



CHMI  
CHERRY HILL MORTGAGE  
INVESTMENT CORPORATION

Third Quarter 2015 Investor Presentation

November 9, 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 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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**Third Quarter 2015**



# Mortgage Landscape

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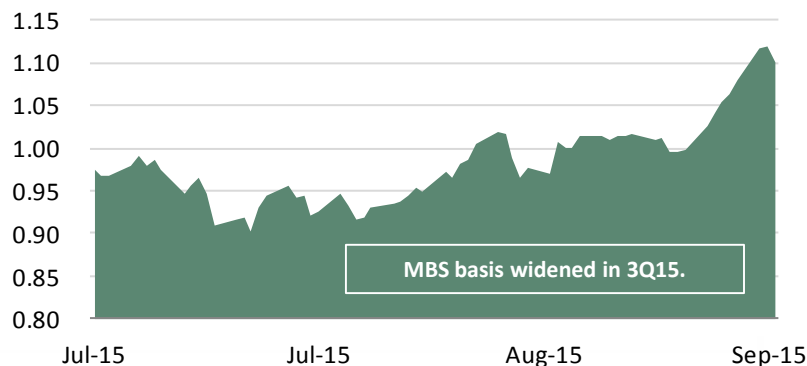
Third Quarter 2015

## Commentary

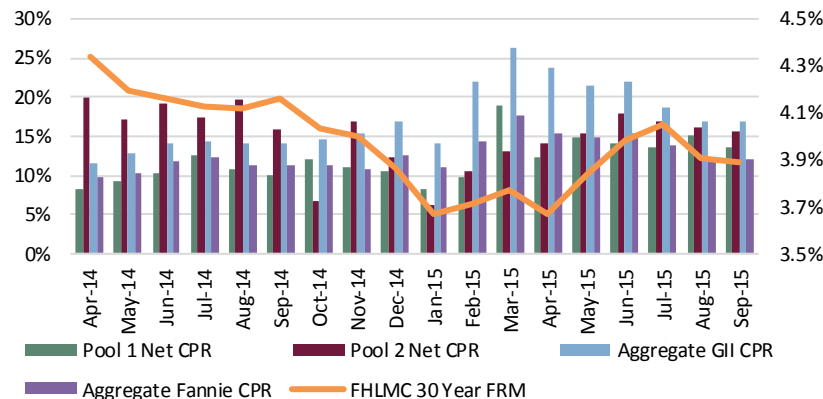
Origination activity was strong during the quarter driven by seasonals and originators pushing through loans prior to TRID becoming effective October 3<sup>rd</sup>

- Lower mortgage rates prevailed during the quarter which created significant refi opportunities for FHA/VA lenders
- Mortgage spreads held their ground through August, but significantly underperformed treasuries and swaps in September
- Mortgage nominal spreads widened 15 bps versus 7 year swap rates over the quarter

### Mortgage Basis Spread<sup>1</sup>



### Cherry Hill Excess MSR vs. Aggregate CPRs<sup>2</sup>



## 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
<b>3Q 2015</b>	0.6310	1.3580	2.0380	2.8540	104-12	106-23	108-14	110-08	0.7479	0.9838	1.3848	2.0025	2.5645
<b>2Q 2015</b>	0.6450	1.6490	2.3540	3.1240	102-28	105-26	108-10	110-14	0.9044	1.2548	1.7870	2.4643	2.9395
<b>1Q 2015</b>	0.5570	1.3710	1.9240	2.5370	105-03	106-30	109-03	111-07	0.8080	1.1135	1.5325	2.0243	2.3885
<b>4Q 2014</b>	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

Source: Bloomberg, Inside Mortgage Finance, FHFA, CoreLogic, Moody's Analytics (ECCA) Forecast and EMBS Mortgage-Backed Securities Online.

- FNMA 30 Year current coupon vs seven year swaps.
- Cherry Hill Excess MSR CPRs versus aggregate FNMA MBS and aggregate Ginnie Mae II MBS CPRs.



# Third Quarter 2015 Highlights

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Third Quarter 2015

## Financial Results

**\$0.49 dividend per share declared and paid<sup>1</sup>**

✓ \$3.97 dividends distributed life to date

**\$20.18 GAAP book value per common share<sup>2</sup>**

✓ 3.7% decrease, net of dividend

**\$0.47 core income per share<sup>3</sup>**

**\$0.49 dividend eligible income per share<sup>3</sup>**

## Portfolio Update

**3.5x leverage ratio for aggregate portfolio**

**6.5x leverage ratio for RMBS**

**1.31% net interest spread for RMBS**

**7.8% CPR for RMBS<sup>4</sup>**

**58% recapture on Pool 2 investment; 42% recapture across all Excess MSR**

**14% Net CPR for Excess MSR**

**9% CPR for full MSR**

## Q3 2015 Milestones

**Executed letter of intent for a \$1.4 billion Fannie Mae / Freddie Mac MSR portfolio<sup>5</sup>**

**In September 2015, CHMI drew down remaining \$17.5 million of the \$25 million NexBank term loan**

**Transitioned direct servicing of initial MSR portfolio to Freedom Mortgage as subservicer**

*Note: Figures presented, except per share data, are rounded. As of September 30, 2015.*

- 1. Third quarter 2015 \$0.49 dividend was paid in cash on October 27, 2015 to stockholders of record on September 30, 2015.*
- 2. Based on 7,519,038 common shares outstanding at September 30, 2015.*
- 3. Based on 7,519,038 fully diluted weighted average common shares outstanding at September 30, 2015.*
- 4. Actual weighted average CPR for the three month period ended September 30, 2015.*
- 5. Purchase closed October 2015.*



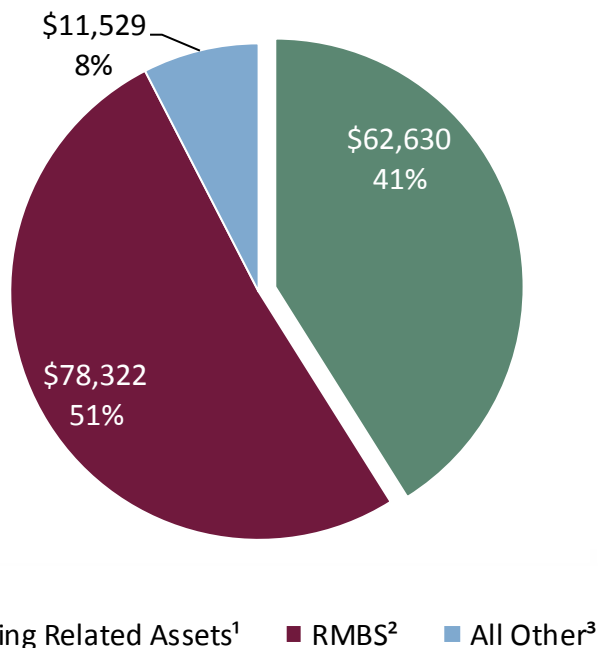
# Aggregate Investment Portfolio Composition

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Third Quarter 2015

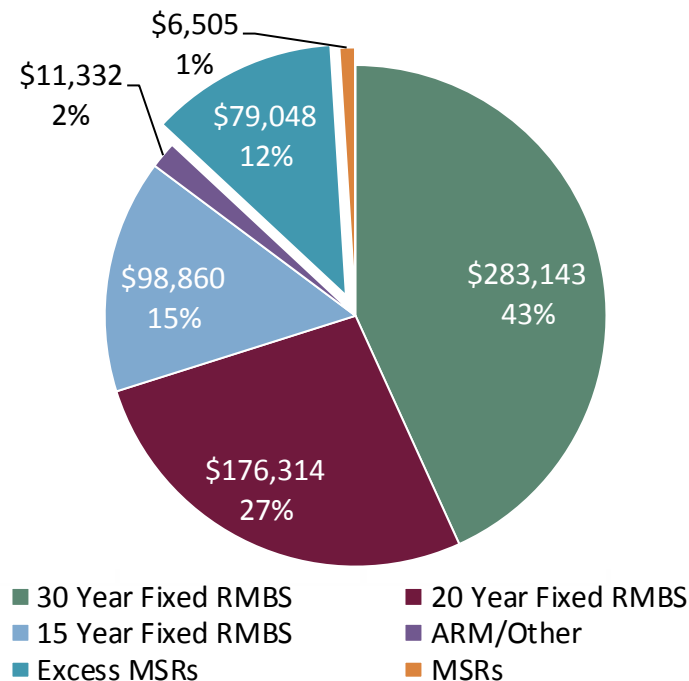
## Equity Investment Composition:

\$152,481



## Aggregate Investment Portfolio Composition:

\$655,202<sup>4</sup>



Servicing Related Assets represented approximately 41% of equity and 13% of assets at quarter end.

Note: All financial information as of September 30, 2015, unless otherwise noted. Figures in thousands, unless otherwise noted.

1. Comprised of MSRs, 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 (\$10) million; excludes cash and other derivatives.

# Excess MSR Overview

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Third Quarter 2015

## Commentary

### Excess MSR maintains stability in lower rate environment

- 14% Net CPR and 42% recapture on total portfolio
- \$427 million of loans recaptured on total portfolio with recapture on Pool 2 comprising 73% of recapture activity
- Produced \$6.8 million in cash flow, including \$3.0 million in interest income

## Characteristics

	Initial						Current (09/30/2015) <sup>1</sup>					Net CPR		Recapture Rate	
	UPB	WAC	WAM	WALA	FICO	30+ DQ	UPB	WAC	WAM	WALA	30+ DQ	Q3 '15	Q2 '15	Q3 '15	Q2 '15
Pool 1	\$10,026,722	3.5%	338	9	706	3.0%	\$7,681,538	3.5%	315	31	4.6%	14%	14%	25%	44%
Pool 2	10,704,024	2.6%	343	15	682	6.9%	7,538,860	2.8%	328	28	12.0%	13%	14%	58%	57%
Pool 2014	334,672	3.7%	349	8	692	3.4%	274,775	3.6%	332	22	7.5%	12%	16%	45%	68%
<b>Total / WA</b>	<b>\$21,065,418</b>	<b>3.1%</b>	<b>341</b>	<b>12</b>	<b>694</b>	<b>5.0%</b>	<b>\$15,495,173</b>	<b>3.1%</b>	<b>322</b>	<b>29</b>	<b>8.3%</b>	<b>14%</b>	<b>14%</b>	<b>42%</b>	<b>51%</b>

## Investment Details

	Initial		Current Cash Flows (09/30/2015) <sup>1</sup>							IRR <sup>2,3</sup>	
	UPB	Investment	Return of Capital	Interest Income	Total QTD Cashflow	Projected Future Cashflow <sup>2</sup>	Cost Basis	Adj. for Market	Market Value	Initial	Updated
Pool 1	\$10,026,722	\$60,561	\$1,845	\$1,612	\$3,457	\$81,651	\$44,969	(\$699)	\$44,270	14%	14%
Pool 2	10,704,024	38,407	1,825	1,365	3,190	34,231	20,827	12,421	33,248	18%	19%
Pool 2014	334,672	2,174	55	61	116	3,389	1,851	(321)	1,530	12%	12%
<b>Total / WA</b>	<b>\$21,065,418</b>	<b>\$101,142</b>	<b>\$3,725</b>	<b>\$3,038</b>	<b>\$6,763</b>	<b>\$119,271</b>	<b>\$67,647</b>	<b>\$11,401</b>	<b>\$79,048</b>	<b>16%</b>	<b>16%</b>

Note: Figures presented are rounded. As of September 30, 2015. Dollars in thousands, unless otherwise noted.

- Current data reflective of recaptured loans.
- For assumptions on underwritten projected cash flows, see detailed footnotes at the end of this presentation, on page 28.
- Weighted by initial investment.

# Excess MSR Performance

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Third Quarter 2015

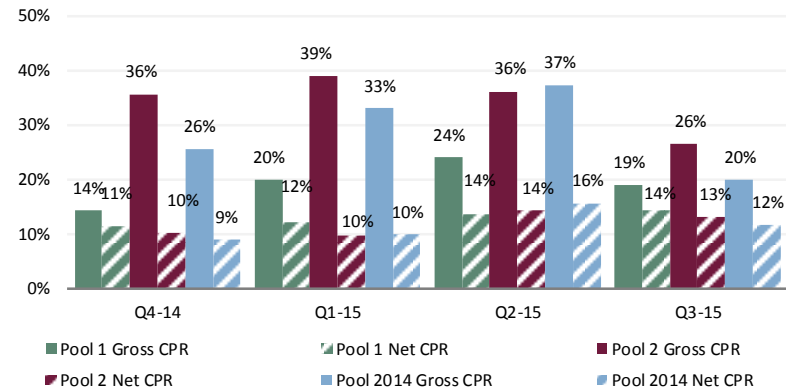
## Commentary

Net CPR remains stable in the face of strong rally in rates during the quarter

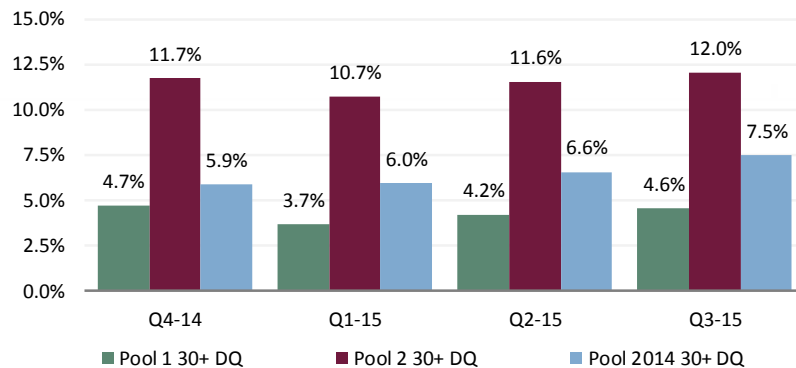
Recapture efforts continued to be strong

Delinquency increased from 7.8% to 8.3% on the aggregate portfolio due largely to portfolio runoff

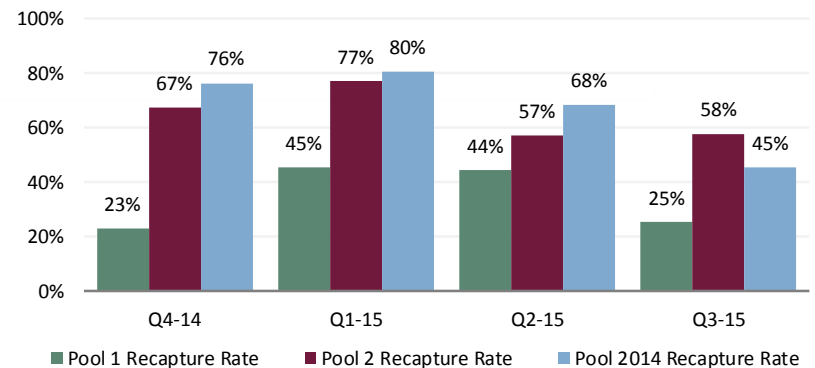
## Historical CPR



## Historical Delinquency Performance



## Historical Recapture Performance



Note: Figures presented are rounded. As of September 30, 2015.



# MSR Overview

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Third Quarter 2015

## Commentary

Transfer of servicing of initial portfolio to subservicer completed in September

Portfolio provides potential for attractive returns in upward rate environment

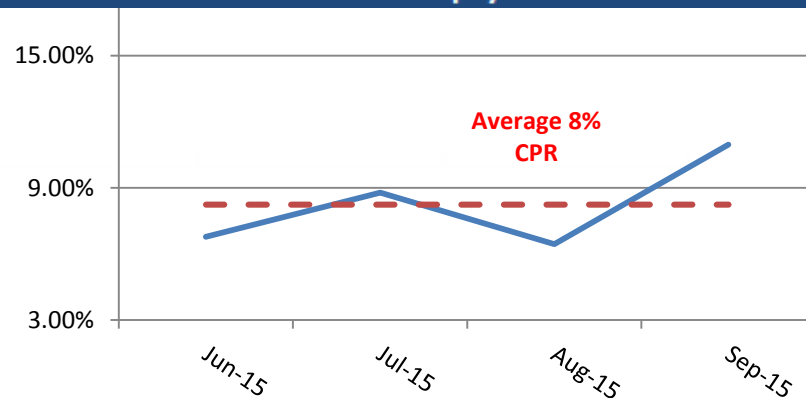
- Prepayment speeds exhibited stability during the rally

Closed on \$1.4 billion unpaid principal balance (UPB) bulk acquisition of FNMA/FHLMC MSR subsequent to quarter end

## MSR Characteristics

	FNMA	FHLMC	Total
UPB (\$MM)	650.9	39.4	690.3
Avg UPB (\$'000)	159.0	195.0	160.6
WAC	4.07	3.87	4.06
Net Servicing Fee	0.25	0.25	0.25
WAM (Mths)	275	296	276
WALA (Mths)	41	21	40
Original FICO	759	755	759
Original LTV	75.7	77.6	75.8
ARM %	0.0%	5.4%	0.3%
60+ DQ	1.2%	0.2%	1.2%

## Historical Prepayment



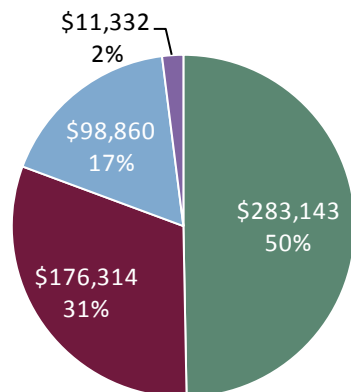
Note: Figures presented are rounded. As of September 30, 2015.

# Third Quarter 2015 RMBS Highlights

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Third Quarter 2015

**RMBS Portfolio: \$569,649<sup>1</sup>**



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

## Commentary

RMBS portfolio totaled approximately \$570 million<sup>1</sup>

The portfolio's composition remained evenly split between 30 year assets and a combination of 20 year and 15 year assets at quarter end

Relative to the previous quarter, portfolio maturity segments grew evenly

Increase in UPB largely due to temporary investment of borrowed funds

## Current Portfolio Composition

30 Year Collateral: 50% of Total RMBS Assets						
	FMV	%	WAC	WALA	1 Mo. CPR	LT CPR
30 Year Collateral	293,577	104%	3.88	16.08	6.48	13.77
30 Year TBA	(10,435)	(4%)	3.50	N/A	N/A	N/A
<b>Total 30 year MBS Collateral</b>	<b>\$283,142</b>	<b>100%</b>	<b>3.89</b>	<b>16.08</b>	<b>6.48</b>	<b>13.77</b>
≤ 20 Year Collateral: 50% of Total RMBS Assets						
	FMV	%	WAC	WALA	1 Mo. CPR	LT CPR
20 and 15 Year Collateral	275,175	96%	3.57	14.94	8.55	13.90
Other	11,332	4%	3.86	20.48	2.29	13.43
<b>Total 15 and 20 Year MBS</b>	<b>\$286,507</b>	<b>100%</b>	<b>3.58</b>	<b>15.16</b>	<b>8.30</b>	<b>13.89</b>

Note: Figures presented are rounded. As of September 30, 2015. Dollars in thousands, unless otherwise noted.

Source: CHMI management and The Yield Book Inc.

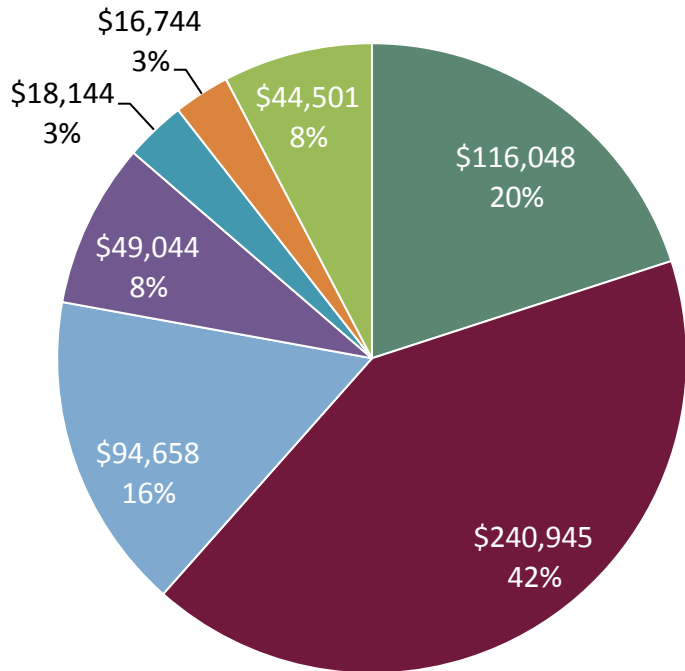
1. Includes net TBAs with a fair market value of approximately (\$10.0) million.

# RMBS Portfolio with Prepayment Protection

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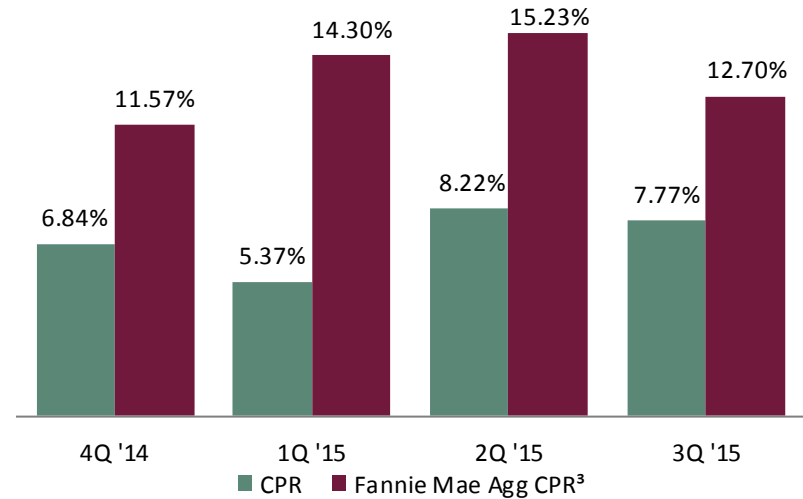
Third Quarter 2015

## RMBS Portfolio (Excludes TBAs): \$580,084



- ≤ 110K Max Pools
- ≤ 150k Max Pools
- ≤ 175k Max Pools
- Geographic Stories<sup>1</sup>
- MHA Pools<sup>2</sup>
- FICO
- ARM/Other

## Quarterly CPR Performance



## Commentary

RMBS portfolio posted a weighted average three month CPR of 7.77% for the Third Quarter 2015

- Six month weighted average CPR of 7.98%
- Despite lower interest and mortgage rates, mortgage prepayments remained stable

Note: Figures noted are rounded. As of September 30, 2015. 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. Source: eMBS Mortgage-Backed Securities OnLine.

# Aggregate Portfolio Rate Sensitivity Analysis

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Duration Gap Sensitivity on Current Portfolio				
	September 30, 2015	+50 Bps	+100 Bps	+200 Bps
<b>Assets</b>				
RMBS Portfolio	3.03	3.70	4.23	4.74
Servicing Related Assets Portfolio	(1.96)	(1.22)	(0.62)	(0.29)
<b>Total Assets</b>	<b>1.06</b>	<b>2.47</b>	<b>3.61</b>	<b>4.45</b>
Liabilities, Swaps and Treasuries	(2.25)	(2.25)	(2.25)	(2.25)
<b>Net Duration Gap (before Swaptions)</b>	<b>(1.18)</b>	<b>0.23</b>	<b>1.36</b>	<b>2.20</b>
Swaptions	(0.13)	(0.38)	(0.65)	(1.25)
<b>Net Duration Gap (including Swaptions)</b>	<b>(1.32)</b>	<b>(0.15)</b>	<b>0.72</b>	<b>0.95</b>
Difference from Duration Gap as of September 30, 2015		1.16	2.03	2.26

*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 September 30, 2015, the duration gap stood at -1.32 years

Assuming an instantaneous shift of +200 basis points in interest rates, the duration gap would move from -1.32 years to +0.95 years

*Note: Figures presented are rounded. As of September 30, 2015.*

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## Appendix

# Pool 1: Overview

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Appendix

## Commentary

Received \$30.8 million of LTD cash flow, representing 50.8% of initial investment through September 30, 2015

Experienced 14% Net CPR in 3Q15; 10% Net CPR life to date

Gross CPR fell 21%, 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	7.2	3.5%	314	33	4.7%	3.0%	44%	56%	99%
Recaptured	-	0.5	3.8%	332	5	2.8%	1.9%	26%	74%	100%	0%
<b>Total / WA</b>	<b>10.0</b>	<b>7.7</b>	<b>3.5%</b>	<b>315</b>	<b>31</b>	<b>4.6%</b>	<b>2.9%</b>	<b>43%</b>	<b>57%</b>	<b>99%</b>	<b>1%</b>

Cash Flow & Prepayment Performance <sup>1</sup>	Cash Flows (\$MM)		Gross CRR		CDR		Gross CPR		Recapture		Net CPR	
	Q3 '15	Q2 '15	Q3 '15	Q2 '15	Q3 '15	Q2 '15	Q3 '15	Q2 '15	Q3 '15	Q2 '15	Q3 '15	Q2 '15
	Original	3.2	3.4	16%	22%	1%	1%	18%	22%	23%	42%	14%
Recaptured	0.2	0.2	39%	53%	0%	0%	39%	53%	58%	82%	18%	12%
<b>Total / WA</b>	<b>3.5</b>	<b>3.6</b>	<b>18%</b>	<b>24%</b>	<b>1%</b>	<b>1%</b>	<b>19%</b>	<b>24%</b>	<b>25%</b>	<b>44%</b>	<b>14%</b>	<b>14%</b>

Investment Performance <sup>2</sup>	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)						
<b>Pool 1<sup>3</sup></b>	<b>60.6</b>	<b>81.7</b>	<b>30.8</b>	<b>45.0</b>	<b>44.3</b>	<b>14%</b>	<b>14%</b>	<b>10/9/2013</b>	<b>17</b>	<b>85%</b>	

Note: Figures presented are rounded. As of September 30, 2015. Detailed footnotes are included at the end of this presentation, on page 28.

# Pool 2: Overview

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## Commentary

Received \$29.2 million of LTD cash flow, representing 76.1% of initial investment through September 30, 2015

Experienced 13% Net CPR in 3Q15; 14% Net CPR life to date

Freedom recaptured \$309 million of loans in Pool 2 during the three month period ended September 30, 2015

## 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	5.3	2.3%	322	37	14.8%	10.9%	-	100%	-
Recaptured	-	2.2	3.7%	345	7	5.3%	3.3%	0%	100%	100%	0%
<b>Total / WA</b>	<b>10.7</b>	<b>7.5</b>	<b>2.8%</b>	<b>328</b>	<b>28</b>	<b>12.0%</b>	<b>8.7%</b>	<b>0%</b>	<b>100%</b>	<b>29%</b>	<b>71%</b>

Cash Flow & Prepayment Performance <sup>1</sup>	Cash Flows (\$MM)		Gross CRR		CDR		Gross CPR		Recapture		Net CPR	
	Q3 '15	Q2 '15	Q3 '15	Q2 '15	Q3 '15	Q2 '15	Q3 '15	Q2 '15	Q3 '15	Q2 '15	Q3 '15	Q2 '15
	Original	2.3	2.5	22%	25%	4%	2%	26%	26%	47%	46%	16%
Recaptured	0.9	0.7	28%	64%	0%	0%	28%	64%	83%	89%	5%	10%
<b>Total / WA</b>	<b>3.2</b>	<b>3.2</b>	<b>24%</b>	<b>35%</b>	<b>3%</b>	<b>1%</b>	<b>26%</b>	<b>36%</b>	<b>58%</b>	<b>57%</b>	<b>13%</b>	<b>14%</b>

Investment Performance <sup>2</sup>	Projected					Excess Servicing		Fee Ownership		
	Initial Investment	Future Cash Flow	LTD Cash Flow	Cost Basis	Market Value	Initial IRR	Updated IRR	Acquired	(bps)	Ownership
	(\$MM)	(\$MM)	(\$MM)	(\$MM)	(\$MM)	IRR	IRR			
<b>Pool 2<sup>3</sup></b>	<b>38.4</b>	<b>34.2</b>	<b>29.2</b>	<b>20.8</b>	<b>33.2</b>	<b>18%</b>	<b>19%</b>	<b>10/9/2013</b>	<b>17</b>	<b>50%</b>

Note: Figures presented are rounded. As of September 30, 2015. Detailed footnotes are included at the end of this presentation, on page 28.

# Pool 2014: Overview

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## Commentary

Received \$685 thousand of LTD cash flow, representing 31.5% of initial investments through September 30, 2015

Experienced 12% Net CPR in 3Q15; 10% Net CPR life to date

Gross CPR fell 47%, 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	207.2	3.6%	330	27	8.7%	5.5%	52%	48%	100%	-
Recaptured	-	67.5	3.6%	339	6	3.6%	2.3%	4%	96%	100%	-
<b>Total / WA</b>	<b>334.7</b>	<b>274.8</b>	<b>3.6%</b>	<b>332</b>	<b>22</b>	<b>7.5%</b>	<b>4.7%</b>	<b>40%</b>	<b>60%</b>	<b>100%</b>	<b>-</b>

Cash Flow & Prepayment Performance <sup>1</sup>	Cash Flows (\$000)		Gross CRR		CDR		Gross CPR		Recapture		Net CPR	
	Q3 '15	Q2 '15	Q3 '15	Q2 '15	Q3 '15	Q2 '15	Q3 '15	Q2 '15	Q3 '15	Q2 '15	Q3 '15	Q2 '15
	Original	76.5	85.5	18%	33%	1%	2%	19%	34%	41%	66%	13%
Recaptured	39.6	27.8	22%	47%	0%	0%	22%	47%	59%	76%	9%	16%
<b>Total / WA</b>	<b>116.1</b>	<b>113.3</b>	<b>19%</b>	<b>36%</b>	<b>1%</b>	<b>2%</b>	<b>20%</b>	<b>37%</b>	<b>45%</b>	<b>68%</b>	<b>12%</b>	<b>16%</b>

Investment Performance <sup>2</sup>	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)						
<b>Pool 2014<sup>3</sup></b>	<b>2.2</b>	<b>3.4</b>	<b>685.3</b>	<b>1.9</b>	<b>1.5</b>	<b>12%</b>	<b>12%</b>	<b>Various</b>	<b>15</b>	<b>79%</b>	

Note: Figures presented are rounded. As of September 30, 2015. Detailed footnotes are included at the end of this presentation, on page 28.



# Excess MSR Sensitivity

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Appendix

## Excess MSRs Sensitivity Analysis<sup>1</sup>

	September 30, 2015 <sup>2</sup>					December 31, 2014 <sup>3</sup>				
	Base Case					Base Case				
	Discount Rate Shift in %					Discount Rate Shift in %				
	(20)%	(10)%	-%	10%	20%	(20)%	(10)%	-%	10%	20%
<b>Estimated FV</b>	\$87,060	\$82,859	\$79,048	\$75,576	\$72,400	\$100,390	\$95,645	\$91,322	\$87,366	\$87,735
<b>Change in FV</b>	\$8,012	\$3,811		(\$3,472)	(\$6,648)	\$9,068	\$4,324		(\$3,956)	(\$7,587)
<b>% Change in FV</b>	10.1%	4.8%		(4.4)%	(8.4)%	9.9%	4.7%		(4.3)%	(8.3)%
	Voluntary Prepayment Rate Shift in %					Voluntary Prepayment Rate Shift in %				
	(20)%	(10)%	-%	10%	20%	(20)%	(10)%	-%	10%	20%
<b>Estimated FV</b>	\$86,688	\$82,770	\$79,048	\$75,468	\$72,282	\$98,737	\$94,898	\$91,322	\$87,981	\$84,855
<b>Change in FV</b>	\$7,641	\$3,722		(\$3,579)	(\$6,766)	\$7,416	\$3,577		(\$3,340)	(\$6,467)
<b>% Change in FV</b>	9.7%	4.7%		(4.5)%	(8.6)%	8.1%	3.9%		(3.7)%	(7.1)%
	Recapture Rate Shift in %					Recapture Rate Shift in %				
	(20)%	(10)%	-%	10%	20%	(20)%	(10)%	-%	10%	20%
<b>Estimated FV</b>	\$78,757	\$78,903	\$79,048	\$79,193	\$79,338	\$90,947	\$91,134	\$91,322	\$91,509	\$91,696
<b>Change in FV</b>	(\$290)	(\$145)		\$145	\$290	(\$375)	(\$187)		\$187	\$375
<b>% Change in FV</b>	(0.4)%	(0.2)%		0.2%	0.4%	(0.4)%	(0.2)%		0.2%	0.4%

Note: Figures noted are rounded. As of September 30, 2015. 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.
- September 30, 2015 analysis assumes weighted average discount rate of 14.4%; weighted average prepayment rate of 13.2%; and weighted average recapture rate of 4.1% for base case.
- 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.



# MSR Sensitivity

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Appendix

## MSRs Sensitivity Analysis<sup>1</sup>

		September 30, 2015 <sup>2</sup>				
		Base Case				
		Discount Rate Shift in %				
		(20)%	(10)%	-%	10%	20%
Estimated FV	Estimated FV	\$7,016	\$6,751	\$6,505	\$6,275	\$6,060
	Change in FV	\$511	\$247		(\$230)	(\$445)
	% Change in FV	7.9%	3.8%		(3.5)%	(6.8)%
		Voluntary Prepayment Rate Shift in %				
		(20)%	(10)%	-%	10%	20%
Estimated FV	Estimated FV	\$7,226	\$6,851	\$6,505	\$6,185	\$5,888
	Change in FV	\$721	\$346		(\$320)	(\$617)
	% Change in FV	11.1%	5.3%		(4.9)%	(9.5)%
		Servicing Cost Shift in %				
		(20)%	(10)%	-%	10%	20%
Estimated FV	Estimated FV	\$6,808	\$6,656	\$6,505	\$6,353	\$6,202
	Change in FV	\$303	\$151		(\$151)	(\$303)
	% Change in FV	4.7%	2.3%		(2.3)%	(4.7)%

Note: Figures noted are rounded. As of September 30, 2015. 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.

1. 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.
2. September 30, 2015 analysis assumes weighted average discount rate of 8.3%; weighted average prepayment rate of 10.5%; weighted average recapture rate of 0.0% for base case; and weighted average annual cost to service of \$72 per loan.

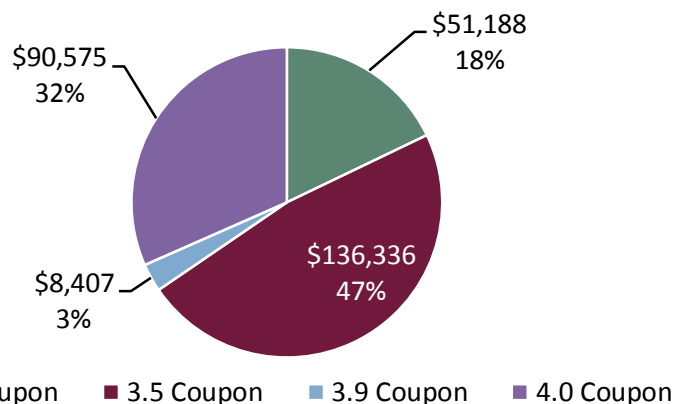
# RMBS Portfolio Coupon Composition

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Appendix

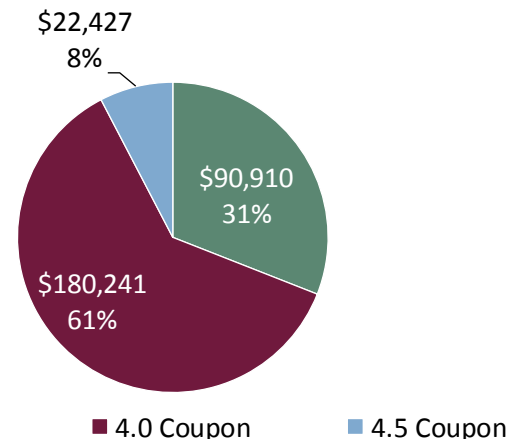
**\$286,506 15/20 Year RMBS (Excludes TBAs)**

49.4% of Total RMBS Portfolio



**\$293,578 30 Year RMBS (Excludes TBAs)**

50.6% of Total RMBS Portfolios



## 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	98,310	3.25%	\$104.66	\$105.25	\$98,860	17%
20 Years	174,031	3.75%	105.39	106.77	176,314	30%
≥ 30 Years	289,648	3.88%	105.42	106.86	293,578	49%
MBS ARM/Other	11,583	3.86%	79.74	77.99	11,332	2%
<b>Total / WA</b>	<b>\$573,572</b>	<b>3.73%</b>	<b>\$104.78</b>	<b>\$105.99</b>	<b>\$580,084</b>	<b>100%</b>

Note: Figures presented are rounded. As of September 30, 2015. Dollars in thousands, unless otherwise noted.

# Financing Highlights

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## Commentary

Average REPO cost was 0.49% with a weighted average days to maturity of 49 days

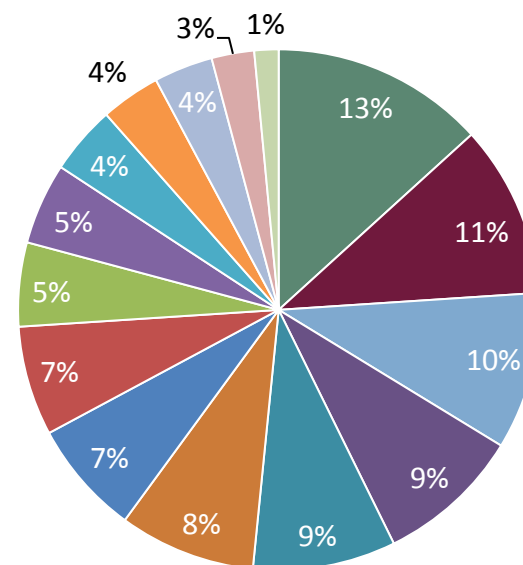
Average FHLBI advance cost was 0.53% with a weighted average days to maturity of 145 days

18 REPO relationships established to date

Borrowings with 15 financing counterparties

Weighted average combined "haircut" of 5.2%

## Financing Counterparties Utilized<sup>1</sup>



## Cherry Hill Repurchase Agreement and Advance Summary

Remaining Maturity	REPO & Advances Outstanding	WA Rate	Remaining Days to Maturity	Original Days to Maturity
x < 1 Month	\$145,098 28.6%	0.46%	15	88
1 ≥ x < 3 Months	\$302,055 59.5%	0.50%	62	91
x ≥ 3 Months	\$60,924 12.0%	0.56%	172	225
<b>Total / WA</b>	<b>\$508,077 100.0%</b>	<b>0.49%</b>	<b>62</b>	<b>106</b>

Note: Figures presented are rounded. As of September 30, 2015. 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

	September 30, 2015	December 31, 2014
<b>Assets</b>		
RMBS, available-for-sale	\$ 580,084	\$ 416,003
Investments in Servicing Related Assets at fair value	85,553	91,322
Cash and cash equivalents	12,661	12,447
Restricted cash	15,110	6,947
Derivative assets	191	342
Receivables from unsettled trades	-	309
Receivables and other assets	8,586	4,556
<b>Total Assets</b>	<b>\$ 702,185</b>	<b>\$ 531,926</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Repurchase agreements	\$ 440,727	\$ 362,126
Federal Home Loan Bank advances	67,350	-
Derivative liabilities	9,479	4,088
Notes payable	26,045	-
Dividends payable	3,684	3,830
Due to affiliates	785	769
Accrued expenses and other liabilities	1,634	795
<b>Total Liabilities</b>	<b>\$ 549,704</b>	<b>\$ 371,608</b>
<b>Stockholders' Equity</b>		
Preferred stock, \$0.01 par value, 100,000,000 shares authorized, none issued and outstanding as of September 30, 2015 and December 31, 2014	\$ -	\$ -
Common stock, \$0.01 par value, 500,000,000 shares authorized, 7,519,038 shares issued and outstanding as of September 30, 2015 and 7,509,543 shares issued and outstanding as of December 31, 2014	75	75
Additional paid-in capital	148,295	148,258
Retained earnings (deficit)	(2,727)	4,799
Accumulated other comprehensive income	6,054	6,641
<b>Total CHMI Stockholders' Equity</b>	<b>\$ 151,697</b>	<b>\$ 159,773</b>
Non-controlling interests in operating partnership	784	545
<b>Total Stockholders' Equity</b>	<b>\$ 152,481</b>	<b>\$ 160,318</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 702,185</b>	<b>\$ 531,926</b>

Note: Figures presented are rounded. As of September 30, 2015. Dollars in thousands.

# Income Statement

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Appendix

## Consolidated Statements of Income

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
<b>Income</b>				
Interest income	\$ 6,508	\$ 6,244	\$ 19,179	\$ 18,392
Interest expense	1,643	1,164	4,224	3,117
Net interest income	4,865	5,080	14,955	15,275
Servicing fee income	463	0	619	0
Servicing costs	366	0	460	0
Amortization of MSRs	216	0	276	0
Net servicing income	(119)	0	(117)	0
Other income (loss)				
Realized gain (loss) on RMBS, net	269	48	461	(226)
Realized gain (loss) on derivatives, net	(947)	(1,025)	(2,241)	(1,284)
Realized gain (loss) on acquired assets, net	0	0	174	0
Unrealized gain (loss) on derivatives, net	(4,986)	2,025	(4,693)	(4,123)
Unrealized gain (loss) on investments in Excess MSRs	(2,754)	(2,050)	(689)	(3,028)
Unrealized gain (loss) on investments in MSRs	(325)	0	(287)	0
<b>Total Income</b>	<b>\$ (3,997)</b>	<b>\$ 4,078</b>	<b>\$ 7,563</b>	<b>\$ 6,614</b>
<b>Expenses</b>				
General and administrative expense	622	744	1,998	1,843
Management fee to affiliate	690	520	2,070	1,878
<b>Total Expenses</b>	<b>\$ 1,312</b>	<b>\$ 1,264</b>	<b>\$ 4,068</b>	<b>\$ 3,721</b>
<b>Income (Loss) Before Income Taxes</b>	<b>(5,309)</b>	<b>2,814</b>	<b>3,495</b>	<b>2,893</b>
Provision for corporate business taxes	(139)	0	(209)	0
<b>Net Income (Loss)</b>	<b>\$ (5,170)</b>	<b>\$ 2,814</b>	<b>\$ 3,704</b>	<b>\$ 2,893</b>
Net (income) loss allocated to noncontrolling interests	46	(26)	(35)	(27)
<b>Net Income (Loss) Applicable to Common Stockholders</b>	<b>\$ (5,124)</b>	<b>\$ 2,788</b>	<b>\$ 3,669</b>	<b>\$ 2,866</b>
<b>Net income (Loss) Per Share of Common Stock</b>				
Basic	\$ (0.68)	\$ 0.37	\$ 0.49	\$ 0.38
Diluted	\$ (0.68)	\$ 0.37	\$ 0.49	\$ 0.38
<b>Weighted Average Number of Shares of Common Stock Outstanding</b>				
Basic	7,509,543	7,506,560	7,509,543	7,504,546
Diluted	7,511,653	7,509,543	7,510,246	7,508,589

Note: Figures presented are rounded. As of September 30, 2015. Dollars in thousands, except per-share figures.

# Comprehensive Income

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Appendix

## Consolidated Statement of Comprehensive Income

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income (loss)	\$ (5,170)	\$ 2,814	\$ 3,704	\$ 2,893
<b>Other comprehensive income (loss):</b>				
Net unrealized gain (loss) on RMBS	3,363	(1,922)	(126)	6,754
Reclassification of net realized (gain) loss on RMBS in earnings	(269)	(48)	(461)	226
Other comprehensive income (loss)	3,094	(1,970)	(587)	6,980
<b>Comprehensive income (loss)</b>	<b>\$ (2,076)</b>	<b>\$ 844</b>	<b>\$ 3,117</b>	<b>\$ 9,873</b>
Comprehensive income (loss) attributable to noncontrolling interests	\$ (18)	\$ 8	\$ 30	\$ 91
Comprehensive income (loss) attributable to common stockholders	\$ (2,058)	\$ 836	\$ 3,087	\$ 9,782

Note: Figures presented are rounded. As of September 30, 2015. Dollars in thousands.

# Core Earnings

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	Core Earnings			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income (loss)	\$ (5,170)	\$ 2,814	\$ 3,704	\$ 2,893
<b>Other comprehensive income (loss):</b>				
+ Realized (gain) loss on RMBS, net	(269)	(48)	(461)	226
+ Realized (gain) loss on derivatives, net	947	1,025	2,241	1,284
+ Realized (gain) loss on acquired assets, net	-	-	(174)	-
+ Unrealized (gain) loss on derivatives, net	4,986	(2,025)	4,693	4,123
+ Unrealized (gain) loss on investments in Excess MSR	2,754	2,050	689	3,028
+ Unrealized (gain) loss on investments in MSR	325	-	287	-
<b>Total core earnings:</b>	<b>\$ 3,573</b>	<b>\$ 3,816</b>	<b>\$ 10,979</b>	<b>\$ 11,554</b>
Core earnings attributable to noncontrolling interests	(37)	(35)	(104)	(77)
<b>Core Earnings Attributable to Common Stockholders</b>	<b>\$ 3,536</b>	<b>\$ 3,781</b>	<b>\$ 10,875</b>	<b>\$ 11,477</b>
<b>Core Earnings Attributable to Common Stockholders, per Share</b>	<b>\$ 0.47</b>	<b>\$ 0.50</b>	<b>\$ 1.45</b>	<b>\$ 1.53</b>
<b>GAAP Net income (Loss) Per Share of Common Stock</b>	<b>\$ (0.68)</b>	<b>\$ 0.37</b>	<b>\$ 0.49</b>	<b>\$ 0.38</b>

*Note: Core earnings is a non-GAAP measure and is defined as GAAP net income (loss) applicable to common stockholders, excluding realized gain (loss) on RMBS, realized gain (loss) on derivatives, unrealized gain (loss) on derivatives and unrealized gain (loss) on investments in Excess MSR and adjusted to exclude outstanding LTIP units in our operating partnership. Core earnings are provided for purposes of comparability. The Company believes providing investors with core earnings, in addition to related GAAP measures, gives investors greater transparency into the Company's ongoing operational performance. The concept of core earnings does have significant limitations, including the exclusion of realized and unrealized gains (losses), and may not be comparable to similarly-titled measures of other peers, which may use different calculations. As a result, core earnings should not be considered a substitute for the Company's GAAP net income (loss) applicable to common stockholders, GAAP net income (loss) per basic or diluted share or as a measure of the Company's liquidity.*

Note: Figures presented are rounded. Dollars in thousands, except per share figures.



# Segment Results

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Appendix

<b>Results of Operations</b>				
	<b>Servicing Related</b>			
	<b>Assets</b>	<b>RMBS</b>	<b>All Other</b>	<b>Total</b>
<b>Three Months Ended September 30, 2015</b>				
Interest income	\$ 3,106	\$ 3,402	\$ -	\$ 6,508
Interest expense	177	1,466	-	1,643
<b>Net interest income</b>	<b>2,929</b>	<b>1,936</b>	<b>-</b>	<b>4,865</b>
Servicing fee income	463	-	-	463
Servicing costs	366	-	-	366
Amortization of MSRs	216	-	-	216
<b>Net servicing income</b>	<b>(119)</b>	<b>-</b>	<b>-</b>	<b>(119)</b>
Other income	(3,079)	(5,664)	-	(8,743)
Other operating expenses	-	-	1,312	1,312
(Benefit from) provision for corporate business taxes	(139)	-	-	(139)
<b>Net income (loss)</b>	<b>\$ (130)</b>	<b>\$ (3,728)</b>	<b>\$ (1,312)</b>	<b>\$ (5,170)</b>
<b>September 30, 2015</b>				
Investments	\$ 85,553	\$ 580,084	\$ -	\$ 665,637
Other assets	2,131	17,042	17,375	36,548
<b>Total assets</b>	<b>87,684</b>	<b>597,126</b>	<b>17,375</b>	<b>702,185</b>
Debt	25,054	509,068	-	534,122
Other liabilities	-	9,736	5,846	15,582
<b>Total liabilities</b>	<b>25,054</b>	<b>518,804</b>	<b>5,846</b>	<b>549,704</b>
<b>GAAP book value</b>	<b>\$ 62,630</b>	<b>\$ 78,322</b>	<b>\$ 11,529</b>	<b>\$ 152,481</b>
<b>Leverage</b>				
September 30, 2015	0.40x	6.50x	-x	3.50x

Note: Figures presented are rounded. As of September 30, 2015. Dollars in thousands.

# RMBS Net Interest Spread

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RMBS Net Interest Spread				
	At September 30, 2015	At June 30, 2015	At March 31, 2015	At December 31, 2014
Weighted Average Asset Yield	2.60%	2.85%	3.04%	3.05%
Weighted Average Interest Expense	1.29%	1.39%	1.34%	1.39%
<b>Net Interest Spread</b>	<b>1.31%</b>	<b>1.46%</b>	<b>1.70%</b>	<b>1.67%</b>

Note: Figures presented are rounded.



# 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 \$324 million notional fixed pay swaps	x ≤ 3 Years	\$89,250	1.01%	0.31%	1.9
4.48 years weighted average duration	3 > x ≤ 5 Years	103,900	1.57%	0.31%	3.8
Covers 64% of aggregate REPO and advance borrowings	5 > x ≤ 7 Years	64,650	2.09%	0.30%	5.8
	7 > x ≤ 10 Years	60,000	2.63%	0.30%	8.8
	x > 10 Years	6,000	2.92%	0.32%	14.3
	<b>Total / WA:</b>	<b>\$323,800</b>	<b>1.74%</b>	<b>0.31%</b>	<b>4.8</b>

Interest Rate Swaptions
\$125 million notional
Options to enter into fixed pay swaps prior to September 30, 2016
0.75 year weighted average duration

Note: Figures presented are rounded. As of September 30, 2015. Dollars in thousands, unless otherwise noted.

# Excess MSR Endnotes

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Appendix

## 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 June 30, 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