

AGENCY MORTGAGE-BACKED SECURITIES

MARKET AT-A-GLANCE | Q4 2025

The Agency MBS market is considered a pillar of the U.S. financial system, as it plays a vital role in providing liquidity to homeowners through the U.S. housing and mortgage markets.

Agency mortgage-backed securities (MBS) are fixed income securities representing interests in pools of mortgage loans secured by residential real property.

The principal and interest payments on these securities are **guaranteed by one of three Agencies**: **Fannie Mae** or **Freddie Mac**, which are U.S. Government-sponsored enterprises (GSEs), or **Ginnie Mae**, a U.S. government agency.

- In the event borrowers default on their mortgages, these Agencies ensure the timely payment of principal and interest to security holders to make them whole for any missed borrower payment(s).

These securities can be structured in several ways:

- Pass-through certificates:** monthly payments of principal and interest made by the individual borrowers on the underlying mortgage loans are in effect "passed through" to the security holders, after deducting guarantee and servicing fees, on a pro rata basis.
- "To-be-announced" securities (TBAs):** forward contracts to purchase or sell pass-through certificates with specified characteristics on a future settlement date in accordance with certain pricing and terms, with the actual bonds only identified shortly before the settlement date.

TBAs are effectively off-balance sheet financed assets that typically provide an implied financing benefit and lower margin requirements relative to MBS investments.

- Collateralized mortgage obligations (CMOs):** structured investments backed by a pool of Agency MBS.



Illustrative Pass-Through Economics

6.00% **Weighted Average Mortgage Rate**

Interest rate paid by borrowers on underlying loans' unpaid principal balances (UPB)

- 0.70% **Agency Guarantee Fee**

Fee paid by security holders to Agencies for guaranteeing principal and interest payments

- 0.30% **Mortgage Servicing Fee**

Fee paid by security holders to mortgage servicers for servicing the loans on an ongoing basis

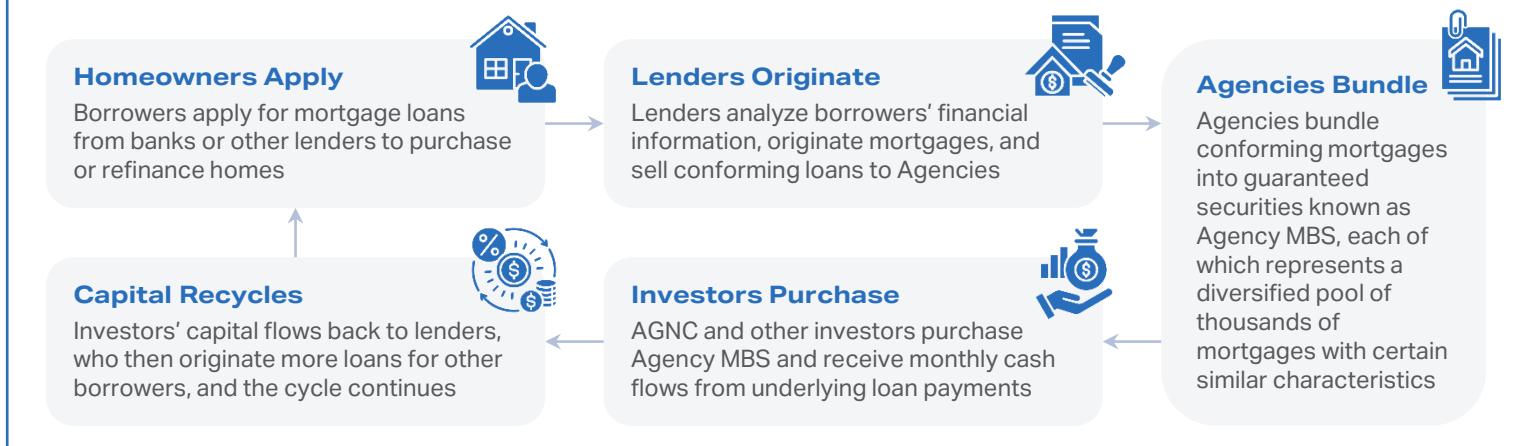
5.00% **Agency MBS Coupon (Asset Yield)**

Net interest rate, or asset yield, received by security holders after deducting fees

THE AGENCY MBS LIFECYCLE

"The market for Agency mortgage-backed securities...is closely linked to the Treasury market and critically supports the ability of people to get a mortgage to buy a house or refinance an existing mortgage."

JEROME POWELL, CHAIR OF THE U.S. FEDERAL RESERVE | FOMC PRESS CONFERENCE, MARCH 2020



BENEFITS OF INVESTING IN AGENCY MBS

Agency MBS assets benefit from compelling fundamentals and favorable attributes that make them an important building block of any investment portfolio. Our skilled team has decades of experience in selecting assets well positioned to deliver superior risk-adjusted returns across market cycles.



DIFFERENTIATED ASSET

Fundamental fixed income asset class that supports the U.S. mortgage market with minimal correlation to equities



GOVERNMENT SUPPORT

Agency-backed guarantee from Fannie Mae, Freddie Mac, or Ginnie Mae substantially eliminates credit risk for investors



SUBSTANTIAL YIELD OPPORTUNITY

Compelling current income with an ability to employ leverage through highly attractive funding that enhances return potential



HIGHLY LIQUID MARKET

Massive fixed income asset class with substantial trading liquidity, second only to the U.S. Treasury market

AGENCY MBS MARKET HIGHLIGHTS

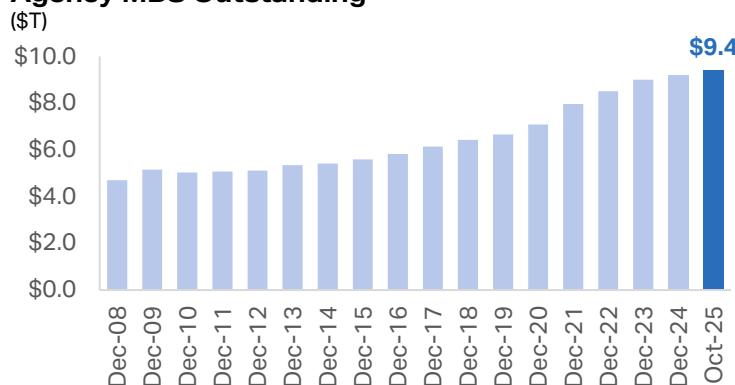
\$9.4 T
MARKET
SIZE

\$350 B
AVERAGE DAILY
TRADING VOLUME

1.10% | 1.41%
APPROXIMATE SPREAD TO
TREASURIES | SWAPS

0.36
APPROXIMATE CORRELATION
TO U.S. EQUITIES

Agency MBS Outstanding

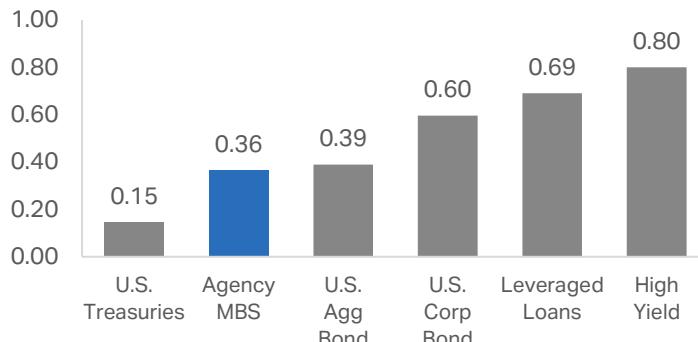


Agency MBS Spreads



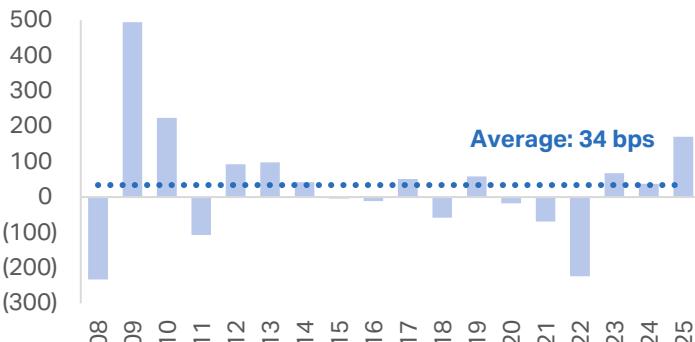
Fixed Income Correlation to U.S. Equities

(Correlation coefficient)



Agency MBS Excess Returns Over U.S. Treasuries

(Annual excess returns in basis points)



ENDNOTES Agency MBS market size as of October 2025. Agency MBS average daily trading volume reflects the twelve-month period ended December 31, 2025. Agency MBS spread to U.S. Treasuries and Agency MBS spread to swaps reflect the 30-year current coupon Agency MBS yield spread to a 50/50 average of 5- and 10-year U.S. Treasury yields and a 50/50 average of 5- and 10-year SOFR OIS swaps, respectively, as of or through December 31, 2025. Approximate correlations to U.S. equities reflect the ten year correlation coefficient of each of the following indices to the S&P 500 Index, calculated on a monthly basis, from December 31, 2015 through December 31, 2025: Bloomberg U.S. MBS Index (Agency MBS), Bloomberg U.S. Treasury Index (U.S. Treasuries), Bloomberg U.S. Aggregate Bond Index (U.S. Agg Bond), Bloomberg U.S. Corporate Bond Index (U.S. Corp Bond), Morningstar LSTA U.S. Leveraged Loan Index (Leveraged Loans), and Bloomberg U.S. Corporate High Yield Bond Index (High Yield). Agency MBS excess returns over U.S. Treasuries reflect the differences between the monthly total return of the Bloomberg U.S. MBS Index (annualized) and the monthly total return of a similar duration-weighted portfolio of U.S. Treasuries (annualized) for each year shown. Sources: Bloomberg, Urban Institute, and SIFMA. The Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) are U.S. Government-sponsored enterprises (GSEs) that issue and guarantee mortgage-backed securities (MBS). The Government National Mortgage Association (Ginnie Mae) is a U.S. Government agency that guarantees MBS issued by approved lenders who participate in its programs. These three entities are collectively referred to as the "Agencies," and the mortgage-backed securities that are guaranteed by one of these three entities are "Agency MBS." Illustrative pass-through economics are hypothetical and are for illustrative purposes only.

Investment in AGNC Investment Corp. involves risks and uncertainties that may cause future performance to vary from historical results. Please refer to our annual and quarterly reports on file with the SEC and available at www.sec.gov for more information about AGNC Investment Corp., including material risks and other factors that may affect future performance.

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