ARLINGTON | ASSET INVESTMENT

Investor Presentation

First Quarter 2022

Information Related to Forward-Looking Statements

Forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account information currently in our possession. These beliefs, assumptions and expectations may change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, the performance of our portfolio and our business, financial condition, liquidity and results of operations may vary materially from those expressed, anticipated or contemplated in our forward-looking statements. You should carefully consider these risks, along with the following factors that could cause actual results to vary from our forward-looking statements, before making an investment in our securities: the overall environment for interest rates, changes in interest rates, interest rate spreads, the yield curve and prepayment rates, including the timing of changes in the Federal Funds rate by the U.S. Federal Reserve; the effect of any changes to the London Interbank Offered Rate ("LIBOR") and the Secured Overnight Financing Rate ("SOFR") and establishment of alternative reference rates; current conditions and further adverse developments in the residential mortgage market and the overall economy; potential risk attributable to our mortgage-related portfolios, including changes in fair value; our use of leverage and our dependence on repurchase agreements and other short-term borrowings to finance our mortgage-related holdings; the availability of certain short-term liquidity sources; competition for investment opportunities; U.S. Federal Reserve monetary policy; the federal conservatorship of the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac") and related efforts, along with any changes in laws and regulations affecting the relationship between Fannie Mae and Freddie Mac and the federal government; mortgage loan prepayment activity, modification programs and future legislative action; changes in, and success of, our acquisition, hedging and leverage strategies, changes in our asset allocation and changes in our operational policies, all of which may be changed by us without shareholder approval; failure of sovereign or municipal entities to meet their debt obligations of such debt obligations; fluctuations of the value of our hedge instruments; fluctuating quarterly operating results; changes in laws and regulations and industry practices that may adversely affect our business; volatility of the securities markets and activity in the secondary securities markets in the United States and elsewhere; our ability to qualify and maintain our qualification as a REIT for federal income tax purposes; our ability to successfully expand our business into areas other than investing in MBS and our expectations of the returns of expanding into any such areas; our ability to close on the sale of single-family residential homes described herein, and to realize the expected benefits from such sale; and the other important factors identified in this Annual Report on Form 10-K under the caption "Item 1A - Risk Factors." These and other risks, uncertainties and factors, including those described elsewhere in our Annual Report on Form 10-K, could cause our actual results to differ materially from those projected in any forward-looking statements we make. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time and it is not possible to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents

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Company Overview

Arlington's Transition to a Differentiated Investment Strategy

1 Protect Shareholder Capital

- **Current portfolio constructed to mitigate risks of:**
  - High inflation
  - Rising interest rates
  - Fed balance sheet normalization
  - Spread widening
- **Maintain low leverage and use term financing structures where available**

2 Diversify Investment Channels

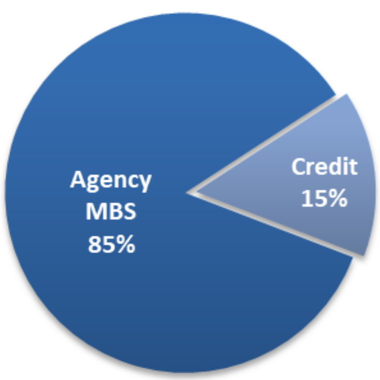
- **Focus on high return differentiated investments with barriers to entry**
  - Mortgage servicing rights ("MSRs")
  - Single-family residential ("SFR") rental properties
  - Select credit investments
- **Improve level and reliability of returns over time**

3 Return Capital To Shareholders

- **Substantial and consistent share repurchases**
  - Active repurchases every quarter starting 2Q 20
- **Highly accretive to book value per share**
- **Deliver high dividend equivalent yield to shareholders**

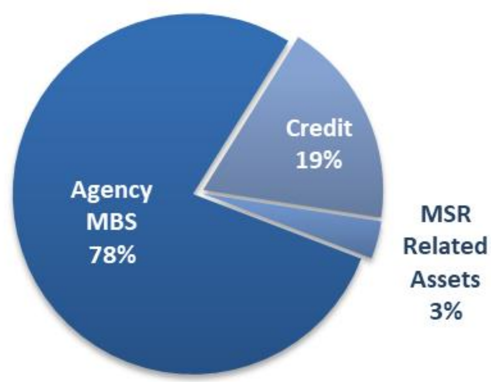
Transitioning Into Diversified Investment Strategies (1)

12/31/2019



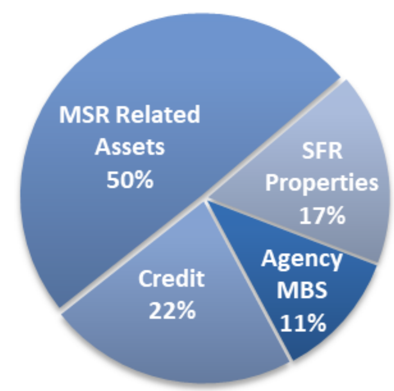
8.7x Leverage (2)

12/31/2020



2.4x Leverage (2)

3/31/2022



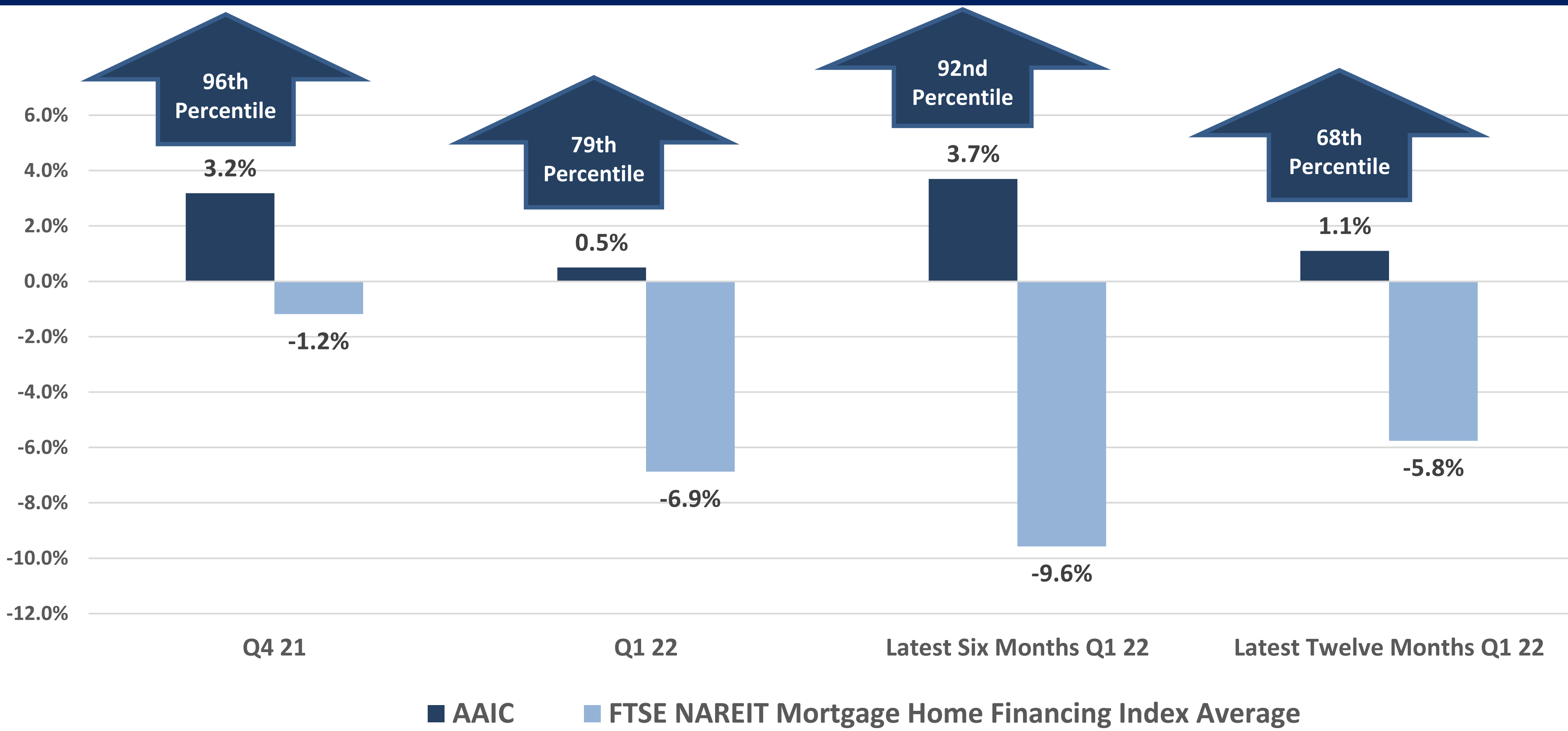
1.3x Leverage (2)

(1) Capital is calculated as the Company's GAAP shareholders' equity plus long-term unsecured debt and accumulated depreciation on SFR properties recognized pursuant to GAAP.
(2) Calculated the ratio of the sum of repurchase agreement financing, net payable or receivable for unsettled securities, net contractual forward price of TBA commitments, debt secured by single-family properties and financing embedded in MSR financing receivables less cash and cash equivalents compared to investable capital.

Top Tier Economic Returns from Investment Transition

- Leading economic return relative to residential mortgage REIT peers(1)
- Diversified investment portfolio with focus on book value preservation and low book value volatility
- Top 15%(2) among peers in producing the lowest volatility of economic returns over last twelve months

Economic Return Compared to FTSE NAREIT Mortgage Home Financing Index(3)(4)



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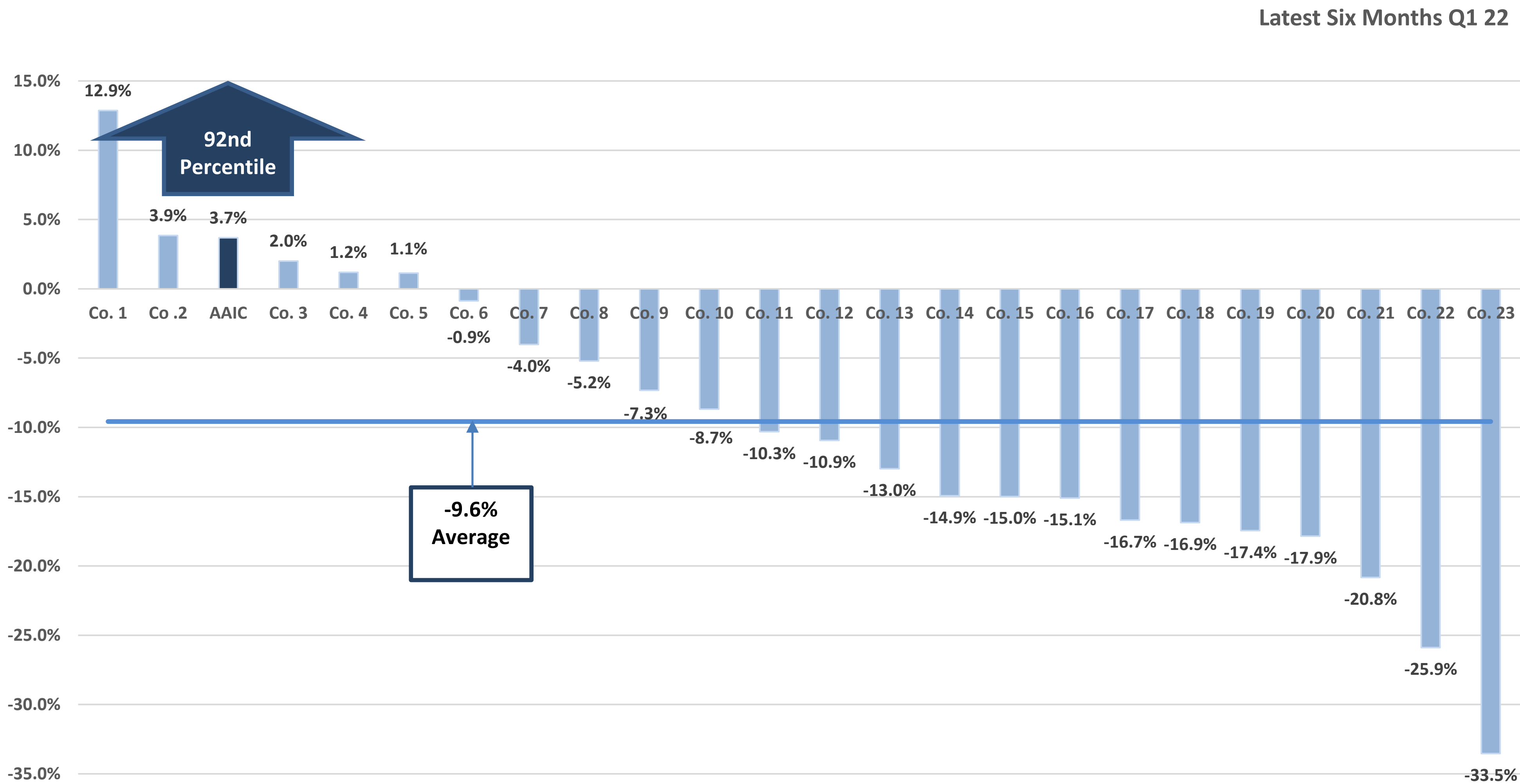
1) Economic return measured as change in book value per share plus dividends declared
2) Measured as the standard deviation of quarterly economic return over last four quarters ending Q1 2022.
3) Includes all constituents of the FTSE NAREIT Mortgage Home Financing Index that were included in the index in respective periods.
4) Source: SEC filings.

Top 10% Economic Return Compared to Peers

Strong investment portfolio results generated recent strong economic return performance[1]

Economic Return Compared to FTSE NAREIT Mortgage Home Financing Index [2][3]

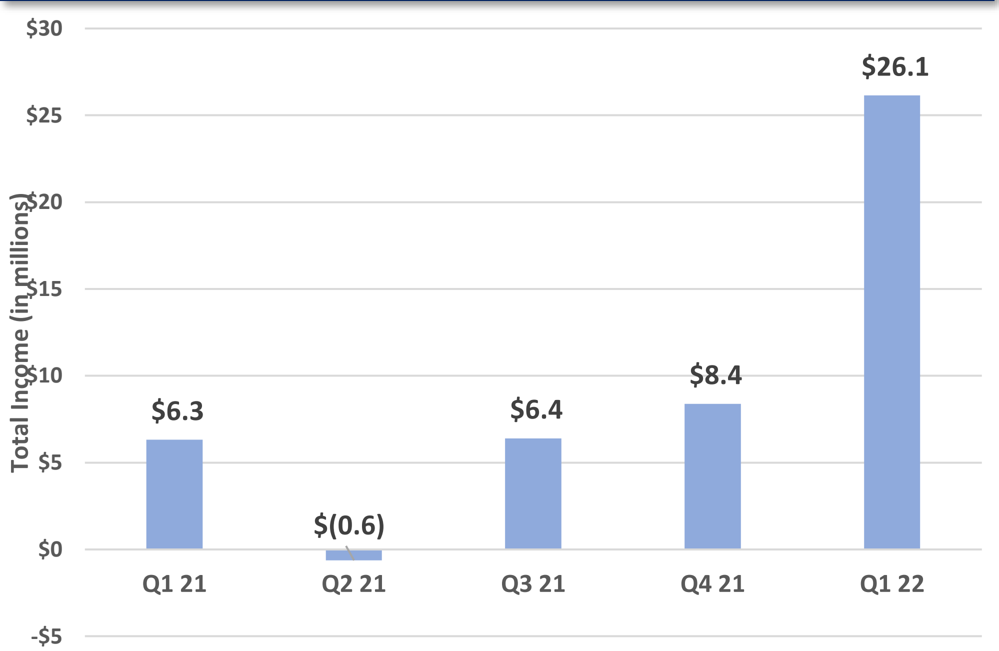


1) *Economic return measured as change in book value per share plus dividends declared*
2) *Includes all 24 constituents of the FTSE NAREIT Mortgage Home Financing Index*
3) *Source: SEC filings.*

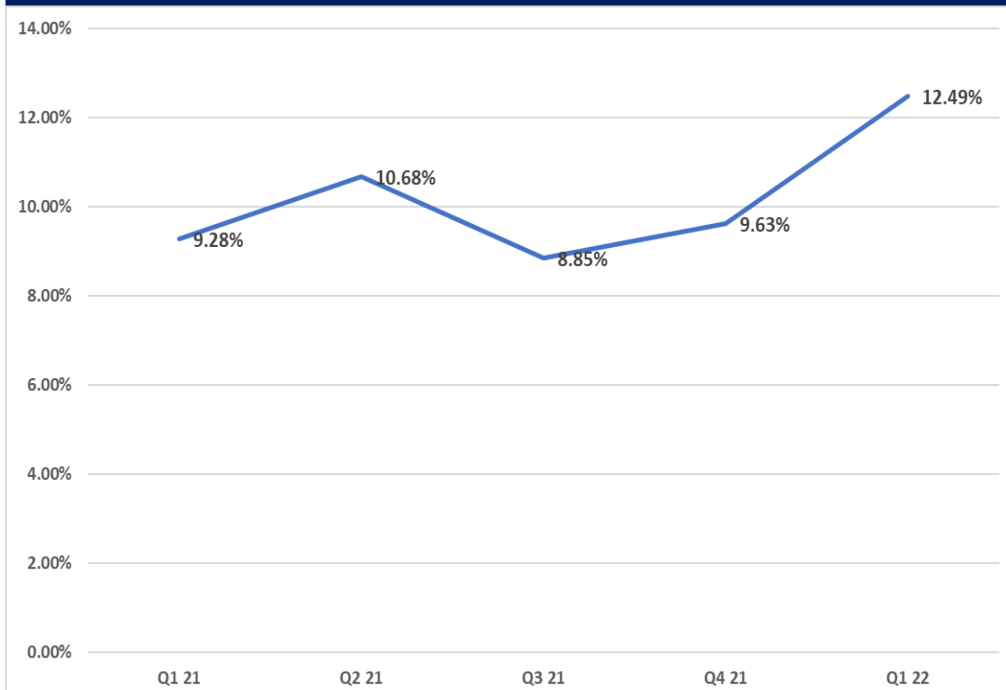
Exceptional Returns From Mortgage Servicing Right Investments

- Inception to date annualized total return of 53%(1)
- Established propriety channel for investing in MSRs
- Grown investable capital allocation to 50% as of March 31, 2022
- High current double digit net interest yields at current rate levels
- Low leverage of 0.3x(2) as of March 31, 2022

Income from MSRs(3)



Net Interest Yield

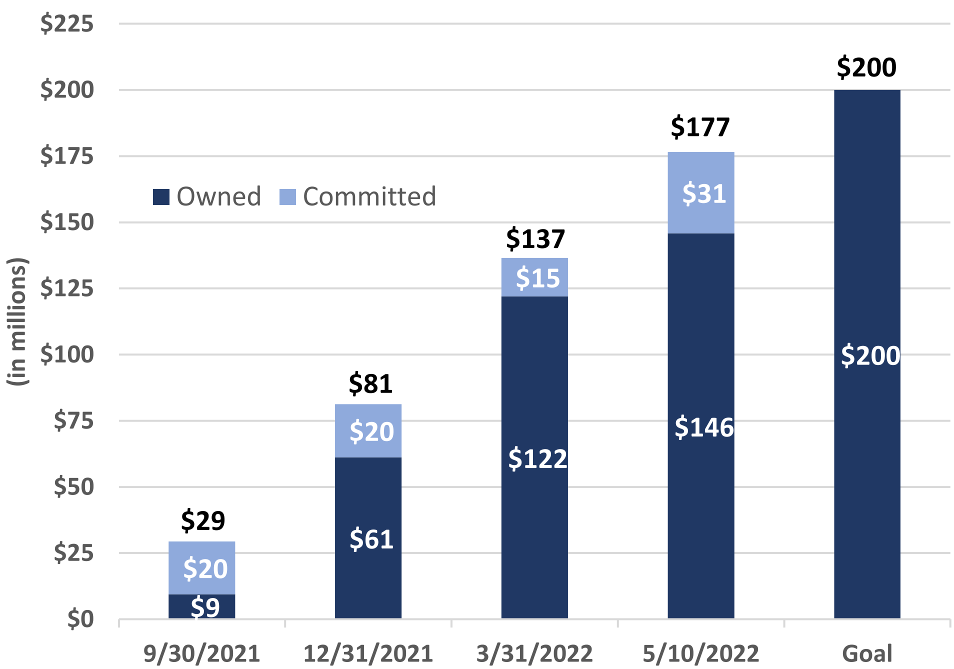


1) Total inception to date IRR based on total cash on cash return assuming remaining investment is sold at fair value on March 31, 2022.
2) Reflects secured financing obtained by mortgage servicing counterparty within Company's MSR financing receivable as of March 31, 2022.
3) Represents total GAAP income comprised of net income and net unrealized and realized gains and losses.

Scaling Investments in Single Family Residential Rentals

- Goal of acquiring ≈$200 million of homes
- Have reached 566 homes today for a total of $177 million
  - Agreement to sell 378 homes by end of second quarter *(see slide 9)*
  - Intend to reinvest potential sale proceeds to scale back to goal of ≈$200 million of homes
- Strong net rental yields of 4.90% with ability to realize potential home price appreciation
- Scaling in eight growth markets
- Attractive $150 million five-year funding facility with below market fixed rate of 2.76%

Scaling SFR Investment Portfolio



Illustrative SFR Economic Returns (1)

	Lower Range	Higher Range
Net rental yield (2)	4.50%	5.00%
Cost of financing (3)	-2.76%	-2.76%
Net spread	1.74%	2.24%
Leverage	2.0x	3.0x
Leverage carry before HPA and expenses	8.0%	11.7%
Long-term annual HPA	1.0%	4.0%
Levered return before expenses	11.0%	27.7%
Direct expenses and partner fees (4)	-3.0%	-5.9%
Net return on equity	**8.00%**	**21.8%**
Assuming $55 million of Capital		
Leverage carry before HPA and expenses	$ 4,389	$ 6,446
Net return on equity	$ 4,400	$ 11,990

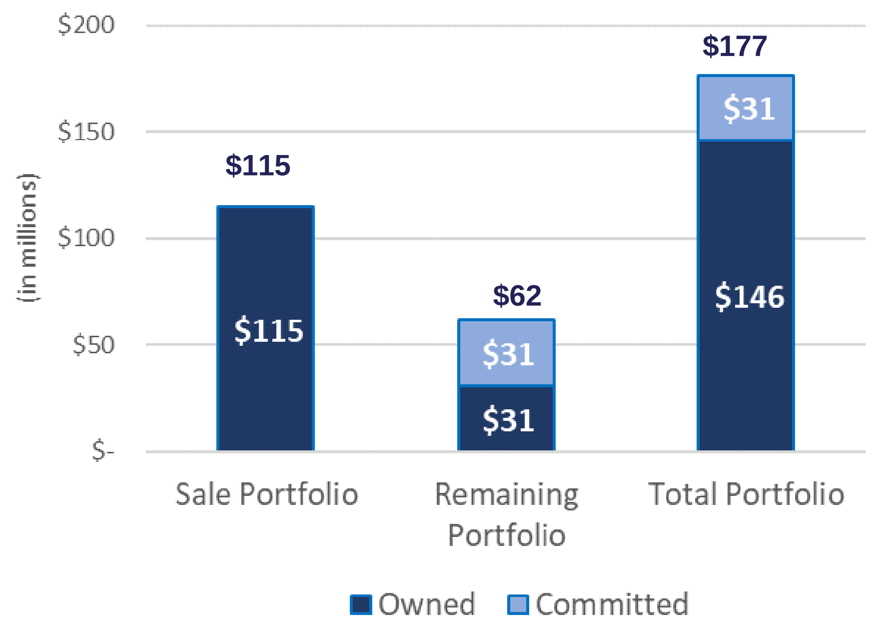
(1) Illustrative model is not intended to predict outcomes and intended to illustrate how different assumptions will impact the results. All returns and expenses are based on a fully stabilized portfolio of SFR and there are many risks that may cause Arlington to not meet these objectives. There can be no assurances that Arlington will stabilize its portfolio and achieve these illustrated returns.
(2) Net rental yield is lease revenue less property level operating expenses (excluding fixed asset depreciation) as a percentage of the home investment.
(3) Based on Company's five-year financing facility with a fixed rate of 2.76%.
(4) Includes other direct G&A expenses and estimated partner fees including potential incentive fees.

Strong Returns in Single Family Residential Rentals

Opportunity to Capture a Strong Gain on Sale

- Signed an agreement on May 10 to sell 378 houses for $132.75 million [(1)]
- Sale expected to increase book value by approximately $0.45 per share
  - Driven primarily by bulk purchase premium for a portfolio of leased homes in attractive markets
- Subject to normal closing conditions, including right of buyer to terminate the sale for any reason during diligence period that ends May 30
- Anticipate closing around end of second quarter

SFR Portfolio as of May 10, 2022



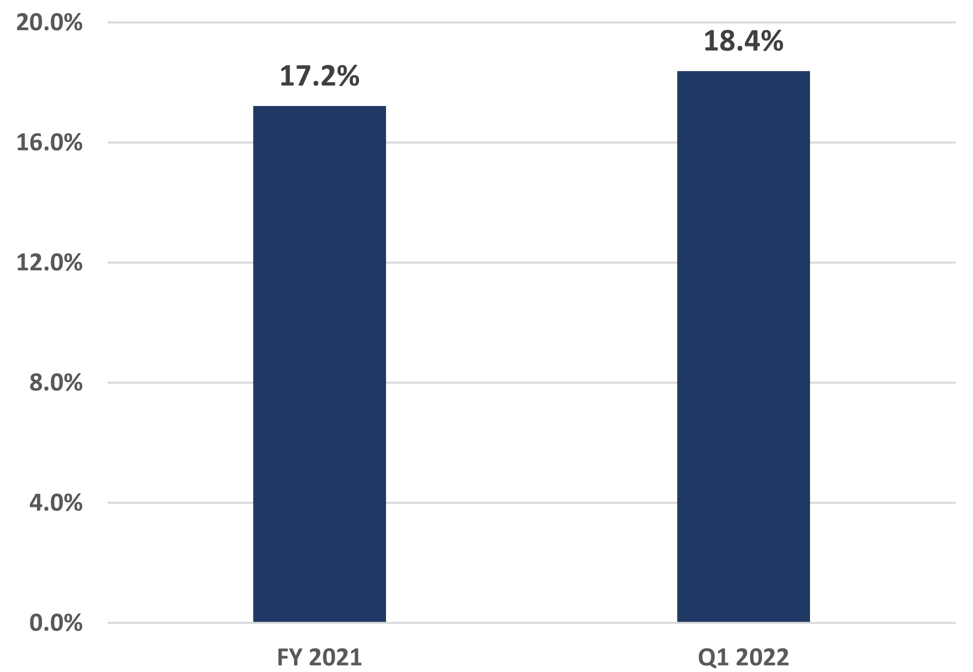
Expect to continue to reinvest proceeds in SFR properties to ramp up to goal of ≈$200 million of homes, market conditions pending

1) *Prior to settlement, buyer can remove up to 5% of the properties from the sale transaction.*

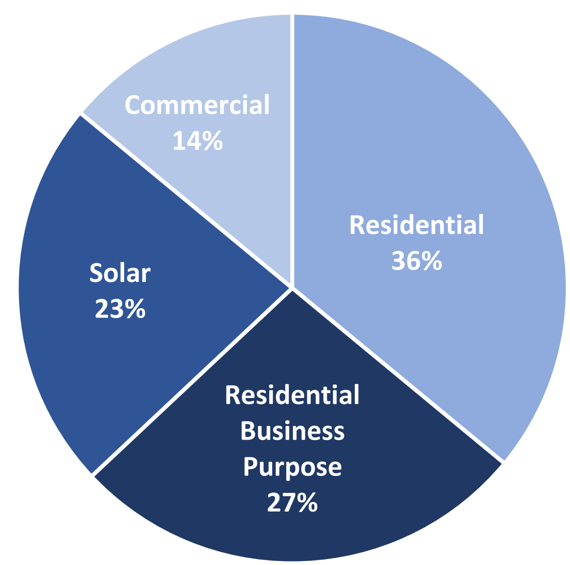
Powerful Returns in Opportunistic Credit Investments

- Constructed a diversified credit investment portfolio with attractive risk return profiles
- Produced high teen total returns in challenging market environment
- Investable capital allocation of 22% as of March 31, 2022
- Primarily employ non-recourse structured leverage
- Low total recourse leverage of 0.3x[(1)] as of March 31, 2022

Annualized Total Investment Return[(2)]



Diversified Credit Investment Portfolio[(3)]



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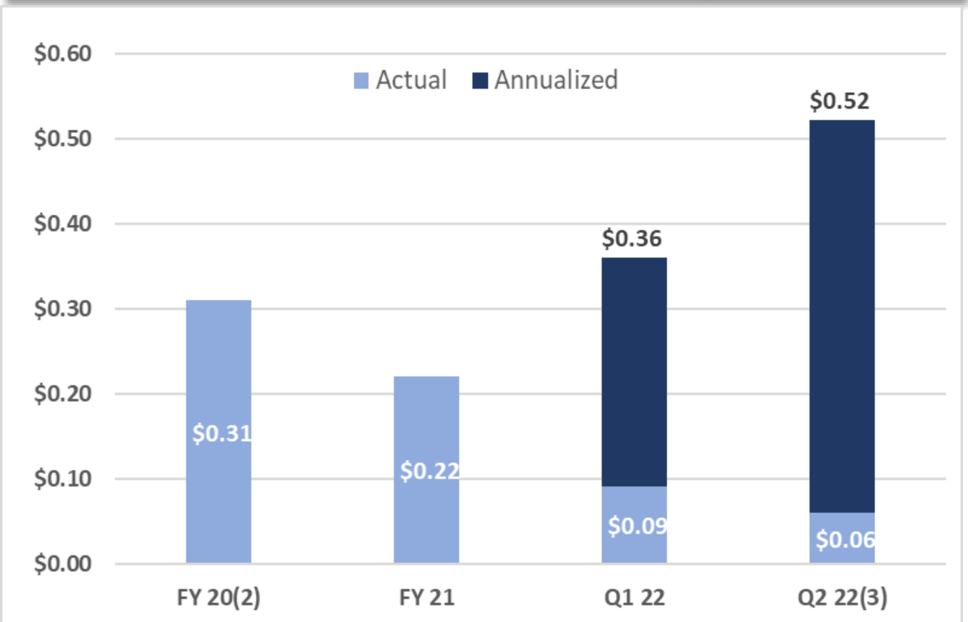
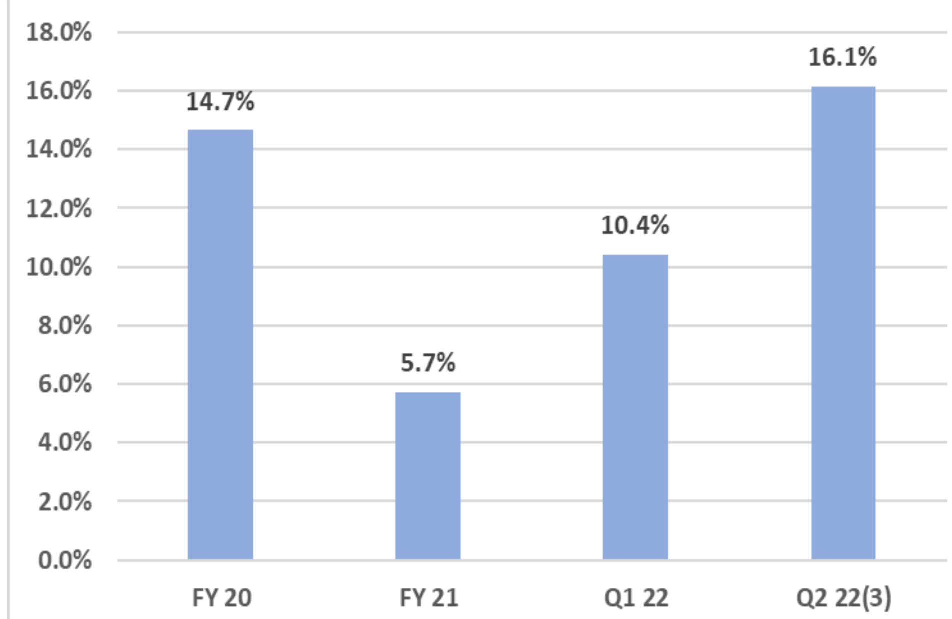
1) *Calculated as repurchase agreement financing to investable capital allocated to credit investments. Investable capital is calculated as GAAP shareholders' equity (plus accumulated depreciation of SFR) plus long-term unsecured debt.*
2) *Total annualized IRR based on cash on cash return assuming purchased at Company's reported fair value at beginning of the period and sold at fair value on March 31, 2022.*
3) *Reflected as a percentage of total capital invested in credit investments as of March 31, 2022.*

Consistently and Aggressively Returning Capital to Shareholders

Shareholder Accretion From Stock Repurchases [1]



Equivalent Dividend Yield From Stock Repurchases[4]



Aggressively Repurchasing Shares of Common Stock Since Q1 2020[3]

- **$0.68 per share returned to shareholders**
- **Over 23% of common shares repurchased**
  - **8.5 million shares repurchased for over $28 million at purchase price to book value of 56%**
  - **Repurchased on average 1 million common shares per quarter over last nine quarters**
- **11.4 million remaining share authorization as of May 11, 2022**
- **Tax efficient return of capital to shareholders**

(1) Accretion per share common share includes accretion from repurchases of the Company's preferred stock and unsecured long-term debt.
(2) FY 2020 includes three quarters of stock repurchases from Q2 20 to Q4 20.
(3) Through May 11, 2022.
(4) Calculated as annualized quarterly shareholder accretion from stock repurchases divided by average quarterly stock price.

Substantial Tax Benefits Provide Additional Shareholder Value

- **Substantial tax loss carryforwards[1]**
  - **$165 million of estimated net operating loss (NOL) carryforwards as of March 31, 2022[2]**
  - **$146 million of estimated net capital loss (NCL) carryforwards as of March 31, 2022[3]**
- **Tax loss carryforwards provide corporate flexibility that benefits shareholders**
  - **As a REIT, ability to retain earnings to reinvest into new opportunities or to repurchase shares of common stock at a discount to book value**
  - **As a C-corporation, ability to reduce corporate income tax liability that increases capital available to reinvestment into new opportunities, repurchase shares of common stock at a discount to book value or pay a dividend**
    - **NOL carryforwards would represent approximately $1.45 per share of gross deferred tax assets prior to consideration of any valuation allowance**

1) NOL and NCL carryforwards are subject to potential adjustment up the time of the filing of the Company's income tax returns.
2) NOL carryforwards of $14 million expire in 2028 and $151 million have no expiration period.
3) NCL carryforwards expire between the 2022 and 2027 years.

Extensive Alignment

- Insider ownership of 7% of outstanding shares
- Internally managed
- Highly performance-based compensation structure
- Responsive and highly-experienced Board of Directors
- Significant expense reductions over time
- Substantial return of capital to shareholders
- Transparent and best-in-class Corporate Governance

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Q1 2022 Financial Review

Financial Highlights

- **$6.19 book value per common share as of March 31, 2022 (1)**
  - Increase of 0.5% from December 31, 2021
- **$0.12 GAAP net loss per diluted common share**
- **$0.05 non-GAAP core operating income (2) per diluted common share**
  - Increase of $0.03 per share from fourth quarter 2021
- **$0.09 per common share of book value accretion from the repurchase of 1.0 million shares of common stock representing 3.3% of outstanding shares**
  - Repurchased additional 0.6 million shares of common stock, or 2.0% of outstanding shares, through May 11, 2022
- **1.3 to 1 "at risk" leverage ratio (3) as of March 31, 2022**

(1) Excludes accumulated depreciation on SFR properties recognized in accordance with GAAP.
(2) A reconciliation of non-GAAP core operating income to GAAP net income (loss) available (attributable) to common stock is provided on slide 29.
(3) Calculated the ratio of the sum of repurchase agreement financing, net payable or receivable for unsettled securities, net contractual forward price of TBA commitments, debt secured by single-family properties and financing embedded in MSR financing receivables less cash and cash equivalents compared to investable capital. Investable capital is calculated as the sum of stockholders' equity, long-term unsecured debt and accumulated depreciation of SFR properties recognized in accordance with GAAP.

Investment Portfolio Highlights

- **Current investment portfolio positioning**
  - Favorable performance versus rising interest rates
  - Defensive posture versus expected Federal Reserve tightening
  - Favorable performance versus inflation
- **MSR: Capital allocation increased to 50% as of March 31, 2022**
  - 47% annualized total return for Q1 2022
  - Valuation multiples of underlying MSRs have increased as expected with the increase in rates
    - 4.20x valuation multiple and 10-year U.S. Treasury rate of 1.49% as of September 30, 2021
    - 4.38x valuation multiple and 10-year U.S. Treasury rate of 1.51% as of December 31, 2021
    - 5.21x valuation multiple and 10-year U.S. Treasury rate of 2.33% as of March 31, 2022
    - 5.40x valuation multiple and 10-year U.S. Treasury rate of 2.93% as of April 30, 2022
- **SFR: Purchased or committed to purchase $137 million as of March 31, 2022**
  - Capital allocation increased to 17% as of March 31, 2022
  - Better than expected underwritten net yields of 4.9%
  - Attractive $150 million five-year financing facility with fixed rate of 2.76%

Diversified and Complimentary Return Profile

Asset Class		Targeted Return and Leverage (1)
Mortgage Servicing Rights	Recently originated pools of Fannie Mae and Freddie Mac loans Partnering with licensed, GSE approved servicer Ability to prudently leverage through access to funding facility Expected strong returns in a rising rate environment Complimentary to agency MBS	7.5% to 11.0%(2) 0.0x to 0.5x
Single-Family Residential Rental Properties	Acquiring, operating and leasing SFR rental properties Partnering with leading asset manager to leverage partner's scale Funded with fixed-rate long-term non-recourse financing Strong yields plus ability to realize appreciation over time Expected strong returns in an inflationary environment	Current return 8.0% to 11.75% Total return(3) 8.0% to 21.75%(2) 2.0x to 3.0x
Credit	Loans or ABS collateralized by loans ✓ Residential mortgage loans ✓ Residential business purpose mortgage loans ✓ Commercial mortgage loans ✓ Residential solar panel loans Funded with non-recourse term securitization where available	10.0% to 16.0% 0.0x to 10.0x
Agency MBS	Principal and interest guaranteed by Fannie Mae or Freddie Mac Funded with short-term repurchase agreements Hedged with interest rate swaps, Treasury futures and MSRs Performs well in low volatility and steepening yield curve environment	10.0% to 12.5% 6.0x to 9.0x

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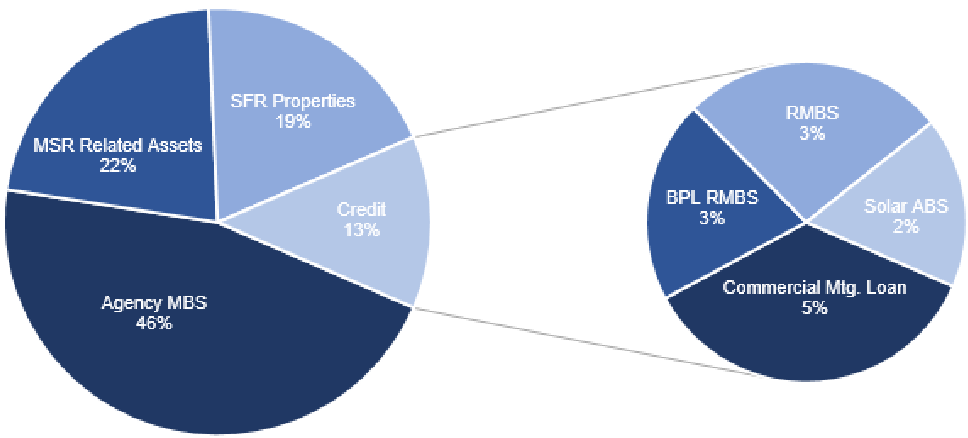
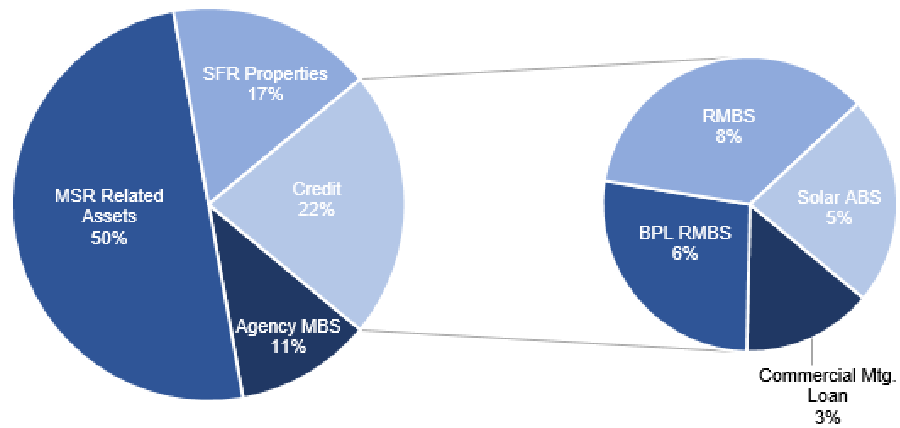
(1) *Targeted return and leverage are for illustrative purposes only. Any assumptions and estimates used may not be accurate and cannot be relied upon. Actual returns for any given period may differ materially from these examples.*
(2) *Net of direct expenses and estimated partner fees including potential incentive fees.*
(3) *Total return includes potential annual home price appreciation of 1% to 4% and is net of direct expenses and partner fees.*

Investment Portfolio Allocation as of March 31, 2022

Investment Asset Allocation



Invested Capital Allocation



Dollars in thousands

Investment Strategy	Investments	Capital Allocation	Invested Capital Allocation (%)	Leverage Ratio (1)
MSR related assets (2)	$ 139,225	$ 139,225	50%	0.3
Credit investments (3)	83,096	62,485	22%	0.3
Single-family residential properties (4)	121,962	48,036	17%	1.6
Agency MBS	292,318	31,900	11%	8.3
Total invested capital	**$ 636,601**	**$ 281,646**	**100%**	
Cash and other corporate capital		23,557		
Total investable capital (5)		**$ 305,203**		**1.3**

(1) *Calculated the ratio of the sum of repurchase agreement financing, net payable or receivable for unsettled securities, net contractual forward price of TBA commitments, debt secured by single-family properties and financing embedded in MSR financing receivables less cash and cash equivalents compared to investable capital.*
(2) *Leverage ratio for MSR related assets reflects $43,948 of secured financing obtained by the mortgage servicer counterparty to our MSR financing receivables at our direction.*
(3) *Reflects the Company's net investments of $28,144 in variable interest entities with gross assets and liabilities of $272,802 and $244,658, respectively, that are consolidated for GAAP financial reporting purposes.*
(4) *Excludes accumulated depreciation of SFR properties recognized pursuant to GAAP.*
(5) *Investable capital is calculated as the Company's GAAP shareholders' equity plus long-term unsecured debt and SFR accumulated depreciation.*

MSR Related Assets

Allocated Investable Capital [(1)] as of Quarter End	$139.2 million
Invested Capital Allocation %	50%
Leverage Ratio as of Quarter End [(2)]	0.3x
Q1 Weighted Average GAAP Asset Yield	12.49%

MSR Related Assets as of March 31, 2022

(Dollars in thousands)

Underlying Reference Amounts and Components:

MSRs	Financing	Advances Receivable	Cash and Other Net Receivables	Counterparty Incentive Fee Accrual	Total
$ 179,987	$ (43,948)	$ 2,587	$ 9,822	$ (9,223)	$ 139,225

Underlying MSRs:

Holder of Loans	UPB	Note Rate	Servicing Fee	WA Loan Age	Projected CPR	Market Yield	Price	Multiple *(Price / Servicing Fee)*	Fair Value
Fannie Mae	$ 13,450,698	2.94%	0.25%	13 months	8.24%	8.00%	1.31%	5.21	$ 176,026
Freddie Mac	298,226	3.06%	0.25%	9 months	8.26%	8.03%	1.33%	5.31	3,961
Total / Wtd. Avg.	$ 13,748,924	2.94%	0.25%	13 months	8.25%	8.00%	1.31%	5.21	$ 179,987

- AAIC has a strategic relationship with a licensed, GSE approved mortgage servicer that enables us to garner the economic return of an investment in an MSR purchased by the servicer
- For an MSR purchased by our partner, AAIC:
  i. purchases the excess servicing spread entitling the Company to servicing fees in excess of 12.5 basis points; and
  ii. funds the balance of the MSR in exchange for an unsecured right to payment equal to the underlying base servicing fee of 12.5 basis points less the costs of servicing and any proceeds from the sale of the underlying MSR, less a monthly oversight fee and an annual incentive fee, if earned
- At our option, we can direct our partner to leverage our capital

(1) *Investable capital is calculated as the Company's GAAP shareholders' equity plus long-term unsecured debt and SFR accumulated depreciation.*
(2) *Reflects $43,948 of secured financing obtained by the mortgage servicer counterparty to our MSR financing receivables at our direction.*

Single-Family Residential Properties

Allocated Investable Capital [(1)] as of Quarter End	$48.0 million
Invested Capital Allocation %	17%
Leverage Ratio as of Quarter End	1.6x

SFR Investment Portfolio as of March 31, 2022

(Dollars in thousands)

Market	Number of Properties	Gross Book Value	Average Gross Book Value	Average Square Feet	Average Year Built
Tulsa, OK	78	$ 19,780	$ 254	1,735	2016
Dallas, TX	57	19,592	344	1,969	2014
Atlanta, GA	61	19,449	319	2,284	2010
Huntsville, AL	47	15,105	321	2,356	2013
Memphis, TN	45	13,209	294	1,910	2007
Charlotte, NC	34	11,905	350	1,921	2011
Kansas City, MO/KS	40	11,738	293	1,947	2006
Birmingham, AL	43	11,184	260	1,691	2018
Total / weighted-average	405	$ 121,962	$ 301	1,974	2012

Status of Property	Number of Properties	Gross Book Value
In rehabilitation	47	$ 14,517
In marketing	69	21,124
Leased not yet occupied	20	6,291
Leased and occupied	269	80,030
Total	405	$ 121,962

- Committed to invest at least $55 million of capital to acquire approximately $200 million of SFR properties
- Partnering with a leading, experienced asset manager that will enable us to leverage our partner's scale, intellectual capital and access to investment opportunities
- As of March 31, 2022, we had acquired 405 SFR properties for $122 million and had committed to acquire an additional 49 properties for $15 million
- To finance the purchase of SFR properties, we have entered into a $150 million five-year secured term debt facility under which we had drawn $78.1 million as of March 31, 2022. Key financing terms are as follows:
  - 18-month original (12-month remaining) draw period
  - 74% advance rate
  - 2.76% fixed cost of funds
  - limited recourse to AAIC

(1) *Investable capital is calculated as the Company's GAAP shareholders' equity plus long-term unsecured debt and SFR accumulated depreciation.*

Credit Investments

Allocated Investable Capital (1) as of Quarter End	$62.5 million
Invested Capital Allocation %	22%
Leverage Ratio as of Quarter End (2)	0.3x
Q1 GAAP Levered NII Return Based on Cost (3)	7.01%

Credit Investment Portfolio as of March 31, 2022
(Dollars in thousands)

Asset Category	Fair Value (5)	Market Price	Asset Allocation	Repo Financing	Invested Capital	Capital Allocation	Leverage Ratio
Commercial mortgage loan	$ 29,592	$ 100.00	36%	$ 20,714	$ 8,981	14%	2.3
Residential MBS - interest-only (4)	20,910	8.20	25%	—	20,910	34%	—
Residential MBS (4)	1,281	79.13	2%	—	1,281	2%	—
Business purpose loan residential MBS (5)	17,002	94.42	20%	—	17,002	27%	—
Residential solar panel loan ABS	14,311	78.19	17%	—	14,311	23%	—
Total	$ 83,096		100%	$ 20,714	$ 62,485	100%	0.3

Commercial Mortgage Loan Repo Financing

Balance	Collateral Fair Value	Interest Rate	Days to Maturity
$ 20,714	$ 29,592	2.86%	351

(1) Investable capital is calculated as the Company's GAAP shareholders' equity plus long-term unsecured debt and SFR accumulated depreciation.
(2) Leverage ratio is calculated as [short-term secured financing collateralized by credit investments +(-) net payable (receivable) for unsettled securities] divided by the allocated investable capital. Reflects the Company's net investment in consolidated VIEs on a net basis.
(3) Levered net interest income ("NII") return is calculated as the sum of GAAP net interest income attributable to credit investments divided by the weighted average amortized cost basis of credit investments net of the weighted average balance of credit investment secured financing for the period, annualized.
(4) Residential MBS – interest-only and residential MBS, in combination, reflect our net investment at fair value of $22,191 in a variable interest entity with gross assets and liabilities of $266,535 and $244,344, respectively, that is consolidated for GAAP financial reporting purposes.
(5) Reflects the Company's net investment of $5,953 in a variable interest entity with gross assets and liabilities of $6,267 and $314, respectively, that is consolidated for GAAP financial reporting purposes on a net basis.
(6) For investments in credit securities, includes contractual accrued interest receivable.

Agency MBS Investments

Allocated Investable Capital [(1)] as of Quarter End	$31.9 million
Invested Capital Allocation %	**11%**
Leverage Ratio as of Quarter End [(2)]	**8.3x**
Q1 Weighted Average Constant Prepayment Rate	9.01%
Q1 Weighted Average GAAP Asset Yield	1.52%
Q1 Levered NII Return (Including TBAs) Based on Cost [(3)]	10.69%

Agency MBS Investment Portfolio as of March 31, 2022

(Dollars in thousands)

Specified Agency MBS			
Coupon Rate	UPB	Fair Value	Allocation
2.0%	$ 98,035	$ 91,432	31%
2.5%	129,057	123,911	43%
3.0%	45,092	44,359	15%
3.5%	32,474	32,608	11%
5.5%	8	8	—
Total	$ 304,666	$ 292,318	100%

Repo Financing			
Balance	Collateral Fair Value	Wtd. Avg. Interest Rate	Wtd. Avg. Days to Maturity
$ 264,148	$ 279,874	0.36%	13.0

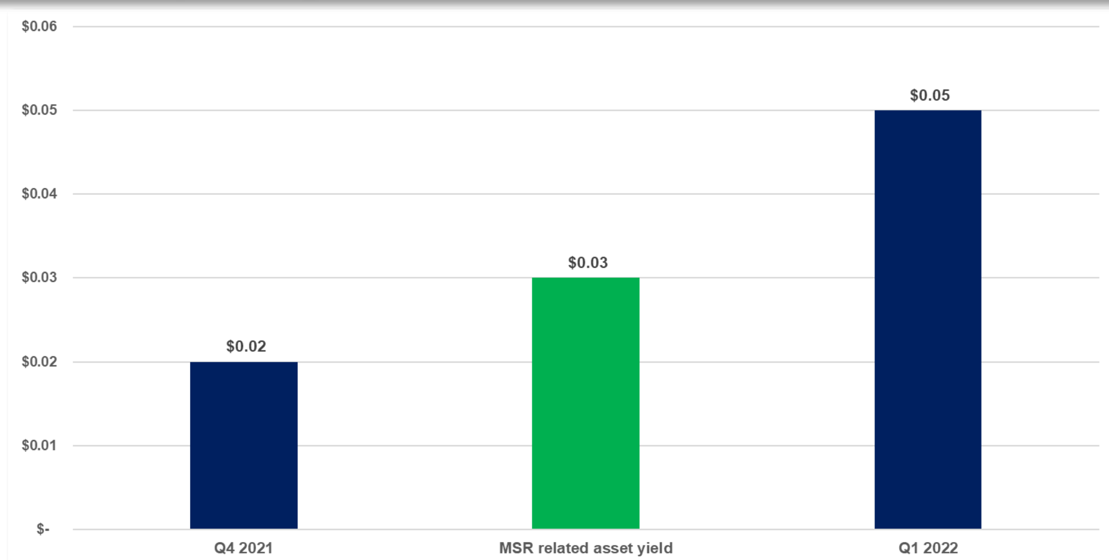
Interest Rate Swap Hedge				
Maturity	Notional	Fixed Pay Rate	Floating Receive Rate	Years to Maturity
< 3 years	$ 100,000	0.90%	0.27%	1.7
3 to < 10 years	75,000	1.33%	0.45%	5.8
	$ 175,000	1.08%	0.35%	3.5

1) *Investable capital is calculated as the Company's GAAP shareholders' equity plus long-term unsecured debt and SFR accumulated depreciation*
2) *Leverage ratio is calculated as [repurchase agreement financing collateralized by agency MBS +(-) net payable (receivable) for unsettled securities] divided by the allocated investable capital.*
3) *Levered net interest income ("NII") return is calculated as the sum of GAAP net interest income attributable to agency MBS, TBA dollar roll income, and interest rate swap net income (expense) divided by the weighted average amortized cost basis of agency MBS net of the weighted average balance of agency MBS repurchase agreement financing for the period, annualized.*

Non-GAAP Core Operating Income (1)

(Unaudited, in thousands except per share amounts)	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Investments in financial assets				
Interest and other income	$ 7,406	$ 5,880	$ 6,346	$ 7,045
TBA dollar roll income	823	465	1,064	1,778
Interest expense	(1,464)	(306)	(479)	(808)
Interest rate swap net interest income (expense)	(291)	(653)	(379)	(1,187)
Economic net interest income	6,474	5,386	6,552	6,828
Investments in SFR properties				
Rent revenues	1,064	259	—	—
Property operating expenses (2)	(816)	(306)	(24)	—
Interest expense	(408)	(151)	—	—
Net operating income (loss) from SFR properties (2)	(160)	(198)	(24)	—
Core general and administrative expenses	(2,523)	(2,457)	(2,377)	(2,653)
Long-term unsecured debt interest expense	(1,370)	(1,376)	(1,435)	(1,150)
Preferred stock dividend	(742)	(739)	(731)	(723)
Income tax provision for TRS core operating income	(229)	(129)	(85)	(61)
Non-GAAP core operating income	$ 1,450	$ 487	$ 1,900	$ 2,241
Non-GAAP core operating income per diluted common share	$ 0.05	$ 0.02	$ 0.06	$ 0.07
Weighted average diluted common shares outstanding	30,315	31,421	32,243	33,424

Non-GAAP Core Operating Income Per Diluted Share Rollforward – Q1 2022 vs. Q4 2021



(1) Core operating income and economic net interest income are non-GAAP financial measures. These non-GAAP measures are used by management to evaluate the financial performance of the Company's long-term investment strategy and core business activities over periods of time as well as assist with the determination of the appropriate level of periodic dividends to stockholders. The Company believes that non-GAAP core operating income and economic net interest income assist investors in understanding and evaluating the financial performance of the Company's long-term investment strategy and core business activities over periods of time as well as its earnings capacity. A limitation of utilizing these non-GAAP financial measures is that the effect of accounting for "non-core" events or transactions in accordance with GAAP does, in fact, reflect the financial results of our business and these effects should not be ignored when evaluating and analyzing our financial results. The Company believes that net income and comprehensive income determined in accordance with GAAP should be considered in conjunction with non-GAAP core operating income and economic net interest income. A reconciliation of non-GAAP core operating income to GAAP net income (loss) available (attributable) to common stock is provided on slide 29.

(2) Excludes GAAP depreciation of SFR properties.

Book Value Per Share Rollforward

At December 31, 2021	$	6.16
Non-GAAP core operating income		0.05
MSR related asset gain, net [(1)]		0.71
Agency MBS asset loss, net [(2)]		(1.06)
Hedge gain, net [(3)]		0.20
Credit asset gain, net		0.04
Repurchases of stock		0.09
At March 31, 2022 [(4)]	$	6.19

(1) *Net of income tax provision (benefit) for TRS investment gain (loss), net.*
(2) *Excludes TBA dollar roll income which is included in non-GAAP core operating income.*
(3) *Excludes net interest income earned or expense incurred from interest rate swap agreements which is included in non-GAAP core operating income.*
(4) *Excludes $1,010 of accumulated depreciation of SFR properties recognized pursuant to GAAP.*

ARLINGTON ASSET INVESTMENT

Additional Financial Information

Publicly Traded Capital

ARLINGTON ASSET INVESTMENT

Class A Common Stock
Ticker: AAIC
Exchange: NYSE

Market Capitalization: $87 million [1]

ARLINGTON ASSET INVESTMENT

Senior Notes Due 2025
Ticker: AIC
Exchange: NYSE

Per Annum Interest Rate: 6.75%
Current Strip Yield per Annum: 7.18%[1][2]
Maturity Date: March 15, 2025

ARLINGTON ASSET INVESTMENT

Series B Cumulative Perpetual Redeemable Preferred Stock
Ticker: AAIC PrB
Exchange: NYSE

Per Annum Dividend Rate:
7.00% Payable Quarterly
Current Strip Yield per Annum: 8.24%[1][2]

ARLINGTON ASSET INVESTMENT

Senior Notes Due 2026
Ticker: AAIN
Exchange: NYSE

Per Annum Interest Rate: 6.00%
Current Strip Yield per Annum: 7.41%[1][2]
Maturity Date: August 1, 2026

ARLINGTON ASSET INVESTMENT

Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock
Ticker: AAIC PrC
Exchange: NYSE

Per Annum Dividend Rate:
8.25% Payable Quarterly
Current Strip Yield per Annum: 8.97%[1][2]

(1) As of May 11, 2022.
(2) Source: Bloomberg

Balance Sheet

(Unaudited, in thousands except per share amounts)		March 31, 2022		December 31, 2021
ASSETS				
Cash and cash equivalents	$	21,715	$	20,543
Restricted cash		851		1,132
Restricted cash of consolidated VIE		9,292		111
Sold securities receivable		—		28,219
Agency MBS		292,318		483,927
MSR financing receivables, at fair value		139,225		125,018
Credit investments		54,952		55,919
Mortgage loans of consolidated VIE, at fair value		261,976		7,442
Single-family residential real estate		120,952		60,889
Deposits		4,607		4,549
Other assets		14,995		15,287
Total assets	$	920,883	$	803,036
LIABILITIES AND STOCKHOLDERS' EQUITY				
Liabilities:				
Repurchase agreements	$	284,862	$	446,624
Secured debt of consolidated VIE, at fair value		244,365		508
Long-term debt secured by single-family properties		77,824		39,178
Other liabilities		9,639		6,605
Long-term unsecured debt		86,096		85,994
Total liabilities		702,786		578,909
Common stockholders' equity		181,740		186,861
Preferred stock liquidation preference		36,357		37,266
Total equity		218,097		224,127
Total liabilities and stockholders' equity	$	920,883	$	803,036

Shares outstanding (in thousands) (1)		29,345		30,334
Book value per common share (2)	$	6.19	$	6.16
"At risk" leverage ratio (3)		1.3		1.5
TBA net purchase commitment at cost	$	1,231	$	(109)
Financing embedded in MSR financing receivables	$	43,948	$	40,398

Assets and liabilities of consolidated VIEs:				
Cash and restricted cash	$	9,365	$	2,229
Mortgage loans, at fair value		261,976		7,442
Secured debt, at fair value		1,461		(508)
Other assets		(244,365)		547
Other liabilities		(293)		(2)
Net investment in consolidated VIEs	$	28,144	$	9,708

ARLINGTON ASSET INVESTMENT

(1) *Represents shares of common stock outstanding plus vested restricted stock units convertible into common stock less unvested restricted common stock.*
(2) *Book value per common share is calculated as total equity plus accumulated depreciation on SFR properties less the preferred stock liquidation preference divided by common shares outstanding.*
(3) *Calculated the ratio of the sum of repurchase agreement financing, net payable or receivable for unsettled securities, net contractual forward price of TBA commitments, debt secured by single-family properties and financing embedded in MSR financing receivables less cash and cash equivalents compared to investable capital. Investable capital is calculated as the sum of stockholders' equity and long-term unsecured debt.*

Statement of Comprehensive Income

(Unaudited, in thousands except per share amounts)	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Interest income				
MSR financing receivables	$ 3,382	$ 2,589	$ 1,945	$ 1,390
Agency mortgage-backed securities	1,492	2,206	2,660	2,984
Credit securities and loans	853	772	1,247	1,770
Mortgage loans of consolidated VIE	1,354	144	301	776
Other	325	169	193	125
Total interest and other income	7,406	5,880	6,346	7,045
Rent revenues from single-family properties	1,064	259	—	—
Interest expense				
Repurchase agreements	276	286	306	403
Long-term debt secured by single-family properties	408	151	—	—
Secured debt of consolidated VIE	1,188	20	173	405
Long-term unsecured debt	1,370	1,376	1,435	1,150
Total interest expense	3,242	1,833	1,914	1,958
Single-family property operating expenses	1,531	593	36	—
Net operating income	3,697	3,713	4,396	5,087
Investment and derivative gain (loss), net	(827)	3,909	(1,313)	(9,032)
General and administrative expenses				
Compensation and benefits	2,065	1,855	1,888	1,841
Other general and administrative expenses	1,219	1,125	1,009	1,349
Total general and administrative expenses	3,284	2,980	2,897	3,190
Net income (loss)	(414)	4,642	186	(7,135)
Income tax provision (benefit)	2,287	808	436	(76)
Dividend on preferred stock	(742)	(739)	(731)	(723)
Net income (loss) available (attributable) to common stock	$ (3,443)	$ 3,095	$ (981)	$ (7,782)

Basic earnings (loss) per common share	$ (0.12)	$ 0.10	$ (0.03)	$ (0.24)
Diluted earnings (loss) per common share	$ (0.12)	$ 0.10	$ (0.03)	$ (0.24)
Weighted-average common shares outstanding (in thousands):				
Basic	29,832	31,100	31,927	33,066
Diluted	29,832	31,421	31,927	33,066

Non-GAAP Core Operating Income Reconciliation (1)

Reconciliation of GAAP Net Income to Non-GAAP Core Operating Income

(Unaudited, in thousands)	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net income (loss) available (attributable) to common stock	$ (3,443)	$ 3,095	$ (981)	$ (7,782)
Add (less):				
Investment and derivative (gain) loss	827	(3,909)	1,313	9,032
Stock-based compensation expense	761	523	520	537
Income tax provision (benefit) for TRS investment gain (loss)	2,058	679	351	(137)
Depreciation of single-family residential properties	715	287	12	—
Add back:				
TBA dollar roll income	823	465	1,064	1,778
Interest rate swap net interest income (expense)	(291)	(653)	(379)	(1,187)
Non-GAAP core operating income	$ 1,450	$ 487	$ 1,900	$ 2,241

(1) Core operating income and economic net interest income are non-GAAP financial measures. These non-GAAP measures are used by management to evaluate the financial performance of the Company's long-term investment strategy and core business activities over periods of time as well as assist with the determination of the appropriate level of periodic dividends to stockholders. The Company believes that non-GAAP core operating income and economic net interest income assist investors in understanding and evaluating the financial performance of the Company's long-term investment strategy and core business activities over periods of time as well as its earnings capacity. A limitation of utilizing these non-GAAP financial measures is that the effect of accounting for "non-core" events or transactions in accordance with GAAP does, in fact, reflect the financial results of our business and these effects should not be ignored when evaluating and analyzing our financial results. The Company believes that net income and comprehensive income determined in accordance with GAAP should be considered in conjunction with non-GAAP core operating income and economic net interest income.

Book Value Sensitivity to Interest Rates and Spreads

Interest Rate Sensitivity as of March 31, 2022 (1)

	-100 bps	-50 bps	As of 3/31/2022	+50 bps	+100 bps
Common Stockholders' Equity	$ 176,998	$ 183,570	$ 181,689	$ 180,907	$ 177,444
Percentage Change	-2.6%	1.0%		-0.4%	-2.3%

Agency MBS and MSR Portfolio Net Duration Gap as of March 31, 2022

	Fair Value / Notional	Duration (2)
Agency MBS	$ 292,318	5.4
MSR financing receivables	139,225	(6.0)
Total interest rate sensitive assets	$ 431,543	1.7
Agency MBS repo (3)	$ (264,148)	(0.1)
Interest rate swap agreements (3)	$ (175,000)	(3.1)
Total liabilities and hedges		(1.3)
Net duration gap		0.4

Agency MBS Spread Sensitivity as of March 31, 2022 (4)

	-25 bps	-10 bps	As of 3/31/2022	+10 bps	+25 bps
Common Stockholders' Equity	$ 186,224	$ 183,503	$ 181,689	$ 179,875	$ 177,154
Percentage Change	2.5%	1.0%		-1.0%	-2.5%

(1) Interest rate sensitivity of MBS and TBA commitments is derived from The Yield Book, a third-party model. Interest rate sensitivity of MSR financing receivables is derived from an internal model. Actual results could differ significantly from these estimates. Interest rate sensitivity is based on assumptions resulting in certain limitations, including (i) an instantaneous shift in rates with no changes to the slope of the yield curve, (ii) the effect of negative interest rates, (iii) no changes in MBS spreads, and (iv) no changes to the investment or hedge portfolio. Excludes changes in values to mortgage credit investments and single-family residential properties.

(2) Duration for agency MBS is derived from the Citi's "The Yield Book," a third-party model. Duration for MSR financing receivables is derived from an internal model. Duration is a measure of how much the price of an asset or liability is expected to change if interest rates move in a parallel manner and is dependent upon several subjective inputs and assumptions. Actual results could differ materially from these estimates. In addition, different models could generate materially different estimates using similar inputs and assumptions.

(3) Total liability and hedge duration is expressed in asset units. Excludes unsecured debt.

(4) Agency MBS spread sensitivity is derived from The Yield Book, a third-party model. Actual results could differ significantly from these estimates. The estimated change in book value reflects an assumed spread weighted average duration of 6.2 years, which is a model-based assumption that is dependent upon the size and composition of our portfolio as well as economic conditions present as of March 31, 2022. The agency MBS spread sensitivity is based on assumptions resulting in certain limitations, including (i) no changes in interest rates, and (ii) no changes to the investment or hedge portfolio.

Consistent and Strong Focus on Corporate Responsibility

We are committed to continuing to build healthy principals into our corporate culture and are actively focused on the management and improvement of the Company's governance efforts

Corporate Governance	➢ We established strong Corporate Governance Guidelines and code of ethics policies ➢ We do not have a classified or staggered Board and directors are elected by majority, not plurality, with a resignation policy for directors who do not receive a majority vote ➢ We conduct a regular Board refreshment process and currently 83% of our directors are independent with one of our five independent directors being female (20%) ➢ Adding diversity to our Board through our regular refreshment process is a top priority ➢ We do not have the same person occupying the offices of the Chairman of the Board and Chief Executive Officer and our Chairman of the Board is independent ➢ Each of the Board's Committees are comprised entirely of independent directors
Responsible Investing	▸ We support affordable housing in communities across the U.S. and have invested in opportunities that support the renewable energy sector ▸ Through our SFR Program we are able to offer quality homes in attractive neighborhoods that we believe give families the opportunity to reside in a home located in a community that may not have otherwise been attainable ▸ We have been able to expand our investments into areas that support the environmental benefits of renewable energy and continue to seek other responsible investments
Operational Impact	▸ We are able to minimize our overall environmental impact through having a small office with easy access to public transportation, available electric vehicle charging stations, use of green products, streamlined recycling, reusable kitchen supplies, and energy efficient copiers and printers ▸ We offer employees the ability to work in a hybrid work environment between the corporate office and remotely to further reduce our environmental impact ▸ We provide our highly skilled employees an engaging, rewarding, supportive and inclusive environment that allows them to grow personally and professionally