



Investor Presentation

Fourth Quarter 2020

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FORWARD-LOOKING STATEMENTS. Certain statements in this presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation references to potential or expected future cash flows, estimated or expected returns, sometimes referred to as initial IRR, updated IRR, expected IRR, lifetime IRR, life-to-date IRR or current-to-maturity IRR, potential discount rates, potential future investments, expected yields, potential or implied investment multiples, potential or projected future cash flows, expected CRR, CDR, Loss Severities, Loss Rates and Delinquencies. These statements are based on management's current expectations and beliefs and are subject to a number of risks, trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond our control. Cherry Hill Mortgage Investment Corporation ("the Company") can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained in this presentation. Risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. For a description of factors that may cause actual results or performance to differ from the forward-looking statements in this presentation, please review the information under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, and in other documents filed by the Company with the SEC. The Company's forward-looking statements speak only as of the date of this presentation. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

CAUTIONARY NOTE REGARDING EXPECTED RETURNS AND EXPECTED YIELDS. Expected returns and expected yields are estimates of the annualized effective rate of return that we presently expect to be earned over the expected average life of an investment (i.e., IRR), after giving effect, in the case of returns, to existing leverage and existing hedging costs, and calculated on a weighted average basis. Expected returns and expected yields reflect our estimates of an investment's coupon, amortization of premium or discount, and costs and fees, as well as our assumptions regarding prepayments, defaults and loan losses, among other things. In the case of Servicing Related Assets, these assumptions include, but are not limited to, recapture rates, prepayment rates and delinquency rates. Income recognized by the Company in future periods may be significantly less than the income that would have been recognized if an expected return or expected yield were actually realized, and the estimates we use to calculate expected returns and expected yields could differ materially from actual results. Statements about expected returns and expected yields in this presentation are forward-looking statements. You should carefully read the cautionary statement above under the caption "Forward-looking Statements," which directly applies to our discussion of expected returns and expected yields.

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

Fourth Quarter 2020

Fourth Quarter 2020 Highlights

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Financial Results

\$11.16 book value per common share¹

\$0.37 core earnings per share³

\$0.27 dividend per share declared and paid²

Portfolio Update

4.0x leverage ratio for aggregate portfolio

19.7% CPR for RMBS⁴

1.77% net interest spread for RMBS

45.2% net CPR for MSRs⁴

Highlights

Nearly tripled quarterly MSR purchase volume vs. the third quarter

Unencumbered cash balance continues to be strong, at approximately \$84 million as of December 31, 2020

Note: Figures presented are rounded. As of December 31, 2020, unless noted otherwise.

1. Based on 17,076,858 common shares outstanding at December 31, 2020.

2. Fourth quarter 2020 \$0.27 dividend was paid in cash on January 26, 2021 to stockholders of record on December 31, 2020.

3. Based on 17,076,858 fully diluted weighted average common shares outstanding during the three-month period ended December 31, 2020.

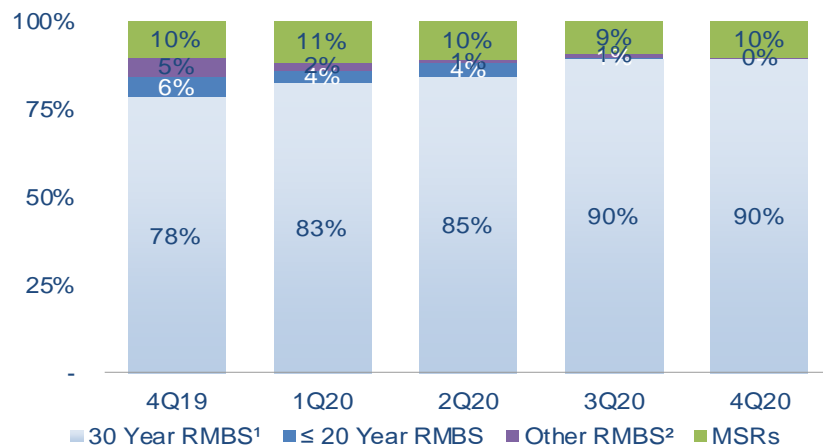
4. Weighted average CPR for the three-month period ended December 31, 2020.

Portfolio Metrics

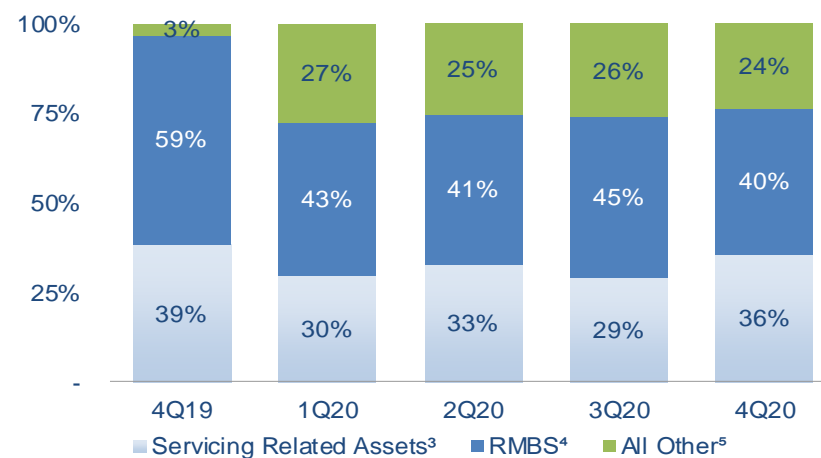
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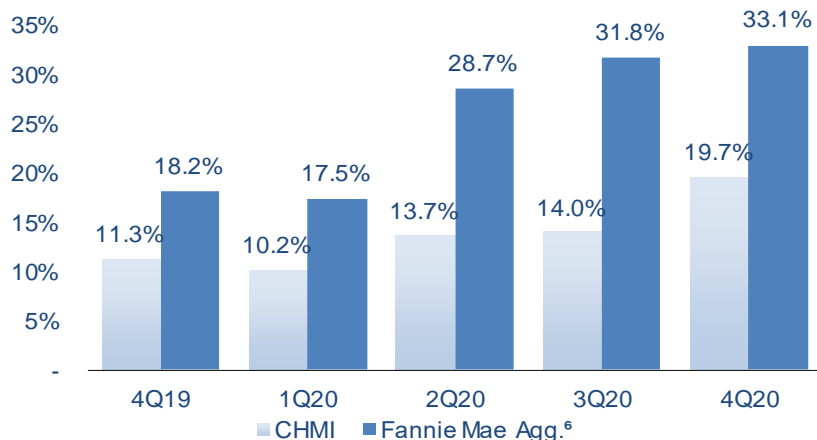
Asset Investment Composition (ex. Cash)



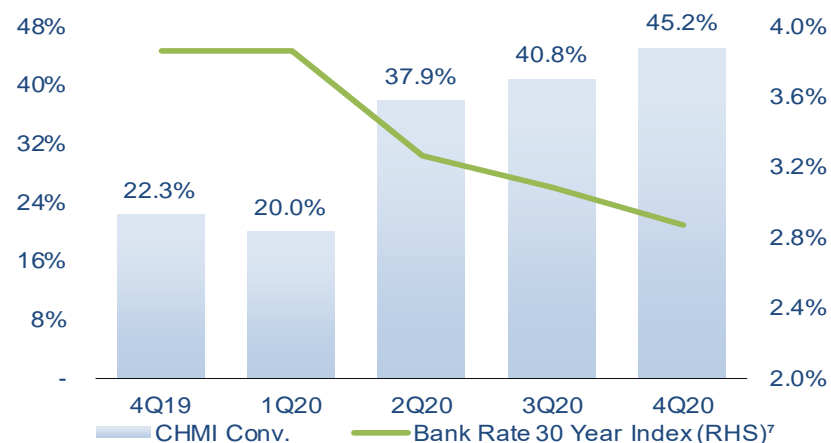
Equity Composition



Quarterly RMBS CPR Performance



Quarterly MSR Net CPR Performance



Note: Figures presented are rounded. Dollars in thousands. As of December 31, 2020, unless noted otherwise.

1. Comprised of 30 Year assets and net TBAs.
2. Comprised of CRT and Private Label assets.
3. Comprised of MSRs and other related assets.

4. Comprised of RMBS and other related assets and liabilities.
5. Comprised of non-invested assets and liabilities, primarily cash.
6. Source: Fannie Mae Monthly Flash Prepayment Report.
7. Source: Bloomberg ILM3NAVG index.

MSR Portfolio Overview

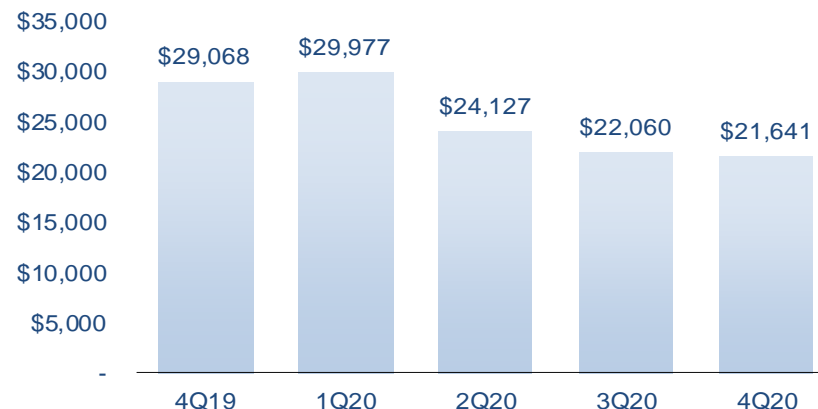
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December 31, 2020 MSR Characteristics

Characteristics	FNMA	FHLMC	Total
UPB (\$MM)	12,916,655,547	8,724,621,170	21,641,276,716
Avg UPB (\$'000)	227,246	242,479	233,151
WAC	3.90	3.94	3.92
Net Servicing Fee	0.25	0.25	0.25
WAM (Mths)	310	326	316
WALA (Mths)	28	21	25
Original FICO	753	756	754
Original LTV	78.3	79.1	78.7
ARM %	0.1%	0.2%	0.2%
60+ DQ	4.8%	4.5%	4.7%

Cherry Hill Historical MSR UPB (\$ millions)



Commentary

Investments in MSRs totaled \$174.4 million, related to approximately \$21.6 billion in UPB of underlying Fannie Mae and Freddie Mac loans as of December 31, 2020

Acquired approximately \$2.9 billion in Fannie Mae/Freddie Mac MSR UPB during the quarter

Recapture rate on conventional MSRs was 5.7% in the quarter

Note: Figures presented are rounded. Dollars in thousands, unless noted otherwise. As of December 31, 2020, unless noted otherwise.

RMBS Portfolio Overview

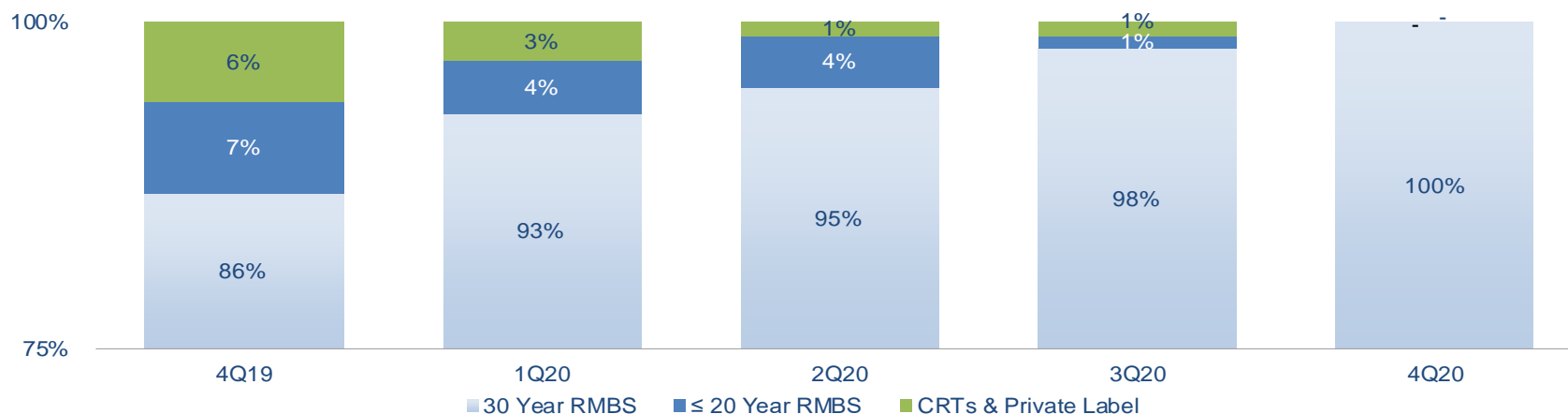
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RMBS Portfolio Characteristics

30 Year RMBS (98% of Total)							
Coupon	FMV	Book Value	Par Amount	WAC	WALA	1 Mo. CPR	LT CPR ¹
≤ 2.5%	\$381,899	\$378,964	\$359,459	3.4%	4	6.2	16.3
3.0%	266,924	263,066	250,272	3.8%	9	11.6	19.6
3.5%	301,034	286,856	277,854	4.2%	24	41.5	20.6
4.0%	272,254	257,710	247,711	4.5%	42	28.4	20.8
Total	\$1,222,111	\$1,186,596	\$1,135,296	3.9%	18	20.7	19.0
Net TBA	\$326,070	\$323,531	\$315,000	N/A	N/A	N/A	N/A
30 Year Total	\$1,548,181	\$1,510,127	\$1,450,296	3.9%	18	20.7	19.0
≤ 20 Year RMBS (2% of Total)							
	FMV	Book Value	Par Amount	WAC	WALA	1 Mo. CPR	LT CPR ¹
Private Label	\$6,141	\$5,944	\$5,947	4.8%	27	48.9	50.8
Net TBA	\$17,778	\$17,715	\$17,000	N/A	N/A	N/A	N/A
≤ 20 Year Total	\$23,919	\$23,659	\$22,947	4.8%	27	48.9	50.8

RMBS Portfolio Composition History (ex. TBA)



Note: Figures presented are rounded. Dollars in thousands. As of December 31, 2020, unless noted otherwise. CPR values presented are annualized.

1. LT CPR is produced using Yieldbook's third party prepayment model.

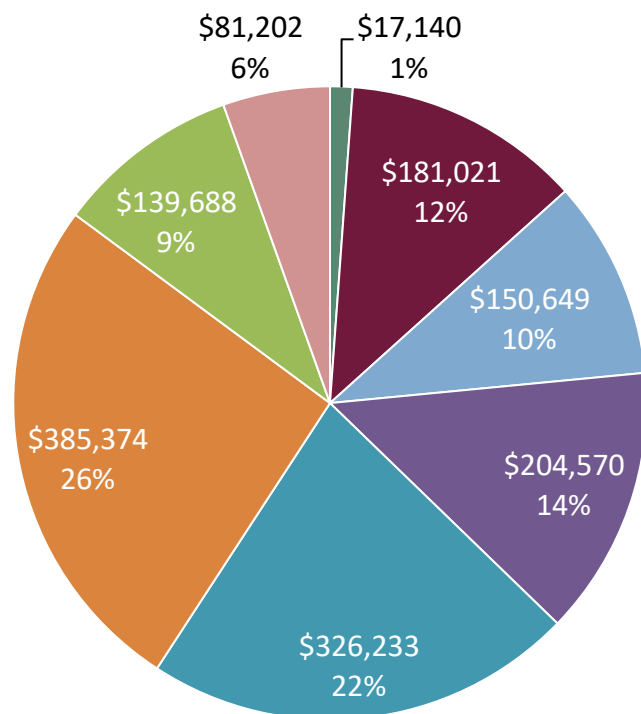
RMBS Portfolio with Prepayment Protection



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September 30, 2020

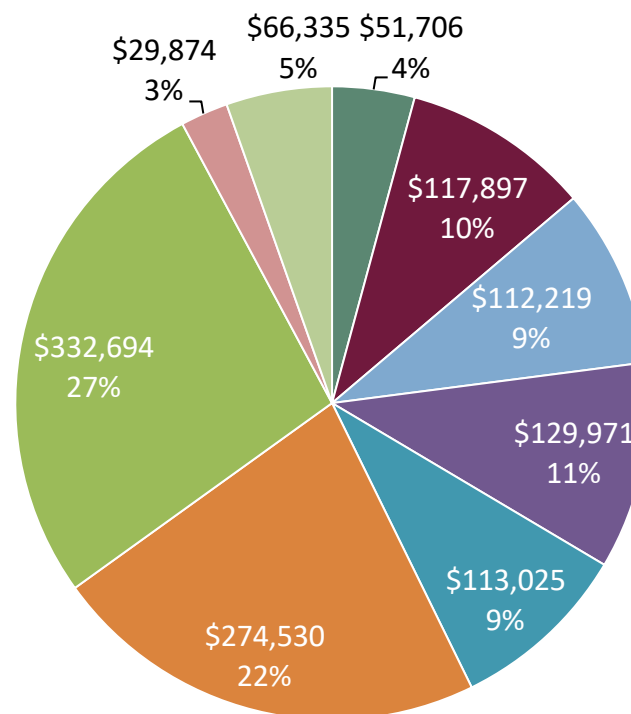
RMBS Collateral (ex. TBA): \$1,485,877



■ ≤ 110K Max Pools ■ ≤ 150K Max Pools ■ ≤ 175K Max Pools
 ■ ≤ 225K Max Pools ■ MHA/HFA Pools¹ ■ Geographic Stories²
 ■ LTV ■ Other RMBS³

December 31, 2020

RMBS Collateral (ex. TBA): \$1,228,251



■ ≤ 125K Max Pools ■ ≤ 150K Max Pools ■ ≤ 175K Max Pools
 ■ ≤ 200K Max Pools ■ ≤ 250K Max Pools ■ MHA/HFA Pools¹
 ■ Geographic Stories² ■ Investor ■ Other RMBS

Note: Figures noted are rounded. As of December 31, 2020, unless noted otherwise. Dollars in thousands.

1. MHA pools consist of borrowers who have refinanced through the Home Affordable Refinance Program (HARP). Securities are collateralized by loans with greater than or equal to 80% loan to value (LTV). High LTV pools are

predominantly Making Homeownership Affordable (MHA) pools.

2. Geographic stories are single state pools such as NY or PR.
3. Includes Jumbo pools, CRT pools and pools without prepayment protection.

Portfolio Duration Sensitivity Analysis

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Duration Gap Sensitivity of Current Portfolio

	- 50 bps	- 25 bps	12/31/2020	+ 25 bps	+50 bps
Assets					
RMBS Portfolio	2.02	2.34	2.75	3.22	3.80
Servicing Related Assets Portfolio	(2.81)	(2.80)	(2.87)	(2.92)	(3.13)
Total Assets	(0.79)	(0.46)	(0.12)	0.30	0.67
Liabilities, Swaps and Treasuries	0.24	0.04	(0.17)	(0.22)	(0.23)
Net Duration Gap (before Swaptions)	(0.55)	(0.43)	(0.28)	0.08	0.44
Swaptions	(0.06)	(0.07)	(0.12)	(0.15)	(0.18)
Net Duration Gap (including Swaptions)	(0.60)	(0.49)	(0.41)	(0.07)	0.26
Difference from Duration Gap as of December 31, 2020	(0.20)	(0.09)		0.33	0.66

Commentary

At December 31, 2020, the duration gap stood at -0.4 years

Assuming an instantaneous shift of +50 basis points in interest rates, the duration gap would move from -0.4 years to +0.3 years

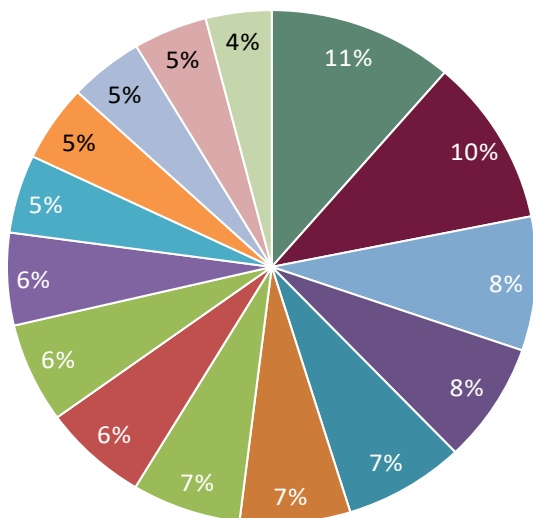
Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of December 31, 2020, unless noted otherwise. Liabilities, Swaps and Swaptions expressed as a percentage of total Assets. Totals may not sum due to rounding. Durations expressed in years. The estimated duration gap 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.

Financing Summary

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Repurchase Agreement Counterparty Utilization¹



Commentary

Average REPO cost was 0.23% with a weighted average days remaining to maturity of 28 days

31 REPO relationships established

Borrowings with 15 financing counterparties

Weighted average “haircut” of 5.0%

Repurchase Agreement Characteristics

Remaining Maturity	REPO Outstanding	Percentage	WA Rate	Remaining Days to Maturity	Original Days to Maturity
Less than one month	\$482,320	41.9%	0.23%	13	88
One to three months	667,658	58.1%	0.23%	39	97
Total / WA	\$1,149,978	100.0%	0.23%	28	93

Note: Figures noted are rounded. As of December 31, 2020, unless noted otherwise. Dollars in thousands.

1. Reflects the percentage by dollar amount per counterparty of outstanding borrowings for our RMBS portfolio.

Hedging Summary

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Swaps

Payer Swaps				
Yrs. To Maturity	Amount	WA Pay Rate	WA Receive	WA Yrs. to Mat.
x ≤ 3 Years	\$218,900	0.51%	0.23%	2.0
3 > x ≤ 5 Years	300,000	0.61%	0.22%	4.3
5 > x ≤ 7 Years	176,900	0.52%	0.22%	6.2
7 > x ≤ 10 Years	276,100	0.63%	0.22%	8.5
Total/WA	\$971,900	0.57%	0.22%	5.3

Receiver Swaps				
Yrs. To Maturity	Amount	WA Pay Rate	WA Receive	WA Yrs. to Mat.
x ≤ 3 Years	-	-	-	-
3 > x ≤ 5 Years	-	-	-	-
5 > x ≤ 7 Years	-	-	-	-
7 > x ≤ 10 Years	\$480,000	0.23%	2.10%	8.6
Total/WA	\$480,000	0.23%	2.10%	8.6

Treasury Futures

Maturity	Notional Amount			Fair Value
	Long Positions	Short Positions	Net	
5 Year	\$85,000	-	\$85,000	\$252
10 Year	25,000	-	25,000	-
Total	\$110,000	-	\$110,000	\$252

Swaptions

\$70 million notional swaptions with options to enter into fixed pay swaps prior to June 2021

-3.0 year weighted average duration

Commentary

Approximately \$1.5 billion notional interest rate swaps

+4.8 years weighted average duration on Payer swaps

+8.4 years weighted average duration on Receiver swaps

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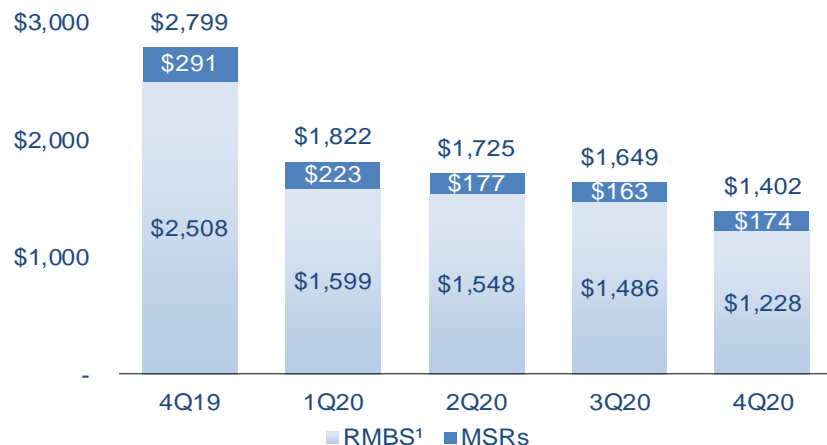
Appendix

Historical Portfolio Overview

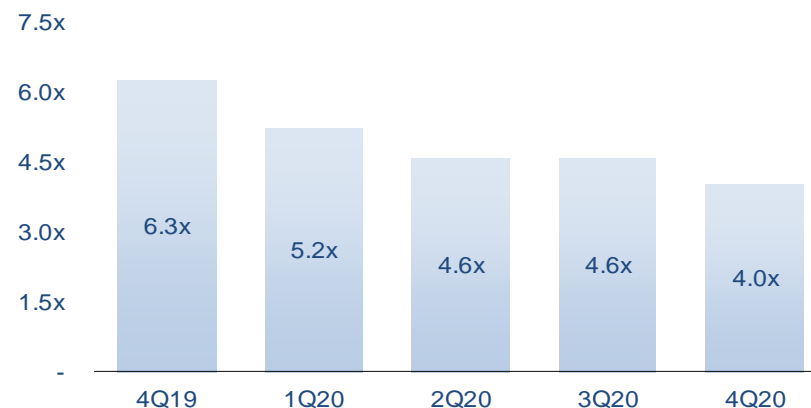
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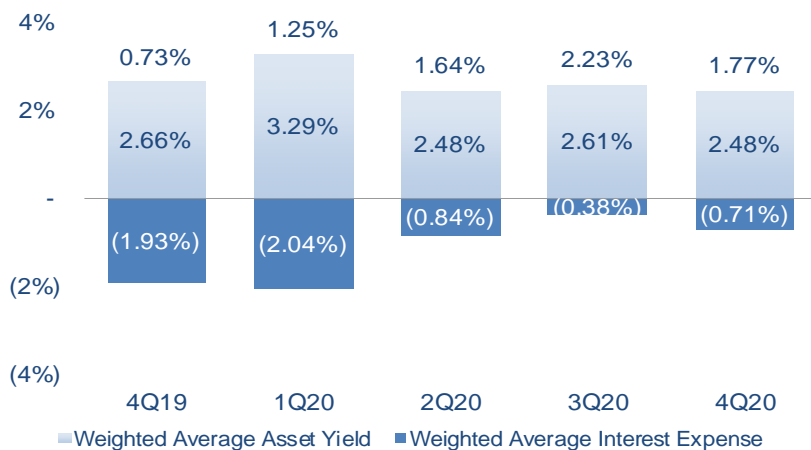
Asset Composition



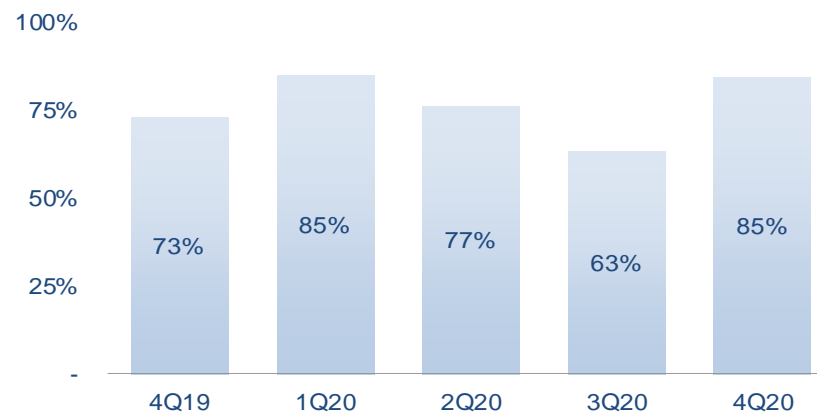
Company Leverage



RMBS Net Interest Spread



RMBS Hedge Ratio²



Note: Figures presented are rounded. Dollars in millions. As of December 31, 2020, unless noted otherwise.

1. Excludes TBAs.

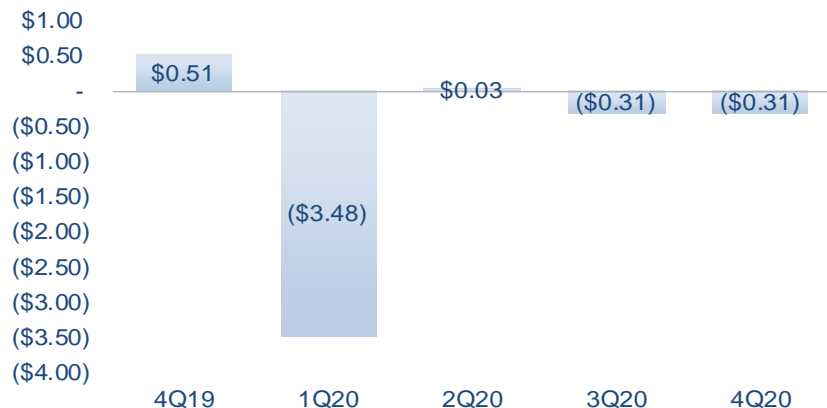
2. RMBS hedge ratio represents notional value of payer swaps relative to outstanding repurchase agreement borrowings.

Historical Performance Metrics

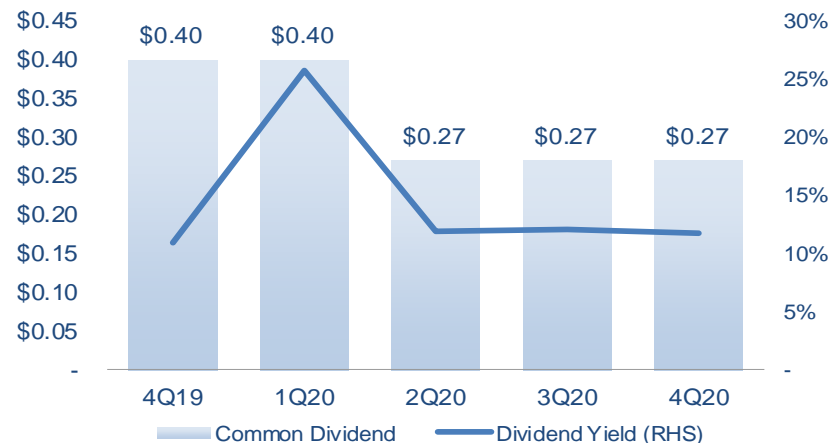
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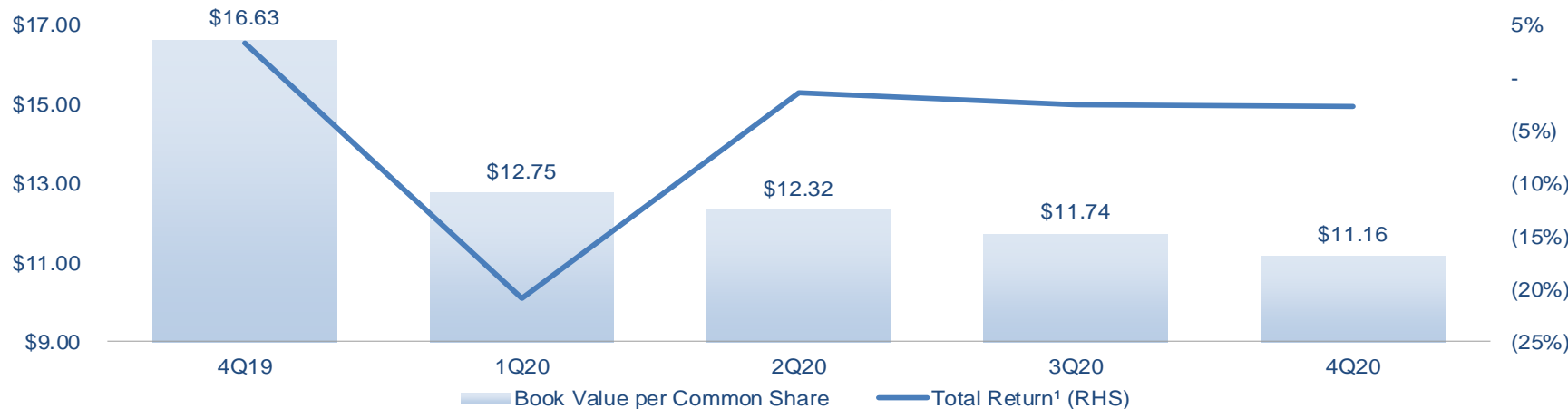
Comprehensive Income (Loss) per Common Share



Dividends per Common Share & Dividend Yield



Book Value & Total Quarterly Return (Loss)



Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of December 31, 2020, unless noted otherwise.

1. Total quarterly return (loss) on book value is defined as the change in book value per common share ("BVPS") from the prior quarter to the current quarter, plus the dividend declared in the prior quarter, divided by the prior quarter BVPS.

Basis Risk and Interest Rate Sensitivity¹

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RMBS and MSR Spread ("Basis Risk") Sensitivity on Current Portfolio

Basis Risk Sensitivity

	-50 bps	-25 bps	No Change	+25 bps	+50 bps
Estimated Change in NAV	\$31,976	\$15,451	-	(\$14,538)	(\$28,140)
Proforma NAV as of December 31, 2020	\$344,542	\$328,017	\$312,566	\$298,028	\$284,426
Proforma percentage change in NAV	10.2%	4.9%	-	(4.7%)	(9.0%)
Proforma BV per Common Share as of December 31, 2020	\$13.04	\$12.07	\$11.16	\$10.31	\$9.51
Proforma percentage change in BV per Common Share	16.8%	8.1%	-	(7.6%)	(14.8%)

Interest Rate Sensitivity on Current Portfolio

Interest Rate Sensitivity

	-50 bps	-25 bps	No Change	+25 bps	+50 bps
Estimated Change in NAV	(\$3,171)	(\$4,411)	-	(\$2,212)	(\$887)
Proforma NAV as of December 31, 2020	\$309,395	\$308,155	\$312,566	\$310,354	\$311,679
Proforma percentage change in NAV	(1.0%)	(1.4%)	-	(0.7%)	(0.3%)
Proforma BV per Common Share as of December 31, 2020	\$10.98	\$10.90	\$11.16	\$11.03	\$11.11
Proforma percentage change in BV per Common Share	(1.7%)	(2.3%)	-	(1.2%)	(0.5%)

Basis Risk Sensitivity



Interest Rate Sensitivity



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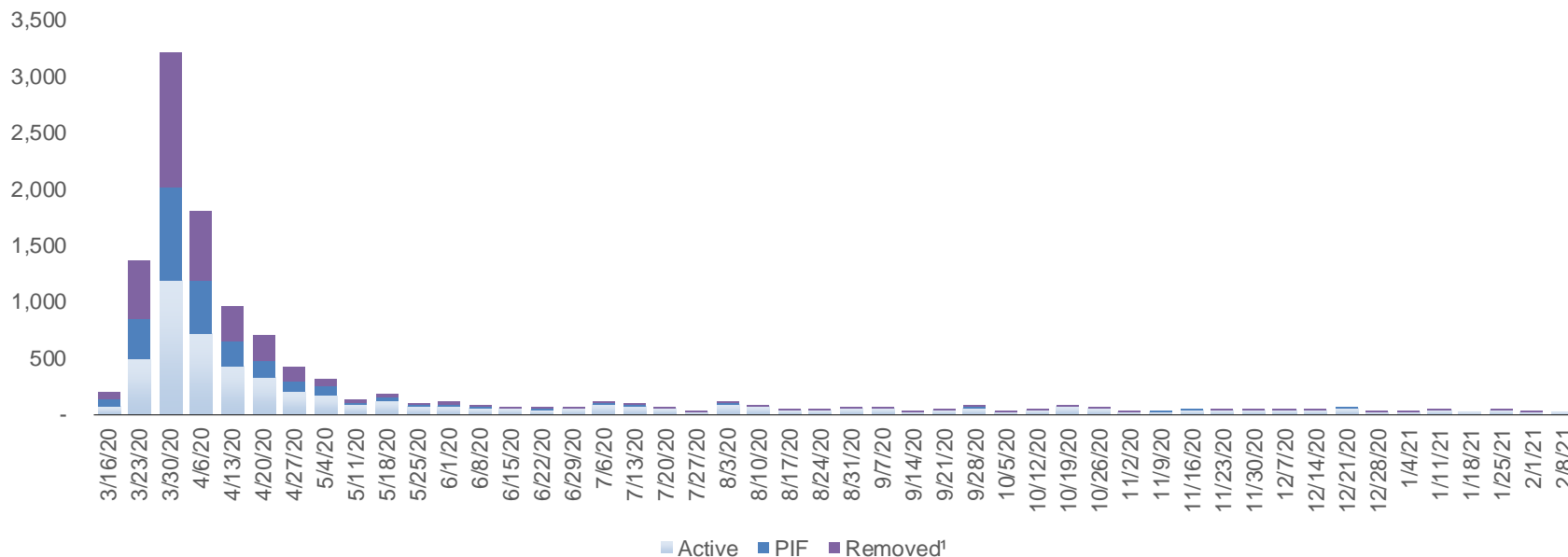
1. Interest rate and spread sensitivity are derived from models that are dependent on inputs and assumptions provided by third parties as well as by our investment team and, accordingly, actual results could differ materially from these estimates. Rates are floored at zero percent.

Forbearance Update as of February 9, 2021

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Forbearance Trend by Week



Commentary

Approximately 29% of borrowers in forbearance are current and have made all payments due

Approximately 47% of borrowers granted forbearance remain in forbearance.

Approximately 5.6% of our loan servicing portfolio were in active forbearance.

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of February 9, 2021, unless noted otherwise.

1. Represents borrows who have requested to be removed from forbearance or exited forbearance through loss mitigation.

Balance Sheet

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Consolidated Balance Sheets

	December 31, 2020	December 31, 2019
Assets		
RMBS, available-for-sale (including pledged assets of \$1,164,416 and \$2,419,539, respectively)	\$ 1,228,251	\$ 2,508,360
Investments in Servicing Related Assets at fair value (including pledged assets of \$174,414 and \$291,111, respectively)	174,414	291,111
Cash and cash equivalents	83,892	24,671
Restricted cash	46,326	67,037
Derivative assets	15,970	18,289
Receivables and other assets	44,635	35,097
Total Assets	\$ 1,593,488	\$ 2,944,565
Liabilities and Stockholders' Equity		
Liabilities		
Repurchase agreements	\$ 1,149,978	\$ 2,337,638
Derivative liabilities	5,878	12,337
Notes payable	111,379	166,989
Dividends payable	6,725	8,768
Due to manager	3,217	3,589
Accrued expenses and other liabilities	3,745	15,869
Total Liabilities	\$ 1,280,922	\$ 2,545,190
Stockholders' Equity		
Series A Preferred stock, \$0.01 par value per share, 100,000,000 shares authorized and 2,781,635 shares issued and outstanding as of December 31, 2020 and 100,000,000 shares authorized and 2,781,635 shares issued and outstanding as of December 31, 2019, liquidation preference of \$69,541 as of December 31, 2020 and liquidation preference of \$69,541 as of December 31, 2019	\$ 67,311	\$ 67,213
Series B Preferred stock, \$0.01 par value per share, 100,000,000 shares authorized and 2,000,000 shares issued and outstanding as of December 31, 2020 and 100,000,000 shares authorized and 2,000,000 shares issued and outstanding as of December 31, 2019, liquidation preference of \$50,000 as of December 31, 2020 and liquidation preference of \$50,000 as of December 31, 2019	48,068	48,068
Common stock, \$0.01 par value per share, 500,000,000 shares authorized and 17,076,858 shares issued and outstanding as of December 31, 2020 and 500,000,000 shares authorized and 16,660,655 shares issued and outstanding as of December 31, 2019	175	170
Additional paid-in capital	300,997	299,180
Accumulated Deficit	(141,980)	(59,451)
Accumulated other comprehensive income	35,594	41,414
Total Cherry Hill Mortgage Investment Corporation Stockholders' Equity	\$ 310,165	\$ 396,594
Non-controlling interests in Operating Partnership	2,401	2,781
Total Stockholders' Equity	\$ 312,566	\$ 399,375
Total Liabilities and Stockholders' Equity	\$ 1,593,488	\$ 2,944,565

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of December 31, 2020, unless noted otherwise.

Income Statement

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Consolidated Statements of Income

	Year Ended December 31,		
	2020	2019	2018
Income			
Interest income	\$ 49,020	\$ 73,338	\$ 57,350
Interest expense	16,317	48,585	34,509
Net interest income	32,703	24,753	22,841
Servicing fee income	65,961	73,555	50,776
Servicing costs	22,640	17,404	10,615
Net servicing income	43,321	56,151	40,161
Other income (loss)			
Realized gain (loss) on RMBS, available-for-sale, net	(4,640)	902	(8,362)
Realized loss on investments in MSRs, net	(11,347)	-	-
Realized gain (loss) on derivatives, net	(22,826)	(12,362)	(5,889)
Realized gain (loss) on acquired assets, net	(690)	26	-
Unrealized gain (loss) on derivatives, net	48,055	(10,867)	3,505
Unrealized loss on investments in Servicing Related Assets	(141,900)	(106,772)	(3,573)
Total Income (Loss)	\$ (57,324)	\$ (48,169)	\$ 48,683
Expenses			
General and administrative expense	6,888	4,647	3,941
Management fee to affiliate	7,770	7,784	5,946
Total Expenses	\$ 14,658	\$ 12,431	\$ 9,887
Income (Loss) Before Income Taxes	(71,982)	(60,600)	38,796
Provision for (benefit from) corporate business taxes	(18,764)	(9,925)	4,527
Net Income (Loss)	\$ (53,218)	\$ (50,675)	\$ 34,269
Net (income) loss allocated to noncontrolling interests in Operating Partnership	979	819	(443)
Dividends on preferred stock	9,842	9,353	5,297
Net Income (Loss) Applicable to Common Stockholders	\$ (62,081)	\$ (59,209)	\$ 28,529
Net Income (Loss) Per Share of Common Stock			
Basic	\$ (3.67)	\$ (3.53)	\$ 1.95
Diluted	\$ (3.67)	\$ (3.53)	\$ 1.95
Weighted Average Number of Shares of Common Stock Outstanding			
Basic	16,901,537	16,775,113	14,649,242
Diluted	16,919,204	16,787,902	14,657,498

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of December 31, 2020, unless noted otherwise.

Comprehensive Income

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Consolidated Statement of Comprehensive Income

	Year Ended December 31,		
	2020	2019	2018
Net income (loss)	\$ (53,218)	\$ (50,675)	\$ 34,269
Other comprehensive income (loss):			
Net unrealized gain (loss) on RMBS	(10,460)	80,716	(43,455)
Reclassification of net realized gain (loss) on RMBS included in earnings	4,640	(902)	8,362
Other comprehensive income (loss)	(5,820)	79,814	(35,093)
Comprehensive income (loss)	\$ (59,038)	\$ 29,139	\$ (824)
Comprehensive income (loss) attributable to noncontrolling interests in Operating Partnership	\$ (1,086)	\$ 471	\$ (11)
Dividends on preferred stock	9,842	9,353	5,297
Comprehensive income (loss) attributable to common stockholders	\$ (67,794)	\$ 19,315	\$ (6,110)
Comprehensive Income (Loss) Per Share of Common Stock			
Basic	\$ (4.01)	\$ 1.15	\$ (0.42)
Diluted	\$ (4.01)	\$ 1.15	\$ (0.42)

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of December 31, 2020, unless noted otherwise.

Core Earnings

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Core Earnings

	Year Ended December 31,		
	2020	2019 ¹	2018 ¹
Net Income (Loss)	\$ (53,218)	\$ (50,675)	\$ 34,269
Other comprehensive income (loss):			
+ Realized loss (gain) on RMBS, net	4,640	(902)	8,362
+ Realized loss (gain) on derivatives, net	22,826	12,362	5,889
+ Realized loss on investments in MSRs, net	11,347	-	-
+ Realized loss (gain) on acquired assets, net	690	(26)	-
+ Unrealized loss (gain) on derivatives, net	(48,055)	10,867	(3,505)
+ Unrealized loss on investments in MSRs, net of estimated MSR amortization	117,250	80,200	(10,712)
+ Tax expense on realized and unrealized gain on MSRs	(14,797)	(7,911)	4,133
Total core earnings:	\$ 40,683	\$ 43,915	\$ 38,436
Core earnings attributable to noncontrolling interests in Operating Partnership	(748)	(710)	(497)
Dividends on preferred stock	9,842	9,353	5,297
Core Earnings Attributable to Common Stockholders	\$ 30,093	\$ 33,852	\$ 32,642
Core Earnings Attributable to Common Stockholders, per Diluted Share	\$ 1.78	\$ 2.02	\$ 2.23
GAAP Net Loss Per Share of Common Stock, per Diluted Share	\$ (3.67)	\$ (3.53)	\$ 1.95

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of December 31, 2020, unless noted otherwise. Core earnings is a non-GAAP financial measure and is currently defined by the Company as GAAP net income (loss), excluding realized gain (loss) on RMBS, realized and unrealized gain (loss) on investments in MSRs (net of any estimated MSR amortization), realized and unrealized gain (loss) on derivatives and realized (gain) loss on acquired assets. Core earnings is adjusted to exclude outstanding LTIP-OP Units in our Operating Partnership and dividends paid on preferred stock. MSR amortization refers to the portion of the change in fair value of the MSRs that is primarily due to the realization of cashflows or runoff and includes an adjustment for any gain or loss on the capital used to purchase the MSR. Additionally, core earnings excludes any tax (benefit) expense on realized and unrealized gain (loss) on MSRs. Core earnings are provided for purposes of potential comparability to other issuers that invest in residential mortgage-related assets. The Company believes providing investors with core earnings, in addition to related GAAP financial measures, may provide investors some insight into the Company's ongoing operational performance. However, the concept of core earnings does have significant limitations, including the exclusion of realized and unrealized gains (losses), and given the apparent lack of a consistent methodology among issuers for defining core earnings, it may not be comparable to similarly-titled measures of other issuers, which define core earnings differently from the Company and each other. As a result, core earnings should not be considered a substitute for the Company's GAAP net income (loss) or as a measure of the Company's liquidity.

- Beginning with the third quarter of 2019, the Company refined the MSR amortization method utilized in determining the amount of realized and unrealized gain (loss) on investments in MSRs, used by the Company to calculate Core Earnings. MSR amortization refers to the portion of the change in fair value of the MSRs that is primarily due to the realization of cashflows or runoff. The new method increases the MSR amortization amount taken into account for the reporting period to better reflect current and expected market conditions and includes an adjustment for any gain or loss on the capital used to purchase the MSR. MSR amortization for periods that ended prior to September 30, 2019 have not been adjusted to reflect the Company's refined MSR amortization method.

Segment Results

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Results of Operations

	Servicing Related Assets	RMBS	All Other	Total
Income Statement				
Year Ended December 31, 2020				
Interest income	\$ 2,660	\$ 46,360	\$ -	\$ 49,020
Interest expense	(714)	17,031	-	16,317
Net interest income	3,374	29,329	-	32,703
Servicing fee income	65,961	-	-	65,961
Servicing costs	22,640	-	-	22,640
Net servicing income	43,321	-	-	43,321
Other income (expense)	(156,500)	23,152	-	(133,348)
Other operating expenses	3,456	-	11,202	14,658
Benefit from corporate business taxes	(18,764)	-	-	(18,764)
Net Income (Loss)	\$ (94,497)	\$ 52,481	\$ (11,202)	\$ (53,218)
Balance Sheet				
December 31, 2020				
Investments	\$ 174,414	\$ 1,228,251	\$ -	\$ 1,402,665
Other assets	51,788	54,535	84,500	190,823
Total assets	226,202	1,282,786	84,500	1,593,488
Debt	111,379	1,149,978	-	1,261,357
Other liabilities	2,392	6,370	10,803	19,565
Total liabilities	113,771	1,156,348	10,803	1,280,922
Book value	\$ 112,431	\$ 126,438	\$ 73,697	\$ 312,566

Note: Figures presented are rounded. Dollars in thousands, except per share figures. As of December 31, 2020, unless noted otherwise.

Abbreviations

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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 per the current market valuation
- **Recapture Rate** – Percentage of voluntarily prepaid loans that are refinanced by recapture partner
- **Total Cash Flow** – Sum of all LTD cash flows and all projected future cash flows
- **Uncollected Payments** – Percentage of loans that missed their most recent payment
- **UPB** – Unpaid Principal Balance
- **Updated IRR** – Internal rate of return calculated based on the cash flow received to date through the current month and the expected future cash flow based on our original underwriting assumptions.
- **U/W LTD** – Underwritten life-to-date
- **WA/WAVG** – Weighted Average
- **WAL** – Weighted Average Life to Maturity
- **WALA** – Weighted Average Loan Age
- **WAC** – Weighted Average Coupon



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