



CHMI
CHERRY HILL MORTGAGE
INVESTMENT CORPORATION

First Quarter 2014 Investor Presentation

May 13, 2014

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



Cherry Hill Overview



IPO Transaction Summary

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Cherry Hill Overview

\$150,000,000



Initial Public Offering
6.5 million Shares of Common Stock
Concurrent Private Placement
1.0 million Shares of Common Stock

October 9, 2013

IPO Highlights

Closing Date:	October 9, 2014
IPO Gross Proceeds:	\$130.0 million
IPO Shares Sold (100% Primary):	6,500,000
Concurrent Private Placement Gross Proceeds:	\$20.0 million
Concurrent Private Placement Shares Sold:	1,000,000
Shares Outstanding (Post-Transaction):	7,500,000
Market Cap at IPO:	\$150.0 million ¹
IPO as % of Market Cap:	86.7% ¹
Offer Price:	\$20.00
Ticker:	NYSE: CHMI

The Cherry Hill transaction represented the first mortgage REIT to successfully price in the five months prior to our IPO.

1. Based on the offer price.

Cherry Hill Invests in Excess MSR's and Other Residential Mortgage Assets

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Cherry Hill Overview

Cherry Hill: Attractive Investments in Excess MSR's, Partnership with Leading Originator

Target Assets

- Excess Mortgage Servicing Rights ("Excess MSR's")
- Agency RMBS
- Prime Non Agency Mortgage Loans

Objective

- Generate attractive current yields and risk-adjusted total returns primarily through dividend distributions and secondarily through capital appreciation

What are Excess MSR's?

- Mortgage Servicing Rights (MSR's) are receivables with the contractual right to cash flows from servicing mortgage loans
- These assets are capitalized on balance sheet

- Excess MSR's are the cash flows generated by MSR's after paying a basic fee for the actual costs of servicing-related functions

Total servicing fee¹ of **30 basis points** on the balance of the mortgage

−

Basic servicing fees¹ of **6-10 basis points** depending on the cost to service

=

The Excess MSR¹ of **20-24 basis points**

1. Fees shown are for illustrative purposes.

First Quarter 2014



Mortgage Industry Landscape

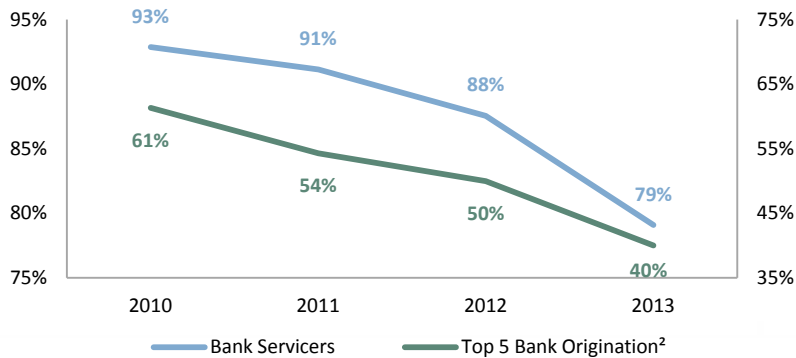
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First Quarter 2014

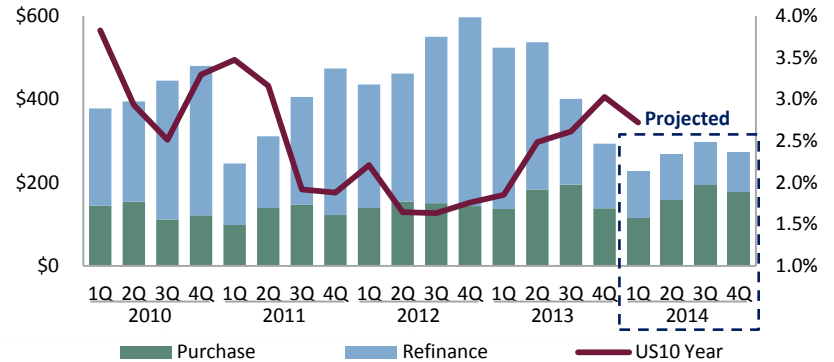
Commentary

- Non-Bank origination volume continues to grow as a percentage of total originations
- Servicing continues to leave the large banks in favor of non-bank servicers
- Despite lower interest rates, origination volume remains light
- Refinance % lowest in years

Origination and Servicing continues to move away from large banks¹



Refinance activity dormant in wake of recent rate drop (\$BN)³



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
Q1 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
Q4 2013	0.3820	1.7430	3.0290	3.9020	99-11	103-00	105-31	108-23	0.4890	0.8755	1.7860	3.0860	3.9290
Q3 2013	0.3190	1.3820	2.6110	3.6860	101-29	104-29	106-27	108-16	0.4600	0.7630	1.5370	2.7650	3.6585
Q2 2013	0.3570	1.3950	2.4870	3.5000	101-15	104-05	105-26	107-31	0.5100	0.8178	1.5660	2.6970	3.4482

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

1. As of March 31, 2014.
2. Top 5 banks comprised of Bank of America, Chase, Citi, GMAC/Ally Financial, US Bank and/or Wells Fargo.
3. Source: Mortgage Bankers Association, Quarterly mortgage originations for 1-4 family properties.



First Quarter 2014 Overview

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First Quarter 2014

Financial Highlights

- Declared and distributed first quarter dividend of \$0.50 per share¹
- GAAP book value per common share of \$21.47²
 - Represents a 0.1% increase during the quarter, net of dividend
- First quarter taxable income of \$0.53 per share³
- Comprehensive income of \$0.54 per share³

Portfolio Highlights

- 1.67x debt-to-equity for aggregate portfolio
- 6.34x debt-to-equity for the Agency RMBS portfolio
- 1.59% net interest spread for the Agency RMBS portfolio
- Weighted average CPR of 1.95% for Agency RMBS portfolio for 1Q14
- Recapture rate of over 50% for Pool 2
- Net CPR of 10% for Excess MSR portfolio
- Closed on flow and bulk Excess MSR transactions with Freedom Mortgage

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

1. First quarter 2014 \$0.50 dividend was paid in cash on April 29, 2014 to stockholders of record on April 2, 2014.

2. Based on 7,509,543 common shares outstanding at March 31, 2014.

3. Based on 7,506,680 fully diluted weighted average common shares outstanding at March 31, 2014.

Current Market Considerations

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First Quarter 2014

Macroeconomic

- **Fed continues down path of measured exit from QE3**
 - By quarter end, Fed had reduced monthly MBS purchases by \$15 billion from the peak
 - However, technicals remain strong given lower loan origination volume
 - Market expects bond purchases to end late 2014
- **Economic data remained mixed both domestically and globally**
 - Despite stronger employment data in May, market reaction has been muted

Rates

- **First quarter interest rate environment is significantly different than 4Q13**
 - US Government 10 year bonds erased fourth quarter losses in January 2014
 - Rates remained range bound in February and March
- **Cherry Hill continued to maintain modest leverage and a low duration gap during 1Q14**
- **Rates continue to be range bound thus far in 2Q14**

Origination

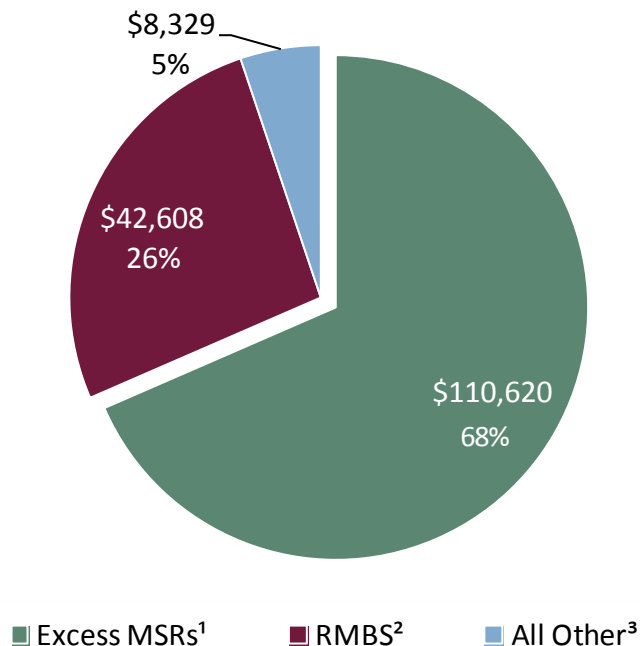
- **Origination volume down, margins continue to compress, and originators continue to sell MSR portfolios to maintain profitability**
- **Non-bank mortgage originations, as a percentage of total originations, continues to grow**
 - Banks clearly reducing presence in light of regulatory environment

Aggregate Investment Portfolio Composition

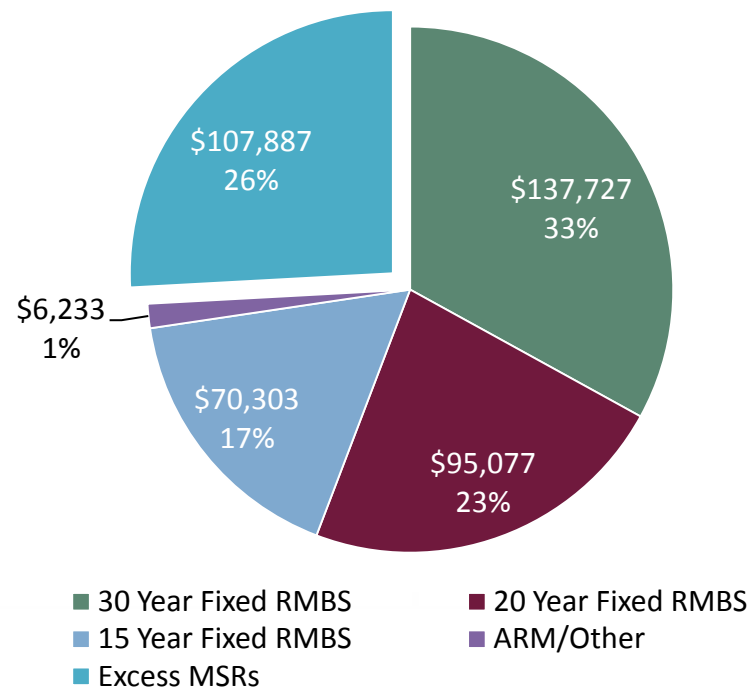
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First Quarter 2014

**Equity Investment Composition:
\$161,557**



**Aggregate Investment Portfolio Composition:
\$417,227⁴**



Excess MSR represented approximately 68% of equity and 26% of assets at quarter end.

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

1. Comprised of Excess MSRs and other related assets.
2. Comprised of Agency RMBS and other related assets and liabilities.
3. Comprised of non-invested assets and liabilities.
4. Includes Net TBAs of approximately (\$41), excludes cash and other derivatives.

First Quarter 2014 Excess MSR Highlights

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First Quarter 2014

MSR Environment

- **MSR environment has been dominated by smaller transactions by a large number of sellers as smaller entities exit the mortgage space or look to monetize MSR gains to maintain or expand operations**
- **Large transactions and those with a greater portion of distressed loans have received greater scrutiny by regulators such as the FHFA and CFPB**

Recapture Rate and Prepayments Activity

- **Pool 2 continued to see strong recapture activity, with \$477 million of loans recaptured into fixed rate 30 year mortgages in 1Q14**
 - LTD recapture rate for Pool 2 is 40% with no deterioration in the Excess MSR cashflows on recaptured loans, 1Q14 Recapture rate was over 50%
- **Despite the drop in mortgage rates during the quarter, Pool 1 has experienced low prepayments and low recapture rates**
 - Net CPR of 5% with recapture rate of 2% during the quarter

New Acquisitions in First Quarter

- **Settled on two transactions with Freedom Mortgage during the quarter**
 - Closed 2/28 on \$77 million UPB of fixed rate, VA flow transaction with WAC of 4.0% and WAM of 354 months; Loans originated by Freedom Mortgage; Initial investment of \$567,130, for 85% interest in 19.3 bps excess
 - Closed 3/31 on \$160 million UPB of fixed rate, FHA/VA bulk transaction with WAC of 3.6% and WAM of 346 months; Loans originated by a third party; Initial investment of \$945,731, for 71% interest in 19.2 bps excess

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

Excess MSR Performance

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First Quarter 2014

Commentary

- **Despite rates dropping 30 bps during the quarter, Excess MSR portfolio valuation remained stable**
 - 1Q14 Net CPR for our portfolio has been 10% and 1Q14 recapture was 26%, primarily driven by Pool 2
 - Produced \$8.3 million in 1Q14 cash flow, including \$3.7 million in interest income in first quarter 2014, in line with management expectations
 - Carrying value of \$107.9 million, primarily driven by amortization of \$4.6 million

Characteristics

	Initial						Current (03/31/2014) ¹					Net CPR		Recapture Rate	
	UPB	WAC	WAM	WALA	FICO	30+ DQ	UPB	WAC	WAM	WALA	30+ DQ	Q1'14	Q4'13	Q1'14	Q4'13
Pool 1	\$10,026,722	3.5%	338	9	706	3.0%	\$9,641,079 ²	3.5%	332	15	3.7%	5%	6%	2%	2%
Pool 2	10,704,024	2.6%	343	15	682	6.9%	9,743,778	2.7%	339	20	8.0%	15%	14%	54%	15%
Pool 2014	236,604	3.7%	348	9	684	4.1%	236,486	3.7%	348	9	4.2%	0%	N/A	0%	N/A
Total / WA	\$20,967,350	3.1%	341	12	694	5.0%	\$19,621,343	3.1%	336	17	5.9%	10%	10%	26%	9%

Investment Details

	Initial		Current Cash Flows (03/31/2014) ¹							IRR ^{3,4,5,6}	
	UPB	Investment	Return of Capital	Interest Income	Total QTD Cashflow	Projected Future		Adj. for Market	Market Value	Initial	Updated
						Cashflow ^{3,4,5}	Cost Basis				
Pool 1	\$10,026,722	\$60,561	\$2,045	\$2,111	\$4,156	\$104,357	\$56,648	\$9,376	\$66,024	14%	14%
Pool 2	10,704,024	38,407	2,552	1,569	4,121	54,362	33,414	6,946	40,360	18%	18%
Pool 2014	236,604	1,513	5	5	10	2,784	1,508	(5)	1,502	11%	11%
Total / WA	\$20,967,350	\$100,481	\$4,602	\$3,685	\$8,287	\$161,503	\$91,570	\$16,317	\$107,887	16%	16%

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

1. Current data reflective of recaptured loans.
2. Includes \$2.5 million UPB of recaptured loans which will be substituted for new loans and reflected as such in 2Q 2014.
3. Underwritten projected cash flows for Pool 1 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.
4. Underwritten projected cash flows for Pool 2 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.
5. Flow 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. 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.
6. Weighted by initial investment.

Excess MSR Performance

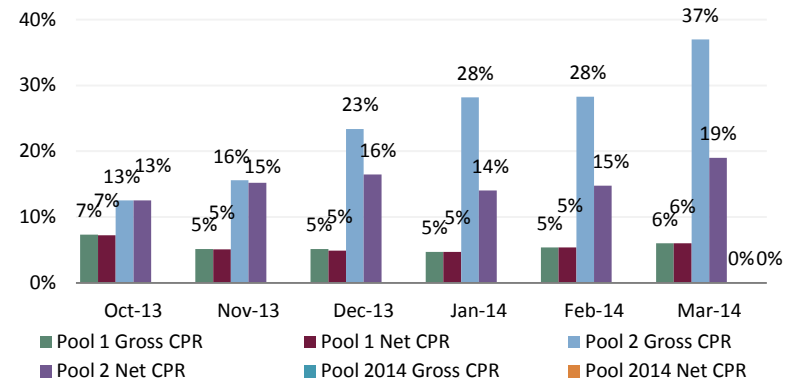
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First Quarter 2014

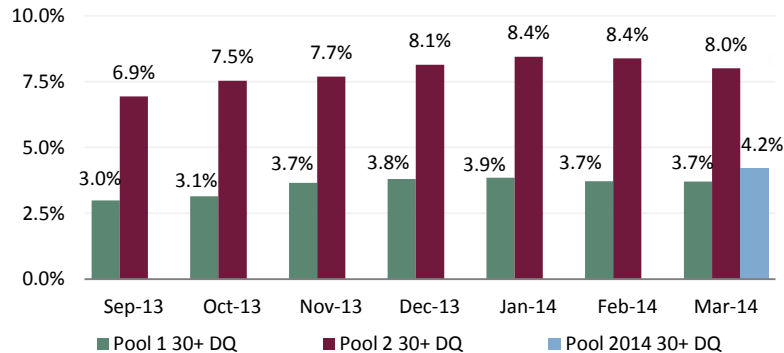
Commentary

- Gross CPR speeds increased due to strong recapture rates, Net CPRs remain in-line with management expectations
- Delinquency rates leveled off and remain within management expectations
- Pool 2 recapture rates significantly increased as borrowers favored moving from hybrid ARMs to fixed rate loans

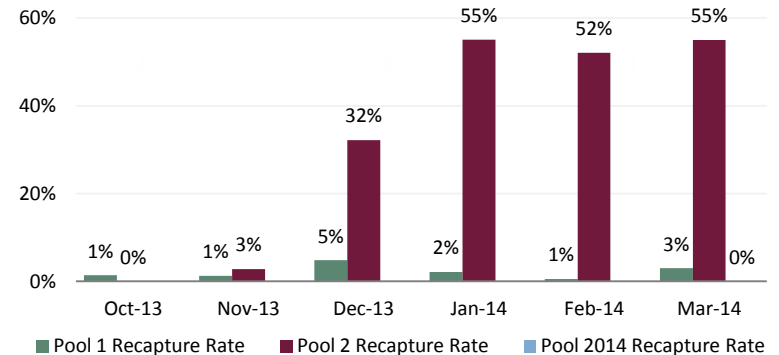
Historical CPR



Historical Delinquency Performance



Historical Recapture Performance



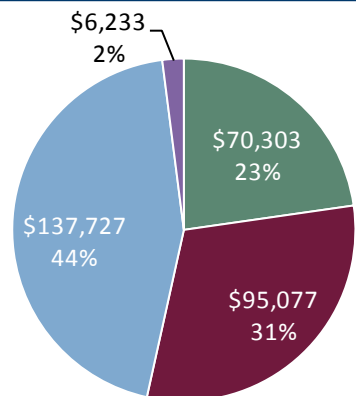
Note: Figures presented are rounded. As of March 31, 2014.

First Quarter 2014 Agency RMBS Highlights

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First Quarter 2014

RMBS Investment & Net TBA Portfolio: \$309,340¹



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

Commentary

- Agency RMBS portfolio, including TBAs of approximately \$0.5 million¹, totaled approximately \$309 million at March 31, 2014
- Portfolio continues to focus on shorter duration assets
 - 15 year and 20 year assets represented 53.8% of the RMBS portfolio
 - 20 year collateral and hybrid purchases offset the 30 year amortization

Current Portfolio Composition

30 Year Collateral: 46.2% of Total RMBS Assets							
	FMV	%	WAC	WALA	1 Mo. CPR	LT CPR	
30 Year Collateral	\$147,770	103%	3.54	7.98	3.54	9.89	
Hybrid Arm	5,170	4%	3.14	1.00	0.16	16.05	
Total 30 Year MBS	\$152,940	107%	3.53	7.75	3.43	10.09	
TBAs - Net Short Position	(10,044)	(7%)	3.50	NA	NA	NA	
Total 30 Year Collateral	\$142,896	100%	3.53	NA	NA	NA	
≤ 20 Year Collateral: 53.8% of Total RMBS Assets							
	FMV	%	WAC	WALA	1 Mo. CPR	LT CPR	
20 and 15 Year Collateral	\$154,852	93%	3.63	7.21	0.43	10.14	
Other	1,063	1%	4.65	2.00	0.00	0.00	
Total 15 and 20 Year MBS	\$155,915	94%	3.64	7.17	0.43	10.07	
TBAs - Net Long Position	10,528	6%	3.50	NA	NA	NA	
Total 15 and 20 Year Collateral	\$166,444	100%	3.63	NA	NA	NA	

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

Source: CHMI management and The Yield Book Inc.

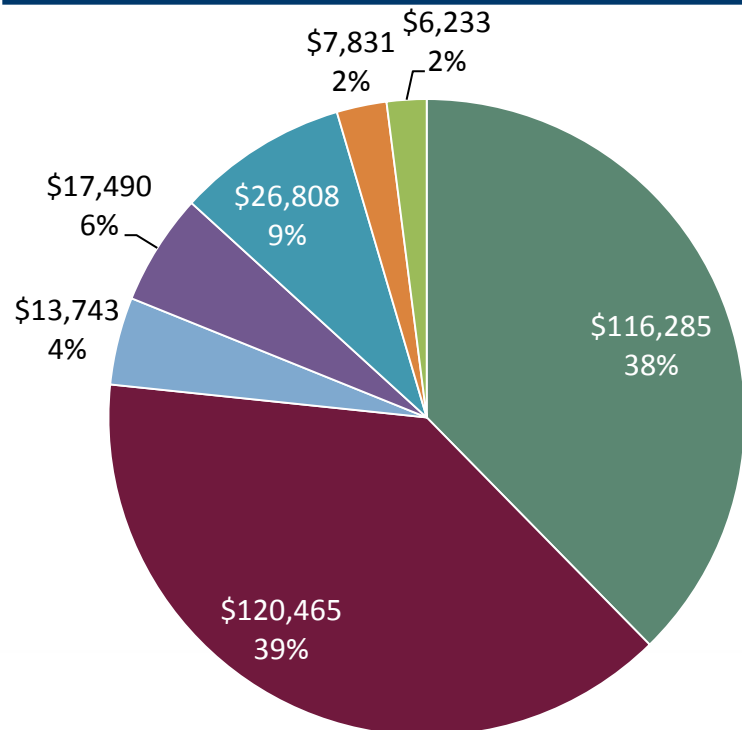
1. Includes Net TBAs of approximately (\$41) with a fair market value of \$485 at March 31, 2014.

Agency Portfolio with Prepayment Protection

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First Quarter 2014

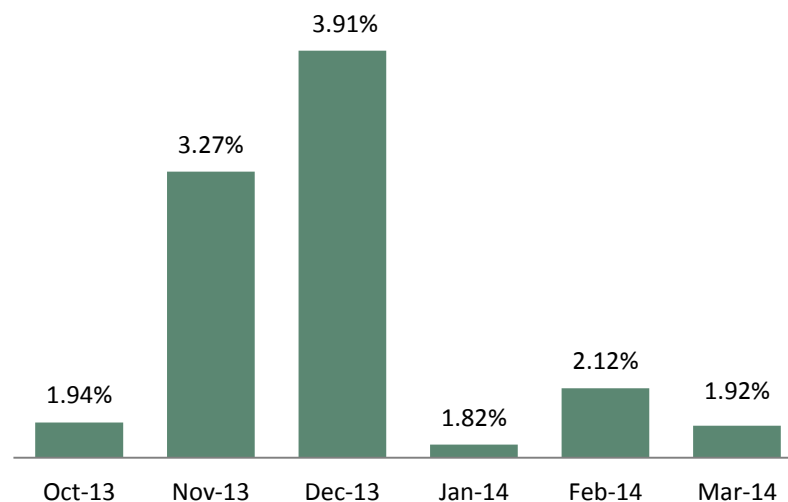
Agency RMBS Portfolio (Ex. TBA Securities): \$308,855



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

Monthly Agency RMBS CPR Performance

Agency RMBS CPR



Commentary

- **Agency RMBS portfolio posted a weighted average three month CPR of 1.95% in the first quarter 2014**
 - Six month weighted average CPR of 2.48% since October 2013
- **Portfolio continues to be primarily comprised of loan balance collateral**

Note: Figures noted are rounded. As of March 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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First Quarter 2014

Duration Gap Sensitivity on Current Portfolio				
	March 31, 2014	+50bps	+100 Bps	+200 Bps
Assets				
RMBS Portfolio	3.93	4.07	4.17	4.29
MSR Portfolio	(0.93)	(0.48)	(0.28)	(0.02)
Total Assets	2.99	3.59	3.89	4.27
Liabilities, Swaps and Treasuries	(2.44)	(2.44)	(2.44)	(2.44)
Net Duration Gap (before Swaptions)	0.55	1.15	1.45	1.83
Swaptions	(0.36)	(0.94)	(1.52)	(1.96)
Net Duration Gap (including Swaptions)	0.19	0.20	(0.07)	(0.13)
Difference from Duration Gap as of March 31,2014		0.01	(0.26)	(0.32)

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.

Cherry Hill Repurchase Agreement Summary

- Current aggregate portfolio running a conservative duration gap of approximately +0.19 years
- If rates rise 100 basis points instantaneously, the duration gap would change to -0.07 years, a decline of 0.26 years
- The portfolio remains conservatively positioned for a rise in rates

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

Appendix

Pool 1: Overview

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Appendix

Commentary

- Received \$8.0 million of cash flow, 13.2% of initial investment through March 31, 2014
- Experienced 5% net CPR in 1Q14, falling in line with management expectations
- Updated IRR unchanged from initial projection; \$112 million of total cash flow

Pool 1 Characteristics

Collateral Overview	Initial UPB (\$BN)	Current UPB (\$BN)	WAC	WAM (months)	WALA (months)	30+ DQ	Uncollected Payments	% FHA	% VA	% Fixed	% ARM	
	Original	10.0	9.6	3.5%	332	15	3.7%	1.5%	50%	50%	99%	1%
	Recaptured ¹	-	0.0	4.3%	359	1	-	-	62%	38%	100%	-
	Total / WA	10.0	9.6	3.5%	332	15	3.7%	1.5%	50%	50%	99%	1%

Cash Flow & Prepayment Performance ²	Cash Flows (\$MM)		Gross CRR		CDR		Gross CPR		Recapture		Net CPR	
	1Q'14	4Q'13	1Q'14	4Q'13	1Q'14	4Q'13	1Q'14	4Q'13	1Q'14	4Q'13	1Q'14	4Q'13
	Original	4.2	3.8	5%	5%	1%	1%	5%	6%	2%	2%	5%
Recaptured	0.0	-	0%	-	0%	-	0%	-	0%	-	0%	-
Total / WA	4.2	3.8	5%	5%	1%	1%	5%	6%	2%	2%	5%	6%

Investment Performance ³	Initial Investment (\$MM)	Projected Future Cash Flow (\$MM)	LTD Cash Flow (\$MM)	Cost Basis (\$MM)	Market Value (\$MM)	Initial IRR	Updated IRR	Acquired	Excess Servicing Fee (bps)	Ownership
	Pool 1 ⁴	60.6	104.4	8.0	56.6	66.0	14%	14%	10/9/13	17

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

1. \$2.5mm of recaptured loans will be substituted for and reflected as such in 2Q 2014.

2. Weighted averages by current UPB.

3. 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.

4. Investment was completed in October 2013 and based on the September 30, 2013 UPB of the pool.



Pool 2: Overview

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Appendix

Commentary

- Received \$8.1 million of cash flow, represents 21.2% of initial investment through March 31, 2014
- Experienced 15% net CPR in 1Q14, beating management expectations
- Updated IRR unchanged from initial projection; \$62.5 million of total cash flow
- Freedom recaptured \$477 million of loans in Pool 2 during the three month period ended March 31, 2014

Pool 2 Characteristics

Collateral Overview	Initial UPB (\$BN)	Current UPB (\$BN)	WAC	WAM (months)	WALA (months)	30+ DQ	Uncollected Payments	% FHA	% VA	% Fixed	% ARM	
	Original	10.7	9.2	2.6%	338	21	8.5%	4.0%	-	100%	-	100%
	Recaptured	-	0.6	4.4%	356	1	1.0%	1.0%	-	100%	100%	-
	Total / WA	10.7	9.7	2.7%	339	20	8.0%	3.9%	-	100%	6%	94%

Cash Flow & Prepayment Performance ¹	Cash Flows (\$MM)		Gross CRR		CDR		Gross CPR		Recapture		Net CPR	
	1Q'14	4Q'13	1Q'14	4Q'13	1Q'14	4Q'13	1Q'14	4Q'13	1Q'14	4Q'13	1Q'14	4Q'13
	Original	4.1	4.0	31%	17%	0%	0%	31%	17%	54%	16%	16%
Recaptured	0.0	-	1%	-	0%	-	1%	-	0%	-	1%	-
Total / WA	4.1	4.0	29%	16%	-	-	29%	16%	50%	15%	15%	14%

Investment Performance ²	Initial Investment (\$MM)	Projected Future Cash Flow (\$MM)	LTD Cash Flow (\$MM)	Cost Basis (\$MM)	Market Value (\$MM)	Initial IRR	Updated IRR	Acquired	Excess Servicing Fee (bps)	Ownership
	Pool 2 ³	38.4	54.4	8.1	33.4	40.4	18%	18%	10/9/13	17

Note: Figures presented are rounded. As of March 31, 2013.

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

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Commentary

- Received \$10 thousand of cash flow, 0.7% of initial investment through March 31, 2014
- Experienced 0% LTD net CPR, falling in line with management expectations
- Updated IRR unchanged from initial projection; \$2.8 million of total cash flow

Pool 2014 Characteristics

Collateral Overview	Initial UPB (\$MM)	Current UPB (\$MM)	WAC	WAM (months)	WALA (months)	30+ DQ	Uncollected Payments	% FHA	% VA	% Fixed	% ARM	
	Original	237	236	3.7%	348	9	4.2%	2.3%	54%	46%	100%	-
	Recaptured	-	-	-	-	-	-	-	-	-	-	-
	Total / WA	237	236	3.7%	348	9	4.2%	2.3%	54%	46%	100%	-

Cash Flow & Prepayment Performance ¹	Cash Flows (\$000)		Gross CRR		CDR		Gross CPR		Recapture		Net CPR	
	1Q'14		1Q'14		1Q'14		1Q'14		1Q'14		1Q'14	
	Original	10.0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Recaptured	-	-	-	-	-	-	-	-	-	-	-
Total / WA	10.0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	

Investment Performance ²	Initial Investment (\$MM)	Projected Future Cash Flow (\$MM)	LTD Cash Flow (\$000)	Cost Basis (\$MM)	Market Value (\$MM)	Initial IRR	Updated IRR	Acquired	Excess Servicing Fee (bps)	Ownership
	Pool 2014 ³	1.5	2.8	10	1.5	1.5	11%	11%	Various	15

Note: Figures presented are rounded. As of March 31, 2013.

1. Weighted averages by current UPB.
2. Flow 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.
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 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.



Excess MSR Sensitivity

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Excess MSRs Sensitivity Analysis¹

	March 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	\$119,826	\$113,612	\$107,887	\$102,888	\$98,235	\$123,178	\$116,396	\$110,306	\$104,812	\$99,831
Change in FV	\$11,834	\$5,620		(\$5,104)	(\$9,757)	\$12,872	\$6,090		(\$5,495)	(\$10,475)
% Change in FV	11.0%	5.2%		(4.7)%	(9.0)%	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	\$115,670	\$111,702	\$107,887	\$104,513	\$101,243	\$117,814	\$113,940	\$110,306	\$106,889	\$103,668
Change in FV	\$7,678	\$3,710		(\$3,479)	(\$6,749)	\$7,508	\$3,634		(\$3,417)	(\$6,639)
% Change in FV	7.1%	3.4%		(3.2)%	(6.3)%	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	\$107,589	\$107,790	\$107,887	\$108,194	\$108,396	\$109,442	\$109,874	\$110,306	\$110,739	\$111,171
Change in FV	(\$403)	(\$202)		\$202	\$403	(\$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 March 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.
- March 31, 2014 analysis assumes weighted average discount rate of 15.6%; weighted average prepayment rate of 12.9%; and weighted average recapture rate of 5.0% 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.



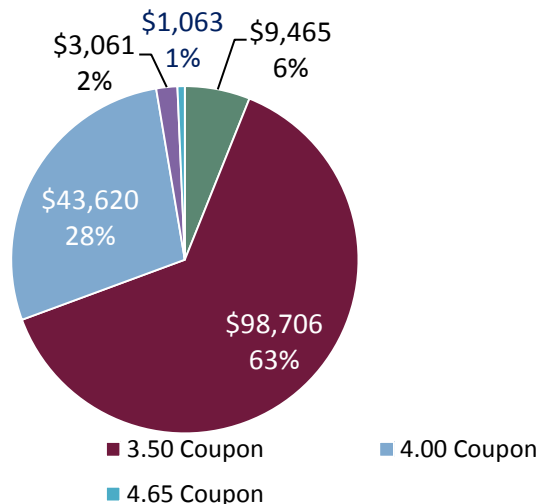
Agency RMBS Portfolio Coupon Composition

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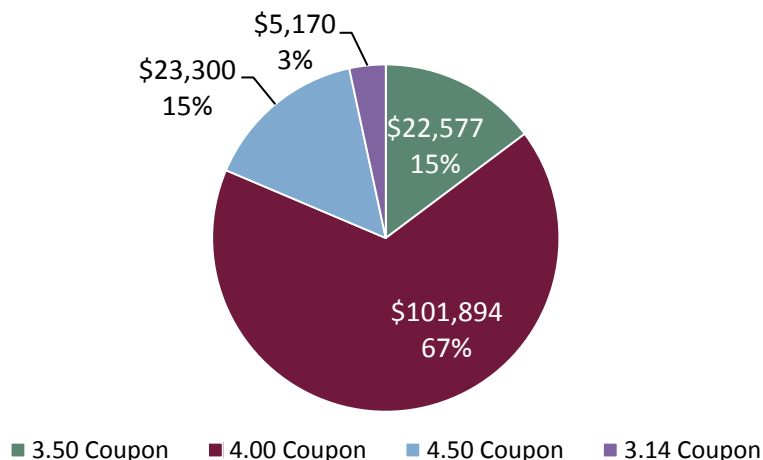
\$155,915 15/20 Year RMBS (Excluding TBA Securities)

50.5% of Total RMBS Portfolio



\$152,940 30 Year RMBS (Excluding TBA Securities)

49.5% of Total RMBS Portfolio



Agency Fixed Rate Securities Summary (Excluding TBA Securities)

WA Years to Maturity	Book Value	WAC	WA Amortized Cost	WA Fair Value	Estimated Fair Value	% of Total Estimated Fair Value
≤ 15 Years	\$60,065	3.42%	\$105.03	\$104.52	\$59,775	19%
20 Years	95,347	3.76%	104.63	104.33	95,077	31%
≥ 30 Years	148,908	4.00%	104.97	104.18	147,770	48%
MBS ARM/Other	6,182	3.40%	103.13	103.98	6,233	2%
Total / WA	\$310,502	3.80%	\$104.84	\$104.29	\$308,855	100%

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

Financing Summary Overview

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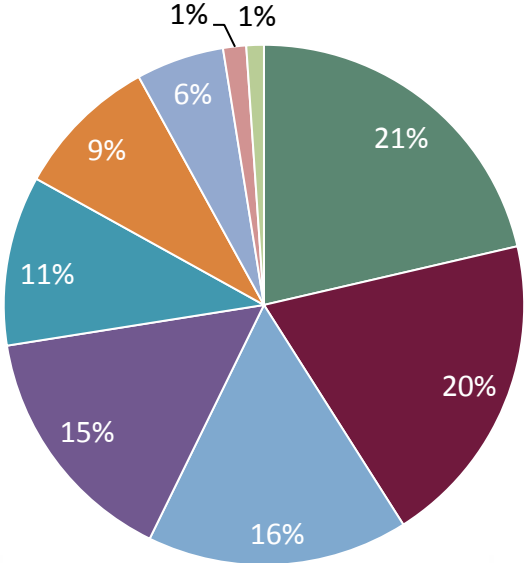
Appendix

Financing Highlights

Commentary

- **Average repo cost was 0.37%**
- **12 established relationships with repo counterparties**
- **Borrowings with nine repo counterparties**
- **Extended repo terms across multiple counterparties**
- **Weighted average “haircut” of 5.5%**
- **Weighted average days to maturity of 43 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	\$120,820	44.8%	0.37%	13	51
1 ≥ x < 3 Months	134,247	49.7%	0.38%	56	88
x ≥ 3 Months	14,914	5.5%	0.39%	165	183
Total / WA	\$269,981	100.0%	0.37%	43	77

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



Balance Sheet

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Consolidated Balance Sheet

Assets		Liabilities and Stockholders' Equity	
Agency RMBS, available-for-sale	\$ 308,855	Liabilities	
Investments in Excess MSR's at fair value	107,887	Repurchase agreements	\$ 269,981
Cash and cash equivalents	12,707	Derivative liabilities	1,877
Restricted cash	3,139	Dividends payable	3,755
Derivative assets	1,648	Due to affiliates	685
Receivables from unsettled trades	-	Accrued expenses and other liabilities	355
Receivables and other assets	3,974	Total Liabilities	\$ 276,653
Total Assets	\$ 438,210	Stockholders' Equity	
		Preferred stock, \$0.01 par value, 100,000,000 shares authorized, none issued and outstanding as of March 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 March 31, 2014 and 7,500,000 shares issued and outstanding at December 31, 2013	75
		Additional paid-in capital	148,145
		Retained earnings (deficit)	14,670
		Accumulated other comprehensive income (loss)	(1,678)
		Total CHMI Stockholders' Equity	\$ 161,212
		Non-controlling interests in operating partnerships	345
		Total Stockholders' Equity	\$ 161,557
		Total Liabilities and Stockholders' Equity	\$ 438,210

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

Income Statement

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Consolidated Statements of Income

Income	
Interest income	\$ 6,011
Interest expense	947
Net Interest Income	<u>5,064</u>
Other Income (Loss)	
Realize gain (loss) on Agency RMBS, net	(349)
Realized gain (loss) on derivatives, net	(72)
Unrealized gain (loss) on derivatives, net	(3,443)
Unrealized gain (loss) on Excess MSRs	670
Total Income	\$ 1,870
Expenses	
General and administrative expense	457
Management fee to affiliate	679
Total Expenses	\$ 1,136
Net Income (Loss)	\$ 734
Net income allocated to LTIP-OP Units	(4)
Net income Applicable to Common Stockholders	\$ 730
Net income (Loss) Per Share of Common Stock	
Basic	\$ 0.10
Diluted	\$ 0.10
Weighted Average Number of Shares of Common Stock Outstanding	
Basic	7,502,505
Diluted	7,506,680

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

Comprehensive Income

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Consolidated Statement of Comprehensive Income

	Three Months Ended March 31, 2014
Net Income	\$ 734
Other Comprehensive Income (Loss):	
Net unrealized gain (loss) on Agency RMBS	3,355
Other comprehensive income (loss)	3,355
Comprehensive Income (Loss)	\$ 4,089

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

Segment Results

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Results of Operations				
	<u>Excess MSRs</u>	<u>RMBS</u>	<u>All Other</u>	<u>Total</u>
Three Months Ended March 31, 2014				
Interest income	\$ 3,685	\$ 2,326	\$ -	\$ 6,011
Interest expense	-	947	-	947
Net interest income	3,685	1,379	-	5,064
Other income	670	(3,864)	-	(3,194)
Other operating expenses	-	-	1,136	1,136
Net income (loss)	\$ 4,355	\$ (2,485)	\$ (1,136)	\$ 734
March 31, 2014				
Investments	\$ 107,887	\$ 308,855	\$ -	\$ 416,742
Other assets	2,733	5,713	13,022	21,468
Total assets	110,620	314,568	13,022	438,210
Debt	-	269,981	-	269,981
Other liabilities	-	1,979	4,693	6,672
Total liabilities	-	271,960	4,693	276,653
GAAP book value	\$ 110,620	\$ 42,608	\$ 8,329	\$ 161,557
Leverage				
March 31, 2014	-X	6.34x	-X	1.67x

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

Net Interest Spread

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Net Interest Spread		
	At March 31, 2014	At December 31, 2013
Weighted Average Asset Yield	3.02%	2.98%
Weighted Average Interest Expense	1.42%	1.55%
Net Interest Spread	1.59%	1.43%

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

Hedging Summary

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Interest Rate Swaps					
Commentary	Characteristics				
<ul style="list-style-type: none"> • ~\$175 million notional fixed pay swaps • 5.79 year weighted average duration • Covers 65% of aggregate repo debt¹ 			WA Pay Rate	WA Receive Rate	WA Years to Maturity
	Years to Maturity	Notional Amount			
	x ≤ 3 Years	\$16,000	0.79%	0.24%	2.5
	3 > x ≤ 5 Years	63,900	1.52%	0.24%	4.6
	5 > x ≤ 7 Years	52,700	2.18%	0.24%	6.6
	7 > x ≤ 10 Years	40,500	2.79%	0.24%	9.6
	x > 10 Years	2,000	3.31%	0.24%	14.5
Total / WA:	\$175,100	1.96%	0.24%	6.3	

Interest Rate Swaptions	
Commentary	
<ul style="list-style-type: none"> • \$125 million notional, option to enter into fixed pay swap prior to November 30, 2014 • 1.24 year weighted average duration 	

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

Abbreviations

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
- **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** – Weighted Average
- **WAL** – Weighted Average Life to Maturity
- **WALA** – Weighted Average Loan Age
- **WAC** – Weighted Average Coupon