

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**Current Report**

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

Date of Report: May 24, 2017

**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.)

**590 Madison Avenue, 36th Floor**  
**New York, NY 10022**  
(Address of principal executive offices)  
(Zip Code)

Registrant's telephone number, including area code: **(612) 629-2500**

**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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01 Regulation FD.**

On May 24, 2017, Two Harbors Investment Corp. issued a press release announcing a proposed contribution transaction involving its portfolio of commercial real estate assets as well as a conference call to discuss the proposed transaction. A copy of the press release and an investor presentation to accompany the conference call are attached hereto as Exhibits 99.1 and 99.2, respectively, and are incorporated herein by reference.

The information in this Current Report, including Exhibits 99.1 and 99.2 attached hereto, is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be “filed” for any other purpose, including for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in Item 7.01 of this Current Report, including Exhibits 99.1 and 99.2, shall not be deemed incorporated by reference into any filing of the registrant under the Securities Act of 1933 or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filings (unless the registrant specifically states that the information or exhibit in this Item 7.01 is incorporated by reference).

---

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release of Two Harbors Investment Corp., dated May 24, 2017.
99.2	Investor Presentation, dated May 24, 2017.

---

**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/ REBECCA B. SANDBERG  
Rebecca B. Sandberg  
General Counsel and Secretary

Date: May 24, 2017

---

**Exhibit Index**

<b>Exhibit No.</b>	<b>Description</b>	<b>Filing Method</b>
99.1	Press Release of Two Harbors Investment Corp., dated May 24, 2017.	Electronically
99.2	Investor Presentation, dated May 24, 2017.	Electronically



**Two Harbors Investment Corp.  
Announces Proposed Contribution of its Commercial Real Estate Assets  
to Granite Point Mortgage Trust Inc.**

**New York, May 24, 2017** – [Two Harbors Investment Corp.](#) (NYSE: TWO), a leading hybrid mortgage real estate investment trust, today announced its intention to contribute its portfolio of commercial real estate assets to Granite Point Mortgage Trust Inc. (“Granite Point”), a Maryland corporation.

Granite Point was formed by Two Harbors in order to continue and expand the commercial real estate lending business established by Two Harbors. Granite Point will focus on directly originating, investing in and managing a portfolio of commercial real estate loans and other debt and debt-like instruments secured by institutional quality commercial properties managed by experienced owners in attractive markets across the United States. Granite Point will be externally managed by Pine River Capital Management L.P., which is the parent company of Two Harbors’ external manager.

Granite Point has filed a registration statement with the U.S. Securities and Exchange Commission with respect to a proposed initial public offering (“IPO”) of its common stock. The contribution of the portfolio of commercial real estate assets to Granite Point is expected to occur simultaneously with the closing of the IPO. In exchange for its contribution, Two Harbors would receive shares of common stock of Granite Point. The number of shares it receives will be dependent upon the value of the portfolio and other assets being contributed to Granite Point and the amount of capital raised in the proposed IPO. Subject to the approval of its Board of Directors and compliance with applicable securities laws, Two Harbors anticipates that it would distribute its shares of Granite Point common stock by means of a special dividend after the expiration of a customary lock-up period following the completion of Granite Point’s proposed IPO.

The Board of Directors of Two Harbors has formed a committee of independent directors to review, negotiate and approve the proposed transaction. The committee has retained Freshfields Bruckhaus Deringer LLP as its legal counsel and Credit Suisse as its financial adviser with respect to the proposed contribution and to represent the interests of Two Harbors and its stockholders with respect to the proposed transaction. The contribution remains subject to the approval of the committee and Two Harbors’ Board of Directors, finalization of all relevant documentation on terms acceptable to Two Harbors and the committee, the satisfaction of all conditions to the closing of the transaction, Securities and Exchange Commission clearance and market conditions.

This press release does not constitute an offer of any securities for sale.

**Conference Call**

Two Harbors will host a conference call on May 24, 2017 at 8:30am EDT to discuss this announcement. To participate in the teleconference, please call toll-free (877) 868-1835, Conference Code 29256097, (or (914) 495-8581 for international callers) approximately 10 minutes prior to the above start time. You may also listen to the teleconference live via the Internet at [www.twoharborsinvestment.com](http://www.twoharborsinvestment.com) in the Investor Relations section under the Events and Presentations link.

---

### **Two Harbors Investment Corp.**

Two Harbors Investment Corp., a Maryland corporation, is a real estate investment trust that invests in residential mortgage-backed securities, mortgage servicing rights, commercial real estate and other financial assets. Two Harbors is headquartered in New York, New York, and is externally managed and advised by PRCM Advisers LLC, a wholly owned subsidiary of Pine River Capital Management L.P. Additional information is available at [www.twoharborsinvestment.com](http://www.twoharborsinvestment.com).

### **Forward-Looking Statements**

This press release includes “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995, including with respect to the completion of the contribution, the IPO and the distribution of shares of Granite Point common stock to Two Harbors stockholders. Actual results 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,” “predicts,” “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 to differ materially from expected results.

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. All subsequent written and oral forward looking statements concerning Two Harbors or matters attributable to Two Harbors or any person.

### **Additional Information**

Stockholders of Two Harbors and other interested persons may find additional information regarding the company at the Securities and Exchange Commission’s Internet site at [www.sec.gov](http://www.sec.gov) or by directing requests to: Two Harbors Investment Corp., 590 Madison Avenue, 36<sup>th</sup> floor, New York, NY 10022, telephone 612-629-2500.

### **Contact**

Investors: Tim Perrott, Senior Director of Investor Relations, Two Harbors Investment Corp., 612-629-2514, [tim.perrott@twoharborsinvestment.com](mailto:tim.perrott@twoharborsinvestment.com).

---







# Two Harbors Investment Corp. Investor Call

May 24, 2017



**TWO HARBORS**  
Investment Corp.

A Pine River Capital Managed Company

# Safe Harbor Statement



## 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 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," "predicts," "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 to differ materially from expected results, including, among other things, those described in our Annual Report on Form 10-K for the year ended December 31, 2016, and any subsequent Quarterly Reports on Form 10-Q, under the caption "Risk Factors." Factors that could cause actual results to differ include, but are not limited to: the state of credit markets and general economic conditions; changes in interest rates and the market value of our assets; changes in prepayment rates of mortgages underlying our target assets; the rates of default or decreased recovery on the mortgages underlying our target assets; the occurrence, extent and timing of credit losses within our portfolio; the concentration of credit risks we are exposed to; declines in home prices; our ability to establish, adjust and maintain appropriate hedges for the risks in our portfolio; the availability and cost of our target assets; the availability and cost of financing; changes in the competitive landscape within our industry; our ability to effectively execute and to realize the benefits of strategic transactions and initiatives we have pursued or may in the future pursue; our ability to manage various operational risks and costs associated with our business; interruptions in or impairments to our communications and information technology systems; our ability to acquire mortgage servicing rights (MSR) and successfully operate our seller-servicer subsidiary and oversee our subservicers; the impact of any deficiencies in the servicing or foreclosure practices of third parties and related delays in the foreclosure process; the state of commercial real estate markets and our ability to acquire or originate commercial real estate loans or related assets; our exposure to legal and regulatory claims; legislative and regulatory actions affecting our business; the impact of new or modified government mortgage refinance or principal reduction programs; our ability to maintain our REIT qualification; and limitations imposed on our business due to our REIT status and our exempt status under the Investment Company Act of 1940.

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). 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.

This presentation may include industry and market data obtained through research, surveys, and studies conducted by third parties and industry publications. We have not independently verified any such market and industry data from third-party sources. This presentation is provided for discussion purposes only and may not be relied upon as legal or investment advice, nor is it intended to be inclusive of all the risks and uncertainties that should be considered. This presentation does not constitute an offer to purchase or sell any securities, nor shall it be construed to be indicative of the terms of an offer that the parties or their respective affiliates would accept.

Readers are advised that the financial information in this presentation is based on company data available at the time of this presentation and, in certain circumstances, may not have been audited by the company's independent auditors.

# Transaction Summary



## OVERVIEW OF TRANSACTION

- Announced formation of Granite Point Mortgage Trust Inc. (“Granite Point”) and intent to contribute Two Harbors’ commercial real estate (“CRE”) assets in order to continue and expand the CRE lending business established by Two Harbors over the last two years
- Proposed contribution of assets to occur concurrently with Granite Point’s initial public offering (“IPO”)
- In exchange, Two Harbors will receive shares of Granite Point common stock and distribute the shares by means of a special dividend to stockholders after a customary lockup period following the IPO
  - Dividend distribution intended to be treated a return of capital to Two Harbors’ stockholders<sup>1)</sup>
- Contribution is subject to the approval of Two Harbors’ board of directors, satisfaction of closing conditions, REIT rules, Securities and Exchange Commission (“SEC”) clearance and market conditions

## GRANITE POINT MORTGAGE TRUST

- Maryland corporation that will focus on directly originating, investing in and managing a portfolio of senior commercial mortgage loans and other CRE assets
- Intends to elect and qualify to be taxed as a real estate investment trust (“REIT”)
- Led by Jack Taylor and externally managed by Pine River Capital Management L.P.
- Filed Form S-11 Registration Statement with the SEC with respect to proposed IPO

1) Return of capital to be equitably reflected across all cash and special dividends in the year of this dividend distribution.



## Rationale: Maximize Stockholder Value

---

- Unlocks value potential of Two Harbors' CRE business
  - Allows opportunity for residential and commercial businesses to be valued independently with appropriate cost of capital
  - Potential for greater investor appreciation for growing CRE business as a stand-alone REIT
  - Potential for improved valuation for Two Harbors
- Positions Two Harbors to benefit from simpler and more efficient business model
  - Potential for higher valuation as a residential-focused mortgage REIT
  - Opportunity to drive modestly better returns
- Creates greater opportunity for growth
  - Granite Point will have targeted access to capital markets more in-line with its business
- Two Harbors' stockholders can continue to participate in the commercial mortgage lending opportunity by continuing to hold shares of Granite Point following special dividend distribution by Two Harbors

## Two Harbors: Leading Residential Hybrid Mortgage REIT

---



- Continue to execute on residential mortgage finance oriented business strategy
  - Simpler and efficient business model with potential for greater returns
  - Target assets: Agency MBS, MSR, Non-Agency MBS and other mortgage credit assets
  
- Emphasis on growing MSR portfolio
  - MSR paired with Agency RMBS drives attractive returns with lower risk profile
  
- Extract value from legacy non-Agency portfolio and new issue credit assets
  - Ability to realize future upside
  
- Maintain execution of sophisticated risk management strategy
  - Achieve attractive and comparable dividend yields while targeting less volatility and interest rate risk
  
- Diversified funding profile and capital base
  - Creative funding solutions through asset finance markets
  - Traditional funding sources from banks, FHLB and unsecured debt markets
  - Common and preferred equity capital base

# Two Harbors' Projected Capital Allocation



## DRIVING LONG-TERM STOCKHOLDER VALUE

- Rates<sup>(1)</sup> and Credit<sup>(2)</sup> strategies afford opportunity to drive strong returns

	Targeted ROEs	Capital Allocation 12/31/14	Capital Allocation 12/31/16	Long-term Trend	Key Objectives	Market Dynamics and Potential Opportunities
<b>Rates<sup>(1)</sup></b>	10-15%	56%	58%	↑	<ul style="list-style-type: none"> <li>• Continue to focus on new issue MSR to pair with Agency RMBS</li> </ul>	<ul style="list-style-type: none"> <li>• Agency RMBS highly liquid and financeable</li> <li>• Fed balance sheet reduction could make spreads more attractive</li> <li>• Better financing options for MSR</li> </ul>
<b>Credit<sup>(2)</sup></b>	9-14%	44%	27%	↑	<ul style="list-style-type: none"> <li>• Portfolio positioned to benefit from strong underlying fundamentals</li> <li>• Take advantage of credit opportunities in existing or newer markets</li> </ul>	<ul style="list-style-type: none"> <li>• Legacy market is \$560 billion; significant upside still available</li> <li>• Other markets provide opportunity; Jumbo 2.0, NPL, SFR and CRT markets are \$130 billion and growing<sup>(3)</sup></li> </ul>
<b>Commercial<sup>(4)</sup></b>		0%	15%	0%		

1) Assets in "Rates" include Agency RMBS, Agency Derivatives, MSR and Ginnie Mae buyout residential mortgage loans.

2) Assets in "Credit" include non-Agency MBS, prime jumbo residential mortgage loans, net economic interest in securitization trusts and credit sensitive residential mortgage loans.

3) "NPL" is non performing loans, "SFR" is single family rental, and "CRT" is GSE credit risk sharing.

4) Commercial consists of senior and mezzanine commercial real estate debt and related instruments.



TWO HARBORS  
Investment Corp.  
A Pine River Capital Managed Company

