPR	LT CPR <sup>1</sup>
≤ 2.5%	\$12,076	\$12,219	\$11,641	3.3%	6	0.4	12.0
<b>Total</b>	<b>\$12,076</b>	<b>\$12,219</b>	<b>\$11,641</b>	<b>3.3%</b>	<b>6</b>	<b>0.4</b>	<b>12.0</b>
Open Net TBAs	\$140,822	\$140,594	\$137,500	N/A	N/A	N/A	N/A
<b>≤ 20 Year Total</b>	<b>\$152,898</b>	<b>\$152,813</b>	<b>\$149,141</b>	<b>3.3%</b>	<b>6</b>	<b>0.4</b>	<b>12.0</b>

## RMBS Portfolio Composition History



Note: Figures presented are rounded. Dollars in thousands. As of December 31, 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

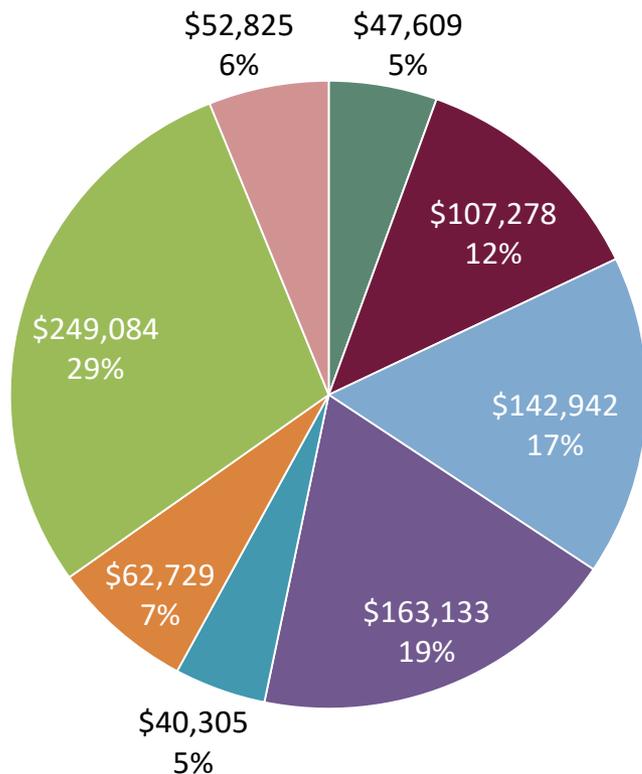


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September 30, 2021

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



■ ≤ 125K Max Pools

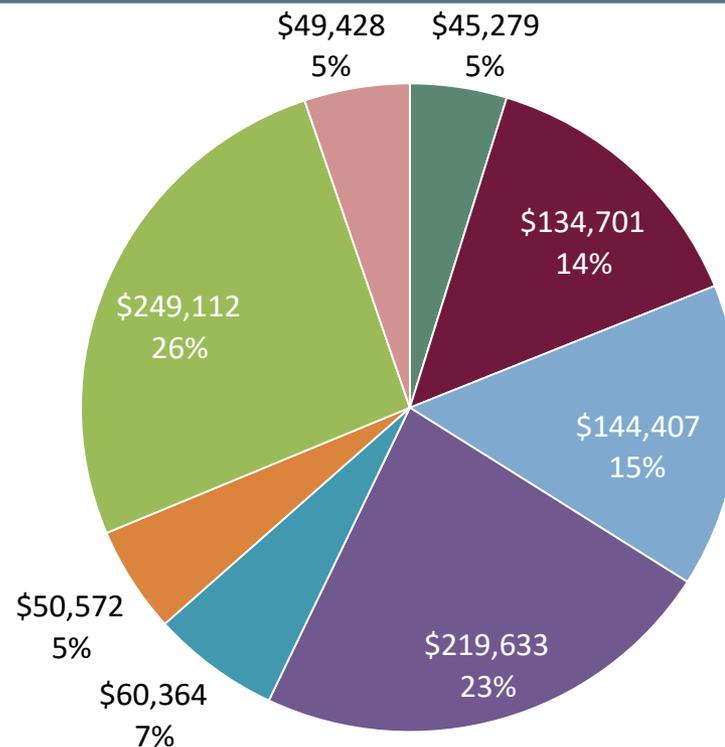
■ ≤ 150K Max Pools

■ ≤ 250K Max Pools

■ MHA/HFA Pools<sup>1</sup>

December 31, 2021

RMBS Collateral (ex. TBA): \$953,496



■ ≤ 175K Max Pools

■ ≤ 200K Max Pools

■ Geographic Stories<sup>2</sup>

■ Investor

Note: Figures noted are rounded. As of December 31, 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.

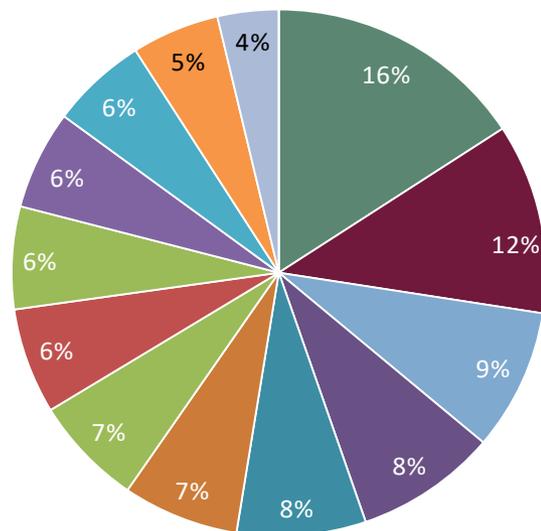
2. Geographic stories are single state pools such as NY or PR.

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

# Financing Summary

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



## Commentary

Average REPO cost was 0.14% with a weighted average days remaining to maturity of 38 days

33 REPO relationships established

Borrowings with 13 financing counterparties

Weighted average “haircut” of 4.6%

## Repurchase Agreement Characteristics

Remaining Maturity	REPO Outstanding	Percentage	WA Rate	Remaining Days to Maturity	Original Days to Maturity
Less than one month	\$291,007	33.6%	0.13%	19	73
One to three months	574,487	66.4%	0.14%	47	82
<b>Total / WA</b>	<b>\$865,494</b>	<b>100.0%</b>	<b>0.14%</b>	<b>38</b>	<b>79</b>

Note: Figures noted are rounded. As of December 31, 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	\$80,000	0.38%	0.16%	2.0
3 > x ≤ 5 Years	407,000	0.59%	0.18%	3.6
5 > x ≤ 7 Years	309,900	0.59%	0.15%	6.4
7 > x ≤ 10 Years	233,100	0.91%	0.16%	8.8
<b>Total/WA</b>	<b>\$1,030,000</b>	<b>0.65%</b>	<b>0.16%</b>	<b>5.5</b>

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	0.15%	2.14%	7.6
<b>Total/WA</b>	<b>\$418,000</b>	<b>0.15%</b>	<b>2.14%</b>	<b>7.6</b>

## Treasury Futures

Treasury Futures				
Maturity	Long Notional	Short Notional	Net	Fair Value
2 Year	-	(\$85,000)	(\$85,000)	\$63
5 Year	-	(\$15,000)	(\$15,000)	(\$53)
10 Year	\$19,400	-	\$19,400	(\$63)
<b>Total</b>	<b>\$19,400</b>	<b>(\$100,000)</b>	<b>(\$80,600)</b>	<b>(\$53)</b>

Treasury Futures Options				
Maturity	Long Notional	Short Notional	Net	Fair Value
10 Year	\$60,000	(\$60,000)	-	\$234
<b>Total</b>	<b>\$60,000</b>	<b>(\$60,000)</b>	<b>-</b>	<b>\$234</b>

## Swaptions

\$40 million notional swaptions with options to enter into fixed pay swaps prior to May 2022

1.6 year weighted average duration

## Commentary

Approximately \$1.4 billion notional interest rate swaps

4.9 years weighted average duration on Payer swaps

7.1 years weighted average duration on Receiver swaps

*Note: Figures presented are rounded. Dollars in thousands. As of December 31, 2021, unless noted otherwise.*

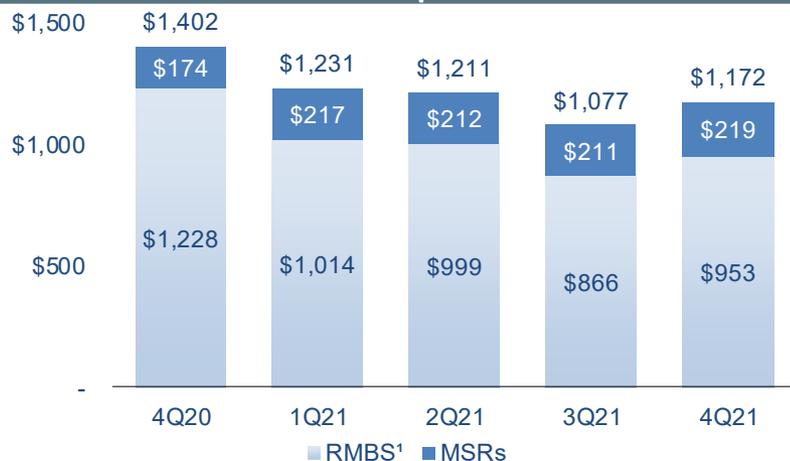
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**Appendix**

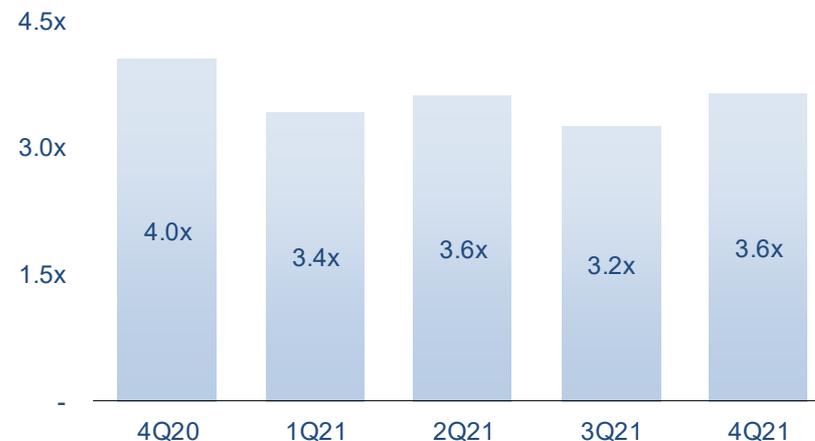
# Historical Portfolio Overview

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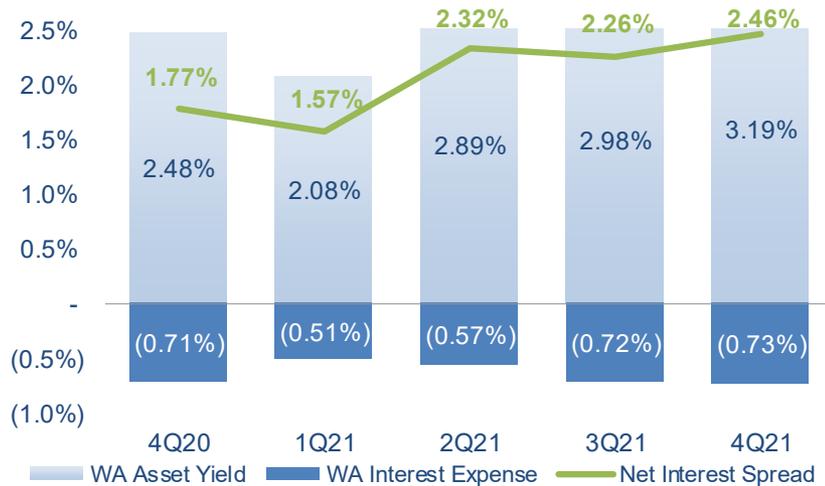
## Asset Composition



## Company Leverage



## RMBS Net Interest Spread



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



Note: Figures presented are rounded. Dollars in millions. As of December 31, 2021, unless noted otherwise.

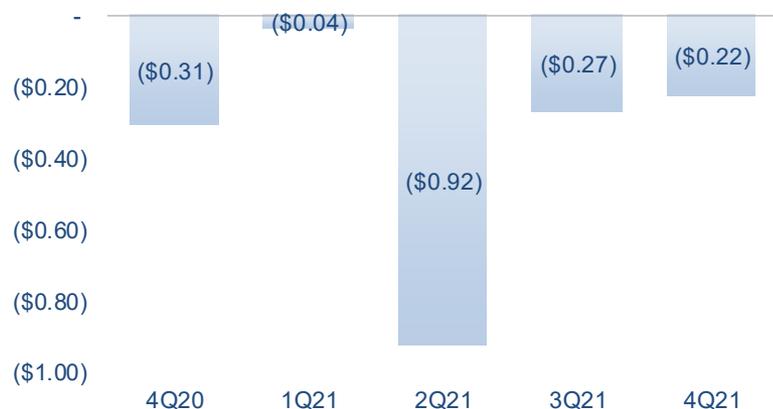
1. Excludes TBAs.

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

# Historical Performance Metrics

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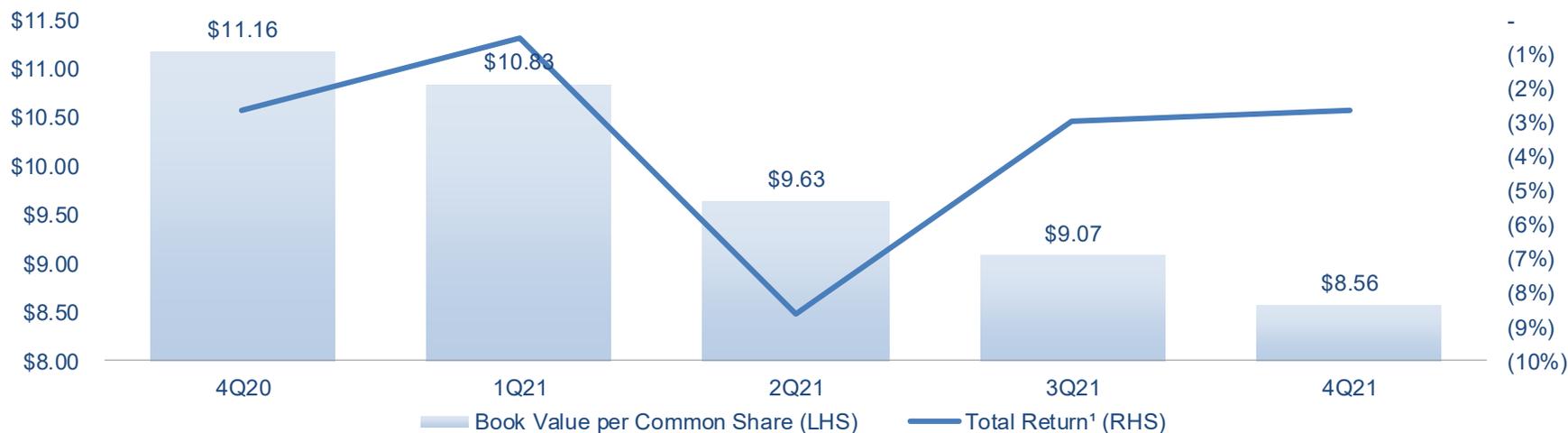
## Comprehensive Income (Loss) per Common Share



## 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 December 31, 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 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	\$31,185	\$15,901	-	(\$16,837)	(\$34,053)
Proforma NAV as of December 31, 2021	\$310,001	\$294,717	\$278,816	\$261,979	\$244,763
Proforma percentage change in NAV	11.2%	5.7%	-	(6.0%)	(12.2%)
Proforma BV per Common Share as of December 31, 2021	\$10.27	\$9.43	\$8.56	\$7.64	\$6.70
Proforma percentage change in BV per Common Share	19.9%	10.2%	-	(10.8%)	(21.8%)

## Interest Rate Sensitivity on Current Portfolio<sup>2</sup>

	-50 bps	-25 bps	No Change	+25 bps	+50 bps
<b>Interest Rate Sensitivity</b>					
Estimated Change in NAV	(\$10,328)	(\$3,013)	-	(\$751)	(\$4,682)
Proforma NAV as of December 31, 2021	\$268,488	\$275,803	\$278,816	\$278,065	\$274,134
Proforma percentage change in NAV	(3.7%)	(1.1%)	-	(0.3%)	(1.7%)
Proforma BV per Common Share as of December 31, 2021	\$7.99	\$8.40	\$8.56	\$8.52	\$8.30
Proforma percentage change in BV per Common Share	(6.6%)	(1.9%)	-	(0.5%)	(3.0%)

### Basis Risk Sensitivity



### Interest Rate Sensitivity<sup>2</sup>



Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of December 31, 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 December 31, 2021.

# Balance Sheet



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## Consolidated Balance Sheets

	December 31, 2021	December 31, 2020
<b>Assets</b>		
RMBS, available-for-sale, at fair value (including pledged assets of \$892,888 and \$1,164,416, respectively)	\$ 953,496	\$ 1,228,251
Investments in Servicing Related Assets, at fair value (including pledged assets of \$218,727 and \$174,414, respectively)	218,727	174,414
Cash and cash equivalents	63,916	83,892
Restricted cash	12,861	46,326
Derivative assets	10,518	15,970
Receivables and other assets	43,344	44,635
<b>Total Assets</b>	<b>\$ 1,302,862</b>	<b>\$ 1,593,488</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Repurchase agreements	\$ 865,494	\$ 1,149,978
Derivative liabilities	1,278	5,878
Notes payable	145,268	111,379
Dividends payable	7,056	6,725
Due to manager	1,889	3,217
Accrued expenses and other liabilities	3,061	3,745
<b>Total Liabilities</b>	<b>\$ 1,024,046</b>	<b>\$ 1,280,922</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 December 31, 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 December 31, 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 December 31, 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 December 31, 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 18,261,848 shares issued and outstanding as of December 31, 2021 and 500,000,000 shares authorized and 17,076,858 shares issued and outstanding as of December 31, 2020	187	175
Additional paid-in capital	311,255	300,997
Accumulated Deficit	(158,483)	(141,980)
Accumulated other comprehensive income	7,527	35,594
<b>Total Cherry Hill Mortgage Investment Corporation Stockholders' Equity</b>	<b>\$ 275,865</b>	<b>\$ 310,165</b>
Non-controlling interests in Operating Partnership	2,951	2,401
<b>Total Stockholders' Equity</b>	<b>\$ 278,816</b>	<b>\$ 312,566</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 1,302,862</b>	<b>\$ 1,593,488</b>

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of December 31, 2021, unless noted otherwise.

# Income Statement

UNAUDITED

## Consolidated Statements of Income

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
<b>Income</b>				
Interest income	\$ 4,529	\$ 6,367	\$ 14,956	\$ 42,841
Interest expense	1,534	1,605	5,768	22,134
Net interest income	2,995	4,762	9,188	20,707
Servicing fee income	13,030	14,045	54,157	65,961
Servicing costs	3,390	4,940	13,624	22,640
Net servicing income	9,640	9,105	40,533	43,321
Other income (loss)				
Realized gain (loss) on RMBS, available-for-sale, net	(1,479)	7,950	548	(4,640)
Realized loss on investments in MSRs, net	-	-	-	(11,347)
Realized gain (loss) on derivatives, net	(4,688)	2,653	(9,339)	(9,977)
Realized gain (loss) on acquired assets, net	-	(93)	15	(690)
Unrealized gain (loss) on derivatives, net	8,233	(3,266)	(1,745)	48,055
Unrealized loss on investments in Servicing Related Assets	(5,111)	(10,050)	(11,062)	(141,900)
<b>Total Income (Loss)</b>	<b>\$ 9,590</b>	<b>\$ 11,061</b>	<b>\$ 28,138</b>	<b>\$ (56,471)</b>
<b>Expenses</b>				
General and administrative expense	1,547	1,392	6,983	7,741
Management fee to affiliate	1,975	1,842	7,844	7,770
<b>Total Expenses</b>	<b>\$ 3,522</b>	<b>\$ 3,234</b>	<b>\$ 14,827</b>	<b>\$ 15,511</b>
<b>Income (Loss) Before Income Taxes</b>	<b>6,068</b>	<b>7,827</b>	<b>13,311</b>	<b>(71,982)</b>
Provision for (benefit from) corporate business taxes	(637)	(1,216)	781	(18,764)
<b>Net Income (Loss)</b>	<b>\$ 6,705</b>	<b>\$ 9,043</b>	<b>\$ 12,530</b>	<b>\$ (53,218)</b>
Net (income) loss allocated to noncontrolling interests in Operating Partnership	(130)	(168)	(247)	979
Dividends on preferred stock	2,463	2,463	9,853	9,842
<b>Net Income (Loss) Applicable to Common Stockholders</b>	<b>\$ 4,112</b>	<b>\$ 6,412</b>	<b>\$ 2,430</b>	<b>\$ (62,081)</b>
<b>Net Income (Loss) Per Share of Common Stock</b>				
Basic	\$ 0.23	\$ 0.38	\$ 0.14	\$ (3.67)
Diluted	\$ 0.23	\$ 0.38	\$ 0.14	\$ (3.67)
<b>Weighted Average Number of Shares of Common Stock Outstanding</b>				
Basic	17,963,555	17,054,634	17,324,362	16,901,537
Diluted	17,983,769	17,076,858	17,345,562	16,919,204

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of December 31, 2021, unless noted otherwise. During the year ended December 31, 2021, the Company changed its presentation of certain line items on the consolidated statements of income (loss) to better reflect changes in the business and how the Company is viewed and managed. Prior period amounts have been reclassified to be consistent with the current period presentation. Such reclassifications had no impact on net income.

# Comprehensive Income

UNAUDITED

## Consolidated Statement of Comprehensive Income

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Net income (loss)	\$ 6,705	\$ 9,043	\$ 12,530	\$ (53,218)
<b>Other comprehensive loss:</b>				
Unrealized loss on RMBS, available-for-sale, net	(8,276)	(11,865)	(28,067)	(5,820)
<b>Net other comprehensive loss</b>	<b>(8,276)</b>	<b>(11,865)</b>	<b>(28,067)</b>	<b>(5,820)</b>
<b>Comprehensive loss</b>	<b>(1,571)</b>	<b>(2,822)</b>	<b>(15,537)</b>	<b>(59,038)</b>
Comprehensive loss attributable to noncontrolling interests in Operating Partnership	\$ (26)	\$ (50)	\$ (306)	\$ (1,086)
Dividends on preferred stock	\$ 2,463	\$ 2,463	\$ 9,853	\$ 9,842
<b>Comprehensive loss attributable to common stockholders</b>	<b>(4,008)</b>	<b>(5,235)</b>	<b>(25,084)</b>	<b>(67,794)</b>
<b>Comprehensive Loss Per Share of Common Stock</b>				
Basic	\$ (0.22)	\$ (0.31)	\$ (1.45)	\$ (4.01)
Diluted	\$ (0.22)	\$ (0.31)	\$ (1.45)	\$ (4.01)

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of December 31, 2021, unless noted otherwise. Certain prior period amounts have been reclassified to conform to current period presentation.

# Earnings Available for Distribution



UNAUDITED

## Earnings Available for Distribution

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Net Income (Loss)	\$ 6,705	\$ 9,043	\$ 12,530	\$ (53,218)
+ Realized loss (gain) on RMBS, net	1,479	(7,950)	(548)	4,640
+ Realized loss on derivatives, net <sup>1</sup>	8,860	787	26,763	22,826
+ Realized loss on investments in MSRs, net	-	-	-	11,347
+ Realized loss (gain) on acquired assets, net	-	93	(15)	690
+ Unrealized loss (gain) on derivatives, net	(8,233)	3,266	1,745	(48,055)
+ Unrealized loss (gain) on investments in MSRs, net of estimated MSR amortization <sup>2</sup>	(947)	3,596	(16,358)	117,250
+ Tax expense (benefit) on realized and unrealized gain (loss) on MSRs	594	52	4,639	(14,797)
<b>Total EAD:</b>	<b>\$ 8,458</b>	<b>\$ 8,887</b>	<b>\$ 28,756</b>	<b>\$ 40,683</b>
EAD attributable to noncontrolling interests in Operating Partnership	(160)	(162)	(566)	(748)
Dividends on preferred stock	2,463	2,463	9,853	9,842
<b>EAD Attributable to Common Stockholders</b>	<b>\$ 5,835</b>	<b>\$ 6,262</b>	<b>\$ 18,337</b>	<b>\$ 30,093</b>
<b>EAD Attributable to Common Stockholders, per Diluted Share</b>	<b>\$ 0.32</b>	<b>\$ 0.37<sup>3</sup></b>	<b>\$ 1.06<sup>3</sup></b>	<b>\$ 1.78<sup>3</sup></b>
<b>GAAP Net Income (Loss) Per Share of Common Stock, per Diluted Share</b>	<b>\$ 0.23</b>	<b>\$ 0.38</b>	<b>\$ 0.14</b>	<b>\$ (3.67)</b>

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of December 31, 2021, 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, 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 (benefit) expense 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). These items were subject to reclassification on the consolidated statements of income (loss) during the year ended December 31, 2021, and because of this the composition of certain line items in the EAD table have changed. However, there was no change in the EAD calculation resulting from these reclassifications as these items were included in EAD prior to the reclassification as well. 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 \$3.4 million and interest rate swap periodic interest income of \$786,000 for the three-month period ended December 31, 2021. Excludes drop income on TBA dollar rolls of \$2.3 million and interest rate swap periodic interest income of \$987,000, and includes trading expenses of \$184,000 for the three-month period ended December 31, 2020. Excludes drop income on TBA dollar rolls of \$13.1 million and interest rate swap periodic interest income of \$3.8 million, and includes trading expenses of \$539,000 for the year ended December 31, 2021. Excludes drop income on TBA dollar rolls of \$6.2 million and interest rate swap periodic interest income of \$5.8 million, and includes trading expenses of \$853,000 for the year ended December 31, 2020.
2. For the three-month period ended December 31, 2021, the Company has enhanced the calculation of unrealized gain (loss) on investments in MSRs used to determine EAD. The enhancement backs out from unrealized gain (loss) on investments in MSRs used to calculate EAD the following MSR-related items: hedging income or expense, financing interest expense and any administrative servicing costs. The Company believes this enhancement better presents the EAD generated by investments in MSRs with the EAD generated by investments in RMBS.
3. EAD for the three-month period ended December 31, 2020, for the first nine months of the year ended December 31, 2021 and for the year ended December 31, 2020 and have not been adjusted to reflect the current period enhancement. If the enhanced calculation had been applied retroactively to the three months ended December 31, 2020, the first nine months of the year ended December 31, 2021 and the year ended December 31, 2020, the Company would have reported EAD attributable to common stockholders per share of \$0.39, \$1.09 and \$1.57 for the three months ended December 31, 2020, and the years ended December 31, 2021 and December 31, 2020, respectively. The divergence in 2020 between the reported and the enhanced calculations was primarily concentrated in the first half of 2020 during the onset of the COVID-19 pandemic and was driven mostly by higher MSR financing expenses and lower MSR hedging income.

# Segment Results

UNAUDITED

## Results of Operations

	Servicing Related Assets	RMBS	All Other	Total
<b>Income Statement</b>				
<b>Year Ended December 31, 2021</b>				
Interest income	\$ 376	\$ 14,580	\$ -	\$ 14,956
Interest expense	4,484	1,284	-	5,768
<b>Net interest income (expense)</b>	<b>(4,108)</b>	<b>13,296</b>	<b>-</b>	<b>9,188</b>
Servicing fee income	54,157	-	-	54,157
Servicing costs	13,624	-	-	13,624
<b>Net servicing income</b>	<b>40,533</b>	<b>-</b>	<b>-</b>	<b>40,533</b>
Other income (expense)	(34,103)	12,520	-	(21,583)
Other operating expenses	3,040	717	11,070	14,827
Provision for corporate business taxes	781	-	-	781
<b>Net Income (Loss)</b>	<b>\$ (1,499)</b>	<b>\$ 25,099</b>	<b>\$ (11,070)</b>	<b>\$ 12,530</b>
<b>Balance Sheet</b>				
<b>December 31, 2021</b>				
Investments	\$ 218,727	\$ 953,496	\$ -	\$ 1,172,223
Other assets	44,506	21,611	64,522	130,639
<b>Total assets</b>	<b>263,233</b>	<b>975,107</b>	<b>64,522</b>	<b>1,302,862</b>
Debt	145,268	865,494	-	1,010,762
Other liabilities	1,847	1,411	10,026	13,284
<b>Total liabilities</b>	<b>147,115</b>	<b>866,905</b>	<b>10,026</b>	<b>1,024,046</b>
<b>Net assets</b>	<b>\$ 116,118</b>	<b>\$ 108,202</b>	<b>\$ 54,496</b>	<b>\$ 278,816</b>

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of December 31, 2021, 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 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



# CHERRYHILL

MORTGAGE INVESTMENT CORPORATION

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