

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 7, 2016

CHIMERA INVESTMENT CORPORATION  
(Exact name of registrant as specified in its charter)

Maryland  
(State or Other Jurisdiction  
of Incorporation)

1-33796  
(Commission  
File Number)

26-0630461  
(IRS Employer  
Identification No.)

520 Madison Avenue, 32nd Fl  
New York, New York  
(Address of principal executive offices)

10022  
(Zip Code)

Registrant's telephone number, including area code: (212) 626-2300

1211 Avenue of the Americas, 41st Fl, New York, New York 10036  
(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))
-

Item 7.01. Regulation FD Disclosure

Chimera Investment Corporation (the “Company”) hereby furnishes the information set forth in the presentation (the “Presentation”) attached hereto as Exhibit 99.1, which is incorporated herein by reference.

The Presentation is being furnished pursuant to Item 7.01, and the information contained therein shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

*The Presentation contains statements that, to the extent they are not recitations of historical fact, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). All such forward-looking statements are intended to be subject to the safe harbor protection provided by the Reform Act. Actual outcomes and results could differ materially from those forecast due to the impact of many factors beyond the control of the Company. All forward looking statements included in the Presentation are made only as of the date of the Presentation and are subject to change without notice. Certain factors that could cause actual results to differ materially from those contained in the forward-looking statements are included in the Company’s periodic reports filed with the SEC. Copies are available on the SEC’s website at [www.sec.gov](http://www.sec.gov). The Company disclaims any obligation to update its forward looking statements unless required by law.*

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 Presentation by the Company

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.

Chimera Investment Corporation

By: /s/ Rob Colligan  
Name: Rob Colligan  
Title: Chief Financial Officer

Date: March 7, 2016



**CHIMERA**  
INVESTMENT CORPORATION

Investor Presentation | Fourth Quarter 2015

March 2016

[WWW.CHIMERAREIT.COM](http://WWW.CHIMERAREIT.COM)

## Disclaimer

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This material is not intended to be exhaustive, is preliminary in nature and may be subject to change. In addition, much of the information contained herein is based on various assumptions (some of which are beyond the control of Chimera Investment Corporation, the “Company”) and may be identified by reference to a future period or periods or by the use of forward-looking terminology, such as “believe,” “expect,” “anticipate,” “estimate,” “plan,” “continue,” “intend,” “should,” “may,” “would,” “projected,” “tends,” “will” or similar expressions, or variations on those terms or the negative of those terms. The Company’s forward-looking statements are subject to numerous risks, uncertainties and other factors. You should review some of these factors that are described under the caption “Risk Factors” in our 2015 Form 10-K and any subsequent periodic report filed with the SEC. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise from time to time, and it is impossible for us 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. Furthermore, none of the financial information contained in this material has been audited or approved by the Company’s independent registered public accounting firm.



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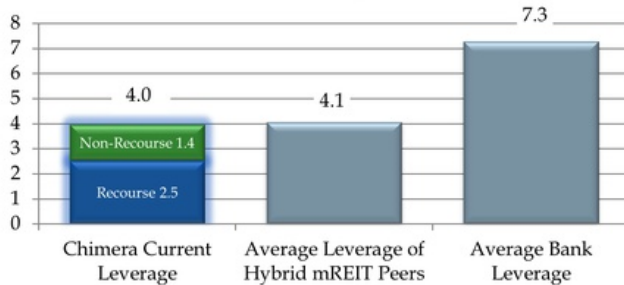
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# Chimera Investment Corporation (NYSE: CIM)

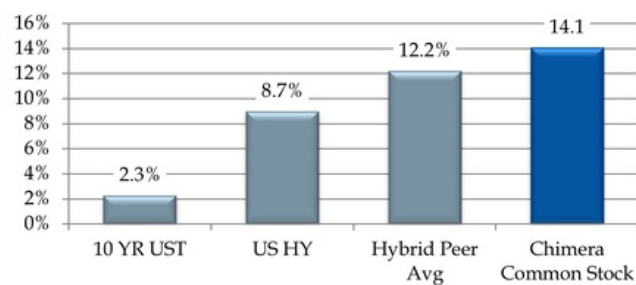
We develop and manage a portfolio of leveraged mortgages to produce an attractive quarterly dividend for shareholders

Business Description:	Hybrid Mortgage REIT
Inception:	2007
Total Capital:	\$2.9 billion
Total Portfolio:	\$15.0 billion
Overall Leverage Ratio:	4.0:1 (2.5:1 recourse leverage)
Common Stock Yield <sup>(3)</sup>	14.1%

Current Leverage Levels



Current Market Yields <sup>(3)</sup>



- (1) Hybrid mREIT Peers include TWO, IVR, MFA, NRZ, and RWT as of 12/31/2015  
 (2) Banks include WFC, JPM, BAML, C, GS, BONY, USB, and PNC  
 (3) Yields as of 12/31/15.

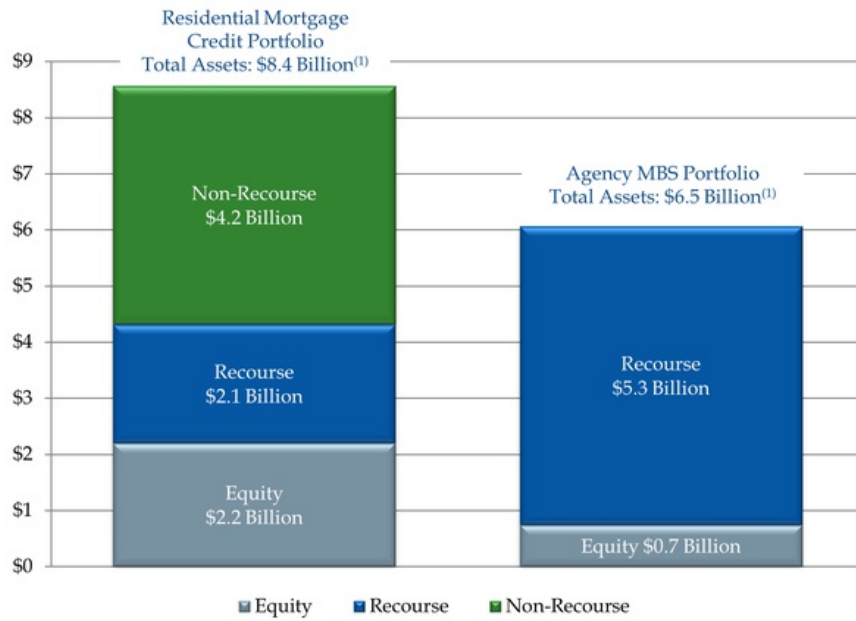
Source: Bloomberg



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# Total Portfolio Composition

75% of CIM's equity capital is allocated to mortgage credit



As of December 31, 2015

(1) Financing excludes unsettled trades



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# Agency MBS Portfolio and Funding

## Reducing Interest Rate Risk by Reducing Exposure to Agency RMBS

### Agency Securities

Security Type	Coupon <sup>(1)</sup>	Current Face	Weighted Average Price	Weighted Average CPR
Agency Pass-through (RMBS)	3.50%	\$2,950,266	103.1	6.6
	4.00%	1,717,460	105.9	6.3
	4.50%	377,693	108.0	21.8
ACMBS	3.4%	952,091	102.3	0.8
Agency IO	0.8%	N/M <sup>(2)</sup>	4.1	6.3
<b>Total</b>		<b>\$5,997,510</b>		

### Agency Repo Days to Maturity

Maturity	Principal Balance <sup>(3)</sup>	Weighted Average Rate	Weighted Average Days
Within 30 days	-	-	
30 to 59 days	2,640,174	0.62%	
60 to 89 days	1,734,687	0.62%	
90 to 360 days	132,840	0.62%	
Over 360 days	817,025	0.75%	
<b>Total</b>	<b>\$5,324,726</b>	<b>0.64%</b>	<b>53</b>

As of December 31, 2015.

- (1) Coupon is a weighted average for Commercial and Agency IO
- (2) Notional Agency IO was \$6.7 billion as of 12/31/2015.
- (3) Excludes unsettled trades
- (4) Reflects fourth quarter 2015 yields and spreads
- (5) Includes the interest incurred on interest rate swaps

### Agency Portfolio Yields and Spreads<sup>(4)</sup>

Gross Asset Yield:	2.5%
Financing Cost <sup>(5)</sup> :	1.5%
Net Interest Spread:	1.0%
Net Interest Margin:	1.2%

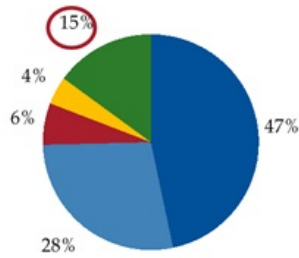


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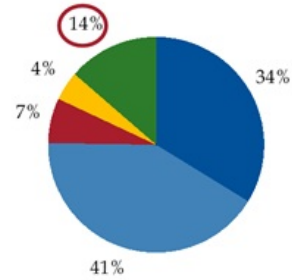
# Aggregate Agency Portfolio Composition

Agency Portfolio Composition Q4 '15  
(Mkt. Val. %)



■ Agency RMBS 3.5   
 ■ Agency RMBS 4.0   
 ■ Agency RMBS 4.5  
■ Agency IO   
 ■ ACMBS

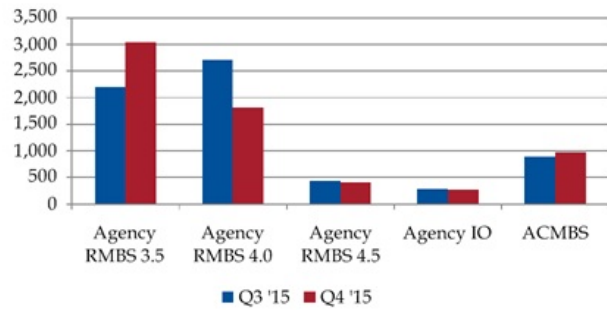
Agency Portfolio Composition Q3 '15  
(Mkt. Val. %)



■ Agency RMBS 3.5   
 ■ Agency RMBS 4.0   
 ■ Agency RMBS 4.5  
■ Agency IO   
 ■ ACMBS

- Agency RMBS portfolio transitioned from 4% coupon to 3.5% coupon
  - Pay-down principal reinvested
- Agency CMBS increased to 15% of Agency portfolio
  - Driven by new construction loan commitments

Agency Portfolio Quarterly Change (Mkt. Val.)



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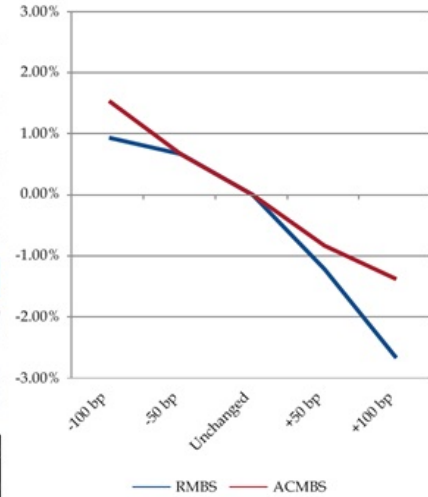
# Interest Rate Sensitivity

## Agency, Swap and Derivative Portfolio

Description (\$ in thousands)		- 100 Basis Points	- 50 Basis Points	Unchanged	+50 Basis Points	+100 Basis Points
Agency Pass-Throughs (RMBS)	Market Value	\$5,520,875	\$5,427,373	\$5,302,035	\$5,157,494	\$4,999,624
	Percentage Change	4.1%	2.4%	-	(2.7%)	(5.7%)
Swap	Market Value	(132,389)	(70,709)	-	61,647	124,416
	Percentage Change	(2.5%)	(1.3%)	-	1.2%	2.3%
Futures	Market Value	(36,849)	(19,214)	-	18,440	36,440
	Percentage Change	(0.7%)	(0.4%)	-	0.3%	0.7%
<b>Net Gain/(Loss)</b>		<b>49,602</b>	<b>35,415</b>	<b>-</b>	<b>(64,455)</b>	<b>(141,556)</b>
<b>Percentage Change in Portfolio Value<sup>(1)</sup></b>		<b>0.9%</b>	<b>0.7%</b>	<b>-</b>	<b>(1.2%)</b>	<b>(2.7%)</b>

Description (\$ in thousands)		- 100 Basis Points	- 50 Basis Points	Unchanged	+50 Basis Points	+100 Basis Points
Agency CMBS (ACMBS)	Market Value	\$1,300,894	\$1,256,932	\$1,212,788	\$1,170,764	\$1,130,740
	Percentage Change	7.3%	3.6%	-	(3.5%)	(6.8%)
Swap	Market Value	(69,460)	(36,069)	-	31,934	65,318
	Percentage Change	(5.7%)	(3.0%)	-	2.6%	5.4%
<b>Net Gain/(Loss)</b>		<b>18,646</b>	<b>8,075</b>	<b>-</b>	<b>(10,090)</b>	<b>(16,730)</b>
<b>Percentage Change in Portfolio Value<sup>(1)</sup></b>		<b>1.5%</b>	<b>0.7%</b>	<b>-</b>	<b>(0.8%)</b>	<b>(1.4%)</b>

Change in Portfolio Value



As of December 31, 2015.

(1) Projected Percentage Change in Portfolio Value is based on instantaneous moves in interest rates.



Information is unaudited, estimated and subject to change.

# Agency CMBS – Multifamily and Healthcare

In 1934, the National Housing Act established federal insurance programs to support multifamily housing. Annual issuance is between \$10 and \$15 billion.

## Economic Benefits

- **Stable hedged return profile – prepay protection based on contractual lock out and prepayment penalties**
- Stable cashflows offer comparable returns to Agency Pass-Throughs (RMBS)

## Funding Overview

- Chimera commits funds to an FHA/GNMA approved project
- Construction draw schedules are typically 12 to 24 months
- At the commitment date, Chimera locks in a fixed coupon and spread
- As draws are funded, Chimera receives GNMA bonds (CLC)
- When all draws are funded GNMA issues a Permanent Loan bond (PLC)
- These securities are attractive collateral for future securitizations

## Hedging

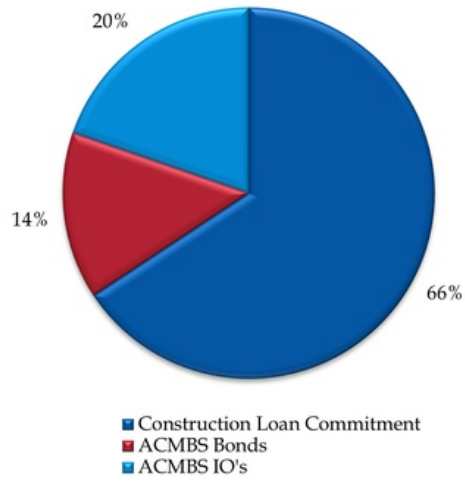
- A hedging portfolio is established to mitigate interest rate risk
- Hedges and related costs are incurred at the commitment date, while interest income doesn't begin until loans are funded resulting in negative carry during initial funding period
- Interest only bonds are added to the portfolio to mitigate this cost



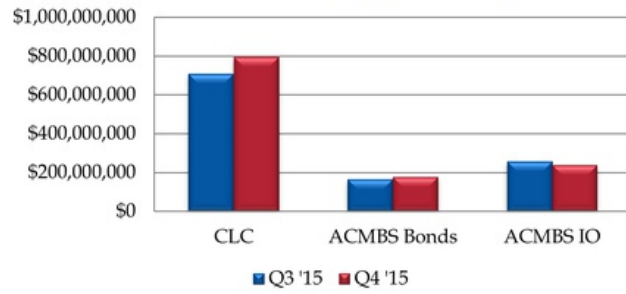
Information is unaudited, estimated and subject to change.

# Agency CMBS Portfolio Composition

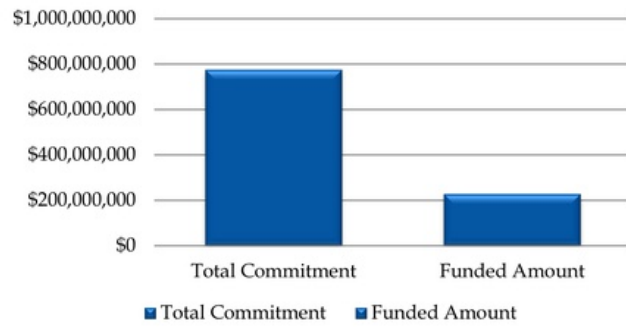
**Agency CMBS Composition Q4 '15**  
(Mkt. Val. %)



**Agency CMBS Portfolio Quarterly Change (Mkt. Val.)**

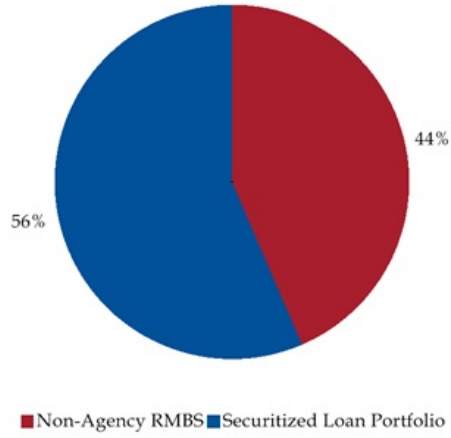


**GNMA CLC Position**



# Residential Mortgage Credit Portfolio

## Credit Portfolio Composition



## Credit Portfolio Yields and Spreads<sup>(1)</sup>

Gross Asset Yield:	8.3%
Financing Cost:	3.4%
Net Interest Spread:	4.9%
Net Interest Margin:	5.4%

(1) Reflects fourth quarter 2015 yields and spreads

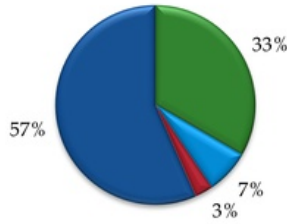


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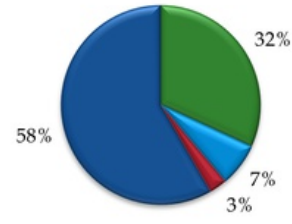
# Residential Mortgage Credit Portfolio Composition

Portfolio Composition Q4 '15



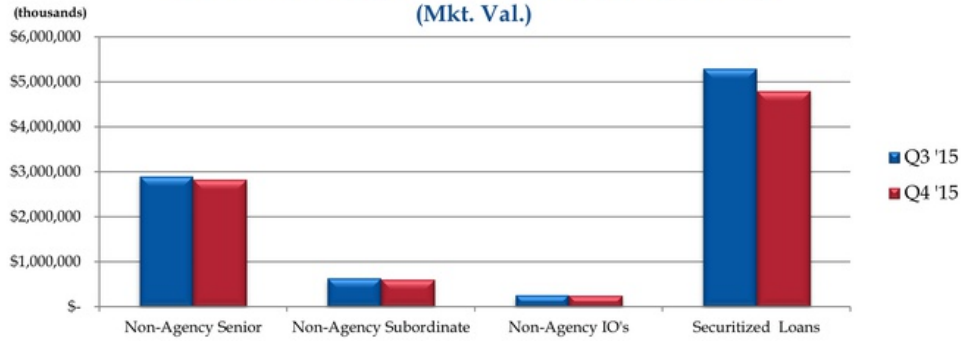
■ Non-Agency Senior    ■ Non-Agency Subordinate  
■ Non-Agency IO's    ■ Securitized Loans

Portfolio Composition Q3 '15



■ Non-Agency Senior    ■ Non-Agency Subordinate  
■ Non-Agency IO's    ■ Securitized Loans

Residential Mortgage Credit Portfolio Quarterly Change (Mkt. Val.)



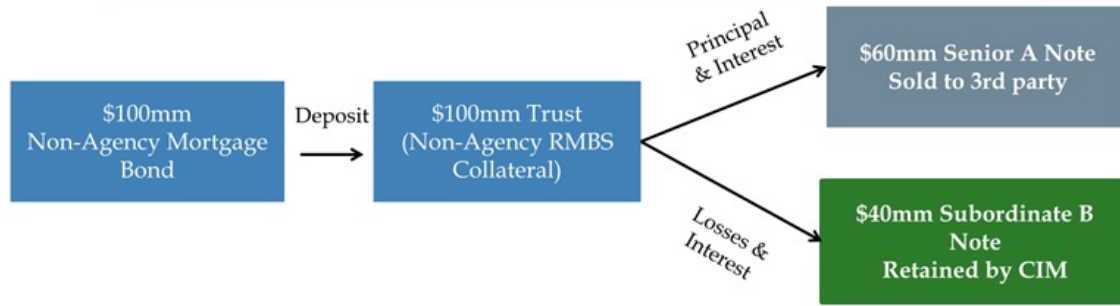
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# Non-Agency RMBS Portfolio

52% of CIM's Non-Agency Portfolio is Re-REMIC Bonds

## The Re-Securitization Process



1

CIM buys \$100mm Non-Agency mortgage bond from dealer

2

CIM deposits the bond into a trust  
The trust issues bonds backed by the cashflow of the underlying bond

3

CIM sells the Senior A note  
The A note receives P&I from the \$100mm bond until the \$60mm is paid off  
CIM retains the Subordinate B note  
The B note receives interest, all losses from the \$100mm bond and starts to receive principal only after the Senior A note is paid off in full



# Consolidated RMBS

The average yield on consolidated retained Subordinate Bonds is over 17%

- Re-Remic subordinates have had slow prepayments considering the low interest rate environment

(\$ in thousands)			At Issuance / Acquisition			As of December 31, 2015		
Vintage	Type	Deal	Total Original Face	Total of Tranches Sold	Total of Tranches Retained	Total Remaining Face	Remaining Face of Tranches Sold	Remaining Face of Tranches Retained
2014	RMBS Securitization <sup>(1)</sup>	CSMC - 2014-4R	367,271	-	367,271	289,507	-	289,507
2010	RMBS Securitization	CSMC 2010-1R	1,730,581	691,630	1,038,951	721,971	35,494	686,477
2010	RMBS Securitization	CSMC 2010-11R	566,571	338,809	227,762	317,456	104,227	213,229
2009	RMBS Securitization	CSMC 2009-12R	1,730,698	915,566	815,132	661,377	151,507	509,870
2009	RMBS Securitization	JPMRR 2009-7	1,522,474	856,935	665,539	604,011	206,444	397,567
2009	RMBS Securitization	JMAC 2009-R2	281,863	192,500	89,363	107,116	46,904	60,212
<b>TOTAL</b>			<b>\$6,199,458</b>	<b>\$2,995,440</b>	<b>\$3,204,018</b>	<b>\$2,701,398</b>	<b>\$544,576</b>	<b>\$2,156,862</b>
			<i>% of origination remaining</i>			44%	18%	67%

As of December 31, 2015

(1) Collateral for this deal was originally part of CSM0010-12R

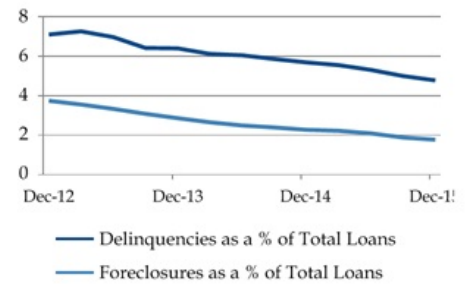
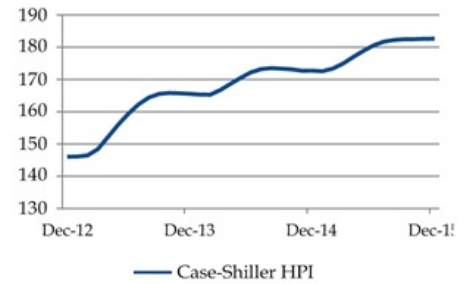


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# Mortgage Credit Fundamentals

CIM's mortgage credit portfolio is performing better than expected when purchased and prepaying slower than expected in the current rate environment

- **Home Prices Have Been Appreciating**
- **Older Non-Agency MBS Credit Continues to Improve**
  - Delinquency pipelines decreasing
  - Foreclosures getting flushed out of deals
  - Lower loss severities
  - Deals are delevering
- **New Mortgage Credit Remains Tight**
  - Banks/rating agencies are risk averse
  - Only best borrowers get new mortgage loans
  - Full documentation
- **Prepayment Speeds on Older Non-Agency MBS Remain Slow**
  - Subprime, Alt-A borrowers have limited options to refinance



Source: Bloomberg, Mortgage Bankers Association



Information is unaudited, estimated and subject to change.

## Summary

Chimera currently operates at 2.7x recourse leverage and produces a yield over 14%

### Agency Portfolio

- Actively hedged and highly liquid
- Agency exposure decreased by \$2.5 billion in 1<sup>st</sup> Half of 2015
- Reduced prepay exposure by shifting 16% of the Pass-Through portfolio from 4.0% coupon to 3.5% in Q4
- Continue to allocate more capital to Agency CMBS (ACMBS)

### Residential Mortgage Credit Portfolio

- Prepayment speeds have been slower than expected resulting in longer high yielding cash flows.
- Difficult to re-create in today's market
- Longer Term Repo Finance Options Available

### Future Securitization Pipeline

- \$2.1 billion Springleaf portfolio
- Securitization pipeline without adding costly infrastructure



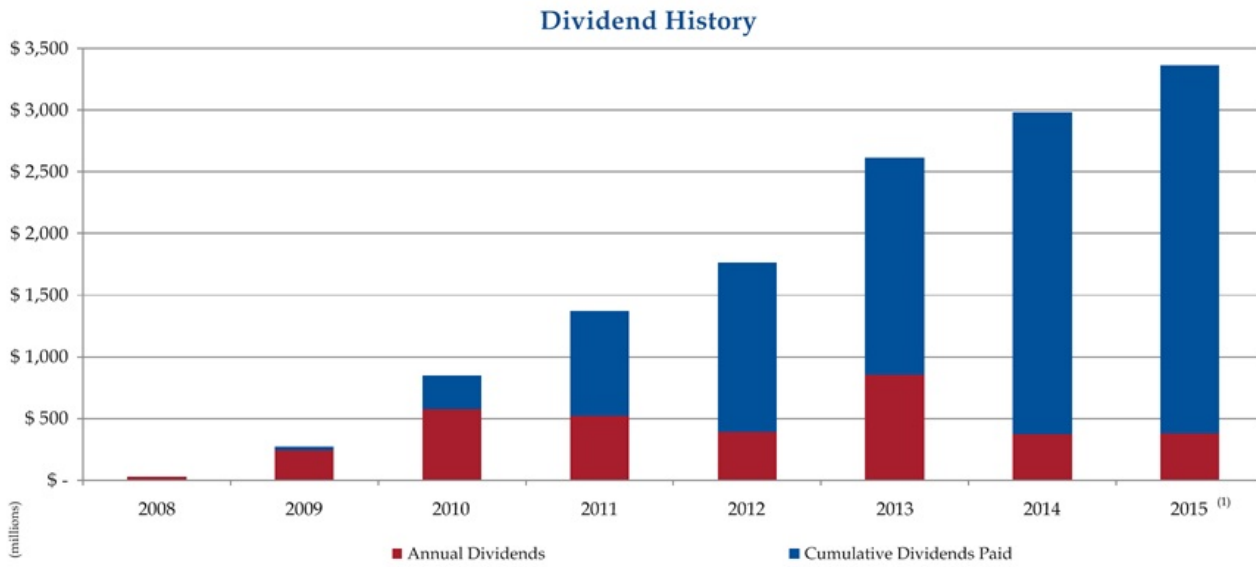
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# Dividend History

Chimera has paid out over \$3.4B in dividends since inception



As of December 31, 2015

(1) Includes dividend declared in Q4 2015 and paid in the subsequent year.



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