

Cherry Hill Mortgage Investment Corp  
Form 424B5  
June 01, 2018  
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*Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-221725*

**PROSPECTUS SUPPLEMENT**  
*(To Prospectus Dated December 4, 2017)*

**2,750,000 Shares**

**Common Stock**

*Cherry Hill Mortgage Investment Corporation is offering 2,750,000 shares of its common stock, par value \$0.01 per share. Our common stock is traded on the New York Stock Exchange (the NYSE ) under the symbol CHMI. The closing price of our common stock on the NYSE on May 29, 2018 was \$19.06 per share.*

*The underwriters have agreed to purchase our common stock from us at a price of \$17.42 per share, which will result in approximately \$47.6 million of total net proceeds to us after offering expenses. The underwriters may offer our common stock in transactions on the NYSE, in the over-the-counter market or through negotiated transactions at market prices or at negotiated prices. See Underwriting.*

*The underwriters will have the option to purchase within 30 days from the date of this prospectus supplement up to an additional 412,500 shares of our common stock from us.*

*There are restrictions on transfer and ownership of our common stock intended to, among other purposes, preserve our qualification as a real estate investment trust ( REIT ) for U.S. federal income tax purposes. Please see the section entitled Restrictions on Ownership and Transfer in the accompanying prospectus.*

*Investing in our common stock involves risk. See Risk Factors beginning on page S-3 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.*

*Neither the U.S. Securities and Exchange Commission (the SEC ), nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.*

*Delivery of the shares of our common stock will be made on or about June 4, 2018, only in book-entry form through The Depository Trust Company.*

*Morgan Stanley JMP Securities*

*The date of this prospectus supplement is May 30, 2018.*

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**Prospectus**

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**You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any applicable free writing prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information.**

**We are not, and the underwriters are not, making an offer of the shares of our common stock covered by this prospectus supplement and the accompanying prospectus in any jurisdiction where the offer is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any applicable free writing prospectus and the documents incorporated by reference herein or therein is accurate only as of their respective dates or on the date or dates which are specified in these documents. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.**

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### **ABOUT THIS PROSPECTUS SUPPLEMENT**

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of the offering, and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which includes more general information about the securities we may offer from time to time, some of which may not apply to this offering. Before you buy any shares of our common stock, it is important for you to read and consider the information contained in this prospectus supplement and the accompanying prospectus together with additional information described under the headings **Information Incorporated by Reference** and **Where You Can Find More Information**.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

Unless otherwise specified or unless the context requires otherwise, all references in this prospectus supplement to the terms **we**, **us**, **our** and **our company** refer to Cherry Hill Mortgage Investment Corporation and its consolidated subsidiaries, references to **our operating partnership** refer to Cherry Hill Operating Partnership, LP and references to **our Manager** refer to Cherry Hill Mortgage Management, LLC.

### **FORWARD-LOOKING STATEMENTS**

When used in this prospectus supplement and in the accompanying prospectus and in the documents incorporated herein and therein by reference, in future filings with the SEC or in press releases or other written or oral communications, statements which are not historical in nature, including those containing words such as **believe**, **expect**, **anticipate**, **estimate**, **plan**, **continue**, **intend**, **should**, **would**, **could**, **goal**, **objective**, **wil** expressions, are intended to identify **forward-looking statements** within the meaning of Section 27A of the Securities Act of 1933, as amended (the **Securities Act**), and Section 21E of the Securities Exchange Act of 1934, as amended (the **Exchange Act**), and, as such, may involve known and unknown risks, uncertainties and assumptions.

Forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity, results of operations and our ability to make distributions to our stockholders may vary materially from those expressed in our forward-looking statements. The following factors are examples of those factors that could cause actual results to vary from our forward-looking statements: general volatility of the capital markets; changes in our investment objectives and business strategy; availability, terms and deployment of capital; availability of suitable investment opportunities; our dependence on our Manager, and our ability to find a suitable replacement if we or our Manager were to terminate the management agreement we have entered into with our Manager; changes in our assets, interest rates or the general economy; increased rates of default and/or decreased recovery rates on our investments; changes in interest rates, interest rate spreads, the yield curve or prepayment or recapture rates; our ability to maintain our qualification as a REIT for U.S. federal income tax purposes; limitations on our business due to compliance with the requirements necessary for REIT qualification; the degree and nature of our competition, including competition for our targeted assets; our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended; and risks associated with investing in residential mortgage-related assets. These and other risks, uncertainties and factors, including the risk factors described below and in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2017, as updated by those risk factors included in our subsequent filings under the Exchange Act, could cause our actual results to differ materially from those projected in any forward-looking statements we make. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time, and it is not possible 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.

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**WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the informational requirements of the Exchange Act, and, in accordance with those requirements, file reports, proxy statements and other information with the SEC. Such reports, proxy statements and other information, as well as the registration statement and the exhibits and schedules thereto, can be inspected at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of such materials may be obtained from the SEC at prescribed rates. Information about the operation of the public reference facilities may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website that contains reports, proxy statements and other information regarding registrants, including us, that file such information electronically with the SEC. The address of the SEC's website is *www.sec.gov*. Our common stock is listed on the NYSE. Our corporate website is located at *www.chmireit.com*. Our corporate website and the information contained therein or connected thereto do not constitute a part of this prospectus supplement, the accompanying prospectus or any amendment or supplement thereto.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act with respect to the securities offered by this prospectus supplement and the accompanying prospectus, and the registration statement has been declared effective. This prospectus supplement and the accompanying prospectus, which form a part of the registration statement, do not contain all of the information set forth in the registration statement and its exhibits and schedules, certain parts of which are omitted in accordance with the SEC's rules and regulations. For further information about us and our common stock, we refer you to the registration statement and to such exhibits and schedules. Statements contained in this prospectus supplement and the accompanying prospectus concerning the provisions of any document filed as an exhibit to the registration statement or otherwise filed with the SEC are not necessarily complete, and in each instance reference is made to the copy of such document so filed. Each such statement is qualified in its entirety by such reference.

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**INFORMATION INCORPORATED BY REFERENCE**

The SEC allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with the SEC, which means that we can disclose important business, financial and other information to you by referring you to other documents separately filed with the SEC. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus from the date we file that document. Any reports filed by us with the SEC after the date of this prospectus supplement and before the date that the offering of the securities by means of this prospectus supplement and the accompanying prospectus is terminated will automatically update and, where applicable, supersede any information contained in this prospectus supplement and the accompanying prospectus or incorporated by reference in this prospectus supplement and the accompanying prospectus.

We incorporate by reference the following documents or information filed with the SEC and any subsequent filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and prior to completion of the offering of our common stock described in this prospectus supplement and the accompanying prospectus (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on March 16, 2018;

our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, filed with the SEC on May 9, 2018;

our Current Report on Form 8-K filed on April 5, 2018;

the information specifically incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2017 from our Definitive Proxy Statement on Schedule 14A filed on April 27, 2018; and

the description of our common stock in our Registration Statement on Form 8-A filed on September 27, 2013.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement and the accompanying prospectus are delivered, upon his or her written or oral request, a copy of any or all documents referred to above that have been or may be incorporated by reference into this prospectus supplement and the accompanying prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may request those documents from us by writing to Cherry Hill Mortgage Investment Corporation, c/o Investor Relations, 1451 Route 34, Suite 303, Farmingdale, New Jersey 07727 or by calling Investor Relations at (877) 870-7005.

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**SUMMARY**

**Our Company**

We are a REIT focused on acquiring, investing in and managing residential mortgage assets in the United States. We were incorporated in Maryland on October 31, 2012, and we commenced operations in October 2013, following the completion of our initial public offering and a concurrent private placement. We are externally managed by Cherry Hill Mortgage Management, LLC, an SEC-registered investment adviser established by Stanley Middleman. Our Manager is a party to a services agreement with Freedom Mortgage Corporation ( Freedom Mortgage ), which is owned and controlled by Mr. Middleman.

We conduct substantially all of our operations through our operating partnership, Cherry Hill Operating Partnership, LP, and its subsidiaries. We are the sole general partner of our operating partnership.

Our principal objective is to generate attractive current yields and risk-adjusted total returns for our stockholders over the long term, primarily through dividend distributions and secondarily through capital appreciation. We attempt to attain this objective by selectively constructing and actively managing a portfolio of servicing-related assets, consisting of mortgage servicing rights, or MSR, on residential mortgage loans and residential mortgage-backed securities ( RMBS ). Subject to market conditions, we may also invest in prime residential mortgage loans and other cashflowing residential mortgage assets.

Our principal executive offices are located at 1451 Route 34, Suite 303, Farmingdale, New Jersey 07727, and our telephone number is (877) 870-7005. The offices of our Manager are located at 907 Pleasant Valley Avenue, Mount Laurel, New Jersey 08054. Our website is [www.chmireit.com](http://www.chmireit.com). Our website and the information contained at or connected to our website do not constitute a part of this prospectus supplement or the accompanying prospectus.

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### **THE OFFERING**

#### **Issuer**

Cherry Hill Mortgage Investment Corporation

#### **Common Stock Offered by Us**

2,750,000 shares (plus up to an additional 412,500 shares that we will issue and sell in the event the underwriters exercise their option to purchase additional shares in full).

#### **Common Stock to be Outstanding After This Offering**

15,471,464 shares (15,883,964 shares if the underwriters exercise their option to purchase additional shares in full)<sup>(1)</sup>

#### **NYSE Symbol**

CHMI

#### **Restrictions on Transfer and Ownership**

In order to ensure that we remain qualified as a REIT for U.S. federal income tax purposes, among other purposes, our charter provides that generally no person, other than certain exempted holders, may own, or be deemed to own by virtue of the attribution provisions of the Internal Revenue Code of 1986, as amended, more than 9.0% in value or in number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our stock. Our board of directors may, in its sole discretion, exempt a person from the 9.0% ownership limit under certain circumstances. Please see the section entitled "Restrictions on Ownership and Transfer" in the accompanying prospectus.

#### **Use of Proceeds**

We intend to use the net proceeds of this offering for general corporate purposes, which may include the acquisition of additional servicing-related assets and other residential mortgage-related assets, such as Agency RMBS and non-Agency RMBS. See "Use of Proceeds."

#### **Distribution Policy**

To continue to qualify as a REIT, we must distribute annually to our stockholders an amount equal to at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gain. We intend to continue to make distributions to our stockholders in amounts such that we distribute all or substantially all of our REIT taxable income in each year (subject to certain adjustments).

#### **U.S. Federal Income Tax Considerations**

For a discussion of the material U.S. federal income tax considerations relating to purchasing, owning and disposing our common stock, please see the section entitled "Material U.S. Federal Income Tax Considerations" in the accompanying prospectus and the disclosure set forth in Exhibit 99.1 to our Annual Report on Form 10-K filed with the SEC on March 16, 2018 under the caption "Additional Material U.S. Federal Income Tax Considerations," which is incorporated by reference herein and supplements the information in the accompanying prospectus under the caption "Material U.S. Federal Income Tax Considerations."

#### **Risk Factors**

Investing in our common stock involves risk. See "Risk Factors" and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before investing in our common stock.

The number of shares of common stock to be outstanding after this offering excludes: (i) 164,667 shares of our common stock that may be issued upon redemption of 164,667 long term incentive plan units of our operating partnership granted pursuant to the Cherry Hill Mortgage Investment Corporation 2013 Equity Incentive Plan (the "2013 Plan"); and (ii) up to 1,288,869 shares of our common stock reserved for future issuance pursuant to the 2013 Plan.

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### **RISK FACTORS**

*Investing in our common stock involves risk. Please see the risks described below in addition to the risk factors included in our most recent Annual Report on Form 10-K and other information that we file from time to time with the SEC. Such risks are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect us and the market value of our common stock. The risks described could affect our business, financial condition, liquidity, results of operations, prospects, and the market value of our common stock. In such a case, you may lose all or part of your original investment. You should consider carefully the risks described below and in these reports, as well as other information and data set forth in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein before making an investment decision with respect to our common stock.*

#### **Risks Related to Our Common Stock and this Offering**

*The market price and trading volume of our common stock may be volatile following the offer and sale of shares of our common stock pursuant to this prospectus supplement.*

The market price of our common stock may be highly volatile and subject to wide fluctuations. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. We cannot assure you that the market price of our common stock will not fluctuate or decline significantly in the future. Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common stock include:

- announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- actual or anticipated variations in our quarterly operating results;
- publication of research reports about us or the real estate industry;
- decreases in the market valuations of residential mortgage assets;
- increased difficulty in maintaining or obtaining financing on attractive terms, or at all;
- increases in market interest rates that lead purchasers of shares of our common stock to demand a higher yield;
- changes in market valuations of similar companies;
- adverse market reaction to any indebtedness we incur in the future;
- additions or departures of key management personnel;
- actions by institutional stockholders;
- speculation in the press or investment community;
- general market and economic conditions; and
- war, terrorist acts and epidemic disease.

*We will have broad discretion as to the use of, and as to the timing of when we permanently deploy, the net proceeds we receive from this offering.*

We will retain broad discretion to use the net proceeds from this offering for general corporate purposes, which may include the acquisition of additional servicing-related assets and other residential mortgage-related assets, such as Agency-RMBS and non-Agency RMBS. To the extent we invest in non-Agency RMBS, we expect to encounter credit risk related to this asset class. We may temporarily invest the net proceeds before use in interest-bearing, short-term, marketable investment grade securities or (interest or non-interest bearing) checking (or escrow) accounts or money market accounts that are consistent with our intention to maintain our qualification as a REIT, and no assurances can be given as to how quickly we will be able to deploy the net proceeds from this offering in our target assets. Our management may spend a portion or all of the net proceeds we receive from this offering in ways that our stockholders may not desire or that may not yield a favorable return.



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***Broad market fluctuations could negatively impact the market price of our common stock.***

The stock market has experienced extreme price and volume fluctuations that have affected the market price of many companies in industries similar or related to ours and that have been unrelated to these companies' operating performances. These broad market fluctuations could reduce the market price of our common stock. Furthermore, our operating results and prospects may be below the expectations of public market analysts and investors or may be lower than those of companies with comparable market capitalizations, which could lead to a material decline in the market price of our common stock.

***We have not established a minimum distribution payment level, and we cannot assure you of our ability to make distributions in the future.***

We expect to make regular distributions to holders of our common stock in amounts such that we distribute all or substantially all of our REIT taxable income in each year. We have not established a minimum distribution payment level, and our ability to make distributions may be adversely affected by a number of factors, including the risk factors described in this prospectus supplement and the documents incorporated by reference herein. All distributions will be made at the discretion of our board of directors and will depend on our earnings, our financial condition, debt covenants, maintenance of our REIT qualification, applicable law and other factors as our board of directors may deem relevant from time to time.

No assurance can be given that the level of any distributions we make to our stockholders will achieve a market yield or increase or even be maintained over time, any of which could materially and adversely affect the market price of our common stock. In addition, some of our distributions may include a return of capital, which would reduce the amount of capital available to operate our business.

Furthermore, distributions that we make to our stockholders will generally be taxable to our stockholders as ordinary income. However, a portion of our distributions may be designated by us as long-term capital gains to the extent that they are attributable to capital gain income recognized by us or may constitute a return of capital to the extent that they exceed our earnings and profits as determined for U.S. federal income tax purposes. A return of capital is not taxable, but has the effect of reducing the tax basis of a stockholder's investment in our common stock.

***Future offerings of debt securities, which would rank senior to our common stock upon our liquidation, and future offerings of equity securities, which would dilute our existing stockholders and may be senior to our common stock for purposes of dividend and liquidating distributions, may adversely affect the market price of our common stock.***

In the future, we may attempt to increase our capital resources by making offerings of debt or additional offerings of equity securities, including commercial paper, medium-term notes, senior or subordinated notes and classes of preferred stock or common stock. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive a distribution of our available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our common stock, or both. Our preferred stock has a preference on liquidating distributions or a preference on dividend payments that could limit our ability to make a dividend distribution to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our common stock bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in us.

***Common stock eligible for future sales may depress the market price of our common stock.***

We cannot predict the effect, if any, of future sales of shares of our common stock, including future resales of the shares sold in this offering, or securities that are convertible into or exchangeable or exercisable for shares of our common stock, or the availability of such securities for future sales, on the value of our common stock. Sales of substantial amounts of our common stock or securities that are convertible into or exchangeable or exercisable for shares of our common stock, or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

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We have registered for public resale 1,000,000 shares of our common stock held by Stanley Middleman, our former chairman. In addition, Freedom Mortgage holds 84,600 shares of our common stock. Freedom Mortgage is owned and controlled by Mr. Middleman. Mr. Middleman and/or Freedom Mortgage could sell any or all of these shares in the public market. As a result, the trading price of our common stock could decline. In addition, the perception in the market that these sales may occur could also cause the trading price of our common stock to decline.

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**USE OF PROCEEDS**

We estimate that the net proceeds of this offering will be approximately \$47.6 million (or approximately \$54.8 million if the underwriters exercise their option to purchase additional shares in full), after deduction of estimated offering expenses payable by us.

We intend to use the net proceeds of this offering for general corporate purposes, which may include the acquisition of additional servicing-related assets and other residential mortgage-related assets, such as Agency RMBS and non-Agency RMBS.

Pending these uses, we intend to maintain the net offering proceeds in interest-bearing, short-term, marketable investment grade securities or (interest or non-interest bearing) checking (or escrow) accounts or money market accounts that are consistent with our intention to maintain our qualification as a REIT. These investments may include, for example, government securities other than agency securities, certificates of deposit and interest-bearing bank deposits. These investments are expected to provide a lower net return than we will seek to achieve from our targeted assets.