

Hunt Companies Finance Trust

Q1 2020 Earnings Supplemental

May 2020

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. Additionally, many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, the COVID-19 outbreak. It is not possible to predict or identify all such risks. 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**

Business Update

PORTFOLIO

- **No hospitality assets and limited retail** exposure
- **LIBOR Floors** on 100% of our loans that are “in the money”
- **100%** of the loans in our CRE investment portfolio made their April payments
 - With regards to May payment activity, as of May 11th we have received payments on 95% of the portfolio, or 49 out of 51 loans
 - Borrowers on the remaining two loans for which we have not yet received payment were granted a seven-day grace period to May 13, 2020
 - We currently expect to receive payment from these borrowers on May 13, 2020

CLO FINANCING

- We currently do not finance any of our assets with repurchase facilities and, as such, we are **not subject to margin calls**
- Existing CLOs provide **non mark-to-market financing**

LIQUIDITY

- To date, we have **not experienced any material adverse liquidity impacts** due to COVID-19
- Cash of \$9.0 million as of May 11th, 2020 vs. \$10.9 million as of December 31, 2019

LENDING ENVIRONMENT

- Due to volatility, economic uncertainty, and challenges with obtaining third party reports, we have taken a measured approach to new originations in recent weeks
- We will continue to be thoughtful, patient and opportunistic in our evaluation of CRE debt investment opportunities for HCFT
- We expect that prepayments of loans in the existing portfolio will be slower than historic averages until economic uncertainty subsides

Q1 2020 Key Updates

FINANCIAL RESULTS

- Q1 2020 GAAP Net Income of \$1.55 million, or \$0.06 per share.
- Q1 2020 Core Earnings of \$2.21 million, or \$0.09 per share.
- Q1 2020 Book Value Per Share of \$4.57

HIGHLIGHTS

- During Q1 2020, the Company acquired \$38.6 mm of new loans and participations at a weighted average spread of LIBOR + 3.05%
 - The weighted-average LIBOR floor of the Q1 acquisitions was 1.77%
 - 99.9% of the new acquisitions were multifamily assets
 - The Company experienced \$34.5 mm of loan payoffs during the quarter

INVESTMENT PORTFOLIO OVERVIEW

- As of 3/31/2020, 99.7% of HCFT's investment portfolio consisted of floating-rate CRE loans
 - The \$639.4 million CRE loan portfolio had a weighted average remaining term of 19 months⁽¹⁾ and a weighted average coupon of L + 3.55%
 - The portfolio had a weighted-average LIBOR floor of 1.60%
 - Over 90% of the portfolio was multifamily
- The Company's only remaining legacy investment consists of \$1.8 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 3/31/2020, the Company had \$11.3 million of unrestricted cash and \$6.9 million of CLO reinvestment capacity

Note: (1) If all extensions are exercised by the borrowers, the CRE loan portfolio will have a weighted average remaining term of 44 months

Q1 2020 Earnings Summary

Summary Income Statement (thousands)	Three Months Ended March 31, 2020
Net interest income	\$4,176
Total other income (loss)	(684)
Operating expenses	(2,167)
Preferred dividends	(4)
(Provision for) benefit from income taxes	227
Net income attributable to common stockholders	\$1,548
Reclassification adjustment for net gain (loss) included in net income	0
Comprehensive income attributable to common stockholders	\$1,548
Weighted average shares outstanding during the period	24,911,483
Net income per share	\$0.06
Comprehensive income per share	\$0.06

GAAP Comprehensive Income to Core Earnings Reconciliation (thousands)	Three Months Ended March 31, 2020
Comprehensive income attributable to common stockholders	\$1,548
Adjustments:	
Unrealized losses (gains) on mortgage servicing rights	878
Recognized compensation expense related to restricted stock	8
Provision for (benefit from) income taxes	(227)
Core earnings⁽²⁾	\$2,207
Weighted average shares outstanding during the period	24,911,483
Core earnings per share	\$0.09
Dividends per share	\$0.075

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

Q1 2020 Balance Sheet Summary

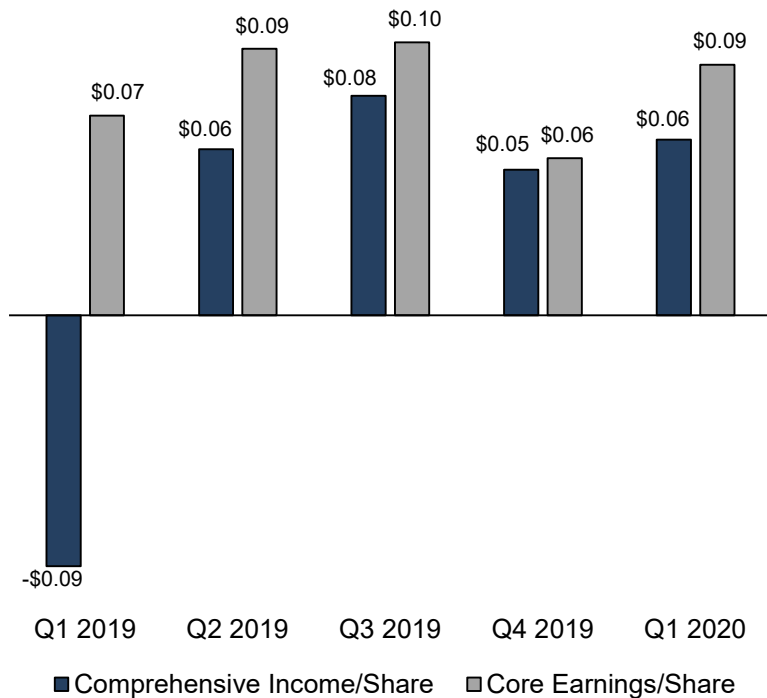
Balance Sheet (thousands)	Q1 2020
Commercial mortgage loans held-for-investment	\$639,366
Mortgage servicing rights, at fair value	1,822
Cash and cash equivalents	11,334
Restricted cash ⁽¹⁾	6,914
Other assets	4,580
Total assets	\$664,017
Collateralized loan obligations ⁽²⁾	\$506,417
Credit facility	39,427
Other liabilities	4,110
Total liabilities	\$549,953
Total equity	\$114,064
Total liabilities / Total equity	4.82x
Book Value Per Share	\$4.57

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

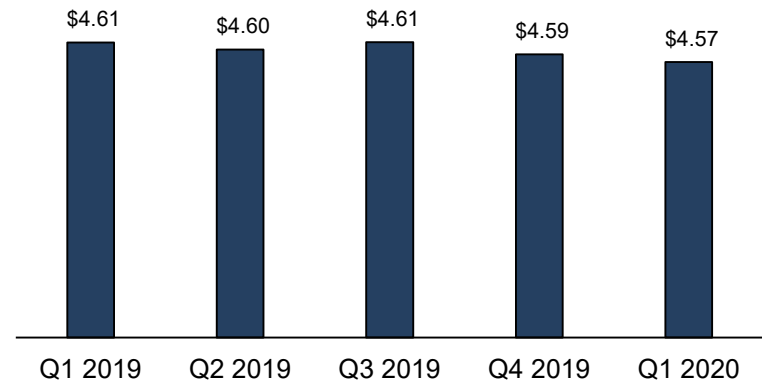
(2) Outstanding notional amount of bonds issued from both CLOs is \$510 million. For GAAP purposes, these liabilities are carried at their outstanding unpaid principal balance, net of any unamortized discounts and debt issuance costs

Operating Performance Trending

Comprehensive Income & Core Earnings Per Share of Common Stock

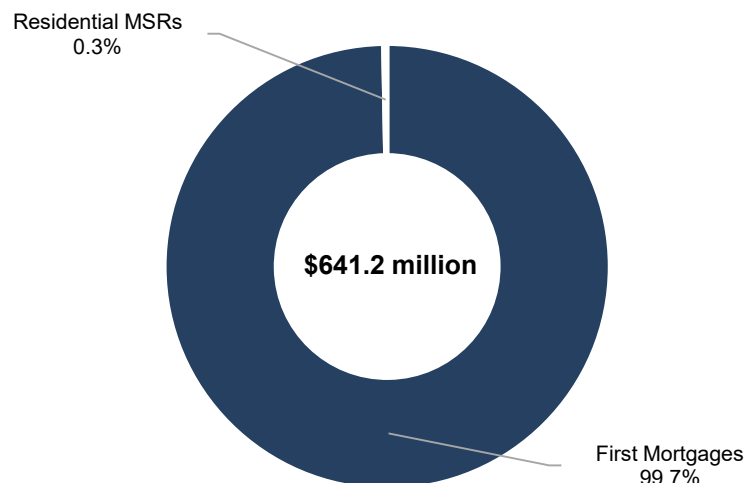


Book Value Per Share

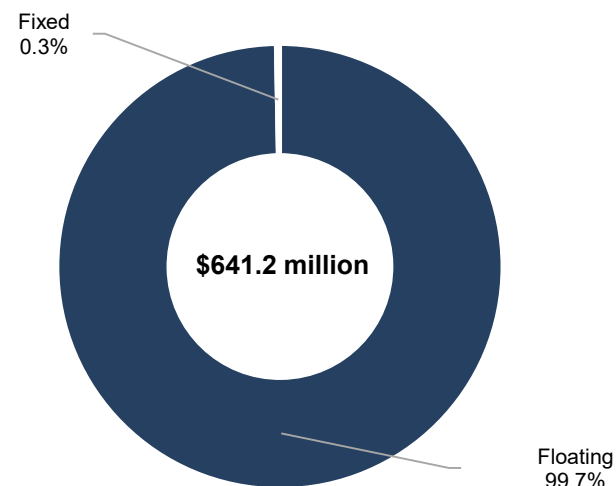


Q1 2020 Summary of Investment Portfolio

Investment Type



Interest Rate Type



Investment Portfolio as of March 31, 2020 (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	\$639,366	\$639,366	L + 3.55%	19 ⁽¹⁾	73.95%	70.01%
Residential MSRs	\$315,173	\$1,822	0.25%	281 ⁽²⁾		
Total	\$954,539	\$641,188				

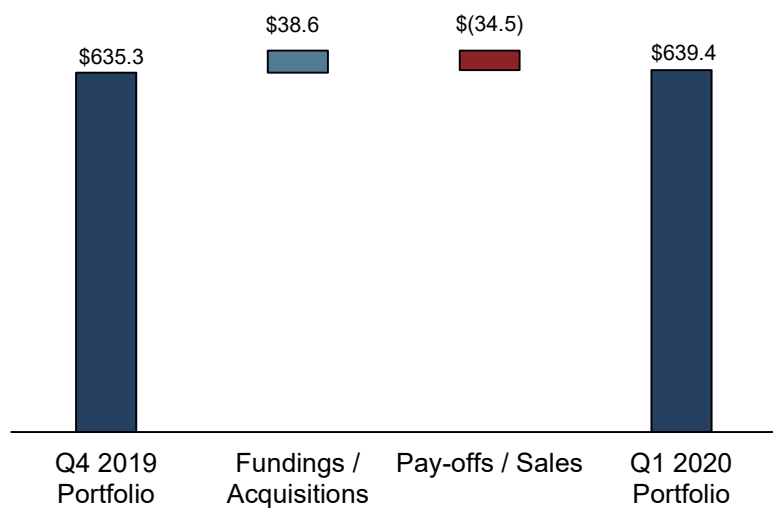
Note: (1) If all extensions are exercised by the borrowers, the CRE loan portfolio will have a weighted average remaining term of 44 months

(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 281 months

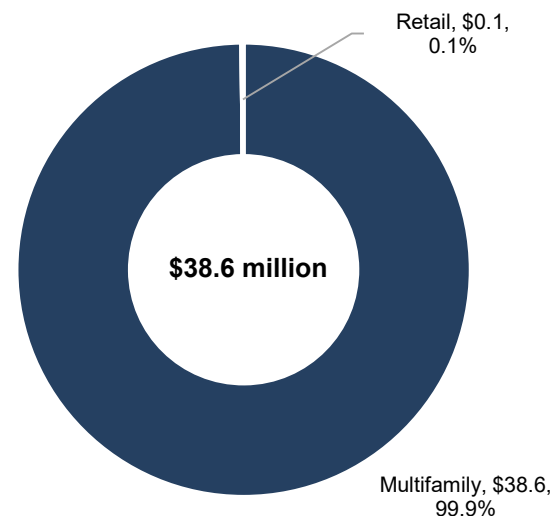
Q1 2020 CRE Loan Portfolio Activity

- The CRE loan portfolio increased by \$4.1 million in Q1
 - The Company acquired \$31.9 million of loans at par from an affiliate of the Manager and funded an additional \$6.7 million of future funding participations
 - The Company experienced \$34.5 million of payoffs

Net Funding Activity⁽¹⁾



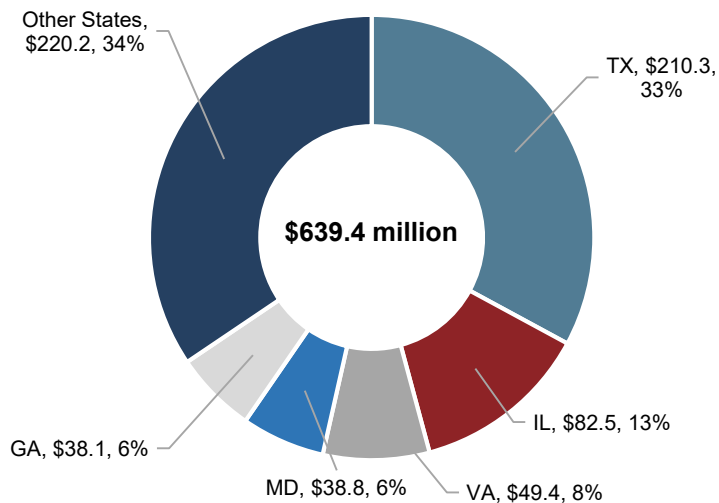
Q1 2020 Loan Acquisitions⁽¹⁾



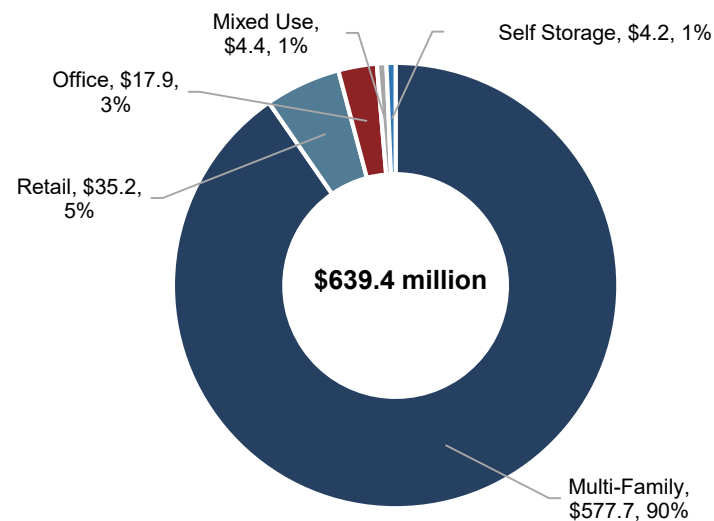
Q1 2020 CRE Loan Portfolio Snapshot

- As of 3/31/2020, the Company owned a portfolio of floating-rate CRE loans with an aggregate UPB of \$639 million
- As of 3/31/2020, all loans were current

Geographic Concentration⁽¹⁾

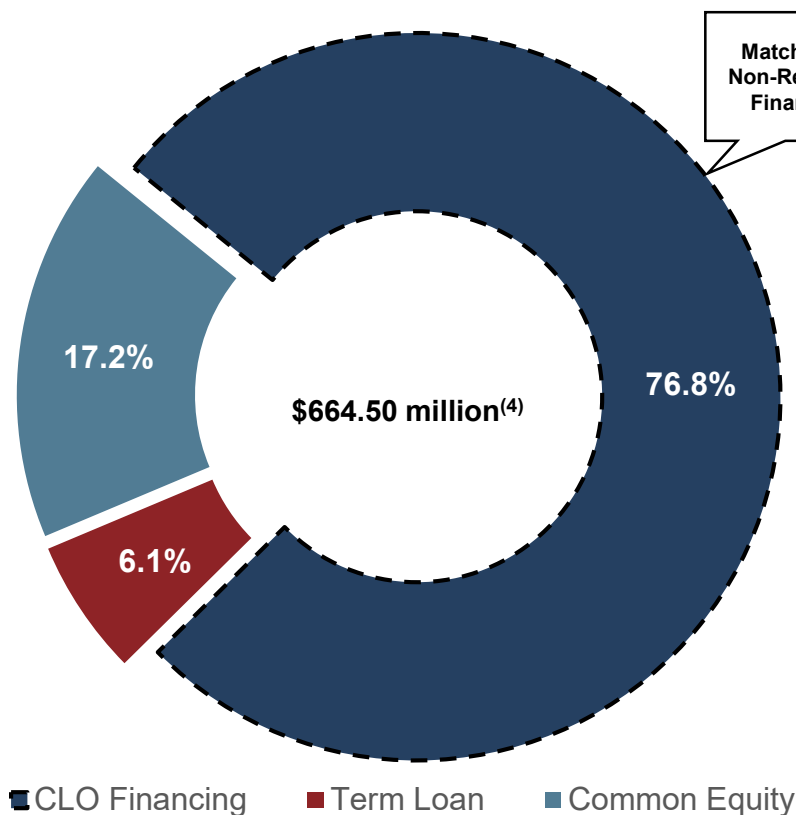


Property Type⁽¹⁾



Capital Structure Overview

Capital Structure Composition



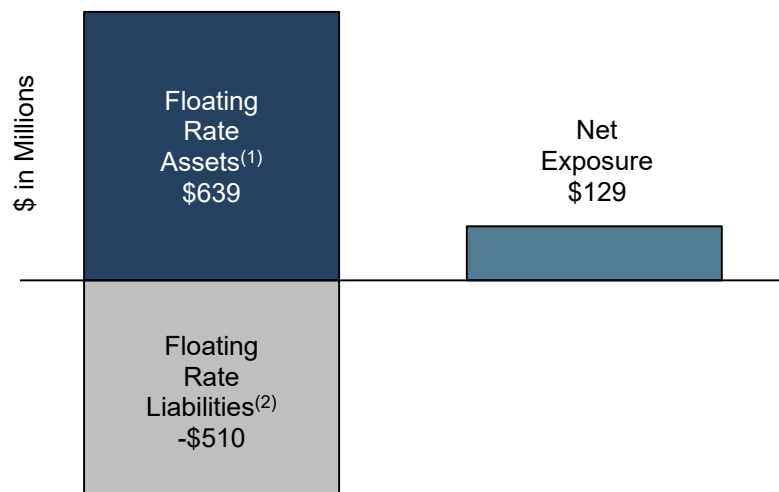
Capital Structure Detail

(\$ 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⁾			\$114.1
Total Capitalization⁽⁴⁾			\$664.5

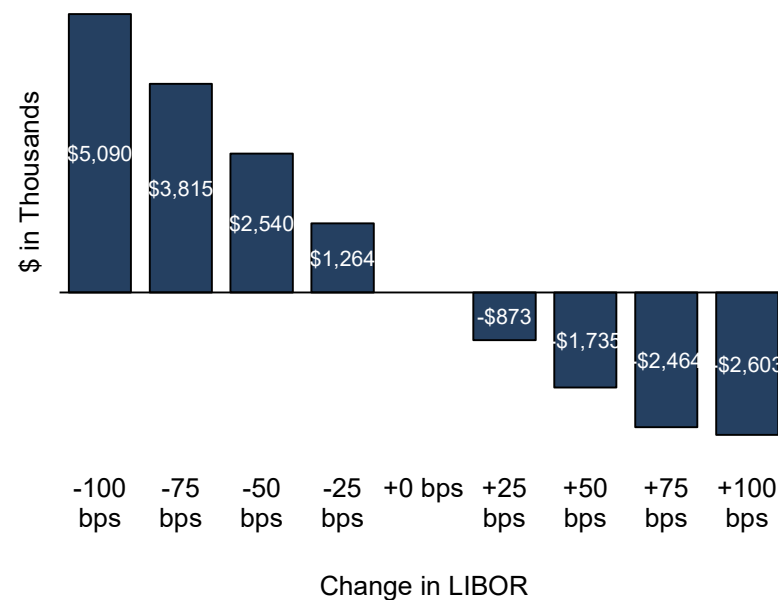
Note: (1) CLO financing shown at par value. GAAP carrying value of \$506.4 million includes \$1.1 million of unamortized discounts for Hunt CRE 2017-FL1 and \$2.7 million of unamortized debt issuance costs for Hunt CRE 2018-FL2
(2) Term loan shown at par value. GAAP carrying value of \$39.4 million includes \$0.8 million of unamortized debt issuance costs
(3) Noncontrolling interest was \$99,500 as of 3/31/2020 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, 2020

Floating-Rate Exposure

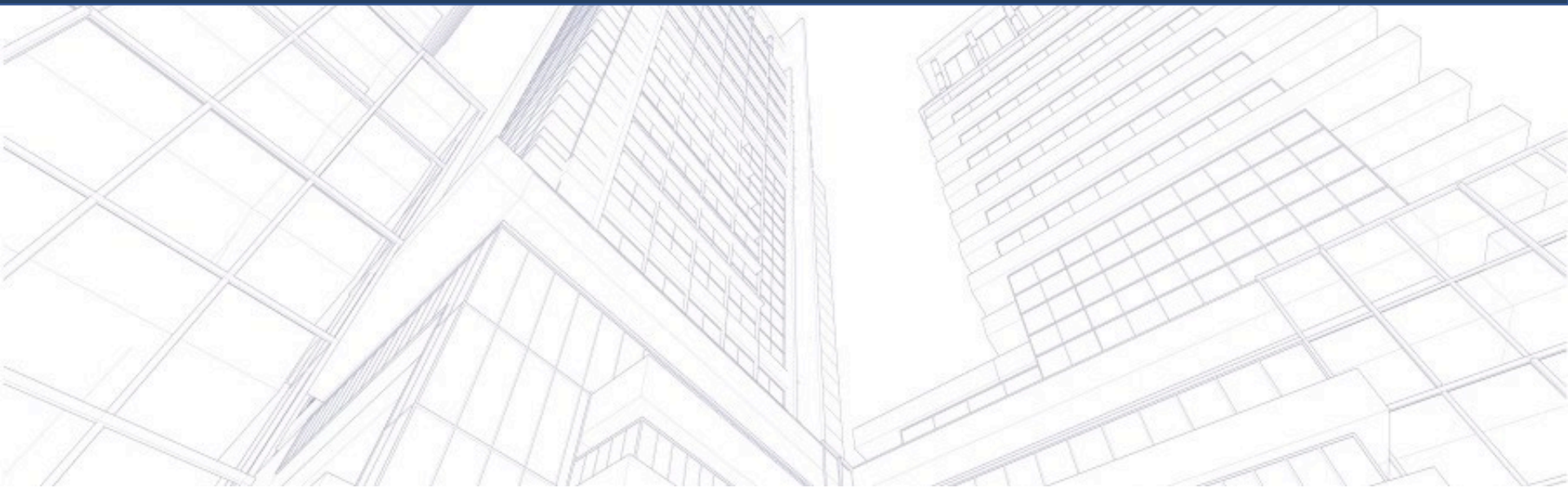


Annual Net Interest Income Sensitivity to Shifts in One-Month LIBOR⁽³⁾



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 0.99288%

Appendix



3/31/2020 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	35,125,383	4.05%	25	70.39%
3	Loan 3	7/9/2018	8/6/2021	Multi-Family	Baltimore	MD	33,084,274	3.25%	37	77.59%
4	Loan 4	8/8/2018	8/6/2021	Multi-Family	Dallas	TX	32,526,660	3.65%	36	81.23%
5	Loan 5	11/22/2019	8/6/2022	Multi-Family	Virginia Beach	VA	26,500,000	2.75%	33	77.10%
6	Loan 6	5/18/2018	6/4/2021	Multi-Family	Woodridge	IL	25,355,116	3.75%	37	76.43%
7	Loan 7	1/15/2020	7/6/2022	Multi-Family	Chattanooga	TN	24,180,000	2.95%	30	80.60%
8	Loan 8	12/10/2019	7/6/2022	Multi-Family	San Antonio	TX	23,938,421	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	18,323,572	3.35%	37	79.78%
12	Loan 12	12/28/2018	1/6/2022	Retail	Austin	TX	18,000,000	3.90%	37	71.40%
13	Loan 13	7/10/2019	8/6/2022	Multi-Family	Amarillo	TX	17,693,931	2.90%	37	76.37%
14	Loan 14	12/28/2018	1/6/2022	Retail	Austin	TX	17,172,623	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	8/29/2019	8/6/2022	Multi-Family	Carrollton	TX	14,201,707	3.40%	36	72.50%
18	Loan 18	7/23/2018	8/6/2021	Office	Chicago	IL	12,828,794	3.75%	37	72.74%
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	11,541,848	3.00%	36	75.83%
21	Loan 21	1/9/2018	2/6/2021	Multi-Family	North Highlands	CA	10,158,934	3.95%	37	79.03%
22	Loan 22	3/29/2019	4/6/2021	Multi-Family	Portsmouth	VA	10,000,000	3.25%	25	61.35%
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	9,247,423	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

3/31/2020 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	4/6/2021	Multi-Family	Waco	TX	9,112,000	4.75%	37	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	1/18/2019	2/6/2021	Multi-Family	Philadelphia	PA	8,238,438	3.95%	25	71.31%
31	Loan 31	8/7/2018	9/6/2021	Multi-Family	Birmingham	AL	8,235,825	3.50%	38	78.01%
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	1/13/2020	2/6/2022	Multi-Family	Fort Lauderdale	FL	7,760,000	3.15%	25	78.40%
35	Loan 35	6/10/2019	7/6/2022	Multi-Family	San Antonio	TX	6,525,817	3.40%	37	77.70%
36	Loan 36	12/9/2019	1/6/2022	Multi-Family	Fort Worth	TX	6,230,000	3.15%	25	77.70%
37	Loan 37	3/29/2019	4/6/2021	Multi-Family	Raleigh	NC	5,992,424	3.50%	25	79.03%
38	Loan 38	8/28/2019	8/6/2022	Multi-Family	Austin	TX	5,955,483	3.25%	36	69.90%
39	Loan 39	6/22/2018	7/6/2021	Multi-Family	Chicago	IL	5,900,550	4.10%	37	80.53%
40	Loan 40	11/15/2018	12/6/2020	Multi-Family	Glen Burnie	MD	5,682,442	3.75%	25	76.03%
41	Loan 41	5/22/2019	6/6/2022	Multi-Family	Tampa	FL	5,450,000	3.50%	37	65.70%
42	Loan 42	11/30/2018	11/6/2021	Office	Decatur	GA	5,036,066	4.10%	36	56.80%
43	Loan 43	6/10/2019	7/6/2022	Multi-Family	San Antonio	TX	4,952,000	2.90%	37	62.92%
44	Loan 44	6/12/2017	7/6/2020	Multi-Family	Winston-Salem	NC	4,675,000	5.95%	37	77.16%
45	Loan 45	12/13/2019	1/6/2022	Multi-Family	Jacksonville	FL	4,644,560	2.90%	25	74.90%
46	Loan 46	6/29/2018	7/6/2020	Mixed Use	Washington	DC	4,404,365	4.65%	25	73.31%
47	Loan 47	5/31/2019	6/6/2022	Multi-Family	Austin	TX	4,275,035	3.50%	37	74.09%
48	Loan 48	11/12/2019	12/6/2021	Self-Storage	Chesapeake	VA	4,225,000	3.15%	25	64.50%
49	Loan 49	12/13/2019	1/6/2022	Multi-Family	Marietta	GA	4,010,000	3.00%	25	77.90%
50	Loan 50	10/10/2018	11/6/2020	Multi-Family	Philadelphia	PA	3,155,897	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							639,366,297	3.55%	34	73.95%

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

	March 31, 2020 ⁽¹⁾	December 31, 2019 ⁽¹⁾
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 11,334,317	\$ 10,942,115
Restricted cash	6,914,097	5,069,715
Commercial mortgage loans held-for-investment, at amortized cost	639,366,297	635,260,420
Mortgage servicing rights, at fair value	1,822,458	2,700,207
Deferred offering costs	26,667	40,000
Accrued interest receivable	2,423,758	2,342,354
Other assets	2,129,619	1,547,187
Total assets	<u>\$ 664,017,213</u>	<u>\$ 657,901,998</u>
LIABILITIES AND EQUITY		
LIABILITIES:		
Collateralized loan obligations, net	506,416,518	505,930,065
Secured Term Loan, net	39,426,846	39,384,041
Accrued interest payable	564,106	805,126
Dividends payable	1,874,166	1,776,912
Fees and expenses payable to Manager	1,013,000	991,981
Other accounts payable and accrued expenses	658,436	369,161
Total liabilities	<u>549,953,072</u>	<u>549,257,286</u>
COMMITMENTS AND CONTINGENCIES (NOTES 11 & 12)		
EQUITY:		
Common Stock: par value \$0.01 per share; 450,000,000 shares authorized, 24,938,883 and 23,692,164 shares issued and outstanding, at March 31, 2020 and December 31, 2019, respectively	249,344	236,877
Additional paid-in capital	233,864,573	228,135,116
Cumulative distributions to stockholders	(124,111,147)	(122,236,981)
Accumulated earnings (deficit)	3,961,871	2,410,200
Total stockholders' equity	<u>113,964,641</u>	<u>108,545,212</u>
Noncontrolling interests	\$ 99,500	\$ 99,500
Total equity	<u>\$ 114,064,141</u>	<u>\$ 108,644,712</u>
Total liabilities and equity	<u>\$ 664,017,213</u>	<u>\$ 657,901,998</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 March 31, 2020 and December 31, 2019, assets of consolidated VIEs related to Hunt CRE 2017-FL1, Ltd. and Hunt CRE 2018-FL2, Ltd. totaled \$636,607,029 and \$636,541,489, respectively and the liabilities of consolidated VIEs related to Hunt CRE 2017-FL1, Ltd. and Hunt CRE 2018-FL2, Ltd. totaled \$506,907,671 and \$506,662,238 respectively. See Note 5 for further discussion.

Consolidated Statements of Income

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Revenues:		
Interest income:		
Commercial mortgage loans held-for-investment	9,165,805	9,904,188
Multi-family loans held in securitization trusts	—	78,361
Cash and cash equivalents	28,167	—
Interest expense:		
Collateralized loan obligations	(4,237,889)	(5,446,889)
Secured term loan	(780,441)	(329,113)
Net interest income	4,175,642	4,206,547
Other income:		
Realized gain (loss) on investments, net	—	(709,439)
Change in unrealized gain (loss) on mortgage servicing rights	(877,749)	(379,998)
Change in unrealized gain (loss) on multi-family loans held in securitization trusts	—	694,339
Servicing income, net	194,147	248,214
Other income	2	—
Total other income (loss)	(683,600)	(146,884)
Expenses:		
Management fee	584,821	553,459
General and administrative expenses	765,892	1,466,685
Operating expenses reimbursable to manager	461,121	540,037
Other operating expenses	300,926	37,757
Compensation expense	54,132	50,023
Total expenses	2,166,892	2,647,961
Net income (loss) before provision for income taxes	1,325,150	1,411,702
(Provision for) income taxes	226,521	63,065
Net income (loss)	1,551,671	1,474,767
Dividends to preferred stockholders	(3,750)	(480,472)
Deemed dividend on preferred stock related to redemption	—	(3,093,028)
Net income (loss) attributable to common stockholders	\$ 1,547,921	\$ (2,098,733)
Earnings (loss) per share:		
Net income (loss) attributable to common stockholders (basic and diluted)	\$ 1,547,921	\$ (2,098,733)
Weighted average number of shares of common stock outstanding	24,911,483	23,687,664
Basic and diluted income (loss) per share	\$ 0.06	\$ (0.09)
Dividends declared per share of common stock	\$ 0.08	\$ 0.07

Reconciliation of GAAP to Core Earnings

GAAP to Core Earnings Reconciliation

Three months Ended March 31, 2020

Reconciliation of GAAP to non-GAAP Information

Net Income (loss) attributable to common shareholders

\$ 1,547,921

Adjustments for non-core earnings

Unrealized (Gain) Loss on mortgage servicing rights

877,749

Subtotal

877,749

Other Adjustments

Recognized compensation expense related to restricted common stock

7,882

Adjustment for (provision for) income taxes

(226,521)

Subtotal

(218,639)

Core Earnings

\$ 2,207,031

Weighted average shares outstanding - Basic and Diluted

24,911,483

Core Earnings per weighted share outstanding - Basic and Diluted

\$ 0.09

Detailed Walk of Capitalization

<i>(in 000's)</i>	3/31/2020
Total GAAP liabilities and stockholders' equity	\$664,017
<i>Adjustments for Capitalization</i>	
(-) Accrued interest payable	(564)
(-) Dividends payable	(1,874)
(-) Fees and expenses payable to Manager	(1,013)
(-) Other accounts payable and accrued expenses	(658)
(+) Other capitalized financing & issuance costs	4,588
<u>HCFT Capitalization</u>	<u>\$664,469</u>

Key Definitions

“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.

