



**Anworth Mortgage Asset Corporation**

ANH NYSE

REIT - Residential / Commercial

Market Capitalization USD:

\$898.39 mm**CONCERN LEVEL: LOW**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less. 
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year. 
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated.
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Lloyd McAdams**Age: 66****CEO Since: 1997**

	2009	2010	2011
Base Salary	\$925,000	\$925,000	\$944,833
Discretionary Bonus	\$400,000	\$700,000	\$720,000
Annual Cash Incentive	\$2,366,825	\$1,256,727	\$1,446,742
Benefits and Perquisites	\$192,675	\$458,145	\$516,219
TOTAL ANNUAL COMPENSATION	\$3,884,500	\$3,339,872	\$3,627,794
Increase in Post-Retirement Benefits	\$53,296	\$50,949	\$56,501
Stock Option Awards	\$0	\$0	\$0
Stock Awards	\$788,941	\$418,909	\$482,247
TOTAL COMPENSATION	\$4,726,737	\$3,809,730	\$4,166,542
Median of Other Named Executive Officers Total Compensation	\$2,091,113	\$1,287,900	\$1,415,677
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$19,814	\$108,052	\$0
TOTAL REALIZED EQUITY COMPENSATION	\$19,814	\$108,052	\$0

Proxy Date: 28 Mar 2012

Annual Meeting Date: 23 May 2012

Equity Reserves: 0.86%

Stock Option Run Rate: 0.00%

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Performance Comparison

■ S&P500 ■ Industry ■ ANH



Peer Comparisons (TRBC) =REIT - Residential / Commercial

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
ANH	Anworth Mortgage Asset Corporation	\$4,726,737	\$3,809,730	\$4,166,542	\$898,390,431
DRE	Duke Realty Corporation	\$2,859,415	\$2,306,519	\$3,239,022	\$2,654,264,277
ACC	American Campus Communities, Inc.	\$1,613,828	\$1,864,736	\$2,546,165	\$2,587,328,288
NNN	National Retail Properties, Inc.	\$2,559,317	\$3,696,809	\$2,750,483	\$2,562,829,672
WRI	Weingarten Realty Investors	\$3,669,365	\$3,822,740	\$3,884,134	\$2,558,098,098
MFA	MFA Financial, Inc.	\$3,807,794	\$3,606,624		\$2,500,341,746
CLI	Mack-Cali Realty Corporation	\$3,474,719	\$3,900,611		\$2,329,050,515

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps.

Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

American Capital Agency Corp., Annaly Capital Management, Inc., Capstead Mortgage Corporation, CYS Investments, Inc., Hatteras Financial, MFA Financial, Inc., Two Harbors Investment Corp.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Charles H. Black	Chairman	85	Male	15	Outside Related
Joe E. Davis	Member	77	Male	15	Outside Related
Lee A. Ault	Member	75	Male	10	Outside Related
Robert C. Davis	Member	67	Male	7	Outside

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