CHMI

Cherry Hill Mortgage Investment Corporation

Investor Presentation

May 2019

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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.

Investment Highlights

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Compelling performance profile	Strong track record of **generating total return**.
Consistent quarterly dividend	Out-earned quarterly common distribution for 13 consecutive quarters and has **paid $0.49 quarterly dividend since mid-2015;** two special dividends in past three years.
Disciplined preservation of book value in volatile economic environment	**Strategy designed to excel in a rising rate environment** and protect capital when rates decline.
Rapidly growing MSR portfolio	Focus on **investment in MSRs**, which provide cash flow and opportunity for capital appreciation in a rising interest rate environment.
Investment strategy tailored to multiple interest rate environments	Disciplined in asset selection - targeting pools of loans with defined duration characteristics and **better prepayment protection traits**.
Deeply experienced management team	Senior management has 70+ combined years of investment, management and operational experience in financial services, MBS/RMBS, and residential real estate investment.

Investment Highlights

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1	2	3
Strategy	**Attractive Yield Generator**	**In Focus**
Acquire and service diversified portfolio of MSR and RMBS assets	Sustained, Stable Dividend	NYSE Tickers: CHMI, CHMI-PRA, CHMI-PRB
Strategically positioned to benefit from multiple interest rate environments	Strong Core Earnings	Appropriately managing risk with diversified portfolio
	Preserving Book Value	Substantial and growing MSR portfolio generating attractive risk-adjusted returns
		Expanding portfolio to include Non-Agency RMBS

By The Numbers

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11.4%
Dividend Yield
based on May 13, 2019 closing price

50.9%
Total Return
since June 30, 2016

$17.54
Book Value Per Share
as of March 31, 2019

13
Consecutive Quarters of Core Earnings Above Quarterly Dividend Rate

12
Consecutive Quarters of Annualized Double-Digit ROE

$27.5B
UPB of MSRs

700%
since 4Q16

Steady Growth Guided by Experienced Management

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Prudently Investing To Optimize Risk-adjusted Returns

2013	2014	2015	2016	2017	2018
IPO	Organically Developing Taxable REIT Subsidiaries	Receive FNMA and FRMC Licenses; **Acquisition** of Aurora	Sold Excess MSRs at Significant Gain	**Raised $130M+** of New Capital; **GNMA Approval** to Service Full MSRs	**Expand Portfolio** to Non-Agency RMBS; **Raised $50M** of New Capital

Strong Management with Deep Expertise

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JAY LOWN
President &
Chief Executive Officer

25+ years of experience in financial services and the residential mortgage market

Prior to joining Cherry Hill, held senior roles in mortgage trading, banking and risk management at UBS and Citigroup, and served as a senior advisor to the Office of Thrift Supervision during the financial crisis.

JULIAN EVANS
Chief Investment Officer

20+ years of experience in financial services.

Prior to joining Cherry Hill, served as Head of the MBS Sector Team and Senior Portfolio Manager for Deutsche Asset Management from April 2004 to September 2012.

MARTIN LEVINE
Chief Financial Officer,
Treasurer & Secretary

25+ years of experience in commercial and residential real estate senior official roles.

Prior to joining Cherry Hill, held senior officer positions in managing operations of privately held and publicly traded residential and commercial real estate related organizations.

Well-Diversified Portfolio – Opportunistically Positioned

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Assets
$2.5B

MSR

Purchase full MSRs on bulk and flow basis from third parties

Percentage of Portfolio*	39% Equity / 12% Assets
Strategy	Capitalize on rising interest rate environment

AGENCY AND NON-AGENCY RMBS

Target fixed rate Agency MBS with favorable prepayment and duration features

Invest in fixed and floating rate Non-Agency assets (e.g. Jumbo, Non-QM, CRT)

Percentage of Portfolio*	52% Equity / 82% Assets
Agency Strategy	Agency selective assets, enable portfolio success in multiple rate environments
Non-Agency Strategy	Further diversification, manage interest rate risk with floating rate assets

* As of March 31, 2019

Producing Strong Total Return

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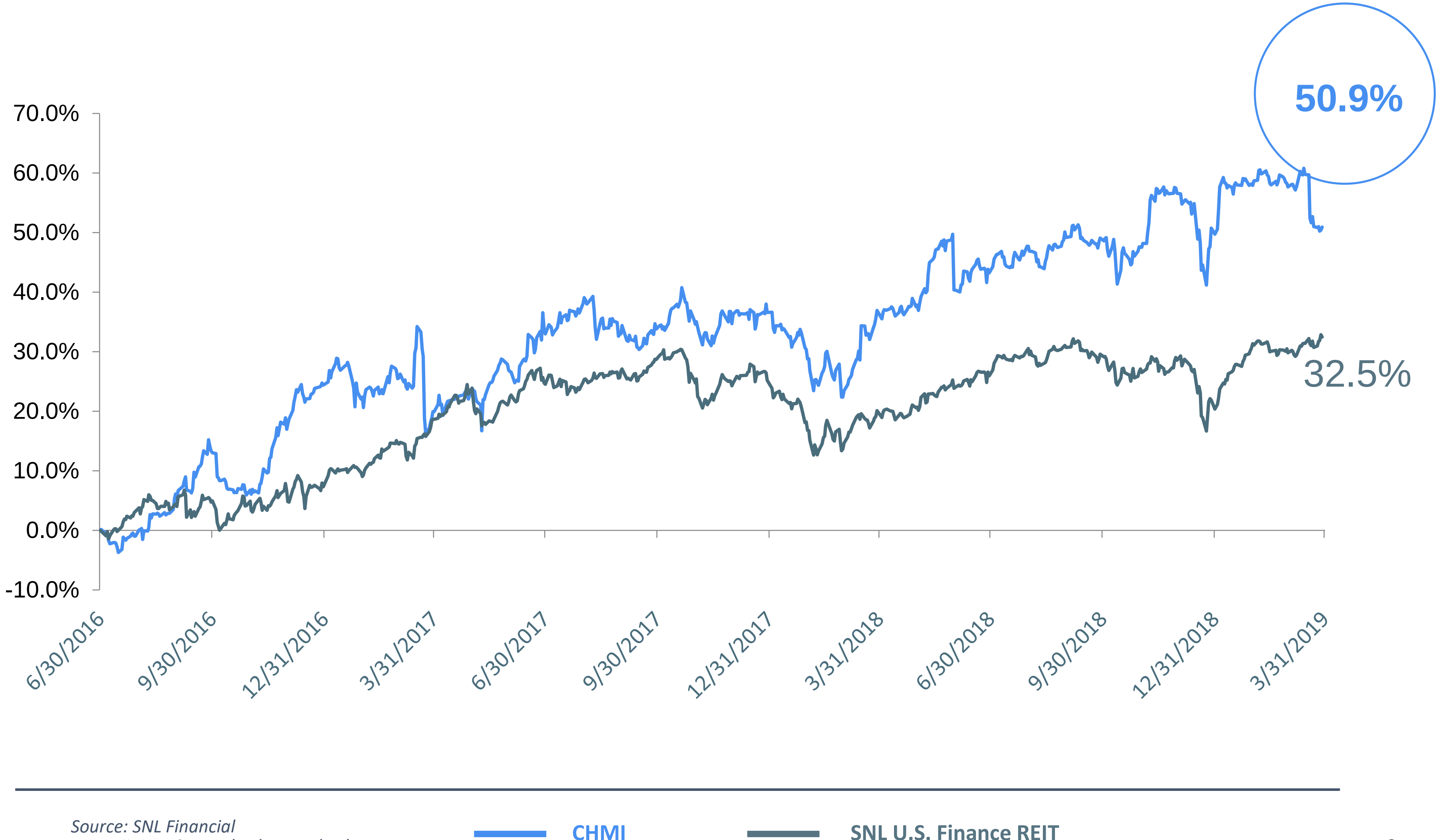
Total Return Outperformance

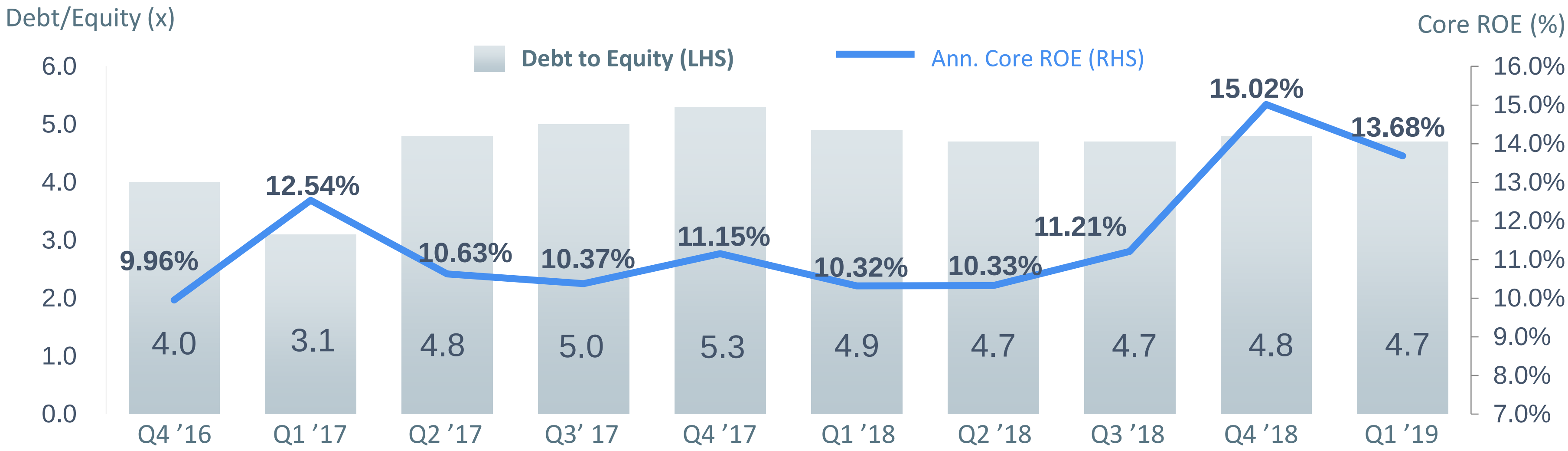


Source: SNL Financial

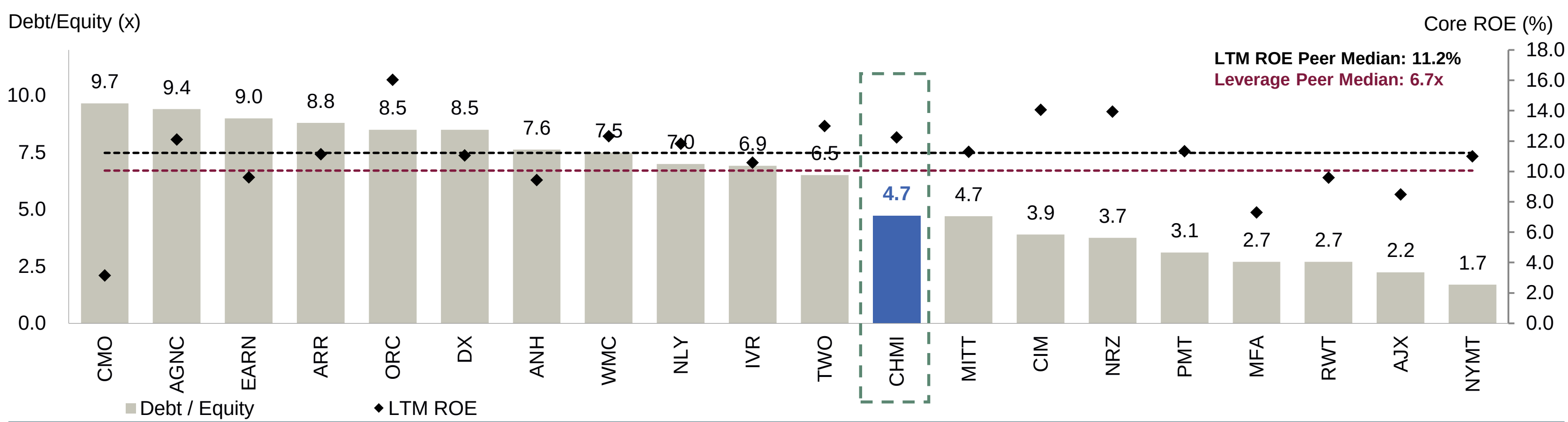
1. *All data from 6/30/16 to 3/31/19*

Compelling Risk-Return Profile

Double-Digit Annualized Return on Equity



Total Debt/Equity as of March 31, 2019[1]



Source: SNL Financial, Company filings

1. As of most recent quarter reported; Debt / Equity shown inclusive of impact of net TBA positions, where disclosed

Consistently Out-Earning the Dividend

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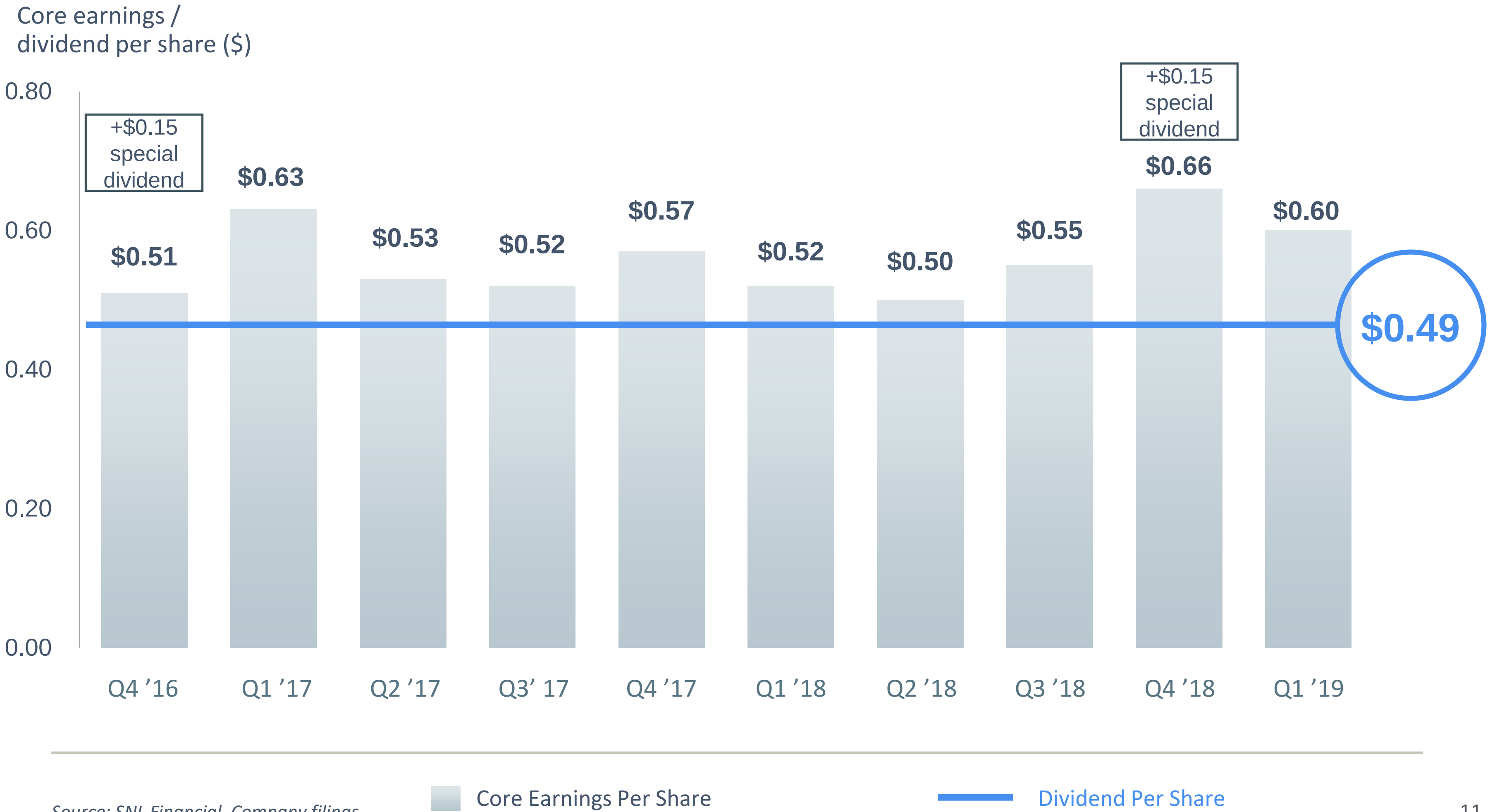
Core Earnings vs. Common Dividend Per Share

13 Consecutive Quarters of Out-Earning the Dividend



Source: SNL Financial, Company filings

MSR Opportunity

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Servicing Related Assets Remain Attractive Investments in the Current Interest Rate Environment

Assets have potential for **value appreciation in rising rate environment**

RoundPoint agreement – **consistent monthly MSR purchase flow**

Diversified subservicing relationships – **lowers counterparty risk**

Target loans that exhibit favorable performance and prepayment characteristics

700% Growth of MSR Portfolio Since End 2016

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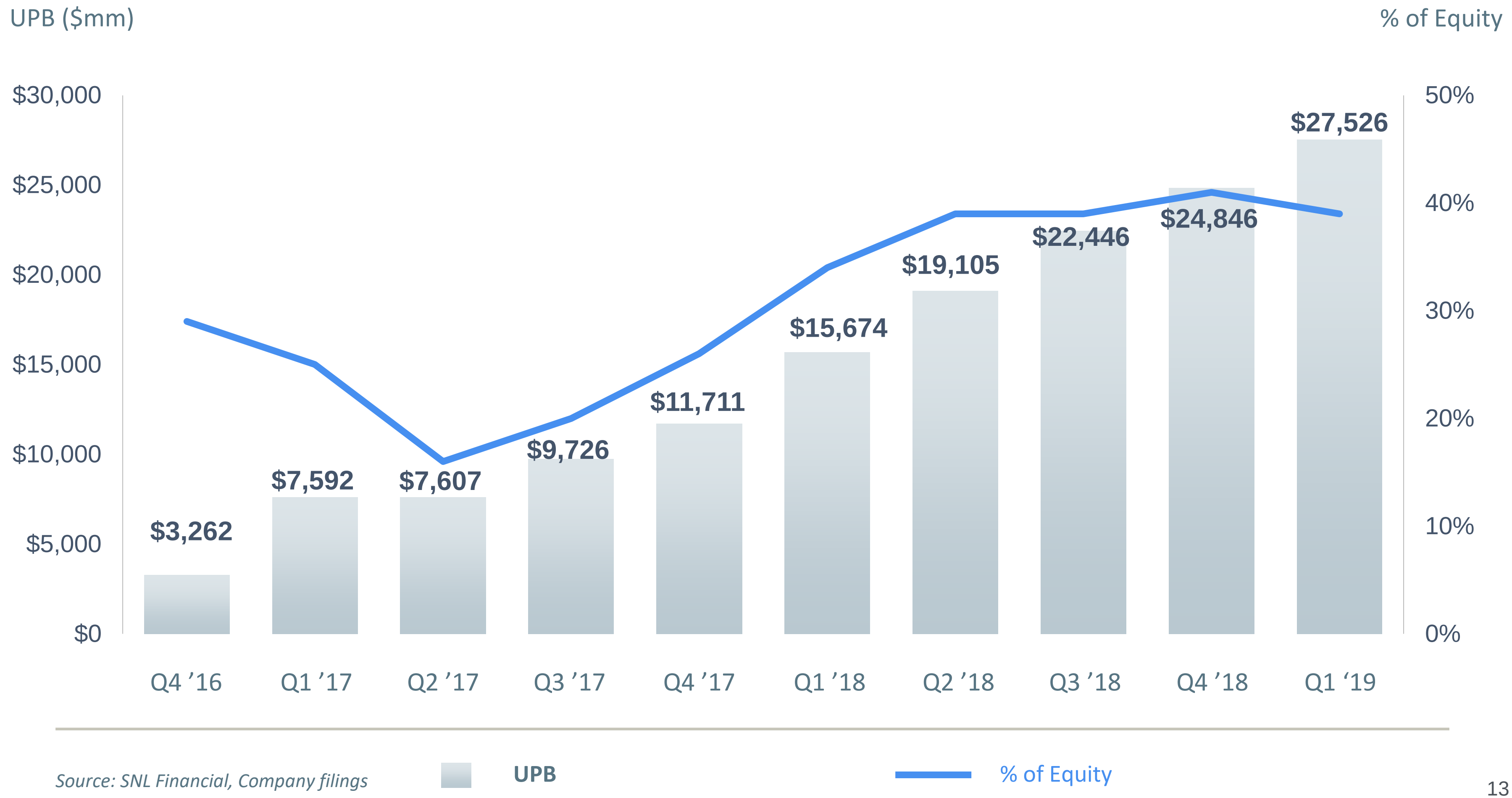
Total MSR UPB and as % of Portfolio Equity Composition

Growth of MSR Portfolio Positions CHMI to Succeed in Rising Rate Environment



Source: SNL Financial, Company filings

Housing Market Opportunities as Servicing Rights Continue to Evolve

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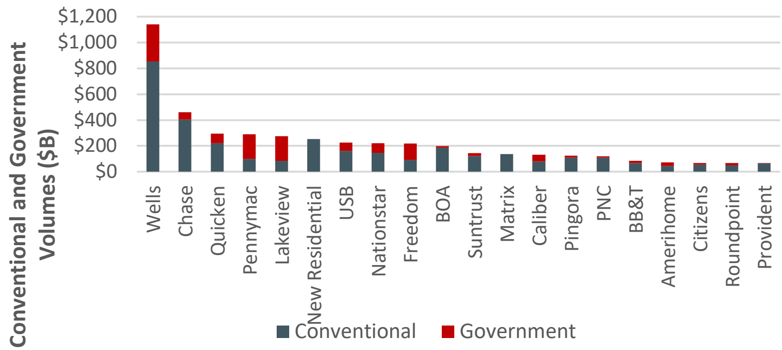
Background

- Top 5 conventional servicers hold 40% of the conventional MSR universe[1]
- Expect 2019 volume to keep pace with bulk MSRs that the Company has been offered for purchase in each of the last two years

Servicing Universe[1]



MSR Origination Channels

BULK

- ✓ Single transaction
- ✓ Seller aggregates large amount of MSR
- ✓ Price is determined by market on specified bid date
- ✓ Less operationally intensive

FLOW

- ✓ Monthly sales for a period of time
- ✓ Transfers occur monthly or quarterly
- ✓ Price determined by daily market rates and pricing grids reset quarterly
- ✓ More operationally intensive

The Role of Large Banks Continues to Decrease[1]

Top 10 Conventional Servicers					Top 10 Government Servicers				
	Current		Q42017			Current		Q42017	
1	Wells	18%	Wells	21%	1	Wells	15%	Wells	19%
2	Chase	8%	Chase	10%	2	Lakeview	10%	Pennymac	9%
3	New Res	5%	New Res	6%	3	Pennymac	10%	Lakeview	9%
4	Quicken	5%	BOA	5%	4	Freedom	7%	Freedom	6%
5	BOA	4%	Quicken	5%	5	Mr. Cooper	4%	Chase	5%
6	USB	3%	USB	4%	6	Quicken	4%	Quicken	4%
7	Mr. Cooper	3%	Mr. Cooper	3%	7	USB	3%	USB	4%
8	Matrix	3%	Suntrust	3%	8	Chase	3%	Mr. Cooper	3%
9	Suntrust	3%	PNC	3%	9	Caliber	3%	Caliber	2%
10	Pingora	2%	Matrix	2%	10	Carrington	2%	Carrington	2%

1. *Source: Inside Mortgage Finance Report – 4Q'18; 4Q'17*

Agency RMBS Investments

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Agency RMBS Selection

RMBS assets comprise 52% of equity as of March 31, 2019

Target pools of loans with better prepayment characteristics

Select pools that exhibit more defined duration attributes

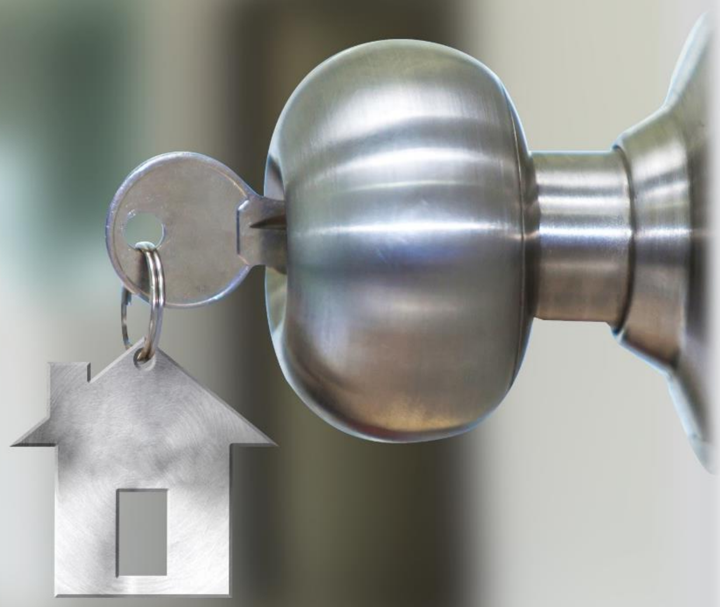
More favorable risk-adjusted returns given current geopolitical uncertainty

RMBS

Recent Investments: Non-Agency Mortgage Assets

Diversification of RMBS Assets

- Expansion in private mortgage markets due to economic growth
- Additional asset class option to deploy capital; enhances diversification
- Layered in floating-rate assets to protect against interest rate risk associated with fixed-rate RMBS assets
- Investments in Non-Agency – structured Jumbo Prime, Non-QM and CRT



What We've Accomplished

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☑ **Consistent performance and capital preservation**

in adverse interest rate environments

☑ **Grown MSR UPB**

700% since end of 2016

☑ **Raised and deployed new capital**

Approximately $140M in 2017, $54M in 2018, approximately $50M in 2019*

☑ **Delivered core earnings above common dividend**

for 13 consecutive quarters*

** - as of March 31, 2019*

Looking Ahead

- Positioned to succeed in multiple interest rate environments
- Expand MSR portfolio prudently
- Diversify portfolio further into non-agency assets to reduce volatility
- Generate attractive long-term risk-adjusted shareholder total return

Investment Highlights

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Compelling performance profile

Consistent quarterly dividend

Disciplined preservation of book value in volatile economic environment

Rapidly growing MSR portfolio

Investment strategy tailor to multiple interest rate environments

Deeply experienced management team

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