Invesco

Invesco Mortgage Capital Inc.

Second Quarter 2026 Earnings Call

July 31, 2026

Kevin Collins
Chief Executive Officer

David Lyle
President

Brian Norris
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Mark Gregson
Chief Financial Officer

Important notices

Forward looking statements

This presentation and comments made in the associated conference call may include statements and information that constitute “forward-looking statements” within the meaning of the U.S. securities laws as defined in the Private Securities Litigation Reform Act of 1995, and such statements are intended to be covered by the safe harbor provided by the same. Forward-looking statements include our views on the risk positioning of our portfolio, domestic and global market conditions (including the Agency RMBS, Agency CMBS and residential and commercial real estate markets), the market for our target assets, our expected financial performance, including our earnings available for distribution, economic return, comprehensive income and changes in our book value, our intention and ability to pay dividends, our ability to continue performance trends, the stability of portfolio yields, interest rates, spreads, prepayment trends, financing sources, cost of funds, our anticipated leverage, liquidity, capital structure and equity allocation. In addition, words such as “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates,” “projects,” “forecasts,” and future or conditional verbs such as “will,” “may,” “could,” “should,” and “would” as well as any other statement that necessarily depends on future events, are intended to identify forward-looking statements.

Forward-looking statements are not guarantees, and they involve risks, uncertainties and assumptions. There can be no assurance that actual results will not differ materially from our expectations. We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks identified under the captions “Risk Factors,” “Forward-Looking Statements” 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, which may be updated by subsequently filed quarterly reports on Form 10-Q or current reports on Form 8-K, and, which are available on the Securities and Exchange Commission’s website at www.sec.gov.

All written or oral forward-looking statements that we make, or that are attributable to us, are expressly qualified by this cautionary notice. We expressly disclaim any obligation to update the information in any public disclosure if any forward-looking statement later turns out to be inaccurate.

Non-GAAP financial measures

This presentation includes certain non-GAAP financial measures, including earnings available for distribution. We believe the non-GAAP financial measures are useful for management, investors, analysts, and other interested parties in evaluating our performance but should not be viewed in isolation and are not a substitute for financial measures computed in accordance with U.S. generally accepted accounting principles (“GAAP”). In addition, we may calculate our non-GAAP metrics, such as earnings available for distribution, or effective net interest income, differently than our peers making comparative analysis difficult.

Our approach

Our team

Investors with extensive experience managing agency mortgage securities across a wide range of market environments.

Our target assets

We invest in Agency RMBS and CMBS that benefit from implicit or explicit U.S. government backing through Ginnie Mae, Fannie Mae or Freddie Mac, resulting in minimal credit risk and high liquidity[1]. These securities have historically offered higher yields than Treasury bonds[2], consistent monthly cash flows and access to financing across market cycles.

Our impact

We seek to enable high income-oriented investors to achieve attractive risk-adjusted returns through disciplined investment in Agency MBS, while supporting the availability of mortgage financing for U.S. homeowners.

Our business

We invest in Agency RMBS and CMBS assets through secured funding markets. We actively hedge interest rate risk and seek to generate net interest income for distribution to our stockholders, serving as an income vehicle for investors seeking exposure to Agency mortgage assets.

Our competitive advantage

In addition to our team's extensive expertise managing agency mortgage investments, we benefit from the insights of a global investment manager[3], which informs our views on macroeconomic conditions, interest-rate dynamics and broader market risks. Our deep counterparty relationships further enhance our ability to source, finance, and hedge attractive investment opportunities.

Second quarter highlights

Key metrics	Performance	Capital highlights
$8.03 Book value per share[1]	**3.8%** Economic return[2]	**$118.0M** Common equity issued through ATM program
$0.36 Common dividends per share	**$0.34** Net income (loss) per share	**$821.8M** Total common equity[3]
7.5x Economic debt-to-equity ratio	**$0.50** Earnings available for distribution per share	**18.2%** Dividend yield[4]

Note: Financial information included throughout this presentation is in millions as of and/or for the periods noted, unless otherwise indicated. Per share amounts are per share of common stock. Income and loss per share amounts are based on weighted average common shares outstanding during the period. Economic debt-to-equity and earnings available for distribution are non-GAAP financial measures. Refer to slides 19 and 20 for additional information. Detailed footnotes are included at the end of this presentation.

Macro environment

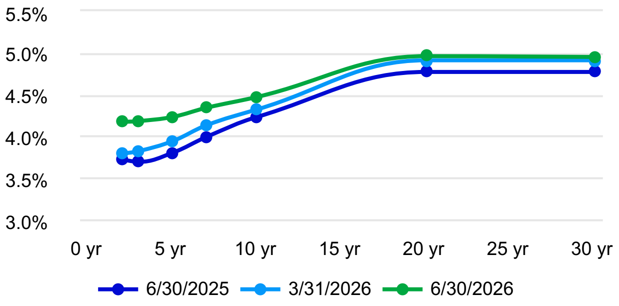
The Treasury yield curve bear flattened as 2-year yields rose significantly while 10- and 30-year yields were moderately higher

Expectations for the Fed Funds target rate shifted from easing to tightening as inflation remained notably above the Federal Reserve's 2% target

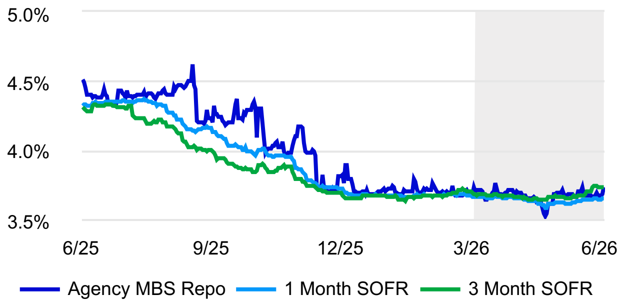
Interest rate volatility declined as geopolitical disruptions moderated

Data as of June 30, 2026
Sources: Bloomberg, JP Morgan and Federal Reserve Economic Data

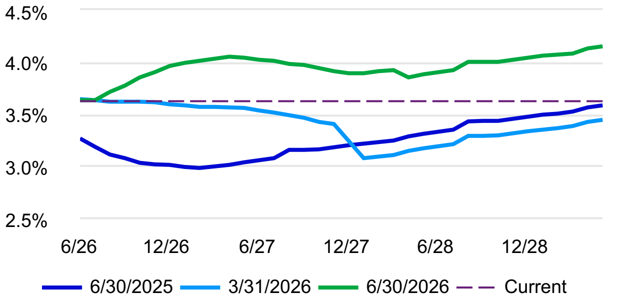
Treasury yields



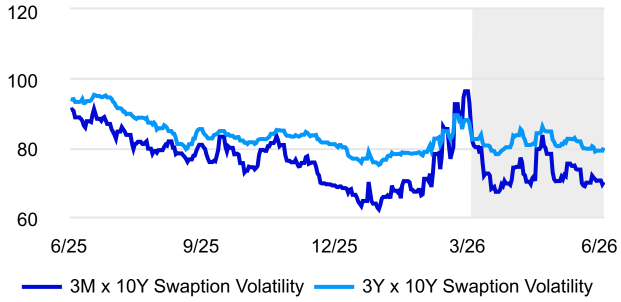
Money market rates



Fed Funds futures



Interest rate volatility[1]
(basis points)



Agency MBS market

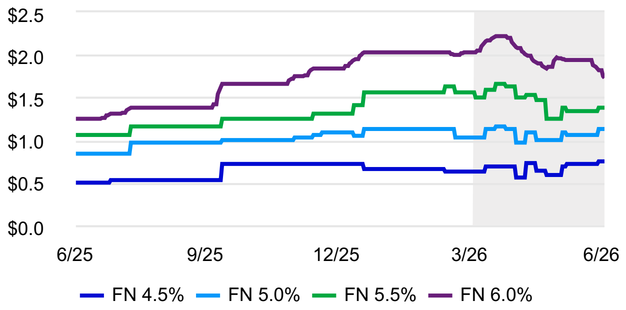
Higher coupon Agency RMBS performed well during the quarter as moderating interest rate volatility, supportive supply and demand technicals, and an attractive dollar roll market combined to produce positive returns relative to Treasury hedges

Conversely, higher coupon specified pool pay-ups declined notably as higher mortgage rates reduced demand for prepayment protection

Data as of June 30, 2026
Sources: Bloomberg and JP Morgan

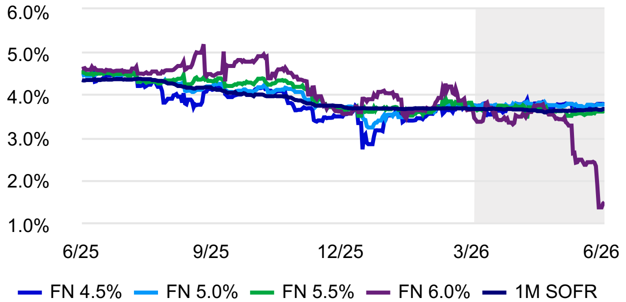
Agency RMBS spread to Treasuries[1]
(basis points)

Specified pool pay-ups
($200k max, in points)

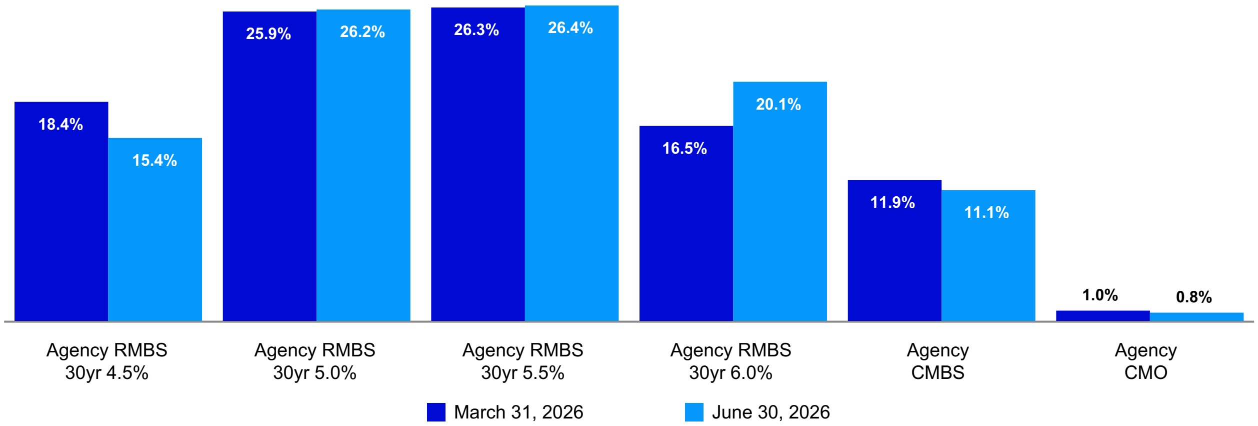


Agency CMBS spread to Treasuries[2]
(basis points)

Dollar roll implied financing rate[3]



Portfolio allocation



	As of June 30, 2026		As of March 31, 2026	
Investment type	**FMV**	**%**	**FMV**	**%**
Agency RMBS specified pools	$5,984	73.4%	$5,095	70.2%
Agency TBA[1]	1,201	14.7%	1,227	16.9%
Agency CMBS	902	11.1%	864	11.9%
Agency CMO	64	0.8%	67	1.0%
Total investment portfolio	**$8,151**	**100.0%**	**$7,253**	**100.0%**

Investment portfolio increased 12.4% to $8.2 billion in Q2 2026

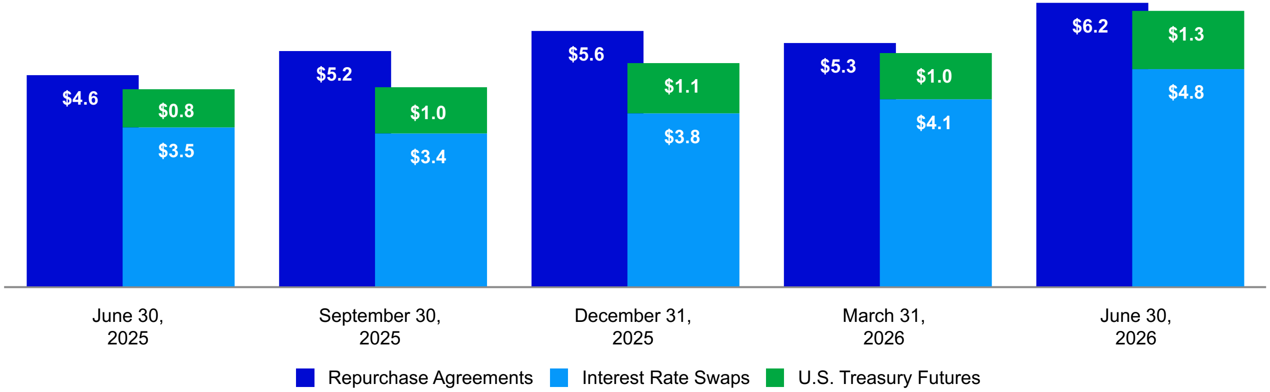
- Net purchased $1.1 billion during the quarter to invest proceeds from ATM issuance and paydowns
- Purchases primarily consisted of Agency RMBS specified pools given a more attractive entry point as pay-ups declined

Rotated Agency TBA exposures from 4.5% into 6.0% coupons as implied financing rates declined notably in higher coupons, increasing the weighted average coupon of our TBA position from 4.8% to 5.4%

Financing

	As of June 30, 2026			As of March 31, 2026		
Funding Type	**Amount**	**%**	**Rate**	**Amount**	**%**	**Rate**
Repurchase Agreements	$6,210	83.8%	3.76%	$5,339	81.1%	3.80%
Agency TBA[1]	1,200	16.2%	N/A	1,247	18.9%	N/A
Total Funding	**$7,410**	**100.0%**		**$6,586**	**100.0%**	
Cost of Funds[2]			**3.73%**			**3.92%**

Cost of funds protection[3]
(in billions)



Funding characteristics

- Financed Agency RMBS and CMBS investments with repurchase agreements across 22 counterparties
- Debt-to-equity ratio[4] of 6.3x and economic debt-to-equity ratio[5] of 7.5x

Cost of funds protection

- Hedged 77% of borrowing costs with interest rate swaps
- Hedged 20% of borrowing costs with U.S. Treasury futures

Implied financing rates on higher coupon Agency TBA remain below repo funding levels

Hedging portfolio

Hedge portfolio composition

	As of June 30, 2026			As of March 31, 2026		
Instrument type	**Notional**	**%**	**Duration[1]**	**Notional**	**%**	**Duration[1]**
Interest rate swaps	$4,765	78.8%	5.0	$4,115	80.6%	5.0
U.S. Treasury futures	1,280	21.2%	8.0	990	19.4%	8.7
Total hedge portfolio	**$6,045**	**100.0%**	**5.6**	**$5,105**	**100.0%**	**5.7**

Interest rate swaps

	As of June 30, 2026			As of March 31, 2026		
Remaining maturities	**Notional**	**Swap pay rate[2]**	**WAVG years to maturity**	**Notional**	**Swap pay rate[2]**	**WAVG years to maturity**
Less than 3 years	$1,925	1.28%	1.7	$1,675	0.86%	1.7
3 to 5 years	1,150	1.14%	4.2	950	0.54%	4.3
5 to 7 years	545	3.66%	6.6	545	3.66%	6.8
7 to 10 years	595	3.98%	9.2	495	3.99%	9.3
10+ years	550	2.44%	20.5	450	2.04%	18.7
Total interest rate swaps	**$4,765**	**1.99%**	**6.0**	**$4,115**	**1.66%**	**5.8**

Hedge portfolio

- Our hedge portfolio totaled $6.0 billion and covered 97% of our repurchase agreements as of June 30, 2026 compared to 96% at March 31, 2026
- Allocation to interest rate swaps remained near 80% as persistently negative swap spreads improved hedged returns

Interest rate swaps

- Fixed pay swaps increased to $4.8 billion

Treasury futures

- U.S. Treasury Futures increased to $1.3 billion
- Hedges consist of 10-year, 10-year Ultra and 30-year contracts

Sensitivity analysis

Sensitivity to instantaneous interest rate changes[1]

Interest rate (basis points)	Estimated percentage change in book value per common share — As of June 30, 2026	As of March 31, 2026
+75	(6.4)%	(8.5)%
+50	(3.5)%	(4.9)%
+25	(1.3)%	(2.0)%
-25	0.1%	0.8%
-50	(1.1)%	0.3%
-75	(3.8)%	(1.8)%

Sensitivity to instantaneous MBS spread changes[2]

Option-adjusted spread (basis points)	Estimated percentage change in book value per common share — As of June 30, 2026	As of March 31, 2026
+20	(9.5)%	(10.0)%
10	(4.8)%	(5.0)%
-10	4.8%	5.1%
-20	9.7%	10.2%

We seek to limit the impact of changes in interest rates by dynamically hedging, primarily through interest rate swaps and US Treasury futures

We generate income primarily through the spread on our Agency RMBS and CMBS investments

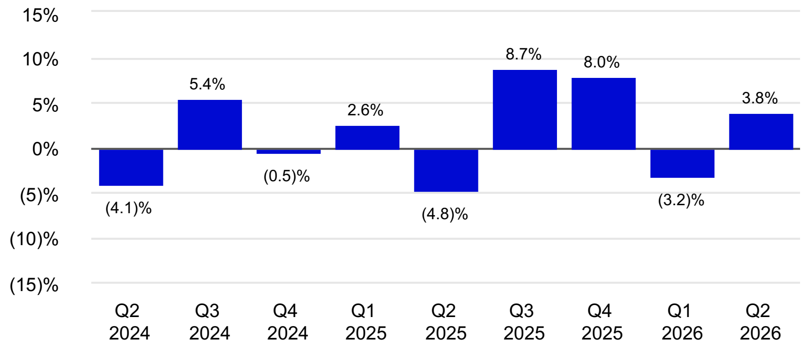
We seek diversification across the Agency RMBS coupon stack and via Agency CMBS

Detailed footnotes are included at the end of this presentation

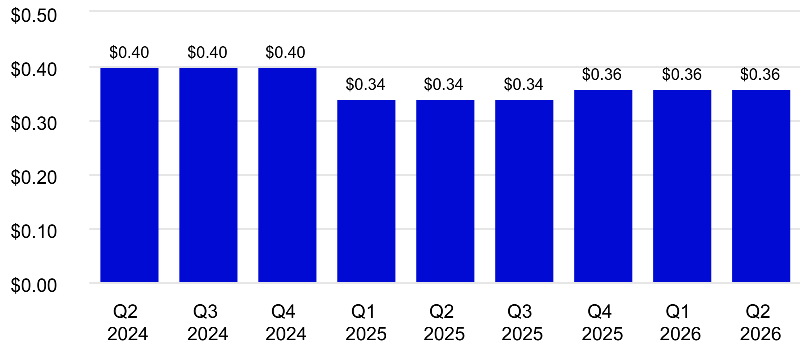
Historical information

Historical overview

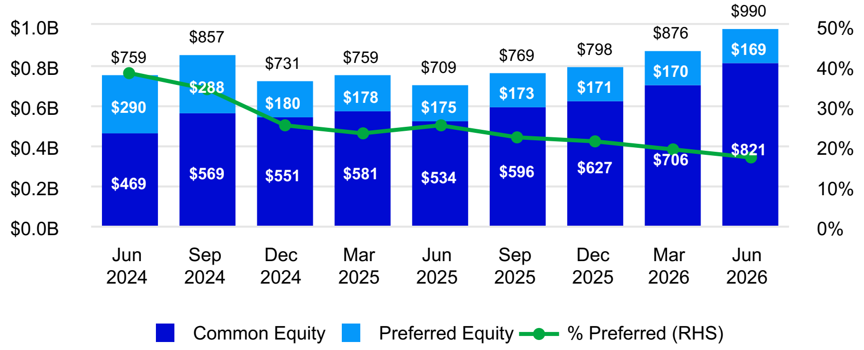
Economic return



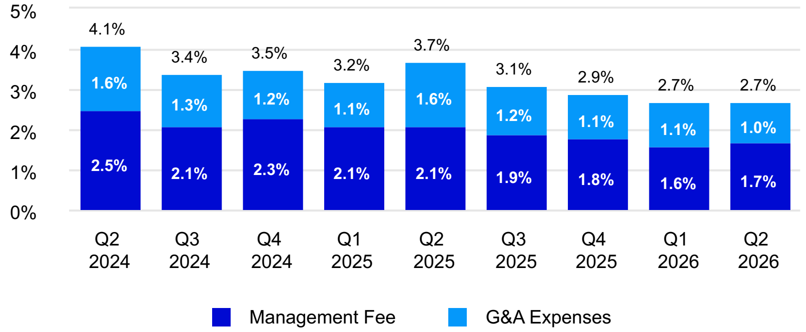
Common dividends per share



Stockholders' equity[1,2]



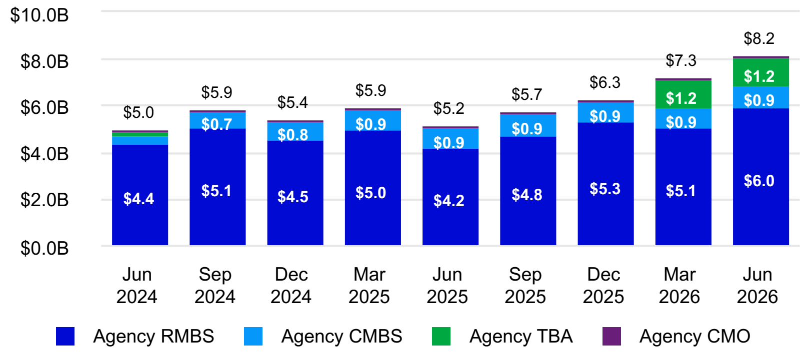
Expenses as % of average common equity[3]



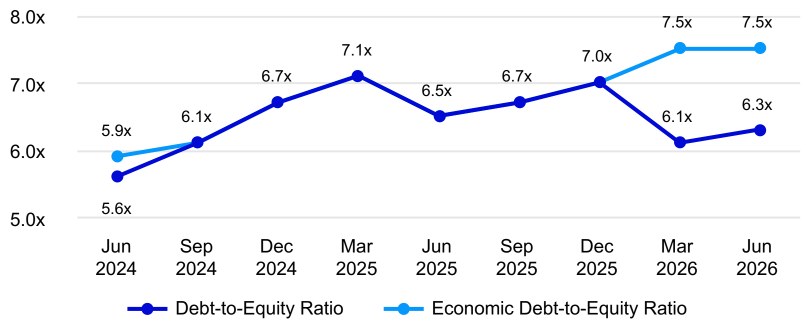
Detailed footnotes are included at the end of this presentation

Historical portfolio metrics

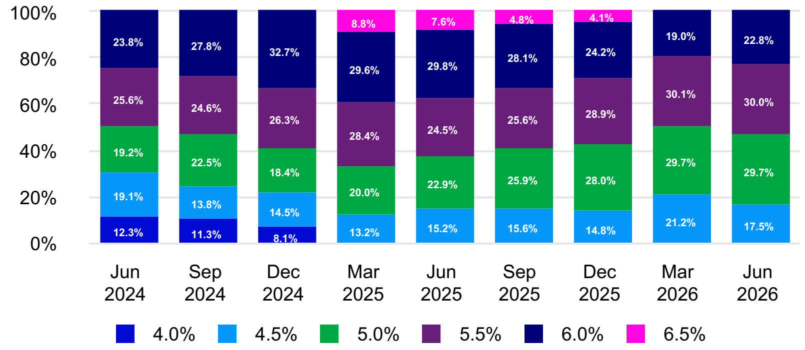
Investment portfolio[1]



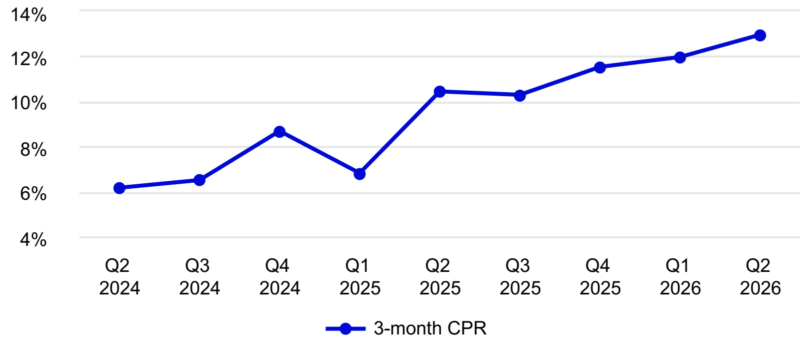
Debt-to-equity and economic debt-to-equity ratio[2]



Agency RMBS coupon allocation[3]

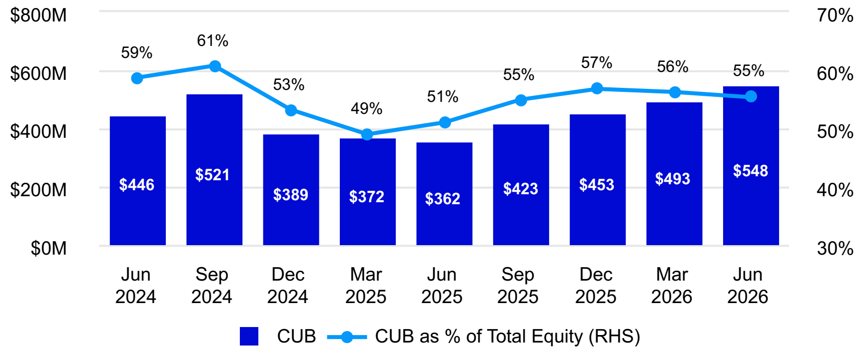


Agency RMBS 3-month CPR[4]

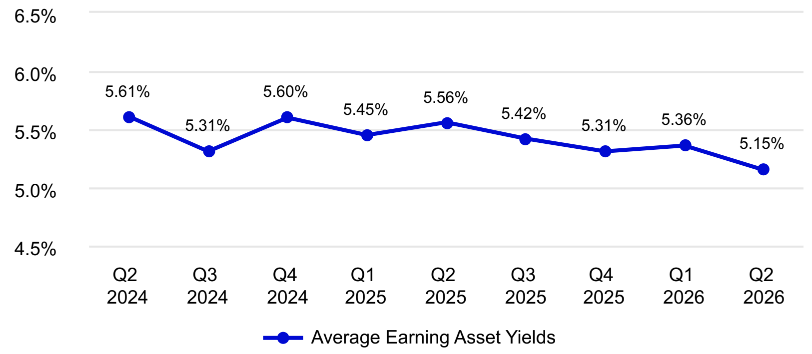


Historical operating metrics

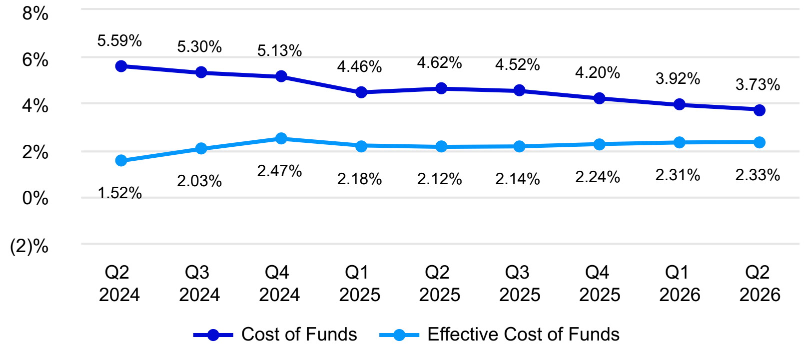
Cash and unencumbered investments ("CUB")[1]



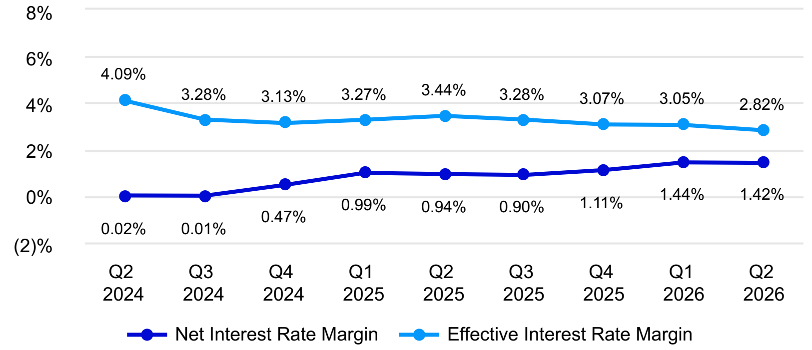
Average earning asset yields[2]



Cost of funds and effective cost of funds[3]



Net interest rate margin[4] and effective interest rate margin[5]



Supplemental information

Portfolio details

	Fair value	% of total portfolio	Market yield[1]	Duration[2]	WAVG loan age[3]	WAVG pay-up to TBA[4]	1-month CPR[5]
Agency CMBS	**$902**	**11.1%**	**4.68%**	**6.3**	**27**	**-**	0.0%
Agency CMO	**$64**	**0.8%**	**6.05%**	**(0.2)**	**67**	**-**	7.8%
Agency RMBS:							
4.5% Coupon	1,257	15.4%	5.08%	5.7	30	0.61	9.3%
5.0% Coupon	1,591	19.5%	5.15%	4.9	26	0.83	9.4%
5.5% Coupon	1,902	23.4%	5.21%	3.8	23	0.91	11.2%
6.0% Coupon	1,234	15.1%	4.98%	2.3	25	1.21	14.8%
Total Agency RMBS	**$5,984**	**73.4%**	**5.12%**	**4.2**	**26**	**0.89**	**11.1%**
Agency TBA[6]:							
5.0% Coupon	542	6.6%	5.30%	4.6	-	-	-
5.5% Coupon	251	3.1%	5.32%	3.1	-	-	-
6.0% Coupon	408	5.0%	5.32%	2.5	-	-	-
Total Agency TBA	**$1,201**	**14.7%**	**5.31%**	**3.6**	**-**	**-**	**-**
Total investment portfolio	**$8,151**	**100.0%**	**5.11%**	**4.3**	**-**	**-**	**-**

Detailed footnotes are included at the end of this presentation

Balance sheets

$ in thousands, except share amounts, unaudited	6/30/2026	3/31/2026	12/31/2025	9/30/2025	6/30/2025
Mortgage-backed securities, at fair value	$6,949,909	$6,026,208	$6,276,609	$5,749,238	$5,185,559
Cash and cash equivalents	73,381	52,598	56,040	58,539	59,396
Restricted cash	167,155	138,323	110,391	122,181	131,146
Due from counterparties	—	25,749	—	—	—
Investment related receivable	30,650	26,804	27,848	29,017	23,538
Derivative assets, at fair value	16,510	1,119	4,412	738	—
Other assets	1,014	399	594	1,232	731
Total assets	**$7,238,619**	**$6,271,200**	**$6,475,894**	**$5,960,945**	**$5,400,370**
Repurchase agreements	6,210,403	5,339,373	5,619,255	5,150,081	4,635,881
Derivative liabilities, at fair value	882	28,730	—	680	10,775
Dividends payable	12,008	10,490	25,845	24,121	22,545
Investment related payable	—	6	—	427	—
Accrued interest payable	12,512	10,738	28,664	9,114	10,550
Collateral held payable	6,703	14	—	797	6,238
Accounts payable and accrued expenses	2,289	1,789	1,580	1,623	1,904
Due to affiliate	3,501	3,706	3,006	4,521	3,101
Total liabilities	**$6,248,298**	**$5,394,846**	**$5,678,350**	**$5,191,364**	**$4,690,994**
Preferred Stock	163,049	164,191	165,756	167,602	169,760
Common Stock	1,024	875	718	709	663
Additional paid in capital	4,461,196	4,343,365	4,209,977	4,202,575	4,166,345
Retained earnings (distributions in excess of earnings)	(3,634,948)	(3,632,077)	(3,578,907)	(3,601,305)	(3,627,392)
Total stockholders' equity	**$990,321**	**$876,354**	**$797,544**	**$769,581**	**$709,376**
Total liabilities and stockholders' equity	**$7,238,619**	**$6,271,200**	**$6,475,894**	**$5,960,945**	**$5,400,370**
Other supplemental data:					
Total common shares outstanding	**102,386,106**	**87,485,972**	**71,790,532**	**70,945,571**	**66,307,379**
Book value per common share	**$8.03**	**$8.08**	**$8.72**	**$8.41**	**$8.05**

Statements of comprehensive income (loss)

$ in thousands, except share amounts, unaudited	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
Interest income	$85,408	$79,641	$77,901	$72,916	$70,624
Interest expense	55,308	52,593	56,643	55,302	52,895
Net interest income	**$30,100**	**$27,048**	**$21,258**	**$17,614**	**$17,729**
Gain (loss) on investments, net	(21,226)	(54,940)	22,914	49,540	(5,268)
Gain (loss) on derivative instruments, net	31,584	12,879	11,887	(9,218)	(30,916)
Total other income (loss)	**$10,358**	**$(42,061)**	**$34,801**	**$40,322**	**$(36,184)**
Management fee - related party	3,329	2,974	2,806	2,662	2,831
General and administrative	2,125	1,917	1,759	1,803	2,041
Total expenses	**$5,454**	**$4,891**	**$4,565**	**$4,465**	**$4,872**
Net income (loss)	**$35,004**	**$(19,904)**	**$51,494**	**$53,471**	**$(23,327)**
Dividends to preferred stockholders	(3,165)	(3,190)	(3,221)	(3,261)	(3,297)
Gain (loss) on repurchase and retirement of preferred stock	3	(27)	(30)	(2)	57
Net income (loss) attributable to common stockholders	**$31,842**	**$(23,121)**	**$48,243**	**$50,208**	**$(26,567)**
Unrealized gain (loss) on mortgage-backed securities, net	—	—	—	—	(271)
Reclassification of unrealized gain (loss) on sale of mortgage-backed securities to gain (loss) on investments, net	—	—	—	—	(518)
Total other comprehensive income (loss)	**$—**	**$—**	**$—**	**$—**	**$(789)**
Comprehensive income (loss) attributable to common stockholders	**$31,842**	**$(23,121)**	**$48,243**	**$50,208**	**$(27,356)**
Basic weighted average number of common shares outstanding	**94,904,498**	**81,870,574**	**70,997,971**	**67,582,202**	**66,006,135**
Net income (loss) attributable to common stockholders per share:					
Basic	**$0.34**	**$(0.28)**	**$0.68**	**$0.74**	**$(0.40)**
Diluted	**$0.34**	**$(0.28)**	**$0.68**	**$0.74**	**$(0.40)**

Calculation of non-GAAP measures

Effective cost of funds / Effective interest rate margin

$ in thousands	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
Total interest expense	$55,308	$52,593	$56,643	$55,302	$52,895
Contractual net interest (income) expense on interest rate swaps[1]	(20,757)	(21,578)	(26,396)	(29,138)	(28,631)
Effective interest expense[2]	**$34,551**	**$31,015**	**$30,247**	**$26,164**	**$24,264**
Cost of funds	**3.73 %**	**3.92 %**	**4.20 %**	**4.52 %**	**4.62 %**
Effective cost of funds[3,4]	**2.33 %**	**2.31 %**	**2.24 %**	**2.14 %**	**2.12 %**
Net interest income	$30,100	$27,048	$21,258	$17,614	$17,729
Contractual net interest income (expense) on interest rate swaps[1]	20,757	21,578	26,396	29,138	28,631
Effective net interest income[5]	**$50,857**	**$48,626**	**$47,654**	**$46,752**	**$46,360**
Net interest rate margin	**1.42 %**	**1.44 %**	**1.11 %**	**0.90 %**	**0.94 %**
Effective interest rate margin[3]	**2.82 %**	**3.05 %**	**3.07 %**	**3.28 %**	**3.44 %**

Debt-to-equity / Economic debt-to-equity

$ in thousands	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
Repurchase agreements	$6,210,403	$5,339,373	$5,619,255	$5,150,081	$4,635,881
Agency TBA[6]	1,199,557	1,247,065	—	—	—
Total funding	**$7,409,960**	**$6,586,438**	**$5,619,255**	**$5,150,081**	**$4,635,881**
Stockholders' equity	**$990,321**	**$876,354**	**$797,544**	**$769,581**	**$709,376**
Debt-to-equity	**6.3x**	**6.1x**	**7.0x**	**6.7x**	**6.5x**
Economic debt-to-equity[3]	**7.5x**	**7.5x**	**7.0x**	**6.7x**	**6.5x**

Calculation of non-GAAP measures, continued

Components of earnings available for distribution

$ in thousands	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
Effective net interest income	$50,857	$48,626	$47,654	$46,752	$46,360
TBA dollar roll income[1]	4,857	4,166	—	—	—
Total expenses	(5,454)	(4,891)	(4,565)	(4,465)	(4,872)
Dividends to preferred stockholders	(3,165)	(3,190)	(3,221)	(3,261)	(3,297)
Earnings available for distribution[2]	**$47,095**	**$44,711**	**$39,868**	**$39,026**	**$38,191**

Reconciliation to net income (loss) attributable to common stockholders

$ in thousands	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
Net income (loss) attributable to common stockholders	$31,842	$(23,121)	$48,243	$50,208	$(26,567)
Adjustments:					
(Gain) loss on investments, net	21,226	54,940	(22,914)	(49,540)	5,268
Realized (gain) loss on derivative instruments, net	32,412	(23,324)	18,863	49,189	47,608
Unrealized (gain) loss on derivative instruments, net	(43,239)	32,023	(4,354)	(10,833)	11,939
TBA Dollar Roll Income[1]	4,857	4,166	—	—	—
(Gain) loss on repurchase and retirement of preferred stock	(3)	27	30	2	(57)
Earnings available for distribution[2]	**$47,095**	**$44,711**	**$39,868**	**$39,026**	**$38,191**
Earnings available for distribution per common share[2,3]	**$0.50**	**$0.55**	**$0.56**	**$0.58**	**$0.58**

Footnotes

Slide 3

1. Agency MBS ranked second among U.S. Fixed Income markets in average daily trading volume in 2025 at $354.0B, after U.S. Treasuries at $1,055.5B and ahead of corporate bonds at $57.9B Source: SIFMA Quarterly Report: U.S. Fixed Income, "1Q26" April 2026.
2. Based on year-end yield-to-maturity data for the Bloomberg U.S. Treasury Index and the Bloomberg U.S. Mortgage Backed Securities Index from 2016 through 2025. Over this 10-year period, the Bloomberg U.S. Mortgage Backed Securities Index had an average year-end yield-to-maturity of 3.42%, compared with 2.69% for the Bloomberg U.S. Treasury Index. Source: Barclays.
3. Invesco Mortgage Capital Inc. is externally managed and advised by Invesco Advisers Inc., a subsidiary of Invesco Ltd. (NYSE: IVZ), an independent global investment management company.

Slide 4

1. Calculated as total stockholders' equity less the liquidation preference of preferred stock, divided by total common shares outstanding.
2. Calculated as the change in book value per common share for the period plus dividends declared per common share during the period, divided by the beginning book value per common share.
3. Calculated as total stockholders' equity less the liquidation preference of preferred stock.
4. Calculated as annualized common dividends per share divided by period-end common stock share price.

Slide 5

1. Forward-looking expectations of future interest rate volatility based on market pricing of a swaption, which is an option to enter an interest rate swap at a future date. A 3M x 10Y swaption provides the right to enter a 10 year interest rate swap starting in 3 months. A 3Y x 10Y swaption provides the right to enter a 10 year interest rate swap starting in 3 years.

Slide 6

1. 30-year Agency RMBS current coupon zero volatility spread to U.S. Treasuries.
2. Fannie DUS 10/9.5 spread to U.S. Treasuries.
3. Represents the rate at which the economics of rolling a TBA contract forward are equivalent to holding MBS.

Slide 7

1. Represents the implied market value of Agency TBA. Under U.S. GAAP, Agency TBA are treated as derivative instruments and recorded on the balance sheet at net carrying value, which represents the difference between implied market value and implied cost basis.

Slide 8

1. Represents the implied cost basis of Agency TBA. Agency TBA are a form of off-balance sheet financing because a forward contract to acquire Agency RMBS in the TBA market carries similar risks to Agency RMBS purchased in the cash market and funded with on-balance sheet liabilities.
2. Calculated by dividing annualized interest expense for the three-month period by the weighted average month-end balance of repurchase agreement borrowings for the period.
3. Reflects carrying value of repurchase agreement borrowings and notional amounts of interest rate swaps and U.S. Treasury futures.
4. Calculated as the ratio of repurchase agreement borrowings to total stockholders' equity.
5. Represents a non-GAAP financial measure and is calculated as the ratio of total repurchase agreement borrowings and TBAs at implied cost basis to total stockholders' equity. Refer to slide 19 for additional information.

Slide 9

1. Measure of the sensitivity of a security's value to changes in interest rates, expressed in years.
2. Represents period-end weighted average fixed pay rate.

Footnotes, continued

Slide 10

1. Represents the estimated impact of an instantaneous parallel shift in the U.S. Treasury yield curve on book value per common share.
2. Represents the estimated impact of an instantaneous change in Agency MBS spreads on book value per common share.

Slide 12

1. Preferred stock presented at liquidation preference.
2. Percentage of preferred stock calculated as the liquidation preference of preferred stock divided by total stockholders' equity.
3. Calculated as annualized total expenses divided by average common equity. Average common equity is calculated as the average month-end balance of total stockholders' equity less the liquidation preference of preferred stock.

Slide 13

1. Includes Agency TBA at implied market value.
2. Represents a non-GAAP financial measure. Refer to slide 19 for additional information. Historical reconciliations of non-GAAP financial measures are available in corresponding filings with the SEC.
3. Represents period-end fair value of Agency RMBS specified pools and implied market value of Agency TBA.
4. The three-month constant prepayment rate ("CPR") is expressed as an annualized percentage of outstanding principal, based on the observed one-month prepayment speeds for the Agency RMBS portfolio as of each month end.

Slide 14

1. Represents the total of unrestricted cash and unencumbered investments.
2. Calculated by dividing annualized interest income by weighted average month-end earning assets based on amortized cost.
3. Represents a non-GAAP financial measure and is calculated as annualized U.S. GAAP interest expense adjusted for contractual interest income or expense on interest rate swaps, divided by weighted average month-end balance of repurchase agreement borrowings. Refer to slide 19 for additional information. Historical reconciliations of non-GAAP financial measures are available in corresponding filings with the SEC.
4. Calculated as the average earning asset yield less the cost of funds.
5. Represents a non-GAAP financial measure and is calculated as the average earning asset yield less the effective cost of funds. Refer to slide 19 for additional information. Historical reconciliations of non-GAAP financial measures are available in corresponding filings with the SEC.

Slide 16

1. Represents the annualized yield calculated using the security's end of period market price and expected cash flows, including projected mortgage prepayment behavior and zero interest rate and spread volatility.
2. Measure of the sensitivity of a security's value to changes in interest rates, expressed in years. Incorporates the impact of expected changes in cash flows from embedded options in mortgage-backed securities.
3. Represents the weighted average seasoning of the underlying loans, measured in months since origination.
4. Represents the weighted average price premium paid for specified pool securities above corresponding forward-settling TBA securities, reflecting compensation for prepayment protection and other characteristics.
5. Represents the weighted average actual one-month annualized CPR for June 2026 for securities held as of June 30, 2026.
6. Represents the implied market value of Agency TBA.

Footnotes, continued

Slide 19

1. Reported as a component of gain (loss) on derivative instruments, net on the statements of comprehensive income.
2. Represents a non-GAAP financial measure and is calculated as total U.S. GAAP interest expense adjusted for contractual interest income or expense on interest rate swaps.
3. Represents a non-GAAP financial measure.
4. Does not include an adjustment for U.S. Treasury futures that are used to hedge a portion of interest rate risk.
5. Represents a non-GAAP financial measure and is calculated as U.S. GAAP net interest income adjusted for contractual interest income or expense on interest rate swaps.
6. Represents the implied cost basis of TBA.

Slide 20

1. Represents the price differential between the TBA price for current month settlement compared to the TBA price for forward month settlement. Amount excludes TBA mark-to-market adjustments. TBA dollar roll income is included in earnings available for distribution because it is the economic equivalent of interest income on the underlying Agency RMBS, less an implied financing cost, over the forward settlement period. Reported as a component of gain (loss) on derivative instruments, net on the statements of comprehensive income.
2. Represents a non-GAAP financial measure.
3. Calculated as earnings available for distribution divided by the basic weighted average number of common shares outstanding for the period.