



CHMI
CHERRY HILL MORTGAGE
INVESTMENT CORPORATION

Fourth Quarter 2014 Investor Presentation

March 11, 2015

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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 Excess MSR's, 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.



Fourth Quarter 2014



Macroeconomic Environment

Domestic vs. global recovery

- US recovery is on firm footing; however, global growth and deflation uncertainty remain
- Western European, Chinese and Japanese economic weakness weigh on financial markets

Fed remains “patient”

- Fed will attempt to steer the US economy through murky waters
- Fed looking to gain flexibility at the March 2015 meeting around possible future rate increases

Rates

Volatility remained elevated, despite a further rally in rates over the quarter

- Mortgages performed better than expected into the treasury rally
- Fed delivered mixed messages to a skittish market

Global uncertainties pushed US rates lower at quarter end

- 3Q14 themes continued to gain traction in 4Q14
- Global economic softness was coupled with limited inflation

Real Estate Related

Housing recovery has been bumpy and fragile

- Credit availability remains a constraint to the recovery
- Home ownership levels still well below historical norms
- Home price appreciation moderating as “Buy to Rent” trade takes a breather
- Fewer distressed sales should provide support for stronger HPA

Mortgage Landscape

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Fourth Quarter 2014

Commentary

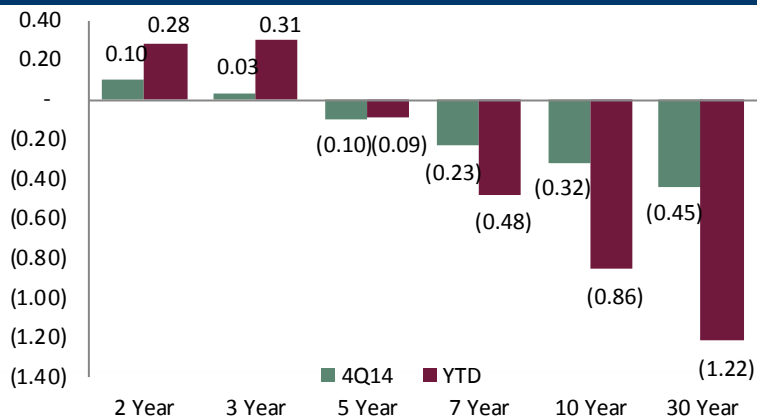
The US treasury yield curve continued to rally as global growth and inflation expectations were reduced during 4Q14

- Mortgages kept pace with treasuries, despite yield curve flattening in 4Q14

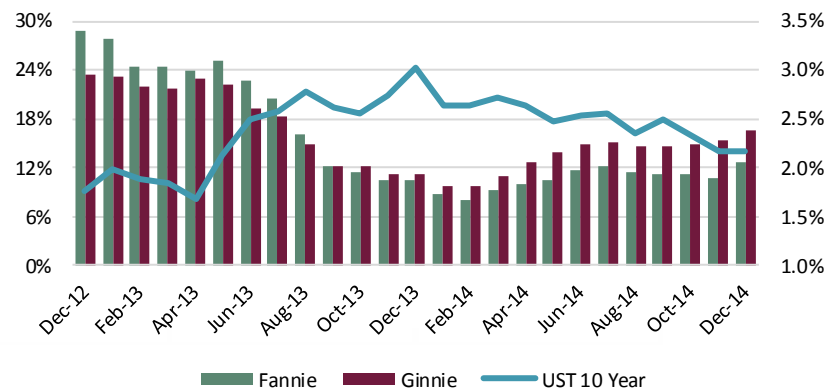
Prepayment speeds increased in response to the rate rally throughout the second half of 2014

- VA loans experienced the highest increase in prepayment speeds

Yield Curve Changes¹



Fannie and Ginnie Fixed Rate Monthly CPRs²



Relevant Market Data

	U.S. Treasuries				30 Year MBS				Swap Rates				
	2 Year	5 Year	10 Year	30 Year	3.5%	4.0%	4.5%	5.0%	2 Year	3 Year	5 Year	10 Year	30 Year
4Q 2014	0.6660	1.6540	2.1720	2.7520	104-09	106-24	108-19	110-15	0.9000	1.2990	1.7715	2.2825	2.7000
3Q 2014	0.5690	1.7570	2.4900	3.1970	102-09	105-14	107-30	110-13	0.8185	1.2950	1.9329	2.6390	3.1895
2Q 2014	0.4590	1.6310	2.5310	3.3600	102-25	106-00	108-07	110-31	0.5825	0.9980	1.7018	2.6308	3.0204
1Q 2014	0.4200	1.7190	2.7190	3.5590	101-17	103-31	106-23	109-01	0.5450	0.9918	1.8025	2.8420	3.5415

Source: Bloomberg, Inside Mortgage Finance, FHFA, CoreLogic, Moody's Analytics (ECCA) Forecast.

1. Source: Bloomberg Data As of December 31, 2014.

2. Source: EMBS Mortgage-Backed Securities Online & Bloomberg, LLC.

Fourth Quarter 2014 Highlights

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Fourth Quarter 2014

Financial Results

\$0.51 dividend per share declared and paid¹

- ✓ \$2.48 dividends distributed life to date

\$21.28 GAAP book value per common share²

- ✓ 0.2% increase, net of dividend

\$0.56 comprehensive income per share³

- ✓ \$0.52 taxable income per share³

15.5% total return year to date⁴

- ✓ 5.3% total return life to date⁴

Portfolio Update

2.26x leverage ratio for aggregate portfolio

6.19x leverage ratio for RMBS

1.67% net interest spread for RMBS

6.84% CPR for RMBS⁵

67% recapture on Pool 2 investment; 46% recapture across all Excess MSR

11% Net CPR for Excess MSR

LTD approximately \$1.6 billion of MSR from Pool 2 have been refinanced, and recaptured, by Freedom Mortgage into 30-year fixed rate loans⁶

Subsequent Events

Signed agreement to purchase stock of Aurora Financial Group, Inc.

Note: Figures presented, except per share data, are rounded. As of December 31, 2014.

- 1. Fourth Quarter 2014 \$0.51 dividend was paid in cash on January 27, 2014 to stockholders of record on December 30, 2014.*
- 2. Based on 7,509,543 common shares outstanding at December 31, 2014.*
- 3. Based on 7,508,827 fully diluted weighted average common shares outstanding at December 31, 2014.*
- 4. Source: SNL Financial.*
- 5. Actual weighted average CPR for the three month period ended December 31, 2014.*
- 6. \$1.6 billion does not include recapture on previously recaptured loans.*



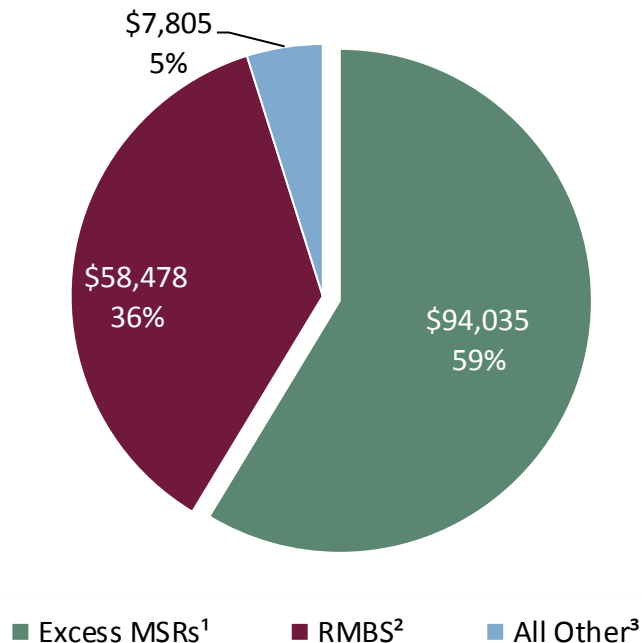
Aggregate Investment Portfolio Composition

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Fourth Quarter 2014

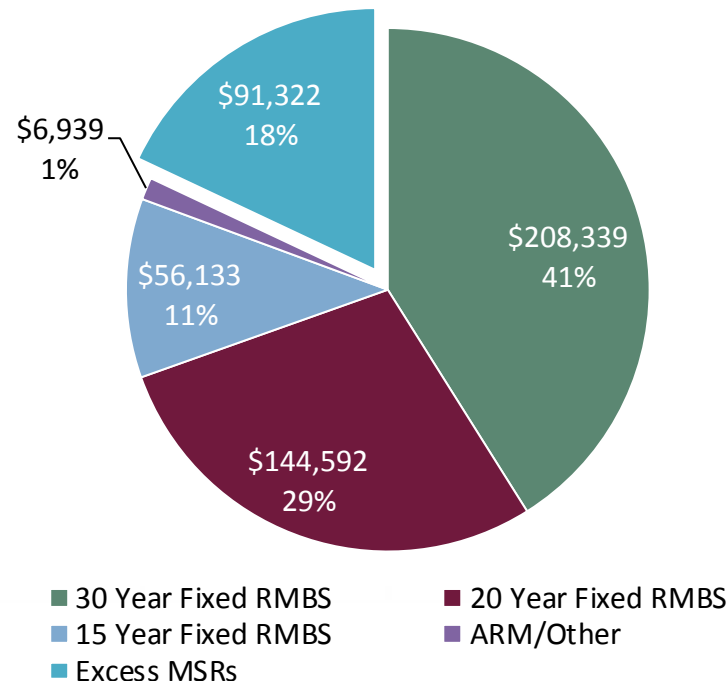
Equity Investment Composition:

\$160,318



Aggregate Investment Portfolio Composition:

\$507,325⁴



Excess MSRs represented approximately 59% of equity and 18% of assets at quarter end.

Note: All financial information as of December 31, 2014, unless otherwise noted. Figures in thousands, unless otherwise noted.

1. Comprised of Excess MSRs and other related assets.

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

3. Comprised of non-invested assets and liabilities.

4. Includes TBAs with a fair market value of approximately (\$21); excludes cash and other derivatives.

Excess MSR 4Q14 Overview

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Fourth Quarter 2014

Commentary

Continued strong performance during 4Q14

- 11% Net CPR and 46% recapture on total portfolio
- \$870 million of loans recaptured on total portfolio with Pool 2 making up 89% of recapture activity
- Produced \$7.7 million in cash flow, including \$3.5 million in interest income

Characteristics

	Initial						Current (12/31/14) ¹					Net CPR		Recapture Rate	
	UPB	WAC	WAM	WALA	FICO	30+DQ	UPB	WAC	WAM	WALA	30+DQ	Q4 '14	Q3 '14	Q4 '14	Q3 '14
Pool 1	\$10,026,722	3.5%	338	9	706	3.0%	\$8,715,747	3.5%	324	24	4.7%	11%	11%	23%	14%
Pool 2	10,704,024	2.6%	343	15	682	6.9%	8,475,975	2.8%	334	23	11.7%	10%	15%	67%	53%
Pool 2014	334,672	3.7%	349	8	692	3.4%	308,562	3.7%	341	16	5.9%	9%	10%	76%	63%
Total / WA	\$21,065,418	3.1%	341	12	694	5.0%	\$17,500,285	3.2%	329	23	8.1%	11%	13%	46%	34%

Investment Details

	Initial		Current Cash Flows (12/31/14) ¹							IRR ^{2,3}	
	UPB	Investment	Return of Capital	Interest Income	Total QTD Cashflow	Projected Future Cashflow ²	Cost Basis	Adj. for Market	Market Value	Initial	Updated
Pool 1	\$10,026,722	\$60,561	\$1,967	\$1,948	\$3,916	\$92,521	\$50,641	\$4,157	\$54,798	14%	14%
Pool 2	10,704,024	38,407	2,140	1,507	3,647	43,315	26,579	8,360	34,938	18%	19%
Pool 2014	334,672	2,174	57	71	128	3,723	2,019	(433)	1,586	12%	12%
Total / WA	\$21,065,418	\$101,142	\$4,165	\$3,526	\$7,691	\$139,558	\$79,239	\$12,083	\$91,322	16%	16%

Note: Figures presented are rounded. As of December 31, 2014. Dollars in thousands, unless otherwise noted.

1. Current data reflective of recaptured loans.
2. For assumptions on underwritten projected cash flows, see detailed footnotes at the end of this presentation, on page 26.
3. Weighted by initial investment.

Excess MSR Performance

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Fourth Quarter 2014

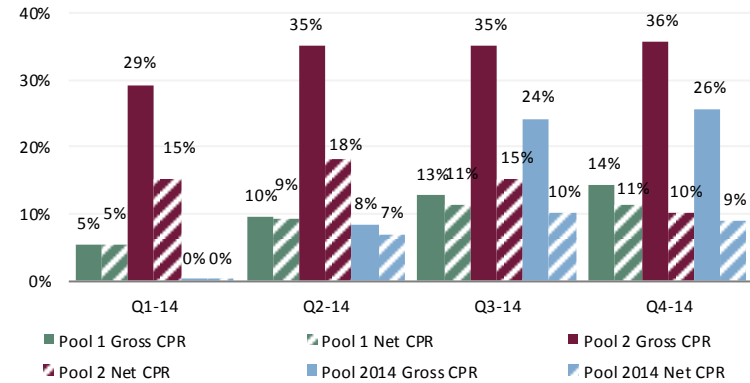
Commentary

Recapture rate increased by 36% over prior quarter resulting in a decrease of Net CPR from prior quarter of 13% to 11%

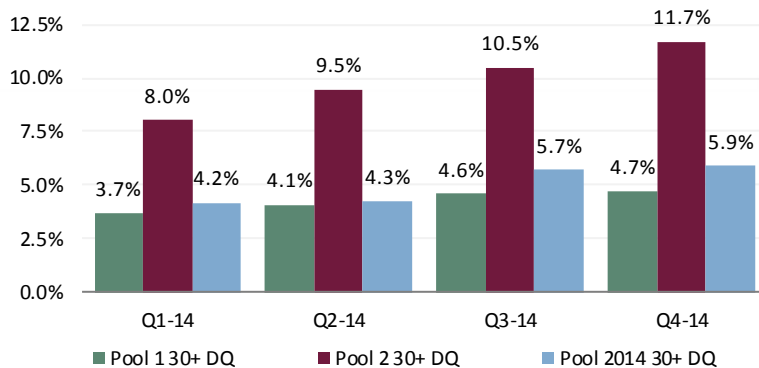
Gross CPR remains elevated as mortgage rates fell during 4Q14

Delinquency continues to increase due to portfolio runoff and liquidation timelines

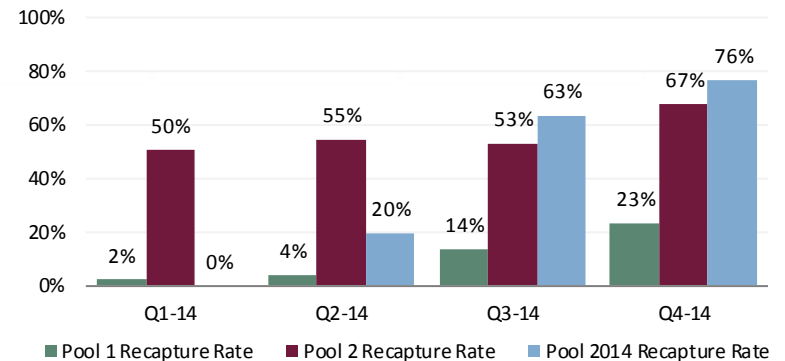
Historical CPR



Historical Delinquency Performance



Historical Recapture Performance



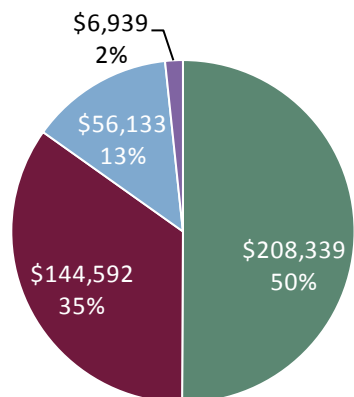
Note: Figures presented are rounded. As of December 31, 2014.

Fourth Quarter 2014 RMBS Highlights

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Fourth Quarter 2014

RMBS Portfolio: \$416,003¹



■ 30 Year Collateral ■ 20 Year Collateral ■ 15 Year Collateral ■ ARM/Other

Commentary

RMBS portfolio totaled approximately \$416 million¹

During the quarter, portfolio's composition of 30 year collateral grew as the yield curve rallied and flattened

15 year and 20 year assets represented 50% of the RMBS portfolio

Current Portfolio Composition

30 Year Collateral: 50% of Total RMBS Assets						
	FMV	%	WAC	WALA	1 Mo. CPR	LT CPR
30 Year Collateral	\$208,339	100%	3.97	17.00	9.49	14.69
Total 30 Year MBS	\$208,339	100%	3.97	17.00	9.49	14.69
≤ 20 Year Collateral: 50% of Total RMBS Assets						
	FMV	%	WAC	WALA	1 Mo. CPR	LT CPR
20 and 15 Year Collateral	\$200,725	97%	3.72	15.00	5.46	14.19
Other	6,939	3%	4.18	17.00	9.12	11.03
Total 15 and 20 Year MBS	\$207,664	100%	3.73	15.00	5.58	14.08

Note: Figures presented are rounded. As of December 31, 2014. Dollars in thousands, unless otherwise noted.

Source: CHMI management and The Yield Book Inc.

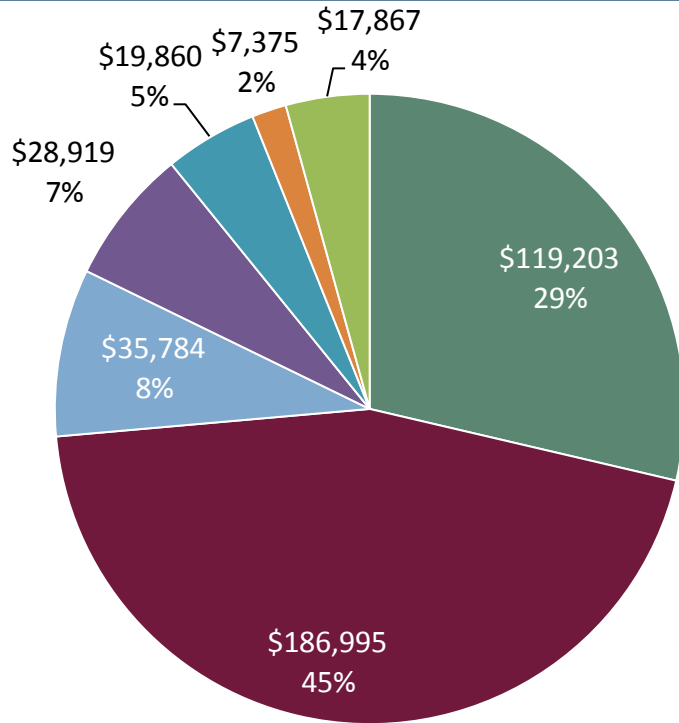
1. Includes TBAs with a fair market value of approximately (\$21).

RMBS Portfolio with Prepayment Protection

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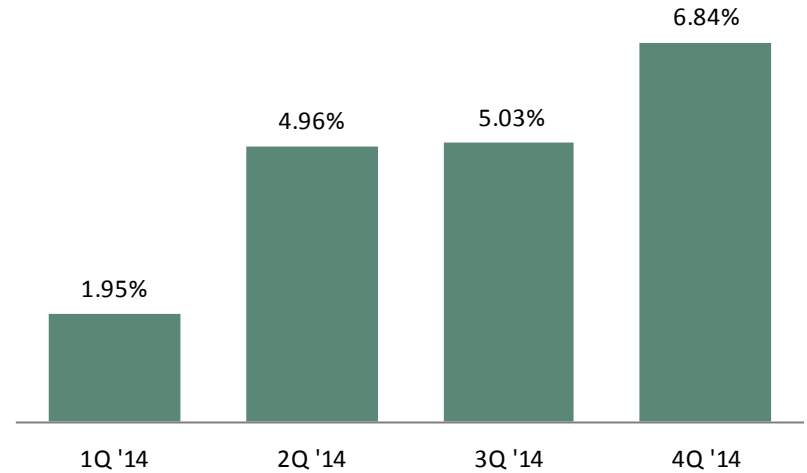
Fourth Quarter 2014

RMBS Portfolio (Excludes TBAs): \$416,003



- ≤ 110K Max Pools
- ≤ 150k Max Pools
- ≤ 175k Max Pools
- Geographic Stories¹
- MHA Pools²
- Low Fico Stories³
- ARM/Other

Quarterly CPR Performance



Commentary

RMBS portfolio posted a weighted average three month CPR of 6.84% for the Fourth Quarter 2014

- Six month weighted average CPR of 5.99%
- During the quarter, the portfolio's prepayment speeds remained contained due to collateral composition, despite lower mortgage and interest rates

Note: Figures noted are rounded. As of December 31, 2014. Dollars in thousands.

1. Geographic stories are single state pools such as NY or PR.
2. 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 predominately Making Homeownership Affordable (MHA) pools.
3. Securities collateralized by loans held by lower credit borrowers as defined by Fair Isaac Corporation's scoring model.

Aggregate Portfolio Rate Sensitivity Analysis

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Fourth Quarter 2014

Duration Gap Sensitivity on Current Portfolio				
	December 31, 2014	+50 Bps	+100 Bps	+200 Bps
Assets				
RMBS Portfolio	2.91	3.55	3.88	4.26
MSR Portfolio	(1.54)	(0.75)	(0.64)	(0.37)
Total Assets	1.37	2.81	3.24	3.89
Liabilities, Swaps and Treasuries	(2.09)	(2.09)	(2.09)	(2.09)
Net Duration Gap (before Swaptions)	(0.72)	0.72	1.15	1.79
Swaptions	(0.19)	(0.52)	(0.87)	(1.28)
Net Duration Gap (including Swaptions)	(0.91)	0.20	0.28	0.52
Difference from Duration Gap as of December 31,2014		1.11	1.19	1.43

Note: Liabilities, Swaps and Swaptions expressed as a percentage of total Assets. Totals may not sum due to rounding. Durations expressed in years. The estimated duration gap sensitivity included in the table above is 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. Different models could generate materially different estimates using similar inputs and assumptions. Other market participants could make different assumptions with respect to these inputs. The sensitivity analysis assumes an instantaneous change in interest rates and, consequently, does not include the potential impact of ongoing portfolio rebalancing actions.

Commentary

At December 31, 2014, the duration gap stood at -0.91 years

Assuming an instantaneous shift of +100 basis points in interest rates, the duration gap would extend by +1.19 years

Note: Figures presented are rounded. As of December 31, 2014.

Appendix

Pool 1: Overview

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Commentary

Received \$20.0 million of LTD cash flow, representing 33.0% of initial investment through December 31, 2014

Experienced 11% Net CPR in 4Q14; 8% Net CPR life to date

Recapture rate increased by over 70%, quarter-over-quarter

Pool 1 Characteristics

Collateral Overview	Initial UPB	Current UPB	WAM		WALA		Uncollected				
	(\$BN)	(\$BN)	WAC	(months)	(months)	30+ DQ	Payments	% FHA	% VA	% Fixed	% ARM
	Original	10.0	8.6	3.5%	323	24	4.7%	2.8%	44%	56%	99%
Recaptured	-	0.1	4.1%	340	5	1.5%	0.8%	17%	83%	100%	-
Total / WA	10.0	8.7	3.5%	324	24	4.7%	2.7%	43%	57%	99%	1%

Cash Flow & Prepayment Performance ¹	Cash Flows (\$MM)		Gross CRR		CDR		Gross CPR		Recapture		Net CPR	
	Q4 '14	Q3 '14	Q4 '14	Q3 '14	Q4 '14	Q3 '14	Q4 '14	Q3 '14	Q4 '14	Q3 '14	Q4 '14	Q3 '14
	Original	3.9	4.0	12%	11%	2%	2%	14%	13%	23%	13%	11%
Recaptured	0.0	0.0	49%	34%	0%	0%	49%	34%	58%	58%	24%	15%
Total / WA	3.9	4.0	13%	11%	2%	2%	14%	13%	23%	14%	11%	11%

Investment Performance ²	Projected					Initial			Updated		Excess Servicing	
	Initial Investment	Future Cash Flow	LTD Cash Flow	Cost Basis	Market Value	IRR	IRR	Acquired	Fee (bps)	Ownership		
	(\$MM)	(\$MM)	(\$MM)	(\$MM)	(\$MM)							
Pool 1³	60.6	92.5	20.0	50.6	54.8	14%	14%	10/9/2013	17	85%		

Note: Figures presented are rounded. As of December 31, 2014. Detailed footnotes are included at the end of this presentation, on page 26.

Pool 2: Overview

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Commentary

Received \$19.4 million of LTD cash flow, representing 50.6% of initial investment through December 31, 2014

Experienced 10% Net CPR in 4Q14; 15% Net CPR life to date

Freedom recaptured \$777 million of loans in Pool 2 during the three month period ended December 31, 2014

Pool 2 Characteristics

Collateral Overview	Initial UPB	Current UPB	WAM		WALA		Uncollected				
	(\$BN)	(\$BN)	WAC	(months)	(months)	30+ DQ	Payments	% FHA	% VA	% Fixed	% ARM
	Original	10.7	6.9	2.5%	331	28	13.4%	11.2%	-	100%	-
Recaptured	-	1.6	4.0%	349	5	4.4%	2.8%	1%	99%	100%	-
Total / WA	10.7	8.5	2.8%	334	23	11.7%	9.6%	0%	100%	19%	81%

Cash Flow & Prepayment Performance ¹	Cash Flows (\$MM)		Gross CRR		CDR		Gross CPR		Recapture		Net CPR	
	Q4 '14	Q3 '14	Q4 '14	Q3 '14	Q4 '14	Q3 '14	Q4 '14	Q3 '14	Q4 '14	Q3 '14	Q4 '14	Q3 '14
	Original	3.0	3.3	27%	27%	0%	2%	27%	29%	60%	45%	12%
Recaptured	0.7	0.4	72%	74%	0%	0%	72%	74%	98%	100%	2%	0%
Total / WA	3.6	3.7	35%	34%	0%	2%	36%	35%	67%	53%	10%	15%

Investment Performance ²	Projected					Initial		Updated		Excess Servicing	
	Initial Investment	Future Cash Flow	LTD Cash Flow	Cost Basis	Market Value	IRR	IRR	Acquired	Fee (bps)	Ownership	
	(\$MM)	(\$MM)	(\$MM)	(\$MM)	(\$MM)						
Pool 2³	38.4	43.3	19.4	26.6	34.9	18%	19%	10/9/2013	17	50%	

Note: Figures presented are rounded. As of December 31, 2014. Detailed footnotes are included at the end of this presentation, on page 26.

Pool 2014: Overview

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Commentary

Received \$345 thousand of LTD cash flow, representing 15.9% of initial investments through December 31, 2014

Experienced 8% Net CPR in 4Q14; 9% Net CPR life to date

Recapture rate increased by over 21%, quarter-over-quarter

Pool 2014 Characteristics

Collateral Overview	Initial UPB	Current UPB	WAM		WALA	Uncollected					
	(\$MM)	(\$MM)	WAC	(months)	(months)	30+ DQ	Payments	% FHA	% VA	% Fixed	% ARM
Original	334.7	276.7	3.7%	340	17	6.4%	3.2%	44%	56%	100%	-
Recaptured	-	31.9	3.9%	346	3	1.4%	0.8%	1%	99%	100%	-
Total / WA	334.7	308.6	3.7%	341	16	5.9%	2.9%	39%	61%	100%	-

Cash Flow & Prepayment Performance ¹	Cash Flows (\$000)		Gross CRR		CDR		Gross CPR		Recapture		Net CPR	
	Q4 '14	Q3 '14	Q4 '14	Q3 '14	Q4 '14	Q3 '14	Q4 '14	Q3 '14	Q4 '14	Q3 '14	Q4 '14	Q3 '14
	Original	111.9	119.1	22%	25%	0%	0%	22%	26%	79%	67%	6%
Recaptured	16.3	3.7	54%	0%	0%	0%	54%	0%	54%	0%	38%	0%
Total / WA	128.3	122.8	26%	24%	0%	0%	26%	24%	76%	63%	9%	10%

Investment Performance ²	Projected					Initial		Updated		Excess Servicing	
	Initial Investment	Future Cash Flow	LTD Cash Flow	Cost Basis	Market Value	IRR	IRR	Acquired	Fee (bps)	Ownership	
	(\$MM)	(\$MM)	(\$000)	(\$MM)	(\$MM)						
	Pool 2014 ³	2.2	3.7	345.3	2.0	1.6	12%	12%	Various	15	79%

Note: Figures presented are rounded. As of December 31, 2014. Detailed footnotes are included at the end of this presentation, on page 26.

Excess MSR Sensitivity

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Excess MSRs Sensitivity Analysis¹

	December 31, 2014 ²					December 31, 2013 ³				
	Base Case					Base Case				
	Discount Rate Shift in %					Discount Rate Shift in %				
	(20)%	(10)%	-%	10%	20%	(20)%	(10)%	-%	10%	20%
Estimated FV	\$100,390	\$95,645	\$91,322	\$87,366	\$87,735	\$123,178	\$116,396	\$110,306	\$104,812	\$99,831
Change in FV	\$9,068	\$4,324		(\$3,956)	(\$7,587)	\$12,872	\$6,090		(\$5,495)	(\$10,475)
% Change in FV	9.9%	4.7%		(4.3)%	(8.3)%	12.0%	6.0%		(5.0)%	(9.0)%
	Voluntary Prepayment Rate Shift in %					Voluntary Prepayment Rate Shift in %				
	(20)%	(10)%	-%	10%	20%	(20)%	(10)%	-%	10%	20%
Estimated FV	\$98,737	\$94,898	\$91,322	\$87,981	\$84,855	\$117,814	\$113,940	\$110,306	\$106,889	\$103,668
Change in FV	\$7,416	\$3,577		(\$3,340)	(\$6,467)	\$7,508	\$3,634		(\$3,417)	(\$6,639)
% Change in FV	8.1%	3.9%		(3.7)%	(7.1)%	7.0%	3.0%		(3.0)%	(6.0)%
	Recapture Rate Shift in %					Recapture Rate Shift in %				
	(20)%	(10)%	-%	10%	20%	(20)%	(10)%	-%	10%	20%
Estimated FV	\$90,947	\$91,134	\$91,322	\$91,509	\$91,696	\$109,442	\$109,874	\$110,306	\$110,739	\$111,171
Change in FV	(\$375)	(\$187)		\$187	\$375	(\$865)	(\$432)		\$432	\$865
% Change in FV	(0.4)%	(0.2)%		0.2%	0.4%	(1.0)%	-%		-%	1.0%

Note: Figures noted are rounded. As of December 31, 2014. Dollars in thousands. For additional information, see Cherry Hill Mortgage Investment Corporation Form 10-Q to be filed with the SEC on or about the date of this presentation.

- Estimated changes in fair value represent management's assumptions based on a variety of factors. Actual changes in fair value may differ materially from what is shown.
- December 31, 2014 analysis assumes weighted average discount rate of 14.7%; weighted average prepayment rate of 13.5%; and weighted average recapture rate of 4.7% for base case.
- December 31, 2013 analysis assumes weighted average discount rate of 16.4%; weighted average prepayment rate of 12.8%; and weighted average recapture rate of 10.1% for base case.



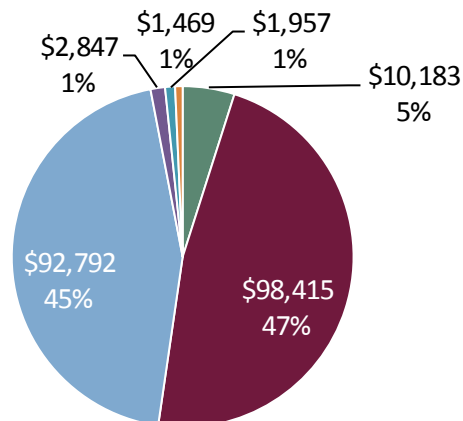
RMBS Portfolio Coupon Composition

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Appendix

\$207,664 15/20 Year RMBS (Excludes TBAs)

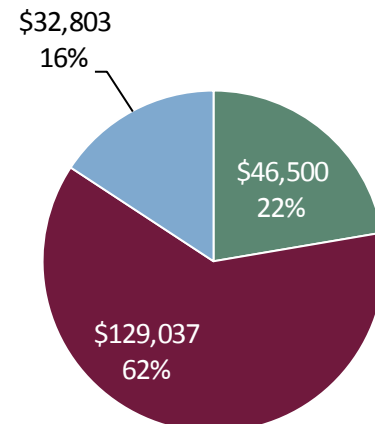
50% of Total RMBS Portfolio



■ 3.00 Coupon ■ 3.50 Coupon ■ 4.00 Coupon
■ 4.50 Coupon ■ 4.65 Coupon ■ 4.70 Coupon

\$208,339 30 Year RMBS (Excludes TBAs)

50% of Total RMBS Portfolio



■ 3.50 Coupon ■ 4.00 Coupon ■ 4.50 Coupon

RMBS Fixed Rate Securities Summary (Excludes TBAs)

WA Years to Maturity	Book Value	WAC	WA Amortized Cost	WA Fair Value	Estimated Fair Value	% of Total Estimated Fair Value
≤ 15 Years	55,560	3.42%	\$104.76	\$105.84	\$56,133	14%
20 Years	142,186	3.83%	105.34	107.17	144,592	35%
≥ 30 Years	204,512	3.97%	105.21	107.18	208,339	49%
MBS ARM/Other	7,105	4.18%	59.47	57.71	6,939	2%
Total / WA	\$409,362	3.85%	\$104.43	\$106.17	\$416,003	100%

Note: Figures presented are rounded. As of December 31, 2014. Dollars in thousands, unless otherwise noted.

Financing Highlights

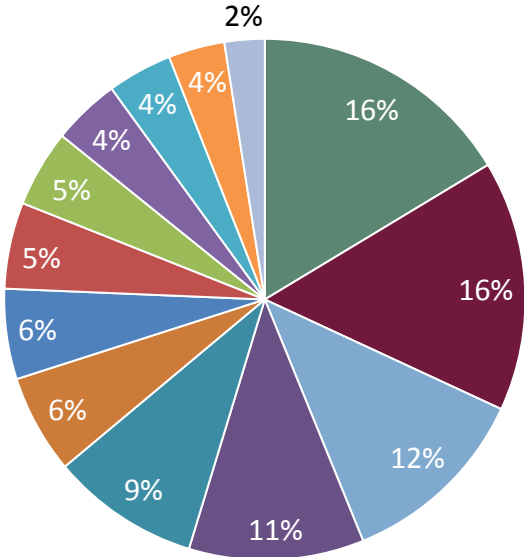
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Appendix

Commentary

- Average repo cost was 0.38%
- 15 repo relationships established to date
- Borrowings with 13 repo counterparties
- Extended repo terms across multiple counterparties
- Weighted average "haircut" of 5.4%
- Weighted average days to maturity of 63 days

Repo Counterparties Utilized¹



Cherry Hill Repurchase Agreement Summary

Remaining Maturity	REPO Outstanding	REPO Rate	Remaining Days to Maturity	Original Days to Maturity
x < 1 Month	\$78,988 21.8%	0.38%	16	101
1 ≥ x < 3 Months	\$208,533 57.6%	0.38%	60	117
x ≥ 3 Months	\$74,605 20.6%	0.38%	123	171
Total / WA	\$362,126 100.0%	0.38%	63	125

Note: Figures presented are rounded. As of December 31, 2014. Dollars in thousands.
 1. Reflects the percentage of outstanding repo borrowings for our RMBS portfolio by counterparty.



Balance Sheet

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Appendix

Consolidated Balance Sheets

	December 31, 2014	December 31, 2013
Assets		
RMBS, available-for-sale	\$ 416,003	\$ 286,979
Investments in Excess MSRs at fair value	91,322	110,306
Cash and cash equivalents	12,447	10,375
Restricted cash	6,947	3,744
Derivative assets	342	4,613
Receivables from unsettled trades	309	7,239
Receivables and other assets	4,556	4,142
Total Assets	\$ 531,926	\$ 427,398
Liabilities and Stockholders' Equity		
Liabilities		
Repurchase agreements	\$ 362,126	\$ 261,302
Derivative liabilities	4,088	592
Dividends payable	3,830	3,375
Due to affiliates	769	616
Accrued expenses and other liabilities	795	391
Total Liabilities	\$ 371,608	\$ 266,276
Stockholders' Equity		
Preferred stock, \$0.01 par value, 100,000,000 shares authorized, none issued and outstanding as of December 31, 2014 and December 31, 2013	\$ -	\$ -
Common stock, \$0.01 par value, 500,000,000 shares authorized, 7,509,543 shares issued and outstanding at December 31, 2014 and 7,500,000 shares issued and outstanding at December 31, 2013	75	75
Additional paid-in capital	148,258	148,078
Retained earnings	4,799	17,695
Accumulated other comprehensive income (loss)	6,641	(5,033)
Total CHMI Stockholders' Equity	\$ 159,773	\$ 160,815
Non-controlling interests in operating partnership	545	307
Total Stockholders' Equity	\$ 160,318	\$ 161,122
Total Liabilities and Stockholders' Equity	\$ 531,926	\$ 427,398

Note: Figures presented are rounded. As of December 31, 2014. Dollars in thousands.

Income Statement

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Appendix

Consolidated Statements of Income

	Year Ended December 31, 2014	Year Ended December 31, 2013	Two Month Period October 31, 2012 (date of inception) to December 31, 2012
Income			
Interest income	\$ 24,961	\$ 5,475	\$ 0
Interest expense	4,307	867	0
Net Interest Income	20,654	4,608	0
Other Income (Loss)			
Realize gain (loss) on RMBS, net	(60)	(527)	0
Realized gain (loss) on derivatives, net	(2,643)	59	0
Unrealized gain (loss) on derivatives, net	(6,564)	2,747	0
Unrealized gain (loss) on Excess MSRs	(3,564)	15,647	0
Total Income	\$ 7,823	\$ 22,534	\$ 0
Expenses			
General and administrative expense	3,028	716	25
Management fee to affiliate	2,560	616	0
Total Expenses	\$ 5,588	\$ 1,332	\$ 25
Income (Loss) Before Income Taxes	2,235	21,202	(25)
(Benefit from) provision for corporate business taxes	(140)	0	0
Net Income (Loss)	\$ 2,375	\$ 21,202	\$ (25)
Net income allocated to LTIP-OP Units	(22)	(107)	0
Net income Applicable to Common Stockholders	\$ 2,353	\$ 21,095	\$ (25)
Net income (Loss) Per Share of Common Stock			
Basic	\$ 0.31	\$ 12.50	\$ (25.00)
Diluted	\$ 0.31	\$ 12.50	\$ (25.00)
Outstanding			
Basic	7,505,546	1,688,275	1,000
Diluted	7,508,827	1,688,275	1,000

Note: Figures presented are rounded. As of December 31, 2014. Dollars in thousands, except per-share figures.

Comprehensive Income

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Appendix

Consolidated Statement of Comprehensive Income			
	<u>Year Ended December 31, 2014</u>	<u>Year Ended December 31, 2013</u>	<u>Two Month Period October 31, 2012 (date of inception) to December 31, 2012</u>
Net Income	\$ 2,375	\$ 21,202	\$ (25)
Other Comprehensive Income (Loss):			
Net unrealized gain (loss) on RMBS	11,674	(5,033)	0
Other comprehensive income (loss)	11,674	(5,033)	0
Comprehensive Income (Loss)	\$ 14,049	\$ 16,169	\$ (25)

Note: Figures presented are rounded. As of December 31, 2014. Dollars in thousands.

Segment Results

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Results of Operations				
	Servicing Related Assets	RMBS	All Other	Total
Year Ended December 31, 2014				
Interest income	\$ 14,318	\$ 10,643	\$ -	\$ 24,961
Interest expense	-	4,307	-	4,307
Net interest income	14,318	6,336	-	20,654
Other income	(3,564)	(9,267)	-	(12,831)
Other operating expenses	-	-	5,588	5,588
Corporate business taxes	(140)	-	-	(140)
Net income (loss)	\$ 10,894	\$ (2,931)	\$ (5,588)	\$ 2,375
December 31, 2014				
Investments	\$ 91,322	\$ 416,003	\$ -	\$ 507,325
Other assets	2,713	8,920	12,968	24,601
Total assets	94,035	424,923	12,968	531,926
Debt	-	362,126	-	362,126
Other liabilities	-	4,319	5,163	9,482
Total liabilities	-	366,445	5,163	371,608
GAAP book value	\$ 94,035	\$ 58,478	\$ 7,805	\$ 160,318
Leverage				
December 31, 2014	-x	6.19x	-x	2.26x

Note: Figures presented are rounded. As of December 31, 2014. Dollars in thousands.

RMBS Net Interest Spread

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RMBS Net Interest Spread				
	<u>At December 31, 2014</u>	<u>At September 30, 2014</u>	<u>At June 30, 2014</u>	<u>At March 31, 2014</u>
Weighted Average Asset Yield	3.05%	3.03%	2.96%	3.02%
Weighted Average Interest Expense	1.39%	1.48%	1.37%	1.42%
Net Interest Spread	1.67%	1.55%	1.59%	1.59%

Note: Figures presented are rounded. As of December 31, 2014.

Hedging Summary

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Interest Rate Swaps					
Commentary	Characteristics				
	Years to Maturity	Notional Amount	WA Pay Rate	WA Receive Rate	WA Years to Maturity
Approximately \$224 million notional fixed pay swaps	x ≤ 3 Years	\$52,250	0.94%	0.24%	2.2
4.91 years weighted average duration	3 > x ≤ 5 Years	71,400	1.56%	0.23%	4.0
Covers 62% of aggregate repo borrowings	5 > x ≤ 7 Years	43,950	2.18%	0.23%	5.9
	7 > x ≤ 10 Years	54,500	2.73%	0.23%	9.2
	x > 10 Years	2,000	3.31%	0.23%	14.1
	Total / WA:	\$224,100	1.84%	0.23%	5.4

Interest Rate Swaptions
\$105 million notional
Options to enter into fixed pay swaps prior to December 31, 2015
1.0 year weighted average duration

Note: Figures presented are rounded. As of December 31, 2014. Dollars in thousands, unless otherwise noted.

Excess MSR Endnotes

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Pool 1: Overview (page 14)

1. Weighted averages by current UPB.
2. Underwritten projected cash flows assume: (a) weighted average lifetime 6% uncollected payment rate, (b) weighted average lifetime CPR of 12% by applying the following vector: Months 1-36: ramp from 5% to 15%, Months 37+: 15% and (c) 15% recapture rate starting in Oct 2013. Recaptured loans assume: 0% recapture rate, 17bps Excess MSR, and same assumptions for CPR and uncollected payment rate as original pool. Actual cash flows may differ materially.
3. Investment was completed in October 2013 and based on the September 30, 2013 UPB of the pool.

Pool 2: Overview (page 15)

1. Weighted averages by current UPB.
2. Underwritten projected cash flows assume: (a) weighted average lifetime 8% uncollected payment rate, (b) weighted average lifetime CPR of 24% by applying the following vector: Months 1-36: ramp from 18% to 24%, Months 37+: 24% and (c) 15% recapture rate starting in Oct 2013. Recaptured loans assume: 0% recapture rate, 17bps Excess MSR, and same assumptions for CPR and uncollected payment rate as original pool. Actual cash flows may differ materially.
3. Investment was completed in October 2013 and based on the September 30, 2013 UPB of the pool.

Pool 2014: Overview (page 16)

1. Weighted averages by current UPB.
2. Q1 flow transaction underwritten projected cash flows assume: (a) weighted average lifetime 3% uncollected payment rate, (b) weighted average lifetime CPR of 8% by applying the following vector: Months 1-36: ramp from 6% to 9%, Months 37+: 9% and (c) 0% recapture rate starting in Mar 2014. Actual cash flows may differ materially.

Q2 flow transaction underwritten projected cash flows assume: (a) weighted average lifetime 7% uncollected payment rate, (b) weighted average lifetime CPR of 9% by applying the following vector: Months 1-36: ramp from 6% to 9%, Months 37+: 9% and (c) 0% recapture rate starting in Jul 2014. Actual cash flows may differ materially.

Q1 bulk underwritten projected cash flows assume: (a) weighted average lifetime 7% uncollected payment rate, (b) weighted average lifetime CPR of 8% by applying the following vector: Months 1-36: ramp from 6% to 8%, Months 37+: 8% and (c) 0% recapture rate starting in Apr 2014. Actual cash flows may differ materially.
3. Investment in Q1 flow transaction was completed in February 2014 and based on the February 28, 2014 UPB of the pool. Investment in Bulk transaction was completed in March 2014 and based on the March 31, 2014 UPB of the pool. Investment in Q2 Flow transaction was completed in June 2014 and based on the December 31, 2014 UPB of the pool.

Abbreviations

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Abbreviations: 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
- **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 with the Company's original underwriting assumptions
- **Recapture Rate** – Percentage of voluntarily prepaid loans that are refinanced by Freedom Mortgage Corp.
- **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