

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

**FORM 8-K**

**Current Report**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 21, 2011

**Two Harbors Investment Corp.**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction  
of incorporation)

**001-34506**  
(Commission  
File Number)

**27-0312904**  
(I.R.S. Employer  
Identification No.)

**601 Carlson Parkway, Suite 330**  
**Minnetonka, MN 55305**  
(Address of principal executive offices)  
(Zip Code)

Registrant's telephone number, including area code: **(612) 238-3300**

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD**

An updated investor presentation providing a business overview of Two Harbors Investment Corp. is attached hereto as Exhibit 99.1, and is incorporated herein by reference.

The information in Item 7.01 of this Current Report, including Exhibit 99.1 attached hereto, is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed “filed” for any other purpose, including for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that Section. This information shall not be deemed to be incorporated by reference into any filing of the registrant under the Securities Act of 1933 or the Exchange Act regardless of any general incorporation language in such filing.

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**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Updated Fourth Quarter 2010 Investor Presentation

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TWO HARBORS INVESTMENT CORP.

By: /s/ TIMOTHY W. O'BRIEN

**Timothy O'Brien**

**Secretary and General Counsel**

Date: March 21, 2011



Two Harbors  
Investment Corp.

Fourth Quarter 2010

Investor  
Presentation

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# Safe Harbor Statement

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## Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Actual results of Two Harbors Investment Corp. (“Two Harbors” or the “Company”) may differ from expectations, estimates and projections and, consequently, readers should not rely on these forward-looking statements as predictions of future events. Words such as “expect,” “target,” “assume,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believe,” “predict,” “potential,” “continue,” and similar expressions are intended to identify such forward-looking statements. These forward-looking statements involve significant risks and uncertainties that could cause actual results of Two Harbors to differ materially from expected results. Factors that could cause actual results to differ include, but are not limited to, higher than expected operation costs, changes in prepayment speeds of mortgages underlying our RMBS, the rates of default or decreased recovery on the mortgages underlying our non-Agency securities, failure to recover certain losses that are expected to be temporary, changes in interest rates, the impact of new legislation or regulatory changes on our operations, the impact of any deficiencies in the servicing or foreclosure practices of third parties and related delays in the foreclosure process, and unanticipated changes in overall market and economic conditions.

Readers are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Two Harbors does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based. Additional information concerning these and other risk factors is contained in Two Harbors’ most recent filings with the Securities and Exchange Commission (“SEC”), including Part I, Item 1A “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2010. All subsequent written and oral forward looking statements concerning Two Harbors or matters attributable to Two Harbors or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above.



# Two Harbors' Investment Thesis

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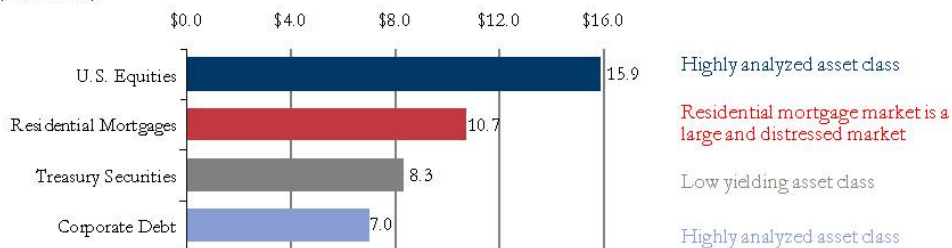
- We believe that the market opportunity is still attractive given the dislocations created by travails of Fannie Mae, Freddie Mac, et al.
- The hybrid REIT model allows for fluid asset allocation amongst sectors to optimize shareholder value.
- The team takes a sophisticated approach to portfolio construction.
- The mortgage market is idiosyncratic. Two Harbors has the benefit of state of the art proprietary systems and technology.



# U.S. Mortgage Market – Large Size and Opportunity

- The U.S. residential mortgage market is the second largest investable asset class.

U.S. Market Value by Asset Class <sup>(1)</sup>  
(\$ in Trillions)



Opportunity in U.S. by Asset Class	Market Participants	Investment Opportunity
U.S. Equities	High	High
<b>Residential Mortgages</b>	<b>Low</b>	<b>High</b>
Treasury Securities	Low	Low
Corporate Debt	High	Moderate



<sup>(1)</sup> Federal Reserve

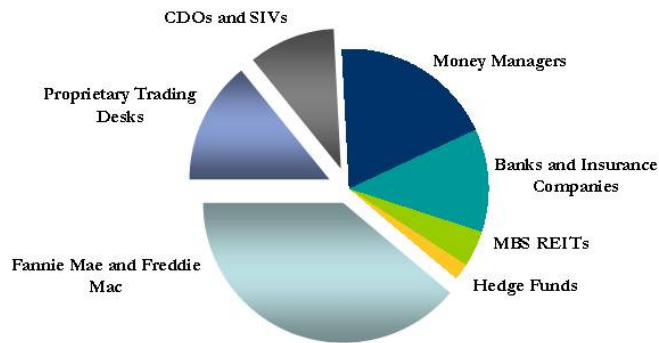


# Changed Landscape for Mortgage Investors

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## ■ Capital provider trends post-2008

- More opportunity for today's market participants – much less crowded investment space today.
  - FannieMae and FreddieMac are pursuing public policy initiatives and managing their loan portfolios.
  - Wall Street proprietary trading desks have exited the market or reduced risk appetite significantly.
  - CDOs and SIVs, once providers of capital to this space, are now sellers of mortgages.
  - We believe money managers, banks and insurance companies, hedge funds and REITs are the primary participants in the mortgage market today.



Note: These statements represent opinions only and are based upon the observations of Two Harbors' management and those of its external manager, FRCM Advisors LLC.

# Two Harbors Team with Deep Securities Experience

## Investment Team

### Co-Chief Investment Officers

#### Steven Kuhn

- Also serves as Partner - Head of Fixed Income Trading of Pine River
- Goldman Sachs Portfolio Manager from 2002 to 2007; 19 years investing in and trading mortgage backed securities and other fixed income securities for firms including Citadel and Cargill

#### William Roth

- Also serves as Fixed Income Portfolio Manager for Pine River
- 30 years in mortgage securities market, including at Salomon Brothers and Citi; Managing Director in proprietary trading group managing MBS and ABS portfolios

### 19-member RMBS Team

#### Traders and Analysts

- Trading team of five traders and three analysts from top Street RMBS groups
- Eight person Research Group
- Repo Manager with 25 years experience

## Executive Officers

### Chief Executive Officer

#### Thomas Siering

- Also serves as Partner - Head of Fundamental Strategies of Pine River
- Previously head of Value Investment Group at EBF & Associates; Partner since 1997
- 30 years of investing and management experience; commenced career at Cargill where he was a founding member of Financial Markets Department

### Chief Financial Officer

#### Jeffrey Stolt

- Also serves as Partner of Pine River. Joined Pine River at inception in 2002.
- EBF & Associates from 1989 to 2002; Controller since 1997. Began his career at Cargill in the Financial Markets Department



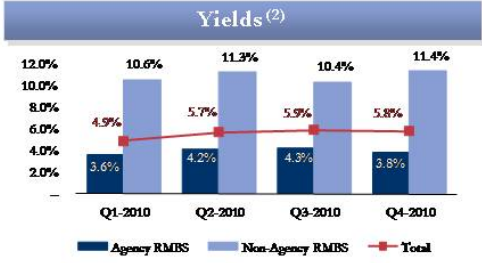
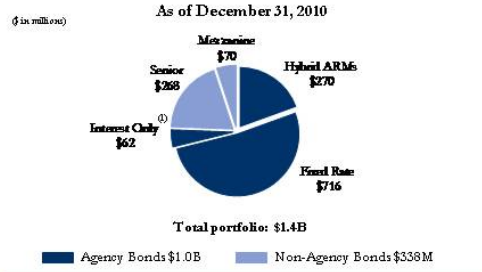
Note: Employee data as of March 1, 2011.

# Investment Approach

## Investment Strategy

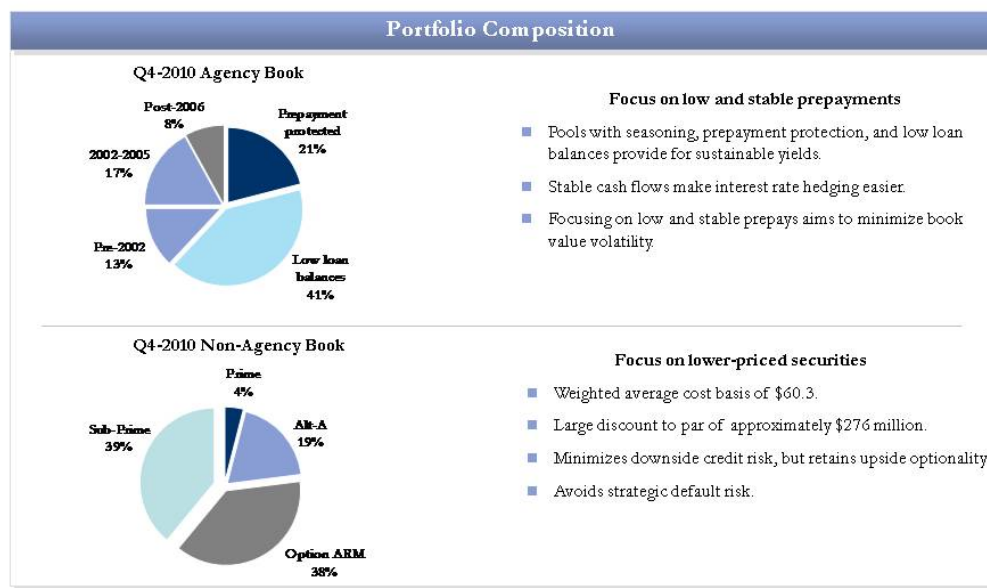
- **Captures Benefits of Hybrid Model:** Holistic view of the market is taken by evaluating opportunities across the Agency and non-Agency RMBS universe.
- **Opportunistic:** We deploy a fluid capital allocation model in the residential mortgage markets.
- **Balanced Portfolio Construction:** Two Harbors takes a balanced approach to prepayment, interest rate, and credit risk exposure, and employs moderate leverage.
- **Disciplined Asset Selection:** Extensive analysis of the underlying loans is conducted, including loan and property type, maturity, prepayment characteristics and borrower credit profiles.

## Investment Portfolio



(1) Interest-only securities includes income interest-only securities (IOs) accounted for as derivatives of \$31 million as of December 31, 2010.  
 (2) Respective yields include IOs accounted for as derivatives.

# Importance of Security Selection



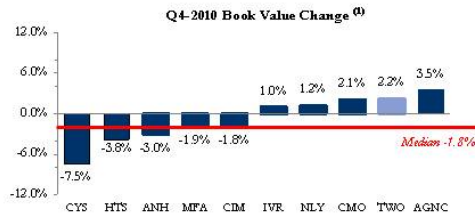
① All figures and data on this slide are as of December 31, 2010.

# Operating Performance

## Q4-2010 Book Value Change

### Hybrid model provides opportunity for book value growth.

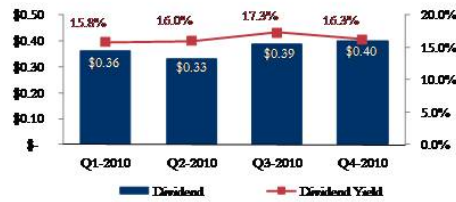
- Increased book value 2.2% on a sequential quarter basis compared to industry average of -1.8%.
- Increased book value 8.5% during 2H-2010.
- Both Agency and non-Agency portfolios contributed to increased book value.



## Strong Dividend History

### Track record of delivering strong dividends to shareholders.

- Declared fourth quarter 2010 dividend of \$0.40 per share, or 16.3% yield on annualized basis <sup>(2)</sup>.
- Declared dividends totaling \$1.48 per share for 2010.
- Declared first quarter 2011 dividend of \$0.40.

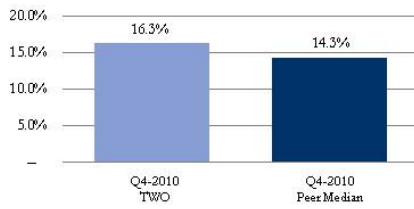


<sup>(1)</sup> Financial data on this slide based on December 31, 2010 financial information as filed with the Securities and Exchange Commission ("SEC"). Fees include AGNC, ANH, CIM, CMO, CYS, HTS, IVR, MFA and NLY.  
<sup>(2)</sup> Reported fourth quarter 2010 dividend annualized, divided by closing share price as of December 31, 2010.

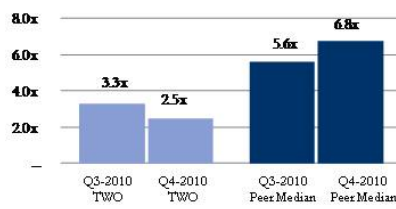
# Attractive Returns With Lower Risk

Superior asset selection and risk management drive returns while taking on less risk.

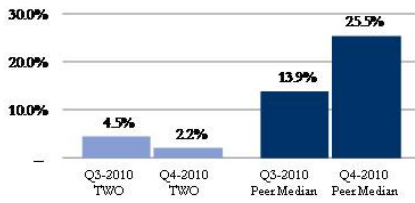
## Attractive & Comparable Dividend Yield <sup>(1)</sup>...



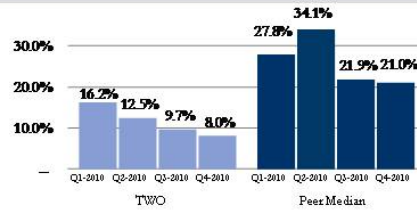
## ... With Lower Leverage <sup>(2)</sup>...



## ... Less Interest Rate Exposure <sup>(3)</sup>...



## ... And Less Prepayment Risk <sup>(4)</sup>



Note: <sup>(1)</sup> "TWO" means Two Harbors Investment Corp. All peer financial data on this slide based on available December 31, 2010 financial information as filed with the SEC. Peers include AGNC, ANH, CIM, CMG, CVS, HTS, IWR, MFA and NLY. Reported third quarter 2010 dividend annualized, divided by closing share price as of December 31, 2010.  
<sup>(2)</sup> Debt as equity defined as total borrowings as last RMBS issuance and Agency debt less cash divided by total equity. Our target debt to equity at December 31, 2010 was approximately 3.5x to 4.0x. Lower 2.5x ratio was driven by capital raised in December 2010 and timing of deployment in early 2011.  
<sup>(3)</sup> Represents estimated range of the percentage change in equity value for +/- 100bps change in interest rates. Change in equity value is asset change adjusted for leverage. Data not available for CVS and CMG.  
<sup>(4)</sup> Represents the average prepayment rate, or CPR, on the Agency RMBS portfolios. Data not available for CIM.

## Contact Information

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For further information, please contact:

*Anh Huynh*  
*Investor Relations*  
*Two Harbors Investment Corp.*  
*212.364.3221*  
*[Anh.Huynh@twoharborsinvestment.com](mailto:Anh.Huynh@twoharborsinvestment.com)*

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# Appendix





# Overview of Pine River Capital Management

**Global multi-strategy asset management firm providing comprehensive portfolio management, transparency and liquidity to institutional and high net worth investors.**

- Founded June 2002 with offices in New York, London, Beijing, Hong Kong, San Francisco and Minnesota.
- Over \$4.1 billion assets under management, of which approximately \$2.6 billion dedicated to mortgage strategies <sup>(1)</sup>.
  - Experienced manager of non-Agency, Agency and other mortgage related assets
  - Demonstrated success in achieving growth and managing scale

## Experienced, Cohesive Team <sup>(2)</sup>:

- Eight partners together for average of 13 years
  - Average 20 years experience
- 121 employees, 43 investment professionals
- No senior management turnover
- Historically low attrition

## 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 • Beijing • Hong Kong • San Francisco • New York*



<sup>(1)</sup> Defined as estimated assets under management as of March 1, 2011, inclusive of Two Harbors, in addition to Two Harbors' March 2011 capital raise of \$287.7 million in net proceeds.  
<sup>(2)</sup> Employee data as of March 1, 2011.