American Capital Agency

American Capital Mortgage

AGNC: THE VALUE PROPOSITION

OCTOBER 1, 2014

AGNC NASDAQ LISTED

MTGE NASDAQ LISTED

SAFE HARBOR STATEMENT

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This presentation contains statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). All such forward-looking statements are intended to be subject to the safe harbor protection provided by the Reform Act. Actual outcomes and results could differ materially from such forecasts due to the impact of many factors beyond the control of American Capital Agency Corp. ("AGNC") and American Capital Mortgage Investment Corp. ("MTGE"). All forward-looking statements included in this presentation are made only as of the date of this presentation and are subject to change without notice. Certain important factors that could cause actual results to differ materially from those contained in the forward-looking statements are included in our periodic reports filed with the Securities and Exchange Commission ("SEC"). Copies are available on the SEC's website at www.sec.gov. AGNC and MTGE disclaim any obligation to update such forward-looking statements unless required by law.

The following slides contain summaries of certain financial and statistical information about AGNC and MTGE. They should be read in conjunction with our periodic reports that are filed from time to time with the SEC. Historical results discussed in this presentation are not indicative of future results.

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ABOUT AMERICAN CAPITAL AGENCY CORP.

IPO DATE:
MAY 2008

IPO PRICE:
$20.00

TOTAL DIVIDENDS PAID / DECLARED SINCE IPO[1]:
$28.91

NET ASSET VALUE PER SHARE[2]:
$26.26

TOTAL EQUITY CAPITAL[2]:
$9.3 BILLION

STOCK TICKER:
AGNC

EXCHANGE:
NASDAQ

Summary

American Capital Agency Corp. is a real estate investment trust that invests in and manages a levered portfolio of residential mortgage securities for which the principal and interest payments are guaranteed by a U.S. government-sponsored entity (Fannie Mae, Freddie Mac) or a U.S. government agency (Ginnie Mae).

Our Investment Strategy

- Invest across the Agency MBS universe
- Relative value approach to asset selection
- Actively manage the portfolio
- Leverage and hedging strategies that are actively managed based on portfolio composition and market risks

Our Team

- Senior investment professionals have worked together for the majority of their careers and, on average, have 20 years of investment experience across the residential mortgage universe
- Previously managed one of the world's largest portfolios of residential mortgage related investments

Our Fee Structure

- 1.25% on equity
- No incentive fee

* As of June 30, 2014 unless otherwise indicated
1. As of July 30, 2014
2. "Net Asset Value" and "Total Equity Capital" are net of the 8.000% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock") liquidation preference of $173 million and the 7.750% Series B Cumulative Redeemable Preferred Stock ("Series B Preferred Stock") liquidation preference of $175 million

ABOUT AMERICAN CAPITAL MORTGAGE INVESTMENT CORP.

American Capital Mortgage

IPO DATE
AUGUST 2011

IPO PRICE
$20.00

TOTAL DIVIDENDS PAID / DECLARED SINCE IPO[1]:
$8.95

NET ASSET VALUE PER SHARE[2]:
$22.73

TOTAL EQUITY CAPITAL[2]:
$1.2B

STOCK TICKER:
MTGE

EXCHANGE:
NASDAQ

Summary

American Capital Mortgage Investment Corp. is an externally managed mortgage REIT formed to invest throughout the total mortgage market including both agency and non-agency sectors

Our Investment Objective

- Provide attractive risk-adjusted returns to our investors over the long-term through a combination of dividends and capital appreciation

Guiding Principles

- Asset selection is the most important driver of returns
- Patience is critical when committing capital in the non-agency space
- Capital allocation between agency and non-agency mortgages must be dynamic and incorporate risk/return projections, macro-economic factors and liquidity considerations
- Repositioning assets and hedges is necessary to respond to changing market conditions
- As a levered investor, protecting our book value against significant declines is critical

Our Fee Structure

- 1.50% on equity
- No incentive fee

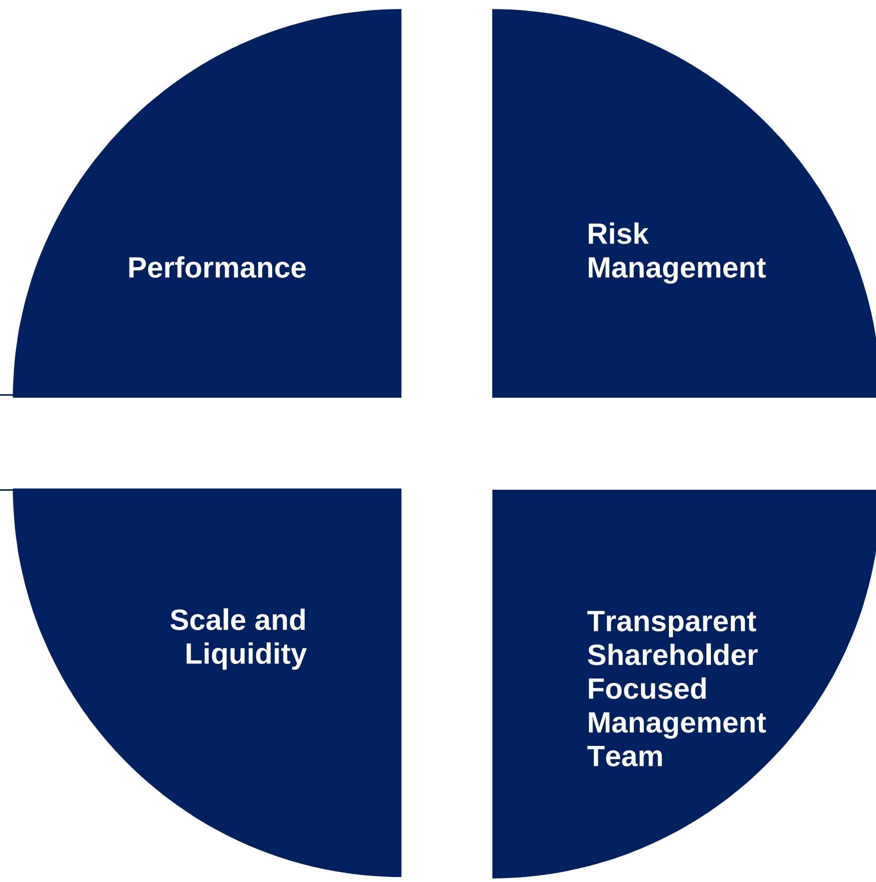
* As of June 30, 2014 unless otherwise indicated
1. As of July 30, 2014
2. "Net Asset Value" and "Total Equity Capital" are net of the 8.125% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock") liquidation preference of $55 million

The Value Proposition For Investors

While maximizing stockholder returns clearly begins with economic performance, the importance of best in class risk management, scale (liquidity), and a transparent shareholder focused management team is also critical

Industry leading economic returns over a wide range of economic and interest rate environments

Actively managed asset selection, hedging, and funding strategies designed to balance risk and return objectives and mitigate book value exposure to large changes in interest rates

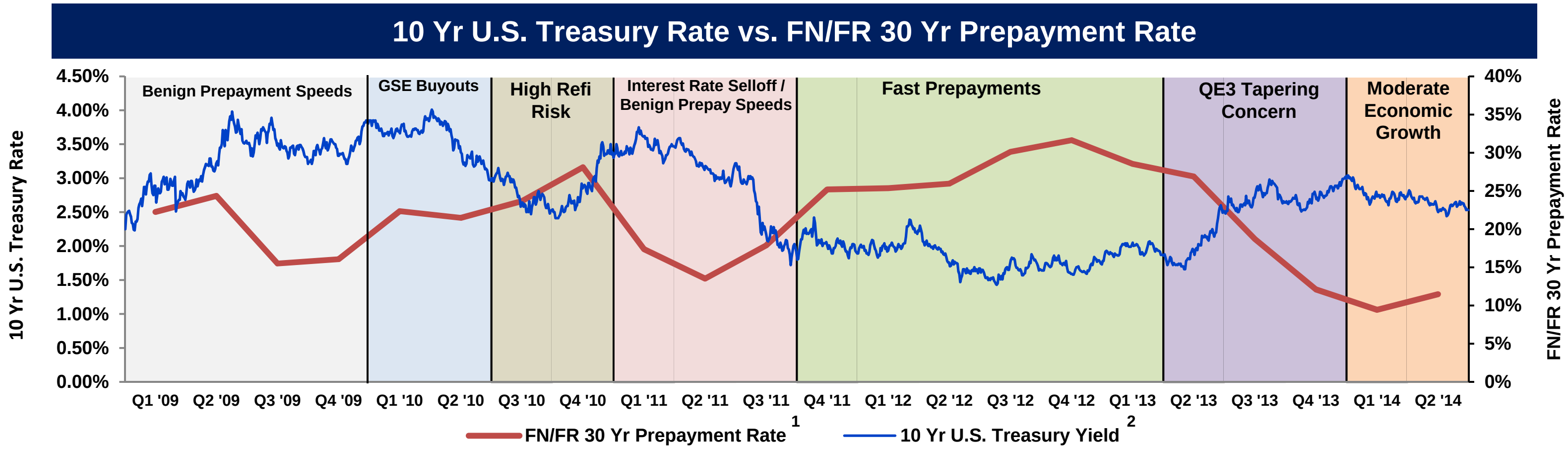


Market cap with sufficient economies of scale and the float and liquidity necessary to attract investors of all types and sizes

Industry leading disclosure coupled with a demonstrated track record of shareholder friendly issuance and repurchase activity

Industry Leading Performance

POST CRISES MARKET LANDSCAPE HAS NOT BEEN BENIGN



- ♦ **While short term repo rates haves remained low since the crisis, we have experienced substantial volatility in both intermediate and longer term interest rates**
  - ✓ Three episodes where 5 and 10 year rates have increased over 100 bps
- ♦ **The mortgage market has seen dramatic changes with respect to the prepayment landscape creating a dynamic where positions that performed well in one environment were often the worst performer a few quarters later**
  - ✓ 2009 - Highest coupon, weakest credit pools significantly outperformed
  - ✓ 2010 Q1 - High coupon, weak credit pools were severely impacted by the GSE buyouts of delinquent loans
  - ✓ 2010 Q2/Q3 - Stronger credit, newer originations underperformed as mortgage rates fell and prepayment fears spiked
  - ✓ 2010 Q4 - Higher coupons were the best performers when rates rose dramatically and hedging practices were critical
  - ✓ 2011/2012 - Prepayment protected securities, such as lower loan balance and HARP securities, were critical to performance for most of the period
  - ✓ 2013 - Lower coupons and prepayment protected securities were the worst performers and active portfolio rebalancing was critical
- ♦ **The FED's involvement in the mortgage and Treasury markets has magnified rate, prepayment and spread volatility**

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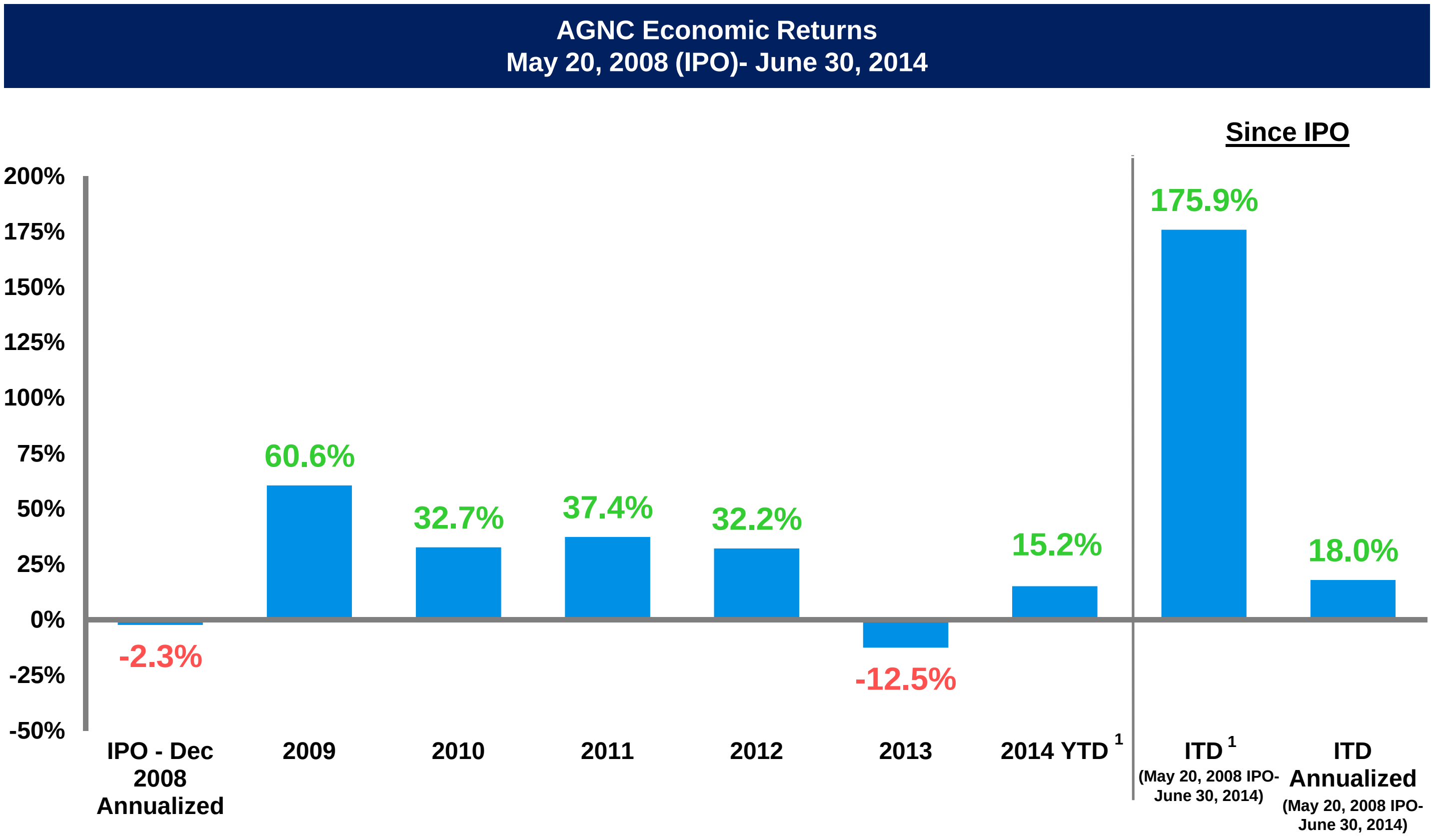
1. Source: JPM
2. Source: www.federalreserve.gov

AGNC's Economic Returns Have Been Very Strong

AGNC's cumulative economic return (quarterly dividends plus changes in book value) has totaled approximately 176% since its May 2008 IPO, or 18% annualized, despite the inclusion of 2013 losses



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1. Not Annualized

AGNC ANNUAL ECONOMIC RETURN PEER COMPARISON

Annual Economic Return [1]

Best / Worst

	AGNC	Peer Average [4]	Peer A	Peer B	Peer C [2]	Peer D	Peer E	Peer F
2009	60.6%	45.1%	50.8%	48.6%	N/A	17.3%	55.7%	52.9%
2010	32.7%	5.2%	6.1%	13.6%	-12.9%	7.0%	12.8%	4.7%
2011	37.4%	22.2%	20.6%	24.7%	20.7%	31.8%	18.8%	16.5%
2012	32.2%	18.3%	11.3%	16.3%	29.2%	20.4%	20.4%	12.5%
2013	-12.5%	-13.6%	-14.0%	-15.0%	-23.7%	-20.7%	1.0%	-9.2%
YTD 2014 [3]	15.2%	11.1%	14.0%	8.0%	9.5%	18.5%	7.2%	9.4%
2009 - YTD 2014 (Cumulative)	206.1%	86.0% [4]	93.3%	105.3%	N/A [2]	65.5%	136.4%	92.9%

- **AGNC's total economic return of 206% since Dec 2008 exceeded the industry peer average by more than double**
  - ✓ AGNC's total economic return exceeded that of the second best performer by nearly 70%
- **AGNC has exceeded its peer average in every full year of its existence (and Q2'14 YTD)**
- **AGNC has been the top performer in the space in four of the six periods and has never ranked worse than third**

* Peer group represents agency MBS focused REITs (In random order: NLY, CMO, HTS, ANH, ARR, CYS)

1. Economic returns calculated by taking the annual change in net asset value per common share plus dividends declared on common stock during the period over the beginning net asset value per common share. Data compiled from company filings.
2. Peer C 2009 economic return not available. Peer C economic return for the period of 2010 – YTD 2014 was 8.7% on a non-annualized basis.
3. YTD 2014 economic returns through June 2014 shown on a non-annualized basis.
4. Peer average calculated on an unweighted basis. Except for the 2009 – YTD 2014 peer average, which is weighted based on number periods available

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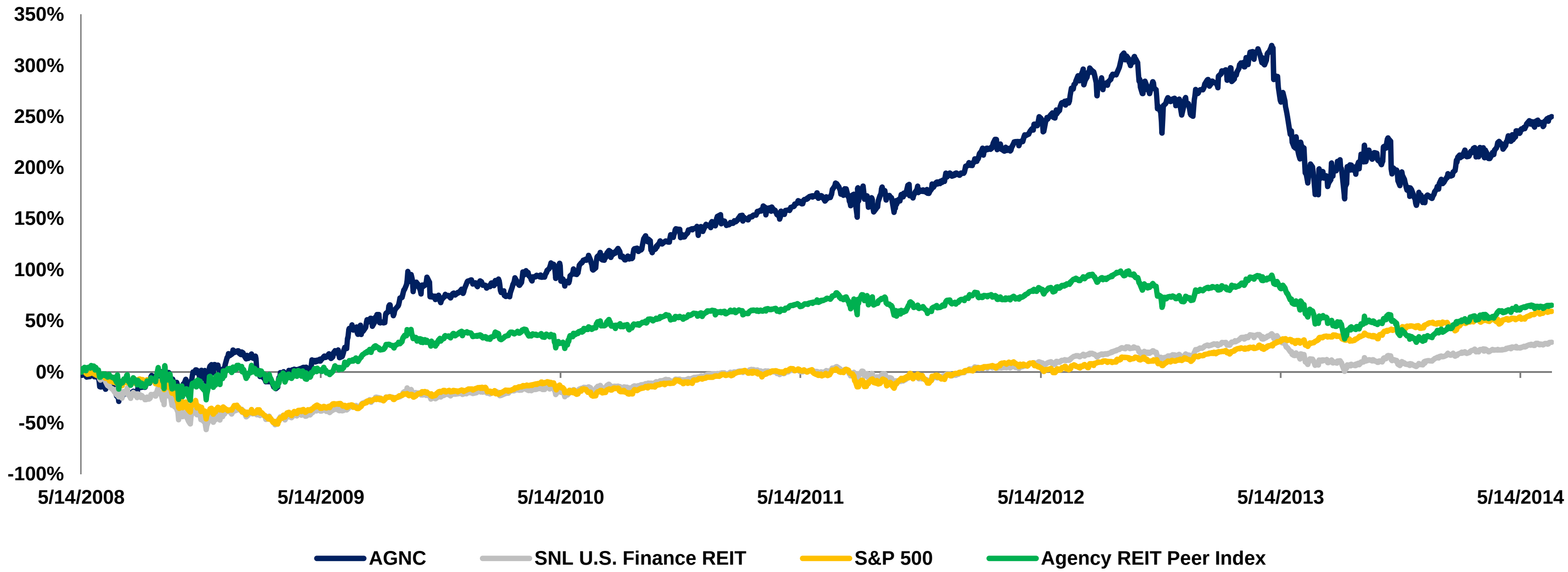
AGNC TOTAL STOCK RETURN

Total Stock Return Inception through June 30, 2014 (Including Dividend Reinvestment)



	1 Year	3 Year	Since Inception
American Capital Agency Corp.	15.3%	27.7%	249.9%
SNL U.S. Finance REIT	14.5%	26.1%	29.1%
S&P 500	24.6%	58.5%	59.3%
Agency REIT Peer Index*	3.0%	-4.3%	65.4%

AGNC	Index*	NLY	HTS	CYS	CMO	ANH	ARR
249.9%	**65.4%**	**58.2%**	**85.5%**	**N/A [1]**	**127.7%**	**71.9%**	**N/A [2]**

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* Agency REIT Peer Index includes NLY, CMO, HTS, ANH, ARR and CYS

Source: SNL Financial; 5/14/08 – 6/30/14. Total return of a security over a period, including price appreciation and the reinvestment of dividends. Dividends are assumed to be reinvested at the closing price of the security on the ex-dividend date

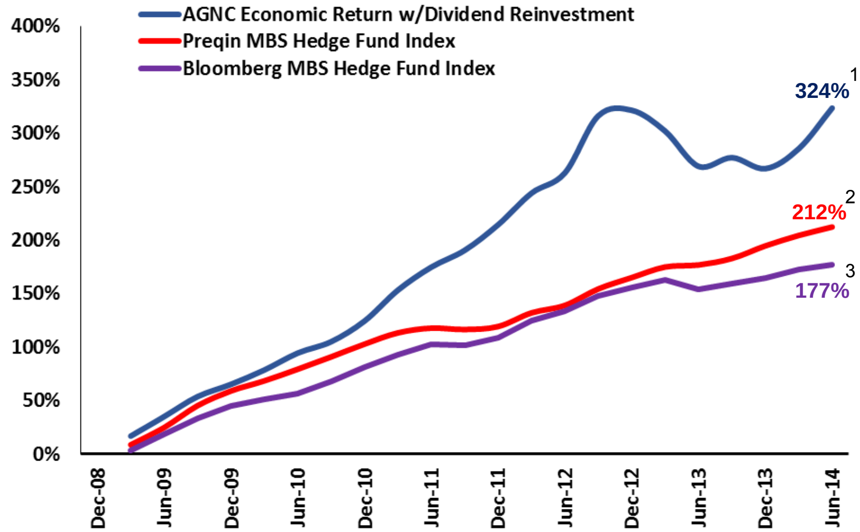
1. CYS was privately held prior to June 2009. Total Return for the period of 6/11/09 to 6/30/14 was 85.3%
2. ARR commenced Operations in Q4 2009. Total Return for the period of 11/10/09 to 6/30/14 was 11.4%

AGNC Economic Return Compared to Hedge Fund Returns

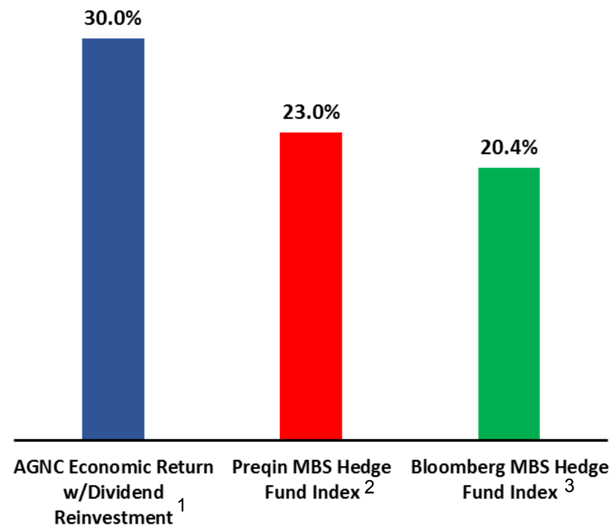
AGNC's economic return (quarterly dividends plus changes in book value) has also significantly outpaced the returns of two indices of levered MBS oriented fixed-income hedge funds since the beginning of 2009 [4]

AGNC Economic Return w/Dividend Reinvestment vs. MBS Hedge Fund Index Returns
Dec 31, 2008 - June 30, 2014

Cumulative Returns



Annualized Returns



1. AGNC economic return assumes dividend reinvestment for comparability purposes. Dividends assumed to be reinvested on the last day of the quarter declared at the quarter-end NAV.
2. Source: Preqin. Based on the average monthly returns of hedge funds focusing on mortgage-backed securities. The monthly returns are based on the returns reported by Preqin on 9/12/14.
3. Source: Bloomberg MBS Hedge Fund Index (BBHFMARB). Index represents the capitalization-weighted monthly returns of at least 20 hedge funds included in the index as of 9/17/14. Index represents mortgage-backed arbitrage hedge funds, domiciled globally.
4. Hedge fund indices presented above may be subject to biases such as, but not limited to, selection bias, survivorship bias, and backfill bias. In addition, the underlying hedge funds may employ different investing and hedging strategies from AGNC, including investing in non-agency MBS securities, which along with the volatility of the indices and other characteristics, may lead to materially different results from AGNC. The returns of the funds included in the indices are net of applicable fees and expenses. Investors generally cannot invest directly in these indices, which are presented for reference purposes only, and their performance may not be replicated.

Strong Risk Management

RISK MANAGEMENT OVERVIEW

THE PRIMARY OBJECTIVE OF OUR RISK MANAGEMENT ACTIONS IS NOT TO ELIMINATE RISK OR TO LOCK IN A PARTICULAR NET INTEREST MARGIN BUT TO KEEP FLUCTUATIONS IN OUR NET BOOK VALUE WITHIN REASONABLE BANDS OVER A WIDE RANGE OF INTEREST RATE SCENARIOS

- **We utilize a comprehensive approach to risk management that emphasizes careful asset selection, upfront hedging with Treasuries, swaps and swaptions and ongoing portfolio rebalancing**
- **We adjust the size and type of our hedge instruments based on the risks inherent in our assets for a given market environment**
- **While mortgage spread risk (or "basis risk") is a significant component of our business, we use asset selection and leverage to size the magnitude of this exposure**
- **We provide investors with detailed information on both our assets and hedges and provide model estimates of both our interest rate and mortgage spread exposure**

AGNC Interest Rate Sensitivity [1]
As of June 30, 2014
(based on instantaneous parallel shift in interest rates)

Interest Rate Shock (bps)	Estimated Change in Portfolio Market Value [2]	Estimated Change as a % of NAV [3]
-100	0.1%	0%
-50	0.4%	3%
+50	-0.7%	-5%
+100	-1.5%	-11%

AGNC MBS Spread Sensitivity ("Basis Risk") [1]
As of June 30, 2014

MBS Spread Shock (bps)	Estimated Change in Portfolio Market Value [2]	Estimated Change as a % of NAV [3]
-25	1.4%	10%
-10	0.5%	4%
+10	-0.5%	-4%
+25	-1.4%	-10%

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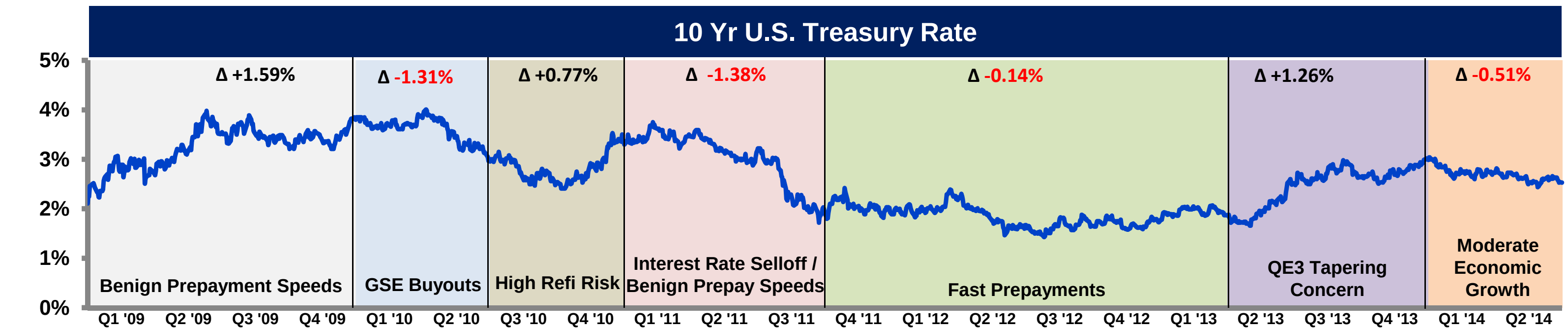
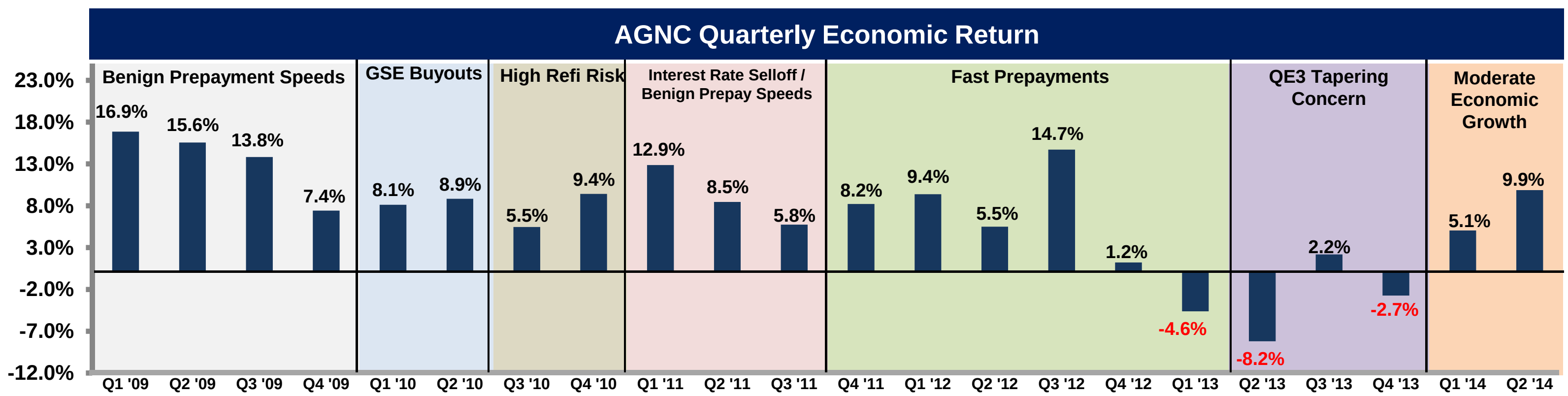
1. Interest rate and MBS spread sensitivity are derived from models that are dependent on inputs and assumptions provided by third parties as well as by our investment team and, accordingly, actual results could differ materially from these estimates.
2. Estimated dollar change in value expressed as a percentage of the total market value of "at risk" assets
3. Estimated change as a percentage of NAV incorporates the impact of leverage

AGNC Historical Economic Return Volatility

Our active and disciplined approach to risk management has reduced but not eliminated the volatility of AGNC's economic return over time





- ♦ **Active risk management is critical to containing economic losses when market conditions change rapidly**
- ♦ **AGNC has had only 3 quarters with economic losses since 2008 and the magnitude of those losses were well below some of our best quarters**
  - ✓ AGNC has had 10 quarters since 2008 where positive economic returns exceeded 8.2%, the magnitude of its worst quarterly loss

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AGNC's Worst Quarterly Economic Return Relative to Peers

The table below shows the worst quarterly economic return performance in a given calendar year for agency focused REITs

Worst Quarterly Economic Return by Year [1]

Best (green) Worst (red)

	AGNC	Peer Average [2]	Peer A	Peer B	Peer C	Peer D	Peer E	Peer F
2009	7.4%	2.6%	7.2%	3.3%	N/A [3]	-5.3%	2.6%	5.2%
Relevant quarter:	Q4		Q4	Q4	-	Q2	Q4	Q4
2010	5.5%	-4.0%	-6.2%	0.0%	-16.9%	-2.7%	1.8%	0.1%
Relevant quarter:	Q3		Q3	Q4	Q2	Q4	Q3	Q4
2011	5.8%	2.2%	1.6%	2.2%	0.0%	4.2%	3.6%	1.4%
Relevant quarter:	Q3		Q3	Q3	Q3	Q4	Q4	Q3
2012	1.2%	-1.8%	-1.8%	-2.4%	-2.7%	-1.6%	0.0%	-2.3%
Relevant quarter:	Q4		Q4	Q4	Q4	Q4	Q4	Q4
2013	-8.2%	-13.4%	-11.6%	-18.8%	-15.7%	-18.1%	-3.6%	-12.5%
Relevant quarter:	Q2		Q2	Q2	Q2	Q2	Q2	Q2

- **AGNC's industry leading returns have been accompanied by less quarterly downside than its peers**
  - ✓ AGNC's weakest quarter in any given year has always been better than the industry average
  - ✓ AGNC's economic return in its worst quarter was stronger than the weakest quarter of every peer in every year except 2013, when it was ranked second best

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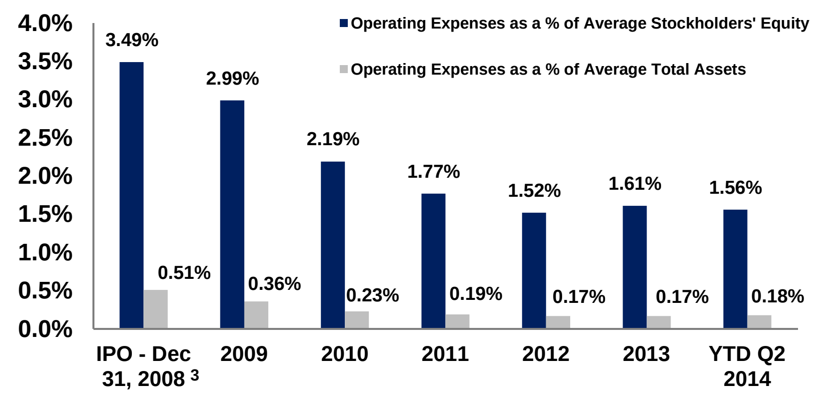
* Peer group represents agency MBS focused REITs (In random order: NLY, CMO, HTS, ANH, ARR, CYS)
1. Data compiled from company filings
2. Peer average calculated on an unweighted basis.
3. Peer C 2009 economic return not available.

SCALE AND LIQUIDITY

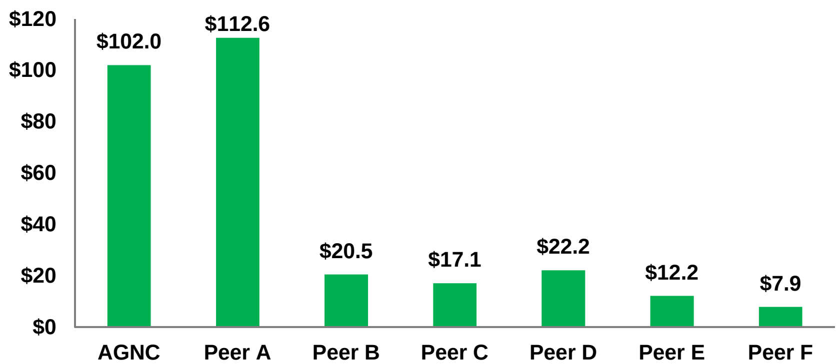
AGNC's Scale Has Benefits to Shareholders

AGNC's growth has reduced operating expenses, increased liquidity of its shares, and enhanced its leverage with dealer counterparties and other service providers

AGNC's Annualized Operating Expenses as a % of Average Stockholders' Equity and Average Total Assets



2014 YTD Average Daily Trading Volume (AGNC vs. Peers) [1,2]
($ In Millions)



- AGNC's total operating expenses are approximately 1.56% of equity, which is low in comparison to other actively managed, levered fixed-income investors, such as hedge funds where fees are typically 1.5% of funds under management plus a 20% incentive fee [4]
- AGNC's operating expenses as a percent of assets are only 18 bps, which is considerably lower than almost all passive and actively managed bond funds
- AGNC's common stock has the second largest average daily trading volume of its peer group and has approximately $70 billion in assets

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1. Source: SNL Financial. Represents average daily trading volume for the period of 1/1/14 – 6/30/14
2. Peer group represents agency MBS focused REITs (In random order: NLY, CMO, HTS, ANH, ARR, CYS)
3. 5/20/08 IPO
4. Hedge fund data source: Preqin

TRANSPARENT, SHAREHOLDER FOCUSED MANAGEMENT TEAM

DISCLOSURE AND TRANSPARENCY

AGNC STRIVES TO BE AN INDUSTRY LEADER WITH RESPECT TO DISCLOSURE AND TRANSPARENCY

- **Detailed breakdowns of assets, liabilities and hedges**
- **Estimates of asset duration by coupon and product type**
- **Duration gap estimates for multiple rate scenarios**
- **Estimates of mortgage spread risk**
- **AGNC also announced that it will begin disclosing monthly estimates of its NAV and will switch to a monthly dividend [1]**
  - ✓ The monthly NAV disclosure will be made for the first two months of each quarter and will be disclosed around the 15th of the following month, beginning with October 31, 2014, which will be disclosed in mid-November
  - ✓ Quarter end NAV (third month of each quarter) will continue to be released with AGNC's regular quarterly earnings announcements

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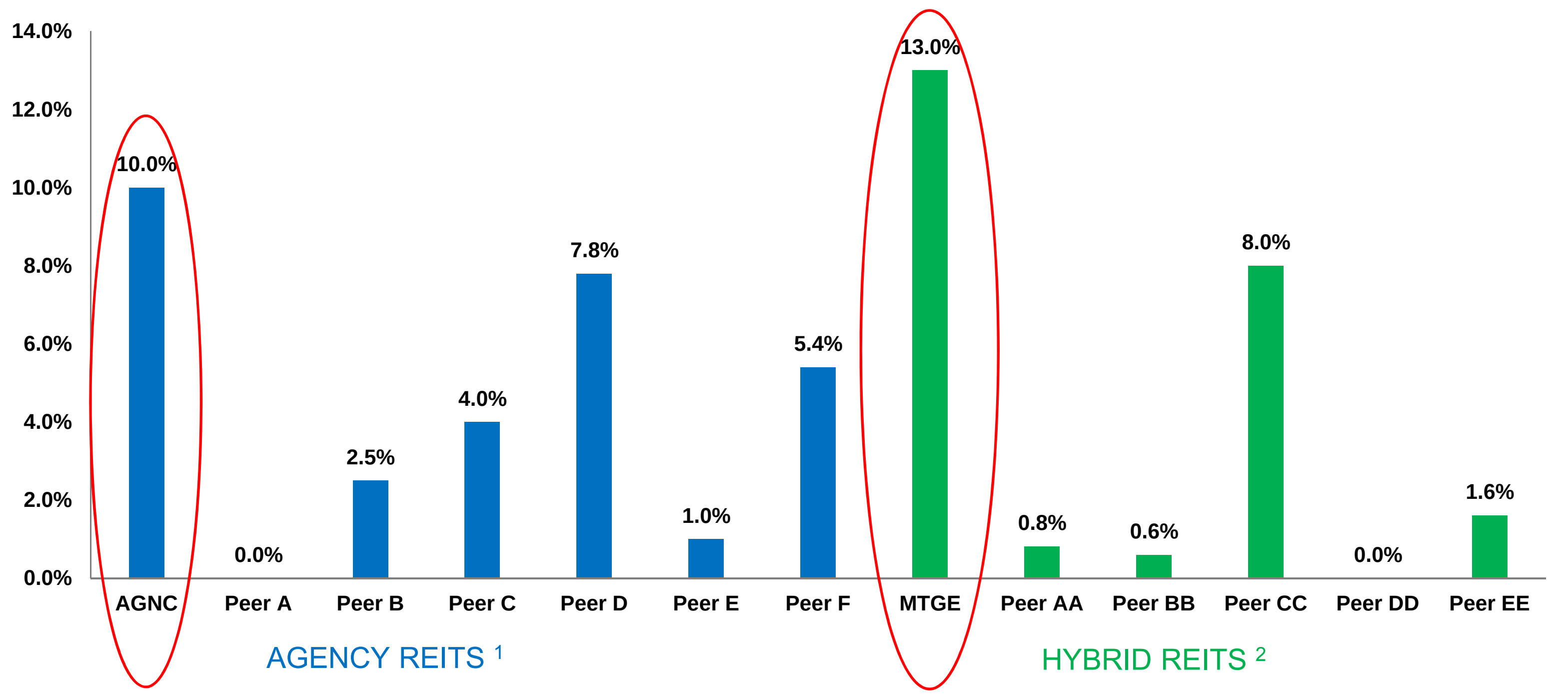
1. Dividends are subject to approval by AGNC's Board of Directors and are not guaranteed

MANAGEMENT IS SHAREHOLDER FOCUSED

AGNC AND MTGE HAVE A DEMONSTRATED TRACK RECORD OF EXECUTING TRANSACTIONS THAT WE BELIEVED WERE IN THE BEST INTERESTS OF SHAREHOLDERS

- **AGNC and MTGE executed substantial share repurchases during 2013 despite the negative implications on management fee income**

Percentage of Shares Repurchased During 2013



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Source: Company filings; calculation based on 12/31/2012 common shares outstanding + follow-on issuance.

1. Agency peer group represents agency MBS focused REITs (In random order: NLY, CMO, HTS, ANH, ARR, CYS)
2. Hybrid REIT peer group represents residential agency and non-agency MBS focused REITs (In random order: TWO, IVR, DX, MITT, MFA)

MANAGEMENT IS SHAREHOLDER FOCUSED (CONTINUED)

- **AGNC significantly repositioned its portfolio in 2013 away from lower coupon 30 year MBS despite the negative implications for management fee income**
  - ✓ AGNC incurred net realized losses on MBS sales of $1.4B, which effectively reduced its management fee base by 14%
- **AGNC/MGTE senior executive compensation is aligned with shareholder interests**
  - ✓ Senior executives at the management company receive a significant portion of their annual compensation in the form of deferred stock in AGNC and MTGE
  - ✓ Senior executives have performance based bonus targets that are largely based on economic return, total stock return and price/book relative to peers

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CONCLUSION

MAXIMIZING STOCKHOLDER RETURNS BEGINS WITH ECONOMIC PERFORMANCE BUT ALSO REQUIRES BEST IN CLASS RISK MANAGEMENT, SCALE (LIQUIDITY), AND A TRANSPARENT, SHAREHOLDER FOCUSED MANAGEMENT TEAM

Performance

Industry leading economic returns over a wide range of economic and interest rate environments

Risk Management

Actively managed asset selection, hedging, and funding strategies designed to balance risk and return objectives and mitigate book value exposure to large changes in interest rates

Scale and Liquidity

Market cap with sufficient economies of scale and the float and liquidity necessary to attract investors of all types and sizes

Transparent Shareholder Focused Management Team

Industry leading disclosure coupled with a demonstrated track record of shareholder friendly issuance and repurchase activity