AG Mortgage Investment Trust, Inc.
Form 424B5
February 13, 2019
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-224629

PROSPECTUS SUPPLEMENT
(To prospectus dated May 18, 2018)
3,000,000 Shares
AG Mortgage Investment Trust, Inc.
Common Stock

We are offering to the public 3,000,000 shares of our common stock, par value $0.01 per share. We will receive all of the net proceeds from the sale of our common stock.

Our common stock trades on the New York Stock Exchange, or NYSE, under the symbol "MITT." On February 8, 2019, the last sale price of our common stock as reported on the NYSE was $18.16 per share.

To assist us in maintaining our qualification as a real estate investment trust, or REIT, among other purposes, stockholders are generally restricted from owning (or being treated as owning under applicable attribution rules) more than 9.8% in value or number of shares, whichever is more restrictive, of our outstanding shares of capital stock or common stock, unless our board of directors waives this limitation. See "Description of Common Stock-Restrictions on Ownership and Transfer" in the accompanying prospectus.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page S-7 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

We are selling to the underwriters the shares of common stock at a price of $16.70 per share, resulting in aggregate net proceeds to us of approximately $50.1 million before expenses. The underwriters propose to offer the shares of common stock for sale from time to time in one or more transactions (which may include block transactions), in negotiated transactions or otherwise, or a combination of those methods of sale at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, subject to receipt and acceptance by the underwriters and subject to the underwriters' right to reject any order in whole or in part. Delivery of the shares of common stock is expected to be made on or about February 14, 2019.

We have granted the underwriter an option to purchase up to an additional 450,000 shares of common stock from us on the same terms and conditions set forth above within 30 days of the date of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Book Running Manager
Morgan Stanley

Co-manager
JMP Securities

The date of this prospectus supplement is February 11, 2019.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus required to be filed with the Securities and Exchange Commission, which we refer to as the SEC or the Commission. We have not, and the underwriters have not, authorized anyone to provide you with additional or different information. If anyone provides you with additional or different information, you should not rely on it. Neither we nor the underwriters are making an offer to sell the common stock in any jurisdiction where the offer or sale thereof is not permitted. The information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus, any related free writing prospectus and the documents incorporated by reference is accurate only as of their respective dates and except as required by law we are not obligated, and do not intend to, update or revise this document as a result of new information, future events or otherwise.

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Prospectus Supplement



Prospectus

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## ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is a supplement to the accompanying prospectus that is also a part of this document. This prospectus supplement and the accompanying prospectus are part of a registration statement on Form S-3 that we filed with the SEC using a “shelf” registration statement. This prospectus supplement contains specific information about us and the terms on which we are offering and selling the common stock. To the extent that any statement made in this prospectus supplement is inconsistent with statements made in the accompanying prospectus, the statements made in the prospectus will be deemed modified or superseded by those made in this prospectus supplement. To the extent any information or data in any documents filed by us and incorporated by reference herein is inconsistent with prior information or data previously provided by us, the information or data in the previously filed document shall be deemed modified or superseded by the subsequent information or data. Before you purchase shares of the common stock, you should carefully read this prospectus supplement and the accompanying prospectus, together with the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

In this prospectus supplement, we refer to AG Mortgage Investment Trust, Inc., together with its consolidated subsidiaries, as “we,” “us,” “Company,” or “our,” unless we specifically state otherwise or the context indicates otherwise. We refer to AG REIT Management, LLC, our external manager, as our “Manager,” and we refer to Angelo, Gordon & Co., L.P., the parent of our Manager, as “Angelo Gordon.” All references in this prospectus supplement to trademarks lacking the ™ symbol are defined terms that reference the products, technologies or businesses bearing the trademark with this symbol. Angelo, Gordon & Co., L.P. licenses the Angelo, Gordon & Co., L.P. name and logo to us and our Manager in perpetuity for use in our business.

## CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

We make forward-looking statements in this prospectus supplement, the accompanying prospectus and other filings we make with the SEC within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and such statements are intended to be covered by the safe harbor provided by the same. Forward-looking statements are subject to substantial risks and uncertainties, many of which are difficult to predict and are generally beyond our control. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words “believe,” “expect,” “anticipate,” “estimate,” “plan,” “continue,” “intend,” “should,” “may” or similar expressions, we intend to identify forward-looking statem

Statements regarding the following subjects, among others, may be forward-looking:

- the factors set forth under the section captioned “Risk Factors” included in this prospectus supplement and in our subsequent filings with the SEC from time to time;
- expectations regarding the timing of generating any revenues;
- changes in our investment objective or investment or operational strategy;
- our investment portfolio;
- volatility and deterioration in the broader residential mortgage backed securities, or RMBS, commercial-mortgage backed securities, or CMBS, residential and commercial mortgage loan and asset backed securities, or ABS, markets;
- the risk of changes in prepayment rates on the loans underlying RMBS (including voluntary prepayments by the obligors and liquidations due to default and foreclosures) and our other investments;
- the unavailability of real estate financing and related defaults under commercial mortgage loans underlying CMBS;
- changes in interest rates and the market value of RMBS, CMBS, ABS and other real estate-related securities and various other asset classes in which we intend to invest;
- rates of default or decreased recovery rates on our target investments;
- volatility in our industry, interest rates and spreads, the debt or equity markets, the general economy or the residential finance and real estate markets specifically, whether the result of market events or otherwise;
- events or circumstances which undermine confidence in the financial markets or otherwise have a broad impact on financial markets, such as the sudden instability or collapse of large depository institutions or other significant corporations, terrorist attacks, natural or man-made disasters, or threatened or actual armed conflicts;

- continued declines in residential or commercial real estate;
- the availability of attractive risk-adjusted investment opportunities in residential or commercial mortgage and mortgage-related assets that satisfy our investment objective and investment strategies;
- the concentration of credit risks to which we are exposed;
- the degree and nature of our competition;
- the availability, terms and deployment of short-term and long-term capital;
- the adequacy of our cash reserves and working capital;

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- our dependence on Angelo Gordon and potential conflicts of interest with Angelo Gordon and its affiliated entities;
- changes in personnel and lack of availability of qualified personnel;
- the timing of cash flows, if any, from our investments;
- our ability to obtain additional financing or the use of proceeds from this offering;
- unanticipated increases in financing and other costs;
- the performance, financial condition and liquidity of borrowers;
- the degree to which our hedging strategies may or may not protect us from interest rate volatility;
- our failure to maintain appropriate internal controls over financial reporting;
- estimates relating to our ability to continue to make distributions to our stockholders in the future;
- changes in governmental regulations, accounting treatment, tax rates and similar matters;
- legislative and regulatory changes (including changes to laws governing the taxation REITs, or the exemptions from registration as an investment company); and
- limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify and remain qualified as a REIT for U.S. federal income tax purposes and qualify for an exemption from registration under the Investment Company Act of 1940, as amended, or the Investment Company Act.

Forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. While it is not possible to identify all factors, the following factors could cause actual results to vary from our forward-looking statements:

- the factors discussed under the caption “Risk Factors” beginning on page S-7 of this prospectus supplement and in our subsequent filings with the SEC from time to time;
- changes in our investment, financing and hedging strategy;
- our ability to find suitable reinvestment opportunities;
- the adequacy of our cash flow from operations and borrowings to meet our short term liquidity requirements;
- the liquidity of our portfolio;
- our ability to successfully integrate our portfolio of single-family rental properties, or our SFR portfolio, into our investment platform and our ability to accurately predict the performance of our SFR portfolio;
- unanticipated changes in our industry, interest rates, the credit markets, the general economy or the real estate market;
- changes in interest rates and the market value of our Agency RMBS;
- changes in the prepayment rates on the mortgage loans underlying our Agency RMBS;
- our ability to borrow to finance our assets;
- changes in government regulations affecting our business;
- our ability to qualify and maintain our qualification as a REIT for U.S. federal income tax purposes;
- our ability to maintain our exemption from registration under the Investment Company Act and the availability of such exemption in the future; and
- risks associated with investing in real estate assets, including changes in business conditions and the general economy.

These and other risks, uncertainties and factors, including those described elsewhere in the prospectus supplement and the accompanying prospectus, could cause our actual results to differ materially from those projected in any forward-looking statements we make. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time, and it is not possible to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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## PROSPECTUS SUPPLEMENT SUMMARY

The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference into this prospectus supplement and the accompanying prospectus. Because this is a summary, it may not contain all of the information that is important to you. You should read the entire prospectus supplement and the accompanying prospectus, including the section entitled “Risk Factors” and the documents incorporated by reference herein before making an investment decision.

### Our Company

We are a Maryland corporation focused on investing in, acquiring and managing a diversified portfolio of residential mortgage assets, other real estate-related securities, financial assets and real estate, which we refer to as our target assets. We are externally managed by our Manager, a wholly-owned subsidiary of Angelo Gordon, pursuant to a management agreement. Our Manager, pursuant to the delegation agreement dated as of June 29, 2011, has delegated to Angelo Gordon the overall responsibility of its day-to-day duties and obligations arising under the management agreement. We conduct our operations to qualify and be taxed as a REIT for U.S. federal income tax purposes. Accordingly, we generally will not be subject to U.S. federal income taxes on our taxable income that we distribute currently to our stockholders as long as we maintain our intended qualification as a REIT. We also operate our business in a manner that permits us to maintain our exemption from registration under the Investment Company Act of 1940, as amended, or the Investment Company Act. Our common stock is traded on the NYSE under the ticker symbol MITT. Our 8.25% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock") and our 8.00% Series B Cumulative Redeemable Preferred Stock ("Series B Preferred Stock") trade on the NYSE under the ticker symbols MITT-PA and MITT-PB, respectively.

### Recent Developments

On February 11, 2019 we disclosed certain preliminary results of operations for the year and quarter ended December 31, 2018 and book value and undepreciated book value as of December 31, 2018 and January 31, 2019.

### Preliminary Results

Although our financial results for the year and quarter ended December 31, 2018 are not yet finalized, we estimate the following:

- Net Loss Per Diluted Common Share for the year ended December 31, 2018 is estimated to be $(0.42). Net loss per diluted common share for the quarter ended December 31, 2018 is estimated to be $(1.45).

- Core Earnings Per Diluted Common Share(1) for the year ended December 31, 2018 is estimated to be $2.08. Core Earnings per diluted common share for the quarter ended December 31, 2018 is estimated to be $0.47.

- Book Value Per Common Share(2) is estimated to be $17.21 at December 31, 2018. We estimate that book value per common share increased approximately 2% through January 31, 2019(3).
  The decline in book value at December 31, 2018 from September 30, 2018 was driven primarily by the widening of the Agency MBS basis and a sharp decline in interest rates during the fourth quarter of 2018.

- Undepreciated Book Value Per Common Share(2) is estimated to be $17.30 at December 31, 2018. We estimate that undepreciated book value per common share increased approximately 2% through January 31, 2019(3).
  The decline in undepreciated book value at December 31, 2018 from September 30, 2018 was driven primarily by the widening of the Agency MBS basis and a sharp decline in interest rates during the fourth quarter of 2018.

(1) We modified our definition and calculation of Core Earnings during the fourth quarter of 2018. A reconciliation of estimated net loss per diluted common share to estimated Core Earnings per diluted common share for the year and quarter ended December 31, 2018, along with an explanation of this non-GAAP financial measure, is provided in the "Non-GAAP Financial Measures" section below.

(2) Book value per common share is calculated as total equity less net proceeds of our Series A Preferred Stock and Series B Preferred Stock; divided by the total common shares issued and outstanding. Estimated book value and estimated undepreciated book value at December 31, 2018 are based on 28,743,527 common shares issued and outstanding as of such date. A reconciliation of estimated book value per share to estimated undepreciated book value per share at December 31, 2018 is provided in the "Non-GAAP Financial Measures" section below.

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(3) Estimated book value and estimated undepreciated book value per common share at January 31, 2019 have been reduced by $0.21 per share, the pro rata portion of the current quarter's common and preferred dividends per share (which for purposes of this calculation is assumed to be the same as the previous quarter).

Our closing procedures for the year and quarter ended December 31, 2018 and the month ended January 31, 2019 are not yet complete and, as a result, the financial information above reflects our preliminary estimates based on information currently available to management. Actual results may be materially different and are affected by the risk factors and uncertainties identified in this prospectus supplement, the accompanying prospectus, our most recent Annual Report on Form 10-K and our subsequent Quarterly Reports on Form 10-Q. Further, these estimates are not a comprehensive statement of our financial results as of and for the year and three months ended December 31, 2018 and the month ended January 31, 2019. Accordingly, you should not place undue reliance on this preliminary information. These estimates were prepared by our management in connection with the preparation of its financial statements and are based upon a number of assumptions. Additional items that may require adjustments to the preliminary operating results may be identified and could result in material changes to our estimated preliminary operating results. Estimates of operating results are inherently uncertain and we undertake no obligation to update this information. PricewaterhouseCoopers LLP, our independent registered public accounting firm, has not audited, reviewed, compiled or performed any procedures with respect to this preliminary financial information. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or provide any form of assurance with respect thereto.

Non-GAAP Financial Measures

Our preliminary estimates of Core Earnings per diluted share and undepreciated book value per share are both non-GAAP measures.

Core Earnings

During the three months ended December 31, 2018, we determined that we should modify our definition and calculation of “Core Earnings,” a non-GAAP financial measure, to exclude realized and unrealized changes in the fair value of Arc Home’s net mortgage servicing rights as well as realized and unrealized changes in the fair value of derivatives that are intended to offset changes in the fair value of those net mortgage servicing rights held at Arc Home, our subsidiary licensed mortgage originator. The modification to our definition and calculation of Core Earnings is consistent with its treatment of excluding realized and unrealized changes in the fair value of Excess MSRs held directly by us.

We calculate Core Earnings, a non-GAAP financial measure, as Net Income/(loss) available to common stockholders excluding (i) unrealized gains/(losses) on securities, loans, derivatives and other investments and realized gains/(losses) on the sale or termination of such investments, (ii) beginning with Q2 2018, as a policy change, any transaction related expenses incurred in connection with the acquisition or disposition of investments, (iii) beginning with Q3 2018, concurrent with a change in our business, any depreciation or amortization expense related to our single family rental (“SFR”) portfolio, (iv) beginning with Q3 2018, as a policy change, accrued deal related performance fees payable to Arc Home and third party operators to the extent the primary component of the accrual relates to items that are excluded from Core Earnings, such as unrealized and realized gains/(losses), and (v) beginning with Q4 2018 and applied retrospectively, as a policy change, realized and unrealized changes in the fair value of Arc Home's net mortgage servicing rights as well as realized and unrealized changes in the fair value of derivatives that are intended to offset changes in the fair value of those net mortgage servicing rights. Items (i) through (v) above include any amounts related to those items held in affiliated entities. Management considers the transaction related expenses referenced in (ii) above to be similar to realized losses incurred at acquisition or disposition and does not view them as being part of its core operations. Management views the exclusion described in (v) above to be consistent with how it calculates Core Earnings on the remainder of its portfolio. As defined, Core

Earnings include the net interest income and other income earned on our investments on a yield adjusted basis, including TBA dollar roll income, or any other investment activity that may earn or pay net interest or its economic equivalent. One of our objectives is to generate net income from net interest margin on the portfolio, and management uses Core Earnings to help measure this objective. Management believes that this non-GAAP measure, when considered with its GAAP financial statements, provides supplemental information useful for investors as it enables them to evaluate our current core performance using the same measure that management uses to operate the business. This metric, in conjunction with related GAAP measures, provides greater transparency into the information used by our management team in its financial and operational decision-making.

A reconciliation of GAAP Net Income/(loss) available to common stockholders per diluted share to Core Earnings per diluted share for the year and quarter ended December 31, 2018 is set forth in the table below. The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. We urge investors to review this reconciliation and not to rely on any single financial measure to evaluate the our business.

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| | Year Ended December 31, 2018 | Three Months Ended December 31, 2018 |
|---|---|---|
| Net Income/(loss) available to common stockholders, per diluted share | $(0.42) | $(1.45) |
| Add (Deduct): | | |
| Net realized (gain)/loss | 1.39 | 0.08 |
| Dollar roll income | 0.06 | — |
| Equity in (earnings)/loss from affiliates | (0.55) | 0.05 |
| Net interest income and expenses from equity method investments (a) | 0.23 | 0.04 |
| Transaction related expenses and deal related performance fees (b)(c) | 0.07 | 0.06 |
| Property depreciation and amortization | 0.08 | 0.06 |
| Other income | (0.00) | (0.00) |
| Unrealized (gain)/loss on real estate securities and loans, net | 0.74 | (0.53) |
| Unrealized (gain)/loss on derivative and other instruments, net | 0.48 | 2.16 |
| Core Earnings, per diluted share | $2.08 | $0.47 |

(a) For the year and three months ended December 31, 2018, $0.02 and $(0.09) per diluted share, respectively, of realized and unrealized changes in the fair value of Arc Home's net mortgage servicing rights and corresponding derivatives were excluded from Core Earnings per diluted share as a result of our modification to the definition and calculation of Core Earnings in Q4 2018 described above. The $0.02 for the year ended December 31, 2018 was comprised of $0.05, $0.03, $0.03, and $(0.09) for the three months ended March 31, 2018, June 30, 2018, September 30, 2018, and December 31, 2018, respectively.

(b) For the three months ended March 31, 2018, the above chart was not adjusted for transaction related expenses as they did not have a material impact on Core Earnings for the period.

(c) For the six months ended June 30, 2018, the above chart was not adjusted for deal related performance fees as they did not have a material impact on Core Earnings for that period.

Undepreciated Book Value per Share

Undepreciated book value per share adds accumulated depreciation and amortization back to book value to present a book value that incorporates our single-family rental property portfolio at its undepreciated basis. This metric allows management to consider the investment portfolio exclusive of non-cash adjustments.

A reconciliation of book value per share to undepreciated book value per share at September 30, 2018 and December 31, 2018 is presented below:

| | September 30, 2018 | December 31, 2018 |
|---|---|---|
| Book value per share | $19.16 | $17.21 |
| Add back: Accumulated depreciation and amortization | 0.02 | 0.09 |
| Undepreciated book value per share | $19.18 | $17.30 |

Per share amounts for book value are calculated using all outstanding common shares in accordance with GAAP, including all shares granted to our Manager, and our independent directors under its equity incentive plans as of quarter-end. Book value is calculated using stockholders' equity less net proceeds of our Series A Preferred Stock and Series B Preferred Stock as the numerator. Per share amounts for Core Earnings are calculated using weighted average outstanding shares in accordance with GAAP.

Our Principal Office

Our principal executive offices are located at 245 Park Avenue, 26th Floor, New York, New York 10167. Our telephone number is (212) 692-2000. Our website can be found at www.agmit.com. The information on our website is not, and should not be interpreted to be, part of this prospectus supplement or the accompanying prospectus.

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THE OFFERING

| | |
|---|---|
| Issuer | AG Mortgage Investment Trust, Inc. |
| Common stock offered by us | 3,000,000 shares of common stock, par value $0.01 per share, plus up to an additional 450,000 shares if the underwriters exercise their option to purchase additional shares in full. |
| Common stock outstanding after this offering[(1)] | 31,749,742 shares of common stock (32,199,742 shares of common stock if the underwriters' exercise their option to purchase additional shares of common stock in full). |
| Use of Proceeds | We plan to use the net proceeds from this offering to fund purchases of residential mortgage loans, commercial mortgage loans and our target assets in accordance with our investment objectives and strategies, as well as for other general corporate purposes. See "Use of Proceeds" in this prospectus supplement. |
| NYSE Symbol | "MITT'' |
| Risk Factors | Investing in our common stock involves a high degree of risk. You should carefully read and consider the information set forth under "Risk Factors" beginning on page S-7 of this prospectus supplement, in Item IA of Part I of our Annual Report on Form 10-K for the year ended December 31, 2017 and in our subsequent filings with the SEC from time to time. |
| Restrictions on ownership and transfer | Our charter contains restrictions on the number of shares of our capital stock that a person may own that are intended to assist us in maintaining our qualification as a REIT. Among other things, our charter provides that, subject to exceptions, no person may beneficially or constructively own shares of any class of our capital stock in excess of 9.8% in value or number of our outstanding shares of such class of capital stock. In addition, our charter, subject to exceptions, prohibits, among other things, any person from beneficially owning our shares of capital stock to the extent that such ownership of shares would result in us failing to qualify as a REIT. For more information about these restrictions, see "Description of Common Stock-Restrictions on Ownership and Transfer" in the accompanying prospectus. |