

Hunt Companies Finance Trust

Q4 2019 Earnings Supplemental

March 2020

www.huntcompaniesfinancetrust.com

Disclaimer

This presentation, any related webcast/conference call, and other oral statements made by our representatives from time to time may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect the current views of Hunt Companies Finance Trust, Inc. (NYSE: HCFT) (“HCFT” or the “Company”) with respect to, among other things, the Company’s operations and financial performance. You can identify these forward-looking statements by the use of words such as “outlook,” “indicator,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “projects,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. The Company believes these factors include but are not limited to those described under the section entitled “Risk Factors” in its Annual Report for fiscal year 2019 on Form 10-K and other periodic filings with the Securities and Exchange Commission (“SEC”), when evaluating these forward-looking statements. Additional information concerning these and other risk factors are contained in our 2019 Form 10-K which is available on the SEC’s website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation and in the filings. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events or circumstances.

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 contained herein 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 OREC Investment Management, a subsidiary of ORIX Corporation USA

Emphasis on floating-rate investments

KEY INVESTMENT HIGHLIGHTS

Access to Extensive Loan Origination Platform

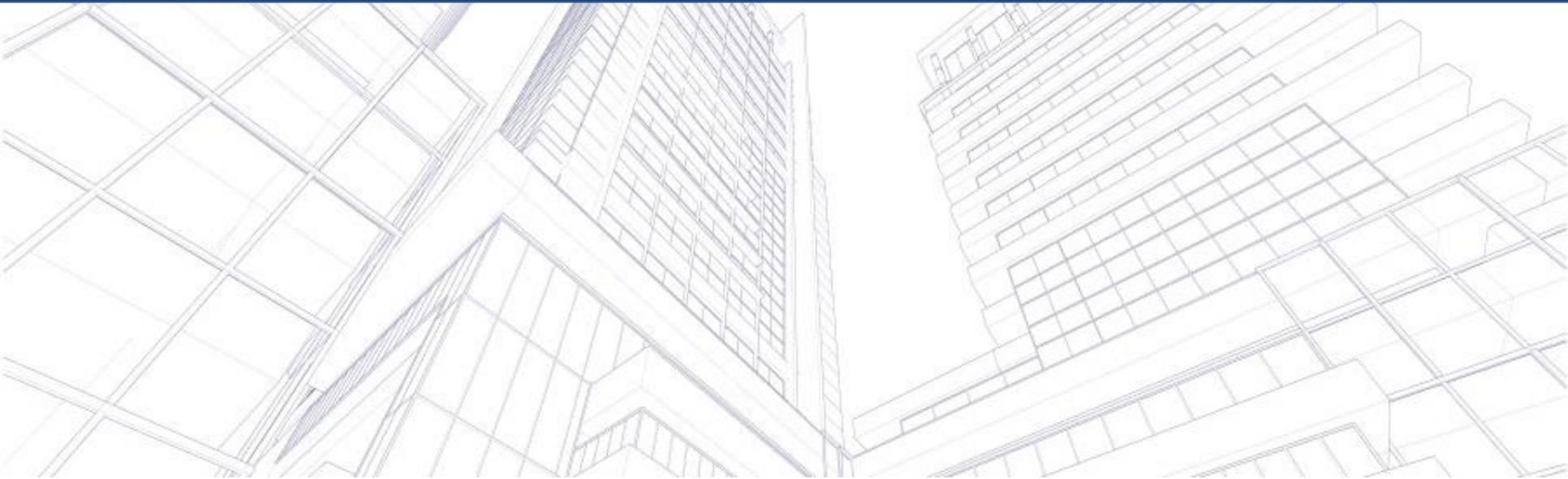
Experienced Management Team

Strength of Ownership / Sponsorship

Strategy Well Positioned for Current Market Environment

Strong Credit and Asset Management Capabilities

The ORIX Transaction



ORIX Transaction Overview

- On January 6, 2020, Hunt Companies Finance Trust, Inc. (NYSE: HCFT) (“HCFT” or “the Company”) announced that its independent directors unanimously approved the entry into a new management agreement with OREC Investment Management, LLC (the “Manager”), a subsidiary of ORIX Corporation USA (“ORIX USA”) and the concurrent mutual termination of its management agreement with Hunt Investment Management, LLC (“Hunt”).
- A subsidiary of ORIX Corporation, the Japan-based financial services giant, ORIX USA provides a wide range of innovative capital solutions for clients in the corporate, real estate, and municipal finance sectors.
 - ORIX Corporation assets exceed \$110 billion, and it has approximately \$400 billion of assets under management.
 - OREC Investment Management is part of ORIX Real Estate Capital’s finance and investment management platform, which was created through the combination of RED Capital Group, Lancaster Pollard, and Hunt Real Estate Capital.
 - The combined platform has an annual loan production in excess of \$9 billion and a servicing portfolio of more than \$40 billion.

ORIX Transaction Overview

- The terms of the new management agreement, which are further described in the Company's Form 8-K, align with the terms of HCFT's prior management agreement with HIM in all material respects, including a cap on reimbursable expenses.
 - Pursuant to the terms of the termination agreement between the Company and Hunt, the termination of the management agreement did not trigger, and Hunt was not paid, a termination fee by the Company.
 - ORIX USA separately agreed to pay Hunt a negotiated payment in connection with the foregoing.
- In connection with the transaction, an affiliate of ORIX USA purchased 1,246,719 shares of the Company's common stock in a private placement by the Company at a purchase price of \$4.61 per share, resulting in an aggregate capital raise of \$5,747,375.
 - The purchase price per share represented a 43% premium over the HCFT common share price on January 2, 2020.
- In connection with the transaction, James C. Hunt resigned as the Company's Chairman of the Board but will continue as a member of the Board. In addition, the Board appointed Interim Chief Financial Officer James A. Briggs as Chief Financial Officer of the Company. James Flynn will continue to serve as CEO and Michael Larsen will continue to serve as President of HCFT.

ORIX Corporation at a Glance

Founded in 1964, ORIX Corporation is a publicly traded, Tokyo-based international financial services company with over 32,000 employees worldwide. ORIX USA, a subsidiary of ORIX Corporation, has provided innovative capital solutions that clients need to propel their business to the next level.

Global Reach

- Operating in 37 countries and regions
- More than 2,100 locations
- Ranked No. 315 on 2019 Forbes Global 2000: World's Largest Public Companies

Publicly Traded

- Listed on the Tokyo (8591) and New York (NYSE: IX) stock exchanges
- Approximately \$20 billion market capitalization as of March 2019

Capital Ready

- Assets exceeding \$110 billion
- Approximately \$400 billion in assets under management

Rated

- Long-term debt credit rating of A- by S&P's and A3 by Moody's (As of March 2019)



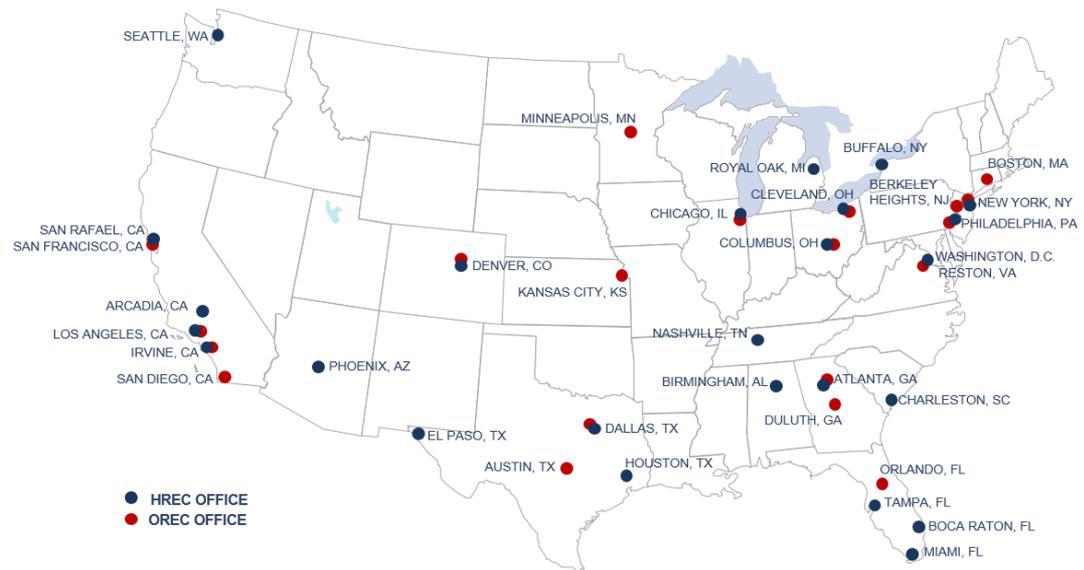
ORIX Commercial Lending Business

ORIX Real Estate Capital provides specialized capital solutions for multifamily, affordable, seniors and healthcare real estate together with its affiliated companies.



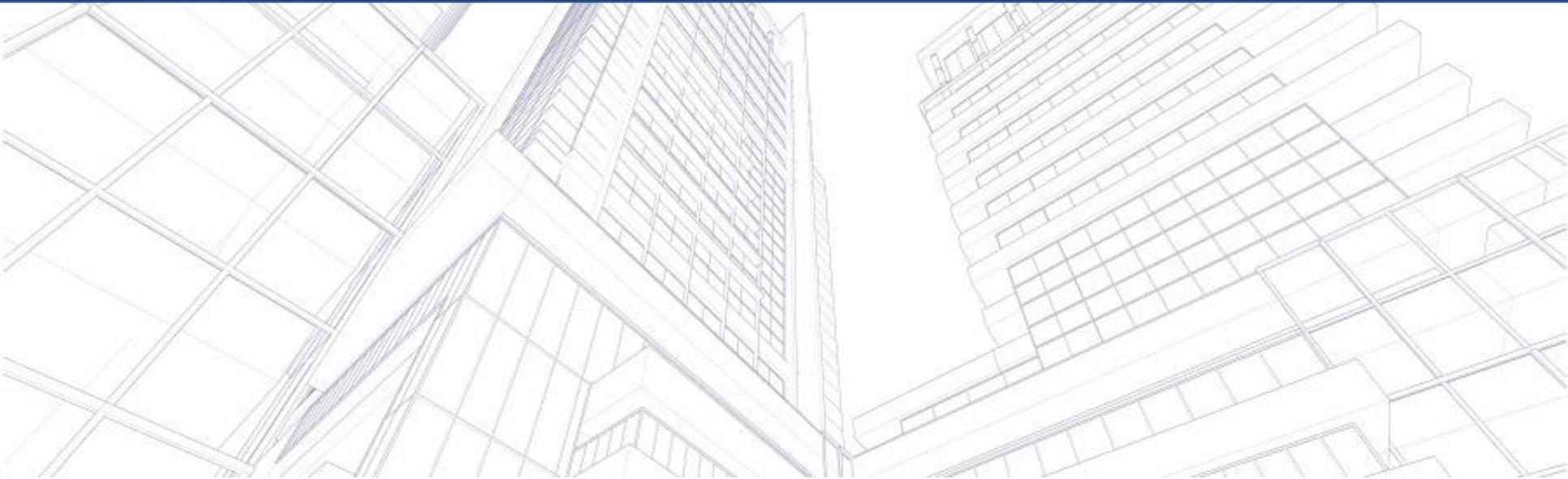
ORIX Real Estate Capital, as of December 2019:

- **\$10 billion** of originations in 2019
- **\$41 billion** servicing portfolio
- **600+** employees across ORIX Real Estate Capital (OREC) nationwide
- **160+** employees focused on production across OREC nationwide
- **35+** offices nationwide
- **OREC Investment Management:** a registered Investment Advisor providing management of both public and private investment vehicles



Above: All OREC offices nationwide. Red dots indicate legacy RED Capital Group and Lancaster Pollard offices, while blue dots indicate legacy Hunt Real Estate Capital offices.

Q4 and Full Year 2019 Results



Q4 2019 Key Updates

FINANCIAL RESULTS

- Q4 2019 GAAP Net Income of \$1.22 million, or \$0.05 per share. FY19 GAAP Net Income of \$2.66 million, or \$0.11 per share
- Q4 2019 Core Earnings of \$1.32 million, or \$0.06 per share. FY19 Core Earnings of \$7.55 million, or \$0.32 per share
- Q4 2019 Book Value Per Share of \$4.59

HIGHLIGHTS

- On January 6, 2020, the Company announced it entered into a new management agreement with OREC Investment Management, LLC, a subsidiary of ORIX Corporation USA (“ORIX USA”)
- During Q4 2019, the Company acquired \$121.2 mm of new loans and participations at a weighted average spread of LIBOR + 3.03%
 - The weighted-average LIBOR floor of the Q4 acquisitions was 1.73%
 - 96% of the new acquisitions were multifamily assets
 - The Company experienced \$45.5 mm of loan payoffs during the quarter
- For the full year 2019, the Company acquired and funded \$300.4 million of new loans and participations at a weighted average spread of LIBOR + 3.29%

INVESTMENT PORTFOLIO OVERVIEW

- As of 12/31/2019, 99.6% of HCFT’s investment portfolio consisted of floating-rate CRE loans
 - The \$635.3 million CRE loan portfolio had a weighted average remaining term of 21 months⁽¹⁾ and a weighted average coupon of L + 3.60%
 - 94% of the portfolio was multifamily
- The Company’s only remaining legacy investment consists of \$2.7 million of mortgage servicing rights

CAPITALIZATION

- The floating-rate CRE loan portfolio is financed with \$510.2 million of investment grade notes issued through two CRE CLOs
- As of 12/31/2019, the Company had \$10.9 million of unrestricted cash and the CLOs had \$5.1 million of reinvestment capacity

Note: (1) If all extensions are exercised by the borrowers, the CRE loan portfolio will have a weighted average remaining term of 46 months

Q4 2019 Earnings Summary

| Summary Income Statement (thousands) | Three Months Ended December 31, 2019 | Twelve Months Ended December 31, 2019 |
|--|--|---|
| Net interest income | \$3,365 | \$15,414 |
| Total other income (loss) | 178 | (444) |
| Operating expenses | (2,238) | (8,765) |
| Preferred dividends | (4) | (492) |
| (Provision for) benefit from income taxes | (83) | 44 |
| Deemed dividend on preferred stock related to redemption | 0 | (3,093) |
| Net income attributable to common stockholders | \$1,218 | \$2,664 |
| Reclassification adjustment for net gain (loss) included in net income | 0 | 0 |
| Comprehensive income attributable to common stockholders | \$1,218 | \$2,664 |
| Weighted average shares outstanding during the period | 23,688,251 | 23,687,812 |
| Net income per share | \$0.05 | \$0.11 |
| Comprehensive income per share | \$0.05 | \$0.11 |

| GAAP Comprehensive Income to Core Earnings Reconciliation (thousands) | Three Months Ended December 31, 2019 | Twelve Months Ended December 31, 2019 |
|--|--|---|
| Comprehensive income attributable to common stockholders | \$1,218 | \$2,664 |
| Adjustments: | | |
| Net economic losses (gains) attributable to legacy assets ⁽¹⁾ | 0 | 15 |
| Unrealized losses (gains) on mortgage servicing rights | 14 | 1,298 |
| Recognized compensation expense related to restricted stock | 1 | 9 |
| Adjustment for consolidated securities | 0 | 3 |
| Adjustment for one-time charges | 0 | 512 |
| Adjustment provision for (benefit from) income taxes | 83 | (44) |
| Adjustment for deemed dividend related to preferred stock redemptions | 0 | 3,093 |
| Core earnings⁽²⁾ | \$1,317 | \$7,551 |
| Weighted average shares outstanding during the period | 23,688,251 | 23,687,812 |
| Core earnings per share | \$0.06 | \$0.32 |
| Dividends per share | \$0.075 | \$0.295 |

Note: (1) Net economic losses (gains) includes unrealized gains/losses and realized gains/losses attributable to legacy assets
(2) See Appendix for definition of Core Earnings per the Management Agreement

Q4 2019 Balance Sheet Summary

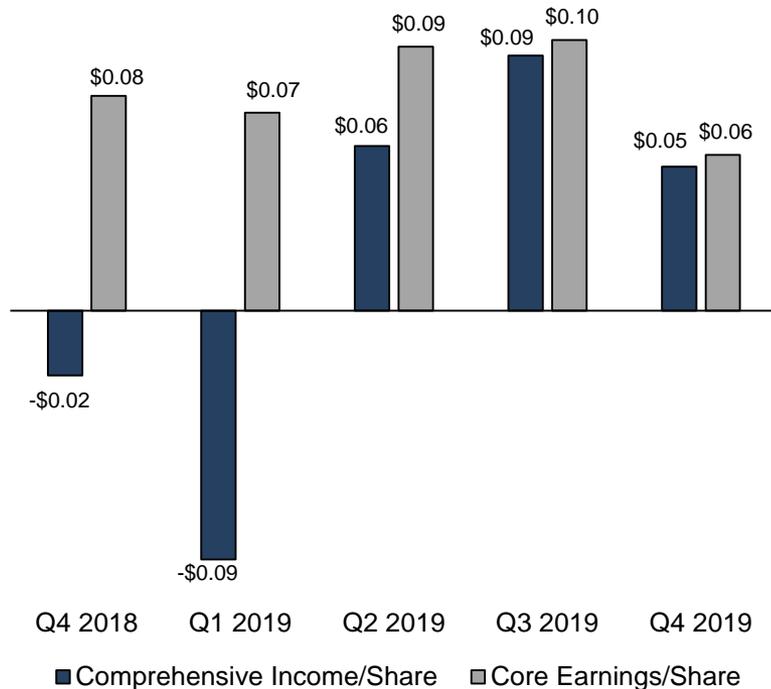
| Balance Sheet (thousands) | Q4 2019 |
|--|------------------|
| Commercial mortgage loans held-for-investment | \$635,260 |
| Mortgage servicing rights, at fair value | 2,700 |
| Cash and cash equivalents | 10,942 |
| Restricted cash ⁽¹⁾ | 5,070 |
| Other assets | 3,930 |
| Total assets | \$657,902 |
| Collateralized loan obligations ⁽²⁾ | \$505,930 |
| Credit facility | 39,384 |
| Other liabilities | 3,943 |
| Total liabilities | \$549,257 |
| Total equity | \$108,645 |
| Total liabilities / Total equity | 5.1x |
| Book Value Per Share | \$4.59 |

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

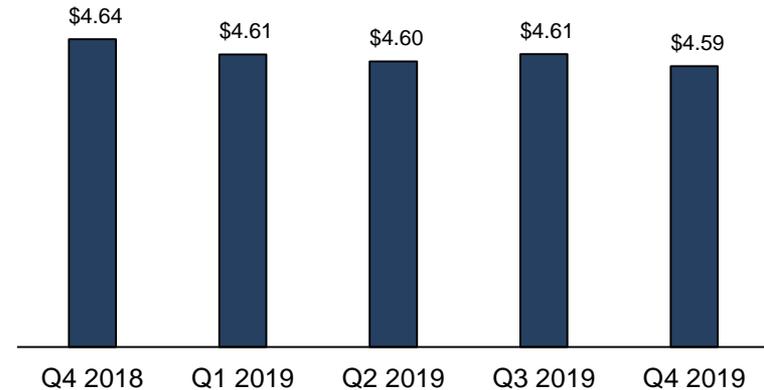
(2) Outstanding notional amount of bonds issued from both CLOs is \$510 million. For GAAP purposes, these liabilities are carried at their outstanding unpaid principal balance, net of any unamortized discounts and debt issuance costs

Operating Performance Trending

Comprehensive Income & Core Earnings Per Share of Common Stock



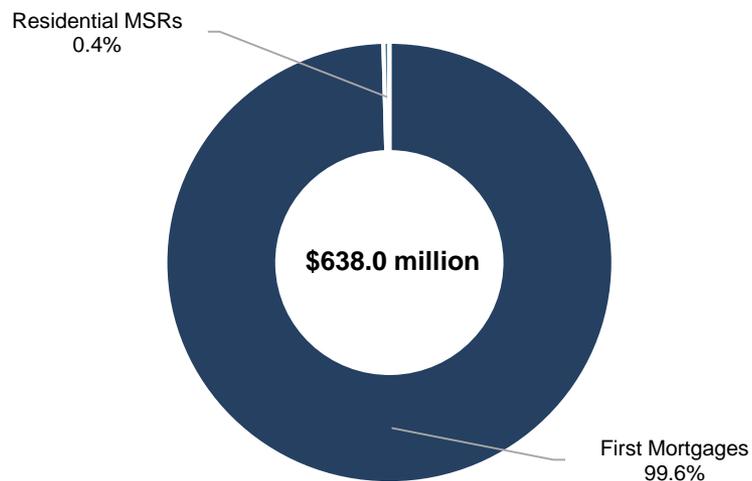
Adjusted Book Value Per Share⁽¹⁾



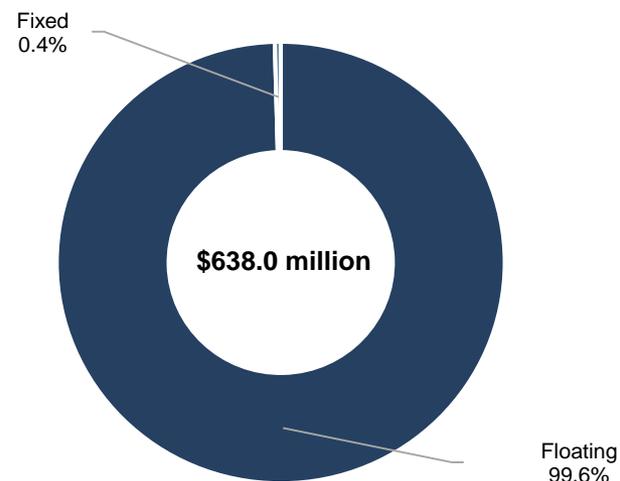
Note: (1) See Appendix for definition of Adjusted Book Value Per Share. Due to refinancing of preferred equity in Q1, the "adjusted" book value concept is no longer relevant

Q4 2019 Summary of Investment Portfolio

Investment Type



Interest Rate Type



Investment Portfolio as of
December 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 | \$635,260 | \$635,260 | L + 3.60% | 21 ⁽¹⁾ | 73.63% | 69.53% |
| Residential MSRs | \$333,564 | \$2,700 | 0.25% | 284 ⁽²⁾ | | |
| Total | \$968,824 | \$637,961 | | | | |

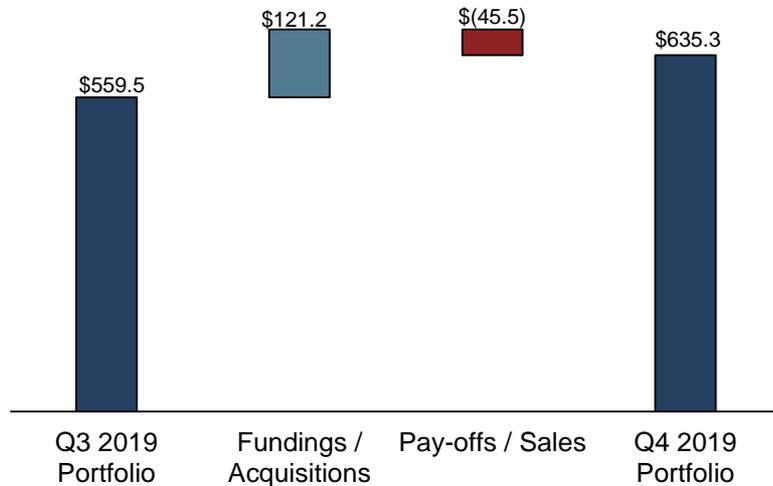
Note: (1) If all extensions are exercised by the borrowers, the CRE loan portfolio will have a weighted average remaining term of 46 months

(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 284 months

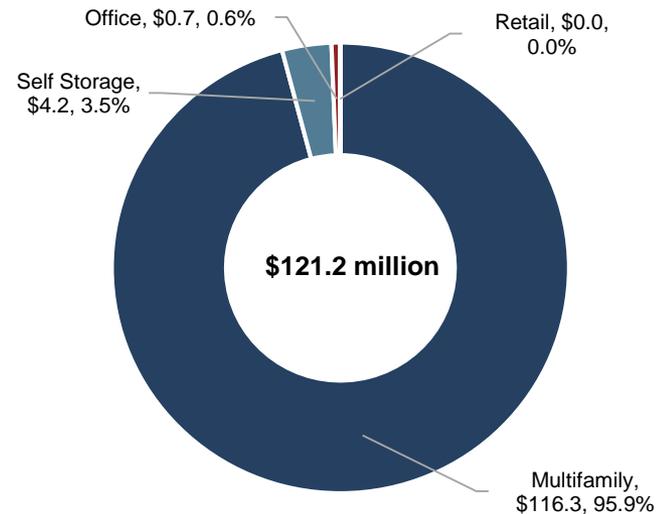
Q4 2019 CRE Loan Portfolio Activity

- The CRE loan portfolio increased by \$75.7 million in Q4
 - The Company acquired \$116.3 million of loans and participations at par from an affiliate of the Manager and funded an additional \$5.0 million of future funding participations
 - The Company experienced \$45.5 million of payoffs

Net Funding Activity⁽¹⁾



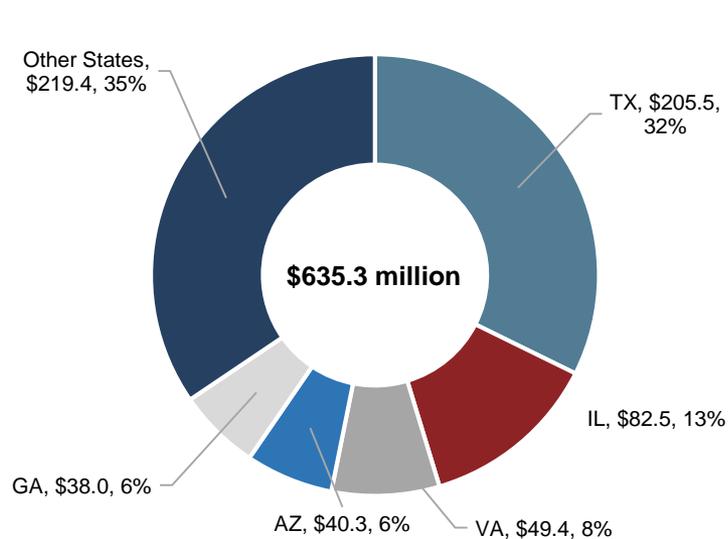
Q4 2019 Loan Acquisitions⁽¹⁾



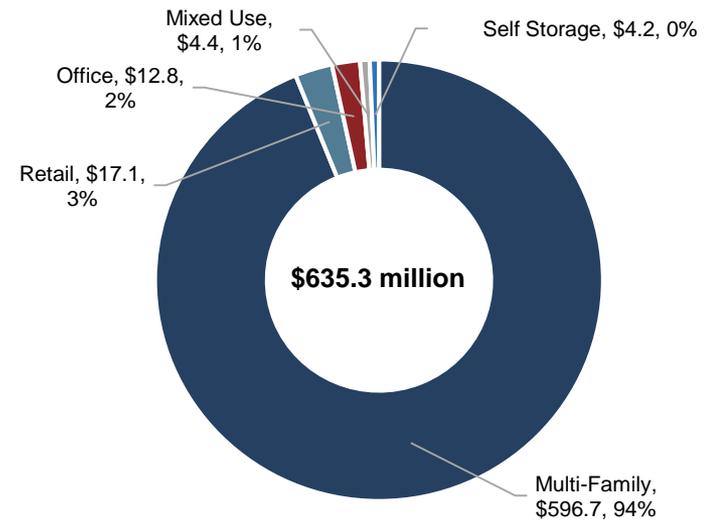
Q4 2019 CRE Loan Portfolio Snapshot

- As of 12/31/2019, the Company owned a portfolio of floating-rate CRE loans with an aggregate UPB of \$635 million
- As of 12/31/2019, all loans were current

Geographic Concentration⁽¹⁾

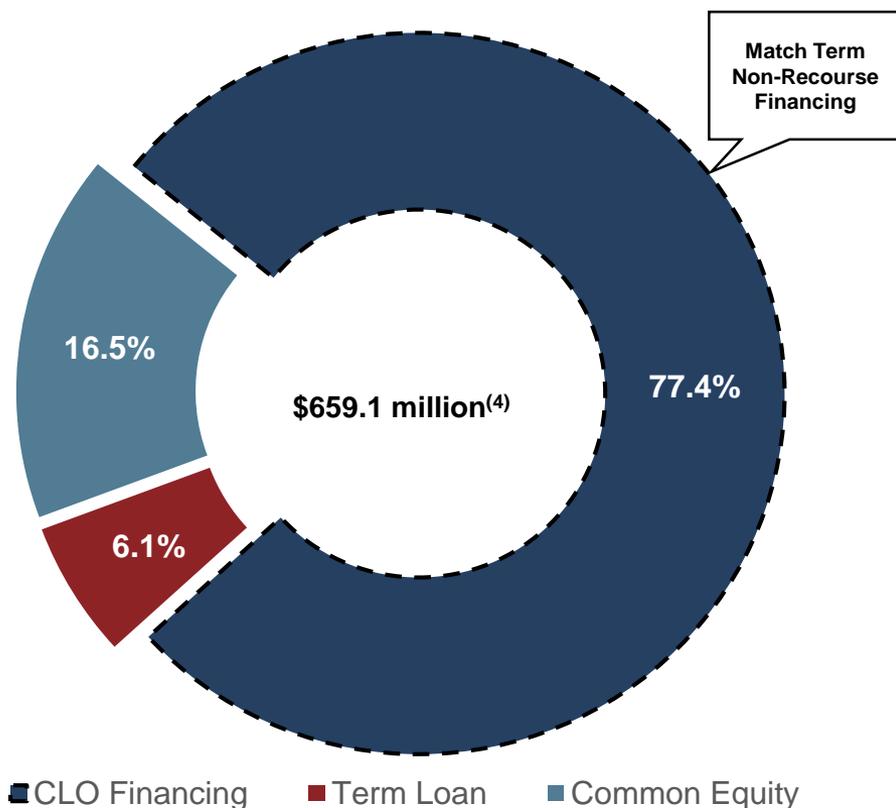


Property Type⁽¹⁾



Capital Structure Overview

Capital Structure Composition



Capital Structure Detail

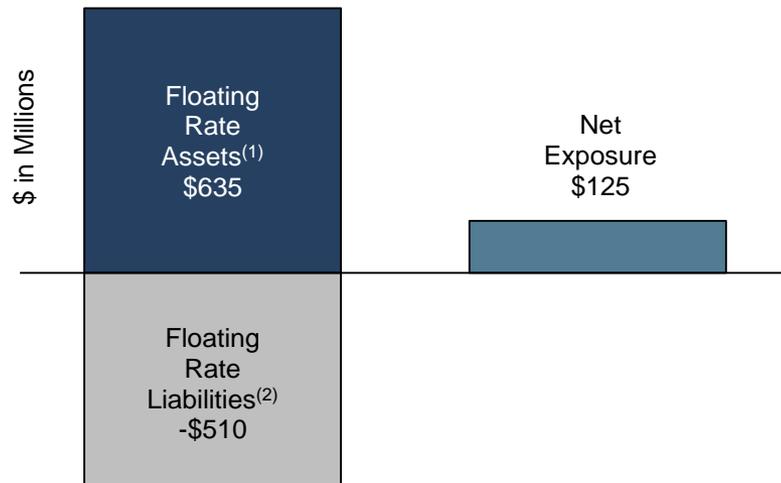
(\$ in mm) Amount (\$)

| <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⁾ | | | \$108.6 |
| Total Capitalization⁽⁴⁾ | | | \$659.1 |

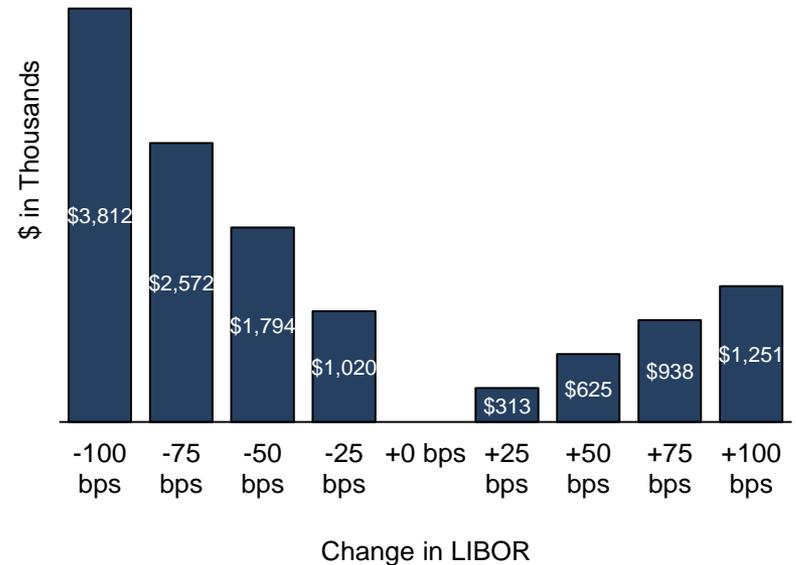
Note: (1) CLO financing shown at par value. GAAP carrying value of \$505.9 million includes \$1.3 million of unamortized discounts for Hunt CRE 2017-FL1 and \$2.9 million of unamortized debt issuance costs for Hunt CRE 2018-FL2
 (2) Term loan shown at par value. GAAP carrying value of \$39.3 million includes \$1.0 million of unamortized debt issuance costs
 (3) Noncontrolling interest was \$99,500 as of 12/31/2019 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 December 31, 2019

Floating-Rate Exposure

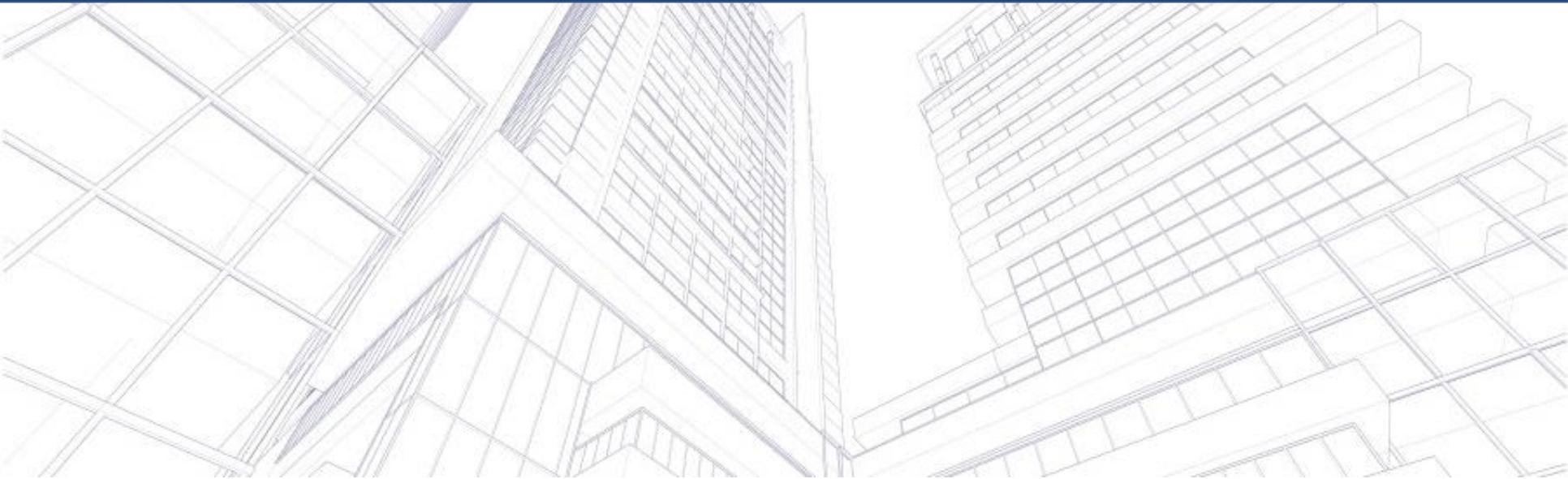


Annual Net Interest Income Sensitivity to Shifts in One-Month LIBOR⁽³⁾



Note: (1) Comprised of the Company's portfolio of floating-rate CRE loans
 (2) Comprised of outstanding securitization notes in the CRE CLOs
 (3) Assumes starting one-month LIBOR rate of 1.7625%

Appendix



12/31/2019 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 | 34,913,160 | 4.05% | 25 | 70.39% |
| 3 | Loan 3 | 8/8/2018 | 8/6/2021 | Multi-Family | Dallas | TX | 32,321,681 | 3.65% | 36 | 81.23% |
| 4 | Loan 4 | 7/9/2018 | 8/6/2021 | Multi-Family | Baltimore | MD | 32,148,978 | 3.25% | 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 | 11/22/2019 | 8/6/2022 | Multi-Family | Virginia Beach | VA | 26,500,000 | 2.75% | 33 | 77.10% |
| 7 | Loan 7 | 5/18/2018 | 6/4/2021 | Multi-Family | Woodridge | IL | 25,355,116 | 3.75% | 37 | 76.43% |
| 8 | Loan 8 | 12/10/2019 | 7/6/2022 | Multi-Family | San Antonio | TX | 23,500,000 | 3.15% | 31 | 71.90% |
| 9 | Loan 9 | 5/31/2018 | 6/6/2021 | Multi-Family | Omaha | NE | 20,853,067 | 3.70% | 37 | 77.26% |
| 10 | Loan 10 | 11/26/2019 | 12/6/2021 | Multi-Family | Doraville | GA | 20,000,000 | 2.75% | 25 | 76.10% |
| 11 | Loan 11 | 12/6/2018 | 12/6/2021 | Multi-Family | Greensboro | NC | 18,281,385 | 3.35% | 37 | 79.78% |
| 12 | Loan 12 | 12/28/2018 | 1/6/2022 | Multi-Family | Austin | TX | 18,000,000 | 3.90% | 37 | 71.40% |
| 13 | Loan 13 | 7/10/2019 | 8/6/2022 | Multi-Family | Amarillo | TX | 17,598,824 | 2.90% | 37 | 76.37% |
| 14 | Loan 14 | 12/28/2018 | 1/6/2022 | Retail | Austin | TX | 17,115,524 | 4.10% | 37 | 60.50% |
| 15 | Loan 15 | 3/13/2019 | 4/6/2022 | Multi-Family | Baytown | TX | 16,707,856 | 3.10% | 37 | 80.47% |
| 16 | Loan 16 | 6/28/2018 | 7/6/2021 | Multi-Family | Greenville | SC | 15,245,253 | 3.90% | 37 | 76.29% |
| 17 | Loan 17 | 7/23/2018 | 8/6/2021 | Office | Chicago | IL | 12,828,794 | 3.75% | 37 | 72.74% |
| 18 | Loan 18 | 8/29/2019 | 8/6/2022 | Multi-Family | Carrollton | TX | 12,337,257 | 3.40% | 36 | 72.50% |
| 19 | Loan 19 | 5/24/2018 | 6/6/2021 | Multi-Family | Austin | TX | 12,257,454 | 3.55% | 37 | 80.22% |
| 20 | Loan 20 | 8/8/2019 | 8/6/2022 | Multi-Family | Fort Worth | TX | 10,348,088 | 3.00% | 36 | 75.83% |
| 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 | 9,835,341 | 3.95% | 25 | 79.03% |
| 23 | Loan 23 | 5/25/2018 | 6/6/2021 | Multi-Family | Phoenix | AZ | 9,794,371 | 3.90% | 37 | 69.41% |
| 24 | Loan 24 | 10/9/2018 | 11/6/2020 | Multi-Family | Dallas | TX | 9,166,516 | 3.65% | 25 | 78.35% |
| 25 | Loan 25 | 9/11/2019 | 10/6/2022 | Multi-Family | Orlando | FL | 9,135,000 | 2.80% | 37 | 69.20% |

Continued on the following page

Note: (1) All loan spreads are indexed to one-month LIBOR
(2) LTV as of the date the loan was originated by a Hunt affiliate. LTV has not been updated for any subsequent draws or loan modifications and is not reflective of any changes in value which may have occurred subsequent to the origination date

12/31/2019 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⁾ |
|------------------------|-----------|--------------|---------------|---------------|---------------|-------|--------------------|----------------------------|-----------------------|---|
| 26 | Loan 26 | 3/12/2018 | 4/6/2020 | Multi-Family | Waco | TX | 9,112,000 | 4.75% | 25 | 72.90% |
| 27 | Loan 27 | 2/15/2018 | 3/6/2021 | Multi-Family | Atlanta | GA | 9,047,396 | 4.25% | 37 | 80.21% |
| 28 | Loan 28 | 12/13/2019 | 1/6/2022 | Multi-Family | Seattle | WA | 9,000,000 | 2.85% | 25 | 29.40% |
| 29 | Loan 29 | 8/30/2018 | 9/6/2021 | Multi-Family | Blacksburg | VA | 8,675,645 | 3.85% | 37 | 66.55% |
| 30 | Loan 30 | 8/7/2018 | 9/6/2021 | Multi-Family | Birmingham | AL | 8,235,825 | 3.50% | 38 | 78.01% |
| 31 | Loan 31 | 1/18/2019 | 2/6/2021 | Multi-Family | Philadelphia | PA | 8,109,603 | 3.95% | 25 | 71.31% |
| 32 | Loan 32 | 2/23/2018 | 3/6/2021 | Multi-Family | Little Rock | AR | 8,070,000 | 4.25% | 37 | 81.29% |
| 33 | Loan 33 | 11/13/2019 | 12/6/2021 | Multi-Family | Holly Hill | FL | 7,780,000 | 2.90% | 25 | 77.80% |
| 34 | Loan 34 | 6/10/2019 | 7/6/2022 | Multi-Family | San Antonio | TX | 6,429,693 | 3.40% | 37 | 77.70% |
| 35 | Loan 35 | 12/9/2019 | 1/6/2022 | Multi-Family | Fort Worth | TX | 6,230,000 | 3.15% | 25 | 77.70% |
| 36 | Loan 36 | 3/29/2019 | 4/6/2021 | Multi-Family | Raleigh | NC | 5,992,424 | 3.50% | 25 | 79.03% |
| 37 | Loan 37 | 6/22/2018 | 7/6/2021 | Multi-Family | Chicago | IL | 5,900,550 | 4.10% | 37 | 80.53% |
| 38 | Loan 38 | 8/28/2019 | 8/6/2022 | Multi-Family | Austin | TX | 5,899,750 | 3.25% | 36 | 69.90% |
| 39 | Loan 39 | 11/15/2018 | 12/6/2020 | Multi-Family | Glen Burnie | MD | 5,550,000 | 3.75% | 25 | 76.03% |
| 40 | Loan 40 | 5/22/2019 | 6/6/2022 | Multi-Family | Tampa | FL | 5,450,000 | 3.50% | 37 | 65.70% |
| 41 | Loan 41 | 11/30/2018 | 11/6/2021 | Multi-Family | Decatur | GA | 5,036,066 | 4.10% | 36 | 56.80% |
| 42 | Loan 42 | 6/12/2017 | 1/6/2020 | Multi-Family | Winston-Salem | NC | 4,675,000 | 5.95% | 31 | 77.16% |
| 43 | Loan 43 | 12/13/2019 | 1/6/2022 | Multi-Family | Jacksonville | FL | 4,644,560 | 2.90% | 25 | 74.90% |
| 44 | Loan 44 | 6/29/2018 | 7/6/2020 | Mixed Use | Washington | DC | 4,404,365 | 4.65% | 25 | 73.31% |
| 45 | Loan 45 | 6/10/2019 | 7/6/2022 | Multi-Family | San Antonio | TX | 4,265,000 | 2.90% | 37 | 62.92% |
| 46 | Loan 46 | 11/12/2019 | 12/6/2021 | Self Storage | Chesapeake | VA | 4,225,000 | 3.15% | 25 | 64.50% |
| 47 | Loan 47 | 5/31/2019 | 6/6/2022 | Multi-Family | Austin | TX | 4,192,147 | 3.50% | 37 | 74.09% |
| 48 | Loan 48 | 12/13/2019 | 1/6/2022 | Multi-Family | Marietta | GA | 4,010,000 | 3.00% | 25 | 77.90% |
| 49 | Loan 49 | 4/30/2018 | 5/6/2021 | Multi-Family | Wichita | KS | 4,002,879 | 4.95% | 37 | 68.98% |
| 50 | Loan 50 | 10/10/2018 | 11/6/2020 | Multi-Family | Philadelphia | PA | 3,113,185 | 4.60% | 25 | 79.64% |
| 51 | Loan 51 | 6/5/2018 | 6/4/2021 | Multi-Family | Palatine | IL | 2,835,667 | 4.30% | 37 | 68.50% |
| Total / Average | | | | | | | 635,260,420 | 3.60% | 34 | 73.63% |

Note: (1) All loan spreads are indexed to one-month LIBOR
(2) LTV as of the date the loan was originated by a Hunt affiliate. LTV has not been updated for any subsequent draws or loan modifications and is not reflective of any changes in value which may have occurred subsequent to the origination date

Consolidated Balance Sheets

| | December 31, 2019 ⁽¹⁾ | December 31, 2018 ⁽¹⁾ |
|---|----------------------------------|----------------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 10,942,115 | \$ 7,882,862 |
| Restricted cash | 5,069,715 | 51,330,950 |
| Commercial mortgage loans held-for-investment, at amortized cost | 635,260,420 | 555,172,891 |
| Receivables held in securitization trusts, at fair value ⁽¹⁾ | — | 24,357,335 |
| Mortgage servicing rights, at fair value | 2,700,207 | 3,997,786 |
| Deferred offering costs | 40,000 | 126,516 |
| Accrued interest receivable | 2,342,354 | 2,430,790 |
| Investment related receivable | — | 33,042,234 |
| Other assets | 1,547,187 | 1,010,671 |
| Total assets | <u>\$ 657,901,998</u> | <u>\$ 679,352,035</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| LIABILITIES: | | |
| Collateralized loan obligations, net | 505,930,065 | 503,978,918 |
| Secured Term Loan, net | 39,384,041 | — |
| Multi-family securitized debt obligations ⁽¹⁾ | — | 19,231,331 |
| Accrued interest payable | 805,126 | 1,231,649 |
| Dividends payable | 1,776,912 | 1,465,610 |
| Fees and expenses payable to Manager | 991,981 | 1,175,000 |
| Other accounts payable and accrued expenses | 369,161 | 2,066,189 |
| Total liabilities | <u>549,257,286</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 December 31, 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, 23,692,164 and 23,687,664 shares issued and outstanding, at December 31, 2019 and December 31, 2018, respectively | 236,877 | 236,832 |
| Additional paid-in capital | 228,135,116 | 231,305,743 |
| Cumulative distributions to stockholders | (122,236,981) | (114,757,019) |
| Accumulated earnings (deficit) | 2,410,200 | (3,838,690) |
| Total stockholders' equity | <u>108,545,212</u> | <u>150,103,838</u> |
| Noncontrolling interests | \$ 99,500 | \$ 99,500 |
| Total equity | <u>\$ 108,644,712</u> | <u>\$ 150,203,338</u> |
| Total liabilities and equity | <u>\$ 657,901,998</u> | <u>\$ 679,352,035</u> |

(1) Our consolidated balance sheets include assets and liabilities of consolidated variable interest entities ("VIE's) as the Company was the primary beneficiary of these VIEs. As of December 31, 2018, assets of the consolidated VIE related to the FREMF 2012-KF01 Trust totaled \$24,357,335, and the liabilities of consolidated VIE related to the FREMF 2012-KF01 trust totaled \$19,595,186. See Note 5 for further discussion. As of December 31, 2019 and December 31, 2018, assets of the consolidated VIEs related to Hunt CRE 2017-FL1, Ltd. and Hunt CRE 2018-FL2, Ltd. totaled \$636,541,489 and \$636,951,486, respectively and the liabilities of consolidated VIEs related to Hunt CRE 2017-FL1, Ltd. and Hunt CRE 2018-FL2, Ltd. totaled \$506,662,238 and \$504,846,712, respectively. See Note 7 for further discussion.

Consolidated Statements of Income

| | Year Ended December 31, 2019 | Year Ended December 31, 2018 |
|--|---------------------------------|---------------------------------|
| Revenues: | | |
| Interest income: | | |
| Available-for-sale securities | \$ — | \$ 10,748,966 |
| Commercial mortgage loans held-for-investment | 38,969,471 | 25,077,632 |
| Multi-family loans held in securitization trusts | 78,361 | 20,891,992 |
| Residential loans held in securitization trusts | — | 2,102,352 |
| Cash and cash equivalents | 9,647 | 134,002 |
| Interest expense: | | |
| Repurchase agreements - available-for-sale securities | — | (7,637,242) |
| Collateralized loan obligations | (20,882,076) | (12,578,306) |
| Secured term loan | (2,761,561) | — |
| Multi-family securitized debt obligations | — | (19,652,710) |
| Residential securitized debt obligations | — | (1,685,971) |
| Net interest income | <u>15,413,842</u> | <u>17,400,715</u> |
| Other income: | | |
| Realized (loss) on investments, net | (709,439) | (33,391,712) |
| Realized gain on derivative contracts, net | — | 25,984,870 |
| Change in unrealized (loss) on derivative contracts, net | — | (5,349,613) |
| Change in unrealized gain (loss) on mortgage servicing rights | (1,297,579) | 1,033,926 |
| Change in unrealized gain (loss) on multi-family loans held in securitization trusts | 694,339 | (6,398,348) |
| Change in unrealized gain on residential loans held in securitization trusts | — | 5,650,199 |
| Servicing income, net | 869,032 | 940,090 |
| Other income | — | 155,378 |
| Total other (loss) | <u>(443,647)</u> | <u>(11,375,210)</u> |
| Expenses: | | |
| Management fee | 2,245,065 | 2,335,998 |
| General and administrative expenses | 4,335,376 | 4,006,774 |
| Operating expenses reimbursable to Manager | 1,629,908 | 2,375,804 |
| Other operating expenses | 360,517 | 1,003,734 |
| Compensation expense | 193,962 | 252,912 |
| Total expenses | <u>8,764,828</u> | <u>9,975,222</u> |
| Net income (loss) before provision for income taxes | 6,205,367 | (3,949,717) |
| Benefit from (provision for) income taxes | 43,523 | (1,521,745) |
| Net income (loss) | <u>6,248,890</u> | <u>(5,471,462)</u> |
| Dividends to preferred stockholders | (491,764) | (3,528,588) |
| Deemed dividend on preferred stock related to redemption | (3,093,028) | — |
| Net income (loss) attributable to common stockholders | <u>\$ 2,664,098</u> | <u>\$ (9,000,050)</u> |
| Earnings (loss) per share: | | |
| Net income (loss) attributable to common stockholders (basic and diluted) | <u>\$ 2,664,098</u> | <u>\$ (9,000,050)</u> |
| Weighted average number of shares of common stock outstanding | 23,687,812 | 23,613,636 |
| Basic and diluted income (loss) per share | <u>\$ 0.11</u> | <u>\$ (0.38)</u> |
| Dividends declared per weighted average share of common stock | <u>\$ 0.30</u> | <u>\$ 0.28</u> |

Reconciliation of GAAP to Core Earnings

| GAAP to Core Earnings Reconciliation | <u>Three months Ended</u> | <u>Year-Ended</u> |
|--|----------------------------------|---------------------------------|
| | <u>December 31, 2019</u> | <u>December 31, 2019</u> |
| <i>Reconciliation of GAAP to non-GAAP Information</i> | | |
| Net Income (loss) attributable to common shareholders | \$ 1,218,497 | \$ 2,664,098 |
| <i>Adjustments for non-core earnings</i> | | |
| Realized (Gain) Loss on sale of investments, net | - | 709,439 |
| Unrealized (Gain) Loss on mortgage servicing rights | 13,602 | 1,297,579 |
| Unrealized (Gain) Loss on multi-family loans held in securitization trusts | - | (694,339) |
| Subtotal | <u>13,602</u> | <u>1,312,679</u> |
| <i>Other Adjustments</i> | | |
| Recognized compensation expense related to restricted common stock | 1,040 | 8,962 |
| Adjustment for consolidated securities | - | 3,269 |
| Adjustment for one-time charges | - | 512,115 |
| Adjustment for (provision for) income taxes | 83,473 | (43,523) |
| Adjustment for deemed dividend related to preferred stock redemption | | 3,093,028 |
| Subtotal | <u>84,513</u> | <u>3,573,851</u> |
| Core Earnings | <u>\$ 1,316,612</u> | <u>\$ 7,550,628</u> |
| Weighted average shares outstanding - Basic and Diluted | 23,688,251 | 23,687,812 |
| Core Earnings per weighted share outstanding - Basic and Diluted | \$ 0.06 | \$ 0.32 |

Detailed Walk of Capitalization

| <i>(in 000's)</i> | 9/30/2019 |
|--|-------------------------|
| Total GAAP liabilities and stockholders' equity | \$657,902 |
| <i>Adjustments for Capitalization</i> | |
| (-) Accrued interest payable | (805) |
| (-) Dividends payable | (1,777) |
| (-) Fees and expenses payable to Manager | (992) |
| (-) Other accounts payable and accrued expenses | (369) |
| (+) Other capitalized financing & issuance costs | 5,117 |
| <u>HCFT Capitalization</u> | <u>\$659,076</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 with 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 with the Company’s board of directors and approval by a majority of the Company’s independent directors.



HUNT COMPANIES FINANCE TRUST