Five Oaks
Investment Corp.

Investor Presentation (NYSE: OAKS)

Mitsubishi UFJ Securities
Mortgage REIT – Corporate Access Day
New York - May 7, 2013

This presentation includes “forward-looking statements” within the meaning of the U.S. securities laws that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. You can identify forward-looking statements by use of words such as “believe,” “expect,” “anticipate,” “estimate,” “plan,” “continue,” “intend,” “should,” “may” or similar expressions or other comparable terms, or by discussions of strategy, plans or intentions. Statements regarding the following subjects, among others, may be forward-looking: the return on equity; the yield on investments; the ability to borrow to finance assets; and risks associated with investing in real estate assets, including changes in business conditions and the general economy. Forward-looking statements are based on our beliefs, assumptions and expectations of its future performance, taking into account all information currently available to us. Actual results may differ from expectations, estimates and projections and, consequently, you should not rely on these forward looking statements as predictions of future events. Forward-looking statements are subject to substantial risks and uncertainties, many of which are difficult to predict and are generally beyond our control. Additional information concerning these and other risk factors are contained in our most recent filings with the Securities and Exchange Commission, which are available on the Securities and Exchange Commission’s website at www.sec.gov.

All subsequent written and oral forward-looking statements that we make, or that are attributable to us, are expressly qualified in their entirety by this cautionary notice. Any forward-looking statement speaks only as of the date on which it is made. 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.

•This material is for information purposes only and does not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation for any securities, financial instruments, or common or privately issued stock. The statements, information and estimates contained herein are based on information that we believe to be reliable as of today’s date, but we do not make any representation that such statements, information or estimates are complete or accurate.

For GAAP financial statement reporting purposes, certain of our Non-Agency RMBS are reported as "Linked Transactions" and the fair value of those assets are not included in the fair value of our RMBS portfolio on a GAAP basis. This is because when we finance the purchase of securities with repurchase agreements from the same counterparty from whom the securities are purchased and both transactions are entered into contemporaneously or in contemplation of each other, the transactions are presumed to be part of the same arrangement, or a "Linked Transaction," unless certain criteria are met. Under GAAP, we account for the two components of a Linked Transaction (the RMBS purchase and the related repurchase agreement financing) on a net basis and record a forward purchase (derivative) contract, at fair value, on our balance sheet in the line item "Linked Transactions, net, at fair value." In managing and evaluating the composition and performance of our RMBS portfolio, however, we do not view the purchase of our Non-Agency RMBS and the associated repurchase agreement financing as transactions that are linked. We therefore have also presented certain information that includes the Non-Agency RMBS underlying our Linked Transactions. This information constitutes non-GAAP financial measures within the meaning of Regulation G, as promulgated by the Securities and Exchange Commission. We believe that this non-GAAP information enhances the ability of investors to analyze our RMBS portfolio and the performance of our Non-Agency RMBS in the same way that we assess our portfolio and such assets. We reconcile these measurements to GAAP in our quarterly reports on form 10-Q filed with, and will reconcile them in our annual report on form 10-K when filed with, the Securities and Exchange Commission.

Five Oaks: Company Highlights

Successful IPO Completion

- ➡ **Operating since May 2012, Completed IPO in March 2013**
- ➡ **Portfolio of ~$ 1 billion. Monthly Dividend Payments**

Experienced Team

- ➡ **Investment / Operations Team with Experience Across Market Cycles**
- ➡ **20+ Years of Industry Experience on Average, with 10 Years Together as a Team**

Strong Performance as a Private Company

- ➡ **Book Value Increased 23.3% from Inception through 12/31/2012** [(1)]
- ➡ **Economic Return of 27.7% Including Dividends** [(2)]

Flexible Hybrid Investment Strategy

- ➡ **Focus on Current Portfolio Investments**
- ➡ **Positioned for High-Yielding New Issue Opportunities**

Alignment of Interests

- ➡ **XL and Management Invested a Combined $26.5 million in Shares in May 2012**
- ➡ **XL Purchased an Additional $25 million concurrently with our IPO in March 2013**

1. This increase resulted primarily from a rise in the prices of the majority of our portfolio securities during the period. Given that the increase in net asset value was due to unrealized gains on portfolio securities, such increases may not be sustainable or realizable going forward.
2. Pre-split dividend amounts were as follows: $0.018837 per share for the dividend paid for the period from inception on 5/16/12 through 9/30/12, $0.00833 per share for the monthly dividends paid for October through December and $0.0083 per share for the dividend paid for January 2013.

Portfolio Highlights

Five Oaks is a hybrid mortgage REIT formed in May 2012, listed on NYSE in March 2013

Investment Strategy

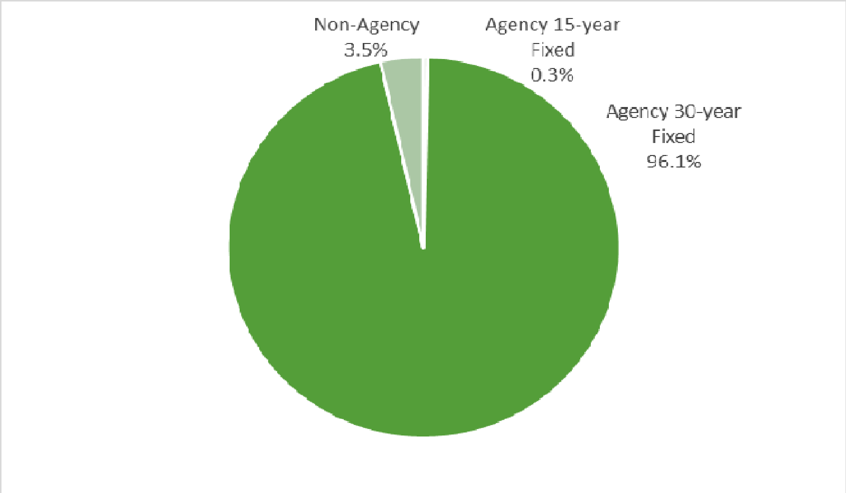
- Relative value "balanced approach" to asset selection to enhance risk-adjusted returns
  - Agency RMBS: specified pools focus
  - New Issue and Legacy Non-Agency RMBS
- Dividend stability and long-term book value growth
- Targeted 12.5% to 14.5% dividend yield, with a gross ROE target of 16.0% to 18.0%. May and June 2013 announced dividends within the range [2]

Funding and hedging

- Leverage, funding and hedging strategies are actively managed based on portfolio composition and market risks
- Total repurchase agreement borrowings of $934.6 million from 15 counterparties at 3.31.13[3]
- Total notional of interest rate swap and swaption contracts of $490.0 million at 3.31.13

Portfolio Composition [1]

Total = $992.3 million



1. As of 3/31/13. Presented on a non-GAAP basis to include Non-Agency RMBS underlying Linked Transactions.
2. Announced dividends of $0.16 per share equate to annualized yield of 13.1% based on 2/28/13 closing price of $14.63.
3. As of 3/31/13. Presented on a non-GAAP basis to include repurchase agreement borrowings underlying Linked Transactions.

Five Oaks History

May 16, 2012	June - July	October	November	Ongoing	March 21, 2013	March 31, 2013
Inception	Portfolio ramp-up	Paid out first dividend	Commenced monthly dividends	Continued increasing repo facilities	Successfully completed IPO	Q1 2013 BV per share $15.77

- Five Oaks began operating as a mortgage REIT in May 2012 to take advantage of unique opportunities and secular changes in the RMBS markets.
- XL Investments Ltd and Management purchased $26.5 million of our common stock in May 2012, to help fund an initial investment portfolio.
- Five Oaks commenced paying monthly dividends in November 2012.
- Our Manager has established funding relationships with 15 counterparties as of March 31, 2013.
- In March, 2013, Five Oaks successfully completed an IPO selling $60.5mm of shares, and a concurrent private placement of $25mm of shares to XL Investments Ltd., at $15 per share, raising net proceeds of $84.0 million after expenses.
- Efficiently deployed new capital proceeds primarily in Agency RMBS prior to quarter end. Book value per share of $15.77.

Five Oaks' Balanced Approach Offers Key Advantages

Flexibility

- Ability to Allocate Capital Across the Entire RMBS Sector
  - Agencies, Legacy Non-Agencies, New Issue Non-Agencies
  - Blending investments enhances potential for attractive and balanced risk-adjusted returns with different leverage, cash flow, duration and convexity profiles

Hybrid Strategy

- Lower Targeted Leverage than Agency-Only Strategies Reduces Interest Rate Sensitivity, Impact of Prepayments and Reliance on Repo Financing

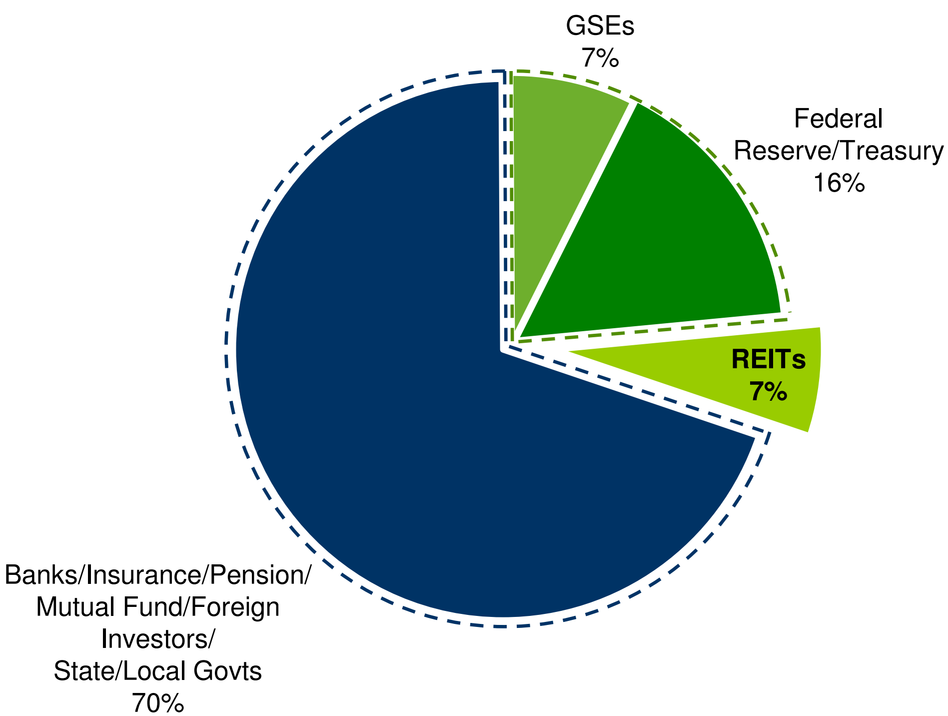
Timing

- Well Positioned to Benefit from the Next Phase of the Mortgage Market – Re-emergence of Private Capital
  - New Issue Non-Agency market expected to accelerate
  - Participate in the recapitalization of the Non-Agency RMBS market by investing in "organic" New Issue Prime RMBS

As a differentiated hybrid REIT, Five Oaks is positioned to benefit from higher yielding investments in new issue prime transactions

The U.S. Mortgage Market – A New Paradigm

Estimated RMBS Holders (September 2012)



Source: Based on SIFMA, Federal Reserve, FNMA and FHLMC data.

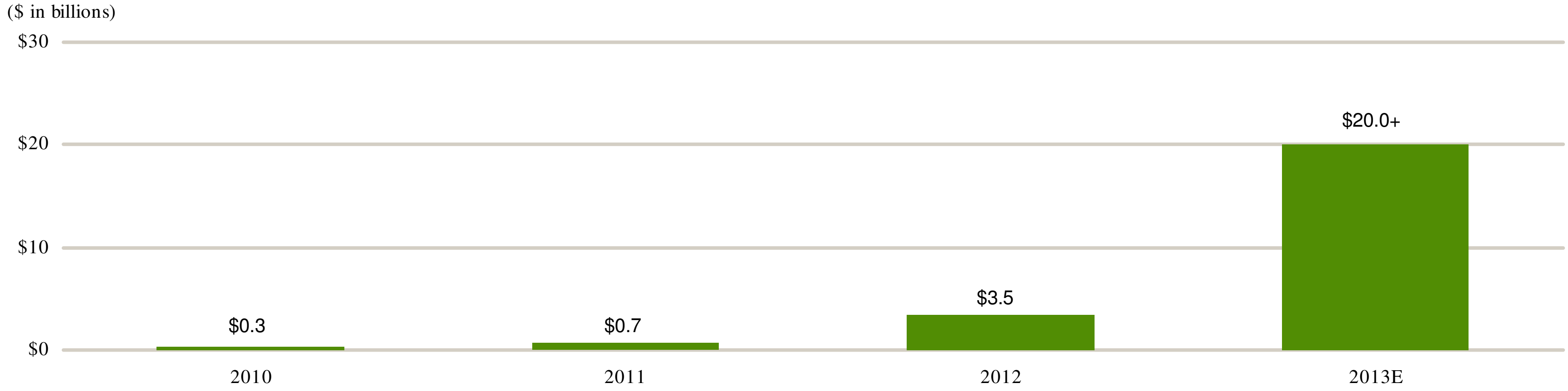
- **Residential Mortgage Industry of the Future - More Capital Intensive and New Player Mix**
  - We believe the current ~90%+ Agency share of the new issue RMBS market has the potential to revert over time towards historical levels of up to approximately 50%
  - Reduced government guarantees will require more private capital to be held against mortgage loans
  - As the government pulls back from the mortgage market and other RMBS holders are capital constrained, mortgage REITs are well positioned to fill the void
- **Our Added Focus will be on the Investment Infrastructure for New Issue RMBS**
  - We are well positioned to capitalize on this potential new capital demand dynamic given our regulatory, balance sheet and expense efficiency

Opportunity for Mortgage REITs to gain share as the GSEs withdraw from the market

Accelerating New Non-Agency Issuance Demands Capital

While the GSEs are dominant in the $10+ trillion dollar mortgage market, we believe the Non-Agency securitization and origination markets are reopening for business, creating an alternative to the Agency market

Prime Non-Agency RMBS Issuance is Accelerating



- The current regulatory environment is driving changes to risk retention and capital requirements, encouraging inflows of private capital
- Mortgage REITs are well-positioned to accommodate the need for fresh capital

"The Administration is committed to a system in which the private market – subject to strong oversight and strong consumer and investor protections – is the primary source of mortgage credit."

– Tim Geithner before the House Committee on Financial Services on 3/1/2011

2010 through 2012 information provided by: Inside Mortgage Finance Publications, Inc., Inside MBS & ABS, Copyright 2013 www.insidemortgagefinance.com; 2013 estimated information from Bloomberg.

Investment Style: Balanced Risk Approach

	Interest Rate Risk	*Prepayment Risk*	*Leverage Risk*
Objective	• Low interest rate exposure	• Portfolio focus on prepayment upside	• Lower overall leverage than Agency-only
Approach	• Legacy Non-Agency used to offset fixed rate Agency RMBS • High allocation to adjustable rate Legacy Non-Agency RMBS	• Agency RMBS with implicit protection • Legacy Non-Agency discount RMBS with slow assumed prepayment speeds may benefit from faster prepayments • Allocation to Non-Agency less exposed to prepayment than Agency	• Less dependent on repo financing than Agency-only • Allocation to New Issue Non-Agency subordinate securities

Investment Opportunities: Legacy Non-Agency RMBS

Attractive Absolute Loss-Adjusted Returns

- Improving underlying loan performance including, declining delinquencies, relatively stable housing prices and servicers' actions which benefit bond holders
- More attractive risk-reward proposition relative to other credit sectors despite rally in prices

Asset Selection is Key

- Five Oaks uses loan-level credit analytics with conservative default and severity assumptions
- Utilizes conservative home price assumptions

Disciplined Investment Approach

- Lower priced bonds provide upside optionality and lower strategic default risk
- Low leverage Legacy Non-Agency funding strategy
- "Credit burnout" allows for better long-term performance
- Conservative "worst-case scenario" approach to reduce volatility of investment outcome

Investment Opportunities: Agency RMBS

Five Oaks Investment Corp.

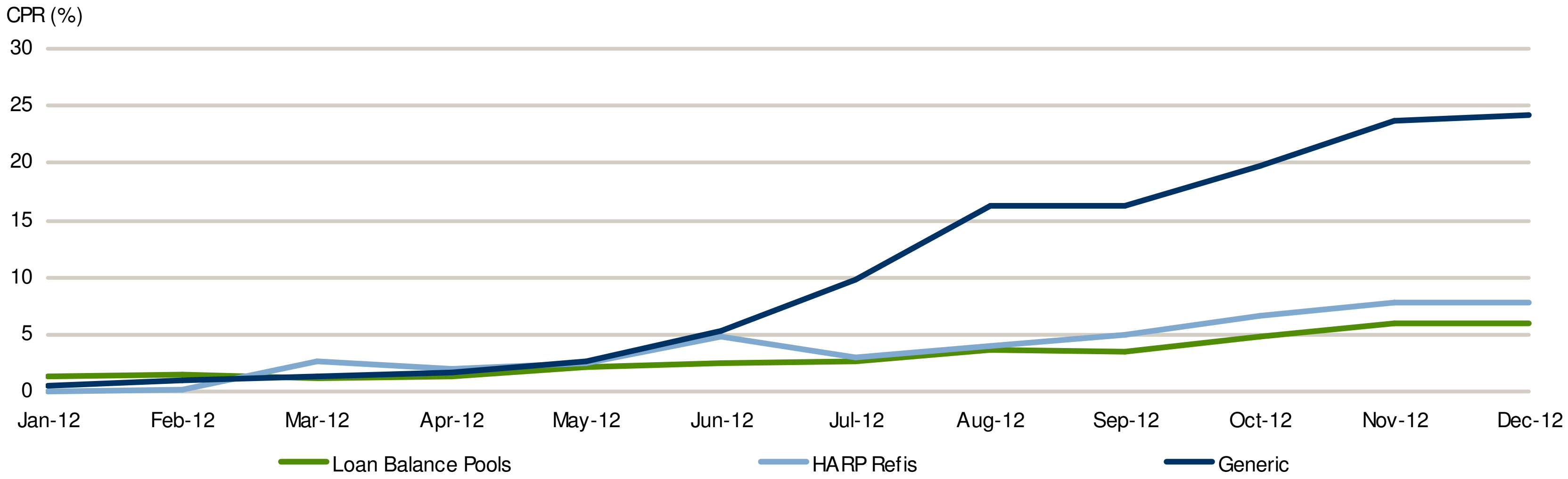
Overview

- Given the current rate environment, Agency spreads have tightened and prepayment speeds have increased
- Asset selection is critical to performance – specified pool prepayment speeds have remained slow

Strong Potential Returns

- Prepayment protected RMBS offer value and greater prepayment stability
- Low funding rates and stable yield on prepayment protected securities create attractive ROE opportunities
- Five Oaks' Agency RMBS portfolio was comprised of 100% prepayment protected securities as of 12/31/2012

Prepayment Speeds on 2012 FNMA 30-yr 3.5% Coupons



1. Loan balance securities defined as pools backed by maximum original loan balances of up to $175K. HARP securities defined as pools backed by 100% refinance loans with original LTV $\geq$ 80%. CPR represents the weighted average actual 1-month annualized CPR released at the beginning of the month.
2. Based on FNMA data.

Investment Opportunities: New Issue Non-Agency RMBS

Fundamentals for New Issuance have Improved Significantly in Recent Months

- GSE loan limit decreased in late 2011 and GSE guarantee fees have increased
- Improving AAA execution – AAA New Issue Non-Agency spreads are tightening

Future Growth and Return Potential – Beginning to See Recapitalization Phase

- Non-Agency market is expected to rebound
- Retention of New Issue Subordinated RMBS is an important change in the private RMBS market – Risk retention of such investments will likely constitute between 5-8% of each future securitization

Differentiated Hybrid Mortgage REITs

- Hybrid mortgage REITs have the experience, relationships and infrastructure to efficiently invest in high-yielding "organic" New Issue RMBS
- Investment opportunity for Five Oaks – We intend to continue developing our expertise and infrastructure with a view to becoming a significant participant in the New Issue sector

Good Loans to Good Borrowers Being Underwritten Today

Portfolio Characteristics as of 3/31/12

Five Oaks Investment Corp.

Net Interest Margin

	Agency RMBS	Non-Agency RMBS	Aggregate Portfolio
Annualized Yield	2.7%	10.0%	2.9%
Cost of Repos	0.4%	2.0%	0.5%
Cost of Swaps & Swaptions	0.4% (1)	0.0%	0.4%
Cost of Financing	0.9%	2.0%	0.9%
Net Interest Margin	1.8%	8.0%	2.0%
Total Leverage:			8.0x
Gross ROE:			**19.0%**

Note: Non-Agency RMBS, Aggregate Portfolio, Total Leverage, and Gross ROE figures are Non-GAAP combined. Numbers may not sum up due to rounding
.

(1) Agency RMBS portfolio is 53.2% hedged against Agency repo outstanding.

Management Bios

David Carroll – Chief Executive Officer, President and Chairman of the Board

- Ivy Square Ltd.: President (2008 – 2012)
- Ceres Capital Partners LLC: Co-founder (1999 – 2008)
- Morgan Stanley: Director (1986 – 1999)
- Cargill Inc.: Trader (1984 – 1986)
- B.A., University of Virginia; M.B.A., Duke University Fuqua School of Business

David Oston – Chief Financial Officer, Treasurer and Secretary

- Ivy Square Ltd.: Managing Director (2008 – 2012)
- Ceres Capital Partners LLC: Portfolio Manager (2002 – 2008)
- Natexis Banques Populaires: CFO, New York Branch (2000 – 2001); Head of Specialty Finance (1990 – 2000)
- Various credit-related roles at ANZ/Grindlays and Banque Bruxelles Lambert
- B.A., M.A., Economic Geography, Cambridge University, England

Paul Chong, CFA – Chief Investment Officer

- Ivy Square Ltd.: Portfolio Manager (2008 – 2011)
- Ceres Capital Partners LLC: Portfolio Manager (2004 – 2008)
- Financial Consultant, Arthur Anderson
- Credit Analyst, Bank of America
- B.Bus., Nanyang Technological University in Singapore, M.B.A., Duke University School of Business
- C.F.A. holder

Management Bios (continued)

Darren Comisso – Director of Client Service and Marketing

- 20 years of experience in the financial markets
- Ceres Capital Partners LLC: Co-founder (1999 – 2008)
- Bank of America: Vice President (1992 – 1999)
- B.A. Economics, University of California in Los Angeles

Tom Flynn – Director of Client Service and Marketing

- 35 years of experience in the financial markets
- Ivy Square Ltd.: Managing Director (2008 – 2011)
- Ceres Capital Partners LLC: Managing Director (2001 – 2008)
- Morgan Stanley: Head of Global Banking and Finance Credit Research (1985 – 2000)
- B.S.B.A., Georgetown University, M.B.A., Babson College

David Akre – Managing Director

- 29 years of experience in the financial markets
- Whole Loan Capital, LLC: Principal (2009 – 2013)
- New York Mortgage Trust: Co-CEO, Vice Chairman, co-Founder (2003 – 2009)
- Thornburg Mortgage, Inc: Vice President, Capital Markets, Bulk Acquisitions and Secondary Marketing (1997- - 2003)
- B.S., United States Merchant Marine Academy, Kings Point, New York