Five Oaks Investment Corp.

First Quarter 2017

Earnings and Performance Highlights Presentation

May 10, 2017

OAKS LISTED NYSE

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Performance Highlights: First Quarter

- First Quarter 2017
  - Dividend of $0.15 per common share
  - Comprehensive income of $5.0 million, or $0.29 per common share
  - GAAP net income of $1.5 million, or $0.08 per common share
  - Core earnings[1] of $2.7 million, or $0.15 per common share
  - Net book value increase of $0.14 cents to $6.14 per common share
  - Realized a positive economic return on our common stock of 4.8% for the quarter (19.3% annualized)[2]
  - We reduced our credit exposure by $43.8 million as credit spreads tightened
  - We redeployed capital into Agency hybrid arms which increased from $788.7 million to $998.9 million
  - Leverage of 6.7x on stockholders' equity as of March 31, 2017

Footnotes:

1) Core Earnings is a non-GAAP measure that we define as GAAP net income, excluding impairment losses, realized and unrealized gains or losses on the aggregate portfolio and certain non-recurring upfront costs related to securitization transactions or other one-time charges. As defined, Core Earnings includes interest income or expense and premium income or loss on derivative instruments
2) Economic return is a non-GAAP measure that we define as the sum of the change in net book value per common share and dividends declared on our common stock during the period over the beginning net book value per common share

Market Observations: First Quarter 2017

- Rates stabilized in the first quarter with the 10 yr. UST trading in a range of 2.31% to 2.63%
- Investors have grown more cautious of the new administration's ability to quickly implement its reflationary agenda
- The market expects two more Fed tightening moves this year
- It appears the Fed will begin shrinking its balance sheet by year end 2017
- The yield curve flattened with the 2/10's treasury spread declining from 125 bps to 113 bps.
- Credit spreads generally tightened
- Agency repo rate averaged approximately 102 bps in the quarter
- Increasing supply of Agency MBS and wider spreads is positive for investments in Agency MBS

Investment Strategy

- As we communicated previously, we intend to focus on a business strategy that is simpler to understand and more cost efficient
- Our focus is now primarily upon Agency hybrid floating-rate securities and Freddie Mac K-series Multifamily credit exposure
- Exiting our prime jumbo securitization platform has allowed us to meaningfully reduce our fixed expenses going forward (i.e. after Q1 2017)
- Investing in intermediate floating rate Agency hybrid securities should allow us to capture yield along the curve while minimizing extension risk
- Agency intermediate term hybrid securities should benefit from rolling down the yield curve
- The Fed's intention to reduce its balance sheet we believe is a net positive for our Agency reinvestment and is expected to add a strong tail wind to MBS spread investments for years to come
- We have reduced our repo-funded Freddie Mac K-series investments as spreads have tightened
- We have employed an active hedging strategy in an attempt to minimize large price changes resulting from movements in rates and changes in the shape of the yield curve
- Approximately 60% of our hedges mature in two years or less
- We have booked $492million in gross loan volume as a limited rep and warranty risk backstop guarantee provider on prime jumbo loans sold through MAXEX's LNEX Exchange

ARM and Credit Portfolios

ARM Portfolio: 3/31/2017							
Months to Reset	% of ARM Portfolio	Current Face Value	Weighted Avg. Coupon	Weighted Avg. Amortized Purchase Price	Amortized Cost	Weighted Avg. Market Price	Market Value
0 -36	0.7%	$ 7,194,557	2.30%	102.78	$ 7,394,910.55	102.20	$ 7,352,958.23
37-60	7.4%	$ 72,974,753	2.23%	102.66	$ 74,912,977.57	101.78	$ 74,272,478.95
61-72	17.0%	$ 166,926,864	2.57%	102.55	$ 171,178,323.24	102.13	$ 170,485,809.40
73-84	74.8%	$ 733,748,017	2.54%	101.88	$ 747,560,302.80	101.77	$ 746,748,575.55
Total ARMs	**100.0%**	**$ 980,844,191**	**2.52%**	**102.06**	**$ 1,001,046,514.16**	**101.84**	**$ 998,859,822.12**

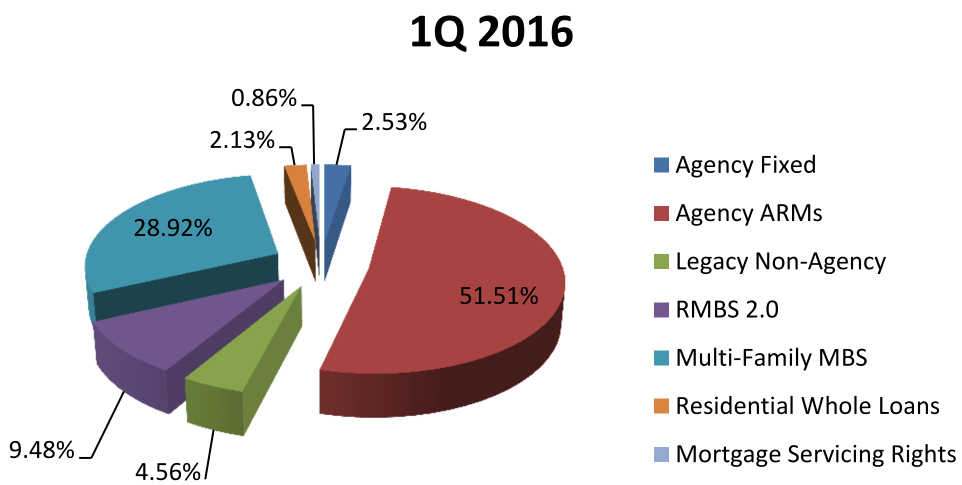
- Our 1Q17 Agency ARM Portfolio has a three month CPR of 7.2%
- Our weighted average coupon is 2.52%
- Our weighted average purchase price is $102.06
- Lower coupon and dollar price hybrids benefit from “roll down the curve”
- To date, we have not experienced any delinquencies in the underlying loan portfolios of our Freddie Mac K-series investments

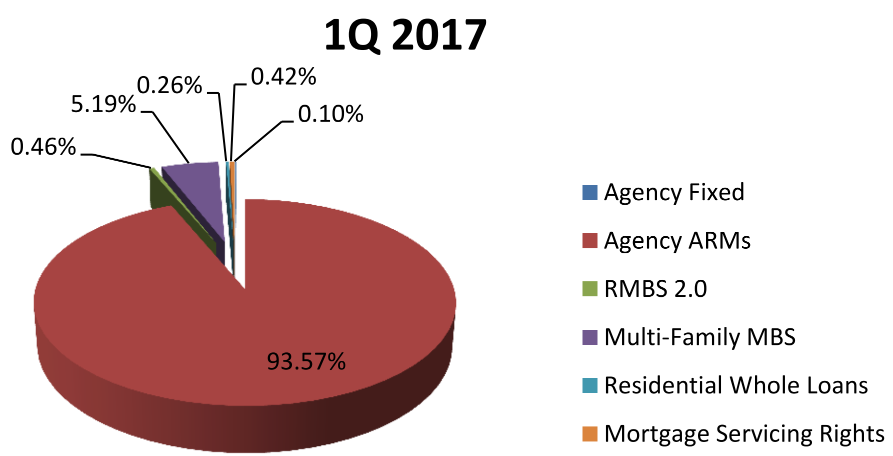
Core Earnings Analysis: First Quarter 2017

GAAP to Core Earnings Reconciliation

		Quarter Ended March 31, 2017
Reconciliation of GAAP to non-GAAP Information		
Net Income (loss) attributable to common shareholders	$	1,488,632
Adjustments for non-core earnings		
Realized (Gain) Loss on sale of investments, net	$	9,317,003
Unrealized Gain (Loss) on fair value securities	$	(9,448,270)
Realized (Gain) Loss on derivative contracts, net	$	(2,233,051)
Unrealized (Gain) Loss on derivative contracts, net	$	3,077,088
Realized (Gain) Loss on mortgage loans held-for-sale	$	174
Unrealized (Gain) Loss on mortgage loans held-for-sale	$	3,709
Unrealized (Gain) Loss on mortgage servicing rights	$	126,446
Unrealized (Gain) Loss on multi-family loans held in securitization trusts	$	(1,299,630)
Unrealized (Gain) Loss on residentail loans held in securitization trusts	$	368,343
Other income	$	(12,171)
Subtotal	$	(100,363)
Other Adjustments		
Recognized compensation expense related to restricted common stock	$	6,620
Adjustment for consolidated securities/securitization costs	$	1,136,592
Adjustment for one-time charges	$	152,322
Core Earnings	$	2,683,807
Weighted average shares outstanding - Basic and Diluted		17,539,258
Core Earnings per weighted average share outstanding - Basic and Diluted	$	0.15

Portfolio Analysis: First Quarter 2016 vs. 2017





End of Presentation

Five Oaks

Investment Corp.