

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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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):

August 8, 2017

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

(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)

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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 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.*

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Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 Second Quarter 2017 Investor Presentation

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: August 8, 2017



**INVESTOR  
PRESENTATION**  
NYSE: CIM

*2nd Quarter 2017*



# DISCLAIMER

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 "goal," "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 most recent Annual Report on Form 10-K, 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; 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 credit risk in our underlying assets; 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; our ability to borrow to finance our assets and the associated costs; changes in the competitive landscape within our industry; 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 residential mortgage loans and successfully securitize the residential mortgage loans we acquire; our ability to oversee our third party sub-servicers; the impact of any deficiencies in the servicing or foreclosure practices of third parties and related delays in the foreclosure process; 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. Chimera 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 Chimera's most recent filings with the Securities and Exchange Commission (SEC). All subsequent written and oral forward-looking statements concerning Chimera or matters attributable to Chimera 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.

Information is unaudited, estimated and subject to change.



# CHIMERA IS A RESIDENTIAL MORTGAGE REIT

*Chimera develops and manages a portfolio of leveraged mortgage investments to produce an attractive quarterly dividend for shareholders*

- Established in 2007
- Internally managed since August 2015
- Total Capital \$3.6 Billion
- Total Portfolio \$20.4 Billion
- Common Stock Price \$18.63 / Dividend Yield 10.74%
- 8.00% Fixed Series A Preferred Stock Price \$25.57
- 8.00% Variable Series B Preferred Stock Price \$25.59
- Overall leverage ratio 4.5:1 / Recourse leverage ratio 1.7:1

All data as of June 30, 2017

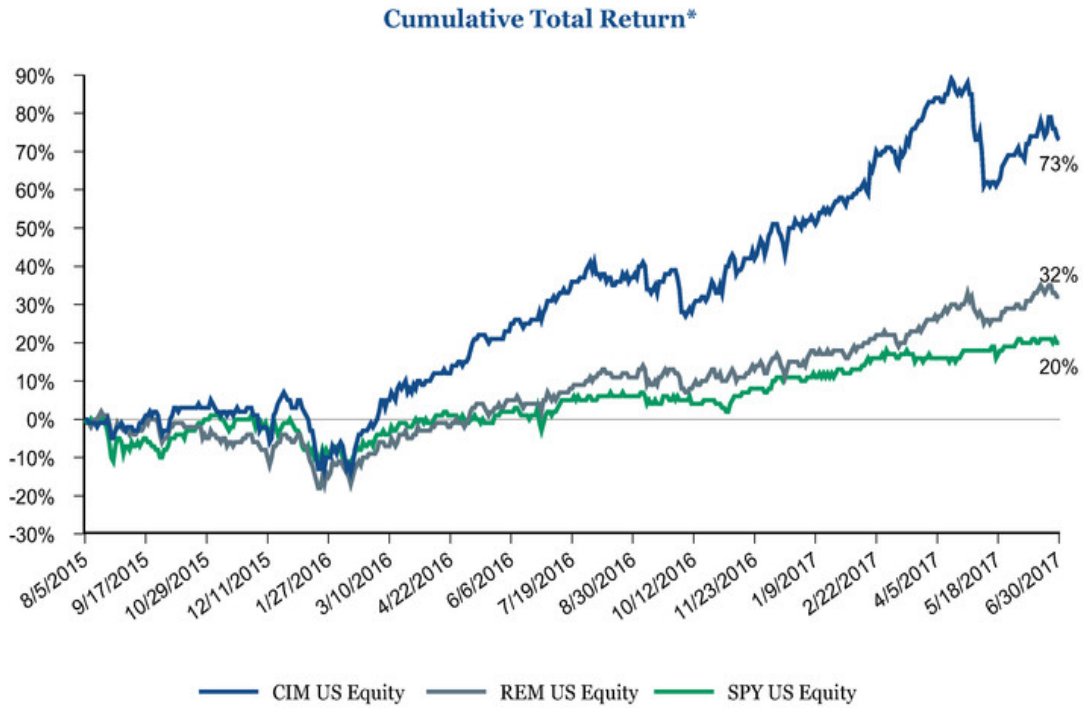
Information is unaudited, estimated and subject to change.

2



# TOTAL RETURN

*Chimera has outperformed its peers since internalization of management in August 2015*



All data as of June 30, 2017

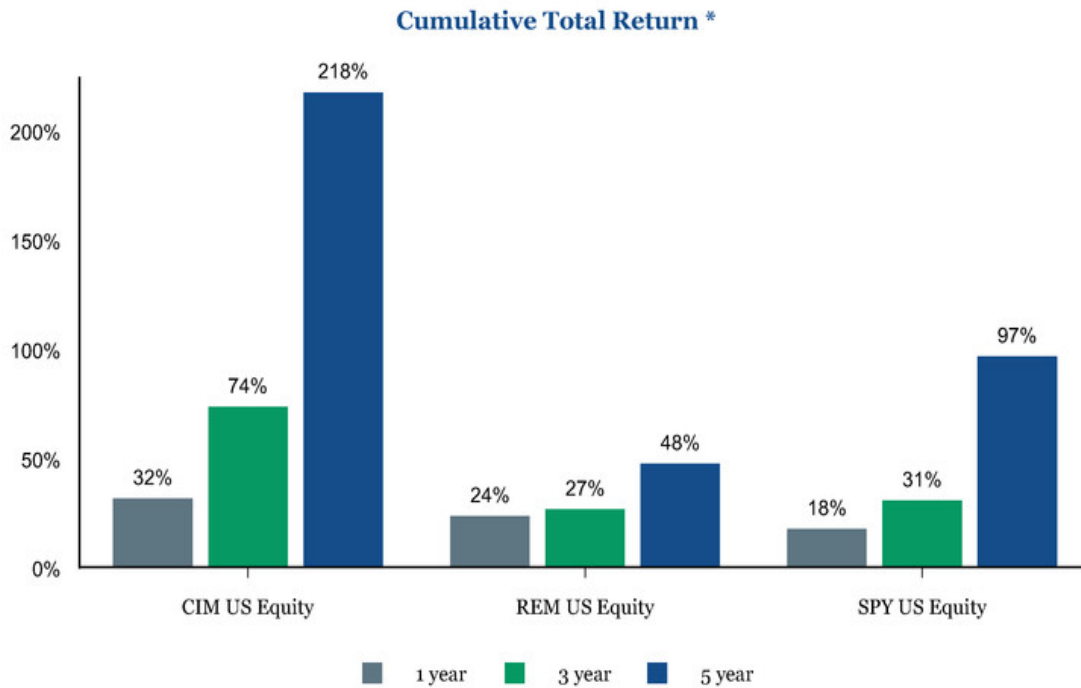
\*Assuming reinvestment of dividends

Source: Bloomberg

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# HISTORICAL TOTAL RETURN

*Chimera has consistently produced industry leading returns*



All data as of June 30, 2017

\*Assuming reinvestment of dividends

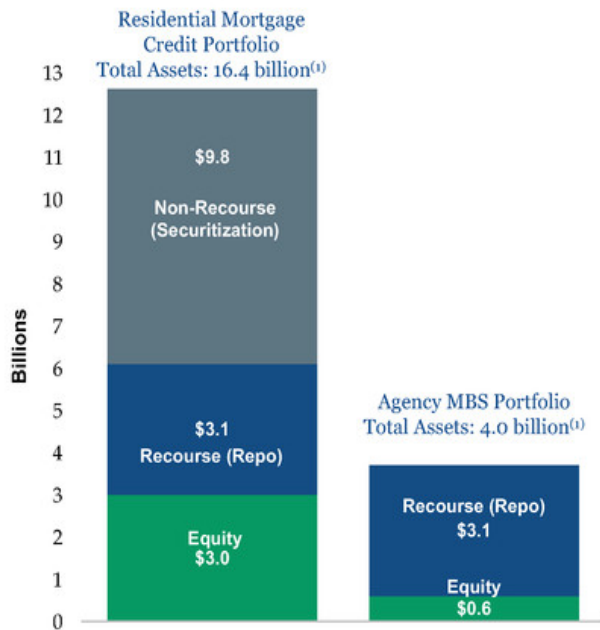
Source: Bloomberg

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# PORTFOLIO COMPOSITION

*84% of Chimera's equity capital is allocated to mortgage credit*



All data as of June 30, 2017

(1) Financing excludes unsettled trades

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

	Residential Mortgage Credit Portfolio	Agency MBS Portfolio	Total Portfolio
Gross Asset Yield:	7.1%	2.7%	6.2%
Financing Cost <sup>(2)</sup> :	4.0%	1.5%	3.5%
Net Interest Spread:	3.1%	1.2%	2.7%
Net Interest Margin:	3.6%	1.3%	3.2%

All data as of June 30, 2017

(1) Reflects second quarter 2016 average assets, yields, and spreads

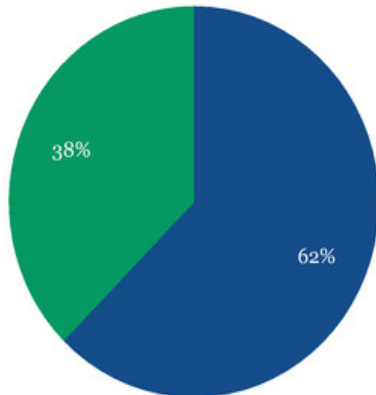
(2) Includes the interest incurred on interest rate swaps

Information is unaudited, estimated and subject to change.

# PORTFOLIO COMPOSITION

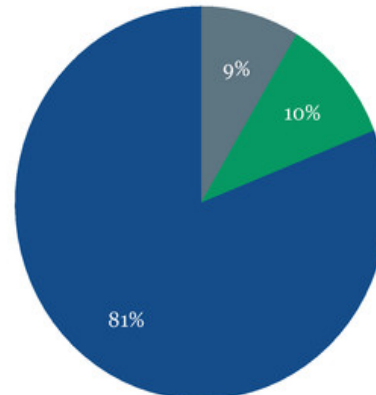
*Chimera's residential credit portfolio provides a high net interest spread while the agency portfolio provides income and liquidity*

Agency Portfolio Composition



- Agency Pass through
- Commercial

Credit Portfolio Composition



- Non-Agency RMBS
- Consolidated RMBS Securitizations
- Securitized Loan Portfolio

All data as of June 30, 2017

Information is unaudited, estimated and subject to change.

# UNIQUE MORTGAGE CREDIT PORTFOLIO

*Key transactions distinguish Chimera from other Mortgage REITs*

## Re-Remic Subordinate Bond Portfolio

### **2009–2011 Chimera Creates and Retains \$3.2 Billion High Yield Subordinate Bonds**

- \$1.8 billion current remaining face value of subordinate bonds
- Durable value over wide band of prepayment rates
- Difficult to re-create in size and price

## Springleaf Seasoned Loan Portfolio

### **2014 Chimera Acquires \$4.8 Billion Seasoned Loan Portfolio**

- Originated by American General
- 7 Securitizations with embedded call options
- 5 deals called and re-securitized
- 2 original deals are currently callable

## Risk Retention Seasoned Loan Portfolio

### **2016-2017 Chimera Acquires \$9.7 Billion Seasoned Loan Portfolio**

- Performing loans with 10 years of payment history
- 9 securitizations with all senior securities placed
- \$ 1.8 billion bonds retained for investment portfolio

All data as of June 30, 2017

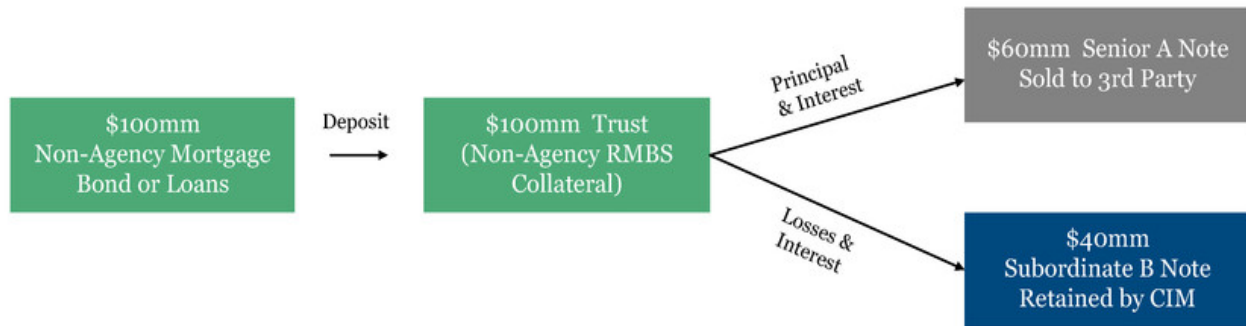
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# THE SECURITIZATION PROCESS

*Chimera created long, term-funding through securitization*

## Creation of senior and subordinate bonds



1

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

2

CIM deposits the bond or loans 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 SECURITIZATIONS

- Re-Remic subordinate bonds have had slow prepayments considering the low interest rate environment
- Chimera expects the subordinate bond portfolio to have meaningful impact on earnings for the foreseeable future

(\$ in thousands)

Vintage	Deal	At Issuance / Acquisition			June 30, 2017		
		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	CSMC 2014-4R <sup>(1)</sup>	367,271	—	367,271	228,036	—	228,036
2010	CSMC 2010-1R	1,730,581	691,630	1,038,951	553,705	4,535	549,170
2010	CSMC 2010-11R	566,571	338,809	227,762	233,491	22,437	211,054
2009	CSMC 2009-12R	1,730,698	915,566	815,132	513,073	95,092	417,981
2009	JPMRR 2009-7	1,522,474	856,935	665,539	476,156	129,522	346,634
2009	JMAC 2009-R2	281,863	192,500	89,363	83,913	27,533	56,380
<b>TOTAL</b>		<b>6,199,458</b>	<b>2,995,440</b>	<b>3,204,018</b>	<b>2,088,374</b>	<b>279,119</b>	<b>1,809,255</b>
		% of origination remaining			34%	9%	56%

Significant outstanding balances remain under a number of prepayment projections



Change in CPR (%)	Total Remaining Face - Projected Balances <sup>(2)</sup>		
	June 30, 2018	June 30, 2019	June 30, 2020
-50%	1,841,643	1,636,286	1,466,793
Unchanged	1,761,965	1,502,584	1,344,722
+50%	1,682,547	1,376,307	1,145,270

All data as of June 30, 2017

(1) Contains collateral from CSMC 2010-12R Trust.

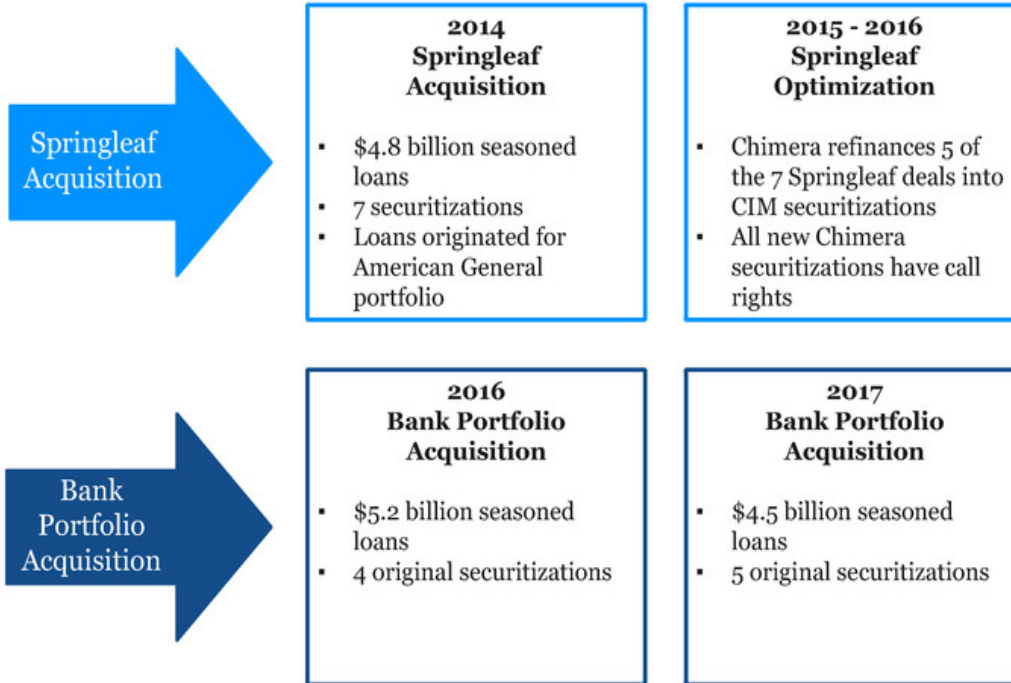
(2) Projected Balances are estimated based on future cash flows and changes in prepayment speeds

Information is unaudited, estimated and subject to change.



# ACQUISITION OF SEASONED LOAN PORTFOLIO

*Since 2014 Chimera has acquired \$14.5 billion of seasoned performing loans through bulk transactions*



All data as of June 30, 2017

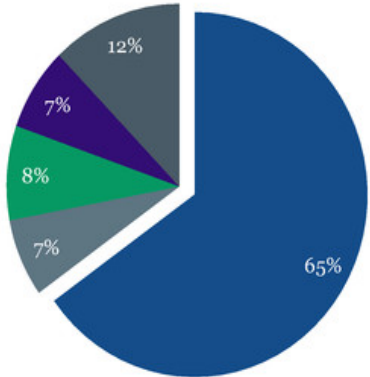
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# CAPITAL DEPLOYMENT

*Chimera has acquired a unique portfolio of residential mortgage loans*

### Portfolio Composition



### Seasoned Low Loan Balance Mortgage Portfolio

<b>Total Current Unpaid Balance</b>	<i>\$12.2 Billion</i>
<b>Total Number of Loans</b>	<i>138,612</i>
<b>Weighted Average Loan Size</b>	<i>\$88,133</i>
<b>Weighted Average Coupon</b>	<i>7.04%</i>
<b>Average Loan Age</b>	<i>140 Months</i>

All data as of June 30, 2017

- Securitized Loan Portfolio
- Non-Agency RMBS
- Consolidated RMBS Securitizations
- Agency CMBS
- Agency Pass Through







Information is unaudited, estimated and subject to change.



## 2016 SECURITIZATION ACTIVITY

*Chimera securitized \$5.8 billion in 2016 growing the investment portfolio to \$16.3 billion*

### Loan Securitizations

 CIM 2016-1 \$1,499,341,000 April 2016	 CIM 2016-2 \$1,762,177,000 May 2016	 CIM 2016-3 \$1,746,084,000 May 2016
 CIM 2016-4 \$601,733,000 October 2016	 CIM 2016-5 \$66,171,000 October 2016	 CIM 2016-FRE 1 \$185,881,000 October 2016

- Chimera has one of the largest seasoned, performing, small balance residential loan portfolios in the Mortgage REIT Industry
- Chimera securitized \$185 million loans with Freddie Mac in a pilot program
- Chimera expects high single digit yields on the portfolio without leverage

All data as of June 30, 2017

Information is unaudited, estimated and subject to change.

12






## 2017 SECURITIZATION ACTIVITY

*Chimera has securitized \$4.5 billion in 2017 growing the investment portfolio to \$20.4 billion*

### Loan Securitizations

 <b>CHIMERA</b> INVESTMENT CORPORATION CIM 2017-1 \$526,267,000 January 2017	 <b>CHIMERA</b> INVESTMENT CORPORATION CIM 2017-2 \$331,440,000 February 2017	
 <b>CHIMERA</b> INVESTMENT CORPORATION CIM 2017-3 \$2,434,640,000 March 2017	 <b>CHIMERA</b> INVESTMENT CORPORATION CIM 2017-4 \$830,510,000 March 2017	 <b>CHIMERA</b> INVESTMENT CORPORATION CIM 2017-5 \$377,034,000 May 2017

- Chimera closed five securitizations in the first half of seasoned, performing, low-loan balance residential mortgage loans
- Chimera sold \$3.5 billion of these securities, retaining an interest of \$985 million

All data as of June 30, 2017

Information is unaudited, estimated and subject to change.



# CAPITAL MARKETS ACTIVITY

*Chimera raised \$470 million in preferred equity in the past year*

## Preferred Stock

 **CHIMERA** INVESTMENT CORPORATION

5,800,000 Shares  
8.00% Fixed Series A  
Cumulative Redeemable Preferred Stock  
October 2016  
Liquidation Preference \$25.00 Per Share

 **CHIMERA** INVESTMENT CORPORATION

13,000,000 Shares  
8.00% Fixed Series B  
Cumulative Redeemable Preferred Stock  
February 2017  
Liquidation Preference \$25.00 Per Share

- Chimera intends to deploy this capital by acquiring new loans, expanding the balance sheet
- Series A is a fixed coupon and is callable in 5 years on October 30, 2021
- Series B is a fixed coupon for 7 years then floats at LIBOR plus 5.791%
- Series B is a callable in 7 years on March 30, 2024
- Series A and B preferred shared trade on the New York Stock Exchange under symbols CIM PRA and CIM PRB

All data as of June 30, 2017

Information is unaudited, estimated and subject to change.

14

## SUMMARY

*Chimera has assembled a portfolio of unique mortgage assets with a goal to provide high and durable income to shareholders*

### Franchise Mortgage Assets

Chimera has a unique portfolio of high yielding assets, created through securitization, which would be difficult to recreate in size and scale

### Positive Macro Economic Environment

Upward trending macro economic conditions for the housing market are positive for the credit of Chimera's mortgage portfolio

### Opportunity for Permanent Capital

New risk retention rules present an attractive opportunity for companies like Chimera to sponsor mortgage securitizations

# Appendix

Information is unaudited, estimated and subject to change.



# AGENCY MBS PORTFOLIO AND FUNDING

*The majority of Chimera's Agency Portfolio consists of highly liquid pass-through securities*

## Agency Securities – As of June 30, 2017

Security Type	Coupon <sup>(1)</sup>	Current Face	Weighted Average Market Price	Weighted Average CPR
Agency Pass-through	3.50%	\$968,548	102.9	10.4
	4.00%	1,153,118	105.4	14.7
	4.50%	254,403	107.6	20.8
Commercial	3.6%	1,366,273	101.4	—
Agency IO	0.8%	N/M <sup>(2)</sup>	3.8	10.4
<b>Total</b>		<b>\$3,742,342</b>		

## Repo Days to Maturity – As of June 30, 2017

Maturity	Principal Balance	Weighted Average Rate	Weighted Average Days
Within 30 days	\$2,341,691	1.13%	
30 to 59 days	543,553	1.23%	
60 to 89 days	264,071	1.24%	
90 to 360 days	—	—%	
<b>Total</b>	<b>\$3,149,315</b>	<b>1.16%</b>	<b>23 Days</b>

All data as of June 30, 2017

(1) Coupon is a weighted average for Commercial and Agency IO

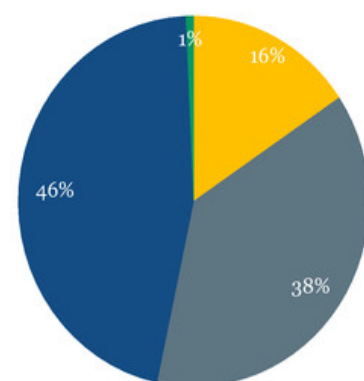
(2) Notional Agency IO was \$3.3 billion as of June 30, 2017

# INTEREST RATE SENSITIVITY

*Chimera continues to reduce its rate exposure by reducing its Agency portfolio and hedges*

Description (\$ in thousands)		- 100 Basis Points	- 50 Basis Points	Unchanged	+50 Basis Points	+100 Basis Points
<b>Agency Securities</b>	Market Value	\$ 4,196,357	\$ 4,100,301	\$ 3,994,670	\$ 3,881,057	\$ 3,762,632
	Percentage Change	5.0 %	2.6 %	-	(2.8)%	(5.8)%
<b>Swap</b>	Market Value	(119,374)	(58,420)	-	56,624	112,516
	Percentage Change	(3.0)%	(1.5)%	-	1.4 %	2.8 %
<b>Futures</b>	Market Value	(35,418)	(17,469)	-	17,000	33,544
	Percentage Change	(0.9)%	(0.4)%	-	0.4 %	0.8 %
<b>Net Gain/(Loss)</b>		\$ 46,895	\$ 29,742	-	\$ (39,989)	\$ (85,978)
<b>Percentage Change in Portfolio Value<sup>(1)</sup></b>		1.2 %	0.7 %	-	(1.0)%	(2.2)%

## Hedge Book Maturities



- Near Term 0-3
- Short Term 3-5
- Medium Term 5-10
- Long Term 10-30

### Total Notional Balance - Derivative Instruments

	June 30, 2017	March 31, 2017
<b>Interest Rate Swaps</b>	2,952,400	1,535,900
<b>Swaptions</b>	482,000	482,000
<b>Futures</b>	619,700	619,700

(1) Based on instantaneous moves in interest rates.

Information is unaudited, estimated and subject to change.



[chimerareit.com](http://chimerareit.com)

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