

Pretium to Acquire Deephaven Mortgage from Värde Partners

New York, NY – June 18, 2019 – Pretium and Värde Partners announced that they have entered into a definitive agreement for Pretium to acquire Deephaven Mortgage LLC from Värde Partners.

Founded in 2012, Deephaven is a leader in the Non-Qualified Mortgage industry. The company partnered with Värde in 2014 to fund its growth and expansion and, over the past 5 years, has invested in over \$4 billion of Non-QM loans to become one of the leading issuers of Non-QM securitizations.

Pretium is an alternative investment management firm focused on residential real estate, mortgage credit and corporate credit with more than \$10 billion in assets under management. Pretium is the largest private single-family rental owner and operator in the U.S., with over 32,000 homes across 15 high-growth markets. As the single-family rental industry has evolved into a distinct, institutionalized real estate asset class, Pretium has built an in-house real estate platform, Progress Residential, which manages Pretium's single-family rental homes and has over 800 employees. In addition to Pretium's single-family rental platform, Pretium has invested in its mortgage credit strategy, which has acquired over 31,000 loans with a collective unpaid principal balance of \$5.7 billion, and separately owns over 1,700 rental homes.

Donald Mullen, Founder and Chief Executive Officer of Pretium, said, "We are excited to be acquiring one of the most established leaders in the Non-QM market and we expect the business to benefit from working closely with Pretium's existing single-family rental and mortgage credit businesses. Deephaven is a synergistic, natural extension of Pretium's existing strategies in single-family rentals and mortgage credit, within our residential credit ecosystem."

Värde is a leading investor in commercial and residential mortgages including new originations and secondary investments in commercial and residential loans and portfolios, securities, and servicing platforms.

Brian Schmidt, Partner and Head of Mortgages and North America Real Estate at Värde, said, "Värde has deep experience in the U.S. mortgage market, having invested across a range of mortgage assets and platforms over the past 20+ years. Following a strong partnership with Deephaven, we are pleased to see Deephaven joining the Pretium family of companies. Our Financial Services team played an integral role in the value creation and sale process, where Pretium distinguished itself as the optimal partner to support Deephaven's continued growth and success."

Matt Nichols, Founder and CEO of Deephaven, added, "Deephaven was founded to serve the millions of credit worthy borrowers, who would otherwise have been excluded from the mortgage market. We are grateful for Värde's partnership in helping us build and establish a leadership position in the Non-QM market. We are excited to join Pretium, continuing a tradition of partnering with organizations that share our vision for the mortgage market and commitment to responsible lending. We look forward to our partnership and the opportunity it will afford us to continue our leadership position in the high-growth Non-QM market."

Terms of the transaction were not disclosed. The transaction is subject to customary closing conditions and regulatory approvals, and is expected to close in the second half of 2019.

Wells Fargo Securities served as financial advisor to Deephaven and Värde. Mayer Brown LLP served as legal counsel to Deephaven and Värde. Nomura Securities International, Inc. served as financial advisor to Pretium. Sidley Austin LLP served as legal counsel to Pretium.

ABOUT PRETIUM

Pretium is a specialized alternative investment management firm focused on residential real estate, mortgage finance and corporate credit. Pretium was founded in 2012 to capitalize on secular investment and lending opportunities arising as a result of structural changes, disruptions, and inefficiencies within the economy, the residential housing sector, and mortgage finance markets. Pretium has built an integrated analytical and operational ecosystem within the U.S. residential housing, mortgage, and corporate credit markets, and believes that its insight and experience within these markets create a strategic advantage over other investment managers. For more information, please visit www.pretium.com.

ABOUT VÄRDE PARTNERS

Värde Partners is a \$14 billion global alternative investment firm that employs a value-based approach to investing across a broad array of geographies, segments and asset types, including corporate credit, financial services, real estate, mortgages, energy, real assets and infrastructure. The firm sponsors and manages a family of private investment funds with a global investor base that includes foundations and endowments, pension plans, insurance companies, other institutional investors and private clients. Now in its third decade, Värde employs more than 300 people globally with regional headquarters in Minneapolis, London and Singapore. For more information about Värde Partners, visit: www.varde.com.

ABOUT DEEPHAVEN

Deephaven is a full service, multi-channel, long-term credit provider in the Non-QM space, providing access to financing to millions of underserved clients throughout the U.S. Deephaven was founded in 2012 to help rebuild the non-government mortgage market. For more information, please visit www.deephavenmortgage.com.

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