



Hunt Companies Finance Trust

Q2 2019 Earnings Supplemental

August 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 6/30, 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

Q2 2019 Key Updates

FINANCIAL RESULTS

- Q2 2019 GAAP Net Income of \$1.39 million, or \$0.06 per share
- Q2 2019 Core Earnings of \$2.23 million, or \$0.09 per share
- Q2 2019 Book value per share of \$4.60

HIGHLIGHTS

- On June 10, 2019, the Company announced the declaration of a cash dividend of \$0.075 per share of common stock with respect to Q2 2019, which represents a 7% increase over the Q1 2019 dividend of \$0.07 per share
 - This is the Company's second consecutive quarterly dividend increase
- In Q2 2019, the Company acquired \$52.9mm of new loans and participations at a weighted average spread of LIBOR + 3.55%
 - 95% of the new acquisitions were multifamily assets
- The Company experienced \$38.9mm of loan payoffs during the quarter

INVESTMENT PORTFOLIO OVERVIEW

- As of Q2 2019, 99% of HCFT's investment portfolio consisted of floating-rate CRE loans
 - The \$599.8 million CRE loan portfolio had a weighted average remaining term of 21 months⁽¹⁾ and a weighted average coupon of L + 3.90%
 - 88% of the portfolio was multifamily
- The Company's only remaining legacy investment consists of \$3.2 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 6/30/2019, the Company had \$7 million of unrestricted cash and the CLOs had \$43 million of reinvestment capacity

Q2 2019 Earnings Summary

Summary Income Statement (thousands)	Three Months Ended June 30, 2019	YTD Through June 30, 2019
Net interest income	\$4,047	\$8,253
Total other income (loss)	(274)	(421)
Operating expenses	(2,176)	(4,824)
Preferred dividends	(4)	(484)
(Provision for) benefit from income taxes	(203)	(140)
Deemed dividend on preferred stock related to redemption	0	(3,093)
Net income attributable to common stockholders	\$1,390	\$(708)
Reclassification adjustment for net gain (loss) included in net income	0	0
Comprehensive income attributable to common stockholders	\$1,390	\$(708)
Weighted average shares outstanding during the period	23,687,664	23,687,664
Net income per share	\$0.06	\$(0.03)
Comprehensive income per share	\$0.06	\$(0.03)

GAAP Comprehensive Income to Core Earnings Reconciliation (thousands)	Three Months Ended June 30, 2019	YTD Through June 30, 2019
Comprehensive income attributable to common stockholders	\$1,390	\$(708)
Adjustments:		
Net economic losses (gains) attributable to legacy assets ⁽¹⁾	0	15
Unrealized losses (gains) on mortgage servicing rights	459	839
Recognized compensation expense related to restricted stock	4	8
Adjustment for consolidated securities	0	3
Adjustment for one-time charges ⁽²⁾	174	512
Adjustment provision for (benefit from) income taxes	203	140
Adjustment for deemed dividend related to preferred stock redemptions	0	3,093
Core earnings⁽³⁾	\$2,230	\$3,902
Weighted average shares outstanding during the period	23,687,664	23,687,664
Core earnings per share	\$0.09	\$0.16
Dividends per share	\$0.075	\$0.15

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

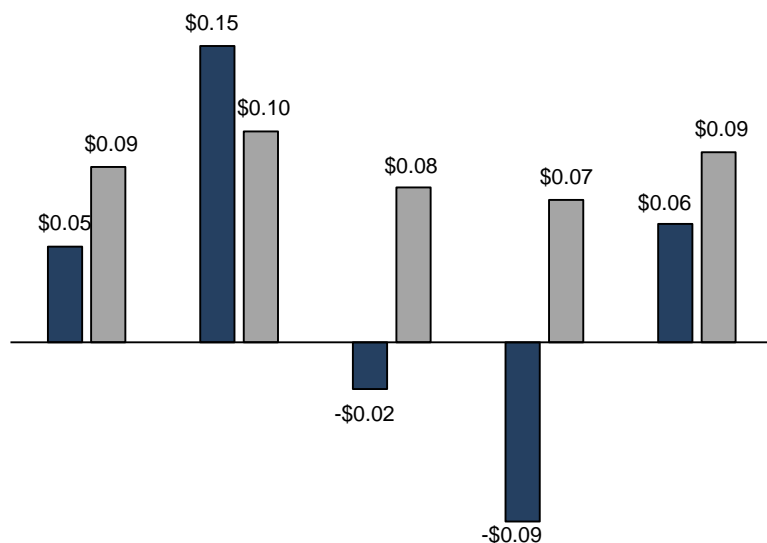
(3) See Appendix for definition of Core Earnings per the Management Agreement

Q2 2019 Balance Sheet Summary

Balance Sheet (thousands)	Q2 2019
Commercial mortgage loans held-for-investment	\$599,770
Mortgage servicing rights, at fair value	3,159
Cash and cash equivalents	7,164
Restricted cash ⁽¹⁾	42,878
Other assets	4,384
Total assets	\$657,354
Collateralized loan obligations ⁽²⁾	\$504,946
Credit facility	39,229
Other liabilities	4,313
Total liabilities	\$548,488
Total equity	\$108,866
Total liabilities / Total equity	5.0x
Book Value Per Share	\$4.60

Operating Performance Trending

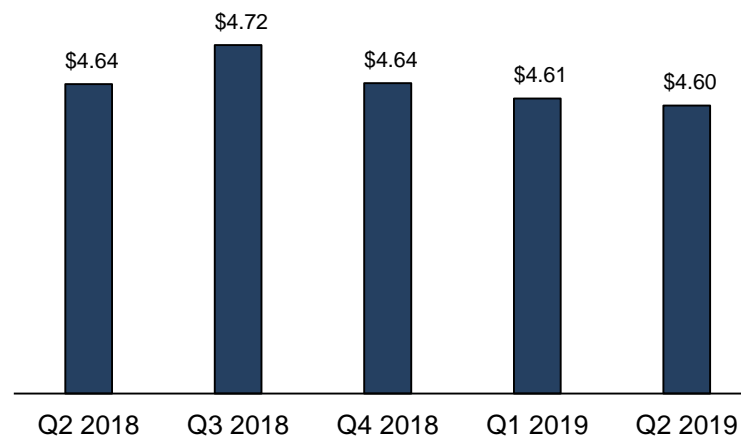
Comprehensive Income & Core Earnings Per Share of Common Stock



Q2 2018 Q3 2018 Q4 2018 Q1 2019 Q2 2019

■ Comprehensive Income/Share ■ Core Earnings/Share

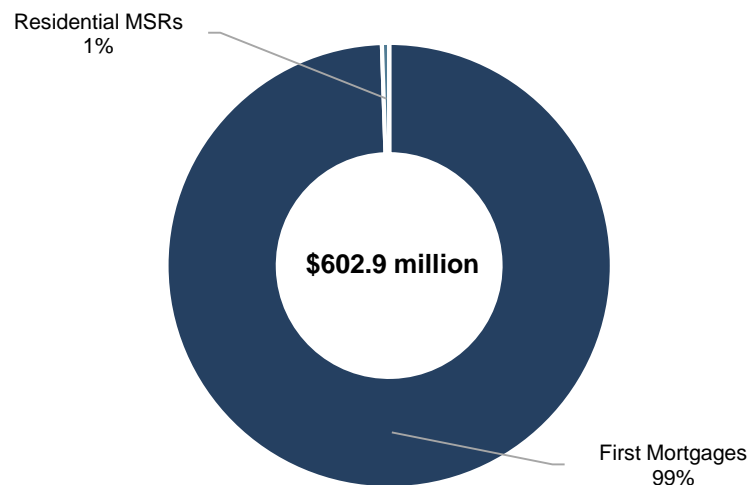
Adjusted Book Value Per Share⁽¹⁾



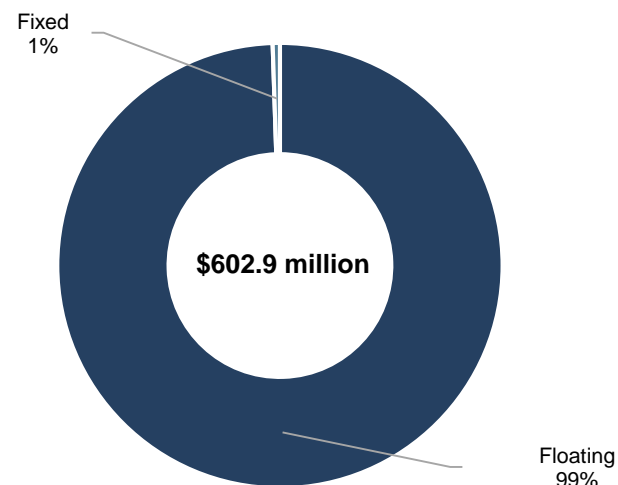
Q2 2018 Q3 2018 Q4 2018 Q1 2019 Q2 2019

Q2 2019 Summary of Investment Portfolio

Investment Type



Interest Rate Type



Investment Portfolio as of June
30, 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	\$599,770	\$599,770	L + 3.90%	21 ⁽¹⁾	73.88%	69.06%
Residential MSRs	\$381,847	\$3,159	0.25%	290 ⁽²⁾		
Total	\$981,617	\$602,818				

Note:

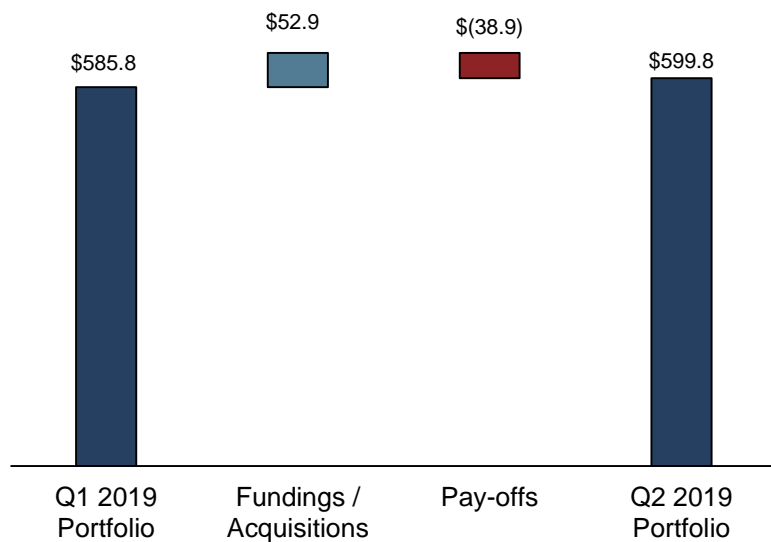
(1) If all extensions are exercised by the borrowers, the CRE loan portfolio will have a weighted average remaining term of 45 months

(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 290 months

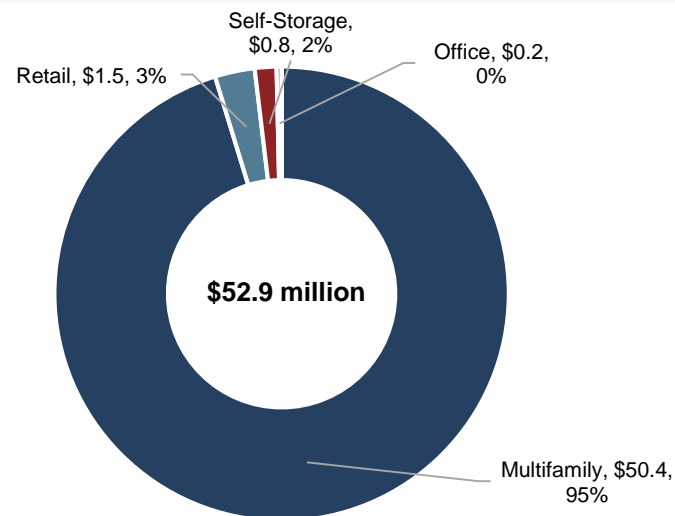
Q2 2019 CRE Loan Portfolio Activity

- The CRE loan portfolio increased by \$14.0 million in Q2
 - The Company acquired \$41.3 million of loans and participations at par from an affiliate of the Manager and funded an additional \$11.6 million of future funding participations
 - The portfolio experienced \$38.9 million of payoffs

Net Funding Activity⁽¹⁾



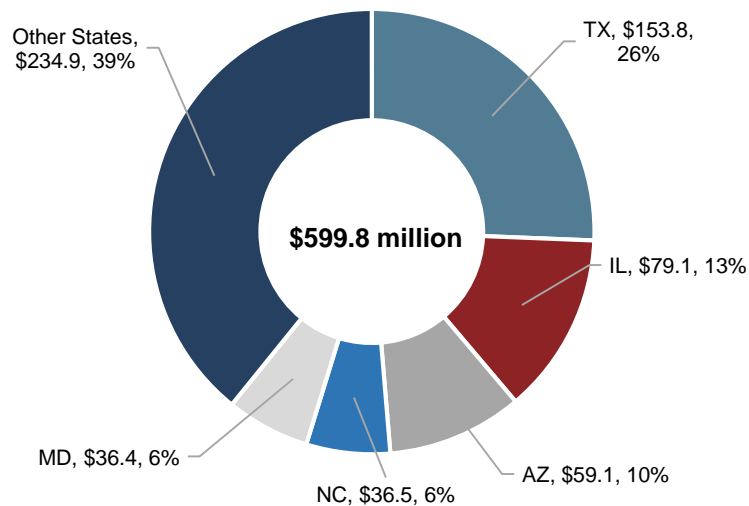
Q2 2019 Loan Acquisitions⁽¹⁾



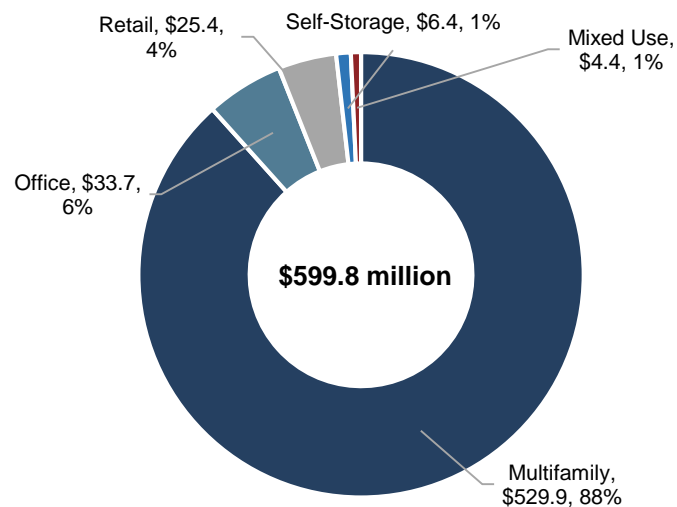
Q2 2019 CRE Loan Portfolio Snapshot

- As of Q2 2019, the Company owned a portfolio of floating-rate CRE loans with an aggregate UPB of \$599.8 million
- As of Q2 2019, all loans were current

Geographic Concentration⁽¹⁾

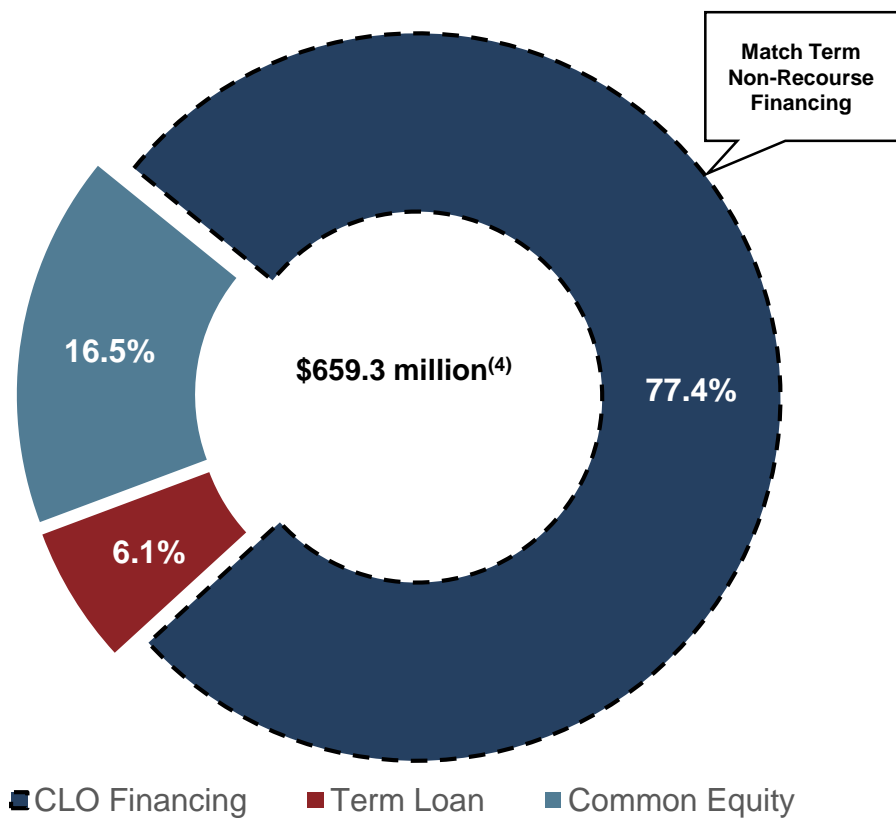


Property Type⁽¹⁾



Capital Structure Overview

Capital Structure Composition



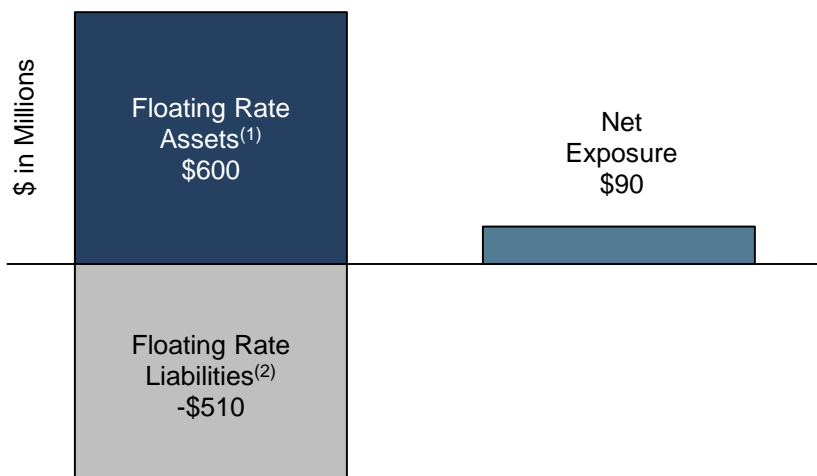
Capital Structure Detail

(\$ 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⁾			\$108.9
Total Capitalization			\$659.3

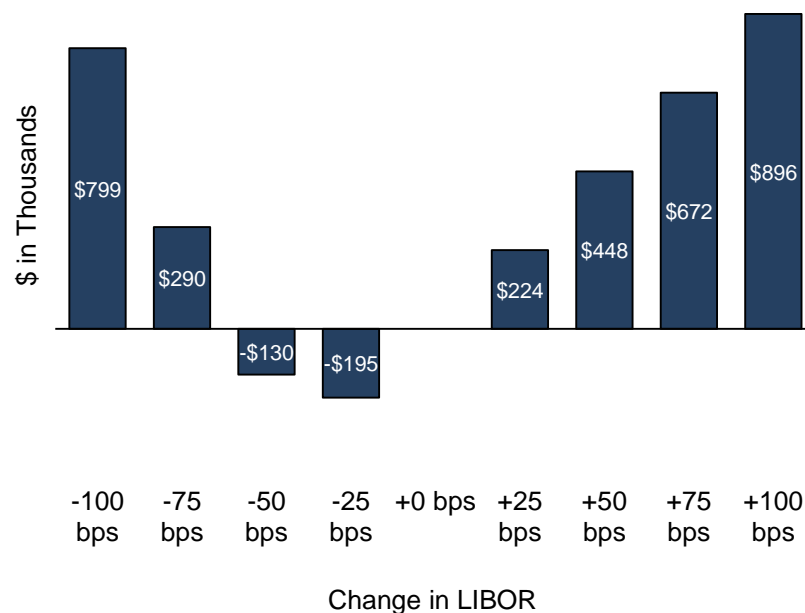
Note: (1) CLO financing shown at par value
 (2) Term loan shown at par value
 (3) Noncontrolling interest was \$99,500 as of 6/30/2019 and is included in common equity above
 (4) HCFT total capitalization is a non-GAAP measure which excludes certain Balance Sheet items; Please see Appendix for reconciliation to GAAP

Interest Rate Sensitivity as of June 30, 2019

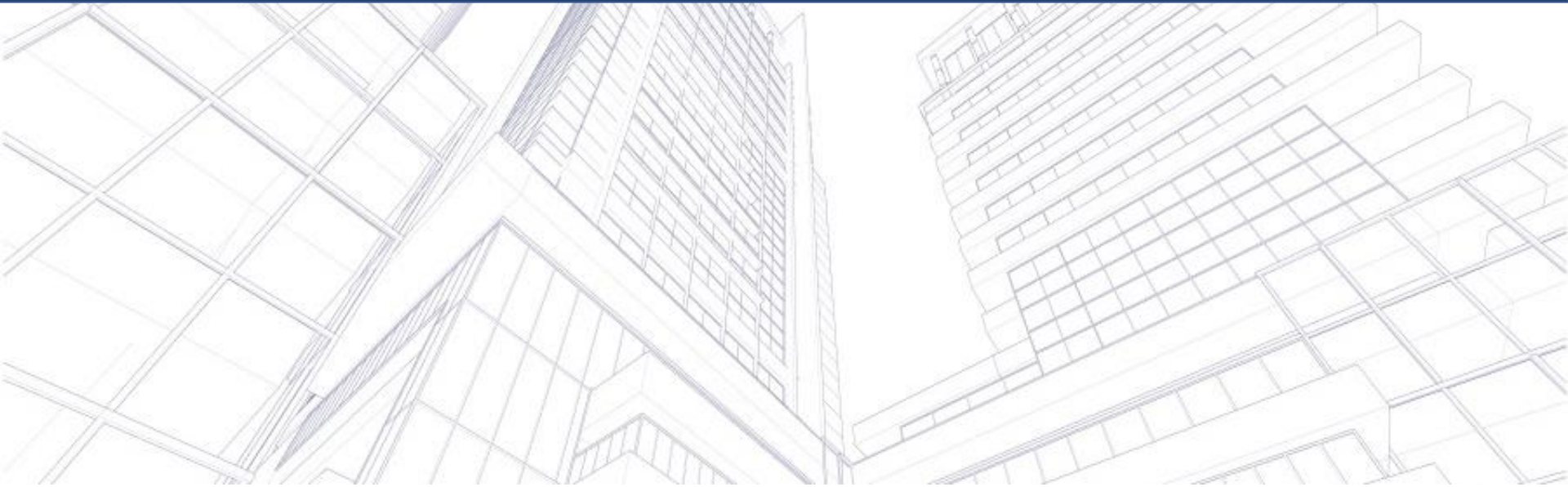
Floating-Rate Exposure



Net Interest Income Sensitivity to Shifts in One-Month LIBOR⁽³⁾



Appendix



6/30/2019 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	11/30/2018	12/6/2020	Multi-Family	Various	Various	38,616,763	4.05%	25	70.39%
2	Loan 2	6/5/2018	6/4/2021	Multi-Family	Palatine	IL	35,625,000	4.30%	37	68.50%
3	Loan 3	8/8/2018	8/6/2021	Multi-Family	Dallas	TX	32,182,134	3.65%	36	81.23%
4	Loan 4	7/9/2018	8/6/2021	Multi-Family	Baltimore	MD	30,873,922	3.08%	37	77.59%
5	Loan 5	11/15/2017	12/4/2020	Multi-Family	Phoenix	AZ	30,505,000	3.75%	37	74.26%
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	19,953,067	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	Multi-Family	Austin	TX	18,000,000	3.90%	36	71.40%
11	Loan 11	12/6/2018	12/6/2021	Multi-Family	Greensboro	NC	17,712,200	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	14,399,389	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	5/24/2018	6/6/2021	Multi-Family	Austin	TX	11,572,915	3.55%	37	80.22%
21	Loan 21	3/29/2019	4/6/2021	Multi-Family	Portsmouth	VA	10,000,000	3.25%	25	61.35%
22	Loan 22	1/9/2018	2/6/2020	Multi-Family	North Highlands	CA	9,586,332	3.95%	25	79.03%
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%

Continued on the following page

6/30/2019 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⁾
25	Loan 25	10/9/2018	11/6/2020	Multi-Family	Dallas	TX	8,947,662	3.65%	25	78.35%
26	Loan 26	2/15/2018	3/6/2021	Multi-Family	Atlanta	GA	8,708,582	4.25%	37	80.21%
27	Loan 27	8/2/2018	8/6/2021	Retail	Goldsboro	NC	8,360,637	4.00%	37	56.52%
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%	24	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	6/10/2019	7/6/2022	Multi-Family	San Antonio	TX	6,372,000	3.40%	37	77.70%
35	Loan 35	11/9/2017	12/6/2020	Self-Storage	Las Vegas	NV	6,364,266	4.25%	37	75.99%
36	Loan 36	3/29/2019	4/6/2021	Multi-Family	Raleigh	NC	5,769,000	3.50%	25	79.03%
37	Loan 37	6/22/2018	7/6/2021	Multi-Family	Chicago	IL	5,667,487	4.10%	37	80.53%
38	Loan 38	11/15/2018	12/6/2020	Multi-Family	Glen Burnie	MD	5,550,000	4.25%	25	76.03%
39	Loan 39	5/22/2019	6/6/2022	Multi-Family	Tampa	FL	5,450,000	3.50%	37	65.70%
40	Loan 40	11/30/2018	11/6/2021	Multi-Family	Decatur	GA	4,714,340	4.10%	36	56.80%
41	Loan 41	6/12/2017	7/6/2019	Multi-Family	Winston-Salem	NC	4,675,000	5.95%	25	77.16%
42	Loan 42	6/29/2018	7/6/2020	Mixed Use	Washington	DC	4,404,365	4.65%	25	73.31%
43	Loan 43	6/10/2019	7/6/2022	Multi-Family	San Antonio	TX	4,265,000	2.90%	37	62.92%
44	Loan 44	6/29/2016	7/5/2019	Multi-Family	Various	TX	4,032,738	5.50%	37	69.18%
45	Loan 45	5/31/2019	6/6/2022	Multi-Family	Austin	TX	3,912,000	3.50%	37	74.09%
46	Loan 46	4/30/2018	5/6/2021	Multi-Family	Wichita	KS	3,793,542	4.95%	37	68.98%
47	Loan 47	10/10/2018	11/6/2020	Multi-Family	Philadelphia	PA	2,954,643	4.60%	25	79.64%
Total / Average							599,770,362	3.90%	33	73.88%

Consolidated Balance Sheets

	June 30, 2019 (unaudited)	December 31, 2018 ⁽¹⁾
ASSETS		
Cash and cash equivalents	\$ 7,164,246	\$ 7,882,862
Restricted cash	42,877,535	51,330,950
Commercial mortgage loans held-for-investment, at amortized cost	599,770,362	555,172,891
Receivables held in securitization trusts, at fair value ⁽¹⁾	—	24,357,335
Mortgage servicing rights, at fair value	3,158,669	3,997,786
Deferred offering costs	81,750	126,516
Accrued interest receivable	2,595,178	2,430,790
Investment related receivable	—	33,042,234
Other assets	1,706,659	1,010,671
Total assets	<u>\$ 657,354,399</u>	<u>\$ 679,352,035</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Collateralized loan obligations, net	504,946,473	503,978,918
Secured Term Loan, net	39,229,194	—
Multi-family securitized debt obligations ⁽¹⁾	—	19,231,331
Accrued interest payable	857,026	1,231,649
Dividends payable	1,776,575	1,465,610
Fees and expenses payable to Manager	1,230,900	1,175,000
Other accounts payable and accrued expenses	448,109	2,066,189
Total liabilities	<u>548,488,277</u>	<u>529,148,697</u>
COMMITMENTS AND CONTINGENCIES (NOTES 14 & 15)		
EQUITY:		
Preferred Stock: par value \$0.01 per share; 50,000,000 shares authorized, 8.75% Series A cumulative redeemable, \$25 liquidation preference, 0 issued and outstanding at June 30, 2019 and 1,610,000 issued and outstanding at December 31, 2018, respectively	—	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 June 30, 2019 and December 31, 2018, respectively	236,832	236,832
Additional paid-in capital	228,175,537	231,305,743
Cumulative distributions to stockholders	(118,675,994)	(114,757,019)
Accumulated earnings (deficit)	(969,753)	(3,838,690)
Total stockholders' equity	<u>108,766,622</u>	<u>150,103,838</u>
Noncontrolling interests	\$ 99,500	\$ 99,500
Total equity	<u>\$ 108,866,122</u>	<u>\$ 150,203,338</u>
Total liabilities and equity	<u>\$ 657,354,399</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 June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Revenues:				
Interest income:				
Available-for-sale securities	\$ —	\$ 3,669,376	\$ —	\$ 10,748,966
Commercial mortgage loans held-for-investment	10,289,117	5,894,000	20,193,305	5,894,000
Multi-family loans held in securitization trusts	—	6,976,930	78,361	20,204,118
Residential loans held in securitization trusts	—	954,711	—	2,102,352
Cash and cash equivalents	—	55,936	—	116,978
Interest expense:				
Repurchase agreements - available-for-sale securities	—	(2,685,705)	—	(7,637,242)
Collateralized loan obligations	(5,456,288)	(2,889,167)	(10,903,177)	(2,889,167)
Secured term loan	(786,114)	—	(1,115,227)	—
Multi-family securitized debt obligations	—	(6,640,257)	—	(19,166,552)
Residential securitized debt obligations	—	(765,914)	—	(1,685,971)
Net interest income	4,046,715	4,569,910	8,253,262	7,687,482
Other income:				
Realized gain (loss) on investments, net	—	(30,497,281)	(709,439)	(33,345,288)
Realized gain (loss) on derivative contracts, net	—	23,192,076	—	25,984,870
Change in unrealized gain (loss) on derivative contracts, net	—	(18,132,701)	—	(5,349,613)
Change in unrealized gain (loss) on mortgage servicing rights	(459,119)	1,084,063	(839,117)	1,141,752
Change in unrealized gain (loss) on multi-family loans held in securitization trusts	—	(5,463,148)	694,339	(6,818,922)
Change in unrealized gain (loss) on residential loans held in securitization trusts	—	5,905,602	—	5,650,199
Servicing income, net	185,465	196,404	433,679	416,382
Other income	—	44,617	—	60,492
Total other income (loss)	(273,654)	(23,670,368)	(420,538)	(12,260,128)
Expenses:				
Management fee	566,164	604,191	1,119,623	1,180,326
General and administrative expenses	895,659	962,284	2,362,344	2,352,345
Operating expenses reimbursable to manager	517,000	570,833	1,057,037	1,316,925
Other operating expenses	147,259	201,190	185,016	605,659
Compensation expense	50,064	51,107	100,087	147,162
Total expenses	2,176,146	2,389,605	4,824,107	5,602,417
Net income (loss) before provision for income taxes	1,596,915	(21,490,063)	3,008,617	(10,175,063)
(Provision for) income taxes	(202,745)	—	(139,680)	—
Net income (loss)	1,394,170	(21,490,063)	2,868,937	(10,175,063)
Dividends to preferred stockholders	(3,792)	(870,726)	(484,264)	(1,751,235)
Deemed dividend on preferred stock related to redemption	—	—	(3,093,028)	—
Net income (loss) attributable to common stockholders	\$ 1,390,378	\$ (22,360,789)	\$ (708,355)	\$ (11,926,298)
Earnings (loss) per share:				
Net income (loss) attributable to common stockholders (basic and diluted)	\$ 1,390,378	\$ (22,360,789)	\$ (708,355)	\$ (11,926,298)
Weighted average number of shares of common stock outstanding	23,687,664	23,683,164	23,687,664	23,358,579
Basic and diluted income (loss) per share	\$ 0.06	\$ (0.94)	\$ (0.03)	\$ (0.51)
Dividends declared per share of common stock	\$ 0.08	\$ 0.06	\$ 0.15	\$ 0.16

Reconciliation of GAAP to Core Earnings

GAAP to Core Earnings Reconciliation

Three months Ended
June 30, 2019

Reconciliation of GAAP to non-GAAP Information

Net Income (loss) attributable to common shareholders	\$ 1,390,378
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Adjustments for non-core earnings

Realized (Gain) Loss on sale of investments, net	-
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Unrealized (Gain) Loss on mortgage servicing rights	459,119
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Unrealized (Gain) Loss on multi-family loans held in securitization trusts	-
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Subtotal	<u>459,119</u>
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Other Adjustments

Recognized compensation expense related to restricted common stock	3,814
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Adjustment for consolidated securities	-
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Adjustment for one-time charges	174,000
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Adjustment for (provision for) income taxes	202,745
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Adjustment for deemed dividend related to preferred stock redemption	<u>380,559</u>
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Subtotal	<u>380,559</u>
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Core Earnings	<u><u>\$ 2,230,056</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	\$ 0.09
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Detailed Walk of Capitalization

<i>(in 000's)</i>	6/30/2019
Total GAAP liabilities and stockholders' equity	\$657,354
<i>Adjustments for Capitalization</i>	
(-) Multifamily securitized debt obligations	0
(-) Accrued interest payable	(857)
(-) Dividends payable	(1,777)
(-) Fees and expenses payable to Manager	(1,231)
(-) Other accounts payable and accrued expenses	(448)
(+) Other capitalized financing & issuance costs	6,255
HCFT Capitalization	\$659,297

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.

