

TWO HARBORS INVESTMENT CORP.  
 Form 424B5  
 March 12, 2018

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Filed Pursuant to Rule 424(b)(5)  
 Registration No. 333-223311

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price Per Security(1)</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(2)(3)</b>
Common Shares, par value \$.01 per share	6,207,065	\$14.76	\$91,616,279	\$

- (1) Estimated solely for the purpose of calculating the registration fee. Pursuant to Rule 457(c) under the Securities Act of 1933, as amended (the "Securities Act"), the proposed maximum offering price per share and the proposed maximum aggregate offering price have been determined on the basis of the average of the high and low prices reported on the New York Stock Exchange on March 2, 2018.
- (2) This filing fee is calculated in accordance with Rule 457(r) under the Securities Act of 1933. Payment of the registration fee to the SEC for the securities is being made by the registrant on a "pay-as-you-go" basis, using the current SEC filing fee rate of \$124.50 per million.
- (3) Securities being offered under this prospectus supplement include unsold securities previously registered on Form S-3 (Registration Statement No. 333-204216) (the "Prior Registration Statement"), as filed with the Securities and Exchange Commission on May 15, 2015. As of the date hereof, the registrant has not sold \$132,210,495 of the securities registered pursuant to the Prior Registration Statement (the "Unsold Securities"). In accordance with Rule 415(a)(6) under the Securities Act, an unused registration fee of \$15,363 paid in connection with the Unsold Securities is applied to the registration fee due hereunder offsetting the registration fee currently due. Accordingly, no registration fee is being paid at this time. Pursuant to Rule 415(a)(6), this "Calculation of Registration Fee" table shall be deemed to update the "Calculation of Registration Fee" table in the current registration statement on Form S-3ASR filed with the Securities and Exchange Commission on February 28, 2018 (File No. 333-223311) to continue the offering of Unsold Securities initially registered under the Prior Registration Statement.

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**PROSPECTUS SUPPLEMENT**

(To Prospectus Dated February 28, 2018)

**6,207,065 Shares  
Common Stock**

On May 25, 2012, we entered into an equity distribution agreement with JMP Securities LLC and Keefe, Bruyette & Woods, Inc., each of which we refer to individually as a sales agent and together as the sales agents, relating to shares of our common stock offered by this prospectus supplement. In accordance with the terms of the equity distribution agreement, as amended, we have previously offered and sold 3,792,935 (as adjusted for a reverse stock split) shares of common stock pursuant to previously filed prospectus supplements and accompanying prospectuses. As of the date of this prospectus supplement, 6,207,065 (as adjusted for a reverse stock split) shares of our common stock remain available for offer and sale from time to time through the sale agents pursuant to this prospectus supplement and accompanying prospectus and the equity distribution agreement.

Our common stock is listed on the New York Stock Exchange, or NYSE, under the symbol "TWO." The last reported sale price of our common stock on the NYSE on March 9, 2018 was \$15.33 per share.

Sales of shares of our common stock, if any, under this prospectus supplement may be made in negotiated transactions or transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange. Each of the sales agents will make all sales using commercially reasonable efforts consistent with its normal trading and sales practices, on mutually agreed terms between each sales agent and us.

The sales agents will be entitled to total compensation of 2.0% of the gross proceeds from the sale of the shares of common stock sold under the equity distribution agreement, as further described herein under the caption "Plan of Distribution." In connection with the sale of shares of common stock on our behalf, each sales agent may be deemed to be an "underwriter" within the meaning of the Securities Act of 1933, as amended, and the compensation of the sales agents may be deemed to be underwriting commissions or discounts.

We have elected to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes. To assist us in qualifying as a REIT, among other purposes, ownership of shares of our common stock by any person is limited, with certain exceptions, to 9.8% by value or by number of shares, whichever is more restrictive, of the outstanding shares of our common stock and 9.8% by value or by number of shares, whichever is more restrictive, of the aggregate of the outstanding shares of our capital stock. In addition, our charter contains various other restrictions on the ownership and transfer of our stock.

**Investing in our common stock involves risk. You should carefully consider the information described under the caption "Risk Factors" beginning on page S-4 of this prospectus supplement and on page 2 of the accompanying prospectus, as well as the risks described in our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q.**

Neither the Securities and Exchange Commission, any state securities commission, nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement is truthful and complete. Any representation to the contrary is a criminal offense.

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**JMP Securities**

**Keefe, Bruyette & Woods**

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The date of this prospectus supplement is March 12, 2018

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You should rely only on the information contained in this prospectus supplement and the accompanying prospectus, including information incorporated herein or therein by reference, or to which we have referred you. We have not authorized anyone to provide you with information that is different. This prospectus supplement may only be used where it is legal to sell the securities offered hereby. The information in this prospectus supplement and the accompanying prospectus, including information incorporated herein and therein by reference, may only be accurate as of the respective dates of this prospectus supplement, the accompanying prospectus, and the documents incorporated herein and therein by reference.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offer and sale from time to time of shares of our common stock pursuant to the equity distribution agreement and also adds to and updates information contained in the accompanying prospectus as well as the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the prospectus, provides more general information about securities we may offer from time to time using a "shelf" registration process, some of which does not apply to the common stock offered pursuant to this prospectus supplement. To the extent that any statement made in this prospectus supplement is inconsistent with statements made in the accompanying prospectus, the statements made in the prospectus will be deemed modified or superseded by those made in this prospectus supplement. Before you purchase shares of our common stock, you should carefully read this prospectus supplement, the accompanying prospectus and the registration statement, together with the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

When used in this prospectus supplement, the terms "Two Harbors," "company," "issuer," "registrant," "we," "our," and "us" refer to Two Harbors Investment Corp. and its consolidated subsidiaries, unless otherwise specified.

**NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement contains, or incorporates by reference, not only historical information, but also forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and that are subject to the safe harbors created by such sections. Forward-looking statements involve numerous risks and uncertainties. Our actual results may differ from our beliefs, expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "expect," "target," "believe," "intend," "seek," "plan," "goals," "future," "likely," "may," and similar expressions or their negative forms, or by references to strategy, plans, or intentions. These forward-looking statements are subject to risks and uncertainties, including, among other things, the information described under the caption "Risk Factors" in this prospectus supplement and page 2 of the accompanying prospectus. Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected are described below and may be described from time to time in reports we file with the United States Securities and Exchange Commission, or SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as in the other information incorporated by reference into this prospectus supplement or the accompanying prospectus. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise any such forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

Important factors, among others, that may affect our actual results include:

changes in interest rates and the market value of our target assets;

changes in prepayment rates of mortgages underlying our target assets;

the occurrence, extent and timing of credit losses within our portfolio;

our exposure to adjustable-rate and negative amortization mortgage loans underlying our target assets;

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the state of the credit markets and other general economic conditions, particularly as they affect the price of earning assets and the credit status of borrowers;

the concentration of the credit risks to which we are exposed;

legislative and regulatory actions affecting our business;

the availability and cost of our target assets;

the availability and cost of financing for our target assets, including repurchase agreement financing, lines of credit, revolving credit facilities and financing through the Federal Home Loan Bank of Des Moines;

declines in home prices;

increases in payment delinquencies and defaults on the mortgages comprising and underlying our target assets;

changes in liquidity in the market for real estate securities, the re-pricing of credit risk in the capital markets, inaccurate ratings of securities by rating agencies, rating agency downgrades of securities, and increases in the supply of real estate securities available-for-sale;

changes in the values of securities we own and the impact of adjustments reflecting those changes on our consolidated statements of comprehensive income (loss) and balance sheets, including our stockholders' equity;

our ability to generate cash flow from our target assets;

our ability to effectively execute and realize the benefits of strategic transactions and initiatives we have pursued or may in the future pursue;

changes in the competitive landscape within our industry, including changes that may affect our ability to attract and retain personnel;

our exposure to legal and regulatory claims, penalties or enforcement activities, including those arising from our ownership and management of mortgage servicing rights, or MSR, and prior securitization transactions;

our exposure to counterparties involved in our MSR business and prior securitization transactions and our ability to enforce representations and warranties made by them;

our ability to acquire MSR and successfully operate our seller-servicer subsidiary and oversee the activities of our subservicers;

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our ability to successfully diversify our business into new asset classes, and manage the new risks to which they may expose us;

our ability to manage various operational and regulatory risks associated with our business;

interruptions in or impairments to our communications and information technology systems;

our ability to maintain appropriate internal controls over financial reporting;

our ability to establish, adjust and maintain appropriate hedges for the risks in our portfolio;

our ability to maintain our REIT qualification for U.S. federal income tax purposes; and

limitations imposed on our business due to our REIT status and our status as exempt from registration under the Investment Company Act of 1940, as amended.

You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this prospectus supplement. The forward-looking statements are based on our beliefs,

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assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations 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 and results of operations may vary materially from those expressed in our forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible 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. Before you make an investment decision, you should be aware that the occurrence of the events described in the "Risk Factors" section and elsewhere in this prospectus supplement, the accompanying prospectus, and the documents incorporated herein and therein by reference, may adversely affect us.



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**RISK FACTORS**

An investment in Two Harbors involves a number of risks. Before making an investment decision, you should carefully read and consider the information set forth under the headings "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2017 and the following summary of risk factors, together with all other information in this prospectus supplement and the accompanying prospectus. We believe such risk factors, individually or in the aggregate, could cause our actual results to differ significantly from anticipated or historical results. In addition to understanding the key risks described below and incorporated herein by reference, investors should understand that it is not possible to predict or identify all risk factors, and consequently, such risk factors are not a complete discussion of all potential risks or uncertainties.

**Risks Related to the Securities of Two Harbors**

*Future issuances and sales of shares of our common stock may depress the market price of our common stock or have adverse consequences for our stockholders.*

We have 450,000,000 authorized shares of common stock and we may increase our authorized common stock without stockholder approval. As of March 8, 2018, 175,441,300 shares of common stock were issued and outstanding. In May 2015, our stockholders approved our Second Restated 2009 Equity Incentive Plan, or the Plan, which provides for grants of restricted common stock and other equity-based awards, subject to a ceiling of 6,500,000 shares available for issuance under the Plan. As of December 31, 2017, an aggregate of 3,108,534 shares of common stock remained available for issuance to our independent directors and employees of Pine River Capital Management L.P. and its affiliates, or Pine River, pursuant to the Plan.

We cannot predict the effect, if any, of future issuances or sales of our common stock on the market price of our common stock. We also cannot predict the amounts and timing of restricted stock awards to be issued pursuant to the Plan. Sales or awards of substantial amounts of common stock or the perception that such sales or awards could occur may adversely affect the market price for our common stock.

Also, we may issue additional shares in subsequent public offerings or private placements to acquire new assets or for other purposes. We are not required to offer any such shares to existing stockholders on a preemptive basis. Therefore, it may not be possible for existing stockholders to participate in such future share issuances, which may dilute the existing stockholders' interests.

*Any future offerings of our securities could dilute our existing stockholders and may rank senior for purposes of dividend and liquidating distributions.*

In order to grow our business, we may rely on additional issuances of securities which may rank senior and/or be dilutive to our stockholders. For example, we have issued Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and 6.25% Convertible Senior Notes due 2022. Any election by holders of our Convertible Senior Notes to convert their notes into shares of our common stock will dilute the interests of other stockholders. In addition, our outstanding Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock are convertible into our common stock in certain circumstances. In addition, upon liquidation, holders of our debt securities and our Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock and any other senior preferred stock would receive a distribution of our available assets before holders of our common shares.

In the future, we may again elect to raise capital through the issuance of convertible or non-convertible debt or equity securities. Upon liquidation, holders of our debt securities and preferred stock, if any, and lenders with respect to other borrowings will be entitled to our available assets prior to the holders of our common stock. Convertible debt and convertible preferred stock may have

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anti-dilution provisions which are unfavorable to our common stockholders. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our common stock, or both. Any preferred stock, if issued, could have a preference on liquidating distributions or a preference on dividend payments that could limit our ability to pay dividends to our stockholders or favorable conversion rights. Sales of substantial amounts of our common stock or the sale of securities which have rights and preferences that are superior to our common stock, or the perception that these sales could occur, may have a material adverse effect on the price of our common stock. Because our decision to issue debt or equity 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, our stockholders bear the risk of our future offerings reducing the market price of our common stock and diluting the value of their holdings.

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

We intend to continue to pay quarterly distributions and to make distributions to our stockholders in an amount such that we distribute all or substantially all of our REIT taxable income in each year, subject to certain adjustments. We have not established a minimum distribution payment level and our ability to pay distributions may be adversely affected by a number of factors, including the risk factors described or incorporated by reference herein. All distributions will be made, subject to Maryland law, at the discretion of our board of directors and will depend on our earnings, our financial condition, any debt covenants, maintenance of our REIT qualification and other factors as our board of directors may deem relevant from time to time. We cannot assure you that we will achieve results that will allow us to make a specified level of cash distributions and distributions in future periods may be lower than in prior quarterly periods.

***The market price of our common stock could fluctuate and could cause you to lose a significant part of your investment.***

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. The stock market has experienced and may in the future experience extreme price and volume fluctuations affecting the market price of many companies in industries similar or related to ours and that have been unrelated to these companies' operating performances. If the market price of our common stock declines significantly, you may be unable to resell your shares of our common stock at a gain. Further, fluctuations in the trading price of our common stock may adversely affect the liquidity of the trading market for our common stock and, in the event that we seek to raise capital through future equity financings, our ability to raise such equity capital. We cannot assure you that the market price of our common stock will not fluctuate or decline significantly in the future.

The market price of our common stock may be influenced by many factors, some of which are beyond our control, including those described above and the following:

changes in financial estimates by analysts;

fluctuations in our results of operations or financial condition or the results of operations or financial condition of companies perceived to be similar to us;

general economic and financial and real estate market conditions;

changes in market valuations of similar companies;

monetary policy and regulatory developments in the U.S.; and

additions or departures of key personnel at Pine River.

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Resulting fluctuations in the market price of our common stock could cause you to lose a significant part of your investment.

*The allocation of the net proceeds of our equity offerings among our target assets, and the timing of the deployment of these proceeds is subject to, among other things, then-prevailing market conditions and the availability of target assets.*

Our allocation of the net proceeds of this and our other equity offerings among our target assets is subject to our investment guidelines and our REIT qualification. Our external manager, PRCM Advisers LLC, or PRCM Advisers, which is a wholly-owned subsidiary of Pine River, will make determinations as to the percentage of our equity that will be invested in each of our target assets and the timing of the deployment of the net proceeds of our equity offerings. These determinations will depend on then-prevailing market conditions and may change over time in response to opportunities available in different interest rate, economic and credit environments. Until appropriate assets can be identified, PRCM Advisers may decide to use the net proceeds of our offerings to pay down our short-term debt or to invest the net proceeds in interest-bearing short-term investments, including funds which are consistent with our REIT election. These investments are expected to provide a lower net return than we seek to achieve from our target assets. Prior to the time we have fully used the net proceeds of our offerings to acquire our target assets, we may fund our quarterly dividends out of such net proceeds.

### USE OF PROCEEDS

We intend to use the net proceeds from this offering to purchase our target assets, including residential mortgage-backed security, or RMBS, MSR and other financial assets, in each case subject to our investment guidelines and to the extent consistent with maintaining our REIT qualification, and for general corporate purposes. PRCM Advisers will make determinations as to the percentage of our equity that will be invested in each of our target assets and the timing of deployment of the net proceeds of this offering. These determinations will depend on prevailing market conditions and may change over time in response to opportunities available in different interest rate, economic and credit environments.

### PLAN OF DISTRIBUTION

We have entered into an equity distribution agreement with JMP Securities LLC and Keefe, Bruyette & Woods, Inc., each of which we refer to individually as a sales agent and together as the sales agents, relating to shares of our common stock offered by this prospectus supplement. Upon its acceptance of written instructions from us, each sales agent will use its commercially reasonable efforts consistent with its sales and trading practices to solicit offers to purchase shares of our common stock, under the terms and subject to the conditions set forth in the equity distribution agreement. We will instruct each sales agent as to the amount of common stock to be sold by it. We may instruct a sales agent not to sell common stock if the sales cannot be effected at or above the price designated by us in any instruction. We or the sales agents may suspend the offering of common stock upon proper notice and subject to other conditions.

Each sales agent will provide written confirmation to us no later than the opening of the trading day on the New York Stock Exchange following the trading day in which shares of our common stock are sold under the equity distribution agreement. Each confirmation will include the number of shares sold on the preceding day, the net proceeds to us and the compensation payable by us to the sales agents in connection with the sales.

We will pay the sales agents commissions for their services in acting as agent in the sale of common stock. The sales agents will be entitled to equal compensation with respect to the sale of all

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shares of common stock under the equity distribution agreement. The aggregate compensation payable by us to the sales agents may be up to 2.0% of the gross proceeds from such sales.

We estimate that the total expenses for the offering, excluding compensation payable to the sales agents under the terms of the equity distribution agreement, will be approximately \$230,000.

Settlement for sales of common stock will occur on the second trading day following the date on which any sales are made, or on some other date that is agreed upon by us and a sales agent in connection with a particular transaction, in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

We will report at least quarterly the number of shares of common stock sold through the sales agents under the equity distribution agreement, the net proceeds to us and the compensation paid by us to the sales agents in connection with the sales of common stock.

The sales agents and their affiliates have provided, and may in the future provide, various investment banking and advisory services for us from time to time for which they have received, and may in the future receive, customary fees and expenses. The sales agents and their affiliates may from time to time engage in other transactions with and perform services for us in the ordinary course of business.

In connection with the sale of the common stock on our behalf, each sales agent may be deemed to be an "underwriter" within the meaning of the Securities Act, and the compensation of the sales agents may be deemed to be underwriting commissions or discounts. We have agreed to indemnify the sales agents against specified liabilities, including liabilities under the Securities Act, or to contribute to payments that the sales agents may be required to make because of those liabilities.

The offering of shares of our common stock pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of all common stock subject to the equity distribution agreement or (2) termination of the equity distribution agreement. The equity distribution agreement may be terminated by the sales agents or us at any time upon one day's notice to the other party, or by the sales agents at any time in certain circumstances.

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**LEGAL MATTERS**

Certain legal matters in connection with this prospectus supplement will be passed upon for us by Stinson Leonard Street LLP, Minneapolis, Minnesota, including the validity of the securities offered. Certain legal matters relating to this prospectus supplement will be passed upon for the placement agents by Freshfields Bruckhaus Deringer US LLP, New York, New York.

**EXPERTS**

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017, and the effectiveness of our internal control over financial reporting as of December 31, 2017, as set forth in their reports, which are incorporated by reference in this prospectus supplement and elsewhere in the registration statement. Our financial statements are incorporated by reference in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

**WHERE YOU CAN FIND MORE INFORMATION**

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. As allowed by SEC rules, this prospectus supplement does not contain all of the information set forth in the registration statement and the exhibits thereto. We refer you to the registration statement and the exhibits thereto for further information. This prospectus supplement is qualified in its entirety by such other information.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. These filings are available for inspection and copying at the public reference room of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Information about the operation of the public reference room may be obtained by calling the SEC at 1-800-SEC-0330. Our SEC filings, including the registration statement of which this prospectus supplement and the accompanying prospectus forms a part, are also available to you on the SEC's website at [www.sec.gov](http://www.sec.gov). We also maintain a website on the Internet with the address of [www.twoharborsinvestment.com](http://www.twoharborsinvestment.com) where you can find additional information. All internet addresses provided in this prospectus supplement or the accompanying prospectus are for information purposes only and are not intended to be hyperlinks. We are not incorporating by reference into this prospectus supplement or the accompanying prospectus the information on our website or any other website, and you should not consider our website or any other website to be a part of this prospectus supplement, the accompanying prospectus, or other offering materials.

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The SEC's rules allow us to "incorporate by reference" information into this prospectus supplement and the accompanying prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement and the accompanying prospectus from the date of filing those documents. Any reports filed by us with the SEC on or after the date of this prospectus supplement will automatically update and, where applicable, supersede any information contained in this prospectus supplement, the accompanying prospectus or in the documents listed below that are incorporated by reference. We have filed the documents listed below with the SEC under the Securities Exchange Act of 1934, or the Exchange Act, and these documents are incorporated herein by reference (other than information in such documents that is furnished and not deemed to be filed):

Our Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 27, 2018;

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The information specifically incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2016 from our Definitive Proxy Statement on Schedule 14A filed with the SEC on March 30, 2017;

Our Current Report on Form 8-K filed on March 12, 2018; and

The description of our common stock included in our Registration Statement on Form 8-A filed on February 10, 2011, as amended by the Form 8-A/A filed on November 2, 2017.

All documents we file (but not furnish) pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus supplement and prior to the termination of the offering of the securities to which this prospectus supplement relates (other than information in such documents that is furnished and not deemed to be filed) shall be deemed to be incorporated by reference into this prospectus supplement and to be a part hereof from the date of filing of those documents.

We will provide to each person, including any beneficial owner, to whom a copy of this prospectus supplement is delivered, a copy of any or all of the information that has been incorporated by reference in this prospectus supplement but not delivered with this prospectus supplement (other than the exhibits to such documents which are not specifically incorporated by reference therein); we will provide this information at no cost to the requester upon written or oral request to: Secretary, Two Harbors Investment Corp., 575 Lexington Avenue, Suite 2930, New York, New York 10022, or (612) 629-2500.

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PROSPECTUS

## Two Harbors Investment Corp.

### Common Stock Preferred Stock Depositary Shares Debt Securities

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We may offer, issue and sell, from time to time, shares of our common stock, preferred stock, depositary shares and debt securities, which may consist of debentures, notes, or other types of debt, in one or more offerings. We will provide specific terms of each issuance of these securities in supplements to this prospectus. We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis. In addition, selling securityholders may sell these securities, from time to time, on terms described in the applicable prospectus supplement. You should read this prospectus and any supplement carefully before you decide to invest. This prospectus may not be used to consummate sales of these securities unless it is accompanied by a prospectus supplement.

Our common stock is listed on the New York Stock Exchange, or NYSE, under the symbol "TWO."

We have elected to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes. To assist us in qualifying as a REIT, among other purposes, ownership of shares of our common stock by any person is limited, with certain exceptions, to 9.8% by value or by number of shares, whichever is more restrictive, of the outstanding shares of our common stock and 9.8% by value or by number of shares, whichever is more restrictive, of the aggregate of the outstanding shares of our capital stock. In addition, our charter contains various other restrictions on the ownership and transfer of our stock.

Our principal office is located at 575 Lexington Avenue, Suite 2930, New York, New York 10022. Our telephone number is (612) 629-2500.

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**Investing in our securities involves risk. You should carefully consider the information referred to under the caption "*Risk Factors*" on page 2 before you invest.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

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**The date of this prospectus is February 28, 2018**

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.



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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC or Commission, using a "shelf" registration process. Under this shelf registration process, we may sell the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we offer to sell securities, we will provide a supplement to this prospectus that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. It is important for you to consider the information contained in this prospectus and any prospectus supplement together with additional information described under the heading "*Where You Can Find More Information.*"

You should rely only on the information incorporated by reference or set forth in this prospectus or the applicable prospectus supplement. We have not authorized anyone else to provide you with additional or different information. You should not assume that the information in this prospectus, the applicable prospectus supplement or any other offering material is accurate as of any date other than the dates on the front of those documents.

When used in this prospectus, the terms "Two Harbors," "company," "issuer," "registrant," "we," "our," and "us" refer to Two Harbors Investment Corp. and its consolidated subsidiaries, unless otherwise specified.

**NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains, or incorporates by reference, not only historical information, but also forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, or the Exchange Act, and that are subject to the safe harbors created by such sections. Forward-looking statements involve numerous risks and uncertainties. Our actual results may differ from our beliefs, expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "expect," "target," "believe," "intend," "seek," "plan," "goals," "future," "likely," "may," and similar expressions or their negative forms, or by references to strategy, plans, or intentions. These forward-looking statements are subject to risks and uncertainties, including, among other things, the information referred to on page 2 of this prospectus under the caption "Risk Factors." Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected are described below and may be described from time to time in reports we file with the SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as in the other information contained or incorporated by reference in this prospectus or in any prospectus supplement. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise any such forward-looking statements, whether as a result of new information, future events, or otherwise.

Important factors, among others, that may affect our actual results include:

changes in interest rates and the market value of our target assets;

changes in prepayment rates of mortgages underlying our target assets;

the occurrence, extent and timing of credit losses within our portfolio;

our exposure to adjustable-rate and negative amortization mortgage loans underlying our target assets;

the state of the credit markets and other general economic conditions, particularly as they affect the price of earning assets and the credit status of borrowers;

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the concentration of the credit risks to which we are exposed;

legislative and regulatory actions affecting our business;

the availability and cost of our target assets;

the availability and cost of financing for our target assets, including repurchase agreement financing, revolving credit facilities and financing through the Federal Home Loan Bank of Des Moines, or the FHLB;

declines in home prices;

increases in payment delinquencies and defaults on the mortgages comprising and underlying our target assets;

changes in liquidity in the market for real estate securities, the re-pricing of credit risk in the capital markets, inaccurate ratings of securities by rating agencies, rating agency downgrades of securities, and increases in the supply of real estate securities available-for-sale;

changes in the values of securities we own and the impact of adjustments reflecting those changes on our statements of comprehensive income and balance sheets, including our stockholders' equity;

our ability to generate cash flow from our target assets;

our ability to effectively execute and realize the benefits of strategic transactions and initiatives we have pursued or may in the future pursue;

changes in the competitive landscape within our industry, including changes that may affect our ability to attract and retain personnel;

our exposure to legal and regulatory claims, including litigation arising from our ownership and management of mortgage servicing rights, or MSR, and prior securitization transactions;

our exposure to counterparties involved in our MSR business and prior securitization transactions and our ability to enforce representations and warranties made by them;

our ability to acquire MSR and successfully operate our seller-servicer subsidiary and oversee the activities of our subservicers;

our ability to successfully diversify our business into new asset classes, and manage the new risks to which they may expose us;

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our ability to manage various operational and regulatory risks associated with our business;

interruptions in or impairments to our communications and information technology systems;

our ability to maintain appropriate internal controls over financial reporting;

our ability to establish, adjust and maintain appropriate hedges for the risks in our portfolio;

our ability to maintain our REIT qualification for U.S. federal income tax purposes; and

limitations imposed on our business due to our REIT status and our status as exempt from registration under the Investment Company Act of 1940, as amended, or the 1940 Act.

All forward-looking statements included herein attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable laws and regulations, we undertake no obligations to update these forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events. Before you make an investment decision, you should be aware that the occurrence of the events described in the "Risk Factors" section and elsewhere in this prospectus and the documents incorporated herein by reference, may adversely affect us.

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**PROSPECTUS SUMMARY**

*This summary highlights selected information about us. It may not contain all the information that may be important to you in deciding whether to invest in our securities. You should read this entire prospectus, together with the information incorporated by reference, including the risk factors, financial data and related notes, before making an investment decision.*

**Our Company**

Two Harbors Investment Corp. is a Maryland corporation focused on investing in, financing and managing Agency residential mortgage-backed securities, or Agency RMBS, non-Agency securities, mortgage servicing rights, or MSR, and other financial assets, which we collectively refer to as our target assets. We operate as a real estate investment trust, or REIT, as defined under the Internal Revenue Code of 1986, as amended, or the Code. We are externally managed by PRCM Advisers LLC, or PRCM Advisers, which is a wholly owned subsidiary of Pine River Capital Management L.P., or Pine River.

Our objective is to provide attractive risk-adjusted total return to our stockholders over the long term, primarily through dividends and secondarily through capital appreciation. We selectively acquire and manage an investment portfolio of our target assets, which is constructed to generate attractive returns through market cycles. We focus on asset selection and implement a relative value investment approach across various sectors within the mortgage market. Our target assets include the following:

Agency RMBS, meaning RMBS whose principal and interest payments are guaranteed by the Government National Mortgage Association (or Ginnie Mae), the Federal National Mortgage Association (or Fannie Mae), or the Federal Home Loan Mortgage Corporation (or Freddie Mac);

Non-Agency securities that are not issued or guaranteed by Ginnie Mae, Fannie Mae or Freddie Mac;

MSR; and

Other financial assets comprising approximately 5% to 10% of the portfolio.

We seek to deploy moderate leverage as part of our investment strategy. We generally finance our Agency RMBS and non-Agency securities through short- and long-term borrowings structured as repurchase agreements and advances from the FHLB. We also finance our MSR through repurchase agreements and revolving credit facilities.

We have elected to be treated as a REIT for U.S. federal income tax purposes. To qualify as a REIT, we are required to meet certain investment and operating tests and annual distribution requirements. We generally will not be subject to U.S. federal income taxes on our taxable income to the extent that we annually distribute all of our net taxable income to stockholders, do not participate in prohibited transactions and maintain our intended qualification as a REIT. However, certain activities that we may perform may cause us to earn income which will not be qualifying income for REIT purposes. We have designated certain of our subsidiaries as taxable REIT subsidiaries, or TRSs, as defined in the Code, to engage in such activities, and we may form additional TRSs in the future. We also operate our business in a manner that will permit us to maintain our exemption from registration under the Investment Company Act of 1940, as amended, or the 1940 Act.

Our headquarters are located at 575 Lexington Avenue, Suite 2930, New York, New York 10022 and our telephone number is (612) 629-2500. We maintain a website at [www.twoharborsinvestment.com](http://www.twoharborsinvestment.com); however, the information found on our website is not a part of this prospectus.

Table of Contents**RISK FACTORS**

Investing in our securities involves a number of risks. Before making an investment decision, you should carefully read and consider the information set forth under the heading "Risk Factors" in our most recent Annual Report on Form 10-K, any subsequent Quarterly Reports on Form 10-Q and any subsequent Current Reports on Form 8-K (which descriptions are incorporated by reference herein), as well as the other information contained or incorporated by reference in this prospectus or in any prospectus supplement hereto before making a decision to invest in our securities. See "Where You Can Find More Information," below.

**RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following table shows our ratio of earnings to combined fixed charges and preferred stock dividends for each of the periods indicated.

(dollars in thousands)	Year Ended December 31,				
	2017	2016	2015	2014	2013
Income from continuing operations before income taxes	\$ 297,757	\$ 330,235	\$ 475,512	\$ 93,401	\$ 659,451
Fixed charges (interest expenses and preferred stock dividends)	375,310	213,284	141,790	107,450	100,407
Ratio of earnings to fixed charges and preferred stock dividends(1)	1.8	2.5	4.4	1.9	7.6