UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________ to ____________

Commission file number 001-35151

TPG MORTGAGE INVESTMENT TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland	**27-5254382**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
245 Park Avenue, 26th Floor New York, New York	**10167**
(Address of Principal Executive Offices)	(Zip Code)

(212) 692-2000
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbols:	Name of each exchange on which registered:
Common Stock, $0.01 par value per share	MITT	New York Stock Exchange (NYSE)
8.25% Series A Cumulative Redeemable Preferred Stock	MITT PrA	New York Stock Exchange (NYSE)
8.00% Series B Cumulative Redeemable Preferred Stock	MITT PrB	New York Stock Exchange (NYSE)
8.000% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	MITT PrC	New York Stock Exchange (NYSE)
9.500% Senior Notes due 2029	MITN	New York Stock Exchange (NYSE)
9.500% Senior Notes due 2029	MITP	New York Stock Exchange (NYSE)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 and Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer ☐ Accelerated filer ☒ Non-Accelerated filer ☐ Smaller reporting company ☒ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of August 5, 2026, there were 31,803,475 outstanding shares of common stock of TPG Mortgage Investment Trust, Inc.

TPG MORTGAGE INVESTMENT TRUST, INC.
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PART I

ITEM 1. FINANCIAL STATEMENTS

TPG Mortgage Investment Trust, Inc. and Subsidiaries
Consolidated Balance Sheets (Unaudited)
(in thousands, except per share data)

	June 30, 2026	December 31, 2025
Assets		
Securitized residential mortgage loans, at fair value - $726,279 and $766,901 pledged as collateral, respectively (1)	$ 7,119,175	$ 7,999,619
Residential mortgage loans, at fair value - $261,475 and $198,596 pledged as collateral, respectively	262,285	199,677
Commercial loans, at fair value - $49,254 and $55,376 pledged as collateral, respectively	49,254	55,376
Real estate securities, at fair value - $277,341 and $231,894 pledged as collateral, respectively	309,254	260,304
Investments in debt and equity of affiliates	55,005	61,333
Cash and cash equivalents	61,636	57,832
Restricted cash	20,526	18,489
Other assets - $0 and $319 pledged as collateral, respectively	58,449	58,900
Total Assets	$ 7,935,584	$ 8,711,530
Liabilities		
Securitized debt, at fair value (1)	$ 6,355,237	$ 7,177,923
Financing arrangements	891,015	826,394
Senior unsecured notes	96,858	96,458
Dividend payable	7,633	7,301
Other liabilities (2)	38,837	42,720
Total Liabilities	7,389,580	8,150,796
Commitments and Contingencies (Note 12)		
Stockholders' Equity		
Preferred stock - $227,991 aggregate liquidation preference	220,472	220,472
Common stock, par value $0.01 per share; 450,000 shares of common stock authorized and 31,803 and 31,744 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	318	317
Additional paid-in capital	840,572	840,401
Retained earnings/(deficit)	(515,358)	(500,456)
Total Stockholders' Equity	546,004	560,734
Total Liabilities and Stockholders' Equity	$ 7,935,584	$ 8,711,530

(1) These balances relate to certain residential mortgage loans which were securitized resulting in the Company consolidating the variable interest entities that were created to facilitate these securitizations as the Company was determined to be the primary beneficiary. The "Securitized debt, at fair value" is collateralized by the "Securitized residential mortgage loans, at fair value" held within the securitization trusts. See Note 3 and Note 6 for additional details.

(2) Refer to Note 7 and Note 10 for additional details on amounts payable to affiliates.

The accompanying notes are an integral part of these unaudited consolidated financial statements.

TPG Mortgage Investment Trust, Inc. and Subsidiaries
Consolidated Statements of Operations (Unaudited)
(in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Net Interest Income				
Interest income	$ 124,155	$ 110,865	$ 253,963	$ 219,995
Interest expense	103,912	93,113	213,077	183,394
Total Net Interest Income	20,243	17,752	40,886	36,601
Other Income/(Loss)				
Net interest component of interest rate swaps	296	821	698	1,558
Net realized gain/(loss)	(1,844)	(3,494)	(1,962)	(3,484)
Net unrealized gain/(loss)	4,422	(40)	(12,038)	762
Total Other Income/(Loss)	2,874	(2,713)	(13,302)	(1,164)
Expenses				
Management fee to affiliate (1)	2,311	2,301	4,630	4,628
Non-investment related expenses (1)	2,306	2,507	4,962	5,787
Investment related expenses (1)	4,220	3,473	8,518	6,883
Transaction related expenses (1)	92	3,018	666	4,079
Total Expenses	8,929	11,299	18,776	21,377
Income/(loss) before equity in earnings/(loss) from affiliates	14,188	3,740	8,808	14,060
Equity in earnings/(loss) from affiliates	269	231	2,269	1,416
Income/(Loss) before Income Taxes	14,457	3,971	11,077	15,476
Income tax expense	188	26	370	54
Net Income/(Loss)	14,269	3,945	10,707	15,422
Dividends on preferred stock	5,177	5,321	10,330	10,625
Net Income/(Loss) Available to Common Stockholders	$ 9,092	$ (1,376)	$ 377	$ 4,797
Earnings/(Loss) Per Share of Common Stock				
Basic	$ 0.29	$ (0.05)	$ 0.01	$ 0.16
Diluted	$ 0.29	$ (0.05)	$ 0.01	$ 0.16
Weighted Average Number of Shares of Common Stock Outstanding				
Basic	31,786	29,686	31,762	29,672
Diluted	31,803	29,686	31,779	29,697

(1) Refer to Note 10 for additional details on related party transactions.

The accompanying notes are an integral part of these unaudited consolidated financial statements.

TPG Mortgage Investment Trust, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity (Unaudited)
(in thousands, except per share data)

For the Three Months Ended June 30, 2026 and June 30, 2025

	Common Stock		Preferred Stock	Additional Paid-in Capital	Retained Earnings/(Deficit)	Total
	Shares	Amount				
Balance at April 1, 2026	31,735	$ 317	$ 220,472	$ 840,396	$ (516,789)	$ 544,396
Grant of restricted stock and amortization of equity based compensation	68	1	—	176	—	177
Common dividends declared ($0.24 per share)	—	—	—	—	(7,633)	(7,633)
Preferred dividends declared (1)	—	—	—	—	(5,205)	(5,205)
Net Income/(Loss)	—	—	—	—	14,269	14,269
Balance at June 30, 2026	31,803	$ 318	$ 220,472	$ 840,572	$ (515,358)	$ 546,004

	Common Stock		Preferred Stock	Additional Paid-in Capital	Retained Earnings/(Deficit)	Total
	Shares	Amount				
Balance at April 1, 2025	29,659	$ 297	$ 220,472	$ 824,587	$ (501,486)	$ 543,870
Grant of restricted stock and amortization of equity based compensation	32	—	—	176	—	176
Common dividends declared ($0.21 per share)	—	—	—	—	(6,235)	(6,235)
Preferred dividends declared (1)	—	—	—	—	(5,349)	(5,349)
Net Income/(Loss)	—	—	—	—	3,945	3,945
Balance at June 30, 2025	29,691	$ 297	$ 220,472	$ 824,763	$ (509,125)	$ 536,407

For the Six Months Ended June 30, 2026 and June 30, 2025

	Common Stock		Preferred Stock	Additional Paid-in Capital	Retained Earnings/(Deficit)	Total
	Shares	Amount				
Balance at January 1, 2026	31,744	$ 317	$ 220,472	$ 840,401	$ (500,456)	$ 560,734
Grant of restricted stock and amortization of equity based compensation, net (2)	59	1	—	171	—	172
Common dividends declared ($0.48 per share)	—	—	—	—	(15,250)	(15,250)
Preferred dividends declared (3)	—	—	—	—	(10,359)	(10,359)
Net Income/(Loss)	—	—	—	—	10,707	10,707
Balance at June 30, 2026	31,803	$ 318	$ 220,472	$ 840,572	$ (515,358)	$ 546,004

	Common Stock		Preferred Stock	Additional Paid-in Capital	Retained Earnings/(Deficit)	Total
	Shares	Amount				
Balance at January 1, 2025	29,640	$ 296	$ 220,472	$ 824,380	$ (501,725)	$ 543,423
Grant of restricted stock and amortization of equity based compensation	51	1	—	383	—	384
Common dividends declared ($0.41 per share)	—	—	—	—	(12,167)	(12,167)
Preferred dividends declared (3)	—	—	—	—	(10,655)	(10,655)
Net Income/(Loss)	—	—	—	—	15,422	15,422
Balance at June 30, 2025	29,691	$ 297	$ 220,472	$ 824,763	$ (509,125)	$ 536,407

(1) For the three months ended June 30, 2026 and 2025, dividends totaling $0.51563 and $0.51563 per share of Series A Preferred Stock, $0.50 and $0.50 per share of Series B Preferred Stock, and $0.665952 and $0.704864 per share of Series C Preferred Stock outstanding were declared, respectively.

(2) During the six months ended June 30, 2026, the Company retired 19 thousand shares of common stock to pay $0.2 million of withholding taxes on the net settlement of equity based compensation.

(3) For the six months ended June 30, 2026 and 2025, dividends totaling $1.03126 and $1.03126 per share of Series A Preferred Stock, $1.00 and $1.00 per share of Series B Preferred Stock, and $1.318343 and $1.397926 per share of Series C Preferred Stock outstanding were declared, respectively.

The accompanying notes are an integral part of these unaudited consolidated financial statements.

TPG Mortgage Investment Trust, Inc. and Subsidiaries
Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Six Months Ended	
	June 30, 2026	June 30, 2025
Cash Flows from Operating Activities		
Net income/(loss)	$ 10,707	$ 15,422
Adjustments to reconcile net income/(loss) to net cash provided by (used in) operating activities:		
Net amortization of premium/(discount)	18,331	7,259
Net realized (gain)/loss	1,962	3,484
Net unrealized (gain)/loss	12,038	(762)
Grant of restricted stock and amortization of equity based compensation	342	384
Equity in (earnings)/loss from affiliates	(2,269)	(1,416)
Change in operating assets/liabilities:		
Other assets	7,322	1,174
Other liabilities	(3,852)	(2,030)
Net cash provided by (used in) operating activities	44,581	23,515
Cash Flows from Investing Activities		
Purchases of residential mortgage loans	(157,135)	(943,871)
Purchases of real estate securities	(66,872)	(26,064)
Proceeds from sales of residential mortgage loans	75,706	57,761
Proceeds from sales of real estate securities	522	5,189
Principal repayments on residential mortgage loans	804,299	422,774
Principal repayments on real estate securities	17,882	6,443
Principal repayments on commercial loans	1,343	—
Principal funding on residential mortgage loans	(9,568)	(6,953)
Distributions received in excess of income from investments in debt and equity of affiliates	8,601	2,802
Net settlement of interest rate swaps and other instruments	5,676	(6,262)
Net settlement of TBAs	—	662
Cash flows provided by other investing activities	3,590	2,270
Cash flows used in other investing activities	(1,979)	—
Net cash provided by (used in) investing activities	682,065	(485,249)
Cash Flows from Financing Activities		
Net borrowings under (repayments of) financing arrangements	64,621	108,106
Principal repayments on fixed-rate long-term financing arrangements	—	(5,973)
Deferred financing costs paid	(58)	(34)
Proceeds from issuance of securitized debt	—	727,642
Principal repayments on securitized debt	(759,921)	(384,187)
Withholding taxes paid on the net settlement of equity based compensation	(170)	—
Dividends paid on common stock	(14,918)	(11,564)
Dividends paid on preferred stock	(10,359)	(10,655)
Net cash provided by (used in) financing activities	(720,805)	423,335
Net change in cash and cash equivalents and restricted cash	5,841	(38,399)
Cash and cash equivalents and restricted cash, Beginning of Period	76,321	138,568
Cash and cash equivalents and restricted cash, End of Period	$ 82,162	$ 100,169

	Six Months Ended	
	June 30, 2026	June 30, 2025
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 209,383	$ 170,612
Cash paid for taxes	$ 544	$ 202
Supplemental disclosure of non-cash financing and investing activities:		
Transfer from residential mortgage loans to securitized residential mortgage loans	$ —	$ 770,795
Common stock dividends declared but not paid	$ 7,633	$ 6,235
Transfer from residential mortgage loans to other assets	$ 7,332	$ 7,081
Purchase of investments in debt and equity of affiliates	$ —	$ 114
Purchase price payable on securitized residential mortgage loans	$ —	$ 1,447
Payable on unsettled derivatives	$ —	$ 3,844

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows:

	June 30, 2026	June 30, 2025
Cash and cash equivalents	$ 61,636	$ 88,746
Restricted cash	20,526	11,423
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	$ 82,162	$ 100,169

The accompanying notes are an integral part of these unaudited consolidated financial statements.

1. Organization

TPG Mortgage Investment Trust, Inc. (the "Company" or "MITT") is a residential mortgage REIT with a focus on investing in a diversified risk-adjusted portfolio of residential mortgage-related assets in the U.S. mortgage market. The Company's investment activities primarily include acquiring and securitizing newly-originated residential mortgage loans within the non-agency segment of the housing market. The Company obtains its residential mortgage loans through Arc Home, LLC ("Arc Home"), a residential mortgage loan originator in which the Company owned an approximate 66.0% interest as of June 30, 2026, and through other third-party origination partners.

The Company's assets, excluding its ownership in Arc Home, include Residential Investments, Agency RMBS and Legacy WMC Commercial Investments. Currently, its Residential Investments primarily consist of Non-Agency Loans, Agency-Eligible Loans, Home Equity Loans, and Non-Agency RMBS collateralized by these loan types. The Company may invest in other types of residential mortgage loans and other mortgage related assets. The Company's asset classes are primarily comprised of the following:

Asset Class	Description
Residential Investments	
Non-Agency Loans(1)	• Non-Agency Loans are loans that do not conform to the underwriting guidelines of a government-sponsored enterprise ("GSE"). Non-Agency Loans consist of Qualified mortgage loans ("QM Loans") and Non-Qualified mortgage loans ("Non-QM Loans") which are collateralized by a first lien mortgaged property. QM Loans are residential mortgage loans that comply with the Ability-To-Repay rules and related guidelines of the Consumer Financial Protection Bureau.
Agency-Eligible Loans(1)	• Agency-Eligible Loans are loans that are collateralized by a first lien mortgaged property and are primarily secured by investment properties. These loans are underwritten in accordance with GSE guidelines, but are not guaranteed by a GSE. Although these loans are underwritten in accordance with GSE guidelines and can be delivered to Fannie Mae and Freddie Mac, the Company includes these loans within its Non-Agency securitizations.
Home Equity Loans(1)	• Home Equity Loans consist of revolving lines of credit and closed-end loans secured primarily by second liens on residential mortgaged properties. These products provide borrowers with access to home equity without requiring the payoff of an existing mortgage. Revolving lines of credit generally feature an initial draw period of 3 to 5 years, after which the balances convert to 15- or 25-year amortizing loans. Closed-end home equity loans are primarily fixed-rate obligations where the full principal amount is funded at origination and repaid through a fully amortizing schedule with original terms to maturity ranging from 10 to 30 years.
Re- and Non-Performing Loans(1)	• Performing, re-performing, and non-performing loans are residential mortgage loans collateralized by a first lien mortgaged property.
Non-Agency RMBS(2)	• Non-Agency Residential Mortgage-Backed Securities ("RMBS") represent fixed- and floating-rate RMBS issued by entities other than U.S. GSEs or agencies of the U.S. government. Non-Agency RMBS are primarily secured by Non-QM, Agency-Eligible, Home Equity, and Prime Jumbo Loans.
Agency RMBS(2)	• Agency RMBS represent interests in pools of residential mortgage loans guaranteed by a GSE such as Fannie Mae or Freddie Mac, or an agency of the U.S. Government such as Ginnie Mae.
Legacy WMC Commercial Investments(3)	
Commercial Loans	• Commercial loans represent first lien commercial mortgage loan participations.
CMBS(2)	• Commercial Mortgage-Backed Securities ("CMBS") represent fixed-rate and floating-rate CMBS, secured by, or evidencing an ownership interest in, a single commercial mortgage loan or a pool of commercial mortgage loans.

(1) These investments are included in the "Securitized residential mortgage loans, at fair value" or "Residential mortgage loans, at fair value" line items on the consolidated balance sheets.

(2) These investments are included in the "Real estate securities, at fair value" line item on the consolidated balance sheets.
(3) These investments include commercial loans and CMBS (collectively, the "Legacy WMC Commercial Investments") that were acquired in connection with the acquisition of Western Asset Mortgage Capital Corporation ("WMC") on December 6, 2023. The Company expects to either hold the Legacy WMC Commercial Investments until maturity or opportunistically exit these investments.

The Company conducts its business through two reportable segments: (i) Loans and Securities and (ii) Arc Home. This reflects how the Company manages its business and analyzes and reports its results of operations. Refer to Note 13 for additional details on segment reporting.

The Company was incorporated in the state of Maryland on March 1, 2011 and commenced operations in July 2011. The Company conducts its operations to qualify and be taxed as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code"). The Company is externally managed by AG REIT Management, LLC, a Delaware limited liability company (the "Manager"), a wholly-owned subsidiary of TPG Inc. ("TPG"). The Manager has delegated to Angelo, Gordon & Co., L.P. ("TPG Angelo Gordon"), an affiliate of TPG, the overall responsibility of its day-to-day duties and obligations arising under the management agreement.

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, and certain variable interest entities. All intercompany balances and transactions have been eliminated in consolidation.

2. Summary of significant accounting policies

Consolidation and basis of presentation

The accompanying unaudited consolidated financial statements and related notes have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial reporting and the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. In the opinion of management, all adjustments considered necessary for a fair presentation of the Company's financial position, results of operations, and cash flows have been included for the interim period and are of a normal and recurring nature. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year.

Significant accounting policies

There have been no significant changes to the Company's accounting policies included in Note 2 to the consolidated financial statements of the Company's Annual Report on Form 10-K ("Form 10-K") for the year ended December 31, 2025. These unaudited consolidated financial statements and related notes should be read in conjunction with the consolidated financial statements and related notes for the year ended December 31, 2025 included in the Form 10-K.

Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results may differ from those estimates.

Investment consolidation

When the Company has a variable interest in an entity, it is required to determine whether the entity is a variable interest entity ("VIE") or a voting interest entity ("VOE"), the classification of which will determine the consolidation model that the Company is required to follow when determining whether it should consolidate the entity. When an entity does not possess the characteristics of a VIE, the Company will determine whether it has a controlling financial interest and meets the criteria for consolidation under the voting interest entity model.

An entity is a VIE if the equity investors (i) do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support, (ii) are unable to direct the entity's activities or (iii) are not exposed to the entity's losses or entitled to its residual returns. VIEs within the scope of Accounting Standards Codification ("ASC") 810-10, "Consolidation" are required to be consolidated by their primary beneficiary. The primary beneficiary of a VIE is determined to be the party that has both the power to direct the activities of a VIE that most significantly impact the VIE’s economic performance and the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. This determination can sometimes involve complex and subjective analyses. Further, ASC 810-10 also requires ongoing assessments of whether an enterprise is the primary beneficiary of a VIE. In accordance with ASC 810-10, all transferees, including variable interest entities, must be evaluated for consolidation. If the Company determines that consolidation is not required, it will then assess whether the transfer of the underlying assets would qualify as a sale, should be accounted for as secured financings under GAAP, or should be accounted for as an equity method investment, depending on the circumstances.

A Special Purpose Entity ("SPE") is an entity designed to fulfill a specific limited need of the company that organized it. SPEs are often used to facilitate transactions that involve securitizing financial assets. The objective of such transactions may include obtaining non-recourse financing, obtaining liquidity or refinancing the underlying securitized financial assets on improved terms. Securitization involves transferring assets to an SPE to convert all or a portion of those assets into cash before they would have been realized in the normal course of business through the SPE’s issuance of debt or equity instruments. Investors in an SPE usually have recourse only to the assets in the SPE and depending on the overall structure of the transaction, may benefit from various forms of credit enhancement, such as over-collateralization in the form of excess assets in the SPE, priority with respect to receipt of cash flows relative to holders of other debt or equity instruments issued by the SPE, or a line of credit or other form of liquidity agreement that is designed with the objective of ensuring that investors receive principal and/or interest cash flow on the investment in accordance with the terms of their investment agreement.

The Company enters into securitization transactions collateralized by its Non-Agency Loans/Agency-Eligible Loans, Home Equity Loans, and re- and non-performing loans (the trusts in which these loans are deposited are referred to as "Non-Agency VIEs", "Home Equity VIEs", and "RPL/NPL VIEs", respectively), which may result in the Company consolidating the respective VIEs that are created to facilitate these securitizations. Based on the evaluations of each VIE, the Company may conclude that the VIEs should be consolidated and, as a result, transferred assets of these VIEs would be determined to be secured borrowings. Upon consolidation, the Company elected the fair value option pursuant to ASC 825 for the assets and liabilities of the Non-Agency VIEs, Home Equity VIEs, and RPL/NPL VIEs. Electing the fair value option allows the Company to record changes in fair value in the consolidated statement of operations, which, in management's view, more appropriately reflects the results of operations for a particular reporting period as all activities will be recorded in a similar manner. The Company applied the guidance under ASC 810-10 (Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity) whereby the Company determines whether the fair value of the assets or liabilities of the Non-Agency VIEs, Home Equity VIEs, and RPL/NPL VIEs are more observable as a basis for measuring the less observable financial instruments. The Company has determined that the fair value of the liabilities of the Non-Agency VIEs, Home Equity VIEs, and RPL/NPL VIEs are more observable since the prices for these liabilities are more easily determined as similar instruments trade more frequently on a relative basis than the individual assets of the VIEs. See Note 3 for more detail regarding the Non-Agency VIEs, Home Equity VIEs, and RPL/NPL VIEs.

Transfers of financial assets

The Company may periodically enter into transactions in which it transfers assets to a third-party. Upon a transfer of financial assets, the Company will sometimes retain or acquire senior or subordinated interests in the related assets. Pursuant to ASC 860-10, "Transfers and Servicing", a determination must be made as to whether a transferor has surrendered control over transferred financial assets. That determination must consider the transferor’s continuing involvement in the transferred financial asset, including all arrangements or agreements made contemporaneously with, or in contemplation of, the transfer, even if they were not entered into at the time of the transfer. The financial components approach under ASC 860-10 limits the circumstances in which a financial asset, or portion of a financial asset, should be derecognized when the transferor has not transferred the entire original financial asset to an entity that is not consolidated with the transferor in the financial statements being presented and/or when the transferor has continuing involvement with the transferred financial asset. It defines the term "participating interest" to establish specific conditions for reporting a transfer of a portion of a financial asset as a sale.

Under ASC 860-10, after a transfer of financial assets that meets the criteria for treatment as a sale—legal isolation, ability of transferee to pledge or exchange the transferred assets without constraint and transferred control—an entity recognizes the financial and servicing assets it acquired or retained and the liabilities it has incurred, derecognizes financial assets it has sold and derecognizes liabilities when extinguished. The transferor would then determine the gain or loss on sale of financial assets by allocating the carrying value of the underlying mortgage between securities or loans sold and the interests retained based on their fair value. The gain or loss on sale is the difference between the cash proceeds from the sale and the amount allocated to the securities or loans sold. When a transfer of financial assets does not qualify for sale accounting, ASC 860-10 requires the transfer to be accounted for as a secured borrowing with a pledge of collateral.

From time to time, the Company may securitize mortgage loans it holds if such financing is available. These transactions will be recorded in accordance with ASC 860-10 and will be accounted for as either a "sale" and the loans will be removed from the consolidated balance sheets or as a "financing" and will be classified as "Securitized residential mortgage loans, at fair value" on the consolidated balance sheets, depending upon the structure of the securitization transaction. ASC 860-10 is a standard that may require the Company to exercise significant judgment in determining whether a transaction should be recorded as a "sale" or a "financing."

Recent accounting pronouncements

Expense disaggregation

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income Expense Disaggregation Disclosures (Subtopic 220- 40)", and in January 2025, the FASB issued ASU 2025-01, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date". This standard requires public companies to disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. The new standard, as clarified by ASU 2025-01, is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the potential impact upon adoption, but does not expect the adoption of the new standard to have a material effect on its consolidated financial statements.

Interim Reporting

In December 2025, the FASB issued ASU 2025-11, "Interim Reporting (Topic 270): Narrow-Scope Improvements," which amends the guidance in ASC 270, Interim Reporting. This standard enhances interim disclosure requirements by clarifying the information that must be presented in quarterly periods, including improved transparency regarding significant events, accounting policy updates, and material developments that occur between annual reporting dates. This ASU also aligns certain interim reporting requirements more closely with annual disclosure objectives to promote consistency and comparability. The amendments are effective for interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the potential impact upon adoption, but does not expect the adoption of the new standard to have a material effect on its consolidated financial statements.

3. Loans

Residential mortgage loans

The tables below detail information regarding the Company's residential mortgage loan portfolio by collateral type as of June 30, 2026 and December 31, 2025 ($ in thousands). The gross unrealized gains/(losses) in the table below represent inception to date gains/(losses) since acquisition.

June 30, 2026	Unpaid Principal Balance	Premium (Discount)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Coupon	Weighted Average Yield (1)	Weighted Average Life (Years) (2)
Securitized residential mortgage loans, at fair value (3)									
Non-Agency Loans (4)	$ 6,397,864	$ 60,687	$ 6,458,551	$ 53,198	$ (299,731)	$ 6,212,018	5.79 %	5.65 %	7.36
Home Equity Loans	726,148	54,897	781,045	8,517	(8,642)	780,920	9.80 %	7.23 %	4.48
Re- and Non-Performing Loans	148,133	(8,725)	139,408	—	(13,171)	126,237	4.04 %	5.91 %	5.18
Total Securitized residential mortgage loans, at fair value	$ 7,272,145	$ 106,859	$ 7,379,004	$ 61,715	$ (321,544)	$ 7,119,175	6.16 %	5.82 %	7.03
Residential mortgage loans, at fair value									
Agency-Eligible Loans	$ 20,169	$ 286	$ 20,455	$ 209	$ (13)	$ 20,651	6.86 %	6.21 %	4.20
Home Equity Loans	225,684	8,376	234,060	222	(472)	233,810	8.88 %	7.73 %	4.79
Non-Agency Loans	7,179	114	7,293	—	(279)	7,014	6.42 %	4.40 %	4.86
Re- and Non-Performing Loans	850	(547)	303	507	—	810	N/A	NM	1.03
Total Residential mortgage loans, at fair value	$ 253,882	$ 8,229	$ 262,111	$ 938	$ (764)	$ 262,285	8.65 %	7.78 %	4.73
Total as of June 30, 2026	$ 7,526,027	$ 115,088	$ 7,641,115	$ 62,653	$ (322,308)	$ 7,381,460	6.24 %	5.89 %	6.95

December 31, 2025	Unpaid Principal Balance	Premium (Discount)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Coupon	Weighted Average Yield (1)	Weighted Average Life (Years) (2)
Securitized residential mortgage loans, at fair value (3)									
Non-Agency Loans (4)	$ 7,026,365	$ 59,755	$ 7,086,120	$ 84,870	$ (266,118)	$ 6,904,872	5.87 %	5.74 %	7.30
Home Equity Loans	874,718	61,241	935,959	24,574	—	960,533	9.81 %	7.70 %	5.43
Re- and Non-Performing Loans	155,984	(9,693)	146,291	—	(12,077)	134,214	4.22 %	5.93 %	5.54
Total Securitized residential mortgage loans, at fair value	$ 8,057,067	$ 111,303	$ 8,168,370	$ 109,444	$ (278,195)	$ 7,999,619	6.27 %	5.97 %	7.07
Residential mortgage loans, at fair value									
Agency-Eligible Loans	$ 20,524	$ 326	$ 20,850	$ 299	$ —	$ 21,149	6.83 %	6.34 %	4.83
Home Equity Loans	135,804	5,913	141,717	663	(41)	142,339	9.07 %	7.77 %	4.83
Non-Agency Loans	36,578	638	37,216	18	(2,126)	35,108	6.14 %	3.62 %	4.17
Re- and Non-Performing Loans	1,140	(696)	444	637	—	1,081	N/A	NM	1.12
Total Residential mortgage loans, at fair value	$ 194,046	$ 6,181	$ 200,227	$ 1,617	$ (2,167)	$ 199,677	8.27 %	7.22 %	4.68
Total as of December 31, 2025	$ 8,251,113	$ 117,484	$ 8,368,597	$ 111,061	$ (280,362)	$ 8,199,296	6.32 %	6.00 %	7.01

NM - Not Meaningful
(1) The weighted average yields are calculated based on the amortized cost of the underlying loans.
(2) This is based on projected life. Typically, actual maturities are shorter than stated contractual maturities. Maturities are affected by the lives of the underlying mortgage loans, periodic payments of principal, and prepayments of principal.
(3) Refer to the "Variable interest entities" section below for additional details related to the assets and liabilities of VIEs consolidated on the Company's consolidated balance sheets.
(4) Securitized Non-Agency Loans include loans that were considered to be Agency-Eligible prior to the Company's securitization.

The following tables present information regarding the delinquency status of the Company's residential mortgage loans ($ in thousands).

June 30, 2026	Unpaid Principal Balance	Loan Count (1)	Aging by Unpaid Principal Balance (1)			
			Current	30-59 Days	60-89 Days	90+ Days (2)
Securitized residential mortgage loans						
Non-Agency Loans	$ 6,397,864	17,097	$ 6,212,884	$ 72,785	$ 35,768	$ 76,427
Home Equity Loans	726,148	9,076	716,679	3,476	549	5,444
Re- and Non-Performing Loans	148,133	1,019	119,530	11,218	3,659	13,726
Total Securitized residential mortgage loans	$ 7,272,145	27,192	$ 7,049,093	$ 87,479	$ 39,976	$ 95,597
Residential mortgage loans						
Agency-Eligible Loans	$ 20,169	38	$ 19,716	$ —	$ —	$ 453
Home Equity Loans	225,684	2,377	225,315	—	—	369
Non-Agency Loans	7,179	10	3,896	511	—	2,772
Re- and Non-Performing Loans (1)	850	N/A	N/A	N/A	N/A	N/A
Total Residential mortgage loans	$ 253,882	2,425	$ 248,927	$ 511	$ —	$ 3,594
Total as of June 30, 2026	$ 7,526,027	29,617	$ 7,298,020	$ 87,990	$ 39,976	$ 99,191
Percent of Unpaid Principal Balance (1)			97.0 %	1.2 %	0.5 %	1.3 %

December 31, 2025	Unpaid Principal Balance	Loan Count (1)	Aging by Unpaid Principal Balance (1)			
			Current	30-59 Days	60-89 Days	90+ Days (2)
Securitized residential mortgage loans						
Non-Agency Loans	$ 7,026,365	18,430	$ 6,833,324	$ 76,326	$ 32,323	$ 84,392
Home Equity Loans	874,718	10,599	869,432	2,963	489	1,834
Re- and Non-Performing Loans	155,984	1,073	123,901	14,730	5,247	12,106
Total Securitized residential mortgage loans	$ 8,057,067	30,102	$ 7,826,657	$ 94,019	$ 38,059	$ 98,332
Residential mortgage loans						
Agency-Eligible Loans	$ 20,524	38	$ 19,825	$ 699	$ —	$ —
Home Equity Loans	135,804	1,368	135,773	—	—	31
Non-Agency Loans	36,578	53	16,468	1,444	1,112	17,554
Re- and Non-Performing Loans (1)	1,140	N/A	N/A	N/A	N/A	N/A
Total Residential mortgage loans	$ 194,046	1,459	$ 172,066	$ 2,143	$ 1,112	$ 17,585
Total as of December 31, 2025	$ 8,251,113	31,561	$ 7,998,723	$ 96,162	$ 39,171	$ 115,917
Percent of Unpaid Principal Balance (1)			96.9 %	1.2 %	0.5 %	1.4 %

(1) Loan count and aging data exclude the Re- and Non-Performing Loans subcategory of Residential mortgage loans above as there may be limited data available regarding the underlying collateral of these residual positions.

(2) Represents loans that either have a delinquency status greater than 90 days or are in the process of foreclosure. As of June 30, 2026, the $99.2 million of unpaid principal balance included securitized residential mortgage loans and residential mortgage loans that were 90+ days delinquent with a fair value of $52.9 million and loans in the process of foreclosure with a fair value of $41.7 million. As of December 31, 2025, the $115.9 million of unpaid principal balance included securitized residential mortgage loans and residential mortgage loans that were 90+ days delinquent with a fair value of $54.0 million and loans in the process of foreclosure with a fair value of $57.1 million.

As of June 30, 2026 and December 31, 2025, 6.2% and 6.4%, respectively, of the unpaid principal balance of the Company's securitized residential mortgage loans and residential mortgage loans were adjustable rate mortgages.

During the three and six months ended June 30, 2026 and 2025, the Company purchased residential mortgage loans, as detailed below (in thousands).

	Three Months Ended				Six Months Ended			
	June 30, 2026		June 30, 2025		June 30, 2026		June 30, 2025	
	Unpaid Principal Balance	Fair Value (1)	Unpaid Principal Balance	Fair Value (1)	Unpaid Principal Balance	Fair Value (1)	Unpaid Principal Balance	Fair Value (1)
Agency-Eligible Loans	$ —	$ —	$ 331,375	$ 340,587	$ 475	$ 486	$ 692,913	$ 707,355
Home Equity Loans	67,264	70,147	99,519	104,349	150,755	156,530	222,795	232,589
Total	$ 67,264	$ 70,147	$ 430,894	$ 444,936	$ 151,230	$ 157,016	$ 915,708	$ 939,944

(1) Fair value represents purchase price at acquisition.

During the three and six months ended June 30, 2026 and 2025, the Company sold residential mortgage loans as detailed below ($ in thousands).

	Three Months Ended				Six Months Ended			
	Number of Loans	Proceeds	Realized Gains	Realized Losses	Number of Loans	Proceeds	Realized Gains	Realized Losses
June 30, 2026								
Non-Agency Loans	39	$ 25,585	$ 107	$ (1,510)	39	$ 25,585	$ 107	$ (1,510)
Home Equity Loans	—	—	—	—	601	49,375	26	(25)
Re- and Non-Performing Loans	12	746	34	(255)	12	746	34	(255)
Total	51	$ 26,331	$ 141	$ (1,765)	652	$ 75,706	$ 167	$ (1,790)
June 30, 2025								
Agency-Eligible Loans	88	$ 37,333	$ 238	$ (219)	88	$ 37,333	$ 238	$ (219)
Non-Agency Loans	—	—	—	—	21	11,336	341	(1,152)
Re- and Non-Performing Loans	—	—	—	—	88	9,092	832	(1,149)
Total	88	$ 37,333	$ 238	$ (219)	197	$ 57,761	$ 1,411	$ (2,520)

The Company’s residential mortgage loan portfolio consists of mortgage loans on residential real estate located throughout the United States. The following is a summary of the geographic concentration of credit risk as of June 30, 2026 and December 31, 2025 and includes states where the exposure is greater than 5% of the fair value of the Company's residential mortgage loan portfolio.

Geographic Concentration of Credit Risk (1)	June 30, 2026	December 31, 2025
California	30 %	30 %
Florida	10 %	10 %
New York	8 %	8 %
Texas	6 %	6 %
Other	46 %	46 %

(1) Excludes the Re- and Non-Performing Loans subcategory of Residential mortgage loans above as there may be limited data available regarding the underlying collateral of these residual positions.

Variable interest entities

The Company entered into securitization transactions collateralized by its Non-Agency Loans/Agency-Eligible Loans, Home Equity Loans, and re- and non-performing loans, of which the securitization trusts are considered VIEs. The Company was determined to be the primary beneficiary of the VIEs and, as a result, consolidated the assets and liabilities of the VIEs on its consolidated balance sheets. In a securitization transaction, a pool of loans is transferred to a wholly-owned subsidiary of the Company and the loans are deposited into a newly created securitization trust. The securitization trust issues various classes of mortgage pass-through certificates backed by the cash flows from the underlying residential mortgage loans (the "Certificates"). As the sponsor of the securitization, the Company retains certain Certificates issued by the securitization trusts in order to satisfy risk retention rules, which generally require the sponsor to retain at least 5% of the fair value of the Certificates issued in the securitization. The Company's continuing involvement in these securitization trusts represents its retained Certificates and the ability to purchase all of the outstanding Certificates upon the occurrence of certain events through an optional redemption right held by the Company. The Company has also engaged a related party of the Manager and subsidiary of TPG to act as the servicing administrator of certain securitization trusts.

The following table details the carrying value related to the assets and liabilities of the Company's consolidated VIEs as of June 30, 2026 and December 31, 2025 (in thousands).

	Non-Agency VIEs		Home Equity VIEs		RPL/NPL VIEs		Total VIEs	
	June 30, 2026	**December 31, 2025**	**June 30, 2026**	**December 31, 2025**	**June 30, 2026**	**December 31, 2025**	**June 30, 2026**	**December 31, 2025**
Assets								
Securitized residential mortgage loans, at fair value (1)	$ 6,212,018	$ 6,904,872	$ 780,920	$ 960,533	$ 126,237	$ 134,214	$ 7,119,175	$ 7,999,619
Restricted Cash	22	—	1,055	1,055	9	12	1,086	1,067
Other assets	35,833	37,711	6,982	8,128	4,937	5,517	47,752	51,356
Total Assets	$ 6,247,873	$ 6,942,583	$ 788,957	$ 969,716	$ 131,183	$ 139,743	$ 7,168,013	$ 8,052,042
Liabilities								
Securitized debt, at fair value (1) (2)	$ 5,606,863	$ 6,265,540	$ 660,721	$ 817,889	$ 87,653	$ 94,494	$ 6,355,237	$ 7,177,923
Other liabilities	24,182	26,129	3,697	4,497	259	274	28,138	30,900
Total Liabilities	$ 5,631,045	$ 6,291,669	$ 664,418	$ 822,386	$ 87,912	$ 94,768	$ 6,383,375	$ 7,208,823
Total Equity (3)	$ 616,828	$ 650,914	$ 124,539	$ 147,330	$ 43,271	$ 44,975	$ 784,638	$ 843,219

(1) Securitized residential mortgage loans in Non-Agency VIEs include loans that were considered to be Agency-Eligible prior to the Company's securitization.

(2) The holders of the securitized debt have no recourse to the general credit of the Company. The Company generally has no obligation to provide any other explicit or implicit support to the VIEs. Refer to Note 12 for commitments related to the undrawn portion of a borrowers' home equity line of credit for which the Company may be required to fund.

(3) The Company had outstanding financing arrangements collateralized by the Company's retained interests in its VIEs. Refer to Note 6 for additional information.

Legacy WMC Commercial loans

The tables below detail information regarding the Company's Legacy WMC Commercial loan portfolio as of June 30, 2026 and December 31, 2025 ($ in thousands). The gross unrealized gains/(losses) in the table below represent inception to date gains/(losses) since acquisition.

June 30, 2026						**Weighted Average**					
Loan (1)(2)	**Unpaid Principal Balance**	**Premium / (Discount)**	**Amortized Cost (3)**	**Gross Unrealized Losses**	**Fair Value**	**Coupon**	**Yield (4)**	**Life (Years) (4)**	**Maturity Date (4)**	**LTV (5)**	**Location**
Loan A (6)	$ 7,259	$ (245)	$ 7,014	$ (42)	$ 6,972	7.81 %	— %	N/A	N/A	61.63 %	IL, FL
Loan B (6)	13,206	(445)	12,761	(3,093)	9,668	7.81 %	— %	N/A	N/A	75.33 %	CA
Loan C (6)	24,535	(828)	23,707	(5,747)	17,960	7.81 %	— %	N/A	N/A	77.22 %	NY
Loan D (7)	20,861	(2,193)	18,668	(4,014)	14,654	6.99 %	— %	N/A	N/A	42.50 %	CT
Total	$ 65,861	$ (3,711)	$ 62,150	$ (12,896)	$ 49,254	7.55 %	— %	N/A		64.31 %	

December 31, 2025						**Weighted Average**					
Loan (1)(2)	**Unpaid Principal Balance**	**Premium / (Discount)**	**Amortized Cost (3)**	**Gross Unrealized Losses**	**Fair Value**	**Coupon**	**Yield (4)**	**Life (Years) (4)**	**Maturity Date (4)**	**LTV (5)**	**Location**
Loan A (6)	$ 7,259	$ (29)	$ 7,230	$ (684)	$ 6,546	7.98 %	— %	N/A	N/A	61.63 %	IL, FL
Loan B (6)	13,206	(52)	13,154	(1,244)	11,910	7.98 %	— %	N/A	N/A	75.33 %	CA
Loan C (6)	24,535	(99)	24,436	(2,310)	22,126	7.98 %	— %	N/A	N/A	77.22 %	NY
Loan D (7)	22,204	(611)	21,593	(6,799)	14,794	7.16 %	— %	N/A	N/A	42.50 %	CT
Total	$ 67,204	$ (791)	$ 66,413	$ (11,037)	$ 55,376	7.71 %	— %	N/A		65.69 %	

(1) The Company has the contractual right to receive a balloon payment for each loan.
(2) Each commercial loan investment is a first mortgage loan.
(3) The Company is not accruing interest on its Legacy WMC Commercial Loans and placed the loans on cost recovery status. For assets where the cost recovery method is applied, the receipt of principal or coupon interest is recorded as a reduction to the amortized cost until collection of all contractual components are reasonably assured.
(4) The borrowers for the Company’s Legacy WMC Commercial Loans are in maturity default as of June 30, 2026 and December 31, 2025. See footnotes 5 and 6 for further details related to each loan. In March 2026, the Company extended the maturity of its financing arrangement collateralized by Legacy WMC Commercial Loans to September 19, 2026. All proceeds from asset paydowns or sales will be applied to reduce the outstanding balance, which was $19.9 million as of June 30, 2026.
(5) Represents the LTV at acquisition of WMC. The total LTV on commercial loans is presented based on fair value.
(6) Loans A, B, and C have a floating rate coupon equal to 4.20% plus one-month SOFR and are collateralized by hotels. During the second quarter 2025, these loans entered maturity default. Following a period of forbearance, the lender parties and the borrower are pursuing consensual sales of the hotels, which may include transferring title of all or certain of the properties to the lender parties via a deed-in-lieu of foreclosure to facilitate the sales. The Company expects the sales of the underlying hotels which collateralize Loan A to be completed in the second half of 2026. There are no assurances that sales can be completed in the manner or within the time anticipated or at all.
(7) Loan D has a floating rate coupon equal to 3.38% plus one-month SOFR and is collateralized by a retail property. During the third quarter 2025, the loan entered maturity default. The property is generating positive cash flow and, as of the date of this report, the Company has continued to receive interest payments from the property’s cash flows. The lender parties are actively engaged with a third party commercial sales advisor to sell the property, however there are no assurances that a sale can be completed.

4. Real Estate Securities

The following tables detail the Company's real estate securities portfolio by collateral type as of June 30, 2026 and December 31, 2025 ($ in thousands). The Company's real estate securities include its interest in VIEs in which the Company has concluded that it is not the primary beneficiary and, as a result, did not consolidate the VIEs. The gross unrealized gains/(losses) in the tables below represent inception to date unrealized gains/(losses) since acquisition.

				Gross Unrealized			Weighted Average		
June 30, 2026	**Current Face (1)**	**Premium/ (Discount) (1)**	**Amortized Cost**	**Gains**	**Losses**	**Fair Value (2)**	**Coupon (3)**	**Yield (4)**	**Life (Years) (5)**
Non-Agency RMBS									
Non-QM Loans (6) (7)	$ 86,345	$ (3,392)	$ 85,670	$ 2,219	$ (1,998)	$ 85,891	3.03 %	6.97 %	2.40
Agency-Eligible Loans (7)	41,335	(2,480)	39,415	1,694	(157)	40,952	3.64 %	7.36 %	6.73
Home Equity Loans (7)	100,695	(3,767)	116,632	5,454	(433)	121,653	5.48 %	9.48 %	5.66
Prime Jumbo Loans	4,281	(1,590)	2,691	658	—	3,349	4.43 %	8.97 %	17.75
Total Non-Agency RMBS	232,656	(11,229)	244,408	10,025	(2,588)	251,845	3.92 %	8.25 %	4.80
Legacy WMC CMBS (8)	82,073	(34,206)	47,867	5,218	(10,391)	42,694	5.88 %	16.22 %	1.56
Agency RMBS Interest Only	N/A	N/A	14,839	327	(451)	14,715	4.89 %	7.71 %	5.56
Total as of June 30, 2026	$ 314,729	$ (45,435)	$ 307,114	$ 15,570	$ (13,430)	$ 309,254	4.38 %	9.47 %	4.54

				Gross Unrealized			Weighted Average		
December 31, 2025	**Current Face (1)**	**Premium / (Discount) (1)**	**Amortized Cost**	**Gains**	**Losses**	**Fair Value (2)**	**Coupon (3)**	**Yield (4)**	**Life (Years) (5)**
Non-Agency RMBS									
Non-QM Loans (6)	$ 48,814	$ (2,160)	$ 48,526	$ 816	$ (2,379)	$ 46,963	3.11 %	6.66 %	3.57
Agency-Eligible Loans (7)	44,491	(2,656)	42,439	1,841	(117)	44,163	3.57 %	7.41 %	6.74
Home Equity Loans (7)	84,647	(2,018)	99,617	7,514	(189)	106,942	5.55 %	10.47 %	5.51
Prime Jumbo Loans	4,256	(1,616)	2,640	673	—	3,313	4.49 %	8.82 %	18.36
Total Non-Agency RMBS	182,208	(8,450)	193,222	10,844	(2,685)	201,381	4.09 %	8.82 %	5.39
Legacy WMC CMBS (8)	82,962	(37,015)	45,947	5,814	(9,196)	42,565	5.95 %	15.30 %	1.73
Agency RMBS Interest Only	N/A	N/A	16,630	249	(521)	16,358	4.57 %	7.30 %	5.17
Total as of December 31, 2025	$ 265,170	$ (45,465)	$ 255,799	$ 16,907	$ (12,402)	$ 260,304	4.55 %	9.89 %	4.93

(1) Current Face and Premium/(Discount) exclude Interest Only securities, which have no principal balances and bear interest based on a notional value. The notional value is used solely to determine interest distributions on the interest only classes of securities. As of June 30, 2026, the notional balance of the Non-QM Loans, Agency-Eligible Loans, Home Equity Loans, and Agency RMBS Interest Only line items were $134.7 million, $35.7 million, $273.8 million, and $70.4 million, respectively. As of December 31, 2025, the notional value of the Non-QM Loans, Agency-Eligible Loans, Home Equity Loans, and Agency RMBS Interest Only line items were $66.3 million, $40.4 million, $249.1 million, and $85.0 million, respectively.

(2) The fair value of the securities held in unconsolidated VIEs represents the Company's maximum loss exposure in unconsolidated VIEs. The Company generally has no obligation to provide any other explicit or implicit support to unconsolidated VIEs. Refer to Note 12 for commitments related to the undrawn portion of a borrowers' home equity line of credit for which the Company may be required to fund.

(3) Equity residual investments with a zero coupon rate are excluded from this calculation.

(4) The weighted average yields are calculated based on the amortized cost of the underlying securities.

(5) Actual maturities may be shorter or longer than stated contractual maturities. Maturities are affected by prepayments of principal.

(6) Certain Non-Agency RMBS include securities issued under Gold Creek Asset Trust ("GCAT"), which is the TPG securitization shelf under which the Company or private funds under the management of TPG securitize loans. These securities were retained from rated Non-QM Loan securitizations the Company participated in alongside private funds managed by TPG. The Company's interest in the retained tranches represents its continuing involvement in these securitization trusts. As of June 30, 2026 and December 31, 2025, the Company's Non-QM Loans includes $42.6 million and $42.4 million of retained securities from these transactions, respectively.

(7) For certain Non-Agency RMBS, the Company acted as a co-sponsor of rated securitizations alongside private funds managed by TPG or an unrelated third party of rated securitizations. As the co-sponsor, the Company retained an "eligible vertical interest" to comply with risk retention rules which consists of at least 5% of each class of securities issued in the securitizations and represents the Company's continuing involvement in these securitization trusts. The remaining tranches were sold to third parties and certain private funds managed by TPG or its affiliates, or were retained by the Company. As of June 30, 2026, the Company's Non-QM Loans includes $38.6 million of retained securities from these transactions. As of June 30, 2026 and December 31, 2025, the Company's Agency-Eligible Loans includes $39.0 million and $42.2 million of retained securities from these transactions, respectively. As of June 30, 2026 and December 31, 2025, the Company's Home Equity Loans includes $96.6 million and $78.7 million of retained securities from these transactions, respectively.

(8) As of June 30, 2026 and December 31, 2025, there are Legacy WMC CMBS with an unpaid principal balance of $23.5 million and $23.5 million, respectively, and a fair value of $4.9 million and $6.3 million, respectively, which are on non-accrual or cost recovery status.

The following tables summarize the Company's real estate securities according to their projected weighted average life classifications as of June 30, 2026 and December 31, 2025 (in thousands).

June 30, 2026	**Non-Agency RMBS**		**Legacy WMC CMBS**		**Agency RMBS**		**Real Estate Securities Total**	
Weighted Average Life (1)	**Fair Value**	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**	**Amortized Cost**
Less than or equal to one year	$ —	$ —	$ 4,600	$ 8,744	$ —	$ —	$ 4,600	$ 8,744
Greater than one year and less than or equal to five years	163,735	162,367	38,094	39,123	—	—	201,829	201,490
Greater than five years and less than or equal to ten years	63,249	57,823	—	—	14,715	14,839	77,964	72,662
Greater than ten years	24,861	24,218	—	—	—	—	24,861	24,218
Total as of June 30, 2026	$ 251,845	$ 244,408	$ 42,694	$ 47,867	$ 14,715	$ 14,839	$ 309,254	$ 307,114

December 31, 2025	**Non-Agency RMBS**		**Legacy WMC CMBS**		**Agency RMBS**		**Real Estate Securities Total**	
Weighted Average Life (1)	**Fair Value**	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**	**Amortized Cost**
Less than or equal to one year	$ —	$ —	$ 4,921	$ 8,589	$ —	$ —	$ 4,921	$ 8,589
Greater than one year and less than or equal to five years	98,432	96,270	37,644	37,358	838	600	136,914	134,228
Greater than five years and less than or equal to ten years	80,653	75,378	—	—	15,520	16,030	96,173	91,408
Greater than ten years	22,296	21,574	—	—	—	—	22,296	21,574
Total as of December 31, 2025	$ 201,381	$ 193,222	$ 42,565	$ 45,947	$ 16,358	$ 16,630	$ 260,304	$ 255,799

(1) This is based on projected life. Typically, actual maturities are shorter than stated contractual maturities. Maturities are affected by the contractual lives of the underlying mortgages, periodic payments of principal and prepayments of principal.

The Company sold real estate securities during the three and six months ended June 30, 2026 and 2025, as detailed below ($ in thousands).

	Three Months Ended				**Six Months Ended**			
	Number of Securities	**Proceeds**	**Realized Gains**	**Realized Losses**	**Number of Securities**	**Proceeds**	**Realized Gains**	**Realized Losses**
June 30, 2026								
Agency RMBS	6	$ 522	$ 4	$ (120)	6	$ 522	$ 4	$ (120)
June 30, 2025								
Agency RMBS	—	$ —	$ —	$ —	1	$ 1,894	$ 241	$ —
Non-Agency RMBS	1	558	35	—	2	1,336	72	—
Legacy WMC CMBS	1	1,959	—	(144)	1	1,959	—	(144)
Total	2	$ 2,517	$ 35	$ (144)	4	$ 5,189	$ 313	$ (144)

5. Fair value measurements

The fair value of the Company's financial instruments is determined in accordance with the provisions of ASC 820, "Fair Value Measurements and Disclosures." When possible, the Company determines fair value using third-party data sources. ASC 820 establishes a hierarchy that prioritizes the inputs to valuation techniques. Level 1 inputs are observable inputs that reflect quoted prices for identical assets or liabilities in active markets. Level 2 inputs are observable inputs other than quoted prices and may include quoted prices for similar assets and liabilities in active markets. Level 3 inputs are significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used and reflect the Company’s assumptions about the factors that market participants would use in pricing an asset or liability, and would be based on the best information available. In certain cases, inputs used to measure fair value fall into different levels of the fair value hierarchy. In such cases, the level at which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The following tables present the Company's financial instruments measured at fair value on a recurring basis as of June 30, 2026 and December 31, 2025 (in thousands).

	Fair Value at June 30, 2026				Fair Value at December 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:								
Securitized residential mortgage loans	$ —	$ —	$ 7,119,175	$ 7,119,175	$ —	$ —	$ 7,999,619	$ 7,999,619
Residential mortgage loans	—	810	261,475	262,285	—	1,081	198,596	199,677
Legacy WMC Commercial Loans	—	—	49,254	49,254	—	—	55,376	55,376
Non-Agency RMBS	—	9,952	241,893	251,845	—	9,835	191,546	201,381
Legacy WMC CMBS	—	42,694	—	42,694	—	42,565	—	42,565
Agency RMBS	—	14,715	—	14,715	—	16,358	—	16,358
Derivative assets (1)	—	9,995	—	9,995	—	5,395	—	5,395
Cash equivalents (2)	58,897	—	—	58,897	55,979	—	—	55,979
Other assets	1,705	—	—	1,705	—	—	—	—
AG Arc (3)	—	—	46,435	46,435	—	—	50,016	50,016
Total Assets Measured at Fair Value	$ 60,602	$ 78,166	$ 7,718,232	$ 7,857,000	$ 55,979	$ 75,234	$ 8,495,153	$ 8,626,366
Liabilities:								
Securitized debt	$ —	$ —	$ (6,355,237)	$ (6,355,237)	$ —	$ —	$ (7,177,923)	$ (7,177,923)
Derivative liabilities (1)	—	(145)	—	(145)	—	(1,169)	—	(1,169)
Total Liabilities Measured at Fair Value	$ —	$ (145)	$ (6,355,237)	$ (6,355,382)	$ —	$ (1,169)	$ (7,177,923)	$ (7,179,092)

(1) As of June 30, 2026, the Company applied a reduction in fair value of $9.8 million and $0.1 million to its interest rate swap assets and liabilities, respectively, related to variation margin with a corresponding increase or decrease in restricted cash. As of December 31, 2025, the Company applied a reduction in fair value of $5.3 million and $1.2 million to its interest rate swap assets and liabilities, respectively, related to variation margin with a corresponding increase or decrease in restricted cash. Derivative assets and liabilities are included in the "Other assets" and "Other liabilities" line items on the consolidated balance sheets, respectively.

(2) The Company classifies highly liquid investments with original maturities of three months or less from the date of purchase as cash equivalents. Cash equivalents may include cash invested in money market funds and are carried at cost, which approximates fair value.

(3) The table above includes the Company's investment in AG Arc, which is included in its "Investments in debt and equity of affiliates" line item on the consolidated balance sheets, as the Company has elected the fair value option with respect to its investment pursuant to ASC 825.

The valuation of certain of the Company's assets and liabilities, including residential mortgage loans, securitized debt, commercial loans, certain securities, loan purchase commitments and forward purchase commitments, is determined by the Manager using third-party pricing services where available, valuation analyses from third-party pricing service providers, or model-based pricing. Third-party pricing service providers conduct independent valuation analyses based on a review of source documents, available market data, and comparable investments. The analyses provided by valuation service providers are reviewed and considered by the Manager. The evaluation considers the underlying characteristics of each loan, which are observable inputs, including: coupon, maturity date, loan age, reset date, collateral type, periodic and life cap, geography, and historical prepayment speeds. The Company also considers loan servicing data, as available, forward interest rates, general economic conditions, home price index forecasts, and valuations of the underlying properties. The variables considered most significant to the determination of the fair value of these assets and liabilities include market-implied discount rates, projections of default rates, delinquency rates, prepayment rates, loss severity, recovery rates, reperformance rates, timeline to liquidation, and, for forward purchase commitments, pull-through rates. The Company and third-party pricing service providers use loan level data and macro-economic inputs to generate loss adjusted cash flows and other information in determining the fair value. Because of the inherent uncertainty of such valuation, the fair value established for these assets and liabilities held by the Company may differ from the fair value that would have been established if a ready market existed for these mortgage loans.

Fair values for the Company’s securities and derivatives may be based upon prices obtained from third-party pricing services or broker quotations. The valuation methodology of the Company’s third-party pricing services incorporates commonly used market pricing methods, including a spread measurement to various indices, which are observable inputs. The evaluation also considers the underlying characteristics of each investment, which are also observable inputs, including: coupon, maturity date, loan age, reset date, collateral type, periodic and life cap, geography, and prepayment speeds. The Company collects and considers current market intelligence on all major markets, including benchmark security evaluations and bid-lists from various sources, when available. As part of the Company’s risk management process, the Company reviews and analyzes all prices obtained by comparing prices to recently completed transactions involving the same or similar investments on or near the reporting date. If, in the opinion of the Manager, one or more prices reported to the Company are not reliable or unavailable, the Manager reviews the fair value based on characteristics of the investment it receives from the issuer and available market information.

The Company's investment in Arc Home is evaluated on a periodic basis using a market approach. In applying the market approach, fair value is determined by multiplying Arc Home's book value by a relevant valuation multiple observed based on a range of comparable public entities or transactions, adjusted by management as appropriate for differences between the investment and the referenced comparables. The evaluation also considers the underlying financial performance of Arc Home, general economic conditions, and relevant trends within the mortgage banking industry.

Changes in the market environment and other events that may occur over the life of these investments may cause the gains or losses ultimately realized to be different than the valuations currently estimated. The significant unobservable inputs used in the fair value measurement of the Company’s loans and securities are yields, prepayment rates, probability of default, and loss severity in the event of default. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. Generally, a change in the assumption used for the probability of default is accompanied by a directionally similar change in the assumption used for the loss severity and a directionally opposite change in the assumption used for prepayment rates. The significant unobservable input used in the fair value measurement of the Company’s investment in Arc Home is the book value multiple. Significant increases (decreases) in the multiple applied would result in a significantly higher (lower) fair value measurement.

The Company did not have any transfers of assets or liabilities between Levels 1 and 2 of the fair value hierarchy during the three and six months ended June 30, 2026 and 2025.

The Company did not have any transfers of assets or liabilities between Levels 1 or 2 and Level 3 of the fair value hierarchy during the three and six months ended June 30, 2026 and 2025. Transfers into the Level 3 category of the fair value hierarchy occur due to instruments exhibiting indications of reduced levels of market transparency. Transfers out of the Level 3 category of the fair value hierarchy occur due to instruments exhibiting indications of increased levels of market transparency. Indications of increases or decreases in levels of market transparency include a change in observable transactions or executable quotes involving these instruments or similar instruments. Changes in these indications could impact price transparency, and thereby cause a change in level designations in future periods.

The following tables present additional information about the Company's assets and liabilities which are measured at fair value on a recurring basis for which the Company has utilized Level 3 inputs to determine fair value (in thousands).

Three Months Ended June 30, 2026

	Residential Mortgage Loans (1)	Legacy WMC Commercial Loans	Non-Agency RMBS	AG Arc	Securitized Debt
Beginning balance	$ 7,766,335	$ 51,504	$ 211,564	$ 52,334	$ (6,749,708)
Purchases	70,009	—	37,737	—	—
Capital distributions	—	—	—	(6,614)	—
Proceeds from sales or settlements	(26,331)	—	—	—	—
Principal repayments	(417,214)	(1,343)	(7,464)	—	388,941
Principal funding	5,505	—	—	—	—
Included in net income:					
Net premium and discount amortization (2)	(2,216)	(2,526)	(1,134)	—	(2,910)
Net realized gain/(loss)	(1,458)	—	—	—	—
Net unrealized gain/(loss)	(10,547)	1,619	1,190	—	8,440
Equity in earnings/(loss) from affiliates	—	—	—	715	—
Other (3)	(3,433)	—	—	—	—
Ending Balance	$ 7,380,650	$ 49,254	$ 241,893	$ 46,435	$ (6,355,237)
Change in unrealized appreciation/(depreciation) for level 3 assets/liabilities still held as of June 30, 2026					
Net premium and discount amortization (2)	$ (2,252)	$ (2,526)	$ (1,134)	$ —	$ (2,910)
Net unrealized gain/(loss)	(11,945)	1,619	1,190	—	8,440
Equity in earnings/(loss) from affiliates	—	—	—	715	—

Three Months Ended June 30, 2025

	Residential Mortgage Loans (1)	Legacy WMC Commercial Loans	Non-Agency RMBS	Other Assets (4)	AG Arc	Securitized Debt	Other Liabilities (4)
Beginning balance	$ 6,809,796	$ 65,504	$ 141,118	$ —	$ 32,242	$ (5,836,691)	$ —
Purchases	444,852	—	—	—	—	—	—
Issuances of Securitized Debt	—	—	—	—	—	(314,660)	—
Proceeds from sales or settlements	(37,333)	—	—	—	—	—	—
Principal repayments	(234,788)	—	(2,608)	—	—	212,374	—
Principal funding	4,572	—	—	—	—	—	—
Included in net income:							
Net premium and discount amortization (2)	2,214	63	(826)	—	—	(6,650)	—
Net realized gain/(loss)	(655)	—	—	—	—	—	—
Net unrealized gain/(loss)	(11,460)	(684)	261	511	—	7,990	(51)
Equity in earnings/(loss) from affiliates	—	—	—	—	(37)	—	—
Other (3)	(2,199)	—	—	—	—	—	—
Ending Balance	$ 6,974,999	$ 64,883	$ 137,945	$ 511	$ 32,205	$ (5,937,637)	$ (51)
Change in unrealized appreciation/(depreciation) for level 3 assets/liabilities still held as of June 30, 2025							
Net premium and discount amortization (2)	2,219	63	(826)	—	—	(6,650)	—
Net unrealized gain/(loss)	(11,437)	(684)	261	511	—	7,990	(51)
Equity in earnings/(loss) from affiliates	—	—	—	—	(37)	—	—

Six Months Ended June 30, 2026

	Residential Mortgage Loans (1)	Legacy WMC Commercial Loans	Non-Agency RMBS	Other Assets (4)	AG Arc	Securitized Debt
Beginning balance	$ 8,198,215	$ 55,376	$ 191,546	$ —	$ 50,016	$ (7,177,923)
Purchases	156,746	—	66,388	—	—	—
Capital distributions	—	—	—	—	(6,614)	—
Proceeds from sales or settlements	(75,706)	—	—	(2)	—	—
Principal repayments	(804,038)	(1,343)	(13,369)	—	—	752,082
Principal funding	9,568	—	—	—	—	—
Included in net income:						
Net premium and discount amortization (2)	(4,612)	(2,919)	(1,913)	—	—	(6,032)
Net realized gain/(loss)	(1,518)	—	—	2	—	—
Net unrealized gain/(loss)	(90,228)	(1,860)	(759)	—	—	76,636
Equity in earnings/(loss) from affiliates	—	—	—	—	3,033	—
Other (3)	(7,777)	—	—	—	—	—
Ending Balance	$ 7,380,650	$ 49,254	$ 241,893	$ —	$ 46,435	$ (6,355,237)
Change in unrealized appreciation/(depreciation) for level 3 assets/liabilities still held as of June 30, 2026						
Net premium and discount amortization (2)	$ (4,541)	$ (2,919)	$ (1,913)	$ —	$ —	$ (6,032)
Net unrealized gain/(loss)	(91,977)	(1,860)	(759)	—	—	76,636
Equity in earnings/(loss) from affiliates	—	—	—	—	3,033	—

Six Months Ended June 30, 2025

	Residential Mortgage Loans (1)	Legacy WMC Commercial Loans	Non-Agency RMBS	Other Assets (4)	AG Arc	Securitized Debt	Other Liabilities (4)
Beginning balance	$ 6,416,066	$ 67,005	$ 115,533	$ 204	$ 30,778	$ (5,491,967)	$ (336)
Purchases	939,621	—	25,963	—	—	—	—
Issuances of Securitized Debt	—	—	—	—	—	(723,330)	—
Proceeds from sales or settlements	(57,761)	—	—	(258)	—	—	298
Principal repayments	(422,385)	—	(3,702)	—	—	383,149	—
Principal funding	6,953	—	—	—	—	—	—
Included in net income:							
Net premium and discount amortization (2)	4,105	333	(1,518)	—	—	(13,457)	—
Net realized gain/(loss)	(1,722)	—	—	258	—	—	(298)
Net unrealized gain/(loss)	96,383	(2,455)	1,669	307	—	(92,032)	285
Equity in earnings/(loss) from affiliates	—	—	—	—	1,427	—	—
Other (3)	(6,261)	—	—	—	—	—	—
Ending Balance	$ 6,974,999	$ 64,883	$ 137,945	$ 511	$ 32,205	$ (5,937,637)	$ (51)
Change in unrealized appreciation/(depreciation) for level 3 assets/liabilities still held as of June 30, 2025							
Net premium and discount amortization (2)	$ 4,064	$ 333	$ (1,518)	$ —	$ —	$ (13,457)	$ —
Net unrealized gain/(loss)	95,526	(2,455)	1,669	511	—	(92,032)	(51)
Equity in earnings/(loss) from affiliates	—	—	—	—	1,427	—	—

(1) Includes Securitized residential mortgage loans.
(2) Included in the "Interest income" and "Interest expense" line items on the consolidated statement of operations for assets and liabilities, respectively.
(3) Includes transfers of residential mortgage loans to real estate owned as well as activity related to advances.
(4) Other assets and Other liabilities include derivative forward purchase commitments and loan purchase commitments, if applicable.

The following table presents a summary of quantitative information about the significant unobservable inputs used in the fair value measurement of investments for which the Company has utilized Level 3 inputs to determine fair value as of June 30, 2026 and December 31, 2025 ($ in thousands).

		June 30, 2026		December 31, 2025	
Valuation Technique	**Unobservable Input**	**Fair Value**	**Range (Weighted Average) (1)**	**Fair Value**	**Range (Weighted Average) (1)**
Securitized Residential Mortgage Loans					
	Yield		5.47% - 16.51% (5.99%)		5.13% - 18.10% (5.78%)
Discounted Cash Flow	Projected Collateral Prepayments	$ 7,119,175	4.29% - 22.00% (10.04%)	$ 7,999,619	4.92% - 22.00% (10.09%)
	Projected Collateral Losses		0.00% - 1.72% (0.11%)		0.00% - 1.77% (0.09%)
	Projected Collateral Severities (2)		10.00% - 75.00% (23.03%)		10.00% - 100.00% (28.23%)
Residential Mortgage Loans					
	Yield		5.69% - 12.00% (7.37%)		5.39% - 11.61% (7.08%)
Discounted Cash Flow	Projected Collateral Prepayments	$ 261,475	2.90% - 39.35% (17.24%)	$ 198,596	1.98% - 33.46% (16.06%)
	Projected Collateral Losses		0.00% - 15.78% (1.38%)		0.00% - 18.29% (1.47%)
	Projected Collateral Severities (2)		10.00% - 100.00% (19.07%)		4.43% - 100.00% (17.79%)
Legacy WMC Commercial Loans					
	Yield		8.36% - 11.10% (9.26%)		5.95% - 6.95% (6.68%)
Discounted Cash Flow	Credit Spread	$ 49,254	432 bps - 715 bps (516 bps)	$ 55,376	231 bps - 325 bps (300 bps)
	Recovery Percentage (3)		72.19% - 98.05% (79.07%)		68.33% - 93.29% (86.62%)
Non-Agency RMBS					
	Yield		5.26% - 16.25% (7.26%)		4.83% - 20.00% (7.56%)
Discounted Cash Flow	Projected Collateral Prepayments	$ 241,893	8.16% - 26.15% (11.83%)	$ 191,546	7.55% - 15.23% (11.23%)
	Projected Collateral Losses		0.00% - 0.80% (0.18%)		0.00% - 0.38% (0.06%)
	Projected Collateral Severities		10.00% - 75.00% (29.07%)		10.00% - 100.00% (56.87%)
AG Arc					
Comparable Multiple	Book Value Multiple	$ 46,435	1.05x - 1.05x (1.05x)	$ 50,016	1.025x - 1.025x (1.025x)
Securitized Debt					
	Yield		4.84% - 25.00% (5.69%)		4.37% - 30.00% (5.42%)
Discounted Cash Flow	Projected Collateral Prepayments	$ (6,355,237)	4.29% - 22.00% (10.02%)	$ (7,177,923)	4.92% - 22.00% (10.09%)
	Projected Collateral Losses		0.00% - 0.50% (0.10%)		0.00% - 0.50% (0.08%)
	Projected Collateral Severities		10.00% - 75.00% (23.12%)		10.00% - 100.00% (27.79%)

(1) Amounts are weighted based on fair value.
(2) Projected collateral severities excludes assumed recoveries on certain residential mortgage loans.
(3) Represents the proportion of the principal expected to be collected relative to the loan balances as of June 30, 2026 and December 31, 2025.

6. Financing

The following table presents a summary of the Company's financing as of June 30, 2026 and December 31, 2025 ($ in thousands).

	June 30, 2026						December 31, 2025
	Financing			Weighted Average			Financing
	Current Face	Carrying Value	Stated Maturity	Funding Cost	Life (Years)	Collateral Fair Value (1)(2)	Carrying Value
Financing Arrangements by Asset Type (3)							
Securitized Residential Mortgage Loans (4)							
Non-Agency Loans	$ 408,463	$ 408,463	Jul 2026 - Feb 2027	5.05 %	0.16	$ 610,177	$ 428,657
Home Equity Loans	62,168	62,168	Jul 2026 - Sep 2026	4.51 %	0.16	75,677	67,752
Re- and Non-Performing Loans	26,742	26,742	Aug 2026 - Sep 2026	5.73 %	0.15	40,425	27,264
Residential Mortgage Loans (5)							
Agency-Eligible Loans	18,152	18,152	Sep 2026 - Mar 2027	5.35 %	0.39	20,651	19,490
Home Equity Loans (6)	141,575	141,575	Jun 2027 - Jul 2027	5.60 %	0.98	233,810	58,951
Non-Agency Loans	5,896	5,896	Jun 2027	5.40 %	0.94	7,014	29,817
Legacy WMC Commercial Loans	19,875	19,875	Sep 2026	6.39 %	0.22	49,254	27,436
Non-Agency RMBS	178,996	178,996	Jul 2026 - Feb 2027	4.46 %	0.13	220,010	137,386
Legacy WMC CMBS	18,998	18,998	Jul 2026 - Sep 2026	5.07 %	0.14	42,616	18,540
Agency RMBS	10,150	10,150	Jul 2026 - Sep 2026	4.29 %	0.22	14,715	10,857
Other Assets	—	—	N/A	— %	0.00	—	244
Total Financing Arrangements	$ 891,015	$ 891,015		5.03 %	0.30	$ 1,314,349	$ 826,394
Securitized debt, at fair value (7)(8)							
Non-Agency Loans (9)	$ 5,828,156	$ 5,606,863	N/A	5.33 %	5.71	N/A	$ 6,265,540
Home Equity Loans (9)	643,739	660,721	N/A	5.54 %	2.16	N/A	817,889
Re- and Non-Performing Loans	93,161	87,653	N/A	3.50 %	2.78	N/A	94,494
Total Securitized Debt	$ 6,565,056	$ 6,355,237		5.33 %	5.37	N/A	$ 7,177,923
Senior Unsecured Notes (10)							
February 2029 Senior Unsecured Notes	$ 34,500	$ 33,490	Feb 2029	10.79 %	2.67	N/A	$ 33,327
May 2029 Senior Unsecured Notes	65,000	63,368	May 2029	10.52 %	2.92	N/A	63,131
Total Senior Unsecured Notes	$ 99,500	$ 96,858		10.61 %	2.83	N/A	$ 96,458
Total Financing	$ 7,555,571	$ 7,343,110		5.36 %	4.93	$ 1,314,349	$ 8,100,775

(1) The Company also had $8.0 million and $7.8 million of cash pledged under repurchase agreements as of June 30, 2026 and December 31, 2025, respectively.
(2) Under the terms of the Company’s financing agreements, the Company's financing counterparties may, in certain cases, sell or re-hypothecate the pledged collateral.
(3) Financing arrangements are recorded at amortized cost on the Company's consolidated balance sheets. The fair value of the Company's financing arrangements approximates the carrying value due to their floating interest rates and short-term maturities of generally one year or less. Financing arrangements are classified as Level 2 of the fair value hierarchy.
(4) Amounts pledged as collateral under Securitized residential mortgage loans include certain of the Company's retained interests in securitizations. Refer to Note 3 for more information on the Non-Agency VIEs, Home Equity VIEs, and RPL/NPL VIEs.
(5) The Company's Residential mortgage loan financing arrangements include a maximum borrowing capacity of $1.6 billion on facilities used to finance Agency-Eligible, Home Equity and Non-Agency Loans of which $50 million is contractually committed.
(6) The collateral fair value pledged includes $63.5 million of Home Equity Loans in which the Company has no outstanding financing but has $50 million of available financing which is contractually committed.
(7) The holders of the securitized debt have no recourse to the general credit of the Company. The Company generally has no obligation to provide any other explicit or implicit support to the Non-Agency VIEs, Home Equity VIEs, and RPL/NPL VIEs. Refer to Note 12 for commitments related to the undrawn portion of a borrowers' home equity line of credit for which the Company may be required to fund.
(8) The weighted average funding costs are calculated based on the amortized cost of the underlying securities.
(9) The current face on the Company's Securitized debt in the Company's Non-Agency VIEs and Home Equity VIEs excludes Interest Only classes which have no principal balances and bear interest based on a notional value. The notional value is used solely to determine interest distributions on the interest only classes of securities. As of June 30, 2026, the notional value of interest only classes of Securitized debt in the Non-Agency VIEs and Home Equity VIEs was $3.2 billion and $238.8 million, respectively.
(10) The Senior Unsecured Notes are recorded at amortized cost in the Company's consolidated balance sheets. As of June 30, 2026, the fair value of the Senior Unsecured Notes was $102.1 million. The fair value of the Senior Unsecured Notes is based upon prices obtained from third-party pricing services or broker quotations and are classified as Level 2 of the fair value hierarchy.

Senior Unsecured Notes

The Company's Senior Unsecured Notes consist of $34.5 million principal amount 9.500% Senior Notes due February 2029 ("February 2029 Senior Unsecured Notes") and $65.0 million principal amount 9.500% Senior Notes due May 2029 ("May 2029 Senior Unsecured Notes" and together with the February 2029 Senior Unsecured Notes, the "Senior Unsecured Notes"). The February 2029 Senior Unsecured Notes were issued on January 26, 2024 in a public offering for net proceeds of approximately $32.8 million and the May 2029 Senior Unsecured Notes were issued on May 15, 2024 in a public offering for net proceeds of approximately $62.4 million. The below table provides a summary of the Senior Unsecured Notes as of June 30, 2026 ($ in thousands).

	Principal Amount (1)	Carrying Value	Maturity Date (2)	Redemption Date (3)	Rate (4)
February 2029 Senior Unsecured Notes	$ 34,500	$ 33,490	February 15, 2029	February 15, 2026	9.500 %
May 2029 Senior Unsecured Notes	65,000	63,368	May 15, 2029	May 15, 2026	9.500 %

(1) The Senior Unsecured Notes were issued at 100% of the principal amount.
(2) The Company has the option to redeem the Senior Unsecured Notes earlier than the maturity date.
(3) The Company may redeem the Senior Unsecured Notes in whole or in part at any time or from time to time at the Company's option on or after the redemption date, upon not less than 30 days written notice to holders prior to the redemption date, at a redemption price equal to 100% of the outstanding principal amount of the Senior Unsecured Notes to be redeemed plus accrued and unpaid interest to, but excluding, the redemption date.
(4) The Senior Unsecured Notes bear interest at a rate equal to 9.500% per year, payable in cash quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, beginning on the applicable first pay date.

The below table details the total interest expense incurred on the Senior Unsecured Notes during the three and six months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Coupon interest expense	$ 2,363	$ 2,363	$ 4,726	$ 4,726
Amortization expense	203	182	400	359
Total interest expense	$ 2,566	$ 2,545	$ 5,126	$ 5,085

Contractual maturities

The following table allocates the current face of the Company's borrowings under financing arrangements and the Senior Unsecured Notes as of June 30, 2026 by contractual maturity (in thousands). Securitized debt is excluded from the below table as it does not have a contractual maturity.

	Within 30 Days	Over 30 Days to 3 Months	Over 3 Months to 12 Months	Over 12 Months	Total
Financing Arrangements by Asset Type					
Securitized Residential Mortgage Loans					
Non-Agency Loans	$ 183,425	$ 191,060	$ 33,978	$ —	$ 408,463
Home Equity Loans	23,904	38,264	—	—	62,168
Re- and Non-Performing Loans	—	26,742	—	—	26,742
Residential Mortgage Loans					
Agency-Eligible Loans	—	3,127	15,025	—	18,152
Home Equity Loans	—	—	58,207	83,368	141,575
Non-Agency Loans	—	—	5,896	—	5,896
Legacy WMC Commercial Loans (1)	—	19,875	—	—	19,875
Non-Agency RMBS	88,294	87,074	3,628	—	178,996
Legacy WMC CMBS	7,334	11,664	—	—	18,998
Agency RMBS	783	9,367	—	—	10,150
Total Financing Arrangements	$ 303,740	$ 387,173	$ 116,734	$ 83,368	$ 891,015
Senior Unsecured Notes					
February 2029 Senior Unsecured Notes	$ —	$ —	$ —	$ 34,500	$ 34,500
May 2029 Senior Unsecured Notes	—	—	—	65,000	65,000
Total Senior Unsecured Notes	$ —	$ —	$ —	$ 99,500	$ 99,500

(1) The borrowers for the Company's Legacy WMC Commercial Loans are in maturity default as of June 30, 2026. In March 2026, the Company extended the maturity of its financing arrangement collateralized by Legacy WMC Commercial Loans to September 19, 2026. All proceeds from asset paydowns or sales will be applied to reduce the outstanding balance.

Counterparties

The Company had outstanding financing arrangements with six counterparties as of June 30, 2026 and December 31, 2025.

The following table presents information as of June 30, 2026 and December 31, 2025 with respect to each counterparty that provides the Company with financing for which the Company had greater than 5% of its stockholders' equity at risk, excluding stockholders' equity at risk under financing through affiliated entities ($ in thousands).

	June 30, 2026			December 31, 2025		
Counterparty	Stockholders' Equity at Risk	Weighted Average Maturity (days)	Percentage of Stockholders' Equity	Stockholders' Equity at Risk	Weighted Average Maturity (days)	Percentage of Stockholders' Equity
BofA Securities, Inc.	$ 171,549	63	31.4 %	$ 150,267	68	26.8 %
Goldman Sachs Bank USA	128,990	172	23.6 %	153,393	103	27.4 %
Barclays Capital Inc.	65,131	207	11.9 %	80,721	73	14.4 %
JP Morgan Securities, LLC	41,487	62	7.6 %	29,992	31	5.3 %
Atlas Securitized Products, L.P.	29,333	81	5.4 %	(1)	(1)	(1)

(1) As of December 31, 2025, the Company had less than 5% of its equity at risk under financing arrangements with Atlas Securitized Products, L.P.

Financial Covenants

The Company's financing arrangements generally include customary representations, warranties, and covenants, but may also contain more restrictive supplemental terms and conditions. Although specific to each financing arrangement, typical supplemental terms include requirements of minimum equity and liquidity, leverage ratios, and performance triggers. In addition, some of the financing arrangements contain cross default features, whereby default under an agreement with one lender simultaneously causes default under agreements with other lenders. To the extent that the Company fails to comply with the covenants contained in these financing arrangements or is otherwise found to be in default under the terms of such agreements, the counterparty has the right to accelerate amounts due under the associated agreement. Financings pursuant to financing arrangements are generally recourse to the Company. As of June 30, 2026, the Company is in compliance with all of its financial covenants.

7. Other assets and liabilities

The following table details certain information related to the Company's "Other assets" and "Other liabilities" line items on its consolidated balance sheets as of June 30, 2026 and December 31, 2025 (in thousands).

	June 30, 2026	December 31, 2025
Other assets		
Interest receivable	$ 43,567	$ 47,868
Real estate owned	11,174	7,398
Derivative assets, at fair value	151	149
Other assets	3,557	2,253
Due from broker	—	1,232
Total Other assets	$ 58,449	$ 58,900
Other liabilities		
Due to affiliates (1)	$ 4,229	$ 4,580
Interest payable	31,657	34,385
Accrued expenses	2,668	1,836
Due to broker	107	1,655
Taxes payable	176	264
Total Other liabilities	$ 38,837	$ 42,720

(1) Refer to Note 10 for more information.

Derivatives

The following table presents information related to the Company's derivatives and other instruments and their balance sheet location as of June 30, 2026 and December 31, 2025 (in thousands).

Derivatives and Other Instruments (1)	Balance Sheet Location	June 30, 2026 Notional	June 30, 2026 Fair Value	December 31, 2025 Notional	December 31, 2025 Fair Value
Pay Fix/Receive Float Interest Rate Swap Agreements (2) (3)	Other assets	$ 390,560	$ 151	$ 283,500	$ 149
Pay Fix/Receive Float Interest Rate Swap Agreements (2) (3)	Other liabilities	71,000	—	89,060	—
Forward Purchase Commitments	Other assets	—	—	475	—

(1) As of June 30, 2026 and December 31, 2025, no derivatives held by the Company were designated as hedges for accounting purposes.
(2) As of June 30, 2026, the Company applied a reduction in fair value of $9.8 million and $0.1 million to its interest rate swap assets and liabilities, respectively, related to variation margin with a corresponding increase or decrease in restricted cash. As of December 31, 2025, the Company applied a reduction in fair value of $5.3 million and $1.2 million to its interest rate swap assets and liabilities, respectively, related to variation margin with a corresponding increase or decrease in restricted cash.
(3) As of June 30, 2026, the Company's pay fix/receive float interest rate swaps had a weighted average pay-fixed rate of 3.40%, a weighted average receive-variable rate of 3.68%, and a weighted average years to maturity of 3.96 years. As of December 31, 2025, the Company's pay fix/receive float interest rate swaps had a weighted average pay-fixed rate of 3.30%, a weighted average receive-variable rate of 3.87%, and a weighted average years to maturity of 4.29 years.

Derivative and other instruments eligible for offset are presented gross on the consolidated balance sheets as of June 30, 2026 and December 31, 2025, if applicable. The Company has not offset or netted any derivatives or other instruments with any financial instruments or cash collateral posted or received.

The Company must post cash or securities as collateral on its derivative instruments when their fair value declines. This typically occurs when prevailing market rates change adversely, with the severity of the change also dependent on the term of the derivatives involved. The posting of collateral is generally bilateral, meaning that if the fair value of the Company's derivatives increases, its counterparty must post collateral. As of June 30, 2026, the Company's restricted cash balance included $11.4 million of collateral related to certain derivatives, of which $1.7 million represents cash collateral posted by the Company and $9.7 million represents amounts related to variation margin. As of December 31, 2025, the Company's restricted cash balance included $9.6 million of collateral related to certain derivatives, of which $5.5 million represents cash collateral posted by the Company and $4.1 million represents amounts related to variation margin.

The following table summarizes total income related to derivatives and other instruments for the three and six months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Included within Net interest component of interest rate swaps				
Interest Rate Swaps	$ 296	$ 821	$ 698	$ 1,558
Included within Net unrealized gain/(loss)				
Interest Rate Swaps	4,259	(194)	6,117	(6,730)
Forward Purchase Commitments	—	36	—	168
	4,259	(158)	6,117	(6,562)
Included within Net realized gain/(loss)				
Interest Rate Swaps	—	(3,350)	54	(2,568)
Short TBAs	—	662	—	662
Forward Purchase Commitments	—	—	2	(40)
	—	(2,688)	56	(1,946)
Total income/(loss)	$ 4,555	$ (2,025)	$ 6,871	$ (6,950)

Derivative Activity

The following table presents information about the Company's derivatives for the three and six months ended June 30, 2026 and 2025 (in thousands).

	Beginning Notional Amount	Buys or Covers	Sales or Shorts	Ending Notional Amount	Derivative Asset	Derivative Liability
Three Months Ended June 30, 2026						
Interest Rate Swaps	$ 404,560	$ 57,000	$ —	$ 461,560	$ 151	$ —
Three Months Ended June 30, 2025						
Interest Rate Swaps	$ 332,500	$ 296,500	$ (284,000)	$ 345,000	$ —	$ (100)
Short TBAs	—	300,000	(495,000)	(195,000)	—	—
Six Months Ended June 30, 2026						
Interest Rate Swaps	$ 372,560	$ 122,000	$ (33,000)	$ 461,560	$ 151	$ —
Six Months Ended June 30, 2025						
Interest Rate Swaps	$ 342,550	$ 399,500	$ (397,050)	$ 345,000	$ —	$ (100)
Short TBAs	—	300,000	(495,000)	(195,000)	—	—

8. Earnings per share

The following table presents a reconciliation of the earnings and shares used in calculating basic and diluted earnings per share for the three and six months ended June 30, 2026 and 2025 (in thousands, except per share data).

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Numerator:				
Net Income/(Loss)	$ 14,269	$ 3,945	$ 10,707	$ 15,422
Dividends on preferred stock	5,177	5,321	10,330	10,625
Net Income/(Loss) Available to Common Stockholders	$ 9,092	$ (1,376)	$ 377	$ 4,797
Denominator:				
Basic weighted average common shares outstanding	31,786	29,686	31,762	29,672
Dilutive effect of restricted stock units (1)	17	—	17	25
Diluted weighted average common shares outstanding	31,803	29,686	31,779	29,697
Earnings/(Loss) Per Share				
Basic	$ 0.29	$ (0.05)	$ 0.01	$ 0.16
Diluted	$ 0.29	$ (0.05)	$ 0.01	$ 0.16

(1) Restricted stock units issued to certain directors of 20 thousand were excluded from the computation of diluted earnings per share because its effect would be anti-dilutive for the three months ended June 30, 2025.

Dividends

The following tables detail the Company's common stock dividends declared during the six months ended June 30, 2026 and 2025.

Six Months Ended June 30, 2026				Six Months Ended June 30, 2025			
Declaration Date	Record Date	Payment Date	Cash Dividend Per Share	Declaration Date	Record Date	Payment Date	Cash Dividend Per Share
3/16/2026	3/31/2026	4/30/2026	$ 0.24	3/17/2025	3/31/2025	4/30/2025	$ 0.20
6/16/2026	6/30/2026	7/31/2026	0.24	6/17/2025	6/30/2025	7/31/2025	0.21
Total			**$ 0.48**	**Total**			**$ 0.41**

The following tables detail the Company's preferred stock dividends declared and paid during the six months ended June 30, 2026 and 2025.

2026			Cash Dividend Per Share		
Declaration Date	Record Date	Payment Date	8.25% Series A	8.00% Series B	8.000% Series C
2/13/2026	2/27/2026	3/17/2026	$ 0.51563	$ 0.50	$ 0.652391
4/27/2026	5/29/2026	6/17/2026	0.51563	0.50	0.665952
Total			**$ 1.03126**	**$ 1.00**	**$ 1.318343**

2025			Cash Dividend Per Share		
Declaration Date	Record Date	Payment Date	8.25% Series A	8.00% Series B	8.000% Series C
2/14/2025	2/28/2025	3/17/2025	$ 0.51563	$ 0.50	$ 0.693062
5/5/2025	5/30/2025	6/17/2025	0.51563	0.50	0.704864
Total			**$ 1.03126**	**$ 1.00**	**$ 1.397926**

9. Income taxes

The Company conducts its operations to qualify and be taxed as a REIT. As a REIT, the Company is not subject to federal income tax to the extent that it makes qualifying distributions to its stockholders, and provided it satisfies on a continuing basis, through actual investment and operating results, the REIT requirements including certain asset, income, distribution, and stock ownership tests. The state and local tax jurisdictions for which the Company is subject to tax-filing obligations recognize the Company's status as a REIT, and therefore, the Company generally does not pay income tax in such jurisdictions. The Company may, however, be subject to certain minimum state and local tax filing fees as well as certain excise, franchise, or business taxes.

Excise Tax

Excise tax represents a non-deductible 4% tax on the required amount of the Company's ordinary income and net capital gains not distributed during the year. The expense is calculated in accordance with applicable tax regulations. The below table details excise tax expense for the three and six months ended June 30, 2026 and 2025, which is recorded in the "Non-investment related expenses" line item on the consolidated statement of operations (in thousands).

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Excise tax expense (1)	$ —	$ (46)	$ —	$ 43

(1) During the three and six months ended June 30, 2025, the Company recorded a receivable of $0.1 million related to an excise tax refund in the "Other assets" line item on the consolidated balance sheets.

REIT Net Operating Loss and Net Capital Loss Carryforwards

In connection with the WMC acquisition, the Company obtained federal net operating loss ("NOL") carryforwards of $321.6 million, of which $223.8 million do not have an expiration date and can be carried forward indefinitely. However, the Company's use of the NOLs obtained in the WMC acquisition is limited under Section 382 of the Internal Revenue Code. As of June 30, 2026 and December 31, 2025, the remaining NOL carryforwards obtained in the WMC acquisition was $317.3 million.

As of June 30, 2026 and December 31, 2025, the Company had estimated net capital loss ("NCL") carryforwards of $64.0 million and $63.9 million, respectively. These NCL carryforwards (which exclude NCLs acquired from WMC) can be utilized to offset future net gains from the sale of capital assets. NCL carryforwards of $225.7 million were generated during the year ended December 31, 2020 and any unutilized NCL carryforwards expired on December 31, 2025.

In connection with the WMC acquisition, the Company obtained NCL carryforwards. As of June 30, 2026 and December 31, 2025, these estimated NCL carryforwards were $154.3 million and $153.9 million, respectively. These NCL carryforwards will expire between 2026 and 2030. However, the Company's use of these NCLs is limited under Sections 382 and 383 of the Internal Revenue Code.

Taxable REIT Subsidiaries

The Company elected to treat certain domestic subsidiaries as taxable REIT subsidiaries ("TRSs"). The Company's financial results are generally not expected to reflect provisions for current or deferred income taxes, except for any activities conducted through one or more TRSs that are subject to corporate income taxation. Currently, the Company has wholly owned domestic TRSs that are taxable as corporations and subject to U.S. federal, state, and local income tax on net income at the applicable corporate rates. The federal statutory rate for the three and six months ended June 30, 2026 and 2025 was 21%. The Company's effective tax rate differs from its combined U.S. federal, state, and local corporate statutory tax rate primarily due to income earned at the REIT, which is not subject to tax due to the deduction for qualifying distributions made by the Company, and any change in the valuation allowance as disclosed in further detail below. The tax expense attributable to its TRSs is recorded in the "Income tax expense" line item on the consolidated statement of operations. The below table details the tax expense attributable to its TRSs for the three and six months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Federal	$ 87	$ —	$ 169	$ —
State and Local	101	26	201	54
Income Tax Expense	$ 188	$ 26	$ 370	$ 54

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting and tax reporting purposes at the TRS level. As of June 30, 2026 and December 31, 2025, the Company recorded a deferred tax asset of approximately $28.2 million and $28.5 million, respectively. The NOL carryforwards as of December 31, 2025 can be carried forward indefinitely. In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during periods in which temporary differences become deductible. The Company concluded it is more likely than not the deferred tax asset will not be realized and established a valuation allowance of $28.2 million and $28.5 million as of June 30, 2026 and December 31, 2025.

Uncertain Income Tax Positions

Based on its analysis of any potential uncertain income tax positions, the Company concluded it did not have any uncertain tax positions that meet the recognition or measurement criteria of ASC 740 as of June 30, 2026 and December 31, 2025. The Company's and WMC's federal income tax returns for the last three tax years are open to examination by the Internal Revenue Service. There are no ongoing U.S. federal, state or local tax examinations related to the Company. In the event that the Company incurs income tax related interest and penalties, its policy is to classify them as a component of provision for income taxes. The Company did not incur any material interest or penalties during the three and six months ended June 30, 2026 and 2025.

10. Related party transactions

Manager

The Company has entered into a management agreement with the Manager, which provided for an initial term and will be deemed renewed automatically each year for an additional one-year period, subject to certain termination rights. The Company is externally managed and advised by the Manager. Pursuant to the terms of the management agreement, which became effective July 6, 2011 (upon the consummation of the Company's initial public offering (the "IPO")), the Manager provides the Company with its management team, including its officers, along with appropriate support personnel. Each of the Company's officers is an employee of TPG or its affiliates. The Company does not have any employees. The Manager has delegated to TPG Angelo Gordon, an affiliate of TPG, the overall responsibility of its day-to-day duties and obligations arising under the Company's management agreement. Below is a description of the fees and reimbursements provided in the management agreement.

Management fee

The Manager is entitled to a management fee equal to 1.50% per annum, calculated and paid quarterly, of the Company's Stockholders' Equity. For purposes of calculating the management fee, "Stockholders' Equity" means the sum of the net proceeds from any issuances of equity securities (including preferred securities) since inception (allocated on a pro rata daily basis for such issuances during the fiscal quarter of any such issuance, and excluding any future equity issuance to the Manager), plus the Company's retained earnings at the end of such quarter (without taking into account any non-cash equity compensation expense or other non-cash items incurred in current or prior periods), less any amount that the Company pays for repurchases of its common stock, excluding any unrealized gains, losses or other non-cash items that have impacted stockholders' equity as reported in the Company's financial statements prepared in accordance with GAAP, regardless of whether such items are included in other comprehensive income or loss, or in net income, and excluding one-time events pursuant to changes in GAAP, and certain other non-cash charges after discussions between the Manager and the Company's independent directors and after approval by a majority of the Company's independent directors. Stockholders' Equity, for purposes of calculating the management fee, could be greater or less than the amount of stockholders' equity shown on the Company's financial statements.

The below table details the management fees incurred during the three and six months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended		Six Months Ended	
Consolidated statements of operations line item:	**June 30, 2026**	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Management fee to affiliate	$ 2,311	$ 2,301	$ 4,630	$ 4,628

As of June 30, 2026 and December 31, 2025, the Company recorded management fees payable of $2.3 million and $2.3 million, respectively. The management fee payable is included within the "Due to affiliates" item within the "Other liabilities" line item on the consolidated balance sheets.

Incentive fee

The Manager is entitled to an annual incentive fee with respect to each applicable fiscal year, which will be equal to 15% of the amount by which the Company's cumulative adjusted net income from November 22, 2021 exceeds the cumulative hurdle amount, which represents an 8% return (cumulative, but not compounding) on an equity hurdle base consisting of the sum of (i) $341.5 million and (ii) the gross proceeds of any subsequent public or private common stock offerings by the Company. The annual incentive fee will be payable in cash, or, at the option of the Company's Board of Directors, shares of common stock or a combination of cash and shares.

During the three and six months ended June 30, 2026 and 2025, the Company did not incur any incentive fee expense.

Termination fee

Upon the occurrence of (i) the Company’s termination of the management agreement without cause or (ii) the Manager’s termination of the management agreement upon a breach by the Company of any material term of the management agreement, the Manager will be entitled to a termination fee equal to three times the average annual management fee during the 24-month period prior to such termination, calculated as of the end of the most recently completed fiscal quarter. As of June 30, 2026 and December 31, 2025, no event of termination of the management agreement had occurred.

Expense reimbursement

The Company is required to reimburse the Manager or its affiliates for operating expenses which are incurred by the Manager or its affiliates on behalf of the Company, including expenses relating to legal, accounting, due diligence, and other services. The Company’s reimbursement obligation is not subject to any dollar limitation; however, the reimbursement is subject to an annual budget process which combines guidelines from the management agreement with oversight by the Company’s Board of Directors.

The Company reimburses the Manager or its affiliates for the Company’s allocable share of the compensation, including, without limitation, annual base salary, bonus, any related withholding taxes, and employee benefits paid to (i) the Company’s chief financial officer based on the percentage of time spent on Company affairs, (ii) the Company’s general counsel based on the percentage of time spent on the Company’s affairs, and (iii) other corporate finance, tax, accounting, internal audit, legal, risk management, operations, compliance, and other non-investment personnel of the Manager and its affiliates who spend all or a portion of their time managing the Company’s affairs based upon the percentage of time devoted by such personnel to the Company’s affairs. In their capacities as officers or personnel of the Manager or its affiliates, they devote such portion of their time to the Company’s affairs as is necessary to enable the Company to operate its business.

The below table details the expense reimbursement incurred during the three and six months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended		Six Months Ended	
Consolidated statements of operations line item:	**June 30, 2026**	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Non-investment related expenses	$ 1,183	$ 1,304	$ 2,629	$ 3,143
Investment related expenses	216	95	358	295
Transaction related expenses	73	109	148	369
Expense reimbursements to Manager or its affiliates	$ 1,472	$ 1,508	$ 3,135	$ 3,807

As of June 30, 2026 and December 31, 2025, the Company recorded a reimbursement payable to the Manager or its affiliates of $1.8 million and $2.1 million, respectively. The reimbursement payable to the Manager or its affiliates is included within the "Due to affiliates" line item within the "Other liabilities" line item on the consolidated balance sheets.

Investments in debt and equity of affiliates

The Company invests in credit sensitive residential assets through affiliated entities which hold an ownership interest in the assets. The Company is one investor, amongst other investors managed by affiliates of TPG, in such entities and has applied the equity method of accounting for such investments.

Arc Home

On December 9, 2015, the Company, alongside private funds managed by TPG or its affiliates, through AG Arc LLC ("AG Arc") formed Arc Home. As of June 30, 2026 and December 31, 2025, the Company had an approximate 66.0% interest in AG Arc. Arc Home is a multi-channel licensed mortgage originator and servicer primarily engaged in the business of originating and selling residential mortgage loans while retaining the mortgage servicing rights associated with certain loans that it originates. Arc Home is led by an external management team. The Company elected the fair value option with respect to its investment in AG Arc pursuant to ASC 825. The Company elected to treat its investment in AG Arc as a taxable REIT subsidiary.

On August 1, 2025, the Company purchased an additional 21.4% interest in AG Arc from certain private funds managed by an affiliate of TPG. In connection with the acquisition, the Company issued 2,027,676 restricted shares of the Company’s common stock as consideration. The Company continues to account for its investment in AG Arc using the equity method as it maintains significant influence, however does not have control over major decisions affecting AG Arc’s operations and financial policies.

MATH

On August 29, 2017, the Company, alongside private funds managed by TPG or its affiliates, formed Mortgage Acquisition Holding I LLC ("MATH") to conduct a residential mortgage investment strategy. MATH in turn sponsored the formation of Mortgage Acquisition Trust I LLC ("MATT") to purchase predominantly Non-QM Loans. MATT made an election to be treated as a REIT beginning with the 2018 tax year. The Company has an approximate 47.0% interest in MATH. MATH, through its wholly owned subsidiary MATT, only holds risk-retention tranches from past securitizations which continue to pay down and the Company does not expect MATT to acquire additional investments.

Summary of investments in debt and equity of affiliates and related earnings

The below table summarizes the components of the "Investments in debt and equity of affiliates" line item on the Company's consolidated balance sheets as of June 30, 2026 and December 31, 2025 (in thousands).

	June 30, 2026			December 31, 2025		
	Assets	Liabilities	Equity	Assets	Liabilities	Equity
Non-QM Securities (1)	$ 7,828	$ —	$ 7,828	$ 9,439	$ —	$ 9,439
Re/Non-Performing Securities	517	—	517	599	—	599
Total Residential Investments	8,345	—	8,345	10,038	—	10,038
AG Arc, at fair value (2)	46,435	—	46,435	50,016	—	50,016
Cash and Other assets/(liabilities)	242	(17)	225	1,291	(12)	1,279
Investments in debt and equity of affiliates	$ 55,022	$ (17)	$ 55,005	$ 61,345	$ (12)	$ 61,333

(1) As of June 30, 2026 and December 31, 2025, MATH, through its wholly owned subsidiary MATT, only holds risk-retention tranches from past securitizations which continue to pay down and the Company does not expect MATT to acquire additional investments.
(2) During the three months ended June 30, 2026, AG Arc distributed $10.0 million to the Company and private funds managed by TPG or its affiliates, of which the Company received $6.6 million representing its interest of approximately 66.0% in AG Arc.

The below table reconciles the net income/(loss) to the "Equity in earnings/(loss) from affiliates" line item on the Company's consolidated statements of operations for the three and six months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Non-QM Securities	$ (444)	$ 268	$ (718)	$ 197
Re/Non-Performing Securities	(2)	—	(40)	(120)
AG Arc (1)(2)	715	(37)	3,027	1,339
Equity in earnings/(loss) from affiliates	$ 269	$ 231	$ 2,269	$ 1,416

(1) Earnings/(loss) recognized by AG Arc do not include the Company's portion of gains or losses recorded by Arc Home in connection with the sale of residential mortgage loans to the Company. Refer to "Transactions with Arc Home" below for more information on this accounting policy.
(2) As of June 30, 2026 and 2025, the Company had an approximate 66.0% and 44.6% interest in AG Arc, respectively.

Transactions with affiliates

Transactions with Red Creek Asset Management LLC

In connection with the Company’s investments in residential mortgage loans, the Company engages asset managers to provide advisory, consultation, asset management, and other services. The Company engaged Red Creek Asset Management LLC (the "Asset Manager"), a related party of the Manager and subsidiary of TPG, as the asset manager for certain of its residential mortgage loans. The Company pays the Asset Manager asset management fees which are assessed periodically by a third-party valuation firm. The below details the fees paid by the Company to the Asset Manager during the three and six months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Fees paid to Asset Manager	$ 527	$ 533	$ 1,077	$ 1,173

As of June 30, 2026 and December 31, 2025, the Company recorded asset management fees payable of $0.2 million and $0.2 million, respectively. Asset management fees payable are included within the "Due to affiliates" line item within the "Other liabilities" line item on the consolidated balance sheets.

Transactions with Arc Home

Arc Home may sell loans to the Company, third-parties, or affiliates of the Manager. The below table details the unpaid principal balance of residential mortgage loans sold to the Company during the three and six months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Residential mortgage loans sold by Arc Home to the Company	$ —	$ —	$ 475	$ 60,957

In connection with the sale of loans from Arc Home to the Company, the Company eliminates any intra-entity profits or losses typically recognized through the "Equity in earnings/(loss) from affiliates" line item on the Company's consolidated statement of operations and adjusts the cost basis of the underlying loans resulting in unrealized gains or losses on the underlying loans. The table below summarizes intra-entity profits eliminated during the three and six months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Intra-Entity Profits Eliminated	$ —	$ —	$ 6	$ 88

The Company enters into forward purchase commitments with Arc Home whereby the Company commits to purchase residential mortgage loans from Arc Home at a particular price on a best-efforts basis. Actual loan purchases are contingent upon successful loan closings. These commitments to purchase mortgage loans are classified as derivatives. From time to time, the Company may determine that certain loans it has previously committed to purchase will be sold to third parties and, as a result, the derivative will be settled on a net basis with Arc Home. See Note 7 and Note 12, if applicable, for more detail.

Transactions under the Company's Affiliated Transaction Policy

The below table details transactions where the Company purchased or sold assets from or to an affiliate of the Manager ($ in millions). The transactions were executed in accordance with the Company's Affiliated Transaction Policy. Refer to the "Transactions with Arc Home" section above for additional information related to transactions with Arc Home, which are excluded from the table below.

Date	Transaction	Fair Value (1)	Pricing Methodology
June 2025	Purchase of Re/Non-Performing Securities (2)	$ 0.1	Third party pricing vendors (3)
August 2025	Purchase of AG Arc (4) (5)	15.7	Third party pricing vendors (3)

(1) As of the transaction date.
(2) The Company purchased an additional interest in certain re/non-performing securities which are recorded within the "Investments in debt and equity of affiliates" line item on the consolidated balance sheets.
(3) Pricing was based on valuations prepared by third-party pricing vendors in accordance with the Company's policy.
(4) The Company's Board of Directors, including its independent directors, approved the transaction and obtained a fairness opinion from a third party financial advisor.
(5) Refer to "Investments in debt and equity of affiliates - Arc Home" above for additional information on this transaction.

Securitization Transactions with TPG Managed Funds

The Company acted as a co-sponsor of rated securitizations alongside private funds managed by TPG. As the co-sponsor, the Company purchased and simultaneously contributed loans into the securitizations. To comply with risk retention rules, the Company retained an "eligible vertical interest," which consists of at least 5% of each class of securities issued in the securitizations and represents the Company's continuing involvement in these securitization trusts. The remaining tranches were sold to third parties and certain private funds managed by TPG. The below provides detail on these securitizations ($ in millions).

Date	Collateral Type	Unpaid Principal Balance	Fair Value of Retained Non-Agency RMBS
April 2026	Non-QM Loans	$ 429.6	$ 21.2
May 2026	Non-QM Loans	333.4	16.5

11. Equity

Stock repurchase programs

On August 3, 2022, the Company's Board of Directors authorized a stock repurchase program (the "2022 Repurchase Program") to repurchase up to $15.0 million of the Company's outstanding common stock. The 2022 Repurchase Program does not have an expiration date and permits the Company to repurchase its shares through various methods, including open market repurchases, privately negotiated block transactions and Rule 10b5-1 plans. The Company may repurchase shares of its common stock from time to time in compliance with SEC regulations and other legal requirements. The extent to which the Company repurchases its shares, and the timing, manner, price, and amount of any such repurchases, will depend upon a variety of factors including market conditions and other corporate considerations as determined by the Company's management, as well as the limits of the 2022 Repurchase Program and the Company's liquidity and business strategy. The 2022 Repurchase Program does not obligate the Company to acquire any particular amount of shares and may be modified or discontinued at any time. As of June 30, 2026, approximately $1.5 million of common stock remained authorized for future share repurchases under the 2022 Repurchase Program. The Company did not repurchase common stock during the three and six months ended June 30, 2026 and 2025.

On May 4, 2023, the Company's Board of Directors authorized a stock repurchase program (the "2023 Repurchase Program") to repurchase up to $15.0 million of the Company's outstanding common stock on substantially the same terms as the 2022 Repurchase Program. As of June 30, 2026, the full $15.0 million authorized amount remains available for repurchase under the 2023 Repurchase Program. This authorization is in addition to the amount remaining under the 2022 Repurchase Program.

On February 22, 2021, the Company's Board of Directors authorized a stock repurchase program (the "Preferred Repurchase Program") pursuant to which the Company's Board of Directors granted a repurchase authorization to acquire shares of the Company's 8.25% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock"), 8.00% Series B Cumulative Redeemable Preferred Stock ("Series B Preferred Stock"), and 8.000% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock ("Series C Preferred Stock") having an aggregate value of up to $20.0 million. No share repurchases under the Preferred Repurchase Program have been made since its authorization.

Shares of stock repurchased by the Company under any repurchase program, if any, will be cancelled and, until reissued by the Company, will be deemed to be authorized but unissued shares of its stock as required by Maryland law. The cost of the acquisition by the Company of shares of its own stock in excess of the aggregate par value of the shares first reduces additional paid-in capital, to the extent available, with any residual cost applied against retained earnings.

Restricted stock grants

Equity Incentive Plans

On May 5, 2025, following approval by stockholders at the Company’s annual stockholders meeting, the Company’s 2025 Equity Incentive Plan (the “2025 Equity Incentive Plan”) became effective. The maximum number of shares of the Company’s common stock that could be issued under the 2025 Equity Incentive Plan was 800,000 shares of common stock, plus 220,781 shares of common stock (which reflects the number of shares that remained available for issuance under the equity incentive plan approved in 2020 (the “2020 Equity Incentive Plan”) as of May 4, 2025), plus 86,666 shares of common stock that remained subject to outstanding awards under the 2020 Equity Incentive Plan but only to the extent that such shares become forfeited or otherwise lapse. As a result of the adoption of the 2025 Equity Incentive Plan, no additional awards will be granted under the 2020 Equity Incentive Plan (although awards previously made under the 2020 Equity Incentive Plan will remain in effect subject to the terms of the 2020 Equity Incentive Plan and the applicable award agreement).

Since inception of the 2025 Equity Incentive Plan and through June 30, 2026, the Company has granted an aggregate 103,604 shares of restricted common stock and 1,787 dividend equivalent units to its independent directors, all of which have vested. As of June 30, 2026, there were 915,390 remaining shares available to be issued under the 2025 Equity Incentive Plan.

As of June 30, 2026, the Company has 12,981 restricted stock units and 3,836 associated dividend equivalent units outstanding, all of which are fully vested and held by one of the Company’s independent directors. These units will be settled on a one-for-one basis in shares of the Company's common stock upon the director's separation from service with the Company.

Manager Equity Incentive Plans

Following approval of the Company's stockholders at its 2021 annual meeting of stockholders, the AG Mortgage Investment Trust, Inc. 2021 Manager Equity Incentive Plan (the "2021 Manager Plan") became effective on April 7, 2021 and provides for a maximum of 573,425 shares of common stock that may be subject to awards thereunder to the Manager. As of June 30, 2026, there were no shares or awards issued under the 2021 Manager Plan. Following the execution of the Third Amendment to the management agreement in November 2021 related to the incentive fee, the Company's compensation committee no longer expects to continue its historical practice of making periodic equity grants to the Manager pursuant to the 2021 Manager Plan.

Equity distribution agreements

The Company has entered into separate equity distribution agreements (the "2024 Equity Distribution Agreements") with each of BTIG, LLC, JonesTrading Institutional Services LLC, Keefe, Bruyette & Woods, Inc. and Piper Sandler & Co. (collectively, the "2024 Sales Agents"), pursuant to which the Company may sell up to $75.0 million aggregate offering price of shares of its common stock from time to time through an "at-the-market" equity offering program under which the 2024 Sales Agents will act as sales agent. The Company did not issue any shares of common stock under its 2024 Equity Distribution Agreements during the three and six months ended June 30, 2026 and 2025.

Shelf registration statement

On March 26, 2024, the Company filed a new shelf registration statement, registering up to $1.0 billion of its securities, including capital stock (the "2024 Registration Statement"). The 2024 Registration Statement was declared effective on April 9, 2024 and will generally remain effective for three years. Upon effectiveness of the 2024 Registration Statement, the Company's previous S-3 registration statement filed in 2021 was terminated.

Acquisition of additional interest in AG Arc

On August 1, 2025, in connection with the acquisition of an additional 21.4% interest in AG Arc, the Company issued 2,027,676 restricted shares of the Company's common stock (the "Holder Shares") to certain funds managed by an affiliate of TPG (the "Holders") as consideration. Refer to Note 10 for additional information. Pursuant to the registration rights agreement the Company entered into with the Holders, in August 2025, the Company filed a resale shelf registration statement on Form S-3 registering the resale of all the Holder Shares, which was declared effective by the Securities and Exchange Commission in August 2025. As June 30, 2026, the Holders no longer hold any shares of the Company's common stock.

Preferred stock

The Company is authorized to designate and issue up to 50.0 million shares of preferred stock, par value $0.01 per share, in one or more classes or series. As of June 30, 2026 and December 31, 2025, there were 1.7 million, 3.7 million, and 3.7 million of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock, respectively, issued and outstanding.

The following table includes a summary of preferred stock issued and outstanding as of June 30, 2026 ($ and shares in thousands).

Preferred Stock Series	Issuance Date	Shares Outstanding	Carrying Value	Aggregate Liquidation Preference (1)	Optional Redemption Date (2)	Rate (3)
Series A Preferred Stock	August 3, 2012	1,663	$ 40,110	$ 41,580	August 3, 2017	8.25%
Series B Preferred Stock	September 27, 2012	3,728	90,187	93,191	September 17, 2017	8.00%
Series C Preferred Stock	September 17, 2019	3,729	90,175	93,220	September 17, 2024	(4)
Total		9,120	$ 220,472	$ 227,991		

(1) The Company's Preferred Stock has a liquidation preference of $25.00 per share.
(2) Shares have no stated maturity and are not subject to any sinking fund or mandatory redemption. Shares of the Company's Preferred Stock are redeemable at $25.00 per share plus accumulated and unpaid dividends (whether or not declared) exclusively at the Company's option.
(3) Dividends are payable quarterly in arrears on the 17th day of each March, June, September, and December and holders are entitled to receive cumulative cash dividends at the respective stated rate per annum before holders of common stock are entitled to receive any cash dividends.
(4) The initial dividend rate for the Series C Preferred Stock, from and including the date of original issue to, but not including, September 17, 2024, was 8.000% per annum of the $25.00 per share liquidation preference. On and after September 17, 2024, dividends on the Series C Preferred Stock accumulate at a percentage of the $25.00 liquidation preference equal to an annual floating rate of the three-month CME Term SOFR (plus a tenor spread adjustment of 0.26161%) plus a spread of 6.476%. Pursuant to the terms of the Series C Preferred Stock, the Company has appointed a calculation agent to determine the floating rate. The calculation agent may also implement changes to the business day convention, the definition of business day, the dividend determination date, and any method for obtaining the substitute or successor base rate if such rate is unavailable on the relevant business day, in a manner that is consistent with industry accepted practices.

The Company's Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock generally do not have any voting rights, subject to an exception in the event the Company fails to pay dividends on such stock for six or more quarterly periods (whether or not consecutive). Under such circumstances, holders of the Company's Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock voting together as a single class with the holders of all other classes or series of its preferred stock upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Company's Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock will be entitled to vote to elect two additional directors to the Company's Board of Directors until all unpaid dividends have been paid or declared and set apart for payment. In addition, certain material and adverse changes to the terms of any series of the Company's Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock cannot be made without the affirmative vote of holders of at least two-thirds of the outstanding shares of the series of the Company's Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock whose terms are being changed.

12. Commitments and Contingencies

From time to time, the Company may become involved in various claims and legal actions arising in the ordinary course of business. As of June 30, 2026, the Company was not involved in any material legal proceedings.

The below table details the Company's outstanding commitments as of June 30, 2026 (in thousands).

Commitment type	Date of Commitment	Total Commitment	Funded Commitment	Remaining Commitment
Home Equity Loans (1)	Various	$ 243,298	$ 225,684	$ 17,614

(1) Represents the undrawn portion of a borrowers' home equity line of credit for which the Company may be required to fund including $12.0 million, $4.2 million, and $1.4 million related to "Residential mortgage loans, at fair value," "Real estate securities, at fair value," and "Securitized residential mortgage loans, at fair value," respectively.

13. Segment Reporting

As of June 30, 2026, the Company's reportable segments include (i) Loans and Securities and (ii) Arc Home. Segment information for prior periods has been updated to conform to the current year presentation.

The structure of the reportable segments is differentiated by the financial information used by the Chief Operating Decision Maker ("CODM") and the nature of the Company's business activities, which is consistent with the reporting structure of the Company's internal organization. The Company's CODM is its Chief Executive Officer. The CODM uses net income/(loss) reported on the consolidated statements of operations as the primary measure to make resource allocation decisions and evaluate the segment results. The CODM is regularly provided operating expenses as presented on the consolidated statements of operations when evaluating the Company's net income/(loss).

The accounting policies applied to the segments are the same as those described in Note 2 to the "Notes to Consolidated Financial Statements (unaudited)". Activities that are not directly attributable or not allocated to either of the reportable segments are reported within "Other" below as a reconciling item to the Company's consolidated financial statements. Other activities primarily consist of cash and related interest income, the Senior Unsecured Notes and related interest expense, management fees, non-investment related expenses, and preferred stock dividends.

Loans and Securities Segment

The Loans and Securities segment is primarily focused on acquiring and securitizing newly-originated residential mortgage loans within the non-agency segment of the housing market. The Company finances its acquired loans through various financing lines on a short-term basis and utilizes TPG's proprietary securitization platform to secure long-term, non-recourse, non-mark-to-market financing as market conditions permit. The Company's Residential Investments, Agency RMBS, and Legacy WMC Commercial Investments are included in the Loans and Securities segment. This segment generates revenue primarily in the form of net interest income, inclusive of the cost or benefit of hedging, which represents the difference between the interest earned on the investments and the costs of financing and economic hedges in place on these investments. In addition, the Company's investments in loans and securities are recorded at fair value with any periodic change in fair value recorded in the "Net unrealized gain/(loss)" line item on the consolidated statement of operations which is included in the "Other Income/(Loss)" line item below.

Arc Home Segment

The Arc Home segment includes the Company's equity method investment in AG Arc, which owns Arc Home. Effective August 1, 2025, the Company's ownership interest in AG Arc's earnings is 66.0%. For all prior periods, the Company's ownership interest in AG Arc's earnings was 44.6%. Refer to Note 10 to the to the "Notes to Consolidated Financial Statements (unaudited)" for additional information related to the Company's investment in AG Arc. Arc Home is a multi-channel licensed mortgage originator and servicer led by an external management team. Arc Home generates revenue primarily through originating and selling residential mortgage loans. In addition, Arc Home recognizes net servicing revenue from mortgage servicing rights as well as net interest income and net unrealized gains or losses from originated residential mortgage loans prior to sale. The Company elected the fair value option with respect to its investment in AG Arc. The net income/(loss) recognized within the Arc Home segment is recorded in the "Equity in earnings/(loss) from affiliates" line item on the consolidated statement of operations and includes any periodic changes in the fair value of the investment.

Reportable Segments

The following tables present the reportable operating segments related to the Company's results of operations for the three and six months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended June 30, 2026			
	Loans and Securities	**Arc Home (1) (2)**	**Other**	**Total**
Interest income	$ 123,746	$ —	$ 409	$ 124,155
Interest expense	101,346	—	2,566	103,912
Total Net Interest Income	22,400	—	(2,157)	20,243
Total Other Income/(Loss)	2,874	—	—	2,874
Management fee to affiliate	—	—	2,311	2,311
Non-investment related expenses	—	—	2,306	2,306
Investment related expenses	4,220	—	—	4,220
Transaction related expenses	95	—	(3)	92
Total Expenses	4,315	—	4,614	8,929
Income/(loss) before equity in earnings/(loss) from affiliates	20,959	—	(6,771)	14,188
Equity in earnings/(loss) from affiliates	(446)	715	—	269
Income/(loss) before income taxes	20,513	715	(6,771)	14,457
Income tax expense	188	—	—	188
Net Income/(Loss)	20,325	715	(6,771)	14,269
Dividends on preferred stock	—	—	5,177	5,177
Net Income/(Loss) Available to Common Stockholders	$ 20,325	$ 715	$ (11,948)	$ 9,092

	Three Months Ended June 30, 2025			
	Loans and Securities	**Arc Home (1) (2)**	**Other**	**Total**
Interest income	$ 109,986	$ —	$ 879	$ 110,865
Interest expense	90,568	—	2,545	93,113
Total Net Interest Income	19,418	—	(1,666)	17,752
Total Other Income/(Loss)	(2,713)	—	—	(2,713)
Management fee to affiliate	—	—	2,301	2,301
Non-investment related expenses	—	—	2,507	2,507
Investment related expenses	3,473	—	—	3,473
Transaction related expenses	3,018	—	—	3,018
Total Expenses	6,491	—	4,808	11,299
Income/(loss) before equity in earnings/(loss) from affiliates	10,214	—	(6,474)	3,740
Equity in earnings/(loss) from affiliates	268	(37)	—	231
Income/(loss) before income taxes	10,482	(37)	(6,474)	3,971
Income tax expense	26	—	—	26
Net Income/(Loss)	10,456	(37)	(6,474)	3,945
Dividends on preferred stock	—	—	5,321	5,321
Net Income/(Loss) Available to Common Stockholders	$ 10,456	$ (37)	$ (11,795)	$ (1,376)

	Six Months Ended June 30, 2026			
	Loans and Securities	**Arc Home (1) (2)**	**Other**	**Total**
Interest income	$ 253,159	$ —	$ 804	$ 253,963
Interest expense	207,951	—	5,126	213,077
Total Net Interest Income	45,208	—	(4,322)	40,886
Total Other Income/(Loss)	(13,302)	—	—	(13,302)
Management fee to affiliate	—	—	4,630	4,630
Non-investment related expenses	—	—	4,962	4,962
Investment related expenses	8,518	—	—	8,518
Transaction related expenses	469	—	197	666
Total Expenses	8,987	—	9,789	18,776
Income/(loss) before equity in earnings/(loss) from affiliates	22,919	—	(14,111)	8,808
Equity in earnings/(loss) from affiliates	(758)	3,027	—	2,269
Income/(loss) before income taxes	22,161	3,027	(14,111)	11,077
Income tax expense	370	—	—	370
Net Income/(Loss)	21,791	3,027	(14,111)	10,707
Dividends on preferred stock	—	—	10,330	10,330
Net Income/(Loss) Available to Common Stockholders	$ 21,791	$ 3,027	$ (24,441)	$ 377

	Six Months Ended June 30, 2025			
	Loans and Securities	**Arc Home (1) (2)**	**Other**	**Total**
Interest income	$ 218,038	$ —	$ 1,957	$ 219,995
Interest expense	178,309	—	5,085	183,394
Total Net Interest Income	39,729	—	(3,128)	36,601
Total Other Income/(Loss)	(1,164)	—	—	(1,164)
Management fee to affiliate	—	—	4,628	4,628
Non-investment related expenses	—	—	5,787	5,787
Investment related expenses	6,883	—	—	6,883
Transaction related expenses	4,079	—	—	4,079
Total Expenses	10,962	—	10,415	21,377
Income/(loss) before equity in earnings/(loss) from affiliates	27,603	—	(13,543)	14,060
Equity in earnings/(loss) from affiliates	77	1,339	—	1,416
Income/(loss) before income taxes	27,680	1,339	(13,543)	15,476
Income tax expense	54	—	—	54
Net Income/(Loss)	27,626	1,339	(13,543)	15,422
Dividends on preferred stock	—	—	10,625	10,625
Net Income/(Loss) Available to Common Stockholders	$ 27,626	$ 1,339	$ (24,168)	$ 4,797

(1) Net Income/(loss) recognized by AG Arc does not include the Company's portion of gains or losses recorded by Arc Home in connection with the sale of residential mortgage loans to the Company. Refer to Note 10 for more information on this accounting policy.

(2) During the three months ended June 30, 2026, the Company recorded an unrealized gain/(loss) on its investment in AG Arc of $(0.3) million. During the three months ended June 30, 2025, the Company did not record any unrealized gain/(loss) during the period. For the six months ended June 30, 2026 and 2025, the Company recorded an unrealized gain/(loss) on its investment in AG Arc of $0.9 million and $1.4 million, respectively.

The following table presents the Company's assets, liabilities, and stockholders' equity by reportable segment as of June 30, 2026 and December 31, 2025, which reconciles to the total assets, liabilities, and stockholders' equity of the Company on a consolidated basis (in thousands).

	Loans and Securities	Arc Home	Other	Total
June 30, 2026				
Total Assets	$ 7,825,705	$ 46,435	$ 63,444	$ 7,935,584
Total Liabilities	7,278,814	—	110,766	7,389,580
Total Stockholders' Equity	546,891	46,435	(47,322)	546,004
December 31, 2025				
Total Assets	$ 8,600,220	$ 50,016	$ 61,294	$ 8,711,530
Total Liabilities	8,039,534	—	111,262	8,150,796
Total Stockholders' Equity	560,686	50,016	(49,968)	560,734

14. Subsequent Events

The Company announced that on July 30, 2026, its Board of Directors declared second quarter 2026 preferred stock dividends on its Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock in the amount of $0.51563, $0.50 and $0.664786 per share, respectively. The dividends will be paid on September 17, 2026 to holders of record on August 31, 2026.

Proposed Cherry Hill Mortgage Investment Corporation Merger

As previously announced, the Company entered into an Agreement and Plan of Merger, dated as of August 9, 2026 (the “Merger Agreement”), with Cherry Hill Mortgage Investment Corporation, a Maryland corporation (“CHMI”), Cherry Hill Operating Partnership, LP, a Delaware limited partnership, MIT Merger Sub II, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company (“Merger Sub”), and, solely for the limited purposes set forth in the Merger Agreement, the Manager. Pursuant to, and subject to the terms and conditions set forth in, the Merger Agreement, CHMI will merge with and into Merger Sub, with Merger Sub surviving (the “Merger”).

Under the terms of the Merger Agreement, at the effective time of the Merger (the “Effective Time”), each outstanding share of CHMI common stock will be converted into the right to receive the following (the “Per Share Merger Consideration”): (1)(a) 0.3063 shares of the Company’s common stock pursuant to a fixed exchange ratio and (b) $0.41 per share in cash, without interest, from the Company; and (2) $0.52 per share in cash from the Manager (acting solely on its own behalf), as additional consideration. In addition, each share of CHMI 8.20% Series A Cumulative Redeemable Preferred Stock outstanding immediately prior to the Effective Time shall be converted into the right to receive one newly issued share of MITT 8.20% Series D Cumulative Redeemable Preferred Stock (“MITT Series D Preferred Stock”). Also, each share of CHMI 8.250% Series B Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock outstanding immediately prior to the Effective Time shall automatically be converted into the right to receive one newly issued share of MITT Series E Floating Rate Cumulative Redeemable Preferred Stock (“MITT Series E Preferred Stock”). The MITT Series D Preferred Stock and MITT Series E Preferred Stock shall have the rights, preferences, privileges and voting powers substantially the same as those of the CHMI Series A Preferred Stock and CHMI Series B Preferred Stock, respectively.

In the Merger Agreement, the Company has agreed to take all necessary corporate action so that upon and after the Effective Time, the size of the Company’s board of directors is increased by two members, and the members of the CHMI board of directors designated by CHMI to serve on the Company’s board of directors (“CHMI Director Designees”) are appointed to the Company’s board of directors. The Company has further agreed to nominate the CHMI Director Designees to the Company’s board of directors at the next annual meeting following the Effective Time.

The Merger is expected to close in the fourth quarter of 2026, subject to the respective approvals by the Company's stockholders and CHMI’s stockholders and other customary closing conditions set forth in the Merger Agreement.

In connection with the execution of the Merger Agreement, AG MIT, LLC, a subsidiary of the Company, also entered into a Voting and Support Agreement with CHMI (the “Voting Agreement”). Pursuant to the Voting Agreement, among other things, AG MIT, LLC agreed to vote all shares of CHMI common stock owned of record or beneficially held by AG MIT, LLC, consisting of 734,800 shares, in favor of the approval of the Merger Agreement and the Merger, subject to the terms thereof.

Contemporaneously with the execution of the Merger Agreement, and in consideration of the Manager's approximate $20 million cash payment to CHMI stockholders in the Merger, the Company and the Manager entered into an amendment (the "MITT Management Agreement Amendment") to the existing MITT Management Agreement, as amended on April 6, 2020, September 24, 2020, November 22, 2021, and August 8, 2023 (as amended, the "Existing MITT Management Agreement"). The MITT Management Agreement Amendment will become effective automatically upon the closing of the Merger, and will have no force and effect if the Merger does not close. The MITT Management Agreement Amendment makes certain changes to the Existing MITT Management Agreement, including, (i) updating the calculation of the "Equity Hurdle Base" to be based on the Company's book value immediately after the Effective Time, (ii) updating the income component of the incentive fee from "Adjusted Net Income" to "Earnings Available for Distribution", (iii) updating the calculation mechanics of the incentive fee to a rolling four quarter basis, (iv) providing that no incentive fee shall be payable with respect to any calendar quarter unless Earnings Available for Distribution for the twelve most recently completed calendar quarters is greater than zero, (v) that the termination fee will be three times the sum of the average annual base management fee and the average annual incentive fee during the prior 24-month period, and (vi) providing that the incentive fee will be calculated quarterly and payable annually. The incentive fee will continue to be payable in cash, or, at the option of the Company's board of directors, shares of the Company's common stock or a combination of cash and shares, provided that no more than 50% of the incentive fee may be paid in shares of the Company's common stock without the Manager's consent.

All other terms and conditions of the Existing MITT Management Agreement remain substantially the same.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In this quarterly report on Form 10-Q, or this "report," we refer to TPG Mortgage Investment Trust, Inc. and its wholly-owned subsidiaries as "we," "us," the "Company," or "our," unless we specifically state otherwise or the context indicates otherwise. We refer to our external manager, AG REIT Management, LLC, as our "Manager," we refer to the direct parent company of our Manager, Angelo, Gordon & Co., L.P., as "TPG Angelo Gordon", and we refer to the parent company of TPG Angelo Gordon, TPG Inc., as "TPG."

The following discussion contains forward looking statements and should be read in conjunction with our consolidated financial statements and the accompanying notes to our consolidated financial statements, which are included in Item 1 of this report, as well as the information contained in our Annual Report on Form 10-K for the year ended December 31, 2025, and any subsequent filings.

Forward-Looking Statements

We make forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in this report that are subject to substantial known and unknown risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, returns, results of operations, plans, yields, objectives, the composition of our portfolio, actions by governmental entities, including the Federal Reserve, and the potential effects of actual and proposed legislation on us, and our views on certain macroeconomic trends. When we use the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "remain," "intend," "should," "could," "will," "may" or similar expressions, we intend to identify forward-looking statements.

These forward-looking statements are based upon information presently available to our management and are inherently subjective, uncertain and subject to change. There can be no assurance that actual results will not differ materially from our expectations. Some, but not all, of the factors that might cause such a difference include, without limitation:

- the persistence of labor shortages, supply chain imbalances, changes in trade policies and tariffs, conflict involving the U.S. and the Middle East, the Russia-Ukraine conflict, inflation, and the potential for an economic recession and market disruptions;
- changes in our business and investment strategy;
- our ability to predict and control costs;
- changes in interest rates and the fair value of our assets, including negative changes resulting in margin calls relating to the financing of our assets;
- changes in the yield curve;
- changes in prepayment rates on the loans we own or that underlie our investment securities;
- regulatory and structural changes in the residential loan market and its impact on non-agency mortgage markets;
- increased rates of default or delinquencies and/or decreased recovery rates on our assets;
- our ability to obtain and maintain financing arrangements on terms favorable to us or at all;
- our ability to enter into, or refinance, securitization transactions on the terms and pace anticipated or at all;
- the degree to which our hedging strategies may or may not protect us from interest rate and credit risk volatility;
- changes in general economic conditions, in our industry and in the finance and real estate markets, including the impact on the value of our assets;
- conditions in the market for residential mortgage investments and Agency RMBS;
- conditions in the market for commercial investments, including the Company's ability to successfully realize the commercial investments acquired from Western Asset Mortgage Capital Corporation ("WMC") within the timeframe anticipated or at all;
- legislative and regulatory actions by the U.S. Congress, U.S. Department of the Treasury, the Federal Reserve and other agencies and instrumentalities;
- our ability to make distributions to our stockholders in the future;
- our ability to maintain our qualification as a REIT for federal tax purposes;
- our ability to qualify for an exemption from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"); and
- our ability to successfully complete our proposed merger with Cherry Hill Mortgage Investment Corporation and/or realize all of the expected benefits or that such benefits may take longer to realize than expected (including because we incur significant costs associated with such merger).

We caution investors not to rely unduly on any forward-looking statements, which speak only as of the date made, and urge you to carefully consider the risks noted above and identified under the captions "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2025 and any subsequent filings. New risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements that we make, or that are attributable to us, are expressly qualified by this cautionary notice.

Second Quarter 2026 Executive Summary

Financial Highlights

- $10.00 Book Value per share;
- $0.29 of Net Income/(Loss) Available to Common Stockholders per diluted common share and $0.24 of Earnings Available for Distribution ("EAD") per diluted common share;
    - Refer to the "Earnings Available for Distribution" section below for further details related to our reconciliation of Net Income/(Loss) Available to Common Stockholders to EAD;
- 13.4x GAAP Leverage Ratio and 1.8x Economic Leverage Ratio; and
- $0.24 dividend per common share declared in the second quarter 2026.

Investment Activity

- The table below summarizes the fair value of purchases and proceeds from sales of investments during the quarter ended June 30, 2026 (in thousands).

Investment	Purchases	Sales
Non-Agency Loans	$ —	$ 25,585
Re/Non-Performing Loans	—	746
Home Equity Loans	70,147	—
Non-Agency RMBS(1)	37,737	—
Agency RMBS	—	522
Total	$ 107,884	$ 26,853

(1) During the quarter, we partnered with private funds managed by TPG to execute two rated securitizations collateralized by $429.6 million and $333.4 million of Non-Agency Loans, respectively. As the co-sponsor, we retained an "eligible vertical interest" to comply with risk retention rules which consists of retaining at least 5% of each class of securities issued in the securitizations. Upon evaluating our retained interest in the securitization trusts, we determined we were not the primary beneficiary and, as a result, did not consolidate the securitization trusts, which resulted in us recording an investment in Non-Agency RMBS.

Financing Activity

- Pledged certain Home Equity Loans with a fair value of $63.5 million in which we have no outstanding financing but have $50 million of available financing which is contractually committed as of June 30, 2026; and
- Amended a financing arrangement to convert financing on our residential mortgage loans with a total borrowing capacity of $300 million from financing with mark-to-market margin calls to financing without mark-to-market margin calls.

Our company

We are a residential mortgage REIT with a focus on investing in a diversified risk-adjusted portfolio of residential mortgage-related assets in the U.S. mortgage market. Our objective is to provide attractive risk-adjusted returns to our stockholders over the long-term, primarily through dividends and capital appreciation.

We focus our investment activities primarily on acquiring and securitizing newly-originated residential mortgage loans within the non-agency segment of the housing market. We obtain our assets through Arc Home, LLC ("Arc Home"), our residential mortgage loan originator in which we own an approximate 66.0% interest as of June 30, 2026, and through other third-party origination partners. We finance our acquired loans through various financing lines on a short-term basis and utilize TPG's proprietary securitization platform to secure long-term, non-recourse, non-mark-to-market financing as market conditions permit. Through our ownership in Arc Home, we also have exposure to mortgage banking activities. Arc Home is a multi-channel licensed mortgage originator and servicer primarily engaged in the business of originating and selling residential mortgage loans while retaining the mortgage servicing rights associated with certain loans that it originates.

Our investment portfolio (which excludes our ownership in Arc Home) primarily includes Residential Investments and Agency RMBS. Currently, our Residential Investments primarily consist of Non-Agency Loans, Agency-Eligible Loans, Home Equity Loans and Non-Agency RMBS collateralized by these loan types, which we refer to as our target assets. In addition, we may also invest in other types of residential mortgage loans and other mortgage related assets.

As of June 30, 2026, our investment portfolio consisted of the following Residential Investments and Agency RMBS:

Asset Class	Description
Residential Investments	
Non-Agency Loans(1)	• Non-Agency Loans are loans that do not conform to the underwriting guidelines of a government-sponsored enterprise ("GSE"). Non-Agency Loans consist of Qualified mortgage loans ("QM Loans") and Non-Qualified mortgage loans ("Non-QM Loans") which are collateralized by a first lien mortgaged property. QM Loans are residential mortgage loans that comply with the Ability-To-Repay rules and related guidelines of the Consumer Financial Protection Bureau.
Agency-Eligible Loans(1)	• Agency-Eligible Loans are loans that are collateralized by a first lien mortgaged property and are primarily secured by investment properties. These loans are underwritten in accordance with GSE guidelines, but are not guaranteed by a GSE. Although these loans are underwritten in accordance with GSE guidelines and can be delivered to Fannie Mae and Freddie Mac, the Company includes these loans within its Non-Agency securitizations.
Home Equity Loans(1)	• Home Equity Loans consist of revolving lines of credit and closed-end loans secured primarily by second liens on residential mortgaged properties. These products provide borrowers with access to home equity without requiring the payoff of an existing mortgage. Revolving lines of credit generally feature an initial draw period of 3 to 5 years, after which the balances convert to 15- or 25-year amortizing loans. Closed-end home equity loans are primarily fixed-rate obligations where the full principal amount is funded at origination and repaid through a fully amortizing schedule with original terms to maturity ranging from 10 to 30 years.
Re- and Non-Performing Loans(1)	• Performing, re-performing, and non-performing loans are residential mortgage loans collateralized by a first lien mortgaged property.
Non-Agency RMBS(2)	• Non-Agency Residential Mortgage-Backed Securities ("RMBS") represent fixed- and floating-rate RMBS issued by entities other than U.S. GSEs or agencies of the U.S. government. Non-Agency RMBS are primarily secured by Non-QM, Agency-Eligible, Home Equity, and Prime Jumbo Loans.
Agency RMBS(2)	• Agency RMBS represent interests in pools of residential mortgage loans guaranteed by a GSE such as Fannie Mae or Freddie Mac, or an agency of the U.S. Government such as Ginnie Mae.

(1) These investments are included in the "Securitized residential mortgage loans, at fair value" or "Residential mortgage loans, at fair value" line items on the consolidated balance sheets.
(2) These investments are included in the "Real estate securities, at fair value" line item on the consolidated balance sheets.

In addition, our investment portfolio includes commercial loans and commercial-mortgage backed securities ("CMBS") (collectively, the "Legacy WMC Commercial Investments") that were acquired in the WMC acquisition. The Legacy WMC commercial loans primarily include first lien commercial mortgage loan participations and are included in the "Commercial loans, at fair value" line item on the consolidated balance sheets. The Legacy WMC CMBS primarily include fixed-rate and floating-rate CMBS, secured by, or evidencing an ownership interest in, a single commercial mortgage loan or a pool of commercial mortgage loans, and are included in the "Real estate securities, at fair value" line item on the consolidated balance sheets. We expect to either hold the Legacy WMC Commercial Investments until maturity or opportunistically exit these investments.

Our primary sources of income are net interest income from our investment portfolio, changes in the fair value of our investments or hedge portfolio, and income from our investment in Arc Home. Net interest income consists of the interest income we earn on investments less the interest expense we incur on borrowed funds, inclusive of our cost or benefit of hedging. Income from our investment in Arc Home is generated through its mortgage banking activities which represents the origination and subsequent sale of residential mortgage loans and servicing income sourced from its mortgage servicing rights.

We were incorporated in Maryland on March 1, 2011 and commenced operations in July 2011. We conduct our operations to qualify and be taxed as a REIT for U.S. federal income tax purposes. Accordingly, we generally will not be subject to U.S. federal income taxes on our taxable income that we distribute to our stockholders as long as we maintain our intended qualification as a REIT, with the exception of business conducted in our domestic taxable REIT subsidiaries ("TRSs") which are subject to corporate income tax. We also operate our business in a manner that permits us to maintain our exemption from registration under the Investment Company Act.

Proposed Cherry Hill Mortgage Investment Corporation Merger

As previously announced, we entered into an Agreement and Plan of Merger, dated as of August 9, 2026 (the “Merger Agreement”), with Cherry Hill Mortgage Investment Corporation, a Maryland corporation (“CHMI”), Cherry Hill Operating Partnership, LP, a Delaware limited partnership, MIT Merger Sub II, LLC, a Delaware limited liability company and our wholly owned subsidiary (“Merger Sub”), and, solely for the limited purposes set forth in the Merger Agreement, our Manager. Pursuant to, and subject to the terms and conditions set forth in, the Merger Agreement, CHMI will merge with and into Merger Sub, with Merger Sub surviving (the “Merger”).

Under the terms of the Merger Agreement, at the effective time of the Merger (the “Effective Time”), each outstanding share of CHMI common stock will be converted into the right to receive the following (the “Per Share Merger Consideration”): (1)(a) 0.3063 shares of our common stock pursuant to a fixed exchange ratio and (b) $0.41 per share in cash, without interest, from us; and (2) $0.52 per share in cash from our Manager (acting solely on its own behalf), as additional consideration. In addition, each share of CHMI 8.20% Series A Cumulative Redeemable Preferred Stock outstanding immediately prior to the Effective Time shall be converted into the right to receive one newly issued share of MITT 8.20% Series D Cumulative Redeemable Preferred Stock (“MITT Series D Preferred Stock”). Also, each share of CHMI 8.250% Series B Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock outstanding immediately prior to the Effective Time shall automatically be converted into the right to receive one newly issued share of MITT Series E Floating Rate Cumulative Redeemable Preferred Stock (“MITT Series E Preferred Stock”). The MITT Series D Preferred Stock and MITT Series E Preferred Stock shall have the rights, preferences, privileges and voting powers substantially the same as those of the CHMI Series A Preferred Stock and CHMI Series B Preferred Stock, respectively.

In the Merger Agreement, we have agreed to take all necessary corporate action so that upon and after the Effective Time, the size of our board of directors is increased by two members, and the members of the CHMI board of directors designated by CHMI to serve on our board of directors (“CHMI Director Designees”) are appointed to our board of directors. We have further agreed to nominate the CHMI Director Designees to the Company’s board of directors at the next annual meeting following the Effective Time.

The Merger is expected to close in the fourth quarter of 2026, subject to the respective approvals by our stockholders and CHMI’s stockholders and other customary closing conditions set forth in the Merger Agreement.

In connection with the execution of the Merger Agreement, AG MIT, LLC, one of our subsidiaries, also entered into a Voting and Support Agreement with CHMI (the “Voting Agreement”). Pursuant to the Voting Agreement, among other things, AG MIT, LLC agreed to vote all shares of CHMI common stock owned of record or beneficially held by AG MIT, LLC, consisting of 734,800 shares, in favor of the approval of the Merger Agreement and the Merger, subject to the terms thereof.

Our Manager and TPG Angelo Gordon

We are externally managed by our Manager, AG REIT Management, LLC, an indirect subsidiary of TPG (NASDAQ: TPG), a leading global alternative asset management firm.

Pursuant to the terms of our management agreement, our Manager provides us with our management team, including our officers, along with appropriate support personnel. All of our officers are employees of TPG or its affiliates. We do not have any employees. Our Manager is at all times subject to the supervision and oversight of our Board of Directors and has only such functions and authority as our Board of Directors delegates to it. Our Manager has delegated to TPG Angelo Gordon, an affiliate of TPG, the overall responsibility of its day-to-day duties and obligations arising under our management agreement. TPG Angelo Gordon is the direct parent company of our Manager and is a registered investment adviser under the Investment Advisers Act of 1940, as amended.

Through our relationship with our Manager, we benefit from the expertise and relationships that TPG's Credit platform has established which provides us with resources to generate attractive risk-adjusted returns for our stockholders. Our management has significant experience in the mortgage industry and expertise in structured credit investments. We are able to leverage our Manager, along with our ownership interest in Arc Home, a vertically integrated origination platform, to access investment opportunities in the non-agency residential mortgage loan market. This strategic advantage has enabled us to grow our investment portfolio and remain active in the securitization markets, utilizing the TPG Credit platform's proprietary securitization platform to deliver non-agency investments to a diverse mix of investors.

Market Conditions

During the second quarter of 2026, the Federal Reserve underwent a significant shift in leadership. On May 22, 2026, Kevin Warsh became the new Chairman of the Federal Reserve, succeeding Jerome Powell. Chairman Warsh has adopted an anti-inflationary posture, signaling a heightened commitment to returning inflation to the Federal Reserve's 2% target after years of elevated levels. At the June 2026 Federal Open Market Committee meeting, the Committee held the federal funds target range steady at 3.50% to 3.75%, however transitioned from its previous patient approach in favor of a more hawkish outlook. Throughout the quarter, the labor market proved resilient as the unemployment rate fell to 4.2% in June, further complicating the disinflation narrative even as headline CPI slowed to 3.5%. Persistent geopolitical volatility added to inflation uncertainty as the war between the United States, Israel, and Iran failed to reach a lasting resolution.

By quarter end, market expectations for the Fed Funds rate experienced a significant repricing, shifting from anticipating rate cuts to implying nearly two hikes by year-end. The Treasury market responded with a move to higher nominal rates and a flatter yield curve. The yield on the 2-year U.S. Treasury note rose to 4.20% from 3.81% at the start of the quarter, while the 10-year Treasury yield increased to 4.47% from 4.32%. As a result, the spread between the 2-year and 10-year U.S. Treasuries compressed to approximately 27 basis points, down from 51 basis points at the end of the first quarter. Reflecting the rise in benchmark yields, the 30-year fixed mortgage rate continued to face upward pressure, ending the quarter at approximately 6.5%, further dampening mortgage application volumes and refinancing activity.

RMBS spreads tightened during the second quarter, bringing spreads overall tighter year-to-date. Non-QM spreads for AAA tranches were approximately 10 basis points tighter while the remaining rated tranches were between 20 to 60 basis points tighter during the quarter. Senior prime jumbo spreads were approximately 10 basis points tighter and other investment grade prime jumbo tranches tightened roughly 10 to 20 basis points. Investment grade closed-end second lien spreads were 15 to 25 basis points tighter throughout the capital structure.

Primary RMBS market activity slightly declined in the second quarter to $60 billion, a 5% quarterly decline however, a robust 16% annual increase. The run rate based on the pace of issuance during the first half of the year would bring annual issuance to approximately $250 billion which would exceed $210 billion in 2025. Issuance during the first six months of the year has already exceeded annual issuance in 2020 and is closing in on 2022, with the prior most active post-GFC issuance vintage being 2021 which totaled $219 billion. For the second quarter, the most active sector continues to be Non-QM at $28 billion, followed by Prime/Agency-Eligible at $14 billion and Home Equity at $8 billion. This quarter's annual growth was largely driven by Non-QM, an increase of approximately $10 billion, and Home Equity, an increase of approximately $3.5 billion. Non-QM comprised the bulk of the second quarter's activity at 47% with Prime/Agency-Eligible and Home Equity following at 24% and 13%, respectively. Securitizations of Re-performing loans and Non-performing loans were each 4% of the second quarter's issuance and other sectors such as residential transition loans, also known as fix-and-flip loans, and single-family rental comprised the balance.

The S&P Cotality Case-Shiller U.S. National Home Price Index was 0.8% higher year-over-year in April 2026, the latest data available. The Index established a new peak that just eclipsed the previous set in June 2025. Regional price variations continued to exist, and on an annual basis, metros in the Northeast and Midwest continued to lead gains while regions in the Southeast, Texas and the Mountain West have been weaker. Chicago area home prices led annual gains at 5.8%. New York City followed at 5% with Cleveland and Detroit each higher by 4.1% and Boston rising 2.9%. On the other hand, regions in California were mixed, with Los Angeles and San Francisco increasing annually by 10 basis points and 30 basis points, respectively, and San Diego declining 60 basis points compared to April 2025. Denver and Dallas fell by 1.3% and 1.5%, respectively. In the Southeast, Atlanta fell 10 basis points while Miami and Tampa were 1.1% and 4.2% lower, respectively, compared to year-ago readings. Home price growth and available for-sale inventory have had a relatively strong inverse relationship as regions with inventory growth since baseline 2019 have had weaker home price gains, and vice versa.

According to the Freddie Mac Primary Mortgage Market Survey, prevailing mortgage rates increased from the low-to-mid 6% range in April to 6.5% by quarter end, and continued to trend upward through July 2026, reaching 6.6%. Conforming and jumbo loan interest rate locks have mirrored Freddie Mac's survey rate, though jumbo locks have held higher than conforming and were as high as 6.8% in mid-July 2026. The increase in the rate on outstanding mortgage debt continued to stabilize, rising just another 4 basis points to 4.28% as of the first quarter of 2026, the latest data available, roughly 225 to 235 basis points lower than prevailing rates. This rate is almost 100 basis points higher than the low of 3.31% in the first quarter of 2022. While this suggests some thawing of the mortgage lock-in effect, or disincentive for existing homeowners to sell their homes because their current mortgage rate is well below current market rates, this rate has increased only 25 basis points from the start of the 2025, showing the stickiness of low-rate borrowers staying in place and reduced housing activity.

Total existing home inventory was relatively steady in the second quarter, seasonally rising from 1.5 million in April to 1.56 million in June, the latest data available, roughly in-line with year-ago levels. Existing home inventory in 2026 has been slightly higher than 2025. While running at the highest levels since 2020, averaging 1.3 to 1.6 million for most of this year and last year, these levels hardly breach the typical inventory levels of 1.5 to 2 million units from 2016 to 2019 and well below the range of 1.7 to 2.5 million units from 2000 to 2004, periods with a smaller count of U.S. households. When evaluating new listings, which are a timelier barometer of home sale activity, only 2.3 million new listings came to market in the first half of 2026, in line with the second half of 2024 and 2025. By comparison, new listings in the first half averaged nearly 3 million units during 2015 through 2022. Over the previous three years, this reduced level of activity produced an annual shortage of over 1 million new listings compared to annual activity in 2015 through 2019 as well as the pandemic-affected periods of 2020 through 2022, underscoring the limited supply theme.

Book value per share

The below table details book value per common share (in thousands, except per share data). Per share amounts for book value are calculated using all outstanding common shares in accordance with GAAP as of period end.

	June 30, 2026	December 31, 2025
Stockholders' Equity	$ 546,004	$ 560,734
Less: Liquidation preference of preferred stock	(227,991)	(227,991)
Book Value	$ 318,013	$ 332,743
Common shares outstanding	31,803	31,744
Book value per common share	$ 10.00	$ 10.48

Results of Operations

Our operating results can be affected by a number of factors and primarily depend on the size and composition of our investment portfolio, the level of our net interest income, the fair value of our assets and the supply of, and demand for, our investments in residential mortgage loans in the marketplace, among other things, which can be impacted by unanticipated credit events experienced by borrowers whose residential mortgage loans are included in our investment portfolio, such as defaults, liquidations or delinquencies, and other unanticipated events in our markets. Our primary source of net income or loss available to common stockholders is our net interest income, inclusive of our cost or benefit of hedging, which represents the difference between the interest earned on our investment portfolio and the costs of financing and economic hedges in place on our investment portfolio, as well as any income or losses from our equity investments in affiliates which includes operating income/(loss) from Arc Home.

Three Months Ended June 30, 2026 compared to the Three Months Ended June 30, 2025

The table below presents certain information from our consolidated statements of operations for the three months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended		
	June 30, 2026	**June 30, 2025**	**Change**
Statement of Operations Data:			
Net Interest Income			
Interest income	$ 124,155	$ 110,865	$ 13,290
Interest expense	103,912	93,113	10,799
Total Net Interest Income	20,243	17,752	2,491
Other Income/(Loss)			
Net interest component of interest rate swaps	296	821	(525)
Net realized gain/(loss)	(1,844)	(3,494)	1,650
Net unrealized gain/(loss)	4,422	(40)	4,462
Total Other Income/(Loss)	2,874	(2,713)	5,587
Expenses			
Management fee to affiliate	2,311	2,301	10
Non-investment related expenses	2,306	2,507	(201)
Investment related expenses	4,220	3,473	747
Transaction related expenses	92	3,018	(2,926)
Total Expenses	8,929	11,299	(2,370)
Income/(loss) before equity in earnings/(loss) from affiliates	14,188	3,740	10,448
Equity in earnings/(loss) from affiliates	269	231	38
Income/(Loss) before Income Taxes	14,457	3,971	10,486
Income tax expense	188	26	162
Net Income/(Loss)	14,269	3,945	10,324
Dividends on preferred stock	5,177	5,321	(144)
Net Income/(Loss) Available to Common Stockholders	$ 9,092	$ (1,376)	$ 10,468

Interest income

Interest income is calculated using the effective interest method for our investment portfolio.

Interest income increased from the three months ended June 30, 2025 to the three months ended June 30, 2026 primarily due to a higher weighted average amortized cost of our investment portfolio as a result of purchases of residential mortgage loans and Non-Agency RMBS. The following table presents a summary of the weighted average amortized cost of and the weighted average yield on our investment portfolio ($ in millions).

	Three Months Ended		
	June 30, 2026	**June 30, 2025**	**Change**
Weighted average amortized cost of our investment portfolio	$ 8,201	$ 7,365	$ 836
Weighted average yield on our investment portfolio	6.06 %	6.02 %	0.04 %

Interest expense

Interest expense is inclusive of our financing cost related to our financing arrangements on our investment portfolio, securitized debt, and Senior Unsecured Notes.

Interest expense increased from the three months ended June 30, 2025 to the three months ended June 30, 2026 due to a higher weighted average financing balance outstanding resulting primarily from the issuance of securitized debt during the period. The following table presents a summary of the weighted average financing balance and the weighted average financing rate on our investment portfolio ($ in millions).

	Three Months Ended		
	June 30, 2026	**June 30, 2025**	**Change**
Weighted average financing balance	$ 7,728	$ 6,909	$ 819
Weighted average financing rate on our investment portfolio	5.38 %	5.39 %	0.01 %

Net interest component of interest rate swaps

Net interest component of interest rate swaps represents the net interest income received or expense paid on our interest rate swaps.

We recorded income on the net interest component of interest rate swaps during the three months ended June 30, 2026 and 2025 as a result of our swap portfolio being in a net receive position during each of the entire periods. The decrease in income from the three months ended June 30, 2025 to the three months ended June 30, 2026 was the result of a decrease in the weighted average receive rate. The following table presents a summary of the weighted average notional value and the weighted average (pay)/receive rate on our interest rate swap portfolio for the three months ended June 30, 2026 and 2025 ($ in millions).

	Three Months Ended		
	June 30, 2026	**June 30, 2025**	**Change**
Net weighted average interest rate swap notional value	$ 433	$ 390	$ 43
Net weighted average (pay)/receive rate	0.27 %	0.84 %	(0.57)%

Net realized gain/(loss)

The following table presents a summary of Net realized gain/(loss) for the three months ended June 30, 2026 and 2025 (in thousands). See Note 3, Note 4, and Note 7 to the "Notes to Consolidated Financial Statements (unaudited)" for additional information on realized gains/(losses).

	Three Months Ended	
	June 30, 2026	**June 30, 2025**
Sales of residential mortgage loans and loans transferred to or sold from Other assets	$ (1,799)	$ (697)
Sales of real estate securities	(45)	(109)
Settlement of derivatives and other instruments	—	(2,688)
Total Net realized gain/(loss)	$ (1,844)	$ (3,494)

Net unrealized gain/(loss)

The following table presents a summary of Net unrealized gain/(loss) for the three months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended	
	June 30, 2026	June 30, 2025
Residential mortgage loans	$ (10,635)	$ (11,500)
Commercial loans	1,619	(684)
Real estate securities	884	3,888
Securitized debt	8,440	7,990
Other assets	(145)	—
Loan purchase commitments	—	424
Derivatives	4,259	(158)
Total Net unrealized gain/(loss)	$ 4,422	$ (40)

Management fee to affiliate

Our management fee is based upon a percentage of our Stockholders' Equity. See the "Contractual obligations" section of this Item 2 for further detail on the calculation of our management fee and for the definition of Stockholders' Equity.

Non-investment related expenses

The following table presents a summary of our non-investment related expenses for the three months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended	
	June 30, 2026	June 30, 2025
Affiliate reimbursement (1)	$ 1,183	$ 1,304
Professional fees	297	414
D&O insurance	255	255
Directors' fees and equity based compensation	296	277
Excise tax expense (2)	—	(46)
Other	275	303
Total Non-investment related expenses	$ 2,306	$ 2,507

(1) We are required to reimburse our Manager or its affiliates for operating expenses incurred by our Manager or its affiliates on our behalf, including certain compensation expenses and other expenses relating to legal, accounting, and other services. See the "Contractual obligations" section of this Item 2 for further detail.

(2) We did not recognize any excise tax during the three months ended June 30, 2026. Estimated excise tax expense of $(46) thousand was recognized during the three months ended June 30, 2025, which included $0.1 million related to an excise tax refund.

Investment related expenses

The following table presents a summary of our investment related expenses for the three months ended June 30, 2026 and 2025 (in thousands). These expenses increased from the three months ended June 30, 2025 to the three months ended June 30, 2026 primarily due to an increase in our GAAP residential mortgage loan portfolio.

	Three Months Ended	
	June 30, 2026	June 30, 2025
Affiliate reimbursement (1)	$ 216	$ 95
Servicing fees	2,524	2,010
Residential mortgage loan asset management fees	504	498
Trustee and bank fees	648	594
Other	328	276
Total Investment related expenses	$ 4,220	$ 3,473

(1) We are required to reimburse our Manager or its affiliates for operating expenses incurred by our Manager or its affiliates on our behalf associated with our investment portfolio.

Transaction related expenses

Transaction related expenses generally includes expenses associated with purchasing and securitizing residential mortgage loans. During the three months ended June 30, 2026, the expenses were related to purchases of residential mortgage loans. During the three months ended June 30, 2025, the expenses were primarily related to the execution of one rated securitization.

Equity in earnings/(loss) from affiliates

Equity in earnings/(loss) from affiliates represents our share of earnings and profits of investments held within affiliated entities. Substantially all of these investments are comprised of real estate securities, loans, and our investment in AG Arc which holds our investment in Arc Home. The below tables summarize the components of the "Equity in earnings/(loss) from affiliates" line item on our consolidated statements of operations (in thousands).

	Three Months Ended	
	June 30, 2026	**June 30, 2025**
MATT Non-QM Securities	$ (444)	$ 268
Re/Non-Performing Securities	(2)	—
AG Arc (1)	715	(37)
Equity in earnings/(loss) from affiliates	$ 269	$ 231

(1) Effective August 1, 2025, our allocation of AG Arc's earnings is 66.0%. For all prior periods, our allocation of AG Arc's earnings was 44.6%.

The below table breaks out the components in the "Equity in earnings/(loss) from affiliates" line item on our consolidated statements of operations (in thousands).

	Three Months Ended	
	June 30, 2026	**June 30, 2025**
Interest income	$ 173	642
Interest expense	—	—
Total Net Interest Income (1)	173	642
Other Income/(Loss)		
Net unrealized gain/(loss)	(564)	(318)
Other operating expenses (1)	55	56
Total MATT Non-QM Securities and Re/Non Performing Securities (2)	(446)	268
AG Arc Earnings/(Loss)		
Net operating income/(loss) from AG Arc (1) (3)	1,163	(130)
Other income/(loss) from AG Arc (3)	(168)	93
Unrealized gain/(loss) on investment in AG Arc (4)	(280)	—
Total AG Arc Earnings/(Loss)	715	(37)
Equity in earnings/(loss) from affiliates	$ 269	$ 231

(1) Represents items included in Earnings Available for Distribution. Refer to the "Earnings Available for Distribution" section below for further detail.
(2) Primarily represents earnings/(loss) from our investment in MATT Non-QM Securities.
(3) Net operating income/(loss) from AG Arc represents income/(loss) related to Arc Home's lending and servicing operations, net of operating expenses and related current tax expense or benefit. Other income/(loss) from AG Arc represents realized and unrealized changes in the fair value of Arc Home's mortgage servicing rights, transaction related expenses, and other asset impairments, net of related tax expense or benefit.
(4) As of June 30, 2026, the fair value of our investment in Arc Home was calculated using a valuation multiple of 1.05x of book value, which was consistent with the valuation multiple as of March 31, 2026. We recognized an unrealized loss related to our investment in AG Arc during the three months ended June 30, 2026 as a result of a distribution received from AG Arc of $6.6 million. As of June 30, 2025, the fair value of our investment in Arc Home was calculated using a valuation multiple of 1.00x of book value, which was consistent with the valuation multiple as of March 31, 2025.

Income tax expense

Income tax expense for the three months ended June 30, 2026 relates to taxable income recognized on investments in residential mortgage loans held within our taxable REIT subsidiary. During the three months ended June 30, 2025, income tax expense represented minimum state and local tax filing fees.

Dividends on Preferred Stock

Holders of our Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock are entitled to receive cumulative cash dividends at their respective rates per annum on the $25.00 per share liquidation preference for each series. Our Series A Preferred Stock and Series B Preferred Stock have fixed rates of 8.25% and 8.00%, respectively. The initial dividend rate for our Series C Preferred Stock, from issuance through September 16, 2024, was 8.000%. On and after September 17, 2024, dividends on the Series C Preferred Stock accumulate at an annual floating rate of three-month CME Term SOFR (plus a tenor spread adjustment of 0.26161%) plus a spread of 6.476%.

Six Months Ended June 30, 2026 compared to the Six Months Ended June 30, 2025

The table below presents certain information from our consolidated statements of operations for the six months ended June 30, 2026 and 2025 (in thousands).

	Six Months Ended		
	June 30, 2026	June 30, 2025	Change
Statement of Operations Data:			
Net Interest Income			
Interest income	$ 253,963	$ 219,995	$ 33,968
Interest expense	213,077	183,394	29,683
Total Net Interest Income	40,886	36,601	4,285
Other Income/(Loss)			
Net interest component of interest rate swaps	698	1,558	(860)
Net realized gain/(loss)	(1,962)	(3,484)	1,522
Net unrealized gain/(loss)	(12,038)	762	(12,800)
Total Other Income/(Loss)	(13,302)	(1,164)	(12,138)
Expenses			
Management fee to affiliate	4,630	4,628	2
Non-investment related expenses	4,962	5,787	(825)
Investment related expenses	8,518	6,883	1,635
Transaction related expenses	666	4,079	(3,413)
Total Expenses	18,776	21,377	(2,601)
Income/(loss) before equity in earnings/(loss) from affiliates	8,808	14,060	(5,252)
Equity in earnings/(loss) from affiliates	2,269	1,416	853
Income/(Loss) before Income Taxes	11,077	15,476	(4,399)
Income tax expense	370	54	316
Net Income/(Loss)	10,707	15,422	(4,715)
Dividends on preferred stock	10,330	10,625	(295)
Net Income/(Loss) Available to Common Stockholders	$ 377	$ 4,797	$ (4,420)

Interest income

Interest income increased from the six months ended June 30, 2025 to the six months ended June 30, 2026 primarily due to a higher weighted average amortized cost of our investment portfolio as a result of purchases of residential mortgage loans and Non-Agency RMBS and an increase in the weighted average yield of our investment portfolio. The following table presents a summary of the weighted average amortized cost of and the weighted average yield on our investment portfolio ($ in millions).

	Six Months Ended		
	June 30, 2026	June 30, 2025	Change
Weighted average amortized cost of our investment portfolio	$ 8,367	$ 7,281	$ 1,086
Weighted average yield on our investment portfolio	6.07 %	6.04 %	0.03 %

Interest expense

Interest expense increased from the six months ended June 30, 2025 to the six months ended June 30, 2026 due to a higher weighted average financing balance outstanding resulting from the issuance of securitized debt. Additionally, there was an increase in the weighted average financing rate. The following table presents a summary of the weighted average financing balance and the weighted average financing rate on our investment portfolio ($ in millions).

	Six Months Ended		
	June 30, 2026	June 30, 2025	Change
Weighted average financing balance	$ 7,895	$ 6,829	$ 1,066
Weighted average financing rate on our investment portfolio	5.40 %	5.37 %	0.03 %

Net interest component of interest rate swaps

We recorded income on the net interest component of interest rate swaps during the six months ended June 30, 2026 and 2025 as a result of our swap portfolio being in a net receive position. The decrease in income from the six months ended June 30, 2025 to the six months ended June 30, 2026 was the result of a decrease in the weighted average receive rate. The following table presents a summary of the weighted average notional value and the weighted average (pay)/receive rate on our interest rate swap portfolio for the six months ended June 30, 2026 and 2025 ($ in millions).

	Six Months Ended		
	June 30, 2026	June 30, 2025	Change
Net weighted average interest rate swap notional value	$ 402	$ 369	$ 33
Net weighted average (pay)/receive rate	0.35 %	0.84 %	(0.49)%

Net realized gain/(loss)

The following table presents a summary of Net realized gain/(loss) for the six months ended June 30, 2026 and 2025 (in thousands). See Note 3, Note 4, and Note 7 to the "Notes to Consolidated Financial Statements (unaudited)" for additional information on realized gains/(losses).

	Six Months Ended	
	June 30, 2026	June 30, 2025
Sales of residential mortgage loans and loans transferred to or sold from Other assets	$ (1,973)	$ (1,707)
Sales of real estate securities	(45)	169
Settlement of derivatives and other instruments	56	(1,946)
Total Net realized gain/(loss)	$ (1,962)	$ (3,484)

Net unrealized gain/(loss)

The following table presents a summary of Net unrealized gain/(loss) for the six months ended June 30, 2026 and 2025 (in thousands).

	Six Months Ended	
	June 30, 2026	June 30, 2025
Residential mortgage loans	$ (90,356)	$ 96,257
Commercial loans	(1,860)	(2,455)
Real estate securities	(2,341)	5,130
Securitized debt	76,636	(92,032)
Other assets	(234)	—
Loan purchase commitments	—	424
Derivatives	6,117	(6,562)
Total Net unrealized gain/(loss)	$ (12,038)	$ 762

Management fee to affiliate

Our management fee is based upon a percentage of our Stockholders’ Equity. See the "Contractual obligations" section of this Item 2 for further detail on the calculation of our management fee and for the definition of Stockholders’ Equity.

Non-investment related expenses

The following table presents a summary of our non-investment related expenses for the six months ended June 30, 2026 and 2025 (in thousands).

	Six Months Ended	
	June 30, 2026	June 30, 2025
Affiliate reimbursement (1)	$ 2,629	$ 3,143
Professional fees	650	870
D&O insurance	510	510
Directors' fees and equity based compensation	550	613
Excise tax expense (2)	—	43
Other	623	608
Total Non-investment related expenses	$ 4,962	$ 5,787

(1) We are required to reimburse our Manager or its affiliates for operating expenses incurred by our Manager or its affiliates on our behalf, including certain compensation expenses and other expenses relating to legal, accounting, and other services. See the "Contractual obligations" section of this Item 2 for further detail.

(2) We did not recognize any excise tax during the six months ended June 30, 2026. Estimated excise tax expense of $43 thousand was recognized during the six months ended June 30, 2025, which included $0.1 million related to an excise tax refund.

Investment related expenses

The following table presents a summary of our investment related expenses for the six months ended June 30, 2026 and 2025 (in thousands). These expenses increased from the six months ended June 30, 2025 to the six months ended June 30, 2026 primarily due to an increase in our GAAP residential mortgage loan portfolio.

	Six Months Ended	
	June 30, 2026	**June 30, 2025**
Affiliate reimbursement	$ 358	$ 295
Servicing fees	5,181	3,950
Residential mortgage loan asset management fees	1,031	1,079
Trustee and bank fees	1,299	1,178
Other	649	381
Total Investment related expenses	$ 8,518	$ 6,883

Transaction related expenses

Transaction related expenses generally includes expenses associated with purchasing and securitizing residential mortgage loans. However, during the six months ended June 30, 2026, the expenses primarily consisted of $0.2 million related to legacy WMC commercial loans expenses, $0.2 million related to the expenses associated with our “at-the-market” equity offering program, and $0.1 million related to purchases of residential mortgage loans. During the six months ended June 30, 2025, the expenses were primarily related to the execution of rated securitizations.

Equity in earnings/(loss) from affiliates

Equity in earnings/(loss) from affiliates represents our share of earnings and profits of investments held within affiliated entities. Substantially all of these investments are comprised of real estate securities, loans, and our investment in AG Arc which holds our investment in Arc Home. The below tables summarize the components of the "Equity in earnings/(loss) from affiliates" line item on our consolidated statements of operations (in thousands).

	Six Months Ended	
	June 30, 2026	June 30, 2025
MATT Non-QM Securities	$ (718)	$ 197
Re/Non-Performing Securities	(40)	(120)
AG Arc (1)	3,027	1,339
Equity in earnings/(loss) from affiliates	$ 2,269	$ 1,416

(1) Effective August 1, 2025, our allocation of AG Arc's earnings is 66.0%. For all prior periods, our allocation of AG Arc's earnings was 44.6%.

The below table breaks out the components in the "Equity in earnings/(loss) from affiliates" line item on our consolidated statements of operations (in thousands).

	Six Months Ended	
	June 30, 2026	June 30, 2025
Interest income	$ 541	$ 1,326
Interest expense	—	3
Total Net Interest Income (1)	541	1,323
Net unrealized gain/(loss)	(1,214)	(1,149)
Other operating expenses (1)	85	97
Total MATT Non-QM Securities and Re/Non Performing Securities (2)	(758)	77
Net operating income/(loss) from AG Arc (1) (3)	2,439	(20)
Other income/(loss) from AG Arc (3)	(257)	44
Unrealized gain/(loss) on investment in AG Arc (4)	851	1,403
Elimination of gains on loans sold from AG Arc to MITT (1) (5)	(6)	(88)
Total AG Arc Earnings/(Loss)	3,027	1,339
Equity in earnings/(loss) from affiliates	$ 2,269	$ 1,416

(1) Represents items included in Earnings Available for Distribution. Refer to the "Earnings Available for Distribution" section below for further detail.
(2) Primarily represents earnings from our investment in MATT Non-QM Securities.
(3) Net operating income/(loss) from AG Arc represents income/(loss) related to Arc Home's lending and servicing operations, net of operating expenses and related current tax expense or benefit. Other income/(loss) from AG Arc represents realized and unrealized changes in the fair value of Arc Home's mortgage servicing rights, transaction related expenses, and other asset impairments, net of related tax expense or benefit.
(4) As of June 30, 2026, the fair value of our investment in Arc Home was calculated using a valuation multiple of 1.05x of book value, which increased from 1.025x of book value as of December 31, 2025. As of June 30, 2025, the fair value of our investment in Arc Home was calculated using a valuation multiple of 1.00x of book value, which increased from 0.95x of book value as of December 31, 2024.
(5) The earnings recognized by AG Arc do not include our portion of gains recorded by Arc Home in connection with the sale of residential mortgage loans to us. Refer to Note 10 to the "Notes to Consolidated Financial Statements (unaudited)" for more information on this accounting policy.

Income tax expense

Income tax expense for the six months ended June 30, 2026 relates to taxable income recognized on investments in residential mortgage loans held within our taxable REIT Subsidiary. During the six months ended June 30, 2025, tax expense represented minimum state and local tax filing fees.

Dividends on Preferred Stock

Holders of our Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock are entitled to receive cumulative cash dividends at their respective rates per annum on the $25.00 per share liquidation preference for each series. Our Series A Preferred Stock and Series B Preferred Stock have fixed rates of 8.25% and 8.00%, respectively. The initial dividend rate for our Series C Preferred Stock, from issuance through September 16, 2024, was 8.000%. On and after September 17, 2024, dividends on the Series C Preferred Stock accumulate at an annual floating rate of three-month CME Term SOFR (plus a tenor spread adjustment of 0.26161%) plus a spread of 6.476%.

Earnings Available for Distribution

One of our objectives is to generate net income from net interest margin on our portfolio, and management uses EAD, as one of several metrics, to help measure our performance against this objective. Management believes that this non-GAAP measure, when considered with our GAAP financial statements, provides supplemental information useful for investors to help evaluate our financial performance. However, management also believes that our definition of EAD has important limitations as it does not include certain earnings or losses our management team considers in evaluating our financial performance. Our presentation of EAD may not be comparable to similarly-titled measures of other companies, who may use different calculations. This non-GAAP measure should not be considered a substitute for, or superior to, Net Income/(loss) available to common stockholders or Net income/(loss) per diluted common share calculated in accordance with GAAP. Our GAAP financial results and the reconciliations from these results should be carefully evaluated.

We define EAD, a non-GAAP financial measure, as Net Income/(loss) available to common stockholders excluding (i) (a) unrealized gains/(losses) on loans, real estate securities, derivatives and other investments, inclusive of our investment in AG Arc and Arc Home's net mortgage servicing rights, and (b) net realized gains/(losses) on the sale or termination of such instruments, (ii) any transaction related expenses incurred in connection with the acquisition, disposition, or securitization of our investments, (iii) the income tax effect on non-EAD income/(loss) items, and (iv) certain other nonrecurring gains or losses. Items (i) through (iv) above include any amount related to those items held in affiliated entities. EAD includes the net interest income and other income earned on our investments on a yield adjusted basis, including the net interest component of interest rate swaps, TBA dollar roll income/(loss), or any other investment activity that may earn or pay net interest or its economic equivalent. Additionally, EAD includes the net operating income/(loss) from Arc Home.

Transaction related expenses are primarily comprised of costs incurred prior to or at the time of executing our securitizations and acquiring or disposing of residential mortgage loans. These costs are nonrecurring and may include underwriting fees, legal fees, diligence fees, and other similar transaction related expenses. Recurring expenses, such as servicing fees, custodial fees, trustee fees and other similar ongoing fees are not excluded from earnings available for distribution. Management considers the transaction related expenses and income taxes related to non-EAD income/(loss) items to be similar to realized losses incurred at the acquisition, disposition, or securitization of an asset and does not view them as being part of its core operations.

A reconciliation of "Net Income/(loss) available to common stockholders" to EAD for three and six months ended June 30, 2026 and 2025 is set forth below (in thousands, except per share data).

	Three Months Ended		Six Months Ended	
	June 30, 2026	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Net Income/(loss) available to common stockholders	$ 9,092	$ (1,376)	$ 377	$ 4,797
Add (Deduct):				
Net realized (gain)/loss	1,844	3,494	1,962	3,484
Net unrealized (gain)/loss	(4,422)	40	12,038	(762)
Transaction related expenses (1)	210	3,079	866	4,223
Equity in (earnings)/loss from affiliates	(269)	(231)	(2,269)	(1,416)
EAD from equity method investments (2)	1,281	456	2,889	1,118
Dollar roll income/(loss)	—	(111)	—	(111)
Earnings available for distribution	$ 7,736	$ 5,351	$ 15,863	$ 11,333
Earnings available for distribution, per Diluted Share	$ 0.24	$ 0.18	$ 0.50	$ 0.38

(1) The following table presents additional detail related to transaction related expenses excluded from EAD (in thousands). The interest expense line item relates to the amortization of deferred financing costs and the income tax expense line item relates to taxes incurred on items excluded from EAD, as defined above.

	Three Months Ended		Six Months Ended	
Consolidated statements of operations line item:	**June 30, 2026**	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Transaction related expenses	$ 92	$ 3,018	$ 666	$ 4,079
Interest expense	84	61	158	144
Income tax expense	34	—	42	—
Transaction related expenses	$ 210	$ 3,079	$ 866	$ 4,223

(2) The following table presents additional detail related to EAD from equity method investments (in thousands). Refer to the "Equity in earnings/(loss) from affiliates" section within the "Results of Operations" above for additional detail.

	Three Months Ended		Six Months Ended	
	June 30, 2026	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Net interest income	$ 173	$ 642	$ 541	$ 1,323
Other operating expenses	(55)	(56)	(85)	(97)
Net operating income/(loss) from AG Arc	1,163	(130)	2,439	(20)
Elimination of gains on loans sold from AG Arc to MITT	—	—	(6)	(88)
EAD from equity method investments	$ 1,281	$ 456	$ 2,889	$ 1,118

Investment activities

Investment activities

We aim to allocate capital to investment opportunities with attractive risk/return profiles in our target asset classes. Our investment activities primarily include acquiring and securitizing newly-originated residential mortgage loans. We finance our acquired loans through various financing lines on a short-term basis and securitize the loans to obtain long-term, non-recourse, non-mark-to-market financing as market conditions permit. We may also invest in Agency RMBS to utilize excess liquidity. Our investment and capital allocation decisions depend on prevailing market conditions and compliance with Investment Company Act and REIT tests, among other factors, and may change over time in response to opportunities available in different economic and capital market environments. As a result, in reacting to market conditions and taking into account a variety of other factors, including liquidity, duration, and interest rate expectations, the mix of our assets changes over time as we deploy capital. We actively evaluate our investments based on factors including, among others, the characteristics of the underlying collateral, geography, expected return, expected future prepayment trends, supply of and demand for our investments, costs of financing, costs of hedging, expected future interest rate volatility, and the overall shape of the U.S. Treasury and interest rate swap yield curves.

Net interest margin and leverage ratio

Net interest margin and leverage ratio are metrics that management believes should be considered when evaluating the performance of our investment portfolio. Net interest margin provides investors visibility into our profitability of interest income versus interest expense including the net effect of our interest rate swaps for insight into earnings available for distribution.

Net interest margin is calculated by subtracting the weighted average cost of funds from the weighted average yield for our investment portfolio. The weighted average yield represents an effective interest rate on our cost basis, which utilizes all estimates of future cash flows and adjusts for actual prepayment and cash flow activity as of quarter-end. The calculation of weighted average yield is weighted on amortized cost at quarter-end. The weighted average cost of funds is the sum of the weighted average funding costs on total financing arrangements outstanding at quarter-end, including all non-recourse financing arrangements, and our weighted average hedging cost or benefit, which is the weighted average of the net pay or receive rates on our interest rate swaps. The cost of funds is weighted by the outstanding financing arrangements on our investment portfolio, and the amortized cost of securitized debt and senior unsecured notes at quarter-end.

Our leverage ratio is determined by our portfolio mix as well as many additional factors, including the liquidity of our portfolio, the availability and price of our financing, the available capacity to finance our assets, and anticipated regulatory developments. See the "Financing activities" section below for more detail on our leverage ratio.

Investment portfolio

The following table presents a summary of our Investment Portfolio, inclusive of net interest margin and leverage ratios, as of June 30, 2026 ($ in thousands).

	Investment			Securitized Debt						
Instrument	**Amortized Cost**	**Fair Value**	**Yield (a)(b)**	**Amortized Cost**	**Fair Value**	**Financing Arrangements**	**Cost of Funds (c)**	**Allocated Equity (d)**	**Net Interest Margin**	**Leverage Ratio (e)**
Residential Investments										
Securitized Non-Agency Loans	$ 6,458,551	$ 6,212,018	5.65 %	$ 5,792,863	$ 5,606,863	$ 408,463	5.30 %	$ 196,692	0.35 %	2.0x
Securitized Home Equity Loans	781,045	780,920	7.23 %	664,838	660,721	62,168	5.43 %	58,031	1.80 %	1.1x
Securitized Re/Non-Performing Loans	139,408	126,237	5.91 %	91,574	87,653	26,742	4.01 %	11,842	1.90 %	2.2x
Agency-Eligible Loans	20,455	20,651	6.21 %	—	—	18,152	5.35 %	2,499	0.86 %	7.3x
Home Equity Loans	234,060	233,810	7.73 %	—	—	141,575	5.57 %	92,235	2.16 %	1.5x
Non-Agency Loans	7,293	7,014	4.40 %	—	—	5,896	5.40 %	1,118	(1.00)%	5.3x
Residential Whole Loans	303	810	NM	—	—	—	— %	810	NM	N/A
Non-Agency RMBS	244,408	251,845	8.25 %	—	—	178,996	4.41 %	72,849	3.84 %	2.4x
Total Residential Investments	7,885,523	7,633,305	5.96 %	6,549,275	6,355,237	841,992	5.27 %	436,076	0.69 %	1.9x
Agency RMBS	14,839	14,715	7.71 %	—	—	10,150	4.29 %	4,565	3.42 %	2.1x
Legacy WMC Commercial Investments (f)										
Commercial Loans (g)	62,150	49,254	— %	—	—	19,875	6.39 %	29,379	(6.39)%	0.7x
CMBS (h)	47,867	42,694	16.22 %	—	—	18,998	5.07 %	23,696	11.15 %	0.8x
Total Legacy WMC Commercial Investments	110,017	91,948	7.06 %	—	—	38,873	5.74 %	53,075	1.32 %	0.7x
Total Investment Portfolio	$ 8,010,379	$ 7,739,968	5.98 %	$ 6,549,275	$ 6,355,237	$ 891,015	5.27 %	$ 493,716	0.71 %	1.8x
Cash and Cash Equivalents (i)								61,636	3.53 %	
Interest Rate Swaps (j)								11,211	0.28 %	
Investments in Debt and Equity of Affiliates										
Arc Home								46,435		
Securities (k)								8,345	6.03 %	
Other Assets/Liabilities								225		
Senior Unsecured Notes (c)								(96,858)	10.61 %	
Non-Interest Earning Assets, net								21,294		
Total Stockholders' Equity								$ 546,004		1.8x

NM - Not Meaningful

(a) Excludes any net TBA positions.

(b) The weighted average yields are calculated based on the amortized cost of the underlying loans and securities.

(c) The cost of funds related to the financing on our investment portfolio inclusive of the benefit of 0.02% from our interest rate hedges was 5.27%. When including our Senior Unsecured Notes, the total cost of funds was 5.34%.

(d) Allocated equity represents the investment fair value less the associated securitized debt at fair value and financing arrangements, where applicable.

(e) The leverage ratio on each asset class and on our investment portfolio represents Economic Leverage as defined below in the "Financing Activities" section and is calculated by dividing each investment type's total recourse financing arrangements less any cash posted as collateral by its equity invested inclusive of any cash collateral posted on financing arrangements. The Economic Leverage Ratio excludes any fully non-recourse financing arrangements and includes any net receivables or payables on TBAs. The leverage ratio on our Investment Portfolio represents GAAP leverage as defined below in the "Financing Activities" section.

(f) We expect to either hold the Legacy WMC Commercial Investments until maturity or opportunistically exit these investments.

(g) The Legacy WMC Commercial Loans are on non-accrual or cost-recovery status.

(h) There are Legacy WMC CMBS with an unpaid principal balance of $23.5 million and a fair value of $4.9 million which are on non-accrual or cost recovery status.

(i) Cash and cash equivalents may include a portion of cash invested in money market funds. The net interest margin represents the interest earned on money market funds as of period end.

(j) Interest rate swaps represents the sum of the net fair value of interest rate swaps and the margin posted on interest rate swaps as of period end. Net interest margin on interest rate swaps represents the weighted average net receive/(pay) rate as of period end. The impact of the net interest component of interest rate swaps on the cost of funds is included within the respective investment portfolio asset line items.

(k) Represents certain investments recorded in the “Investments in debt and equity of affiliates” line item on our consolidated balance sheets which are collateralized by MATT Non-QM Securities and Re/Non-Performing Securities.

Securitized Non-Agency Loans and Home Equity Loans

As noted above, our investment activities primarily include acquiring and securitizing newly-originated residential mortgage loans. Non-Agency VIEs are collateralized by Non-Agency and Agency-Eligible Loans. Home Equity VIEs are collateralized by revolving lines of credit and closed-end loans secured primarily by a second lien on a residential mortgaged property. Refer to

Notes 2 and 3 to the “Notes to Consolidated Financial Statements (unaudited)” for additional information on the assets and liabilities of our consolidated Non-Agency VIEs and Home Equity VIEs.

In each securitization transaction, a pool of loans is transferred into a newly formed securitization trust. The securitization trust issues various classes of mortgage pass-through certificates backed by the cash flows from the underlying residential mortgage loans (the "Certificates"). When we sponsor a residential mortgage loan securitization, we are generally required to retain at least 5% of the fair value of the Certificates issued in the securitization ("Risk Retention Rules"). We can retain either an "eligible vertical interest" (which consists of at least 5% of each class of securities issued in the securitization), an "eligible horizontal residual interest" (which is the most subordinate class of securities with a fair value of at least 5% of the aggregate credit risk) or a combination of both totaling 5% (the "Required Credit Risk"). We typically sell the senior classes of Certificates to unrelated third parties. When we choose to retain an eligible horizontal residual interest, we generally purchase the most subordinated classes of Certificates and the excess cash flow Certificates. When we choose to retain an eligible vertical interest, we purchase a 5% interest in each class of Certificates issued. We also may purchase the Certificates entitled to excess servicing fees and other Certificates not required to meet Risk Retention Rules.

If we are determined to be the primary beneficiary of these securitization transactions, we consolidate the respective VIE created to facilitate the transaction and record "Securitized residential mortgage loans" and "Securitized debt" on the consolidated balance sheets in accordance with U.S. GAAP. However, our equity at risk represents certain Certificates from each securitization which we retain.

The following table summarizes our Securitized residential mortgage loans and Securitized debt, as well as the economic interest on retained Certificates related to our Non-Agency VIEs and Home Equity VIEs as of June 30, 2026 (in thousands).

	Non-Agency VIEs		Home Equity VIEs	
	Unpaid Principal Balance	Fair Value	Unpaid Principal Balance	Fair Value
Securitized residential mortgage loans in VIEs	$ 6,397,864	$ 6,212,018	$ 726,148	$ 780,920
Securitized debt in VIEs (1)	5,828,156	5,606,863	643,739	660,721
Other assets (2)	N/A	5,022	N/A	1,055
Retained Certificates from VIEs (3)(4)(5)(6)		$ 610,177		$ 121,254
Retained interests in VIEs	Current Face	Fair Value	Current Face	Fair Value
Senior Bonds	$ 116,881	$ 118,897	$ 29,647	$ 29,603
Mezzanine Bonds	23,348	22,002	1,117	1,124
Subordinate Bonds	434,149	325,713	51,644	47,511
Interest Only / Excess Servicing Bonds (1)(7)	N/A	143,565	N/A	43,016
Retained Certificates from VIEs (3)(4)(5)(6)		$ 610,177		$ 121,254
Financing arrangements on retained Certificates from VIEs		408,463		62,168
Retained Certificates from VIEs, net of financing arrangements		$ 201,714		$ 59,086

(1) Interest Only securities have no principal balances and bear interest based on a notional value. The notional value is used solely to determine interest distributions on the interest only classes of securities. The Securitized debt in the Non-Agency VIEs and Interest Only/Excess Servicing Bonds line items include interest only classes with a notional value of $3.2 billion and $10.3 billion, respectively. The Securitized debt in the Home Equity VIEs and Interest Only/Excess Servicing Bonds line items include interest only classes with a notional value of $238.8 million and $487.4 million, respectively.

(2) For Non-Agency VIEs, represents the fair value of real estate owned within the VIEs and cash held in reserve accounts. We record real estate owned at the lower of cost or fair value less estimated costs to sell. We recorded real estate owned within our Non-Agency VIEs at $4.9 million. For Home Equity VIEs, represents cash held in reserve accounts within the Home Equity VIEs and included within our restricted cash.

(3) Maximum loss exposure from our involvement with VIEs pertains to the fair value of the Certificates retained from the VIEs. We generally have no obligation to provide any other explicit or implicit support to the securitization trusts. Refer to Note 12 to the "Notes to Consolidated Financial Statements (unaudited)" for commitments related to the undrawn portion of a borrowers' home equity line of credit for which the Company may be required to fund.

(4) Our equity at risk included bonds in our Non-Agency VIEs and Home Equity VIEs with a fair value of $378.8 million and $39.1 million, respectively, held in order to comply with Risk Retention Rules. We are generally required to hold the Required Credit Risk until the later of (i) the fifth anniversary of the securitization closing date and (ii) the date on which the aggregate unpaid principal balance of the mortgage loans has been reduced to 25% of the aggregate unpaid principal balance of the mortgage loans as of the securitization closing date, but no longer than the seventh anniversary of the closing date.

(5) A portion of our equity at risk includes bonds exposed to the first loss of the securitization in the Non-Agency VIEs and Home Equity VIEs with a fair value of $94.7 million and $43.0 million, respectively.

(6) Excludes net other asset/(liabilities) held within the Non-Agency VIEs and Home Equity VIEs of $6.7 million and $3.3 million, respectively.

(7) As the sponsor and depositor of each securitization, we may purchase all of the outstanding Certificates (an "Optional Redemption") following the earlier of (1) an applicable anniversary date (typically two or three years) of the respective securitization or (2) the date at which the unpaid principal balance of the applicable collateral has declined below a certain percentage (typically 10% to 30%) of the principal balance originally contributed to the securitization. As of June 30, 2026, there were 11 Non-Agency securitizations with an unpaid principal balance of $2.4 billion that met the criteria for an Optional Redemption.

Securitized residential mortgage loans and Residential mortgage loans

The following table presents information regarding collateral characteristics of our residential mortgage loans as of June 30, 2026 ($ in thousands).

	Unpaid Principal Balance	Fair Value	Loan Count (1)	Weighted Average (1)(2)			
				Original LTV Ratio (3)	Current FICO (4)	Coupon	Life (Years) (5)
Securitized residential mortgage loans							
Non-Agency Loans	$ 6,397,864	$ 6,212,018	17,097	70.79 %	752	5.79 %	7.36
Home Equity Loans	726,148	780,920	9,076	65.78 %	747	9.80 %	4.48
Re- and Non-Performing Loans	148,133	126,237	1,019	80.32 %	667	4.04 %	5.18
Total Securitized residential mortgage loans	$ 7,272,145	$ 7,119,175	27,192	70.49 %	750	6.16 %	7.03
Residential mortgage loans							
Agency-Eligible Loans	$ 20,169	$ 20,651	38	71.16 %	752	6.86 %	4.20
Home Equity Loans	225,684	233,810	2,377	64.44 %	757	8.88 %	4.79
Non-Agency Loans	7,179	7,014	10	75.17 %	621	6.42 %	4.86
Re- and Non-Performing Loans (1)	850	810	N/A	N/A	N/A	N/A	1.03
Total Residential mortgage loans	$ 253,882	$ 262,285	2,425	65.28 %	753	8.65 %	4.73
Total as of June 30, 2026	$ 7,526,027	$ 7,381,460	29,617	70.31 %	750	6.24 %	6.95

(1) Loan count and weighted average excludes the Re- and Non-Performing Loans subcategory of Residential mortgage loans above as there may be limited data available regarding the underlying collateral of these residual positions.
(2) Amounts are weighted based on unpaid principal balance.
(3) Represents the original LTV or, for Re- and Non-Performing Loans and Non-Agency Loans acquired from WMC, the LTV at acquisition. For Home Equity Loans, represents the combined LTV, which considers the loan balances on a borrower's first mortgage and related Home Equity Loan.
(4) Weighted average current FICO excludes borrowers where FICO scores were not available. Data is based on the latest available information.
(5) Weighted average life is based on projected life. Typically, actual maturities are shorter than stated contractual maturities. Maturities are affected by the contractual lives of the underlying mortgages, periodic payments of principal, and prepayments of principal.

See Note 3 to the "Notes to Consolidated Financial Statements (unaudited)" for additional information on credit quality and a breakout of geographic concentration of credit risk within loans we include in the "Securitized residential mortgage loans, at fair value" and "Residential mortgage loans, at fair value" line items on our consolidated balance sheets.

Legacy WMC Commercial loans

As of June 30, 2026, the borrowers of the Legacy WMC Commercial loans were in maturity default. The lender parties (including us) are evaluating with the borrowers consensual sales of the underlying properties collateralizing the loans and/or transferring title of all or certain of the properties to the lender parties via a deed-in-lieu of foreclosure. See Note 3 to the "Notes to Consolidated Financial Statements (unaudited)" for information on the status of the Legacy WMC Commercial loans, as well as coupons, weighted average life, geographic concentration, collateral characteristics, LTV, and maturities of the loans we include in the "Commercial loans, at fair value" line item on our consolidated balance sheets.

Non-Agency RMBS and Legacy WMC CMBS

The following table presents the fair value, coupon, and weighted average life of our Non-Agency RMBS and Legacy WMC CMBS portfolios as of June 30, 2026 ($ in thousands).

					Weighted Average	
Instrument		**Current Face**		**Fair Value**	**Coupon (1)**	**Life (Years) (2)**
Non-Agency RMBS by collateral type:						
Non-QM Loans (3)	$	86,345	$	85,891	3.03 %	2.40
Agency-Eligible Loans (3)		41,335		40,952	3.64 %	6.73
Home Equity Loans (3)		100,695		121,653	5.48 %	5.66
Prime Jumbo Loans		4,281		3,349	4.43 %	17.75
Total Non-Agency RMBS	$	232,656	$	251,845	3.92 %	4.80
Legacy WMC CMBS						
Single-Asset/Single-Borrower - Fixed Rate	$	48,498	$	25,693	6.11 %	1.73
Single-Asset/Single-Borrower - Floating Rate		18,533		5,750	6.66 %	0.36
Conduit - Fixed Rate		15,042		11,251	4.20 %	2.46
Legacy WMC CMBS (4)	$	82,073	$	42,694	5.88 %	1.56
Total Non-Agency RMBS and Legacy WMC CMBS	$	314,729	$	294,539	4.31 %	4.45

(1) Equity residual investments with a zero coupon rate are excluded from this calculation.
(2) Weighted average life is based on projected life. Typically, actual maturities are shorter than stated contractual maturities.
(3) Interest Only securities have no principal balances and bear interest based on a notional value. The notional value is used solely to determine interest distributions on the interest only classes of securities. The notional value of interest only classes included in the Non-QM Loans, Agency-Eligible Loans, and Home Equity Loans items was $134.7 million, $35.7 million, and $273.8 million, respectively.
(4) There are Legacy WMC CMBS with an unpaid principal balance of $23.5 million and a fair value of $4.9 million which are on non-accrual or cost recovery status.

The following table presents the fair value of our Non-Agency RMBS and Legacy WMC CMBS by credit rating as of June 30, 2026 (in thousands).

Credit Rating (1)		**Non-Agency RMBS**		**Legacy WMC CMBS**
AAA	$	117,114	$	—
AA		18,055		—
A		20,386		—
BBB		28,450		—
BB		12,249		6,290
B		9,191		1,151
Below B		—		35,197
Not Rated		46,400		56
Total Non-Agency RMBS and Legacy WMC CMBS	$	251,845	$	42,694

(1) Represents the minimum rating for rated assets of S&P, Moody's, Morningstar, and Fitch credit ratings, stated in terms of the S&P equivalent.

The following table presents the geographic concentration of the underlying collateral for our Non-Agency RMBS and Legacy WMC CMBS portfolios as of June 30, 2026 ($ in thousands).

Non-Agency RMBS			Legacy WMC CMBS		
Geographic Location	Concentration	Fair Value	Geographic Location	Concentration	Fair Value
California	28.6 %	$ 71,926	California	40.8 %	$ 17,419
Florida	10.2 %	25,773	Minnesota	25.7 %	10,973
New York	5.6 %	14,222	Texas	9.2 %	3,927
Texas	4.3 %	10,742	New York	6.9 %	2,933
New Jersey	3.7 %	9,266	Pennsylvania	4.4 %	1,870
Other	47.6 %	119,916	Other	13.0 %	5,572
Total	100.0 %	$ 251,845	**Total**	100.0 %	$ 42,694

Agency RMBS

Although our investment activities primarily include acquiring and securitizing newly-originated residential mortgage loans, from time to time we invest excess liquidity into Agency RMBS. The following table presents the fair value, constant prepayment rate ("CPR"), coupon, and weighted average life experienced on our Agency RMBS portfolio as of June 30, 2026 ($ in thousands).

		Weighted Average		
	Fair Value	CPR (1)	Coupon	Life (Years) (2)
Agency RMBS Interest Only	$ 14,715	10.4 %	4.89 %	5.56

(1) Represents the weighted average monthly CPRs published during the period for our in-place portfolio.
(2) Weighted average life is based on projected life. Typically, actual maturities are shorter than stated contractual maturities.

Financing activities

We use leverage to finance the purchase of our investment portfolio. Our leverage has primarily been in the form of repurchase agreements and facilities used to finance residential mortgage loans (which we refer to collectively as financing arrangements). We also utilize securitized debt to finance our loan portfolio. In addition, we may obtain financing through the issuance of senior unsecured notes.

Financing Arrangements

Repurchase agreements involve the sale and a simultaneous agreement to repurchase the transferred assets or similar assets at a future date. The amount borrowed generally is equal to the fair value of the assets pledged less an agreed-upon discount, referred to as a "haircut." The size of the haircut reflects the perceived risk associated with the pledged asset. Haircuts may change as our financing arrangements mature or roll and are sensitive to governmental regulations. Interest rates for our financing arrangements are determined based on prevailing rates (typically a spread over a base rate) corresponding to the terms of the borrowings, and interest is paid on a monthly basis or, for shorter term arrangements, at the end of the term. Repurchase agreements typically have a term of up to one year for loans and a term of 30 to 90 days for securities. Repurchase agreements are generally mark-to-market with respect to margin calls and recourse to us. We also have certain financing arrangements collateralized by residential mortgage loans which are recourse to us, but are not subject to mark-to-market margin calls. We had outstanding financing arrangements with six counterparties as of June 30, 2026.

Our financing arrangements generally include customary representations, warranties, and covenants, but may also contain more restrictive supplemental terms and conditions. Although specific to each financing arrangement, typical supplemental terms include requirements of minimum equity and liquidity, leverage ratios, and performance triggers. In addition, some of the financing arrangements contain cross default features, whereby default under an agreement with one lender simultaneously causes default under agreements with other lenders. To the extent that we fail to comply with the covenants contained in these financing arrangements or are otherwise found to be in default under the terms of such agreements, the counterparty has the right to accelerate amounts due under the associated agreement. As of June 30, 2026, we are in compliance with all of our financial covenants.

Securitized Debt

As explained in the “Investment Activities” section above, our investment strategy focuses on acquiring and securitizing newly originated residential mortgage loans. In each securitization transaction, a pool of loans is transferred into a newly formed securitization trust. This trust issues Certificates, and we typically sell the senior classes of these Certificates to unrelated third parties. We record “Securitized debt" on our consolidated balance sheet in accordance with U.S. GAAP when we determine that we are the primary beneficiary of the securitization transaction. The proceeds from securitization transactions are used to repay any outstanding financing arrangements initially employed to acquire newly originated residential mortgage loans, replacing recourse financing with mark-to-market margin calls with securitized debt. Securitized debt is generally long-term in nature, non-recourse to us and is not subject to mark-to-market margin calls. Additionally, generally the holders of the securitized debt have no recourse to the general credit of the Company and we have no obligation to provide any other explicit or implicit support to the securitization trusts.

Senior Unsecured Notes

During 2024, we issued senior unsecured notes which consist of $34.5 million principal amount 9.500% Senior Notes due February 2029 and $65.0 million principal amount 9.500% Senior Notes due May 2029. See Note 6 to the "Notes to Consolidated Financial Statements (unaudited)" for additional information on the Senior Unsecured Notes.

Leverage

We use leverage to increase potential returns to our stockholders. Our financing strategy is designed to increase the size of our investment portfolio by borrowing against the fair value of the assets in our portfolio. As discussed above, financing arrangements are generally recourse to the Company whereas securitized debt used to finance our Non-Agency VIEs, Home Equity VIEs, and RPL/NPL VIEs is generally non-recourse to the Company. In addition to disclosing GAAP leverage, we also disclose Economic Leverage, which excludes non-recourse financing. Management believes that this non-GAAP measure, when considered with our GAAP financial statements, provides supplemental information useful for investors to help evaluate our use of leverage and the related risk associated with our leverage profile. Our presentation of Economic Leverage may not be comparable to similarly-titled measures of other companies, who may use different calculations. This non-GAAP measure should not be considered a substitute for, or superior to, GAAP leverage calculated in accordance with GAAP. Our GAAP financial results and the reconciliations from these results should be carefully evaluated.

We define GAAP leverage as the sum of (1) Securitized debt, at fair value, (2) Financing arrangements, net of any restricted cash posted on such financing arrangements, (3) Senior Unsecured Notes, and (4) the amount payable on purchases that have not yet settled less the financing remaining on sales that have not yet settled. We define Economic Leverage, a non-GAAP metric, as the sum of our GAAP leverage, exclusive of any fully non-recourse financing arrangements, and our net TBA position (at cost), if any. Our leverage does not include any financing utilized through AG Arc.

The calculations in the table below divide GAAP Leverage and Economic Leverage by our GAAP stockholders’ equity to derive our leverage ratios. The following table presents a reconciliation of our Economic Leverage ratio to GAAP Leverage ($ in thousands).

June 30, 2026	**Leverage**	**Stockholders’ Equity**	**Leverage Ratio**
Securitized debt, at fair value (1)	$ 6,355,237		
Financing arrangements (2)	891,015		
Senior Unsecured Notes (2)	96,858		
Restricted cash posted on financing arrangements	(8,030)		
GAAP Leverage	$ 7,335,080	$ 546,004	13.4x
Non-recourse financing arrangements (1)	(6,355,237)		
Economic Leverage	$ 979,843	$ 546,004	1.8x

(1) Securitized debt, at fair value is non-recourse to the Company.
(2) Financing arrangements and senior unsecured notes are recourse to the Company.

Hedging activities

Subject to maintaining our qualification as a REIT and our Investment Company Act exemption, to the extent leverage is deployed, we may utilize derivative instruments in an effort to hedge the interest rate risk associated with the financing of our portfolio. Specifically, we may seek to hedge our exposure to potential interest rate mismatches between the interest we earn on our investments and our borrowing costs caused by fluctuations in short-term interest rates. We may utilize interest rate swaps, swaption agreements, and other financial instruments such as short positions in to-be-announced securities. In utilizing leverage and interest rate derivatives, our objectives are to improve risk-adjusted returns and, where possible, to lock in, on a long-term basis, a spread between the yield on our assets and the costs of our financing and hedging. Derivatives have not been designated as hedging instruments for GAAP. See Note 7 in the "Notes to Consolidated Financial Statements (unaudited)" for more information.

Dividends

Federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT ordinary taxable income, without regard to the deduction for dividends paid and excluding net capital gains and that it pay tax at regular corporate rates to the extent that it annually distributes less than 100% of its net taxable income. Before we pay any dividend, whether for U.S. federal income tax purposes or otherwise, we must first meet both our operating requirements and debt service on our financing arrangements and other debt payable. If our cash available for distribution is less than our net taxable income, we could be required to sell assets or borrow funds to make required cash distributions or we may make a portion of the required distribution in the form of a taxable stock distribution or distribution of debt securities.

As described above, our distribution requirements are based on taxable income rather than GAAP net income. Differences between taxable income and GAAP net income include (i) unrealized gains and losses associated with investment and derivative portfolios which are marked-to-market in current income for GAAP purposes, but excluded from taxable income until realized or settled, (ii) temporary differences related to amortization of premiums and discounts paid on investments, (iii) the timing and amount of deductions related to stock-based compensation, (iv) temporary differences related to the recognition of realized gains and losses on sold investments and certain terminated derivatives, (v) taxes, and (vi) differences between GAAP income or losses in our TRSs and taxable income resulting from dividend distributions to the REIT from our TRSs. Undistributed taxable income is based on current estimates and is not finalized until we file our annual tax return for that tax year, typically in October of the following year. As of December 31, 2025, we had estimated undistributed taxable income of approximately $0.12 per common share.

During the six months ended June 30, 2026, the Company declared common stock dividends of $0.48 per share. During the same period, the Company declared and paid preferred stock dividends on its Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock of $1.03126, $1.00, and $1.318343 per share, respectively.

Liquidity and capital resources

Our liquidity determines our ability to meet our cash obligations, including distributions to our stockholders, payment of our expenses, financing our investments and satisfying other general business needs.

Our principal sources of cash consist of borrowings under securitized debt and financing arrangements, principal and interest payments we receive on our investment portfolio, cash generated from our operating results, proceeds from the sale of investments, and proceeds from capital market transactions. We typically use cash to repay principal and interest on our securitized debt, financing arrangements and senior unsecured notes, to purchase loans, real estate securities, and other real estate related assets, to make dividend payments on our capital stock, to repurchase our capital stock, and to fund our operations. We may also generate liquidity when restricted cash that was pledged as collateral for clearing and executing trades, derivatives, and financing arrangements becomes unrestricted when the related collateral requirements are exceeded or at the maturity of the derivative or financing arrangement. Refer to "—Margin requirements" below discussing instances where we may use liquidity to meet margin requirements. As of June 30, 2026, we pledged Home Equity Loans with a fair value of $63.5 million in which we have no outstanding financing but have $50.0 million of available financing which is contractually committed. At June 30, 2026, we had $111.6 million of liquidity, which consisted of $61.6 million of cash and cash equivalents and $50.0 million of available committed financing on certain Home Equity Loans available to support our liquidity needs.

Margin requirements

The fair value of our loans and real estate securities fluctuate according to market conditions. When the fair value of the assets pledged as collateral to secure a financing arrangement decreases to the point where the difference between the collateral fair value and the financing arrangement amount is less than the haircut, our lenders may issue a "margin call," which requires us to post additional collateral to the lender in the form of additional assets or cash. Under our repurchase facilities, our lenders have full discretion to determine the fair value of the securities we pledge to them. Our lenders typically value assets based on recent transactions in the market. Lenders also issue margin calls as the published current principal balance factors change on the pool of mortgages underlying the securities pledged as collateral when scheduled and unscheduled paydowns are announced monthly. We experience margin calls in the ordinary course of our business. In addition to our cash and cash equivalents, we may hold unpledged Agency RMBS and maintain available committed financing on certain residential mortgage loans to effectively manage the margin requirements established by our lenders. We refer to this position as our "liquidity." The level of liquidity we maintain to meet margin calls is directly affected by our leverage levels, our haircuts and the price changes on our assets. Typically, if interest rates increase or if credit spreads widen, then the prices of our collateral (and our unpledged Agency RMBS that constitute a portion of our liquidity) will decline, we will experience margin calls, and we will need to use our liquidity to meet the margin calls. There can be no assurance that we will maintain sufficient levels of liquidity to meet any margin calls. If our haircuts on existing financing arrangements increase, our liquidity will proportionately decrease. We intend to maintain a level of liquidity in relation to our borrowings that enables us to meet reasonably anticipated margin calls but that also allows us to be substantially invested in the residential mortgage market. We may misjudge the appropriate amount of our liquidity by maintaining excessive liquidity, which would lower our investment returns, or by maintaining insufficient liquidity, which may force us to liquidate assets into potentially unfavorable market conditions and harm our results of operations and financial condition.

Similar to the margin calls that we receive on our borrowing agreements, we may also receive margin calls on our derivative instruments when their fair value declines. This typically occurs when prevailing market rates change adversely, with the severity of the change also dependent on the terms of the derivatives involved. We may also receive margin calls on our derivatives based on the implied volatility of interest rates. Our posting of collateral with our counterparties can be done in cash or assets, and is generally bilateral, which means that if the fair value of our interest rate hedges increases, our counterparty will be required to post collateral with us. Refer to the "Liquidity risk – derivatives" section of Item 3 below for a further discussion on margin.

Cash flows

The below details changes to our cash, cash equivalents, and restricted cash for the six months ended June 30, 2026 and 2025 (in thousands).

	Six Months Ended		
	June 30, 2026	**June 30, 2025**	**Change**
Cash and cash equivalents and restricted cash, Beginning of Period	$ 76,321	$ 138,568	$ (62,247)
Net cash provided by (used in) operating activities (1)	44,581	23,515	21,066
Net cash provided by (used in) investing activities (2)	682,065	(485,249)	1,167,314
Net cash provided by (used in) financing activities (3)	(720,805)	423,335	(1,144,140)
Net change in cash and cash equivalents and restricted cash	5,841	(38,399)	44,240
Cash and cash equivalents and restricted cash, End of Period	$ 82,162	$ 100,169	$ (18,007)

(1) Cash provided by operating activities is primarily attributable to net interest income less operating expenses for the six months ended June 30, 2026.
(2) Cash provided by investing activities for the six months ended June 30, 2026 was primarily attributable to principal repayments on our investment portfolio and proceeds from the sale of certain investments, offset by purchases of residential mortgage loans and real estate securities.
(3) Cash used in financing activities for the six months ended June 30, 2026 was primarily attributable to principal repayments on securitized debt and dividend payments, offset by net borrowing of repurchase agreements.

Stock repurchase programs

On August 3, 2022, our Board of Directors authorized a stock repurchase program (the "2022 Repurchase Program") to repurchase up to $15.0 million of our outstanding common stock. The 2022 Repurchase Program does not have an expiration date and permits us to repurchase our shares through various methods, including open market repurchases, privately negotiated block transactions and Rule 10b5-1 plans. We may repurchase shares of our common stock from time to time in compliance with SEC regulations and other legal requirements. The extent to which we repurchase our shares, and the timing, manner, price, and amount of any such repurchases, will depend upon a variety of factors including market conditions and other corporate considerations as determined by management, as well as the limits of the 2022 Repurchase Program and our liquidity and business strategy. The 2022 Repurchase Program does not obligate us to acquire any particular amount of shares and may be modified or discontinued at any time. As of the date of this filing, approximately $1.5 million of common stock remained authorized for future share repurchases under the 2022 Repurchase Program. There were no shares repurchased during the three and six months ended June 30, 2026 and 2025.

On May 4, 2023, our Board of Directors authorized a stock repurchase program (the "2023 Repurchase Program") to repurchase up to $15.0 million of our outstanding common stock on substantially the same terms as the 2022 Repurchase Program. As of the date of this filing, the full $15.0 million authorized amount remains available for repurchase under the 2023 Repurchase Program. This authorization is in addition to the amount remaining under the 2022 Repurchase Program.

On February 22, 2021, our Board of Directors authorized a stock repurchase program (the "Preferred Repurchase Program") pursuant to which our Board of Directors granted a repurchase authorization to acquire shares of our Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock having an aggregate value of up to $20.0 million. No share repurchases under the Preferred Repurchase Program have been made since its authorization.

Shares of stock repurchased by us under any repurchase program, if any, will be cancelled and, until reissued by us, will be deemed to be authorized but unissued shares of our stock as required by Maryland law. The cost of the acquisition by us of shares of our own stock in excess of the aggregate par value of the shares first reduces additional paid-in capital, to the extent available, with any residual cost applied against retained earnings.

Equity distribution agreements

On November 6, 2024, we entered into separate equity distribution agreements (the "2024 Equity Distribution Agreements") with each of BTIG, LLC, JonesTrading Institutional Services LLC, Keefe, Bruyette & Woods, Inc. and Piper Sandler & Co. (collectively, the "2024 Sales Agents"), pursuant to which we may sell up to $75.0 million aggregate offering price of shares of our common stock from time to time through an "at-the-market" equity offering program under which the 2024 Sales Agents will act as sales agent. We did not issue any shares of common stock under the 2024 Equity Distribution Agreements during the three and six months ended June 30, 2026 and 2025.

Acquisition of additional interest in AG Arc

On August 1, 2025, in connection with the acquisition of an additional 21.4% interest in AG Arc LLC (“AG Arc”), we issued 2,027,676 restricted shares of common stock (the “Holder Shares”) to certain funds managed by an affiliate of TPG (the “Holders”) as consideration. Refer to Note 10 of the "Notes to Consolidated Financial Statements (unaudited)" for additional information. Pursuant to the registration rights agreement we entered into with the Holders, in August 2025, we filed a resale shelf registration statement on Form S-3 registering the resale of all the Holder Shares (the “Resale Shelf”), which was declared effective by the Securities and Exchange Commission in August 2025. As June 30, 2026, the Holders no longer hold any shares of our common stock.

Forward-looking statements regarding liquidity

Based upon our current portfolio, leverage and available borrowing arrangements, we believe the net proceeds of our common equity offerings, preferred equity offerings, senior unsecured note issuances, and private placements, combined with cash flow from operating activities, financing activities, and our available borrowing capacity will be sufficient to enable us to meet our anticipated liquidity requirements, including funding our investment activities, paying fees under our management agreement, funding our distributions to stockholders, funding financing maturities, and paying general corporate expenses.

Contractual obligations

Management agreement

The management agreement, as amended, provides for payment to the Manager of a management fee, an incentive fee, and reimbursements of certain expenses incurred by the Manager or its affiliates on behalf of us.

Contemporaneously with the execution of the Merger Agreement, and in consideration of our Manager’s approximate $20 million cash payment to CHMI stockholders in the Merger, we and our Manager entered into an amendment (the “MITT Management Agreement Amendment”) to the existing MITT Management Agreement, as amended on April 6, 2020, September 24, 2020, November 22, 2021, and August 8, 2023 (as amended, the “Existing MITT Management Agreement”). The MITT

Management Agreement Amendment will become effective automatically upon the closing of the Merger, and will have no force and effect if the Merger does not close. The MITT Management Agreement Amendment makes certain changes to the Existing MITT Management Agreement, including, (i) updating the calculation of the “Equity Hurdle Base” to be based on the Company’s book value immediately after the Effective Time, (ii) updating the income component of the incentive fee from “Adjusted Net Income” to “Earnings Available for Distribution”, (iii) updating the calculation mechanics of the incentive fee to a rolling four quarter basis, (iv) providing that no incentive fee shall be payable with respect to any calendar quarter unless Earnings Available for Distribution for the twelve most recently completed calendar quarters is greater than zero, (v) that the termination fee will be three times the sum of the average annual base management fee and the average annual incentive fee during the prior 24-month period, and (vi) providing that the incentive fee will be calculated quarterly and payable annually. The incentive fee will continue to be payable in cash, or, at the option of our board of directors, shares of our common stock or a combination of cash and shares, provided that no more than 50% of the incentive fee may be paid in shares of our common stock without our Manager’s consent.

All other terms and conditions of the Existing MITT Management Agreement remain substantially the same.

Management fee

The management fee is calculated and payable quarterly in arrears in an amount equal to 1.50% of our Stockholders’ Equity, per annum. For purposes of calculating the management fee, "Stockholders’ Equity" means the sum of the net proceeds from any issuances of equity securities (including preferred securities) since inception (allocated on a pro rata daily basis for such issuances during the fiscal quarter of any such issuance, and excluding any future equity issuance to the Manager), plus our retained earnings at the end of such quarter (without taking into account any non-cash equity compensation expense or other non-cash items described below incurred in current or prior periods), less any amount that we pay for repurchases of our common stock, excluding any unrealized gains, losses or other non-cash items that have impacted stockholders’ equity as reported in our financial statements prepared in accordance with GAAP, regardless of whether such items are included in other comprehensive income or loss, or in net income, and excluding one-time events pursuant to changes in GAAP, and certain other non-cash charges after discussions between the Manager and our independent directors and after approval by a majority of our independent directors. Stockholders’ Equity, for purposes of calculating the management fee, could be greater or less than the amount of stockholders’ equity shown on our financial statements.

The below table details the management fees incurred during the three and six months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended		Six Months Ended	
Consolidated statements of operations line item:	**June 30, 2026**	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Management fee to affiliate	$ 2,311	$ 2,301	$ 4,630	$ 4,628

As of June 30, 2026 and December 31, 2025, we recorded management fees payable of $2.3 million and $2.3 million, respectively. The management fee payable is included within the "Due to affiliates" line item within the "Other liabilities" line item on the consolidated balance sheets.

Incentive fee

The Manager is entitled to an annual incentive fee with respect to each applicable fiscal year, which will be equal to 15% of the amount by which our cumulative adjusted net income from November 22, 2021 exceeds the cumulative hurdle amount, which represents an 8% return (cumulative, but not compounding) on an equity hurdle base consisting of the sum of (i) $341.5 million and (ii) the gross proceeds of any subsequent public or private common stock offerings by us. The annual incentive fee will be payable in cash, or, at the option of our Board of Directors, shares of common stock or a combination of cash and shares.

During the three and six months ended June 30, 2026 and 2025, we did not incur any incentive fee expense.

Termination fee

Upon the occurrence of (i) our termination of the management agreement without cause or (ii) the Manager’s termination of the management agreement upon a breach by the Company of any material term of the management agreement, the Manager will be entitled to a termination fee equal to three times the average annual management fee during the 24-month period prior to such termination, calculated as of the end of the most recently completed fiscal quarter. As of June 30, 2026 and December 31, 2025, no event of termination of the management agreement had occurred.

Expense reimbursement

Our Manager uses the proceeds from its management fee in part to pay compensation to its officers and personnel, who, notwithstanding that certain of them also are our officers, receive no compensation directly from us. We are required to reimburse our Manager or its affiliates for operating expenses incurred by our Manager or its affiliates on our behalf, including certain salary expenses and other expenses relating to legal, accounting, due diligence and other services. Our reimbursement obligation is not subject to any dollar limitation; however, reimbursements are subject to an annual budget process which combines guidelines from the management agreement with oversight by our Board of Directors and discussions with our Manager.

The below table details the expense reimbursement incurred during the three and six months ended June 30, 2026 and 2025 (in thousands).

	Three Months Ended		Six Months Ended	
Consolidated statements of operations line item:	**June 30, 2026**	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Non-investment related expenses	$ 1,183	$ 1,304	$ 2,629	$ 3,143
Investment related expenses	216	95	358	295
Transaction related expenses	73	109	148	369
Expense reimbursements to Manager or its affiliates	$ 1,472	$ 1,508	$ 3,135	$ 3,807

As of June 30, 2026 and December 31, 2025, we recorded a reimbursement payable to our Manager or its affiliates of $1.8 million and $2.1 million, respectively The reimbursement payable to the Manager or its affiliates is included within the "Due to affiliates" line item within the "Other liabilities" line item on the consolidated balance sheets.

Equity Incentive Plans

On May 5, 2025, following approval by stockholders at our annual stockholders meeting, our 2025 Equity Incentive Plan (the “2025 Equity Incentive Plan”) became effective. The maximum number of shares of our common stock that could be issued under the 2025 Equity Incentive Plan was 800,000 shares of common stock, plus 220,781 shares of common stock (which reflects the number of shares that remained available for issuance under the equity incentive plan approved in 2020 (the “2020 Equity Incentive Plan”) as of May 4, 2025), plus 86,666 shares of common stock that remained subject to outstanding awards under the 2020 Equity Incentive Plan but only to the extent that such shares become forfeited or otherwise lapse. As a result of the adoption of the 2025 Equity Incentive Plan, no additional awards will be granted under the 2020 Equity Incentive Plan (although awards previously made under the 2020 Equity Incentive Plan will remain in effect subject to the terms of the 2020 Equity Incentive Plan and the applicable award agreement).

Since inception of the 2025 Equity Incentive Plan and through June 30, 2026, we have granted an aggregate 103,604 shares of restricted common stock and 1,787 dividend equivalent units to our independent directors, all of which have vested. As of June 30, 2026, there were 915,390 remaining shares available to be issued under the 2025 Equity Incentive Plan.

As of June 30, 2026, we have 12,981 restricted stock units and 3,836 associated dividend equivalent units outstanding, all of which are fully vested and held by one of our independent directors. These units will be settled on a one-for-one basis in shares of our common stock upon the director's separation from service with us.

Manager Equity Incentive Plans

The AG Mortgage Investment Trust, Inc. 2021 Manager Equity Incentive Plan (the "2021 Manager Plan"), which became effective on April 7, 2021 following the approval of our stockholders at our 2021 annual meeting of stockholders, provides for a maximum of 573,425 shares of common stock that may be subject to awards thereunder to our Manager. As of June 30, 2026, there were no shares or awards issued under the 2021 Manager Plan. Following the execution of the Third Amendment to our management agreement in November 2021 related to the incentive fee, our compensation committee no longer expects to continue its historical practice of making periodic equity grants to the Manager pursuant to the 2021 Manager Plan.

Unfunded commitments

See Note 12 of the "Notes to Consolidated Financial Statements (unaudited)" for detail on our commitments as of June 30, 2026.

Off-balance sheet arrangements

Our investments in debt and equity of affiliates primarily consist of real estate securities and our interest in AG Arc. Investments in debt and equity of affiliates are accounted for using the equity method of accounting. Certain of our investments in debt and equity of affiliates securitize residential mortgage loans and retain interests in the subordinated tranches of the transferred assets. These retained interests are included in the MATT Non-QM Securities and Re/Non-Performing Securities line items of our investment portfolio. See Note 10 to the "Notes to Consolidated Financial Statements (unaudited)" for a discussion of investments in debt and equity of affiliates.

We record TBA purchases and sales on the trade date and present the purchase or receipt net of the corresponding payable or receivable until the settlement date of the transaction. Refer to Note 7 to the "Notes to Consolidated Financial Statements (unaudited)" for additional detail on TBAs as of June 30, 2026, if applicable.

For additional information on our commitments as of June 30, 2026, refer to Note 12 of the "Notes to Consolidated Financial Statements (unaudited)." We do not expect these commitments, taken as a whole, to be significant to, or to have a material impact on, our overall liquidity or capital resources or our operations.

Critical accounting policies and estimates

We prepare our consolidated financial statements in conformity with GAAP, which requires the use of estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. These estimates are based, in part, on our judgment and assumptions regarding various economic conditions that we believe are reasonable based on facts and circumstances existing at the time of reporting. We believe that the estimates, judgments and assumptions utilized in the preparation of our consolidated financial statements are prudent and reasonable. Although our estimates contemplate conditions as of June 30, 2026 and how we expect them to change in the future, it is reasonably possible that actual conditions could be different than anticipated in arriving at those estimates, which could materially affect reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the periods presented.

Our most critical accounting policies include (i) Valuation of financial instruments, (ii) Accounting for loans, (iii) Accounting for real estate securities, (iv) Interest income recognition, (v) Financing arrangements, and (vi) Investment consolidation. Our critical accounting estimates are those which require assumptions to be made about matters that are highly uncertain and include (i), (iv), and (vi) above. A discussion of critical accounting policies and estimates is included in our Form 10-K. Our critical accounting policies and estimates have not materially changed since December 31, 2025.

REIT Qualification

We have elected to be treated as a REIT under Sections 856 through 859 of the Internal Revenue Code of 1986, as amended (the "Code"). Our qualification as a REIT depends upon our ability to meet on a continuing basis, through actual investment and operating results, various complex requirements under the Code relating to, among other things, the sources of our gross income, the composition and values of our assets, our distribution levels and the diversity of ownership of our shares. We believe that we are organized in conformity with the requirements for qualification and taxation as a REIT under the Code, and that our manner of operation enables us to meet the requirements for qualification and taxation as a REIT.

We generally need to distribute at least 90% of our ordinary taxable income each year (subject to certain adjustments) to our stockholders in order to qualify as a REIT under the Code. Our ability to make distributions to our stockholders depends, in part, upon the performance of our investment portfolio.

As a REIT, we generally are not subject to U.S. federal income tax on our REIT taxable income that we distribute currently to our stockholders. If we fail to qualify as a REIT in any taxable year and do not qualify for certain statutory relief provisions, we will be subject to U.S. federal income tax at regular corporate rates and may be precluded from qualifying as a REIT for the subsequent four taxable years following the year during which we lost our REIT qualification. Accordingly, our failure to qualify as a REIT could have a material adverse impact on our results of operations and our ability to pay distributions, if any, to our stockholders. Even if we qualify for taxation as a REIT, we may be subject to some U.S. federal, state and local taxes on our income or property. In addition, any income earned by a domestic taxable REIT subsidiary, or TRS, will be subject to corporate income taxation.

Investment Company Act Exemption

We conduct our business so as to maintain our exempt status under, and not to become regulated as an investment company for purposes of, the Investment Company Act. Under Section 3(a)(1)(A) of the Investment Company Act, a company is an investment company if it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities. Under Section 3(a)(1)(C) of the Investment Company Act, a company is deemed to be an investment company if it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire "investment securities" having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis (the "40% Test"). "Investment securities" do not include, among other things, U.S. government securities, and securities issued by majority-owned subsidiaries that (i) are not investment companies and (ii) are not relying on the exceptions from the definition of investment company provided by Section 3(c)(1) or 3(c)(7) of the Investment Company Act (the so called "private investment company" exemptions).

We conduct our operations such that we will not be considered an investment company under Section 3(a)(1) of the Investment Company Act by complying with the 40% Test and not engaging primarily (or holding ourselves out as being engaged primarily) in the business of investing, reinvesting, or trading in securities. Rather, through wholly-owned or majority-owned subsidiaries, we are primarily engaged in the non-investment company businesses of these subsidiaries, namely the real estate finance business of purchasing or otherwise acquiring mortgage loans and other interests in real estate.

We currently have several subsidiaries that rely on the exclusion provided by Section 3(c)(7) of the Investment Company Act, each a "3(c)(7) subsidiary." In addition, we currently have several subsidiaries that rely on the exclusion provided by Section 3(c)(5)(C) of the Investment Company Act, each a "3(c)(5)(C) subsidiary."

While investments in 3(c)(7) subsidiaries are considered investment securities for the purposes of the 40% Test, investments in 3(c)(5)(C) subsidiaries are not considered investment securities for the purposes of the 40% Test, nor are investments in subsidiaries that rely on the exclusion provided by Section 3(a)(1)(C). Therefore, our investments in 3(c)(7) subsidiaries and other investment securities cannot exceed 40% of the value of our total assets (excluding U.S. government securities and cash) on an unconsolidated basis.

Section 3(c)(5)(C) of the Investment Company Act exempts from the definition of "investment company" entities primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interests in real estate. The SEC staff generally requires an entity relying on Section 3(c)(5)(C) to invest at least 55% of its portfolio in "qualifying assets" and at least another 25% in additional qualifying assets or in "real estate-related assets" (with no more than 20% comprised of miscellaneous assets). Both the 40% Test and the requirements of the Section 3(c)(5)(C) exclusion limit the types of businesses in which we may engage and the types of assets we may hold, as well as the timing of sales and purchases of assets. For example, these restrictions limit our and our 3(c)(5)(C) subsidiaries’ ability to invest directly in Agency RMBS that represent less than the entire ownership in a pool of mortgage loans or debt and equity tranches of Non-Agency RMBS (in each case to the extent such interest are not retained interest in securitizations consisting of mortgage loans that were owned by us and such securitizations were not sponsored by us in order to obtain financing to acquire additional mortgage loans), certain real estate companies and assets not related to real estate.

The determination that we qualify for this exemption from being regulated as an investment company depends on various factual matters and circumstances. We closely monitor our holdings to ensure continuing and ongoing compliance with these tests. If we failed to comply with the 40% Test or another exemption under the Investment Company Act and became regulated as an investment company, our ability to, among other things, use leverage would be substantially reduced and, as a result, we would be unable to conduct our business as described in this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The primary components of our market risk relate to interest rates, liquidity, real estate, credit, prepayment rates, basis, and capital markets risk. While we do not seek to avoid risk completely, we seek to assume risk that can be reasonably quantified from historical experience and to actively manage that risk, to earn sufficient returns to justify taking those risks and to maintain capital levels consistent with the risks we undertake. Many of these risks have become particularly heightened due to sustained inflation, rising mortgage rates, the Federal Reserve's monetary policy actions, and market uncertainty from geopolitical risks.

Interest rate risk

Interest rate risk is highly sensitive to many factors, including governmental monetary, fiscal and tax policies, domestic and international economic and political considerations and other factors beyond our control. We are subject to interest rate risk in connection with both our investments and the financing under our financing arrangements. We generally seek to manage this risk by monitoring the reset index and the interest rate related to our investment portfolio and our financings; by structuring our financing arrangements to have a range of maturity terms, amortizations and interest rate adjustment periods; and by using derivative instruments to adjust interest rate sensitivity of our investment portfolio and borrowings. Our hedging techniques can be highly complex, and the value of our investment portfolio and derivatives may be adversely affected as a result of changing interest rates.

Interest rate effects on net interest income

Our operating results depend in large part upon differences between the yields earned on our investments and our cost of borrowing and upon the effectiveness of our interest rate hedging activities. The majority of our financing arrangements are short term in nature, exclusive of our residential mortgage loans financed through securitized debt. Repurchase agreements financing our securities portfolio or retained interests from our securitizations typically have an initial term between 30 and 90 days while repurchase agreements financing our residential mortgage loans prior to securitization have an initial term of one year. The financing rate on these agreements will generally be determined at the outset of each transaction by reference to prevailing rates plus a spread. As a result, our borrowing costs will tend to increase during periods of rising interest rates as we renew, or "roll", maturing transactions at the higher prevailing rates. When combined with the fact that the income we earn on our fixed interest rate investments will remain substantially unchanged, this will result in a narrowing of the net interest spread between the related assets and borrowings and may even result in losses.

In an attempt to offset the increase in funding costs related to rising interest rates, our Manager may cause us to enter into hedging transactions structured to provide us with positive cash flow in the event interest rates rise. Our Manager accomplishes this through the use of interest rate derivatives. Some hedging strategies involving the use of derivatives are highly complex, may produce volatile returns and may expose us to increased risks relating to counterparty defaults.

Interest rate effects on fair value

Another component of interest rate risk is the effect that changes in interest rates will have on the fair value of the assets that we acquire.

Generally, in a rising interest rate environment, the fair value of our loan and real estate securities portfolios would be expected to decrease, all other factors being held constant. In particular, the portion of our real estate securities and loan portfolios with fixed-rate coupons would be expected to decrease in value more severely than that portion with a floating-rate coupon. This is because fixed-rate coupon assets tend to have significantly more duration, or price sensitivity to changes in interest rates, than floating-rate coupon assets. Fixed-rate assets currently represent a majority of our portfolio.

The fair value of our investment portfolio could change at a different rate than the fair value of our liabilities when interest rates change. We measure the sensitivity of our portfolio to changes in interest rates by estimating the duration of our assets and liabilities. Duration is the approximate percentage change in fair value for an instantaneous 100 basis point parallel shift in the yield curve while assuming all other market risk factors remain constant. In general, our assets have higher duration than our liabilities. In order to reduce this exposure, we use hedging instruments to reduce the gap in duration between our assets and liabilities.

Interest rate sensitivity

The following table quantifies the estimated percent change in GAAP equity, the fair value of our assets, and projected net interest income should interest rates go up or down instantaneously by 25, 50, and 75 basis points, assuming (i) the yield curves of the rate shocks will be parallel to each other and the current yield curve and (ii) all other market risk factors remain constant. These estimates were compiled using a combination of third-party services and models, market data and internal models. All changes in equity, assets, and income are measured as percentage changes from the GAAP equity, assets, and projected net interest income from our base interest rate scenario. The base interest rate scenario assumes spot and forward interest rates existing as of June 30, 2026. Actual results could differ materially from these estimates.

Agency RMBS and Agency-Eligible Loan assumptions attempt to predict default and prepayment activity at projected interest rate levels. To the extent that these estimates or other assumptions do not hold true, actual results will likely differ materially from projections and could result in percentage changes larger or smaller than the estimates in the table below. Moreover, if different models were employed in the analysis, materially different projections could result. In addition, while the table below reflects the estimated impact of interest rate increases and decreases on a static portfolio as of June 30, 2026, our Manager may from time to time sell any of our investments as a part of the overall management of our investment portfolio.

Change in Interest Rates (basis points) (1)	Change in Fair Value as a Percentage of GAAP Equity (2)(3)	Change in Fair Value as a Percentage of Assets (2)(3)	Percentage Change in Projected Net Interest Income (4)
75	(1.9)%	(0.1)%	1.1 %
50	(1.3)%	(0.1)%	0.7 %
25	(0.7)%	— %	0.4 %
(25)	0.6 %	— %	(0.4)%
(50)	1.2 %	0.1 %	(1.0)%
(75)	2.0 %	0.1 %	(1.5)%

(1) Includes investments held through affiliated entities that are reported as "Investments in debt and equity of affiliates" on our consolidated balance sheet, but excludes AG Arc.
(2) Does not include cash investments, which typically have overnight maturities and are not expected to change in value as interest rates change.
(3) Changes in fair value as a percentage of GAAP equity and assets are inclusive of forward purchase commitments to acquire Non-Agency Loans and Agency-Eligible Loans as of June 30, 2026.
(4) Interest income includes trades settled as of June 30, 2026.

The information set forth in the interest rate sensitivity table above and all related disclosures constitute forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Actual results could differ significantly from those estimated in the foregoing interest rate sensitivity table. See below for additional risks which may impact the fair value of our assets, GAAP equity and net income.

Liquidity risk

Our primary liquidity risk arises from financing long-maturity assets with shorter-term financings primarily in the form of financing arrangements. Our Manager seeks to mitigate our liquidity risks by maintaining a prudent level of leverage, monitoring our liquidity position on a daily basis and maintaining a reasonable cushion of cash and unpledged real estate securities and loans in our portfolio in order to meet future margin calls. In addition, our Manager seeks to further mitigate our liquidity risk by (i) maintaining relationships with a carefully selected group of financing counterparties and (ii) monitoring the ongoing financial stability and future business plans of our financing counterparties.

Liquidity risk – financing arrangements

We pledge mortgage loans or real estate securities and cash as collateral to secure our financing arrangements. Should the fair value of our mortgage loans or real estate securities pledged as collateral decrease (as a result of rising interest rates, changes in prepayment speeds, widening of credit spreads or otherwise), we will likely be subject to margin calls for additional collateral from our financing counterparties. Should the fair value of our mortgage loans or real estate securities decrease materially and suddenly, margin calls will likely increase causing an adverse change to our liquidity position which could result in substantial losses. In addition, we cannot be assured that we will always be able to roll our financing arrangements at their scheduled maturities, which could cause material additional harm to our liquidity position and result in substantial losses. Further, should funding conditions tighten as they did in 2007-2008, 2009 and more recently in March 2020, our financing arrangement counterparties may increase our margin requirements on new financings, including repurchase transactions that we roll at maturity with the same counterparty. This would require us to post additional collateral and would reduce our ability to use leverage and could potentially cause us to incur substantial losses.

Liquidity risk – derivatives

The terms of our interest rate swaps require us to post collateral in the form of cash or Agency RMBS to our counterparties to satisfy two types of margin requirements: variation margin and initial margin.

We and our swap counterparties are both required to post variation margin to each other depending upon the daily moves in prevailing benchmark interest rates. The amount of this variation margin is derived from the mark to market valuation of our swaps. Hence, as our swaps lose value in a falling interest rate environment, we are required to post additional variation margin to our counterparties on a daily basis; conversely, as our swaps gain value in a rising interest rate environment, we are able to recall variation margin from our counterparties. By recalling variation margin from our swaps counterparties, we are able to partially mitigate the liquidity risk created by margin calls on our repurchase transactions during periods of rising interest rates.

Initial margin works differently. Collateral posted to meet initial margin requirements is intended to create a safety buffer to benefit our counterparties if we were to default on our payment obligations under the terms of the swaps and our counterparties were forced to unwind the swap. Initial margin on our centrally cleared trades varies from day to day depending upon various factors, including the absolute level of interest rates and the implied volatility of interest rates. There is a distinctly positive correlation between initial margin, on the one hand, and the absolute level of interest rates and implied volatility of interest rates, on the other hand. As a result, in times of rising interest rates or increasing rate volatility, we anticipate that the initial margin required on our centrally-cleared trades will likewise increase, potentially by a substantial amount. These margin increases will have a negative impact on our liquidity position and will likely impair the intended liquidity risk mitigation effect of our swaps discussed above.

Real estate value risk

Residential property values are subject to volatility and may be affected adversely by a number of factors outside of our control, including, but not limited to, national, regional and local economic conditions (which may be adversely affected by industry slowdowns and other factors), local real estate conditions (such as an oversupply of housing), natural disasters, the effects of climate change (including flooding, drought, wildfire, tornadoes, and severe weather) and other natural events, construction quality, age and design, demographic factors, and retroactive changes to building or similar codes. Decreases in property values could cause us to suffer losses and reduce the value of the collateral underlying our investment portfolio as well as the potential sale proceeds available to repay our loans in the event of a default. In addition, substantial decreases in property values can increase the rate of strategic defaults by residential mortgage borrowers which can impact and create significant uncertainty in the recovery of principal and interest on our investments.

Credit risk

We are exposed to the risk of potential credit losses from an unanticipated increase in borrower defaults as well as general credit spread widening on any non-agency assets in our portfolio. We seek to manage this risk through our Manager's pre-acquisition due diligence process and, if available, through the use of non-recourse financing, which limits our exposure to credit losses to the specific pool of collateral which is the subject of the non-recourse financing. Our Manager's pre-acquisition due diligence process includes the evaluation of, among other things, relative valuation, supply and demand trends, the shape of various yield curves, prepayment rates, delinquency and default rates, recovery of various sectors and vintage of collateral.

The potential effects of sustained inflation, elevated mortgage rates and the Federal Reserve's monetary policy actions may cause an increase in credit risk of our credit sensitive assets. Any future period of payment deferrals, forbearance, delinquencies, defaults, foreclosures or losses will likely adversely affect our net interest income from residential loans and RMBS investments, the fair value of these assets, our ability to liquidate the collateral that may underlie these investments and obtain additional financing and the future profitability of our investments. Further, in the event of delinquencies, defaults and foreclosure, regulatory changes and policies designed to protect borrowers and renters may slow or prevent us from taking remediation actions.

Prepayment risk

Premiums arise when we acquire real estate assets at a price in excess of the principal balance of the mortgages securing such assets (i.e., par value). Conversely, discounts arise when we acquire assets at a price below the principal balance of the mortgages securing such assets. Premiums paid on our assets are amortized against interest income and accretable purchase discounts on our assets are accreted to interest income. Purchase premiums or discounts on our assets are amortized or accreted over the life of each respective asset using the effective yield method, adjusted for actual prepayment activity. An increase in the prepayment rate, as measured by the CPR, will typically accelerate the amortization of purchase premiums, thereby reducing the yield or interest income earned on such assets. An increase in the prepayment rate will similarly accelerate the accretion of purchase discounts, conversely increasing the yield or interest income earned on such assets. A decrease in the prepayment rate will have a directionally opposite impact on the yield or interest income.

Differences between previously estimated cash flows and current actual and anticipated cash flows caused by changes to prepayment or other assumptions are adjusted retrospectively through a "catch up" adjustment for the impact of the cumulative change in the effective yield through the reporting date for securities accounted for under ASC 320-10 (generally, Agency RMBS) or adjusted prospectively through an adjustment of the yield over the remaining life of the investment for investments accounted for under ASC 325-40 (generally, Non-Agency RMBS and interest-only securities) and mortgage loans accounted for under ASC 310-10.

In addition, our interest rate hedges are structured in part based upon assumed levels of future prepayments within our mortgage loan or real estate securities portfolio. If prepayments are slower or faster than assumed, the life of the real estate securities or mortgage loans will be longer or shorter than assumed, respectively, which could reduce the effectiveness of our Manager's hedging strategies and may cause losses on such transactions.

Our Manager seeks to mitigate our prepayment risk by investing in real estate assets with a variety of prepayment characteristics.

Basis risk

Basis risk refers to the possible decline in book value triggered by the risk of incurring losses on the fair value of Agency RMBS as a result of widening market spreads between the yields on Agency RMBS and the yields on comparable duration Treasury securities. The basis risk associated with fluctuations in fair value of Agency RMBS may relate to factors impacting the mortgage and fixed income markets other than changes in benchmark interest rates, such as actual or anticipated monetary policy actions by the Federal Reserve, market liquidity, or changes in required rates of return on different assets. Consequently, while we use interest rate swaps and other hedges to protect against moves in interest rates, such instruments will generally not protect our net book value against basis risk.

Capital Markets Risk

We are exposed to risks related to the equity capital markets, and our related ability to raise capital through the issuance of our common stock, preferred stock or other equity instruments. We are also exposed to risks related to the debt capital markets, and our related ability to finance our business through revolving facilities or other debt instruments. As a REIT, we are required to distribute a significant portion of our taxable income annually, which constrains our ability to accumulate operating cash flow and therefore may require us to utilize debt or equity capital to finance our business. We seek to mitigate these risks by monitoring the debt and equity capital markets to inform our decisions on the amount, timing, and terms of capital we raise.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining disclosure controls and procedures that are designed to ensure that information the Company is required to disclose in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that the Company's management, including its principal executive officer and principal financial officer, as appropriate, allow for timely decisions regarding required disclosure.

We have evaluated, with the participation of our principal executive officer and principal financial officer, the effectiveness of our disclosure controls and procedures as of June 30, 2026. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow for timely decisions regarding required disclosure.

(b) Changes in Internal Control over Financial Reporting

No change occurred in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) during the period covered by this quarterly report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We are at times subject to various legal proceedings and claims arising in the ordinary course of our business. In addition, in the ordinary course of business, we can be and are involved in governmental and regulatory examinations, information gathering requests, investigations and proceedings. As of the date of this report, we are not party to any litigation or legal proceedings, or to our knowledge, any threatened litigation or legal proceedings, which we believe, individually or in the aggregate, would have a material adverse effect on our results of operations or financial condition.

ITEM 1A. RISK FACTORS.

In addition to the risks identified below, refer to the risks identified under the caption "Risk Factors", in our Annual Report on Form 10-K for the year ended December 31, 2025 and our subsequent filings, which are available on the Securities and Exchange Commission's website at www.sec.gov, and in the "Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections herein.

Risks Relating to the Proposed Merger with CHMI

Completion of the Merger remains subject to conditions that we cannot control.

The Merger is subject to various closing conditions, including the approval of both our stockholders and the stockholders of CHMI, and obtaining certain regulatory approvals arising in connection with the proposed transaction. There are no assurances that all of the conditions necessary to consummate the Merger will be satisfied or that the conditions will be satisfied in the time frame expected.

We may fail to realize all of the expected benefits of the Merger or those benefits may take longer to realize than expected.

The full benefits of the Merger may not be realized by us as expected or may not be achieved within the anticipated time-frame, or at all. Failure to achieve the anticipated benefits of the Merger could adversely affect our results of operations or cash flows, cause dilution to our earnings per share or book value per share, decrease or delay the expected accretive effect of the Merger, and negatively impact the share price of our common stock.

In addition, we will be required to devote significant attention and resources prior to closing to prepare for the post-closing operation of the combined company. Post-closing, we may be required to devote significant attention and resources to successfully integrate the CHMI portfolio and operating business into our existing structure. This integration process may disrupt our business and, if ineffective, would limit the anticipated benefits of the Merger and could adversely affect our business.

We will incur direct and indirect costs as a result of the Merger.

We will incur substantial expenses in connection with and as a result of completing the Merger and, following completion, we may incur additional expenses in connection with combining the businesses, operations, policies and procedures of the two companies. Factors beyond our control could affect the total amount or timing of these expenses, many of which, by their nature, are difficult to estimate accurately.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit No.	Description
3.1	Articles of Amendment and Restatement of AG Mortgage Investment Trust, Inc., incorporated by reference to Exhibit 3.1 of Amendment No. 2 to the Company's Registration Statement on Form S-11, filed with the Securities and Exchange Commission on April 18, 2011 ("Pre-Effective Amendment No. 2").
3.2	Articles of Amendment to Articles of Amendment and Restatement of AG Mortgage Investment Trust, Inc., incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on May 8, 2017.
3.3	Amended and Restated Bylaws of TPG Mortgage Investment Trust, Inc., incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 16, 2025.
3.4	Articles Supplementary of 8.25% Series A Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on August 2, 2012.
3.5	Articles Supplementary of 8.00% Series B Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on September 24, 2012.
3.6	Articles Supplementary of 8.000% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 3.5 of the Company's Registration Statement on Form 8-A12B, filed with the Securities and Exchange Commission on September 16, 2019.
3.7	Articles of Amendment of AG Mortgage Investment Trust, Inc., incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on July 27, 2021.
3.8	Articles of Amendment of AG Mortgage Investment Trust, Inc., incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on July 27, 2021.
3.9	Articles of Amendment of AG Mortgage Investment Trust, Inc., incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 16, 2025.
4.1	Specimen Common Stock Certificate of AG Mortgage Investment Trust, Inc., incorporated by reference to Exhibit 4.1 on Form 10-Q filed with the Securities and Exchange Commission on May 7, 2021.
4.2	Specimen 8.25% Series A Cumulative Redeemable Preferred Stock Certificate, incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on August 2, 2012.
4.3	Specimen 8.00% Series B Cumulative Redeemable Preferred Stock Certificate, incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on September 24, 2012.
4.4	Specimen 8.000% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock Certificate, incorporated by reference to Exhibit 3.9 of the Company's Registration Statement on Form 8-A12B, filed with the Securities and Exchange Commission on September 16, 2019.
4.5	Indenture, dated January 26, 2024, between AG Mortgage Investment Trust, Inc. and U.S. Bank Trust Company, National Association, as Trustee, incorporated by reference to Exhibit 4.2 of the Company's Registration Statement on Form 8-A12B, filed with the Securities and Exchange Commission on January 26, 2024.

4.6	First Supplemental Indenture, dated January 26, 2024, between AG Mortgage Investment Trust, Inc. and U.S. Bank Trust Company, National Association, as Trustee, incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form 8-A12B, filed with the Securities and Exchange Commission on January 26, 2024.
4.7	Second Supplemental Indenture, dated May 15, 2024, between AG Mortgage Investment Trust, Inc. and U.S. Bank Trust Company, National Association, as Trustee, incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form 8-A12B, filed with the Securities and Exchange Commission on May 15, 2024.
4.8	Form of 9.500% Senior Notes Due 2029 of AG Mortgage Investment Trust, Inc. (attached as Exhibit A to the First Supplemental Indenture, incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form 8-A12B, filed with the Securities and Exchange Commission on January 26, 2024).
4.9	Form of 9.500% Senior Notes Due 2029 of AG Mortgage Investment Trust, Inc. (attached as Exhibit A to the Second Supplemental Indenture, incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form 8-A12B, filed with the Securities and Exchange Commission on May 15, 2024).
31.1*	Certification of Thomas J. Durkin pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Anthony W. Rossiello pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Thomas J. Durkin pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Anthony W. Rossiello pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL)

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	TPG MORTGAGE INVESTMENT TRUST, INC.
August 10, 2026	By: /s/ THOMAS J. DURKIN
	Thomas J. Durkin
	Chief Executive Officer and President (principal executive officer)
August 10, 2026	By: /s/ ANTHONY W. ROSSIELLO
	Anthony W. Rossiello
	Chief Financial Officer (principal financial officer and principal accounting officer)

Exhibit 31.1

CERTIFICATION

I, Thomas J. Durkin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TPG Mortgage Investment Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 10, 2026

/s/ Thomas J. Durkin
Thomas J. Durkin
Chief Executive Officer & President

Exhibit 31.2

CERTIFICATION

I, Anthony W. Rossiello, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TPG Mortgage Investment Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 10, 2026

/s/ Anthony W. Rossiello

Anthony W. Rossiello
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of TPG Mortgage Investment Trust, Inc. (the "Company") for the quarterly period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas J. Durkin, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934.

/s/ Thomas J. Durkin

Thomas J. Durkin
Chief Executive Officer & President
August 10, 2026

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of TPG Mortgage Investment Trust, Inc. (the "Company") for the quarterly period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Anthony W. Rossiello, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934.

/s/ Anthony W. Rossiello

Anthony W. Rossiello
Chief Financial Officer
August 10, 2026