



Hunt Companies Finance Trust

Q1 2019 Earnings Supplemental

May 2019

www.huntcompaniesfinancetrust.com

Disclaimer

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This presentation includes non-GAAP financial measures within the meaning of Item 10(e) of Regulation S-K, as promulgated by the SEC. While we believe the non-GAAP information included in this presentation provides supplemental information to assist investors in analyzing our financials and to assist investors in comparing our results with other peer issuers, these measures are not in accordance with GAAP, and they should not be considered a substitute for, or superior to, our financial information calculated in accordance with GAAP. Our GAAP financial results and the reconciliations from these results should be carefully evaluated.

Company Overview

Real estate investment trust
focused on transitional
multifamily and other
commercial real estate loans or
securitizations

Strong focus on middle-market
multifamily sector



Externally managed by Hunt
Investment Management,
part of Hunt Companies Inc.,
a diverse real estate
organization

Emphasis on floating-rate
investments

KEY INVESTMENT HIGHLIGHTS

**Access to
Extensive Loan
Origination
Platform**

**Experienced
Management
Team**

**Strength of
Ownership /
Sponsorship**

**Strategy Well
Positioned for
Current Market
Environment**

**Strong Credit
and Asset
Management
Capabilities**

Strategic Transition

Hunt has made significant progress in its strategic transition of HCFT since becoming the Manager in Q1 2018

- ✓ Hunt acquired 9.5% of outstanding common shares at book value
- ✓ Capped expense reimbursements to the Manager
- ✓ Disposed of all of the Company's legacy RMBS, multifamily MBS, and derivative positions and redeployed capital into the new floating rate commercial mortgage loan strategy. As of 3/31, 99% of the investment portfolio consisted of floating rate commercial mortgage loans
- ✓ Acquired Hunt CMT Equity, LLC, which included a commercial mortgage loan portfolio financed through Hunt CRE 2017-FL1, loan participations, and lending licenses
- ✓ Closed Hunt CRE 2018-FL2, a \$285 million commercial real estate CLO transaction
- ✓ Improved capital structure via successful refinance of 8.75% Preferred Stock

Remaining Steps

- Continue to reinvest the Company's available capital in furtherance of the commercial floating rate strategy
- Achieve a sustainable and competitive dividend yield as a % of book value

Q1 2019 Key Updates

FINANCIAL RESULTS

- Comprehensive loss of \$(2.10) million or (\$0.09) per share for the quarter
 - Q1 2019 results were impacted by a \$3.09 million non-cash one-time charge related to the redemption of the 8.75% Series A Cumulative Redeemable Preferred Stock ⁽¹⁾
- Core earnings attributable to common stockholders of \$1.67 million or \$0.07 per share
- Book value per share of \$4.61, compared to Adjusted Book Value⁽²⁾ of \$4.64 in Q4 2018. Due to refinance of preferred equity in Q1, the “adjusted” book value concept is no longer necessary

HIGHLIGHTS

- On February 14, the Company redeemed all outstanding shares of its 8.75% Series A Cumulative Redeemable Preferred Stock utilizing the net proceeds from its 6-year \$40.25 million delayed draw credit facility
- On March 18, the Company announced that it declared a cash dividend of \$0.07 per share on its common stock for the first quarter of 2019, which represented a 17% increase over the fourth quarter of 2018 dividend of \$0.06 per share
- On March 18, the Company entered into a support agreement with the Manager, pursuant to which, the Manager agreed to reduce the reimbursement cap by 25% per annum (subject to such reduction not exceeding \$568,000 per annum) until such time as the aggregate support provided thereunder equals approximately \$1.96 million

INVESTMENT PORTFOLIO OVERVIEW

- As of 3/31/2019, 99% of the investment portfolio consisted of floating-rate CRE loans
 - The \$585.8 million CRE loan portfolio had a weighted average remaining term of 23 months⁽³⁾ and a weighted average coupon of L + 3.98%
- The Company’s only remaining legacy investment consists of \$3.6 million of mortgage servicing rights

CAPITALIZATION

- The floating-rate CRE loan portfolio is financed with \$510 million of investment grade notes issued through two CRE CLOs
- As of 3/31/2019, the Company had \$14 million of unrestricted cash and the CLOs had \$52 million of reinvestment capacity

Q1 2019 Earnings Summary

Summary Income Statement (thousands)	Three Months Ended March 31, 2019
Net interest income	\$4,207
Total other income (loss)	(147)
Operating expenses	(2,648)
Preferred dividends	(480)
(Provision for) benefit from income taxes	63
Deemed dividend on preferred stock related to redemption	(3,093)
Net income attributable to common stockholders	\$(2,099)
Reclassification adjustment for net gain (loss) included in net income	0
Comprehensive income attributable to common stockholders	\$(2,099)
Weighted average shares outstanding during the period	23,687,664
Net income per share	\$(0.09)
Comprehensive income per share	\$(0.09)

GAAP Comprehensive Income to Core Earnings Reconciliation (thousands)	Three Months Ended March 31, 2019
Comprehensive income attributable to common stockholders	\$(2,099)
Adjustments:	
Net economic losses (gains) attributable to legacy assets ⁽¹⁾	15
Unrealized losses (gains) on mortgage servicing rights	380
Recognized compensation expense related to restricted stock	4
Adjustment for consolidated securities	3
Adjustment for one-time charges ⁽²⁾	338
Adjustment provision for (benefit from) income taxes	(63)
Adjustment for deemed dividend related to preferred stock redemptions	3,093
Core earnings⁽³⁾	\$1,671
Weighted average shares outstanding during the period	23,687,664
Core earnings per share	\$0.07
Dividends per share	\$0.07

Note:

- (1) Net economic losses (gains) includes unrealized gains/losses and realized gains/losses attributable to legacy assets.
 (2) Charges relates to professional fees paid in connection with a Q4 one-time tax expense.
 (3) See Appendix for definition of Core Earnings per the Management Agreement.

Q1 2019 Balance Sheet Summary

Balance Sheet (thousands)	Q1 2019
Commercial mortgage loans held-for-investment	\$585,771
Mortgage servicing rights, at fair value	3,618
Cash and cash equivalents	13,640
Restricted cash ⁽¹⁾	52,349
Other assets	4,029
Total assets	\$659,407
Collateralized loan obligations ⁽²⁾	\$504,460
Credit facility	39,301
Other liabilities	6,376
Total liabilities	\$550,136
Total equity	\$109,271
Total liabilities / Total equity	5.0x
Book Value Per Share	\$4.61

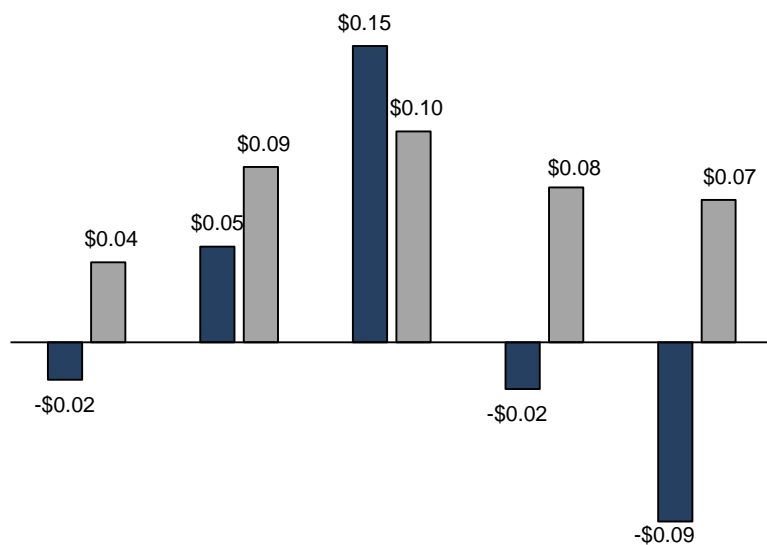
Note:

(1) Restricted cash held by CRE CLO securitization trusts and available for investment in eligible mortgage assets.

(2) Outstanding notional amount of bonds issued from both CLOs is \$510 million. For GAAP purposes, these liabilities are carried at their outstanding unpaid principal balance, net of any unamortized discounts.

Operating Performance Trending

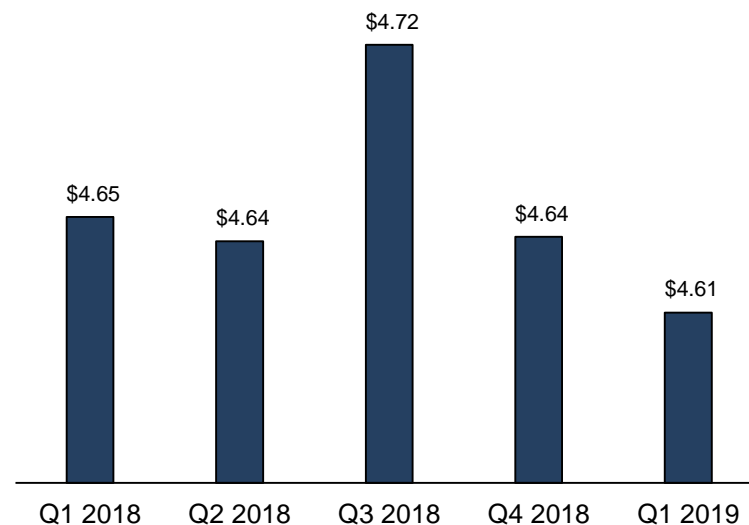
Comprehensive Income & Core Earnings Per Share of Common Stock



Q1 2018 Q2 2018 Q3 2018 Q4 2018 Q1 2019

■ Comprehensive Income/Share ■ Core Earnings/Share

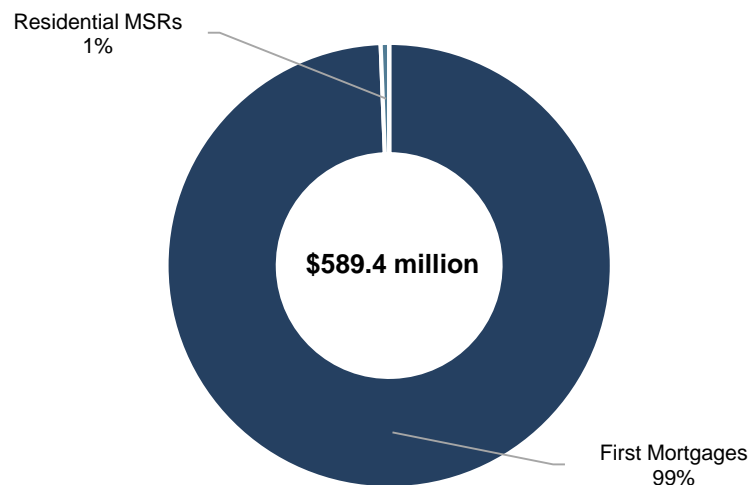
Adjusted Book Value Per Share⁽¹⁾



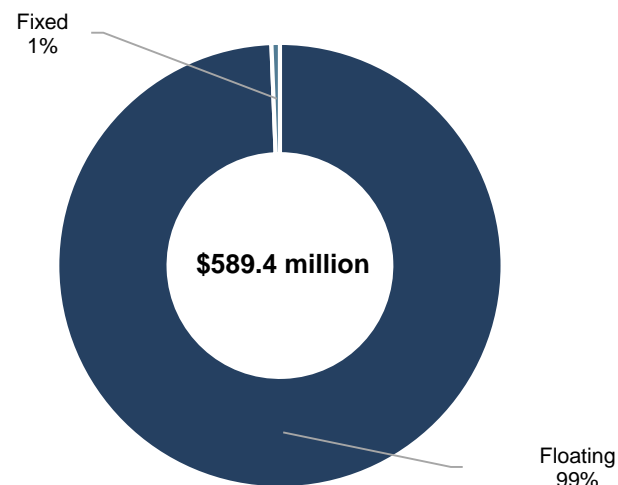
Q1 2018 Q2 2018 Q3 2018 Q4 2018 Q1 2019

Q1 2019 Summary of Investment Portfolio

Investment Type



Interest Rate Type



Investment Portfolio as of March 31, 2019 (thousands)	UPB / Notional	Net Carrying Value	Weighted Average Coupon	Weighted Average Remaining Term (months)	Weighted Average LTV at Loan Origination	Weighted Average Stabilized LTV at Loan Origination
First Mortgages	\$585,771	\$585,771	L + 3.98%	23 ⁽¹⁾	74.16%	69.18%
Residential MSRs	\$398,097	\$3,618	0.25%	293 ⁽²⁾		
Total	\$983,868	\$589,389				

Note:

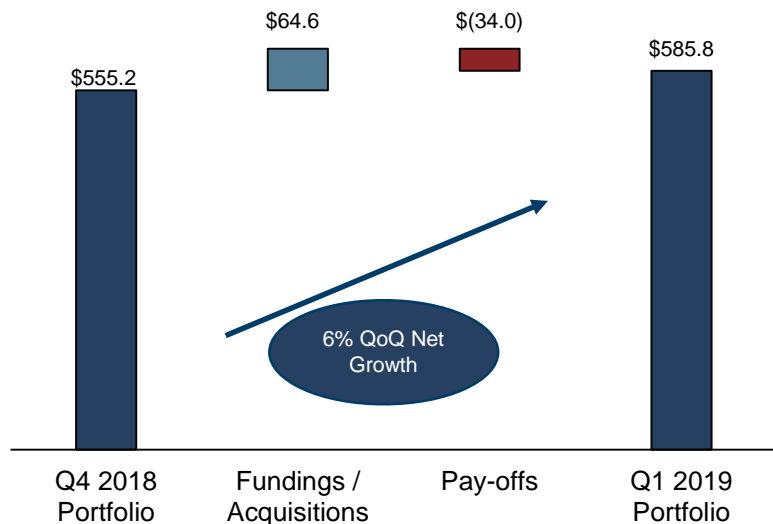
(1) If all extensions are exercised by the borrowers, the CRE loan portfolio will have a weighted average remaining term of 48 months.

(2) The weighted average remaining term of the residential MSR portfolio is based on the maturity dates of the underlying residential loan pool and excludes the impact of potential borrower prepayments. We anticipate that the weighted average remaining life of the portfolio to be less than 293 months.

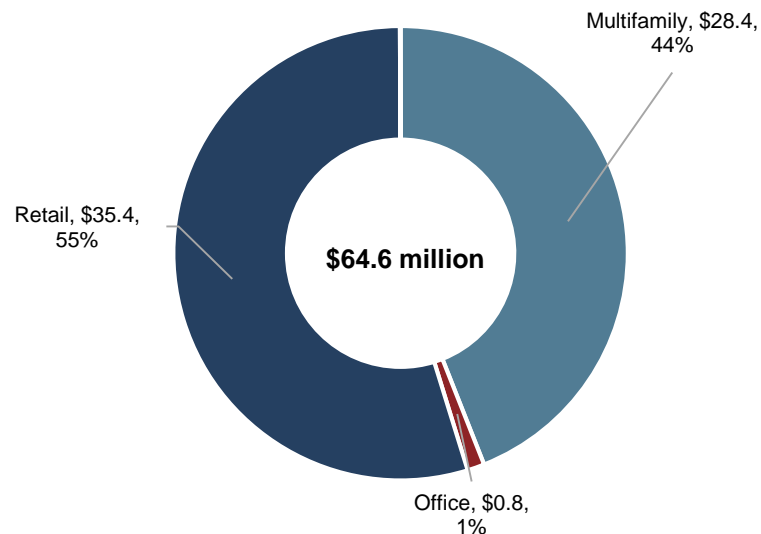
Q1 2019 CRE Loan Portfolio Activity

- The CRE loan portfolio increased by \$30.6 million in Q1
 - The Company acquired \$62.8 million of loans and participations at par from an affiliate of the Manager and funded an additional \$1.8 million of future funding participations
 - The portfolio experienced \$34.0 million of payoffs

Net Funding Activity⁽¹⁾



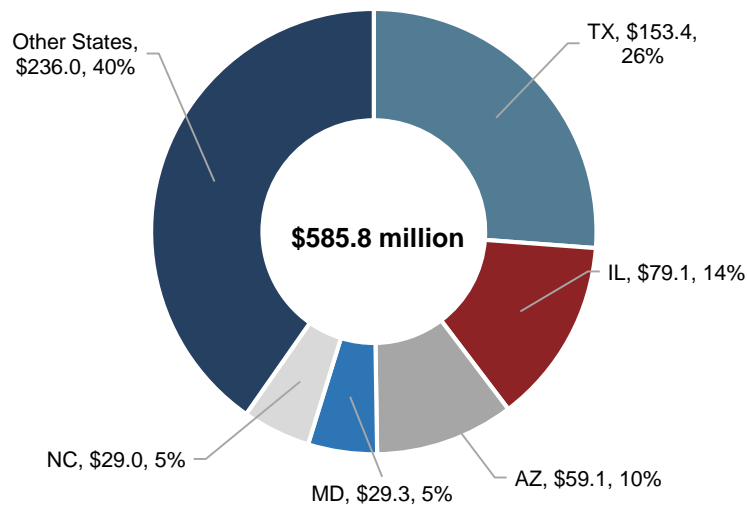
Q1 2019 Loan Acquisitions⁽¹⁾



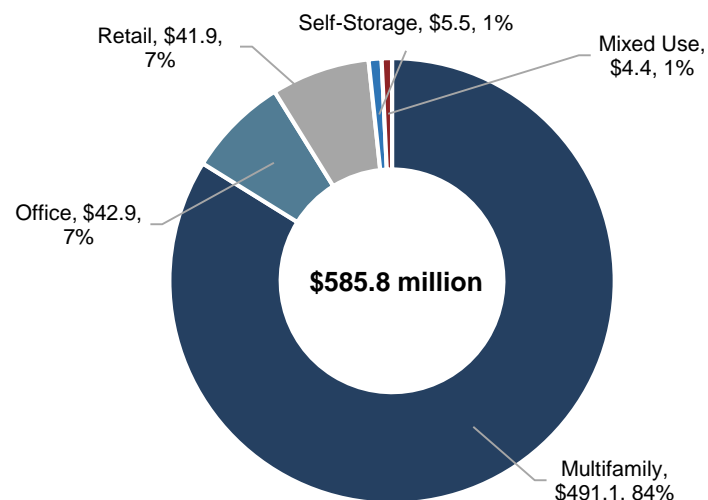
Q1 2019 CRE Loan Portfolio Snapshot

- As of 3/31/2019, the Company owned a portfolio of floating-rate CRE loans with an aggregate UPB of \$585.8 million
- As of 3/31/2019, all loans were current

Geographic Concentration⁽¹⁾

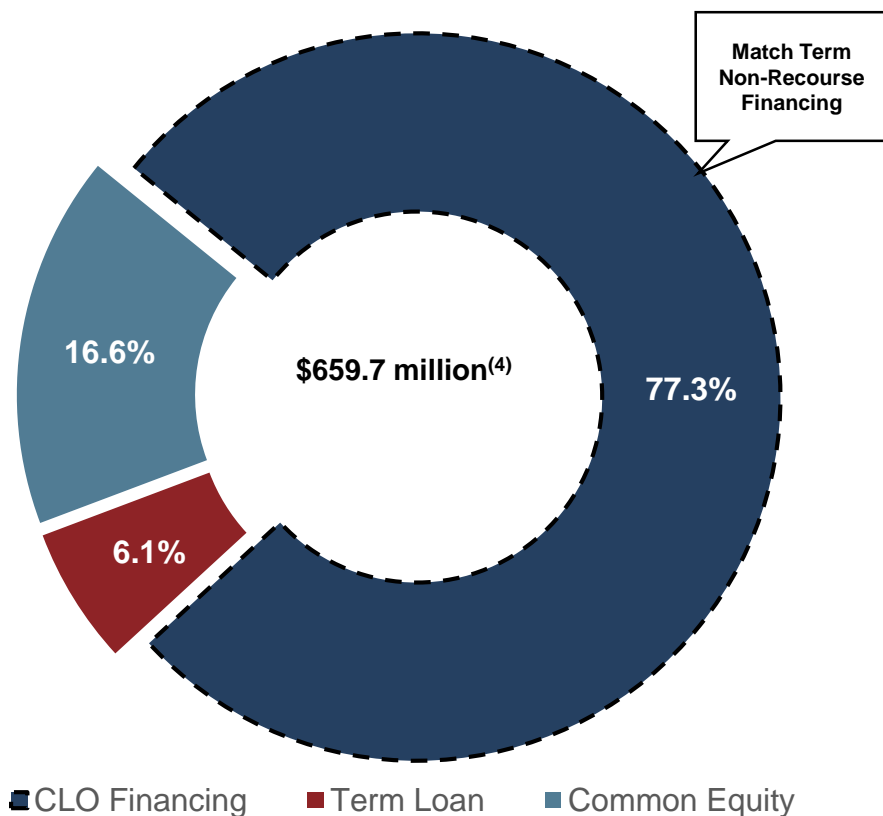


Property Type⁽¹⁾



Capital Structure Overview

Capital Structure Composition



Capital Structure Detail

(\$ in mm)	Amount (\$)		
<u>Collateralized Loan Obligations</u>	<u>Rate</u>	<u>Advance Rate</u>	<u>Amount</u>
Hunt CRE 2017-FL1 ⁽¹⁾	L + 1.38%	83.3%	\$290.7
Hunt CRE 2018-FL2 ⁽¹⁾	L + 1.44%	77.0%	\$219.4
Total Collateralized Loan Obligations	L + 1.41%		\$510.2
<u>Credit Facilities</u>			
Term Loan⁽²⁾	7.25%		\$40.3
Total Debt			\$550.4
<u>Equity</u>			
Book Value of Common Equity⁽³⁾			\$109.3
Total Capitalization			\$659.7

Note: (1) CLO financing shown at par value.

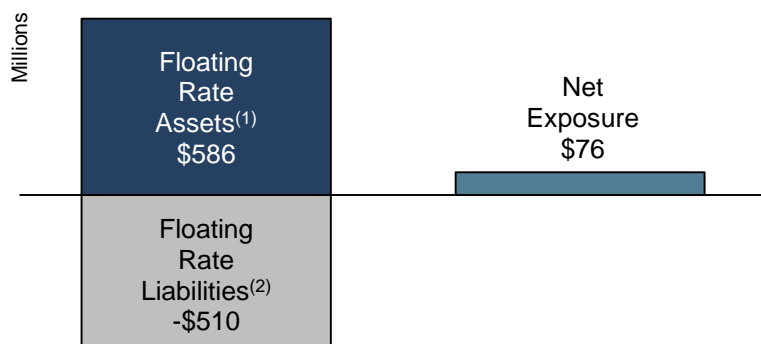
(2) Term loan shown at par value.

(3) Noncontrolling interest was \$99,500 as of 3/31/2019 and is included in common equity above.

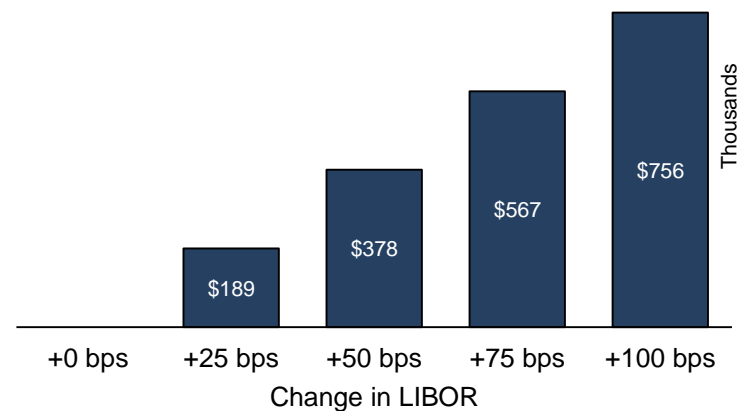
(4) HCFT total capitalization is a non-GAAP measure which excludes certain Balance Sheet items; Please see Appendix for reconciliation to GAAP.

Interest Rate Sensitivity as of March 31, 2019

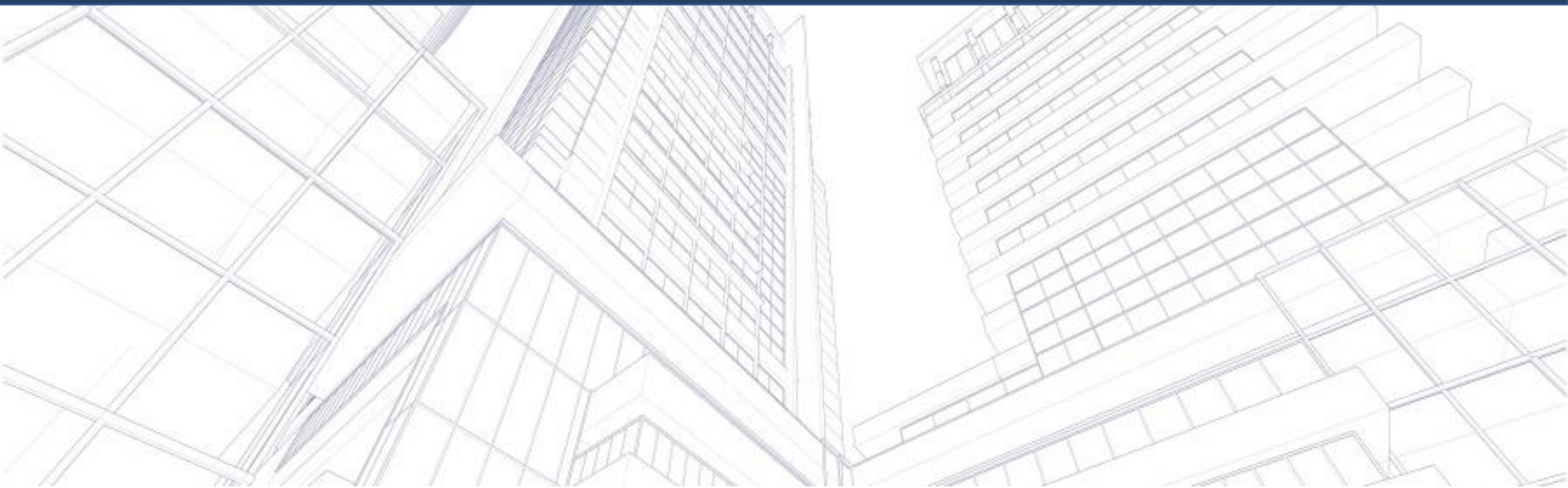
Floating-Rate Exposure



Net Interest Income Sensitivity to Shifts in One-Month LIBOR



Appendix



3/31/2019 CRE Loan Portfolio Details

#	Loan Name	Closing Date	Maturity Date	Property Type	City	State	Current Balance	Note Spread ⁽¹⁾	Initial Term (months)	As-Is LTV at Origination ⁽²⁾
1	Loan 1	6/5/2018	6/4/2021	Multi-Family	Palatine	IL	35,625,000	4.30%	37	68.50%
2	Loan 2	11/30/2018	12/6/2020	Multi-Family	Various	Various	33,000,000	4.05%	25	70.39%
3	Loan 3	8/8/2018	8/6/2021	Multi-Family	Dallas	TX	31,939,667	3.65%	36	81.23%
4	Loan 4	11/15/2017	12/4/2020	Multi-Family	Phoenix	AZ	30,505,000	3.75%	37	74.26%
5	Loan 5	7/9/2018	8/6/2021	Multi-Family	Baltimore	MD	29,338,307	3.08%	37	77.59%
6	Loan 6	5/18/2018	6/4/2021	Multi-Family	Woodridge	IL	25,355,116	3.75%	37	76.43%
7	Loan 7	11/29/2017	12/6/2019	Multi-Family	Richmond	TX	22,500,000	3.90%	25	73.53%
8	Loan 8	5/31/2018	6/6/2021	Multi-Family	Omaha	NE	19,430,000	3.70%	37	77.26%
9	Loan 9	12/1/2017	12/6/2019	Multi-Family	Tucson	AZ	19,110,000	4.50%	25	80.28%
10	Loan 10	12/28/2018	1/6/2022	Retail	Austin	TX	18,000,000	3.90%	37	71.40%
11	Loan 11	12/6/2018	12/6/2021	Multi-Family	Greensboro	NC	17,448,900	3.35%	37	79.78%
12	Loan 12	12/13/2018	1/6/2021	Multi-Family	Seattle	WA	17,000,000	3.75%	25	53.66%
13	Loan 13	12/28/2018	1/6/2022	Retail	Austin	TX	17,000,000	4.10%	37	60.50%
14	Loan 14	3/13/2019	4/6/2022	Multi-Family	Baytown	TX	15,862,000	3.10%	37	80.47%
15	Loan 15	6/28/2018	7/6/2021	Multi-Family	Greenville	SC	14,800,000	3.90%	37	76.29%
16	Loan 16	10/13/2017	11/6/2020	Multi-Family	Hattiesburg	MS	14,715,000	4.75%	37	78.43%
17	Loan 17	3/26/2018	4/6/2020	Office	Rochelle Park	NJ	14,212,713	3.95%	25	76.84%
18	Loan 18	2/1/2018	2/6/2020	Multi-Family	Fresno	CA	12,920,000	3.90%	25	82.35%
19	Loan 19	7/23/2018	8/6/2021	Office	Chicago	IL	12,432,514	3.75%	37	72.74%
20	Loan 20	9/29/2017	10/6/2020	Multi-Family	Austell	GA	11,950,194	4.15%	37	80.41%
21	Loan 21	5/24/2018	6/6/2021	Multi-Family	Austin	TX	11,323,290	3.55%	37	80.22%
22	Loan 22	1/9/2018	2/6/2020	Multi-Family	North Highlands	CA	9,518,294	3.95%	25	79.03%

Continued on the following page

3/31/2019 CRE Loan Portfolio Details

#	Loan Name	Closing Date	Maturity Date	Property Type	City	State	Current Balance	Note Spread ⁽¹⁾	Initial Term (months)	As-Is LTV at Origination ⁽²⁾
23	Loan 23	5/25/2018	6/6/2021	Multi-Family	Phoenix	AZ	9,440,000	3.90%	37	69.41%
24	Loan 24	3/12/2018	4/6/2020	Multi-Family	Waco	TX	9,112,000	4.75%	25	72.90%
25	Loan 25	6/29/2016	7/5/2019	Multi-Family	Various	TX	8,882,737	5.50%	37	69.18%
26	Loan 26	2/15/2018	3/6/2021	Multi-Family	Atlanta	GA	8,708,582	4.25%	37	80.21%
27	Loan 27	10/9/2018	11/6/2020	Multi-Family	Dallas	TX	8,511,430	3.65%	25	78.35%
28	Loan 28	2/23/2018	3/6/2021	Multi-Family	Little Rock	AR	8,070,000	4.25%	37	81.29%
29	Loan 29	8/7/2018	9/6/2021	Multi-Family	Birmingham	AL	8,053,748	3.50%	38	78.01%
30	Loan 30	8/30/2018	9/6/2021	Multi-Family	Blacksburg	VA	8,000,000	3.85%	37	66.55%
31	Loan 31	1/18/2019	2/6/2021	Multi-Family	Philadelphia	PA	7,958,000	3.95%	25	71.31%
32	Loan 32	12/27/2017	1/6/2020	Multi-Family	Philadelphia	PA	7,600,000	4.10%	25	79.75%
33	Loan 33	4/4/2018	4/6/2021	Office	Little Rock	AR	6,874,000	4.85%	37	72.36%
34	Loan 34	8/2/2018	8/6/2021	Retail	Goldsboro	NC	6,860,637	4.00%	37	56.52%
35	Loan 35	10/11/2017	11/6/2020	Multi-Family	New Orleans	LA	6,370,000	4.05%	37	75.52%
36	Loan 36	6/22/2018	7/6/2021	Multi-Family	Chicago	IL	5,667,487	4.10%	37	80.53%
37	Loan 37	11/9/2017	12/6/2020	Self-Storage	Las Vegas	NV	5,547,000	4.25%	37	75.99%
38	Loan 38	6/16/2017	7/6/2019	Multi-Family	Dallas	TX	5,543,885	4.75%	25	75.22%
39	Loan 39	11/5/2015	5/3/2019	Multi-Family	Pascagoula	MS	5,535,000	4.50%	43	72.89%
40	Loan 40	11/30/2018	11/6/2021	Office	Decatur	GA	4,714,340	4.10%	36	56.80%
41	Loan 41	11/30/2016	12/6/2019	Office	Stafford	TX	4,675,039	5.50%	37	56.41%
42	Loan 42	6/12/2017	7/6/2019	Multi-Family	Winston-Salem	NC	4,675,000	5.95%	25	77.16%
43	Loan 43	6/29/2018	7/6/2020	Mixed Use	Washington	DC	4,404,365	4.65%	25	73.31%
44	Loan 44	4/30/2018	5/6/2021	Multi-Family	Wichita	KS	3,793,542	4.95%	37	68.98%
45	Loan 45	10/10/2018	11/6/2020	Multi-Family	Philadelphia	PA	2,788,015	4.60%	25	79.64%
Total / Average							585,770,803	3.98%	33	74.16%

Consolidated Balance Sheets

	3/31/2019 ⁽¹⁾ (unaudited)	12/31/2018 ⁽¹⁾
ASSETS		
Cash and cash equivalents	\$ 13,640,181	\$ 7,882,862
Restricted cash	52,348,987	51,330,950
Commercial mortgage loans held-for-investment, at amortized cost	585,770,803	555,172,891
Receivables held in securitization trusts, at fair value ⁽¹⁾	—	24,357,335
Mortgage servicing rights, at fair value	3,617,788	3,997,786
Deferred offering costs	104,133	126,516
Accrued interest receivable	2,611,659	2,430,790
Investment related receivable	—	33,042,234
Other assets	1,313,438	1,010,671
Total assets	<u>\$ 659,406,989</u>	<u>\$ 679,352,035</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Collateralized loan obligations (net of discount of \$2,170,488 and \$2,440,674 and deferred financing costs of \$3,550,489 and \$3,761,410 for March 31, 2019 and December 31, 2018, respectively)	504,460,023	503,978,918
Secured term loan (net of deferred financing costs of \$949,456 for March 31, 2019)	39,300,544	—
Multi-family securitized debt obligations ⁽¹⁾	—	19,231,331
Accrued interest payable	1,017,648	1,231,649
Dividends payable	1,661,844	1,465,610
Fees and expenses payable to Manager	1,046,436	1,175,000
Other accounts payable and accrued expenses	2,649,607	2,066,189
Total liabilities	<u>550,136,102</u>	<u>529,148,697</u>
COMMITMENTS AND CONTINGENCIES (NOTES 15 & 16)		
EQUITY:		
Preferred Stock: par value \$0.01 per share; 50,000,000 shares authorized, 8.75% Series A cumulative redeemable, \$25 liquidation preference, 1,610,000 issued and outstanding at December 31, 2018	—	37,156,972
Common Stock: par value \$0.01 per share; 450,000,000 shares authorized, 23,687,664 and 23,687,664 shares issued and outstanding, at March 31, 2019 and December 31, 2018, respectively	236,832	236,832
Additional paid-in capital	228,194,105	231,305,743
Cumulative distributions to stockholders	(116,895,627)	(114,757,019)
Accumulated earnings (deficit)	(2,363,923)	(3,838,690)
Total stockholders' equity	<u>109,171,387</u>	<u>150,103,838</u>
Noncontrolling interests	\$ 99,500	\$ 99,500
Total equity	<u>\$ 109,270,887</u>	<u>\$ 150,203,338</u>
Total liabilities and equity	<u>\$ 659,406,989</u>	<u>\$ 679,352,035</u>

(1) Our consolidated balance sheets include assets and liabilities of consolidated variable interest entities ("VIEs") as the Company was the primary beneficiary of these VIEs. As of December 31, 2018, assets of consolidated VIEs totaled \$24,357,335, and the liabilities of consolidated VIEs totaled \$19,595,186 respectively. See Notes 6 and 7 for further discussion.

Consolidated Statements of Income

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
	(unaudited)	(unaudited)
Revenues:		
Interest income:		
Available-for-sale securities	\$ —	\$ 7,079,590
Commercial mortgage loans held-for-investment	9,904,188	—
Multi-family loans held in securitization trusts	78,361	13,227,188
Residential loans held in securitization trusts	—	1,147,641
Cash and cash equivalents	—	61,042
Interest expense:		
Repurchase agreements - available-for-sale securities	—	(4,951,537)
Collateralized loan obligations	(5,446,889)	—
Secured term loan	(329,113)	—
Multi-family securitized debt obligations	—	(12,526,295)
Residential securitized debt obligations	—	(920,057)
Net interest income	4,206,547	3,117,572
Other income:		
Realized gain (loss) on investments, net	(709,439)	(2,848,007)
Realized gain (loss) on derivative contracts, net	—	2,792,794
Change in unrealized gain (loss) on derivative contracts, net	—	12,783,088
Change in unrealized gain (loss) on mortgage servicing rights	(379,998)	57,689
Change in unrealized gain (loss) on multi-family loans held in securitization trusts	694,339	(1,355,774)
Change in unrealized gain (loss) on residential loans held in securitization trusts	—	(255,403)
Servicing income	248,214	219,978
Other income	—	15,875
Total other income (loss)	(146,884)	11,410,240
Expenses:		
Management fee	553,459	576,135
General and administrative expenses	1,466,685	1,390,061
Operating expenses reimbursable to manager	540,037	746,092
Other operating expenses	37,757	404,469
Compensation expense	50,023	96,055
Total expenses	2,647,961	3,212,812
Net income (loss) before provision for income taxes	1,411,702	11,315,000
(Provision for) income taxes	63,065	—
Net income (loss)	1,474,767	11,315,000
Dividends to preferred stockholders	(480,472)	(880,509)
Deemed dividend on preferred stock related to redemption	(3,093,028)	—
Net income (loss) attributable to common stockholders	\$ (2,098,733)	\$ 10,434,491
Earnings (loss) per share:		
Net income (loss) attributable to common stockholders (basic and diluted)	\$ (2,098,733)	\$ 10,434,491
Weighted average number of shares of common stock outstanding	23,687,664	23,392,387
Basic and diluted income (loss) per share	\$ (0.09)	\$ 0.45
Dividends declared per share of common stock	\$ 0.07	\$ 0.10

Reconciliation of GAAP to Core Earnings

GAAP to Core Earnings Reconciliation

Three months Ended
March 31, 2019

Reconciliation of GAAP to non-GAAP Information

Net Income (loss) attributable to common shareholders	\$ (2,098,733)
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Adjustments for non-core earnings

Realized (Gain) Loss on investments	709,439
Unrealized (Gain) Loss on mortgage servicing rights	379,998
Unrealized (Gain) Loss on multi-family loans held in securitization trusts	(694,339)

Subtotal	<u>395,098</u>
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Other Adjustments

Recognized compensation expense related to restricted common stock	3,773
Adjustment for consolidated securities	3,269
Adjustment for one-time charges	338,115
Adjustment for (provision for) income taxes	(63,065)
Adjustment for deemed dividend related to preferred stock redemptions	3,093,028

Subtotal	<u>3,375,120</u>
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Core Earnings	<u><u>\$ 1,671,485</u></u>
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Weighted average shares outstanding - Basic and Diluted	23,687,664
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Core Earnings per weighted share outstanding - Basic and Diluted	\$ 0.07
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Detailed Walk of Capitalization

<i>(in 000's)</i>	3/31/2019
Total GAAP liabilities and stockholders' equity	\$659,407
<i>Adjustments for Capitalization</i>	
(-) Multifamily securitized debt obligations	0
(-) Accrued interest payable	(1,018)
(-) Dividends payable	(1,662)
(-) Fees and expenses payable to Manager	(1,047)
(-) Other accounts payable and accrued expenses	(2,650)
(+) Other capitalized financing & issuance costs	6,670
<u>HCFT Capitalization</u>	<u>\$659,702</u>

Key Definitions

“Adjusted Book Value Per Share” means a non-GAAP metric of common stockholders’ equity per share calculated as: a) total stockholders’ equity computed in accordance with GAAP less the value of the issued and outstanding preferred stock at its stated liquidation preference of \$25.00 per share, divided by b) the weighted average number of shares of common stock issued and outstanding during the period.

“Core Earnings” means the net income (loss) attributable to the holders of Common Shares or, without duplication, owners of the Company’s Subsidiaries, computed in accordance with GAAP, including realized losses not otherwise included in GAAP net income (loss) and excluding (i) non-cash equity compensation expense, (ii) incentive compensation payable to the Manager, (iii) depreciation and amortization, (iv) any unrealized gains or losses or other similar non-cash items that are included in net income for the applicable reporting period, regardless of whether such items are included in other comprehensive income or loss, or in net income, and (v) one-time events pursuant to changes in GAAP and certain material non-cash income or expense items after discussions Hunt Investment Management, LLC and the Company’s board of directors and approval by a majority of the Company’s independent directors.

“Stockholder’s Equity” means: (a) the sum of the net proceeds from any issuances of the Company’s equity securities (excluding preferred securities solely for purposes of Incentive Compensation but including preferred securities for all other purposes of this Agreement) since inception (allocated on a pro rata daily basis for such issuances during the fiscal quarter of any such issuance; plus (b) the Company’s retained earnings at the end of such fiscal 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 (c) any amount that the Company pays for repurchases of its Common Shares; and (d) excluding (i) any unrealized gains, losses or other non-cash items that have impacted the Company’s 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 (ii) adjustments relating to one-time events pursuant to changes in GAAP and certain other noncash charges after discussions between the Hunt Investment Management, LLC and the Company’s board of directors and approval by a majority of the Company’s independent directors.

