Capitol Acquisition Corp
Form 425
September 21, 2009

Two Harbors
Investment Corp.
Investor Presentation
Capitol Acquisition
Corp.

September 2009
Filed by Two Harbors Investment Corp. pursuant to
Rule 425 under the Securities Act of 1933
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Subject Company: Capitol Acquisition Corp.
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Safe Harbor Statement
THIS PRESENTATION IS BEING PRESENTED BY CAPITOL ACQUISITION CORP. ( CAPITOL OR CLA ), PINE I
HARBORS INVESTMENT CORP. ( TWO HARBORS ).
NEITHER CAPITOL, TWO HARBORS NOR ANY OF ITS RESPECTIVE AFFILIATES MAKES ANY REPRESENTATIO
COMPLETENESS OF THE INFORMATION CONTAINED IN THIS PRESENTATION. THE SOLE PURPOSE OF THIS P
WHETHER THEY WISH TO PROCEED WITH A FURTHER REVIEW OF THE PROPOSED TRANSACTION DISCUSSI
OR TO CONTAIN ALL THE INFORMATION THAT A PERSON MAY DESIRE IN CONSIDERING THE PROPOSED TI
TO FORM THE BASIS OF ANY INVESTMENT DECISION OR ANY OTHER DECISION IN RESPECT OF THE PROPO
CAPITOL HAS FILED A PROXY STATEMENT WITH THE SECURITIES AND EXCHANGE COMMISSION ( SEC ) A
STATEMENT WITH THE SEC, IN EACH CASE THAT CONTAINS A PRELIMINARY PROXY STATEMENT/PROSPEC
TRANSACTION. STOCKHOLDERS AND WARRANT HOLDERS OF CAPITOL AND OTHER INTERESTED PERSONS
STATEMENT/PROSPECTUS IN CONNECTION WITH CAPITOL S SOLICITATION OF PROXIES FOR THE SPECIAL
INFORMATION, INCLUDING A DESCRIPTION OF THE SECURITY HOLDINGS OF THE CAPITOL OFFICERS AND

SUCCESSFUL CONSUMMATION OF THE PROPOSED TRANSACTION. THE DEFINITIVE PROXY STATEMENT/PR
AND WARRANT HOLDERS, AS THE CASE MAY BE, AS OF A RECORD DATE TO BE ESTABLISHED FOR VOTIN
WARRANT HOLDERS WILL ALSO BE ABLE TO OBTAIN A COPY OF THE DEFINITIVE PROXY STATEMENT/PRO
TO: CAPITOL ACQUISITION CORP., 509 7TH STREET, N.W., WASHINGTON, D.C. 20004. FREE COPIES OF THESE
WITHOUT CHARGE, AT THE SEC S INTERNET SITE (HTTP://WWW.SEC.GOV).

CAPITOL, TWO HARBORS, TWO HARBORS EXTERNAL MANAGER AND THEIR RESPECTIVE DIRECTORS, EX
BE DEEMED TO BE PARTICIPANTS IN THE SOLICITATION OF PROXIES FOR THE SPECIAL MEETINGS OF CAP
TO BE HELD TO APPROVE THE PROPOSED TRANSACTION. AS PART OF THE PROPOSED TRANSACTION, AN A
CERTAIN SERVICES TO TWO HARBORS EXTERNAL MANAGER PURSUANT TO WHICH SUCH ENTITY WILL
PERCENTAGE OF THE MANAGEMENT FEES TO BE PAID BY TWO HARBORS. ADDITIONALLY, THE UNDERWR
2007 MAY ASSIST CAPITOL IN THESE SOLICITATION EFFORTS. THE UNDERWRITERS ARE ENTITLED TO REC
THE RIGHT TO PARTICIPATE IN FUTURE SECURITIES OFFERINGS BY TWO HARBORS UPON COMPLETION OF
CONSUMMATED, THE UNDERWRITERS WILL NOT RECEIVE ANY OF THEIR DEFERRED UNDERWRITING COM
THE INTERESTS OF POTENTIAL PARTICIPANTS IS INCLUDED IN THE PROXY STATEMENT/PROSPECTUS AND
HARBORS WITH THE SEC.

THIS PRESENTATION SHALL NOT CONSTITUTE A SOLICITATION OF A PROXY, CONSENT OR AUTHORIZATIO
THE PROPOSED TRANSACTION.

THIS PRESENTATION SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO
SECURITIES IN ANY JURISDICTIONS IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFU
THE SECURITIES LAWS OF ANY SUCH JURISDICTION. NO OFFERING OF SECURITIES SHALL BE MADE EXCE
REQUIREMENTS OF SECTION 10 OF THE SECURITIES ACT OF 1933, AS AMENDED.

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Forward Looking Statements

THIS PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE SAFE H LITIGATION REFORM ACT OF 1995. FORWARD-LOOKING STATEMENTS INVOLVE NUMEROUS RISKS AND U DIFFER FROM ITS EXPECTATIONS, ESTIMATES, AND PROJECTIONS AND, CONSEQUENTLY, YOU SHOULD NO PREDICTIONS OF FUTURE EVENTS. FORWARD-LOOKING STATEMENTS ARE NOT HISTORICAL IN NATURE A ANTICIPATE, ESTIMATE, WILL, SHOULD, EXPECT, BELIEVE, INTEND, SEEK, PLAN, AN REFERENCES TO STRATEGY, PLANS, OR INTENTIONS.

STATEMENTS REGARDING THE FOLLOWING SUBJECTS, AMONG OTHERS, ARE FORWARD-LOOKING BY THE PROPOSED TERMS AND STRUCTURE OF THE PROPOSED TRANSACTION, THE TERMS OF TWO HARBORS SE TRANSACTION AND THE PROPOSED TERMS AND STRUCTURE OF TWO HARBORS MANAGEMENT AND ORG TRANSACTION; (II) REGARDING THE ESTIMATED BOOK VALUE OF TWO HARBORS UPON CLOSING OF THE P PROPOSED INVESTMENT STRATEGIES AND INVESTMENT GOALS, TARGETED INVESTMENTS AND THE OPPO EXPECTED MARKET TRENDS, INCLUDING THE ROLE PRIVATE CAPITAL IS EXPECTED TO PLAY IN FINANCIN

INCREASED SUPPORT AND INVOLVEMENT OF THE U.S. GOVERNMENT MAY OFFER POTENTIAL FOR ATTRA
IMPROVING INVESTMENT RETURNS, THAT AGENCY RMBS ARE LIKELY TO REMAIN AT LOW PRICES TO LIB
SPEEDS OF CERTAIN ASSETS (INCLUDING THAT SOME PREPAYMENTS ARE LIKELY TO REMAIN SLOWER TH
ARE PRICED AT LEVELS THAT COMPENSATE FOR CREDIT RISK AND HAVE UPSIDE TO POTENTIAL GOVERN
FINANCING, AND CERTAIN AGENCY RMBS SPREADS ARE EXPECTED TO REMAIN WIDE; (VI) REGARDING TV
ATTRACTIVE ROE; (VII) REGARDING TWO HARBORS ABILITY TO QUICKLY DEPLOY ITS CAPITAL AND THE
HARBORS WILL INVEST ITS CAPITAL; (VIII) REGARDING TWO HARBORS FINANCING STRATEGY AND USE
LEVERAGE RATIO AND POTENTIAL USE OF GOVERNMENT PROGRAMS; (IX) REGARDING THE EXPECTED TE
WARRANTS AS A POTENTIAL SOURCE OF CAPITAL GROWTH, INCLUDING THE BOOK VALUE OF TWO HARB
BY TWO HARBORS UPON EXERCISE OF THE WARRANTS.

THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES. TWO HARBORS U
FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR C
MAY AFFECT ACTUAL RESULTS INCLUDE: UNCERTAINTIES AS TO THE TIMING OF THE PROPOSED TRANSA
CAC S STOCKHOLDERS AND WARRANT HOLDERS; THE SATISFACTION OF CLOSING CONDITIONS TO THE P
PROPOSED TRANSACTION; CHANGES IN ECONOMIC CONDITIONS GENERALLY, CHANGES IN TWO HARBOR
FINANCE AND THE REAL ESTATE MARKETS SPECIFICALLY; LEGISLATIVE AND REGULATORY CHANGES; A
HARBORS ON FAVORABLE TERMS, OR AT ALL; AVAILABILITY OF SUITABLE INVESTMENT OPPORTUNITIES
AND STRATEGIES; EXPECTATIONS REGARDING THE TIMING OF GENERATING REVENUES; THE DEGREE AN
HARBORS DEPENDENCE ON ITS MANAGER AND INABILITY TO FIND A SUITABLE REPLACEMENT IN A TIM
MANAGER WERE TO TERMINATE THE MANAGEMENT AGREEMENT; CHANGES IN THE RELATIONSHIPS AMO
STRATEGIES OF, AND CONFLICTS OF INTEREST AMONG, TWO HARBORS AND PINE RIVER, INCLUDING THE
BUSINESS BY ITS EXEMPTIONS UNDER THE 1940 ACT; CHANGES IN INTEREST RATES AND INTEREST RATE S
LIQUIDITY OF BORROWERS; INFLATION; CHANGES IN GAAP; CHANGES IN PERSONNEL AND LACK OF AVAI
POLICIES AND RULES APPLICABLE TO REITS; AND OTHER FACTORS NOT PRESENTLY IDENTIFIED.

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Proven Manager
with Strong Track
Record
Capitol Acquisition (NYSE Amex: CLA) to merge with a subsidiary of Two Harbors Investment Corp., a newly created mortgage REIT to capitalize on severe dislocation in the residential mortgage backed securities (RMBS) market.
At current CLA price, an investor creates a share in Two Harbors at 1.04x initial Book Value

vs.
1.28x
trading
average
for
non-Agency
public
peers.
(1)
Externally managed by PRCM Advisers, an affiliate of Pine River,
a global
fixed-income focused asset manager.
Since February 2008 inception, Pine River s RMBS strategy has returned
145.3% life to date net of fees and 76.3% annualized net of fees
(2)
with no
negative months.
Team and infrastructure in place to rapidly invest proceeds and manage
future growth.
Attractive 1.5% management fee structure with no additional performance
fees.
Opportunity
Transaction Highlights
(1)
Assumes
no
shareholder
conversions
or
other
purchases
by
Capitol
of
public
shares.
The
impact
of
this
benefit
is
reduced
in
the
case
of
maximum
shareholder
conversions

and
/or
other
purchases
of
public
shares.
Please
see
slide
25
entitled
 Comparables:
Non-Agency
and
Agency
REITS
for
more
information.
(2)
For more information with respect to the performance of Pine River s RMBS strategy including key assumptions used in deriv

5
With no legacy assets, Two Harbors is positioned to invest 100% of
Capitol s trust fund proceeds into RMBS with potential for attractive risk
adjusted returns and Return on Equity (ROE).
Cross-product approach targeting all sub-sets of the RMBS market enables
Two Harbors to best capture inefficiencies.
Potential to benefit from government programs such as Home Affordable
Modification
Program
(HAMP)
and
TALF
II
if

expanded
to
RMBS.
Compelling
Targeted Returns
Transaction Highlights
(1)
Term Asset-Backed Securities Loan Facility (TALF).
(2)
As of September 17, 2009 closing price.
Capitol s public shareholders to own 100% of Two Harbors post
completion.
Expected market capitalization of $258 million based on 26.25 million
common
shares
and
current
stock
price
of
$9.84
(2)
(reduced
by
the
amounts converted by stockholders exercising their conversion rights
and the amounts that may be used to enter into forward or other
contracts to purchase shares of Capitol).
Warrants struck at $11.00 provide accretive growth capital.
Pro Forma
Ownership

6
Experienced, Cohesive Team:
Six partners together for average of 15 years.

Average 19 years hedge fund
experience.
57 employees, 20 investment professionals.
No senior management turnover.
Historically low attrition.
Overview of Pine River Capital Management
Founded June 2002 with offices in New York, London, Hong Kong, San Francisco and Minnesota.
Over $1.1 billion assets under management
(1)
.

Experienced manager of non-Agency, Agency and other mortgage related assets.

Pine River has never suspended or withheld cash from investors.
Established Infrastructure:
Strong corporate governance.
Registrations: SEC/NFA (U.S.), FSA (U.K.),
SFC (Hong Kong), SEBI (India) and TSEC
(Taiwan).
Proprietary technology.
Global footprint.
Minnetonka,
MN

London

Hong
Kong

San
Francisco

New
York
Global multi-strategy asset management firm providing comprehensive portfolio
management, transparency and liquidity to institutional and high
net worth investors.
(1)
Estimate as of September 1, 2009.

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The Two Harbors Team

Board consists of seven directors, majority independent, including:

Chairman, Brian Taylor, CEO and Founder, Pine River;

Vice-Chairman, Mark Ein, CEO and Founder, Capitol;

Tom Siering, Partner, Pine River, and CEO Two Harbors;

Steve Kasnet, Independent;

Bill Johnson, Independent;

Reid Sanders, Independent; and

Independent Director to be Nominated by Capitol.
Tom Siering, CEO.
Jeff Stolt, CFO.
Steve Kuhn, Co-Chief Investment Officer.
Bill Roth, Co-Chief Investment Officer.
Tim O Brien, General Counsel.
Andrew Garcia, VP Business Development.
Management Team
Board of Directors

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Pine River  s RMBS Strategy Historical Returns
Jan-08
Feb-08
Mar-08
Apr-08
May-08
Jun-08
Jul-08
Aug-08
Sep-08
Oct-08
Nov-08
Dec-08

Net Monthly Return
N/A
2.93%
1.26%
2.83%
4.10%
4.09%
2.49%
2.11%
9.56%
2.46%
3.26%
4.32%
Net Annual Return
N/A
2.93%
4.23%
7.18%
11.57%
16.13%
19.02%
21.52%
33.15%
36.42%
40.87%
46.95%
Jan-09
Feb-09
Mar-09
Apr-09
May-09
Jun-09
Jul-09
Aug-09
(Estimate)
Sep-09
Oct-09
Nov-09
Dec-09
Net Monthly Return
8.50%
5.01%
4.48%
5.09%
6.40%
8.15%
10.71%
4.76%
Net Annual Return
8.50%

13.94%
19.04%
25.10%
33.12%
43.96%
59.38%
66.96%
Annualized Net Life to Date Return
3 Month Net Return
Annualized Standard Deviation
6 Month Net Return
Positive Months
12 Month Net Return
LTD Net Return
Nisswa Fixed Income Fund L.P. Estimated
September 1, 2009 Assets Under Management
145.34%
25.44%
46.54%
101.89%
76.27%
9.20%
19/19
$327.9 Million
Beginning in September 2008, the data reflects, on an unaudited basis, the actual performance of Nisswa Fixed Income Fund L
For
the
period
from
February
2008
through
July
2008,
Pine
River s
RMBS
strategy
was
conducted
through
the
Nisswa
Master
Fund.
During
the
month
of
August

2008, the strategy was conducted in both the Nisswa Master Fund and the Nisswa Fixed Income Fund, however for purposes of investor reporting during the transition month of August 2008, returns fr
Fund owned 100% of the equity interests in the Nisswa Fixed Income Fund. The performance information shown in the table a
monthly investor reports of the Nisswa Master Fund which separately reported on the results of the RMBS component of the Nisswa Master Fund. The performance information is determined by dividing the net income derived from

the
RMBS component of the Nisswa Master Fund by the weighted amount of capital that was allocated to this strategy over the ap
the
manager,
even
if
such
fees
were
not
paid.
The
strategy
performance
information
related
to
the
Nisswa
Master
Fund
is
based
on
a
number
of
important
assumptions
with
respect
to
the
allocation
of
incentive
fees,
management
fees,
and
operating
expenses.
Specifically,
Pine
River
allocated
incentive
fees
among
the

Nisswa Master Fund s various strategies based on the proportion of new profit generated by each strategy over the aggregate new profit generated by the Nisswa Master Fund. The new profit is calculated by subtracting operating expenses, finance expenses and management fees from net trading gains. In addition, Pine River allocated management fees and operating expenses among the Nisswa Master Fund s various strategies based on the proportion of the margin requirements in each strategy over the Nisswa Master Fund s total margin requirements. The performance information shown in the table above beginning in September 2008 reflects the actual performance of the Nisswa Fixed Income Fund. The investment strategy of each of the Nisswa

Fixed Income Fund and the RMBS strategy component of the Nisswa Master Fund is different from the investment strategy that Two Harbors intends to employ in several important respects. The Nisswa Fixed Income Fund (and before September 2008 the RMBS strategy component of the Nisswa Master Fund) traded actively in fixed-rate, adjustable and interest-only RMBS, including collateralized mortgage obligations and to-be-announced forward contracts, and equity investments in REIT, and actively hedged its trading positions. By contrast, Two Harbors will initially seek to invest primarily in Agency and non-Agency RMBS with a buy-and-hold emphasis, and does not currently anticipate actively trading its assets. In addition, whereas the Nisswa Master Fund and the Nisswa Fixed Income Fund charge a 1.5% management fee as well as a 20% incentive fee, Two Harbors will only pay a 1.5% management fee. Two Harbors investment strategy may further differ from that of the Nisswa Fixed Income

Fund, in that it may use greater leverage with regard to its investments in Agency RMBS. In addition, unlike the Nisswa Fixed Income Fund, Two Harbors is constrained by limitations on its investment strategies that are necessary in order to qualify as a REIT which is exempt from registration under the Investment Company Act of 1940 ( 1940 Act ). In this regard, Two Harbors may place a greater emphasis than the Nisswa Fixed Income Fund on owning whole pool Agency RMBS for purposes of maintaining its 1940 Act exemption. Accordingly, past performance is not indicative of future results. Two Harbors is not expected to experience returns, if any, comparable to those experienced by investors in the Nisswa Fixed Income Fund or the RMBS strategy component of the Nisswa Master Fund. Indeed,

Pine River s RMBS strategy has achieved financial returns since its inception in February 2008 that are not likely to be sustai

Return on capital is calculated based on average monthly capital, not beginning of month capital. Assumes a 1.5% managemen

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Two Harbors Investment Approach
Holistic approach across non-Agency and Agency RMBS.
Continuous top-down market assessment to identify most attractive segments.
Detailed analyses to find the most mispriced securities.
Find and invest in smaller opportunities often ignored by larger funds.
Strong focus on risk management to preserve value and maximize returns.

10
Market Opportunity
Traditional providers of capital have left the market.

Fannie Mae & Freddie Mac, historically the overseers of relative
value and
effectively the world s two largest mortgage hedge funds , cannot participate in
the current price discrepancies.

The capital bases of traditional market participants such as proprietary trading
desks and hedge funds have been reduced.
Continued forced selling by remaining participants has led to significant price declines.
Two Harbors will be positioned to capitalize upon severe dislocations in the $11.0 trillion
U.S. mortgage market.

(1)
(1)
FBR Miller.

11
0%
1%
2%
3%
4%
5%
6%
7%
Jan-04
Oct-04
Aug-05
Jun-06
Apr-07

Jan-08
Nov-08
Sep-09
FN30CC
1moLIB
Agency securities are trading at wide spreads to LIBOR and are likely to remain wide for some time.
Source:
UBS Mortgage Strategy.
Non-Agency securities are trading at low prices.
Significant opportunities in both non-Agency and Agency securities.
Source:
Amherst Securities.
Note:
All prices are indicative month-end levels for 2006 / 2007 vintages.
Historical Pricing on Senior Non-Agency Securities
Agency Spreads
FN 30-yr Current Coupon vs. LIBOR
30
40
50
60
70
80
90
100
Jan-08
Apr-08
Aug-08
Dec-08
Apr-09
Aug-09
Prime - 30 Year Fixed
Alt - A - 30 Year Fixed
Option Arm Super Senior
Market Opportunity

12
Hypothetical Portfolio
Total leverage:
1.8x
(5)
(6)
(5)
(7)
Hypothetical
Portfolio
(1)
($ in millions)
Estimated shareholder equity:
$251.1

(1)
Note:
See following page for footnotes.
In the discussions leading up to the execution of the merger agreement, Two Harbors presented the following hypothetical port
its consideration and review, except that the presentation that Capitol s board of directors reviewed only presented the hypoth
the merger whereas the portfolios below have been revised to also show the hypothetical portfolios assuming the minimum tra
information has not been updated to include subsequent developments reflected elsewhere in this investor presentation. Such h
actual assets held or borrowings made by Two Harbors. Instead, the presentation illustrates the types and performance charact
should be available for purchase in the market and illustrates the costs of borrowings that Two Harbors believes should be avai
assurance that a portfolio of the type presented will be available for purchase upon consummation of the merger at the prices a
terms. In addition, the returns from the portfolio are based on a number of assumptions detailed below. Actual results will be
securities portfolio and will vary from the amounts shown in the presentation below.
% of Equity
Equity
Assets
Interest Income
Interest ExpenseReturn on Equity
Deal size:
Deal size:
Deal size:
Deal size:
Deal size:
Asset Type
Low
Mid
High
Max
Min
Haircut
(2)
Max
Min
Yield
(3)(4)
Finance
Rate
Max
Min
Max
Min
None
Min
Agency hybrids
15%
20%
25%
$50.2
$20.0
10%
$502.1

$200.0
4%
1.0%
$20.1
$8.0
($4.5)
($1.8)
31.0%
31.0%
Non-Agency
super senior
35%
45%
55%
113.0
45.0
100%
113.0
45.0
16%

18.1
7.2

16.0%
16.0%
Non-Agency
mezzanine
10%
20%
30%
50.2
20.0
100%
50.2
20.0
30%

15.1
6.0

30.0%
30.0%
MBS derivatives
5%
15%
25%
37.7

15.0
100%
37.7
15.0
40%

15.1
6.0

40.0%
40.0%
100%
$251.1
$100.0
$703.0
$280.0
$68.3
$27.2
($4.5)
($1.8)
25.4%
25.4%

13
(1)
In the case of the maximum transaction size, based on estimated stockholder equity of $251.1 million, which assumes no stock
transaction
size
of
$100
million,
based
on
estimated
stockholder
equity
of

$100 million, after stockholder conversions and/or such other purchases of public shares.
(2) Two Harbors intends to use repurchase agreements to finance the purchase of Agency RMBS. In a repurchase agreement transaction, the haircut refers to the difference between the market value of the securities being financed and the amount being advanced. The 10% haircut shown above for Agency Hybrids was based on (i) the 5% haircuts
Income Fund involving Agency securities around the time this Presentation was prepared, as adjusted to take into account the r
haircuts for the Nisswa Fixed Income Fund s repurchase agreement transactions have predominantly been between 3% and 5%
no leverage is employed. Two Harbors currently has one master repurchase agreement in place and expects additional agreeme

(3) The yields shown above for the respective asset types were based on market information obtained by members of the Pine River Fixed Income team around the time this Presentation was prepared in connection with their daily research and trading activities, including quote, bid and offering data obtained from broker-dealers utilized by the team a
Super Senior, Non-Agency Mezzanine and MBS Derivatives, the yield information was based on yields on securities traded by
between April 1 and May 30, 2009, the fund made trades in

five Non-Agency Super Senior bonds, 29 Non-Agency Mezzanine bonds and 41 MBS Derivatives). The yields presented were also consistent with the yields contained in quote, bid and offering data related to Non-Agency Super Senior bonds, Non-Agency Mezzanine bonds and MBS Derivatives and obtained from nine broker-dealers around the time this

Presentation
was
prepared. For Agency Hybrids, the Nisswa Fixed Income Fund did not make any trades in this asset type around the time this
obtained from a broker-dealer around the time this Presentation was prepared. As Agency Hybrids are relatively fungible secu
representative of such securities generally. The yields shown in the table were not adjusted from the yield data obtained from
(4)
The following assumptions relating to prepayment, defaults and losses were used for each asset type: Agency Hybrids: 15 Co
( CDR ),
70
Loss
Severity;
Non-Agency
Mezzanine:
4
CPR,
15
CDR,
70
Loss
Severity;
MBS
Derivatives:
25
CPR.
CPR
refers
to
the
rate,
expressed
as
a
percentage
of
a
mortgage
pool s
outstanding
principal,
at
which
loans
are expected to be prepaid in a given year. CDR refers to the rate, expressed as a percentage of a mortgage pool s outstanding
expected principal loss of a loan, expressed as a percentage of the loan balance at the time of liquidation, including foreclosure
J.P.Morgan s
April 2009 Agency Hybrid ARMs
Primer, market convention for valuing Agency Hybrid pools and, accordingly, Two Harbors believes that the use of such mark
and Loss Severity assumptions shown above for the other asset types were based on April 2009 historical mortgage loan perfo
2009, as adjusted to take into account then existing market conditions (as reflected in the prepayment, default and loss assump
securities traded by the Nisswa Fixed Income Fund described in footnote (3)) and the risk of potential further degradation in th

adjusted as described above, was reasonable. In the case of CPR, in general, when RMBS is purchased at a discount to par, faster prepayments will improve its yield, when RMBS is purchase data premium, faster prepayments will reduce its yield and, when RMBS is purchased at par, its yield will

be
unaffected
by
prepayments.
The
yields
for
the
securities
within
the
listed
asset
classes
assumed
these
securities
were
purchased
at
a
discount
to
par.
In
the case of CDR and Loss Severity, in general, defaults and losses will reduce the yield of non-Agency RMBS.

(5)
Assumes borrowings of nine times invested equity. This assumed debt to invested equity ratio was based on (i) the fact that rep
securities around the time the presentation was prepared had a debt to invested equity ratio of 19:1 or higher, and (ii) the fact th
repurchase agreement transactions have predominantly been between 32:1 and 19:1 and have never been less than 9:1.

(6)
Two Harbors expects that advances under most of the repurchase agreements it intends to utilize will bear interest at One Mont
shown
above
were
based
on
(i)
One
Month
LIBOR
of
31
basis
points
and
(ii)
the
45
basis

point interest rate obtained in connection with repurchase agreement transactions effected by the Nisswa Fixed Income Fund involving Agency securities, in each case, around the time this Presentation was prepared, as adjusted to take into account the r

(7) Total leverage shows the ratio of debt to equity. The ratio shown above assumes debt of $451.9 million in the case of the maximum transaction size, and $180 million in the

case
of
the
minimum
transaction
size
of
$100
million.
Hypothetical Portfolio (cont d)

14
Assumption
Value of 1 CPR
Trailing 6mo
Total CPR
5
6
17
CDR
5
5
4.6
Severity
50

50
30.9
Yield
24%
28%
77%
WFMBS 06-AR11 A7
Non-Agency Discount Example
Voluntary CPRs
5%
8%
10%
15%
25%
40% Severity
32%
43%
50%
68%
107%
50% Severity
24%
36%
44%
63%
104%
When purchasing deep discount securities, prepayment speeds can have a significant impact on returns. Below is an example o
Fargo originated senior support bond available for purchase in July 2009 for just over $31. The bond is backed by Prime jumbo
adjustable rate mortgages with an average loan size of $603,000 and average FICO score of 742. The average coupon being pa
borrowers is 6.27%, leaving plenty of refinancing incentive for the almost 90% of borrowers who are current on their loan. Rec
prepayment history of the underlying mortgages support this analysis. As illustrated below, loss severities also impact returns.
SUPER
SENIOR BONDS
WFMBS 2006-AR11 A7
5.24% -
14.94% slice
Sub Bonds
Illustrative Non-Agency Security Investment
Yields
at
Various
Voluntary
CPRs
(2)
and
Loss
Severities
1 CPR
4%
This bond does not represent an actual asset held by Two Harbors. Instead, the presentation illustrates the analysis PRCM Adv

purchase by Two Harbors. There can be no assurance that an asset of the type presented will be available for purchase upon co

(1)

Constant prepayment rate.

(2)

Other assumptions: 5 CDR, Dollar price of $31.25.

(1)

15
Non-Agency Discount Example
Super Senior Bond backed by Option Arm
Collateral (CWALT 2006-OA17 2A1).
-
First 27.8% of loss is absorbed by
junior bonds.
-
Receives protection from the Senior
Support and Subordinate bonds
from credit losses.
-
Pays a coupon of COFI
(2)

+ 150bps,
where most Option Arms pay 1mo
Libor + a smaller margin.
SUPER
SENIOR BONDS
27.8%-100%
Illustrative non-Agency Security Investment
SUPPORT
BONDS
Voluntary CPR
(1)
of 1, which implies only
1% of the people in the trust (annually)
will be able to refinance.
A constant default rate of 35, which means
35% of the trust per year will be defaulted.
Loss severity of 70%, which assumes all
loans liquidated out of the trust will trade
for 30 cents on the dollar.
Purchase price: $34.00.
Yield: 18.5 percent.
Security
Assumptions
Risk / Reward Profile of this Bond
Dollar Price
50%
55%
60%
65%
70%
75%
$34
44.0%
37.0%
31.0%
25.0%
18.0%
12.0%
Implied liquidation % of the entire pool: over 95 percent.
Implied total % loss on the collateral: 66.7 percent.
This bond does not represent an actual asset held by Two Harbors.  Instead, the presentation illustrates the analysis PRCM Adv
purchase by Two Harbors.  There can be no assurance that an asset of the type presented will be available for purchase upon co
Yields
at
Various
Loss
Severity
Assumptions
(2)
(1)

Constant prepayment rate.
(2)
Other assumptions: 1% voluntary CPR, 35 CDR, Cost of Funds Index ( COFI ) flat at 1.38%.

16
0
10
20
30
40
50
60
70
Incentive to Prepay in bps (July 2009)
LLB
Generic
0
10

20
30
40
50
60
70
Incentive to Prepay in bps
2003
2009 July
Source:
Merrill Lynch Fixed Income Strategy and J.P. Morgan Securities Inc.
Capacity constraints of mortgage originators.
Significant declines in homeowners equity reduces
borrower s ability to access funding.
Low
Loan
Balance
(LLB)

Fixed
costs
reduce
borrower s incentive; busy brokers avoid low-fee
business.
Fixed costs represent higher barriers to smaller
borrowers.
Prepayment speeds remain slower than 2003
despite government intervention.
Some prepayments likely to remain slower than
projections.
Prepayment Cycle Creates Pricing Opportunities
Fannie 30-yr. Prepayment Curves
Fannie 30-yr Prepayment Curves by Loan Attributes

17
Agency Inverse IO Example
Agency Inverse IO bonds are an inherently levered way to take advantage of slow prepayment speeds on specific types of collateral pools, such as LLBs.
Yields at Various Prepayment Speeds
Agency Inverse IO Bond Example
Loan Size Data (FNR 2006-21 XS) (as of July 2009)
Constant Prepayment
Rates (CPRs)
Average
Original
Original
Current

Minimum
Maximum
$68,600
$63,300
$13,000
$85,000
5 CPR
10 CPR
15 CPR
25 CPR
35 CPR
45 CPR
Price 11-16
60.1%
53.4%
46.6%
32.3%
17.0%
0.4%
1 month
Aug-09
12.2
Jul-09
19.0
Jun-09
7.9
May-09
10.9
Apr-09
18.0
Mar-09
18.3
Feb-09
12.2
Jan-09
7.9
Dec-08
7.1
Nov-08
8.4
Oct-08
7.3
Sep-08
6.3

18
Diana
Denhardt

Repo
Funding
Analyst.

20 years financing experience at EBF & Associates and Cargill
6 member software development team
Supported by 37 operational and administrative professionals, including:

11 member accounting team;

3 member legal team;

7 member operations and settlement team; and

6 member software development team.
Pine River Offers Extensive MBS Expertise
Two Harbors
Co-Chief Investment Officers
Steve Kuhn
Partner and Head of Fixed Income Trading.

Goldman Sachs Portfolio Manager from 2002 to 2007.

17
years
investing
in
and
trading
mortgage
backed
securities
and
other
fixed
income
securities for firms including Goldman Sachs Asset Management, Citadel and Cargill.
Bill Roth
Portfolio Manager.

Citi and Salomon Brothers 1981
2009; Managing Director since 1997.

Managing Director in the bank s proprietary trading group managing MBS and ABS portfolios.
Pine River s RMBS strategy has returned 145.3% life to date net of fees and
76.3%
annualized net of fees since inception, February 2008.
(1)
(1)
For
more
information
with
respect
to
the
performance

of
Pine
River s
RMBS
strategy
including
key
assumptions
used
in
deriving
such
performance,
please
see
slide
8
entitled
Pine
River s
RMBS
Strategy
Historical
Returns .
Jiayi Chen
Trader.

Formerly Goldman Sachs Asset
Management, risk management.
Brendan
McAllister

Trader.

Formerly UBS Securities, member of top
mortgage sales team.
Aaron
Zimmerman

Trader.

Formerly Citi, member of proprietary trading
group.

19

Two Harbors Investment Team Goals

Create highest return on equity in the mortgage REIT
sector.

Capture significant capital appreciation resulting from government
policies, including if TALF
is expanded to cover RMBS.

Maintain investment flexibility across entire RMBS sector to best
take advantage of opportunities as the mortgage market evolves.

20
Note:
Balance sheet as of June 30, 2009, balances and estimates subject to change.
(1)
As of September 17, 2009.
(2)
Assumes 100% of sponsors promote shares retired, existing 33.2 million warrants amended to an out-of-the-money strike pric
no shareholder conversions or other purchases by Capitol of public shares.
Opportunity for Investors
$1.9
$0.4
Cash and Cash Equivalents
Add: Other Assets and Prepaid Income Taxes
$9.42

Initial Book Value Per Share
(2)
Valuation Summary
($ in millions, except per share amounts)
October 2009
$247.3
Initial Book Value
1.04x
Assumed Price/Initial Book Value
$14.0
Less: Estimated Transaction & Other Expenses
26.25
Fully Diluted Shares (treasury method)
$258.3
Fully Diluted Equity Value
$259.1
Add: Cash Held in Trust
$9.84
Assumed Price Per Share
Capitol s common stockholders expected to create Two Harbors at or near Book Value.
Estimated Value at Closing
(1)

21
Note:
Agency REIT Mean comprised of American Capital Agency, Annaly Mortgage, Anworth Mortgage, Capstead Mortgage, Cypr
Non-Agency REIT Mean comprised of Chimera Investment Corp., Invesco Mortgage, PennyMac Mortgage Investment Trust a
(1)
Target Leverage defined here as Total Liabilities divided by Total Equity.
(2)
Current leverage of 1.0x pro forma for recent equity offerings. Unadjusted for the equity offerings, target leverage would be 2
(3)
Current leverage of 5.3x pro forma for recent equity offering. Unadjusted for the equity offering, target leverage would be 9.
Opportunity for Investors
104%
110%
133%

122%
164%
105%
50.0%
70.0%
90.0%
110.0%
130.0%
150.0%
170.0%
Agency
REIT Mean
Chimera
Redwood
PennyMac
Invesco
Two
Harbors
Non-Agency REIT's
Non-Agency REIT Mean
Non-Agency
Mean: 128%
1.1x
NA
5.3x
5.6x
1.0x
1.0x
2.0x

1.0x
2.0x
3.0x
4.0x
5.0x
6.0x
7.0x
Agency
REIT Mean
Chimera
Redwood
PennyMac
Invesco
Two
Harbors
Non-Agency REIT's
Non-Agency REIT Mean
Non-Agency
Mean: 2.5x
2.9x

Efficient structure creates Two Harbors at a lower Price to Book
Value, using less leverage
than other publicly traded residential mortgage REITs.
Target
Leverage
(1)
Price to Book Value
(2)
(3)

22
0.5x
0.6x
0.7x
0.8x
0.9x
1.0x
1.1x
1.2x
1.3x
1.4x
1.5x
$9.50
$9.75

$9.84
$10.00
$10.50
$11.00
$11.50
$12.00
$12.50
$13.00
$13.50
$14.00
$14.50
Common Price
Two Harbors Price to BV
Non-Agency REIT Mean Price to BV
Price to Book Value
Transaction expected to create Two Harbors closer to Book Value than would be possible
in a traditional IPO or through secondary market purchases.
Opportunity for Investors
Non-Agency
Mean: 1.28x
Note:
Assumes 100% of sponsors promote shares retired, existing 33.2 million warrants amended to an out-of-the-money strike pric
Capitol of public shares. The impact of this benefit is reduced in the case of maximum shareholder conversions and /or other p

23

Structure Creates
Attractive Return
Profile

Severe dislocation has led to capital outflows and potential investment opportunities throughout the sector.

Government programs to inject liquidity into market provides additional upside.

Deep, broad experience and disciplined investment approach.

Generated 145.3% life to date net of fees and 76.3% annualized net of fees
(1)
and no negative return months since Pine River launched its RMBS strategy in February 2008.

CLA s public stockholders expected to create Two Harbors at
1.04x initial Book Value vs. 1.28x average for non-Agency public
peers
(2)
.
High targeted return on equity with moderate leverage.
Market
Opportunity
Investment Team
Investment Summary
Building Next
Great Mortgage
REIT
Highly experienced team of mortgage specialists brought
together to create next great mortgage REIT franchise.
(1)
For
more
information
with
respect
to
the
performance
of
Pine
River s
RMBS
strategy
including
key
assumptions
used
in
deriving
such
performance,
please
see
slide
8
entitled
Pine
River s
RMBS
Strategy
Historical
Returns .
(2)
Assumes

no shareholder conversions or other purchases by Capitol of public shares. The impact of this benefit is reduced in the case of maximum shareholder conversions and /or other purchases of public shares. Please see slide 25 entitled Comparables: Non-Agency and Agency REITS for more information.

Appendix

25
Comparables: Non-Agency and Agency REITs
Source:
SNL Financial, FactSet and company filings.
Note:
REIT Means calculated using the average of the non-Agency peer group mean and the Agency peer group mean.  Prices as of S
(1)
Based on IBES consensus estimates, where available.
(2)
Most recent announced quarterly dividend annualized, divided by current share price.
(3)
Debt / Equity
Leverage
defined

here as Total Liabilities divided by Total Equity.

(4)
Expense ratio is all non-interest expense less non-recurring expenses and any provisions for loan losses for the most recent qua

(5)
Pro forma for $851m equity offering (including private placement) on 4/15/2009 and for $622m follow-on on 05/26/09.

(6)
Pro forma for $238m equity offering on 05/26/09.

(7)
Market cap includes private placement (.735m shares offered at IPO price of $20.00).

(8)
Market cap includes Invesco Ltd private placement (1.5m shares offered at IPO price of $20.00). Book value net of gross spread paid by IVR of 1.5% of public offering and other IPO expenses

of
$1.9m.
Excludes
over-allotment.
(9)
Pro forma for $387m equity on 7/29/09.
($ in millions, except per share data)
Price
Market
Price /
Div. Yield:
Debt /
%
Expense
Company
Ticker
09/17/09
Cap
2010E EPS
(1)
Book
Most Recent
(2)
Equity
(3)
Agency
Ratio
(4)
Non-Agency REITs
Chimera Investment Corp.
(5)
CIM
$3.85
$2,581
7.3x
1.33x
8.3%
1.0x
35%
1.6%
Redwood Trust
(6)
RWT
16.92
1,311
9.2
1.64
5.9
5.3
0

5.4
PennyMac
Mortgage Investment Trust
(7)
PMT
19.85
332
NA
1.05
NA
NA
NA
NA
Invesco
Mortgage Capital Inc.
(8)
IVR
21.58
216
6.7
1.10
NA
1.1
NA
NA
Mean
7.7x
1.28x
7.1%
2.5x
3.5%
Agency REITs
Annaly
Mortgage
NLY
$18.47
$10,054
6.8x
1.18x
13.0%
5.9x
1.4%
MFA Mortgage
(9)
MFA
8.02
2,245
6.4
1.15
12.5

3.9
1.1
Hatteras Financial
HTS
32.58
1,179
6.8
1.36
13.5
6.4
1.4
Capstead
Mortgage
CMO
14.64
935
6.0
1.28
15.3
6.6
2.7
Anworth
Mortgage
ANH
7.94
827
6.3
1.09
16.1
5.1
2.1
American Capital Agency
AGNC
28.36
426
5.8
1.37
21.2
5.3
3.2
Cypress Sharpridge
Investments
CYS
13.95
253
5.5
1.10
17.2
5.9
2.5

Mean
6.2x
1.22x
15.5%
5.6x
2.1%
Overall Mean
7.0x
1.25x
11.3%
4.0x
2.8

26
1.29x
1.04x
0.03x
(0.14x)
(0.13x)
(0.01x)
0.9x
1.0x
1.1x
1.2x
1.3x
1.4x
1.5x

Initial
Adjust warrants
Retire sponsor shares
Adjust deferred IPO fees
Transaction expenses
Final
We de-SPAC the SPAC
By re-striking warrants at $11.00, retiring the sponsor shares, and restructuring the deferred fees, we de-SPAC the SPAC.
Current
CLA
Share
Price
(1)
Multiple
of
Book
Value
Non-Agency
Mean: 1.28x
(1)
As of September 17, 2009 closing price.
(2)
Assumes
no
shareholder
conversions
or
other
purchases
by
Capitol
of
public
shares.
The
impact
of
this
benefit
is
reduced
in
the
case
of
maximum
shareholder
conversions
and

/or
other
purchases
of
public
shares.
(2)

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Restructured Warrants Source of Growth Capital

Consent requires majority of warrant holders.

Any cash warrant exercises will be at a premium to the initial liquidation value.

Proceeds expected to be redeployed in accretive investments.

Note:

Assumes re-strike of 33.249 million warrants at $11.00, no shareholder conversions or other purchases by Capitol of public shares and exercise of all warrants for cash. However, 7,000,000 warrants each relating to one share of stock of Two Harbors, which will be held by CLA s sponsors following the consummation of the merger, are exercisable on a cashless basis. If these warrants are exercised, the Book Value per Share would be less than $10.30 due to dilution and the greater the price of Two Harbors stock price at the time of exercise of these warrants, the greater the dilutive impact.

Warrant Exercise
($ in millions, except per share data)
Warrant strike price to be amended to $11.00.
Pre
Post
Book Value
$247.3
$613.1
Basic Shares Outstanding (mm)
26.25
59.50
Book Value per Share
$9.42
$10.30
% Increase
9.4%

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Capitol Shareholder Options
Holders of record of CLA stock have the option of receiving a share of Two Harbors or a pro rata distribution of the cash held in CLA s trust (currently $9.87).
Capitol Acquisition
Shareholder
The acquisition is
approved
If unable to complete a transaction
by 11/8/2009, shareholder receives
pro rata share of cash-in-trust
(currently $9.87).
The acquisition is
rejected and CLA

liquidates in 11/09
Shareholder receives pro rata share
of cash-in-trust (currently $9.87).
CLA shareholder
votes no
Shareholder holds share of
Two Harbors.
CLA shareholder
votes yes

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Experienced Team
Brian
Taylor,
Chairman.
Brian
founded
Pine
River
in
2002
and
is
responsible

for management of the business and oversight of the funds. Prior to Pine River s inception, Brian was with EBF & Associates from 1988 to 2002; he was named head of the convertible arbitrage group in 1994 and Partner in 1997. His responsibilities included portfolio management, marketing, product development, and trading information systems development. He holds a B.S. from Millikin University in Decatur, Illinois and an M.B.A. from the University of Chicago and passed the Illinois CPA exam. Mark D. Ein, Vice-Chairman. Mark has served as CEO of Capitol Acquisition Corp. since its inception in November 2007. Mark is the Founder

and
CEO of Venturehouse Group, LLC, a technology holding company that creates, invests in and builds technology, communicati
services
companies.
Notable
portfolio
companies
include
Matrics
Technologies,
sold
to
Symbol
Technologies
in
2004;
Cibernet
Corporation,
sold
to
MACH S.a.r.l in 2007; and an early investment in XM Satellite Radio. He is also the President of Leland Investments, a privat
also Co-Chairman and majority owner of Kastle Systems, a leading provider of building and office security systems. Mark is a
of the Washington Kastles, the World Team Tennis franchise in Washington, D.C. From 1992 to 1999, Mark was a Principal w
Prior to Carlyle, Mark worked at Brentwood Associates and Goldman, Sachs (in the commercial MBS group). Mark holds a B
Pennsylvania s Wharton School of Finance and an M.B.A. from the Harvard Business School.
Thomas
Siering,
Chief
Executive
&
Director.
Prior
to
joining
Pine
River
in
2006,
Tom
was
head
of
the
Value
Investment
Group
at
EBF
&
Associates in Minnetonka, MN from 1999 until 2006. He was the portfolio manager for Merced Partners, LP and Tamarack In

that period. Tom was named a partner of EBF in 1997. He supervised a staff of thirteen people located both in Minnesota and comprised of traders, analysts and support personnel. Tom joined EBF in 1989 as a Trader. Prior to his employment at EBF, fr held various trading positions in the Financial Markets Department at Cargill, Inc. From 1981 until 1987 Tom was employed in the Domestic Soybean Processing Division at Cargill in both trading and managerial roles. Tom holds a B.B.A. from the University of Iowa with a major in Finance. Steve

Kuhn, Co-Chief Investment Officer. Prior to joining Pine River in 2008, Steve was a Vice President and Portfolio Manager at Goldman Sachs based in New York and Beijing from 2002 to 2007, where he was part of a team that managed approximately $40 billion in mo
From 1999 to 2002, Steve was a Japanese convertible bond trader at Citadel Investment Group in Chicago. Prior to that, he wa
backed securities trading at Cargill. He has 17 years mortgage-related trading experience. Steve holds a B.A. in Economics with Honors from Harvard. Bill Roth, Co-Chief Investment

Officer. Bill has 28 years of experience in the Fixed Income Markets, with specific expertise in mortgage-backed and asset-backed securities. Prior to joining Pine River in 2009, Bill was Managing Director at Citigroup and its predecessor firm, Salomon Brothers Inc.

From 2004 to 2009, Bill managed a proprietary trading book at Citigroup with particular focus on mortgage and asset-backed s
2004, Bill was part of the Salomon/Citi New York Mortgage Sales Department. From 1981 to 1994, Bill was based in Chicago
Financial Institutions Sales Group for Salomon. He was awarded the Masters in Business Administration with a concentration
University of Chicago Graduate School of Business. Bill holds a B.S. in Finance and Economics from Miami University.

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Experienced Team
Jeff
Stolt,
Chief
Financial
Officer.
Prior
to
co-founding
Pine
River
in
2002,

Jeff was the Controller at EBF & Associates from 1997 to 2002. In this role, Jeff oversaw the preparation of all fund accounting statements, managed the offshore administrator relationship, managed the audit process a
reporting. Jeff began employment with EBF in 1989. Prior to that, Jeff was an accountant in Cargill, Inc. s Financial Markets
holds a B.S. in Accounting and Finance from the Minnesota State University.

Tim O Brien, General Counsel. Prior to joining Pine River in 2007, Tim served as Vice President and General Counsel of NRG Energy, Inc. from 2004 until 2006. He served as Deputy General Counsel of NRG Energy from 2000 to 2004 and Assistant General Counsel from 1996 to 2000. P
associate at Sheppard, Mullin, Richter & Hampton in Los Angeles and San Diego, California. He holds a B.A. in History from
degree

from the University of Minnesota Law School. Tim attended an eight-week Advanced Management Program at Harvard Business School in the spring of 2007.
Andrew Garcia, VP Business Development. Prior to joining in 2008, Andrew was the Event Driven and Business Combination Companies (SPAC) specialist in the Capital Markets division at

Maxim Group in New York. Before joining Maxim Group, he was the head trader at Laterman & Company. From 2001 to 2005, he covered institutional event-driven and risk arbitrage investors as a sales trader, equity sales person, and middle markets sales person at Cathay Financial, Oppenheimer & Co., and CIBC Oppenheimer Corp. Andrew holds a B.A. from Kenyon College.

Brad Farrell, Controller. Prior to joining Pine River in September 2009, Brad was Vice President, Director, External Reporting for GMAC ResCap, responsible for external reporting initiatives within the corporate function of GMAC ResCap from 2007 to 2009. From 2002 to 2007 he held various positions in finance and accounting with XL Capital and its affiliates. From 1997 to 2002 he was employed with KPMG. Brad is a Certified Public Ac
from Drake University in 1997.

Stephen G. Kasnet, Independent Director and Audit Committee Chair. Stephen is a Director and Chairman of the Board of Columbia Laboratories, Inc. (NASDAQ: CBRX). He has been President and Chief Executive Officer of Raymond Property Company LLC since 2007. Fr
Chief Executive Officer of Harbor Global Company, Ltd., an asset management, natural resources and real estate investment company, and Chairman of PioGlobal Asset Management. Mr. Kasnet
also served as a past director and member of the Executive Committee of The Bradley Real Estate Trust and served as Chairma
Warren Bank. He has held senior management positions with Pioneer Group, Inc.; First Winthrop Corporation and Winthrop I
Forbes.
He

serves as Chairman of the Board of Rubicon Ltd. (forestry) and is a director of Tenon Ltd. (wood products). He is also a trustee and vice president of the board of The Governor s Academy, Byfield, MA. Mr. Kasnet received a Bachelor of Arts from the University of Pennsylvania in 1966.

William W. Johnson, Independent Director. William was a Managing Director of J.P. Morgan from 2006 to 2009, where he held senior roles including Divisional Management and Risk Committee Member, Head of Proprietary Positioning Business, and Head of Tax-Exempt Capital Markets. From 2004 to 2005, he was a private investor. William was the President of Paloma Partners, a private capital management company in Greenwich, Connecticut from 2001 to 2003. Prior to working at Paloma, he worked for UBS and its predecessors in Chicago, Singapore, London and Basel from 1984 to 2001. He began his career in currency options trading, and served in several senior management functions at UBS including Divisional Management and Risk Committee Member and G

received a Bachelor of Science degree from the University of Pennsylvania Wharton School in 1984, and a Masters in Busines
Chicago in 1988.

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Experienced Team
Reid
Sanders,
Independent
Director.
Reid
was
the
Co-Founder
and
former
Executive
Vice

President of Southeastern Asset Management, and the former President of Longleaf Partners Mutual Funds from 1975-2000. He is currently the President of Sanders Properties, a Director of Independent Bank, and serves on the Investment Committee of Cypress Reality and on the Advisory Board of SSM Venture Partners. Prior to founding

Sourtheastern Asset Management, Mr. Sanders held roles as an Investment Officer at First Tennessee Investment Management from 1973-1975, and as a Credit Analyst in Commercial Lending at Union Planters National Bank from 1971-1972. Previous directorships include serving as Chairman of Two Rivers Capital Management, and as a director of Harbor

Global Company Ltd., PioGlobal Asset Management, The Pioneer Group and TBA Entertainment Corporation. Mr. Sanders is a Trustee of the Hugo Dixon Foundation, the Dixon Gallery and Gardens, the Hutchison School, Campbell Clinic Foundation, The Jefferson Scholars Foundation, TN Shakespeare Company, and a former Trustee of Rhodes College. He received a Bachelors of Economics from the University of Virginia in 1971.

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Contact Details

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andrew.garcia@twoharborsinvestment.com