New Residential Quarterly Supplement*

Second Quarter 2013

** The Total/WA Assets and Net Investment figures have been updated on page 9 on November 7, 2013 to reflect corrected numbers. No other figures have been updated throughout the presentation.*

Disclaimers

FORWARD-LOOKING STATEMENTS. Certain statements in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation references to potential or projected future cash flows, lifetime estimated returns and potential future investments. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond our control. New Residential can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained in this press release. For a discussion of some of the risks and important factors that could affect such forward-looking statements, see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" in the Company's most recently filed Form 10-Q and its Registration Statement on Form 10, which are available on the Company's website (www.newresi.com). In addition, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this press release. New Residential expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

CAUTIONARY NOTE REGARDING EXPECTED RETURNS AND EXPECTED YIELDS. Expected returns and expected yields are estimates of the annualized effective rate of return that we presently expect to be earned over the expected average life of an investment (i.e., IRR), after giving effect, in the case of returns, to existing leverage, and calculated on a weighted average basis. Expected returns and expected yields reflect our estimates of an investment's coupon, amortization of premium or discount, and costs and fees, and they contemplate our assumptions regarding prepayments, defaults and loan losses, among other things. In the case of Excess MSRs, these assumptions include, but are not limited to, the recapture rate. Income recognized by the Company in future periods may be significantly less than the income that would have been recognized if an expected return or expected yield were actually realized, and the estimates we use to calculate expected returns and expected yields could differ materially from actual results. Statements about expected returns and expected yields in this presentation are forward-looking statements. You should carefully read the cautionary statement above under the caption "Forward-looking Statements," which directly applies to our discussion of expected returns and expected yields.

PAST PERFORMANCE. Past performance is not a reliable indicator of future results and should not be relied upon as the basis for making an investment decision.

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INVESTMENT GUIDELINES. Our manager has great latitude in determining which investments are appropriate for us. Our investment guidelines are purposefully broad to enable our manager to make investments in a wide array of assets on our behalf. We are not required to obtain stockholder consent to change our investment strategy or asset portfolio.

Abbreviations

Abbreviations: *This Presentation includes abbreviations, which have the following meanings:*

- *30+ DQ – Percentage of loans that are delinquent by 30 days or more*
- *Age (mths) or Loan Age (mths) – Weighted average number of months loans are outstanding*
- *Cash Basis – Initial investment less cash received life to date*
- *CDR – Constant Default Rate*
- *CLTV – ratio of current loan balance to estimated current asset value.*
- *Current CLTV (Combined Loan-to-Value ratio) – projection based on original CLTV and origination data indexed using FHFA's HPA projections by zip code.*
- *CPR – Constant Prepayment Rate*
- *CRR – Constant Repayment Rate*
- *Cur UPB – UPB as of the end of the current month*
- *Excess MSRs – monthly interest payments generated by the related MSRs, net of a basic fee paid to the servicer.*
- *FHLMC – Freddie Mac / Federal Home Loan Mortgage Corporation*
- *FNMA – Fannie Mae / Federal National Mortgage Association*
- *FICO – A borrower's credit metric generated by the credit scoring model created by the Fair Isaac Corporation*
- *Flow Arrangements – contractual recurring agreements, often monthly or quarterly, to purchase servicing of newly originated or highly delinquent loans*
- *GNMA – Ginnie Mae / Government National Mortgage Association*
- *LTD Cash Flows –Actual cash flow collected from the investment as of the end of the current month*
- *LTD – Life to Date*
- *Non-Performing Loans – "NPLs"*
- *Orig. UPB – UPB as of the investment's acquisition date*
- *PLS – Private Label Securitizations*
- *Proj. Future Cash Flows – Future cash flow projected with the Company's original underwriting assumptions*
- *Recapture Rate – Percentage of fully prepaid loans that are refinanced by Nationstar and will be put back into the pool*
- *Uncollected Payments – Percentage of loans that missed their most recent payment*
- *UPB – Unpaid Principal Balance*
- *Updated IRR – Internal rate of return calculated based on the cash flow received to date through the current month and the projected future cash flow based on our original underwriting assumptions.*
- *U/W LTD – Underwritten life-to-date*
- *WA – Weighted Average*
- *WAL – Weighted Average Life to Maturity*
- *WALA – Weighted Average Loan Age*
- *WAC – Weighted Average Coupon*

Second Quarter 2013 Overview

New Residential was spun-off from Newcastle on May 15, 2013

- **For the full second quarter:**
  - Net income of $109.2 million, or $0.43 per diluted share
  - Core earnings of $37.5 million, or $0.15 per diluted share
- **For the period following the spin-off:**
  - Net income of $84.7 million, or $0.33 per diluted share
  - Core earnings of $17.7 million, or $0.07 per diluted share

	2Q'13 (4/1 to 6/30)		Post-Spin NRZ (5/16 to 6/30)	
	($mm)	*($/ diluted share)(1)*	*($mm)*	*($/ diluted share)*
Net Income	$109.2	$0.43	$84.7	$0.33
Core Earnings(2)	$37.5	$0.15	$17.7	$0.07
Common Dividend	--	--	$17.7	$0.07

1) Represents New Residential's weighted average diluted shares (256,659,488) as if New Residential had been a public company for the full quarter.
2) Core earnings is a non-GAAP measure. For reconciliation of core earnings to GAAP Income, see page 40.

Second Quarter 2013 Highlights

Spin-Off of New Residential

- On May 15, Newcastle spun off New Residential

Consumer Loan Investment

- Initial investment of $241 million to acquire a 30% interest in a $3.9 billion consumer loan portfolio[1] from HSBC, purchase price of 75% of par[2]

Excess MSR Investment

- Invested $40 million to acquire an interest in the Excess MSRs related to a pool of Freddie Mac residential mortgage loans with a UPB of $23 billion

Settled on Excess MSRs from January Bank of America Transaction

- Invested $66 million to acquire interest in $48 billion non-Agency pool
- Invested $73 million to acquire interest in $34 billion Agency pool
- Expect remaining $39 billion of non-Agency pool to settle by September

Non-Agency RMBS Purchases

- Invested $140 million to purchase $180 million face at an average price of 78%
- Equity investment of $39 million after financing

1) Represents UPB at time of settlement on April 1, 2013.
2) The average price of 75% is inclusive of a price adjustment to the settled collateral balance, which occurred subsequent to purchase.

NRZ – Business Snapshot at 2Q 2013

- **NRZ is a residential-focused mortgage REIT with vast exposure to the $18 trillion U.S. housing market**

Initial Portfolio	*Assets[1]*	*Net Investment[2]*	*Lifetime Estimated Return[3]*
Excess MSRs	$618 mm	$618 mm	17%
Non-Agency RMBS	$630 mm	$217 mm	15%
Consumer Loans[4]	$851 mm	$264 mm	29%
Residential Mortgage Loans	$34 mm	$34 mm	10%
Agency RMBS	$1,116 mm	$55 mm	9%
Investable Cash	$49 mm	$49 mm	15%*
TOTAL/WA	**$3.30 bn****	**$1.24 bn****	**18%**

**Estimated return for cash assumes investment in target assets. There can be no assurance that we will be able to complete investments in assets that generate targeted returns.*

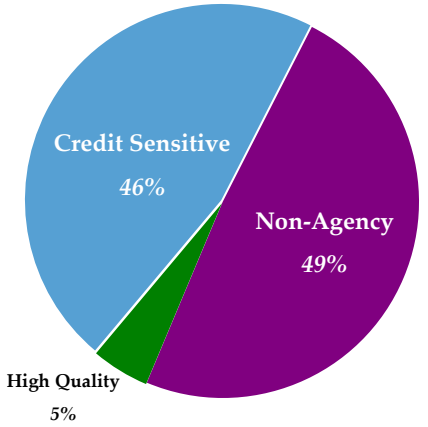
*** The Total/WA Assets and Net Investment figures on this page have been updated as of November 7, 2013 to reflect corrected numbers.*

1) Represents GAAP carrying value at June 30, 2013, except as noted for consumer loans. Cash and basis of Excess MSR investments reflect pro forma adjustments for the portions of the January Bank of America transaction that settled subsequent to June 30, 2013, as well as the portion that has not yet closed. The actual amount invested will depend on UPB at closing.
2) Net of financing, where applicable.
3) Estimated return, net of financing, excludes corporate expenses. Actual returns for all investments could differ materially.
4) Assets of $851 million represents 30% of the June 30, 2013 carrying value of the loans held in the joint venture. $264 million represents our core earnings investment amount for the consumer loans as of June 30, 2013. It was calculated by subtracting the $36.2 million of GAAP income recognized from the consumer loans, on an inception to date basis, from their GAAP carrying value of $280.8 million, and adding back the $19.8 million of consumer loan income recognized within core earnings.

Business Lines

Excess MSRs – 2Q 2013 Portfolio Overview

- **$604 million invested or committed to invest in 11 pools related to loans with a $297 billion initial UPB**
  - Average excess servicing fee of 19 bps for Agency and 10 bps for non-Agency
- 95% of borrowers have credit characteristics that imply: limited refinance options, higher recapture rates and slower CPRs
- Following quarter-end we settled on $82 billion of UPB from January Bank of America transaction – expect remaining portion to settle by the end of September[1]



Loan Type	Initial UPB ($bn)	Initial Investment ($mm)	Characteristics						CPR[2]		Recapture Rate[2]	
			Current UPB ($bn)	WAC	WALA	FICO	LTV	30+ DQ	LTD	2Q	LTD	2Q
Agency												
Settled	$128	$308	$110	5.2%	72	682	89%	16%	18%	23%	31%	36%
Settled Post 2Q'13	$34	$73[1]	$34	5.0%	44	671	98%	11%	--	--	--	--
Subtotal	**$162**	**$381**	**$144**	**5.1%**	**66**	**679**	**91%**	**15%**	**18%**	**23%**	**31%**	**36%**
Non-Agency												
Settled	$48	$125	$40	4.5%	88	655	114%	36%	14%	16%	1%	0%
Settled Post 2Q'13	$48	$66[1]	$48	5.1%	94	--	99%	29%	--	--	--	--
Committed[3]	$39	$32	$39	5.4%	85	--	116%	41%	--	--	--	--
Subtotal	**$135**	**$223**	**$127**	**5.0%**	**89**	**655**	**109%**	**35%**	**14%**	**16%**	**1%**	**0%**
TOTAL/WA:	**$297 bn**	**$604 mm**	**$271 bn**	**5.1%**	**77 mth**	**674**	**100%**	**24%**	**17%**	**21%**	**25%**	**30%**

1) Amounts include deposits of $8 million for an Agency pool Settled Post 2Q'13 and $2 million for a non-Agency pool Settled Post 2Q'13 which were paid in January 2013.
2) CPR and Recapture Rate exclude Pool 11 , which closed during the quarter.
3) Committed, but not yet settled, includes a portion of an investment which is subject to closing approvals. The actual investment amount and UPB will vary depending on the time of closing.

Excess MSR – Performance Sensitivities[1]

- **The main performance metrics for our portfolios are CPR, recapture rates and delinquency rates**

(Cash Flows: $mm)

CPR	5%	10%	Base: 15%	20%	25%
IRR	24%	21%	**17%**	15%	13%
Total Cash Flows	$1,744	$1,451	**$1,240**	$1,122	$1,028
Carrying Value	$812	$709	**$618**	$573	$528
WAL (yrs)	7.5	6.9	**6.6 yrs**	6.2	6.1

RECAPTURE RATE	10%	20%	Base: 31%	40%	50%
IRR	14%	16%	**17%**	19%	21%
Total Cash Flows	$1,070	$1,162	**$1,240**	$1,351	$1,443
Carrying Value	$560	$593	**$618**	$659	$692
WAL (yrs)	5.8	6.3	**6.6 yrs**	7.1	7.4

DELINQUENCY[2]	3%	5%	Base: 8%	10%	15%
IRR	18%	18%	**17%**	17%	16%
Total Cash Flows	$1,294	$1,276	**$1,240**	$1,231	$1,196
Carrying Value	$650	$639	**$618**	$612	$591
WAL (yrs)	6.6	6.6	**6.6 yrs**	6.7	6.7

DISCOUNT RATE	10%	12%	Base: 12.5%	15%
Carrying Value	$686	$637	**$618**	$576

1) Estimated IRRs, total cash flows, book values and WAL represent management's assumptions based on a variety of factors. Actual IRRs, total cash flows, book values and WAL may differ materially. See "Forward-Looking Statements" and "Cautionary Note Regarding Expected Returns and Expected Yields."
2) Sensitivities are applied to Agency portfolio. Non-Agency portfolio cash flows are not affected by delinquency rates, but are included in total numbers shown.

Excess MSR Portfolio – Performance

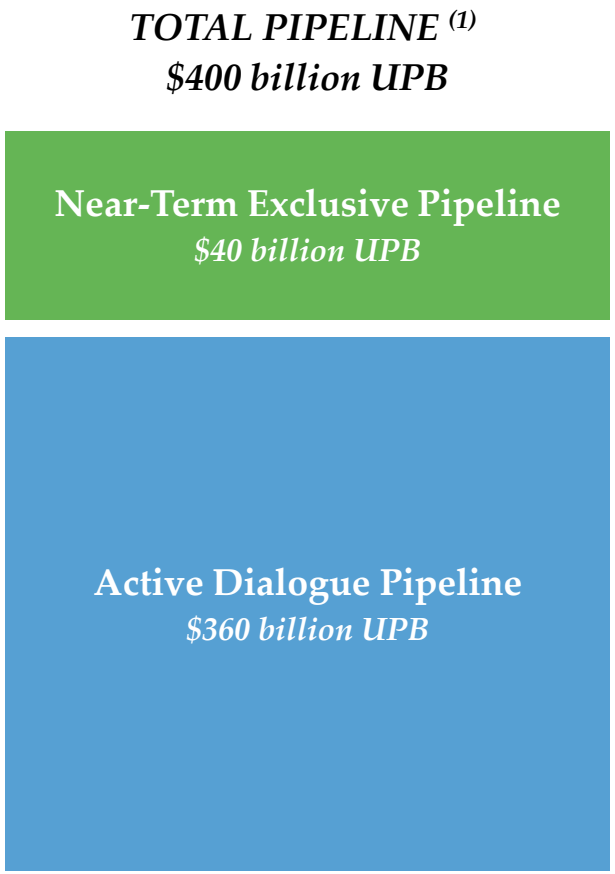
- **For the Excess MSRs that settled as of the end of 2Q 2013 ("*Settled*"):**
  - We invested $433 million and received $111 million of LTD cash (26% of investment over an average of 12 months)
  - Potential future lifetime cash flows of $800 million – implies lifetime multiple of 2.1x[1]
  - Current carrying value of $447 million and cash basis of $322 million

Loan Type	*Initial UPB ($bn)*	*Initial Investment ($mm)*	*Cash Flows ($mm)*								*Lifetime IRR[1]*	
			Return of Capital	*Interest Income*	*Total LTD*	*Cash Basis*	*Potential Future Lifetime*	*Potential Lifetime Multiple*	*Cost Basis[2]*	*Adj. for Mark[3]*	*Carrying Value*	*U/W*	*Actual*
Agency													
Settled	$128	$308	$38	$35	$73	$235	$585	2.1x	$270	$52	$322	17%	18%
Settled Post 2Q'13	$34	$73[4]	-	-	-	$73	$151	2.1x	$73	-	$73	15%	15%
Subtotal	**$162**	**$381**	**$38**	**$35**	**$73**	**$308**	**$736**	**2.1x**	**$343**	**$52**	**$395**	**16%**	**17%**
Non-Agency													
Settled	$48	$125	$17	$21	$38	$87	$215	2.0x	$108	$17	$125	17%	18%
Settled Post 2Q'13	$48	$66[4]	-	-	-	$66	$120	1.8x	$66	-	$66	13%	13%
Committed[5]	$39	$32	-	-	-	$32	$58	1.8x	$32	-	$32	13%	13%
Subtotal	**$135**	**$223**	**$17**	**$21**	**$38**	**$185**	**$393**	**1.9x**	**$206**	**$17**	**$223**	**15%**	**15%**
TOTAL/WA:	**$297 bn**	**$604 mm**	**$55**	**$56**	**$111**	**$493**	**$1,129**	**2.0 x**	**$549**	**$69**	**$618**	**16%**	**17%**

1) Potential future lifetime cash flows, multiples and IRRs are forward-looking statements that are inherently uncertain, based on a number of factors beyond our control and may not be realized. See "Forward-Looking Statements" and "Cautionary Note Regarding Expected Returns and Expected Yields."
2) Cost Basis represents initial investment amount less return of capital received to date.
3) $69 million change in fair value includes: $59 million recognized in 2Q 2013 and $10 million recognized in prior periods.
4) Amounts include deposits of $8 million for an Agency pool Settled Post 2Q'13 and $2 million for a non-Agency pool Settled Post 2Q'13 which were paid in January 2013.
5) Committed, but not yet settled, includes a portion of an investment which is subject to closing approvals. The actual investment amount and UPB will vary depending on the time of closing.

Excess MSR Pipeline

- **New Residential remains an active buyer of compelling Excess MSR investments**
  - Even with the implied move in rates, we still are pursuing a large pipeline of attractive investments
  - Large banks publicly indicated they will be seeking to make sales or transfers in the second half of the year
  - Small and mid-size mortgage originators may be seeking to replace shrinking gain-on-sale margins by selling MSRs



1) There can be no assurance that New Residential will be able to complete target investments. See "Forward-Looking Statements."

Non-Agency RMBS – 2Q 2013 Overview

Portfolio Overview:

- 98 securities totaling $928 million current face (carrying value of $630 million) of seasoned non-Agency RMBS from $13 billion of deal balance
- Heavily concentrated in deals Nationstar ("NSM") services and for which they own the call rights
- Strong positive trends in housing fundamentals and collateral performance

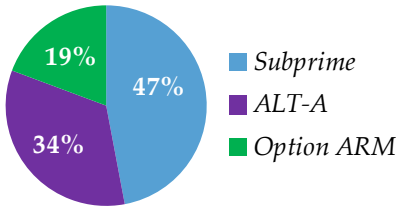
Performance Summary

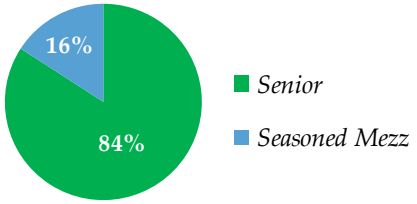
Vintage	*Positions*	*Current Face ($mm)*	*% of Total*	*Deal Balance ($mm)*	*WAC*	*60+DQ*	*12 mth Perfect Pay[1]*	*LTV*	*Call Right Control[2]*
Pre 2005	55	$115	12%	$2,409	5.97%	20.0%	65.7%	73%	100%
2005	9	$101	11%	$1,074	5.62%	29.8%	56.0%	98%	100%
2006	18	$487	52%	$4,328	4.86%	35.2%	53.2%	118%	88%
2007	16	$226	24%	$5,117	4.91%	35.4%	49.3%	127%	100%
TOTAL	**98**	**$928**	**100%**	**$12,929**	**5.08%**	**32.0%**	**54.1%**	**112%**	**94%**

Collateral Trends[3]

(%)	*2Q'12*	*2Q'13*	*Change*
CRR	3.0	3.6	0.6
CDR	12.4	10.2	(2.2)
Loss Severity	71.0	63.4	(7.6)
60+ DQ	35.1	32.9	(2.2)
Current to 30+ DQ	2.5	2.0	(0.5)

Portfolio Composition[4]





1) No delinquencies in past 12 months.
2) Call Right Control represents the percentage of UPB where Nationstar owns the call right; however, this does not indicate that the deal is callable at this time or will ever be callable in the future.
3) Based on portfolio as of June 30, 2013.
4) Based on current face held in portfolio.

Non-Agency RMBS – Performance

2Q 2013 Highlights:

- Purchased $180 million face for $140 million, or 77.8%
- Nationstar collapsed 4 deals – accelerating 24 point gain on NRZ held securities
- Fair value effectively unchanged versus 1Q 2013
- 76% of the portfolio is financed through a facility that is not subject to margin call provisions[2]

LTD Highlights:

- $652 million initial investment for $1,005 million face
  - 7.2% unlevered yield, 14.6% levered yield[1]
  - $65 million cash flow received to date
  - Portfolio valued at $630 million ($23 million unrealized gain)

Performance Summary

					Cash Flows ($mm)				*Current Lifetime IRR[1]*	
Face at Purchase	*Initial Investment*	*Return of Capital*	*Income*	*Total LTD*	*Current Face*	*Cost Basis*	*Potential Future Lifetime*	*Potential Lifetime Multiple*	*Carrying Value*	*Unlevered*	*Levered[2,3]*
$1,005 mm	**$652 mm**	**$45**	**$20**	**$65**	**$928**	**$607**	**$976**	**1.6x**	**$630**	**7.2%**	**14.6%**

Sensitivity – Levered IRR[1, 2,3]

Value Drivers				
Faster Prepayments ("CRR")	**2%**	**Base Case[4]**	**10%**	**20%**
	13.4%	14.6%	22.8%	34.6%
Lower Defaults ("CDR")	**10%**	**Base Case[4]**	**6%**	**4%**
	14.2%	14.6%	17.2%	19.6%
Lower Severities	**80%**	**Base Case[4]**	**60%**	**40%**
	10.6%	14.6%	19.4%	27.6%
Percentage of UPB Collapsed	**0%**	**20%**	**40%**	**60%**
	14.6%	16.6%	19.9%	23.5%

1) Represents the current expected yield from the initial purchase through maturity. There can be no assurance that expected IRRs will be achieved. See "Forward-Looking Statements" and "Cautionary Note Regarding Expected Returns and Expected Yields."
2) The amount of leverage incurred is subject to management's discretion and market conditions, and there can be no assurance that any particular level of leverage will be incurred.
3) Leverage reflects $350 million one-year non-mark-to-market non-Agency RMBS repurchase agreement, which New Residential entered into on August 1, 2013, for 76% of the portfolio, with a rate of L+ 2.25% from Aug 2013 – October 2013 with three incremental step-ups to a maximum rate of L+3.50% ending August 2014. Assumes the remaining 24% of the portfolio is financed with short-term repurchase agreements at L + 1.75%. IRR assumes assets were leveraged from investment date.
4) Base Case estimates represent our lifetime levered expectations for the non-Agency RMBS.

Consumer Loan – Portfolio Overview

- **In April, NRZ invested $241 million of equity to acquire 30% interest in a consumer loan portfolio from HSBC – $3.9 billion balance at acquisition[1]**
  - Average price of 75% of face value, or approximately $3.0 billion
  - Financed using $2.2 billion of debt and $0.8 billion equity
  - NRZ invested alongside Springleaf and another partner – Springleaf will be servicing the loans
  - Expect to complete the portfolio transfer by September 2013

Current Portfolio Summary

Collateral

Initial UPB: $3.9 bn[1]

Purchase Price: 75%[2]

Current UPB: $3.7 bn

WAC: 18.3%

Count: 394k

Avg. Balance: $9,500

Avg. Seasoning: 96 mths

Avg. Life: 3 years

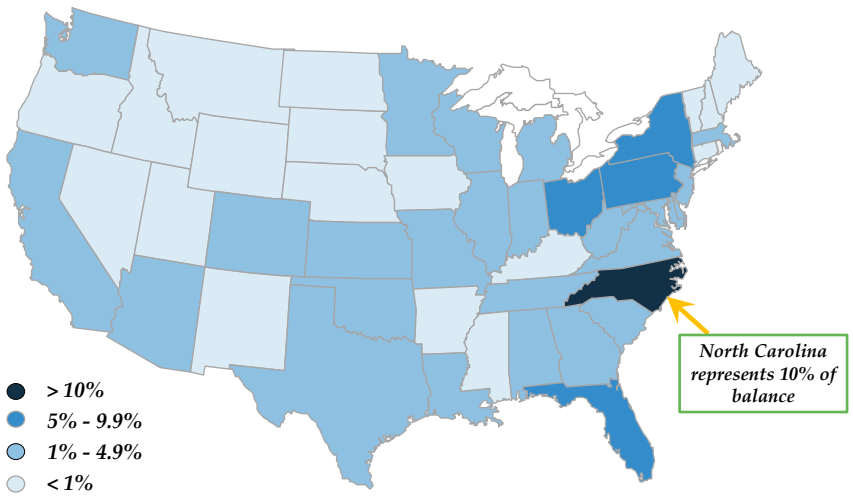
Avg. FICO: 622

30+ DQ: 11.0%

Class A Notes[3]
$2.0 billion
Coupon: 3.75%

SLF[2]	Other[2]	NRZ[2]
$413 mm	*$202 mm*	*$264 mm*
47%	*23%*	*30%*

Map of Collateral *(% of Balance)*



1) Represents UPB at time of settlement on April 1, 2013.
2) The average price of 75% is inclusive of a price adjustment to the settled collateral balance, which occurred subsequent to purchase.
3) Debt provides for up to 30% cash distribution, after senior interest costs, to subordinate interests based on certain tests. We expect these distributions to begin in 1Q 2014.

Consumer Loan – Performance

- **Life-to-date cash proceeds of $284 million used to deleverage debt**
  - Core earnings investment amount of $264 million – includes income generated to date[1]
- **Continued favorable collateral performance**
  - CDR of 11.4% in 2Q 2013 – performed 2.2 points better than 2Q 2012

Invested Capital

($mm)	Initial Balance (4/1)	Current Balance (6/30)	Initial Invested Capital	Cash Receipts[2]	Cash Basis	Core Earnings Investment Amount
Asset	3,936	3,694	2,967	**284**	2,663	--
Debt	2,200	1,958	2,175	280	1,895	--
Debt to Assets	*56%*	*53%*				
Equity	1,736	1,736	802[3]	4	798	--
NRZ Equity	**521**	**521**	**241**	**1**	**240**	**264**[1]

Collateral Performance[4]

	2Q 2011	2Q 2012	2Q 2013	LTD Projected	Lifetime Projected[5]
CRR	16.9%	16.9%	**14.8%**	*14.0%*	*18.0%*
CDR (Charge-Offs)	17.6%	13.6%	**11.4%**	*15.0%*	*12.0%*
Loss Severity	--	--	**91.0%**	*86.0%*	*91.0%*
Loss Rate[6]	--	--	**10.4%**	*12.9%*	*10.9%*
30+ DQ	14.1%	12.3%	**10.7%**	*10.4%*	*11.5%*

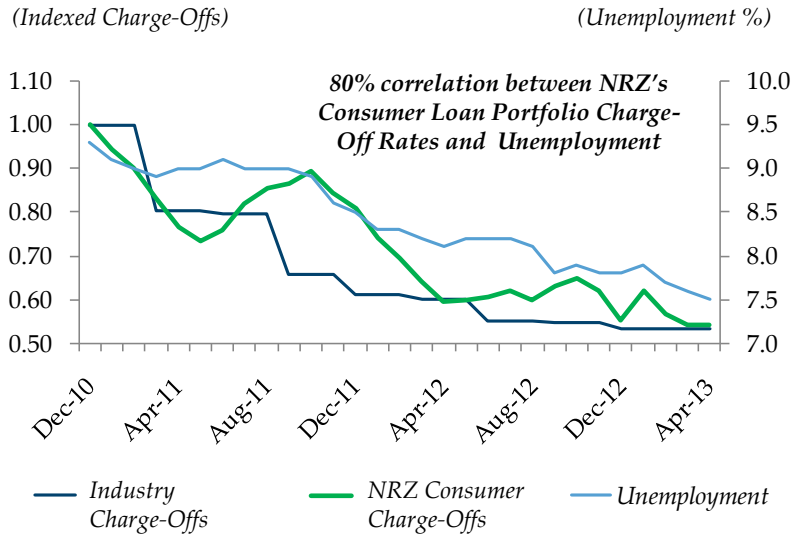
CDR outperforming LTD estimates by 3.6 points

1) $264 million represents our core earnings investment amount for the consumer loans as of June 30, 2013. It was calculated by subtracting the $36.2 million of GAAP income recognized from the consumer loans, on an inception to date basis, from their GAAP carrying value of $280.8 million, and adding back the $19.8 million of consumer loan income recognized within core earnings.
2) Cash receipts shown are related to collateral balance as of June 30, 2013, which includes cash received through August 2013.
3) Includes $10 million reserve fund.
4) Quarterly values are weighted averages across the period.
5) Projected performance may not be realized. See "Forward-Looking Statements" and "Cautionary Note Regarding Expected Returns and Expected Yields".
6) Loss rate is CDR multiplied by loss severity.

Consumer Loan – Performance Indicator

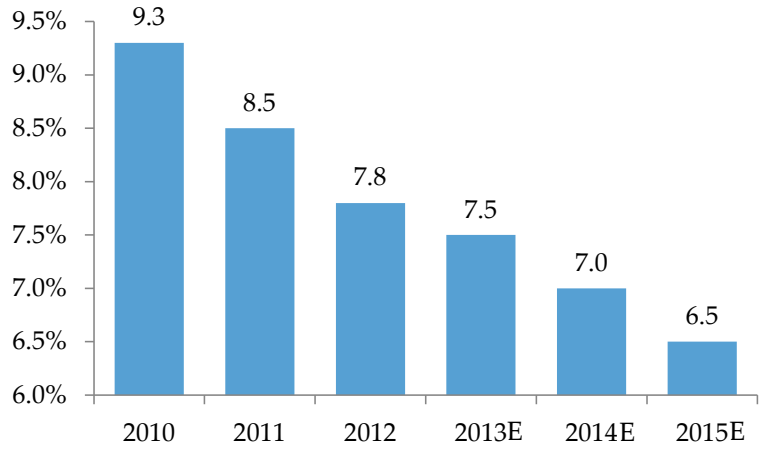
- **Future performance of our consumer loan portfolio is expected to be influenced by:**
  - Springleaf servicing – expected to start in September 2013
  - Macro environment – improved performance driven by better economic environment

Charge-Offs Highly Correlated to Unemployment[1]



	Dec-10	Apr-13	% Change
Unemployment	9.3%	7.5%	-19%
Industry Charge-Off	4.5%	2.4%	-47%
NRZ Consumer Charge-Offs	19.7%	10.7%	-46%

Unemployment Trends[2]



1) Source: Federal Reserve U.S. Charge Off rate for all consumer loans. Applies 3 month lag to charge off rates.
2) Source: Bloomberg composite median economist survey.

Consumer Loan – Potential Lifetime Value

- **Asset – Invested $2.9 billion and expect to receive total cash flows of $4.3 billion[1]**
- **NRZ – We invested $241 million and expect to receive total cash flows of $498 million (2.1x multiple)**
- **If IRR tightened to 10%, and base case CDR outperformed by 4 points, NRZ's equity value would increase by $237 million**

Lifetime Base Case Underwriting Returns

($mm)	Invested Capital	Total Cash Flow	Profit	Price	IRR[2]	Multiple
Asset	2,967	4,315	1,347	75%	14%	1.5 x
Debt	2,175	2,564	389	99%	4%	1.2 x
Equity	802[3]	1,660	858	46%	29%	2.1 x
NRZ	**241**	**498**	**257**	**46%**	**29%**	**2.1 x**

Assumptions[2]	
CDR	12%
Loss Severity	91%
Loss Rate	11%
CRR	18%
Cumulative Default	40%
Cumulative Loss	36%
Performer Default[4]	33%

Lifetime Sensitivities[1]

($mm)	12% CDR (Base Case)		8% CDR	
IRR	*NRZ Value*	*Change*	*NRZ Value*	*Change*
10%	370	+ 129	477	+ 237
15%	326	+ 85	415	+ 175
20%	291	+ 50	366	+ 126
25%	261	+ 21	326	+ 86
29%	241	--	299	+ 58
35%	237	- 4	294	+ 53

1) Assumes periodic refinance every 24 months to 60% debt to UPB and 40% cash flow leakage to equity and 4% cost of funds. Base case estimated returns are lifetime returns and sensitivities represent the initial purchase price at April 1, 2013 with estimates for sensitivities going forward.
2) Potential future IRRs are forward-looking statements that are inherently uncertain, based on a number of factors beyond our control and may not be realized. See "Forward-Looking Statements" and "Cautionary Note Regarding Expected Returns and Expected Yields."
3) Includes $10 million reserve fund
4) Percentage of current loans expected to default

Agency ARM RMBS – 2Q 2013 Overview

- **Portfolio is comprised of $1.1 billion face amount of hybrid (fixed to floating) and other adjustable rate mortgage securities ("ARMS")[1]**
- **$55 million of equity[2]: Carrying value of $1.12 billion financed with $1.06 billion of debt**
- **Generated $7.4 million of net cash flow[3]**
- **Value declined $6.3 million or 0.59 pts**

Months to Next Reset	*Number of Securities*	*Current Face*	*Amortized Cost Basis[2]*	*% of Amortized Cost Basis*	*Carrying Value[2]*	*Security Information(WA)*						*2Q Value Change*	
						Coupon	*Margin*	*Periodic Cap*		*Life-time Cap[6]*	*Mths to Next Reset*	*$ (mm)*	*Px Δ (Pts)*
								1st Coupon Adj.[4]	*Sub. Coupon Adj.[5]*				
1 – 12	22	$178	$188	17%	$189	2.59%	1.62%	N/A[7]	2.00%	10.18%	6	($0.03)	(0.02)
13 – 24	23	$352	$373	33%	$372	3.74%	1.84%	4.99%	2.00%	8.75%	20	($1.69)	(0.48)
25 – 36	18	$457	$482	43%	$479	3.29%	1.82%	4.95%	2.00%	8.31%	32	($3.37)	(0.74)
Over 36	3	$73	$77	7%	$76	2.92%	1.83%	5.00%	2.00%	7.92%	43	($1.17)	(1.60)
TOTAL	**66**	**$1,060**	**$1,120**	**100%**	**$1,116**	**3.30%**	**1.79%**	**4.97%**	**2.00%**	**8.74%**	**24**	**($6.26)**	**(0.59)**

1) Reset index: 93% reset over 12 month-LIBOR, 3% reset over 6 month-LIBOR, 3% over 1 year Treasury Constant Maturity Rate, and 1% over 1 month-LIBOR.
2) Excludes $13.8 million of principal receivables as of June 30, 2013.
3) Cash flow represents $2.3 million from the first forty-five days of the quarter (pre-NRZ spin) and $5.1 million from the last forty-five days of the quarter (post-NRZ spin).
4) Represents the maximum change in the coupon at the end of the fixed rate period.
5) Represents the maximum change in the coupon at each reset date subsequent to the first coupon adjustment.
6) Represents the maximum coupon on the underlying security over its life.
7) Not applicable as 20 of the securities (96% of the current face of this category) are past the first coupon adjustment period. The remaining 2 securities (4% of the current face of this category) have a maximum change in the coupon of 5.0% at the end of the fixed rate period.

Appendix

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Excess MSR Portfolios

Includes all Pools settled through 2Q 2013 except for Pool 11, the Taylor Bean & Whitaker pool, which was announced on May 23 and does not yet have performance data to present.

Pool 1: GSE – June 2013

- Received $25.3 million of cash flow, 58% of initial investment, over 18 months
- Updated IRR of 26%[1] vs. 20% initial projection, $102.4 million of total cash flows, 2.3x our $43.6 million investment
  - 17% LTD CPR vs. 27% initial projection
  - 53% June recapture rate vs. 35% initial projection

Collateral

($mm)	Original Balance	Current Balance	WAC (%)	WAM (mths)	Loan Age (mths)	30+ DQ[2] (%)	Uncollected Payments (%)[2]
Pool 1 – Original	$9,940	$6,549	5.7%	277	79	15.4%	10.1%
Pool 1 – Recapture	--	$1,014	4.3%	329	5	0.7%	0.5%
Total / WA	**$9,940**	**$7,563**	**5.5%**	**284**	**69**	**13.4%**	**8.8%**

Performance Update

	UPB ($mm)	Cash Flows ($mm)			CRR			CDR			CPR			Recapture Rate		
	Jun	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD
Original Pool:	$6,549	$1.1	$3.4	$24.8	29%	30%	16%	4%	4%	3%	32%	32%	19%	53%	56%	42%
Recaptured Pool:	$1,014	$0.1	$0.1	$0.5	3%	2%	3%	0%	0%	0%	3%	3%	3%	0%	0%	0%
Total / WA	**$7,563**	**$1.1**	**$3.5**	**$25.3**	**26%**	**27%**	**15%**	**4%**	**4%**	**2%**	**29%**	**29%**	**17%**	**53%**	**55%**	**36%**

Investment Performance

($mm)	Acquisition Date	Fee *(bps)*	% Ownership	Initial Investment	LTD Cash Flow	Cash Basis	Carrying Value	Proj. Future Cash Flows [4]	Initial Expected IRR	Updated IRR[1]
Pool 1: GSE	**Dec '11**	**27**	**65%**	**$43.6**	**$25.3**	**$18.3**	**$44.5**	**$77.1**	**20%**	**26%**

1) Updated IRR is based on the cash flow received to date through June 2013 and the projected future cash flow based on our original underwriting assumptions.
2) 30+ DQ represents the percentage of loans that are delinquent by 30 days or more as of June 30, 2013. Uncollected payments represent the percentage of loans that missed their most recent payment and therefore we did not receive our excess fee.
3) The investment was completed in December 2011 and was based on the September 30, 2011 UPB of the pool. Our interest began accruing based on the November 1, 2011 UPB, which was paid in December. We receive the payment of our monthly excess fee in the following calendar month.
4) Projected cash flows assume: (a) 10% delinquency rate of which we assume 100% of borrowers have missed their most recent payment which implies a 10% uncollected payment rate, (b) weighted average lifetime CPR of 20% by applying the following vector: Months 1-3: 10%, Months 4-25: 30%, Months 25+: 15% and (c) 35% recapture rate. Recaptured loans assume: 35% recapture rate, 8% CPR, 21bps Excess MSR and the same delinquency and uncollected payment rates.

Pool 1: GSE – June 2013

- Since purchase, $2.6 billion of total voluntary prepayments – $1.0 billion of recapture to date

Initial Pool

Collateral Date	9/30/2011
Purchase Date	12/8/2011
Price (bps)	67.7
Invested ($mm)	$43.60
Total CF ($mm)	$91.60
Expected IRR	20.00%
MSR	35.0 bps
Basic Fee	6.0 bps
Excess MSR	29.0 bps
Recaptured MSR	27.0 bps

Assumptions for Initial Pool	
CPR (Average Lifetime):	20%
CRR	15%
CDR	5%
Uncollected Pmts	10%
Recapture Rate	35%
Assumptions for Recaptured Pool	
CPR (Average Lifetime):	8%
CRR	3%
CDR	5%
Uncollected Pmts	10%
Recapture Rate	35%

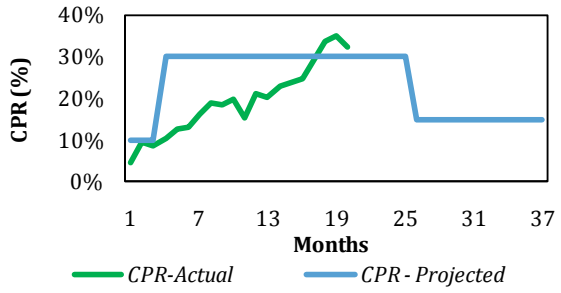
	Total
UPB ($mm)	$9,940
Count	63,834
Avg Loan Amt	$155,722
Age (mths)	58
WAC	6.00%
MSR	35 bps
FICO[1]	687
CLTV	103%
ARM	18.6%
30+ DQ	9.6%
Uncollected Pmts	5.2%

Current Pool

	Original	Recaptured[2]	Total /WA
UPB ($mm)	$6,579	$1,014	$7,593
Count	46,209	5,155	51,364
Avg Loan Amt	$141,726	$196,786	$147,252
Age (mths)	79	5	69
WAC	5.7%	4.3%	5.5%
Servicing Fee (bps)	35	25	33
FICO	678	747	687
CLTV	93%	115%	96%
ARM	19.9%	0.1%	17.2%
30+ DQ	16.9%	0.7%	13.4%
Uncollected Pmts	10.1%	0.5%	8.8%

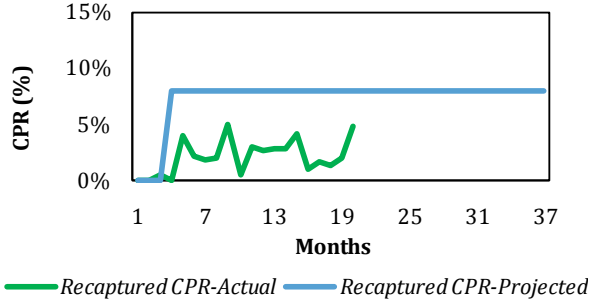
Original Pool: CPR

Projected Vector - Mth 1 - 3: 10%; Mth 4 - 25: 30%; Mth 25+: 15%



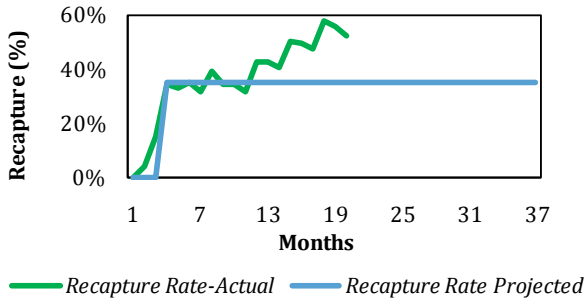
Recaptured Loans: CPR

Projected Vector – Mth 1-3: 0%; Mth 3 +: 8%



Recapture Rate

Projected - Mth 1-3: 0%; Mth 3+ : 35%



1) Measured as of 9/30/2011.
2) Recaptured pool includes $177 million of loans that have not yet been securitized

Pool 2: GSE – June 2013

- Received $14.0 million of cash flow, 33% of initial investment, over 12 months
- Updated IRR of 19%[1] vs. 17% initial projection, $94.4 million of total cash flow, 2.2x our $42.3 million investment
  - 16% LTD CPR vs. 25% initial projection
  - 54% June recapture rate vs. 35% initial projection

Collateral

($mm)	Original Balance	Current Balance	WAC (%)	WAM (mths)	Loan Age (mths)	30+ DQ[2] (%)	Uncollected Payments (%)[2]
Pool 2 – Original	$10,384	$7,844	5.0%	317	69	21.3%	14.8%
Pool 2 – Recapture	--	$727	4.3%	331	3	0.2%	0.1%
Total / WA	**$10,384**	**$8,570**	**4.8%**	**318**	**63**	**19.5%**	**13.6%**

Performance Update

	UPB ($mm)	Cash Flows ($mm)			CRR			CDR			CPR			Recapture Rate		
	Jun	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD
Original Pool:	$7,844	$1.0	$3.2	$13.9	23%	26%	16%	5%	5%	2%	27%	30%	18%	54%	56%	45%
Recaptured Pool:	$727	$0.0	$0.0	$0.1	1%	1%	0%	0%	0%	0%	1%	1%	0%	0%	0%	0%
Total / WA	**$8,570**	**$1.0**	**$3.2**	**$14.0**	**21%**	**25%**	**15%**	**5%**	**4%**	**2%**	**25%**	**28%**	**16%**	**54%**	**56%**	**45%**

Investment Performance

($mm)	Acquisition Date	Fee *(bps)*	% Ownership	Initial Investment	LTD Cash Flow	Cash Basis	Carrying Value	Proj. Future Cash Flows [4]	Initial Expected IRR	Updated IRR[1]
Pool 2: GSE[3]	**12-Jun**	**23**	**65%**	**$42.3**	**$14.0**	**$28.3**	**$43.9**	**$80.4**	**17%**	**19%**

1) Updated IRR is based on the cash flow received to date through June 2013 and the projected future cash flow based on our original underwriting assumptions.
2) 30+ DQ represents the percentage of loans that are delinquent by 30 days or more as of June 30, 2013. Uncollected payments represent the percentage of loans that missed their most recent payment and therefore we did not receive our excess fee.
3) The investment was completed in June 2012 and was based on the April 30, 2012 UPB of the pool. Our interest began accruing based on the June 1, 2012 UPB which was paid in July 2012. We receive the payment of our monthly excess fee in the following calendar month.
4) Projected cash flows assume: (a) 16.7% delinquency rate of which we assume 66% of borrowers have missed their most recent payment which implies a 11% uncollected payment rate, (b) weighted average lifetime CPR of 18% by applying the following vector: Months 1-19: 25%, Months 20+: 15% and (c) 35% recapture rate starting in Oct 2012. Recaptured loans assume: 35% recapture rate, 8% CPR, 21bps Excess MSR and 10% uncollected payment rate.

Pool 2: GSE – June 2013

- Since purchase, $1.7 billion of total voluntary prepayments – $0.7 billion million of recapture to date

Initial Pool

Collateral Date	4/30/2012
Purchase Date	6/1/2012
Price	65.0 bps
Invested ($mm)	$42.30
Total CF ($mm)	$89.70
Expected IRR	17.30%
MSR	31.4 bps
Basic Fee	8.0 bps
Excess MSR	23.4 bps
Recaptured MSR	27.0 bps

Assumptions for Initial Pool	
CPR (Average Lifetime):	18%
CRR	12%
CDR	6%
Uncollected Pmts	11%
Recapture Rate	35%
Assumptions for Recaptured Pool	
CPR (Average Lifetime):	8%
CRR	5%
CDR	3%
Uncollected Pmts	10%
Recapture Rate	35%

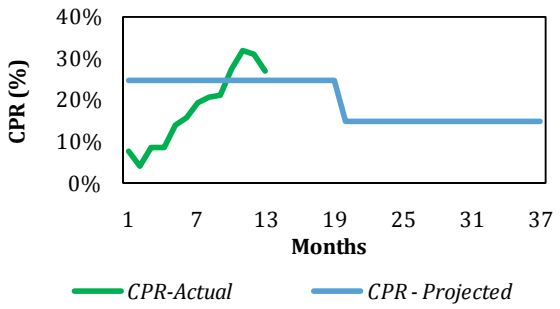
	Pool
UPB ($mm)	$10,384
Count	51,887
Avg Loan Amt	$200,125
Age (mths)	54
WAC	5.30%
MSR	31.4
FICO[1]	705
CLTV	116.40%
ARM	11.50%
30+ DQ	15.20%
Uncollected Pmts	11.50%

Current Pool

	Original	Recaptured[2]	Total /WA
UPB ($mm)	$7,844	$727	$8,570
Count	40,966	3,685	44,651
Avg Loan Amt	$191,466	$197,231	$191,942
Age (mths)	69	3	63
WAC	5.0%	4.2%	5.0%
Servicing Fee (bps)	31	25	31
FICO	672	750	623
CLTV	101%	118%	102%
ARM	10.9%	0.0%	10.1%
30+ DQ	22.8%	0.2%	19.5%
Uncollected Pmts	14.8%	0.1%	13.6%

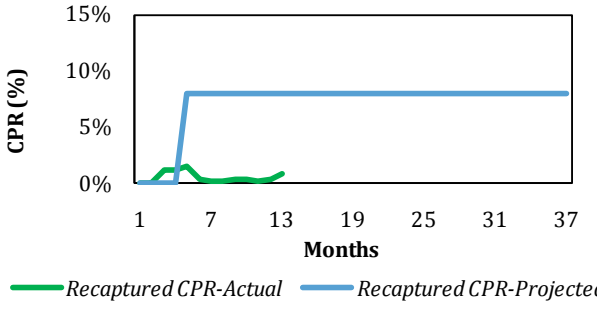
Original Pool: CPR

Projected Vector - Mth 1 - 19: 25%; Mth 20+: 15%



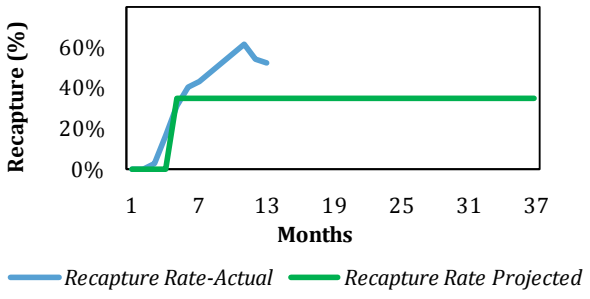
Recaptured Loans: CPR

Projected Vector – Mth 1-4: 0%; Mth 5+: 8%



Recapture Rate

Projected - Mth 1-4: 0%; Mth 5+ : 35%



1) Measured as of 4/30/12.
2) Recaptured pool includes $162 million of loans that have not yet been securitized.

Pool 3: GSE – June 2013

- Received $13.4 million of cash flow, 37% of initial investment, over 12 months
- Updated IRR of 22%(1) vs. 18% initial projection, $82.2 million of total cash flow, 2.3x our $36.2 million investment
  - 15% LTD CPR vs. 25% initial projection
  - 39% June recapture rate vs. 35% initial projection

Collateral

($mm)	Original Balance	Current Balance	WAC (%)	WAM (mths)	Loan Age (mths)	30+ DQ(2) (%)	Uncollected Payments (%)(2)
Pool 3 – Original	$9,844	$8,040	4.3%	287	92	18.4%	13.6%
Pool 3 – Recapture	--	$341	4.1%	329	2	0.2%	0.2%
Total / WA	**$9,844**	**$8,381**	**4.3%**	**289**	**88**	**17.7%**	**13.1%**

Performance Update

	UPB ($mm)	Cash Flows ($mm)			CRR			CDR			CPR			Recapture Rate		
	Jun	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD
Original Pool:	$8,040	$0.9	$3.1	$13.3	18%	18%	12%	3%	4%	4%	20%	22%	15%	39%	44%	28%
Recaptured Pool:	$341	$0.0	$0.0	$0.1	1%	1%	1%	0%	0%	0%	1%	1%	0%	0%	0%	0%
Total / WA	**$8,381**	**$1.0**	**$3.1**	**$13.4**	**17%**	**18%**	**12%**	**3%**	**4%**	**4%**	**19%**	**21%**	**15%**	**39%**	**44%**	**28%**

Investment Performance

($mm)	Acquisition Date	Fee *(bps)*	% Ownership	Initial Investment	LTD Cash Flow	Cash Basis	Carrying Value	Proj. Future Cash Flows (4)	Initial Expected IRR	Updated IRR(1)
Pool 3: GSE(3)	**12-Jun**	**23**	**65%**	**$36.2**	**$13.4**	**$22.8**	**$38.9**	**$68.8**	**18%**	**22%**

1) Updated IRR is based on the cash flow received to date through June 2013 and the projected future cash flow based on our original underwriting assumptions.
2) 30+ DQ represents the percentage of loans that are delinquent by 30 days or more as of June 30, 2013. Uncollected payments represent the percentage of loans that missed their most recent payment and therefore we did not receive our excess fee.
3) The investment was completed in June 2012 and was based on the May 31, 2012 UPB of the pool. Our interest began accruing based on the June 1, 2012 UPB, which was paid in July. We receive the payment of our monthly excess fee in the following calendar month.
4) Projected cash flows assume: (a) 18% delinquency rate of which we assume 66% of borrowers have missed their most recent payment which implies a 12% uncollected payment rate, (b) weighted average lifetime CPR of 18% by applying the following vector: Months 1-19: 25%, Months 20+: 15% and (c) 35% recapture rate. Recaptured loans assume: 35% recapture rate starting in Sep 2012, 8% CPR, 21bps Excess MSR, 15% delinquency rate and 10% uncollected payment rate.

Pool 3: GSE – June 2013

- Since purchase, $1.2 billion of total voluntary prepayments – $0.3 billion of recapture to date

Initial Pool

Collateral Date	5/31/2012
Purchase Date	6/13/2012
Price	56.6 bps
Invested ($mm)	$36.20
Total CF ($mm)	$74.70
Expected IRR	17.60%
MSR	32.1 bps
Basic Fee	9.0 bps
Excess MSR	23.1 bps
Recaptured MSR	27.0 bps

Assumptions for Initial Pool	
CPR (Average Lifetime):	18%
CRR	12%
CDR	6%
Uncollected Pmts	12%
Recapture Rate	35%
Assumptions for Recaptured Pool	
CPR (Average Lifetime):	8%
CRR	5%
CDR	3%
Uncollected Pmts	10%
Recapture Rate	35%

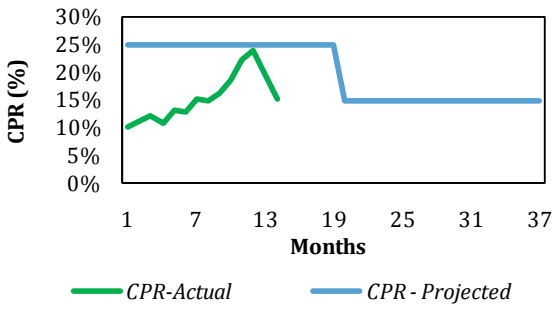
	Pool
UPB ($mm)	$9,844
Count	59,645
Avg Loan Amt	$165,045
Age (mths)	69
WAC	4.70%
MSR	32.1
FICO[1]	690
CLTV	90.60%
ARM	36.30%
30+ DQ	17.60%
Uncollected Pmts	12.00%

Current Pool

	Original	Recaptured[2]	Total /WA
UPB ($mm)	$8,040	$341	$8,381
Count	49,890	2,080	51,970
Avg Loan Amt	$161,145	$163,951	$161,257
Age (mths)	92	2	88
WAC	4.3%	4.1%	4.3%
Servicing Fee	32 bps	25 bps	32 bps
FICO	677	733	679
CLTV	86%	90%	86%
ARM	39.0%	0.0%	37.4%
30+ DQ	18.4%	0.2%	17.7%
Uncollected Pmts	13.6%	0.2%	13.1%

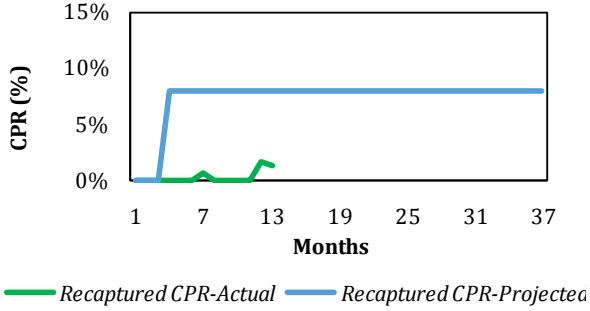
Original Pool: CPR

Projected Vector - Mth 1 - 19: 25%; Mth 20+: 15%



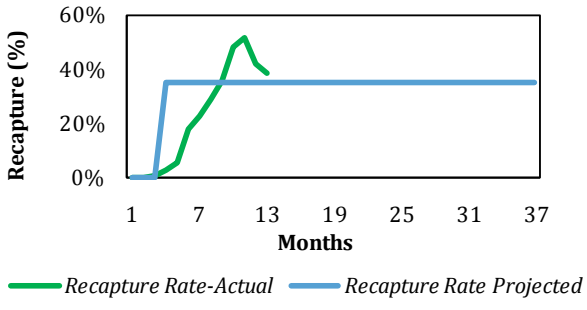
Recaptured Loans: CPR

Projected Vector – Mth 1-3: 0%; Mth 4+: 8%



Recapture Rate

Projected - Mth 1-3: 0%; Mth 4+ : 35%



1) Measured as of 5/31/12.
2) Recaptured pool includes $120 million of loans that have not yet been securitized

Pool 4: GSE – June 2013

- Received $5.2 million of cash flow, 34% of initial investment, over 12 months
- Updated IRR of 21%[1] vs. 18% initial projection, $35.4 million of total cash flow, 2.3x our $15.4 million investment
  - 13% LTD CPR vs. 23% initial projection
  - 40% June recapture rate vs. 35% initial projection

Collateral

($mm)	Original Balance	Current Balance	WAC (%)	WAM (mths)	Loan Age (mths)	30+ DQ[2] (%)	Uncollected Payments (%)[2]
Pool 4 – Original	$6,251	$5,286	3.5%	309	83	21.4%	17.0%
Pool 4 – Recapture	--	$95	4.2%	340	3	0.4%	0.0%
Total / WA	**$6,251**	**$5,381**	**3.5%**	**309**	**82**	**21.0%**	**16.7%**

Performance Update

	UPB ($mm)	Cash Flows ($mm)			CRR			CDR			CPR			Recapture Rate		
	Jun	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD
Original Pool:	$5,286	$0.4	$1.3	$5.2	7%	7%	5%	9%	9%	9%	15%	16%	13%	40%	45%	30%
Recaptured Pool:	$95	$0.0	$0.0	$0.0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total / WA	**$5,381**	**$0.4**	**$1.4**	**$5.2**	**7%**	**7%**	**5%**	**8%**	**9%**	**8%**	**15%**	**15%**	**13%**	**40%**	**45%**	**30%**

Investment Performance

($mm)	Acquisition Date	Fee *(bps)*	% Ownership	Initial Investment	LTD Cash Flow	Cash Basis	Carrying Value	Proj. Future Cash Flows [4]	Initial Expected IRR	Updated IRR[1]
Pool 4: GSE[3]	**12-Jun**	**17**	**65%**	**$15.4**	**$5.2**	**$10.2**	**$16.7**	**$30.3**	**18%**	**21%**

1) Updated IRR is based on the cash flow received to date through June 2013 and the projected future cash flow based on our original underwriting assumptions.
2) 30+ DQ represents the percentage of loans that are delinquent by 30 days or more as of June 30, 2013. Uncollected payments represent the percentage of loans that missed their most recent payment and therefore we did not receive our excess fee.
3) The investment was completed in June 2012 and was based on the May 31, 2012 UPB of the pool. Our interest began accruing based on the June 1, 2012 UPB, which was paid in July. We receive the payment of our monthly excess fee in the following calendar month.
4) Projected cash flows assume: (a) 24% delinquency rate of which we assume 66% of borrowers have missed their most recent payment which implies a 16% uncollected payment rate, (b) weighted average lifetime CPR of 19% by applying the following vector: Months 1-19: 23%, Months 20+: 18% and (c) 35% recapture rate. Recaptured loans assume: 35% recapture rate starting in Sep 2012, 8% CPR, 21bps Excess MSR, 15% delinquency rate and 10% uncollected payment rate.

Pool 4: GSE – June 2013

- Since purchase, $0.3 billion of total voluntary prepayments – $0.1 billion of recapture to date

Initial Pool

Collateral Date	5/31/2012
Purchase Date	6/12/2012
Price	38 bps
Invested ($mm)	$15.40
Total CF ($mm)	$33.20
Expected IRR	17.9%
MSR	25.7 bps
Basic Fee	9.0 bps
Excess MSR	16.7 bps
Recaptured MSR	27.0 bps

Assumptions for Initial Pool	
CPR (Average Lifetime):	19%
CRR	11%
CDR	8%
Uncollected Pmts	16%
Recapture Rate	35%
Assumptions for Recaptured Pool	
CPR (Average Lifetime):	8%
CRR	5%
CDR	3%
Uncollected Pmts	10%
Recapture Rate	35%

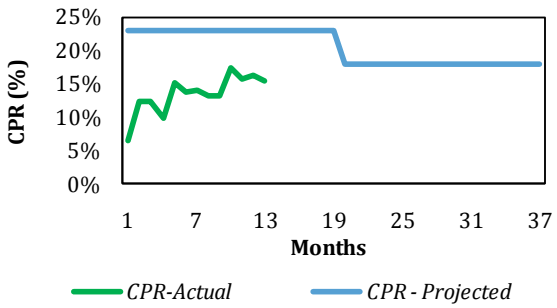
	Pool
UPB ($mm)	$6,251
Count	30,584
Avg Loan Amt	$204,373
Age (mths)	61
WAC	4.00%
MSR	25.7
FICO[1]	684
CLTV	112.00%
ARM	58.10%
30+ DQ	24.10%
Uncollected Pmts	16.00%

Current Pool

	Original	Recaptured[2]	Total /WA
UPB ($mm)	$5,286	$95	$5,381
Count	26,393	484	26,877
Avg Loan Amt	$200,292	$195,898	$200,213
Age (mths)	83	3	82
WAC	3.5%	4.2%	3.5%
MSR	26 bps	25 bps	26 bps
FICO	675	752	676
CLTV	113%	113%	113%
ARM	58.2%	0.0%	57.2%
30+ DQ	21.4%	0.4%	21.0%
Uncollected Pmts	17.0%	0.0%	16.7%

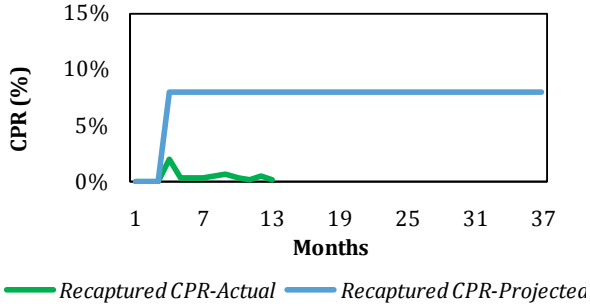
Original Pool: CPR

Projected Vector - Mth 1 - 19: 23%; Mth 20+: 18%



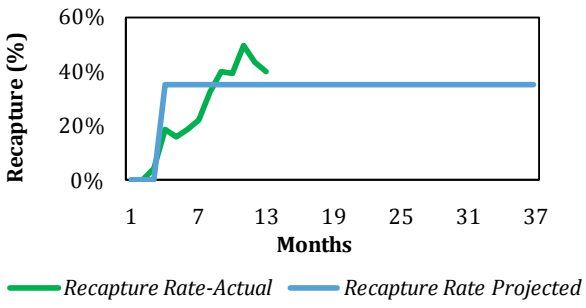
Recaptured Loans: CPR

Projected Vector – Mth 1-3: 0%; Mth 4+: 8%



Recapture Rate

Projected - Mth 1-3: 0%; Mth 4+ : 35%



1) Measured as of 5/31/12.
2) Recaptured pool includes $22 million of loans that have not yet been securitized

Pool 5: PLS – June 2013

- Received $38.2 million of cash flow, 31% of initial investment, over 12 months
- Updated IRR of 18%[1] vs. 17% initial projection, $252.8 million of total cash flow, 2.0x our $124.8 million investment
  - 14% LTD CPR vs. 15% initial projection

Collateral

($mm)	Original Balance	Current Balance	WAC (%)	WAM (mths)	Loan Age (mths)	30+ DQ[2] (%)
Pool 5 – Original	$47,573	$39,968	4.5%	290	88	36.5%
Pool 5 – Recapture	--	$21	3.6%	334	4	0.0%
Total / WA	**$47,573**	**$39,989**	**4.5%**	**290**	**88**	**36.4%**

Performance Update

	UPB ($mm)	Cash Flows ($mm)			CRR			CDR			CPR			Recapture Rate		
	Jun	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD
Original Pool:	$39,968	$2.9	$8.9	$38.2	6%	6%	5%	9%	10%	9%	15%	16%	14%	1%	0%	1%
Recaptured Pool:	$21	$0.0	$0.0	$0.0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total / WA	**$39,987**	**$2.9**	**$8.9**	**$38.2**	**6%**	**6%**	**5%**	**9%**	**10%**	**9%**	**15%**	**16%**	**14%**	**1%**	**0%**	**1%**

Investment Performance

($mm)	Acquisition Date	Fee *(bps)*	% Ownership	Initial Investment	LTD Cash Flow	Cash Basis	Carrying Value	Proj. Future Cash Flows [4]	Initial Expected IRR	Updated IRR[1]
Pool 5: PLS[3]	**12-Jun**	**15**	**65%**	**$124.8**	**$38.2**	**$86.6**	**$125.0**	**$214.6**	**17%**	**18%**

1) Updated IRR is based on the cash flow received to date through June 2013 and the projected future cash flow based on our updated underwriting assumptions (see footnote 4 below).
2) 30+ DQ represents the percentage of loans that are delinquent by 30 days or more June 30, 2013. The excess MSR will be paid on the total UPB of the pool (including both performing and delinquent loans until REO).
3) The investment was completed in June 2012 and was based on the May 31, 2012 UPB of the pool. Our interest began accruing based on the June 1, 2012 UPB. We receive the payment of our monthly excess fee in the following calendar month.
4) Projected cash flows assume: (a) CPR of 12% and (b) 13% recapture rate. Recaptured loans assume: 15% recapture rate, 8% CPR, 21bps Excess MSR.

Pool 5: PLS – June 2013

- Since purchase, $2.2 billion of total voluntary prepayments – $19 million recapture to date

Initial Pool

Collateral Date	5/31/2012
Purchase Date	6/27/2012
Price	40.4 bps
Invested ($mm)	$124.80
Total CF ($mm)	$247.20
Expected IRR	17.50%
MSR	32.2 bps
Basic Fee	19 bps
Excess MSR	13.2 bps
Recaptured MSR	27.0 bps

Assumptions for Initial Pool	
CPR (Average Lifetime):	13%
CRR	4%
CDR	9%
Recapture Rate	15%
Assumptions for Recaptured Pool	
CPR (Average Lifetime):	10%
CRR	5%
CDR	5%
Recapture Rate	15%

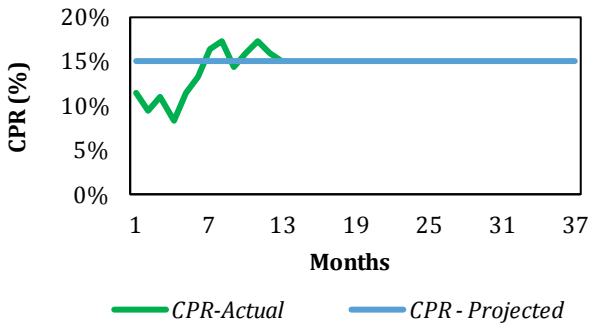
	Pool
UPB ($mm)	$47,573
Count	198,586
Avg Loan Amt	$239,558
Age (mths)	67
WAC	4.90%
MSR	32
FICO[1]	659
CLTV	124%
ARM	56.10%
30+ DQ	34.70%

Current Pool

	Original	Recaptured[2]	Total /WA
UPB ($mm)	$39,968	$21	$39,989
Count	172,125	74	172,199
Avg Loan Amt	$232,202	$262,407	$232,215
Age (mths)	88	4	88
WAC	4.5%	3.6%	4.5%
MSR	34 bps	25 bps	34 bps
FICO	655	755	655
CLTV	114%	71%	114%
ARM	54.6%	2.1%	54.6%
30+ DQ	36.5%	0.0%	36.4%

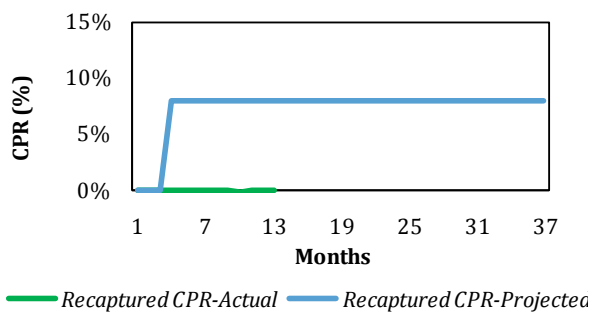
Original Pool: CPR

Projected Vector – 15% first 40 Mths; 11% afterward



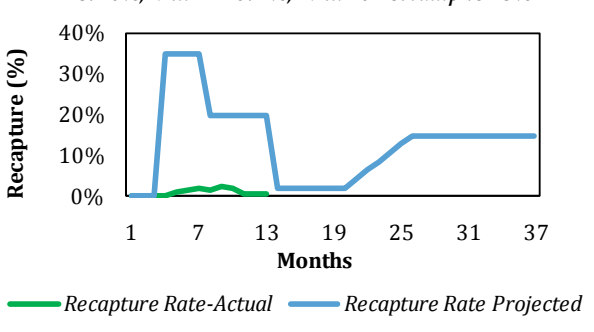
Recaptured Loans: CPR

Projected Vector – Mth 1-3: 0%; Mth 4+: 8%



Recapture Rate

Projected Vector - Mth 1-3: 0%; Mth 4-7: 35%; Mth 8-13: 20%; Mth 14-19: 2%; Mth 20-25: ramp to 15%



1) Measured as of 5/31/12.
2) Recaptured pool includes $19 million of loans that have not yet been securitized.

Pool 6: Govt. – June 2013

- Received $4.1 million of cash flow, 15% of initial investment, over 6 months
- Updated IRR of 16%[1] vs. 16% initial projection, $56.2 million of total cash flow, 2.1x our $27.3 million investment
  - 25% LTD CPR vs. 30% initial projection
  - 21% June recapture rate vs. 35% initial projection

Collateral

($mm)	Original Balance	Current Balance	WAC (%)	WAM (mths)	Loan Age (mths)	30+ DQ[2] (%)	Uncollected Payments (%)[2]
Pool 6 – Original	$12,987	$10,800	5.6%	307	52	18.2%	12.4%
Pool 6 – Recapture	--	$349	3.5%	357	1	0.2%	0.0%
Total / WA	**$12,987**	**$11,149**	**5.5%**	**308**	**51**	**18.4%**	**12.2%**

Performance Update

	UPB ($mm)	Cash Flows ($mm)			CRR			CDR			CPR			Recapture Rate		
	Jun	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD
Original Pool:	$10,800	$0.7	$2.1	$4.1	22%	24%	23%	5%	6%	4%	26%	29%	26%	21%	15%	8%
Recaptured Pool:	$349	$0.0	$0.0	$0.0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total / WA	**$11,149**	**$0.7**	**$2.1**	**$4.1**	**22%**	**24%**	**22%**	**5%**	**6%**	**4%**	**26%**	**28%**	**25%**	**21%**	**15%**	**8%**

Investment Performance

($mm)	Acquisition Date	Fee (*bps*)	% Ownership	Initial Investment	LTD Cash Flow	Cash Basis	Carrying Value	Proj. Future Cash Flows [4]	Initial Expected IRR	Updated IRR[1]
Pool 6: Govt.[3]	13-Jan	25	33%	$27.3	$4.1	$23.2	$28.7	$52.2	16%	16%

1) Updated IRR is based on the cash flow received to date through June 2013 and the projected future cash flow based on our original underwriting assumptions.
2) 30+ DQ represents the percentage of loans that are delinquent by 30 days or more as of June 30, 2013. Uncollected payments represent the percentage of loans that missed their most recent payment and therefore we did not receive our excess fee.
3) The investment was completed in January 2013 and was based on the November 30, 2012 UPB of the pool. Our interest began accruing based on the December 1, 2012 UPB. We receive the payment of our monthly excess fee in the following calendar month.
4) Projected cash flows assume: (a) 16% delinquency rate of which we assume 66% of borrowers have missed their most recent payment which implies a 11% uncollected payment rate, (b) weighted average lifetime CPR of 20% by applying the following vector: Months 1-24: 30%, Months 25+: 15% and (c) 35% recapture rate. Recaptured loans assume: 35% recapture rate starting in February 2013, 10% CPR, 23bps Excess MSR, 9% delinquency rate and 6% uncollected payment rate.

Pool 6: Govt. – June 2013

- Since purchase, $1.7 billion of total voluntary prepayments – $0.3 billion recapture to date

Initial Pool

Collateral Date	11/30/2012
Purchase Date	1/4/2013
Price	68.0 bps
Invested ($mm)	$27.30
Total CF ($mm)	$57.00
Expected IRR	15.80%
MSR	40.4 bps
Basic Fee	15.0 bps
Excess MSR	25.4 bps
Recaptured MSR	38.0 bps

Assumptions for Initial Pool	
CPR (Average Lifetime):	20%
CRR	17%
CDR	3%
Uncollected Pmts	11%
Recapture Rate	35%
Assumptions for Recaptured Pool	
CPR (Average Lifetime):	10%
CRR	8%
CDR	2%
Uncollected Pmts	6%
Recapture Rate	35%

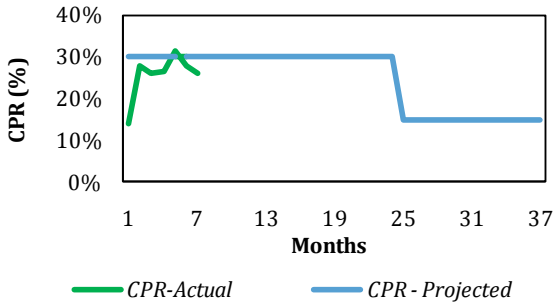
	Pool
UPB ($mm)	$12,987
Count	87,207
Avg Loan Amt	$148,924
Age (mths)	43
WAC	5.6%
MSR	40.4
FICO[1]	674
CLTV	101%
ARM	16.4%
30+ DQ	10.9%
Uncollected Pmts	10.9%

Current Pool

	Original	Recaptured[2]	Total /WA
UPB ($mm)	$10,800	$349	$11,149
Count	75,183	721	75,904
Avg Loan Amt	$143,652	$186,169	$144,056
Age (mths)	52	1	51
WAC	5.6%	3.5%	5.5%
MSR	40 bps	32 bps	40 bps
FICO	662	717	664
CLTV	100%	92%	100%
ARM	0.0%	0.0%	0.0%
30+ DQ	18.2%	0.2%	18.4%
Uncollected Pmts	12.4%	0.0%	12.2%

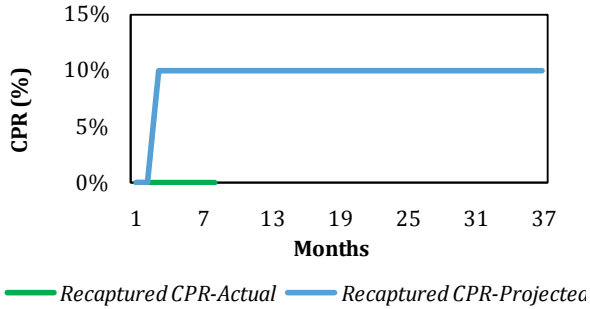
Original Pool: CPR

Projected Vector - Mth 1 - 24: 30%; Mth 25+: 15%



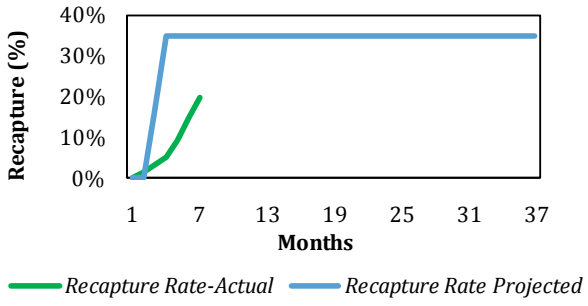
Recaptured Loans: CPR

Projected Vector – Mth 1-1: 0%; Mth 3+: 10%



Recapture Rate

Projected - Mth 1-2: 0%; Mth 3: 17%; Mth 4+ : 35%



1) Measured as of 11/30/12.
2) Recaptured pool includes $34 million of loans that have not yet been securitized.

Pool 7: GSE – June 2013

- Received $6.7 million of cash flow, 9% of initial investment, over 6 months
- Updated IRR of 14%[1] vs. 16% initial projection, $137.3 million of total cash flow, 2.0x our $67.3 million investment
  - 16% LTD CPR vs. 19% initial projection
  - 24% June recapture rate vs. 35% initial projection

Collateral[2]

($mm)	Original Balance	Current Balance	WAC (%)	WAM (mths)	Loan Age (mths)	30+ DQ[3] (%)	Uncollected Payments (%)[3]
Pool 7 – Original	$37,965	$31,999	5.1%	282	83	16.1%	12.5%
Pool 7 – Recapture	--	$237	4.3%	325	1	0.0%	0.0%
Total / WA	**$37,965**	**$32,236**	**5.1%**	**282**	**83**	**16.0%**	**12.4%**

Performance Update

	UPB ($mm)	Cash Flows ($mm)			CRR			CDR			CPR			Recapture Rate		
	Jun	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD
Original Pool:	$31,999	$2.17	$4.42	$6.66	22%	12%	16%	0%	0%	0%	22%	12%	16%	24%	16%	10%
Recaptured Pool:	$237	-	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total / WA	**$32,236**	**$2.17**	**$4.42**	**$6.66**	**22%**	**12%**	**16%**	**0%**	**0%**	**0%**	**22%**	**12%**	**16%**	**24%**	**16%**	**10%**

Investment Performance

($mm)	Acquisition Date	Fee *(bps)*	% Ownership	Initial Investment	LTD Cash Flow	Cash Basis	Carrying Value	Proj. Future Cash Flows [5]	Initial Expected IRR	Updated IRR[1]
Pool 7: GSE[4]	**13-Jan**	**16**	**33%**	**$67.3**	**$6.7**	**$60.6**	**$69.5**	**$130.7**	**16%**	**14%**

1) Updated IRR is based on the cash flow received to date through June 2013 and the projected future cash flow based on our original underwriting assumptions.
2) Excludes approximately $2.3 billion of loans, for which the information is not yet available.
3) 30+ DQ represents the percentage of loans that are delinquent by 30 days or more as of June 30, 2013. Uncollected payments represent the percentage of loans that missed their most recent payment and therefore we did not receive our excess fee.
4) The investment was completed in January 2013 and was based on the January 31, 2013 UPB of the pool. Our interest began accruing based on the February 1, 2013 UPB. We receive the payment of our monthly excess fee in the following calendar month.
5) Projected cash flows assume: (a) 12% delinquency rate of which we assume 66% of borrowers have missed their most recent payment which implies a 8% uncollected payment rate, (b) weighted average lifetime CPR of 14% by applying the following vector: Months 1-13: 19%, Months 14+: 13% and (c) 35% recapture rate. Recaptured loans assume: 10% CPR, 19bps Excess MSR, 8% delinquency rate and 5% uncollected payment rate.

Pool 7: GSE – June 2013[1,2]

- Since purchase, $2.4 million of total voluntary prepayments – $0.2 billion recapture to date

Initial Pool

Collateral Date	1/31/2013
Purchase Date	1/31/2013
Price	53 bps
Invested ($mm)	$67
Total CF ($mm)	$142
Expected IRR	16.20%
MSR	27.0 bps
Basic Fee	11.0 bps
Excess MSR	16.0 bps
Recaptured MSR	25.0 bps

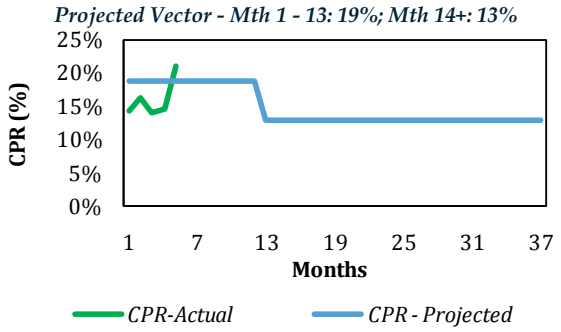
Assumptions for Initial Pool	
CPR (Average Lifetime):	14%
CRR	11%
CDR	3%
Uncollected Pmts	8%
Recapture Rate	35%
Assumptions for Recaptured Pool	
CPR (Average Lifetime):	10%
CRR	8%
CDR	2%
Uncollected Pmts	5%
Recapture Rate	35%

	Pool
UPB ($mm)	$37,965
Count	268,624
Avg Loan Amt	$141,332
Age (mths)	75
WAC	5.20%
MSR	27
FICO[1]	711
CLTV	83%
ARM	23.20%
30+ DQ	17.30%
Uncollected Pmts	10.9%

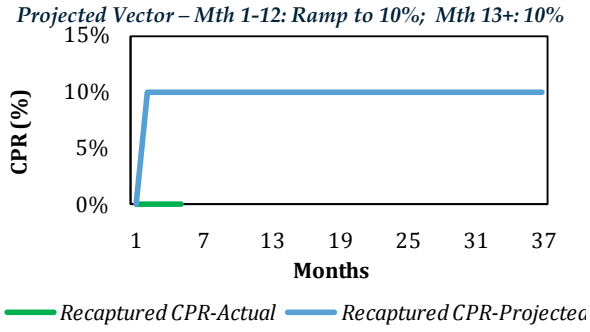
Current Pool

	Original	Recaptured	Total /WA
UPB ($mm)	$31,999	$237	$32,236
Count	234,275	1,525	235,800
Avg Loan Amt	$136,589	$155,294	$136,710
Age (mths)	83	1	83
WAC	5.1%	4.3%	5.1%
MSR	27 bps	25 bps	27 bps
FICO	682	727	682
CLTV	78%	102%	78%
ARM	23.7%	0.0%	23.6%
30+ DQ	16.1%	0.0%	16.0%
Uncollected Pmts	12.5%	0.0%	12.4%

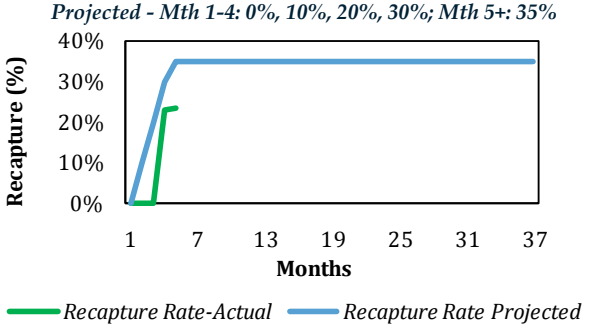
Original Pool: CPR



Recaptured Loans: CPR



Recapture Rate



1) Pool collateral information presented as of February 28, 2013.
2) Excludes approximately $2.3 billion of loans, for which the information is not yet available.

Pool 8: GSE – June 2013

- Received $2.9 million of cash flow, 8% of initial investment, over 6 months
- Updated IRR of 13%[1] vs. 16% initial projection, $70.0 million of total cash flow, 1.9x our $36.0 million investment
  - 28% LTD CPR vs. 23% initial projection
  - 38% June recapture rate vs. 35% initial projection

Collateral[5]

($mm)	Original Balance	Current Balance	WAC (%)	WAM (mths)	Loan Age (mths)	30+ DQ[3] (%)	Uncollected Payments (%)[3]
Pool 8 – Original	$17,622	$13,885	5.5%	292	73	13.2%	9.7%
Pool 8 – Recapture	--	$277	4.2%	322	1	0.0%	0.0%
Total / WA	**$17,622**	**$14,162**	**5.5%**	**292**	**71**	**12.9%**	**9.5%**

Performance Update

	UPB ($mm)	Cash Flows ($mm)			CRR			CDR			CPR			Recapture Rate		
	Jun	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD	Jun	Q2	LTD
Original Pool:	$13,885	$0.79	$2.33	$2.95	34%	29%	26%	2%	1%	3%	36%	30%	29%	38%	20%	13%
Recaptured Pool:	$277	-	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total / WA	**$14,162**	**$0.8**	**$2.3**	**$2.9**	**34%**	**29%**	**26%**	**2%**	**1%**	**3%**	**35%**	**30%**	**28%**	**38%**	**20%**	**13%**

Investment Performance

($mm)	Acquisition Date	Fee *(bps)*	% Ownership	Initial Investment	LTD Cash Flow	Cash Basis	Carrying Value	Proj. Future Cash Flows [5]	Initial Expected IRR	Updated IRR[1]
Pool 8: GSE[4]	**13-Jan**	**19**	**33%**	**$36.0**	**$2.9**	**$33.1**	**$36.0**	**$67.1**	**16%**	**13%**

1) Updated IRR is based on the cash flow received to date through June 2013 and the projected future cash flow based on our original underwriting assumptions.
2) Excludes approximately $1.3 billion of loans, for which the information is not yet available.
3) 30+ DQ represents the percentage of loans that are delinquent by 30 days or more as of June 30, 2013. Uncollected payments represent the percentage of loans that missed their most recent payment and therefore we did not receive our excess fee.
4) The investment was completed in January 2013 and was based on the January 31, 2013 UPB of the pool. Our interest began accruing based on the February 1, 2013. We receive the payment of our monthly excess fee in the following calendar month.
5) Projected cash flows assume: (a) 11% delinquency rate of which we assume 66% of borrowers have missed their most recent payment which implies a 7% uncollected payment rate, (b) weighted average lifetime CPR of 15% by applying the following vector: Months 1-13: 23%, Months 14+: 14% and (c) 35% recapture rate. Recaptured loans assume: 10% CPR, 19bps Excess MSR, 8% delinquency rate and 5% uncollected payment rate.

Pool 8: GSE – June 2013[1,2]

- Since purchase, $2.1 billion of total voluntary prepayments – $0.3 billion recapture to date

Initial Pool

Collateral Date	1/31/2013
Purchase Date	1/31/2013
Price	59 bps
Invested ($mm)	$36.0
Total CF ($mm)	$71.0
Expected IRR	15.8%
MSR	28.0 bps
Basic Fee	9 bps
Excess MSR	19 bps
Recaptured MSR	25.0 bps

Assumptions for Initial Pool	
CPR (Average Lifetime):	15%
CRR	13%
CDR	2%
Uncollected Pmts	7%
Recapture Rate	35%
Assumptions for Recaptured Pool	
CPR (Average Lifetime):	10%
CRR	8%
CDR	2%
Uncollected Pmts	5%
Recapture Rate	35%

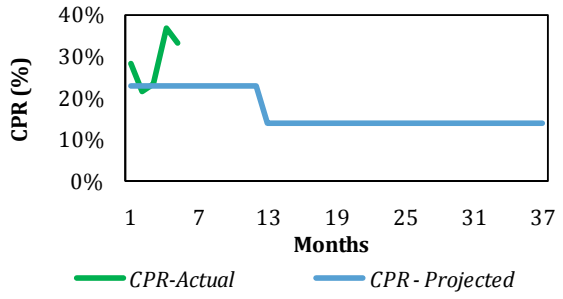
	Pool
UPB ($mm)	$17,622
Count	112,682
Avg Loan Amt	$156,390
Age (mths)	67
WAC	5.5%
MSR	28
FICO[1]	719
CLTV	92%
ARM	14.1%
30+ DQ	14.3%
Uncollected Pmts	11.5%

Current Pool

	Original	Recaptured	Total /WA
UPB ($mm)	$13,885	$277	$14,162
Count	93,328	1,539	94,867
Avg Loan Amt	$148,778	$179,838	$149,282
Age (mths)	73	1	71
WAC	5.5%	4.2%	5.5%
MSR	28	26	28
FICO	701	763	701
CLTV	83%	107%	84%
ARM	13.8%	0.1%	13.6%
30+ DQ	13.2%	0.0%	12.9%
Uncollected Pmts	9.7%	0.0%	9.5%

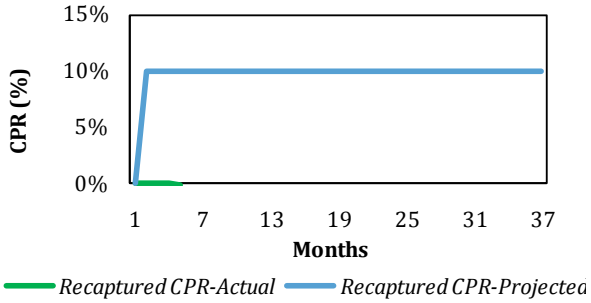
Original Pool: CPR

Projected Vector - Mth 1 - 13: 23%; Mth 14+: 14%



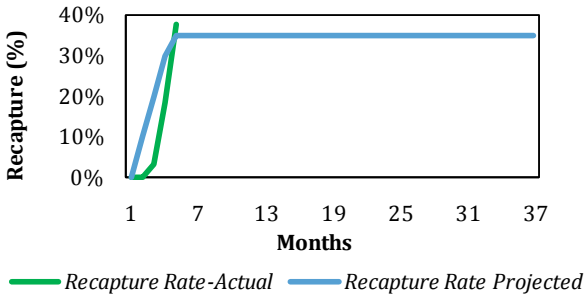
Recaptured Loans: CPR

Projected Vector – Mth 1-12: Ramp to 10%; Mth 13+: 10%



Recapture Rate

Projected - Mth 1-4: 0%, 10%, 20%, 30%; Mth 5+: 35%



1) Pool collateral information presented as of February 28, 2013.
2) Excludes approximately $1.3 billion of loans, for which the information is not yet available.

Financial Statements

Income Statement

($ 000s)	Three Months Ended 30-Jun-13
Interest income	22,999
Interest expense	2,651
Net Interest Income	**$ 20,348**
Impairment	
Other-than-temporary impairment ("OTTI") on securities	3,756
Net interest income after impairment	**16,592**
Other Income	
Change in fair value of investments in excess mortgage servicing rights	41,833
Change in fair value of investments in excess mortgage servicing rights, equity method investees	20,127
Earnings from investments in consumer loans, equity method investees	36,164
Gain on settlement of securities	58
	98,182
Operating Expenses	
General and administrative expenses	602
Management fee allocated by Newcastle	1,809
Management fee to affiliate	2,263
Incentive compensation to affiliate	878
	5,552
Net Income	**$ 109,222**

Balance Sheet

($ 000s, except per share data)		**30-Jun-13**
ASSETS:		
Cash and cash equivalents	$	209,699
Real estate securities, available-for-sale		1,759,239
Investments in excess mortgage servicing rights, at fair value		271,420
Investments in excess mortgage servicing rights, equity method investees, at fair value		183,153
Investments in consumer loans, equity method investees		280,816
Residential mortgage loans, held-for-investment		33,636
Other assets		4,479
Total Assets	**$**	**2,742,442**
LIABILITIES:		
Repurchase agreements	$	1,474,338
Due to affiliate		3,631
Dividends payable		17,712
Accrued expenses and other liabilities		1,036
Total Liabilities	**$**	**1,496,717**
Book Value	**$**	**1,245,725**
Per share	*$*	*4.92*

GAAP Reconciliation

GAAP Reconciliation of Core Earnings

- *Management uses core earnings, which is a non-GAAP measure, as one measure of operating performance.*
- *Core earnings excludes impairment, gains (losses) on the sale of investments, other income, and the change in fair value of Excess MSRs, and adjusts consumer loan income to a level-yield basis.*

($ 000s, except per share data)	Pre-Spin (4/1 - 5/15)	Post-Spin (5/16 - 6/30)	2Q'13 (4/1 - 6/30)
Income available for common stockholders	**$ 24,572**	**$ 84,650**	**$ 109,222**
Impairment	$ 3,756	$ -	$ 3,756
Other Income	(20,298)	(77,884)	(98,182)
Core earnings of equity method investees:			
Excess mortgage servicing rights	1,716	1,147	2,863
Consumer Loans	9,986	9,807	19,793
Core Earnings	**$ 19,732**	**$ 17,720**	**$ 37,452**
Per Diluted Share	**$ 0.08**	**$ 0.07**	**$ 0.15**