

Ellington Financial LLC
Form 10-Q
May 09, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
 1934

For the quarterly period ended March 31, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from _____ to _____

Commission file number 001-34569

Ellington Financial LLC

(Exact Name of Registrant as Specified in Its Charter)

Delaware

26-0489289

(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

53 Forest Avenue, Old Greenwich, Connecticut 06870

(Address of Principal Executive Office) (Zip Code)

(203) 698-1200

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer

Non-Accelerated Filer Smaller Reporting Company

(Do not check if a smaller reporting company) Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class

Outstanding at May 4, 2018

Common Shares Representing Limited Liability Company Interests, no par value 30,184,052

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ELLINGTON FINANCIAL LLC

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PART I—FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements (Unaudited)

ELLINGTON FINANCIAL LLC

CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES, AND EQUITY

(UNAUDITED)

	March 31, 2018	December 31, 2017
(In thousands except share amounts)		
	Expressed in U.S. Dollars	
ASSETS		
Cash and cash equivalents	\$25,715	\$ 47,233
Restricted cash	425	425
Investments, financial derivatives, and repurchase agreements:		
Investments, at fair value (Cost – \$2,347,459 and \$2,071,754)	2,343,738	2,071,707
Financial derivatives—assets, at fair value (Net cost – \$25,391 and \$31,474)	30,038	28,165
Repurchase agreements, at fair value (Cost – \$132,730 and \$155,109)	132,538	155,949
Total investments, financial derivatives, and repurchase agreements	2,506,314	2,255,821
Due from brokers	95,549	140,404
Receivable for securities sold and financial derivatives	522,126	476,000
Interest and principal receivable	32,488	29,688
Other assets	13,729	43,770
Total Assets	\$3,196,346	\$ 2,993,341
LIABILITIES		
Investments and financial derivatives:		
Investments sold short, at fair value (Proceeds – \$687,783 and \$640,202)	\$691,962	\$ 642,240
Financial derivatives—liabilities, at fair value (Net proceeds – \$22,202 and \$27,463)	34,925	36,273
Total investments and financial derivatives	726,887	678,513
Reverse repurchase agreements	1,330,943	1,209,315
Due to brokers	21,054	1,721
Payable for securities purchased and financial derivatives	225,519	202,703
Other secured borrowings (Proceeds – \$71,880 and \$57,909)	71,880	57,909
Other secured borrowings, at fair value (Proceeds – \$114,559 and \$125,105)	113,775	125,105
Senior notes, net	84,837	84,771
Accounts payable and accrued expenses	3,876	3,885
Base management fee payable to affiliate	1,978	2,113
Interest and dividends payable	5,168	5,904
Other liabilities	479	441
Total Liabilities	2,586,396	2,372,380
EQUITY	609,950	620,961
TOTAL LIABILITIES AND EQUITY	\$3,196,346	\$ 2,993,341
Commitments and contingencies (Note 17)		
ANALYSIS OF EQUITY:		
Common shares, no par value, 100,000,000 shares authorized; (30,392,041 and 31,335,938 shares issued and outstanding)	\$584,005	\$ 589,722
Additional paid-in capital – Long term incentive plan units	10,469	10,377
Total Shareholders' Equity	594,474	600,099
Non-controlling interests	15,476	20,862
Total Equity	\$609,950	\$ 620,961
PER SHARE INFORMATION:		

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Common shares	\$19.56	\$ 19.15
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See Notes to Consolidated Financial Statements

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT MARCH 31, 2018
(UNAUDITED)

Current Principal/Number of Shares (In thousands)	Description	Rate	Maturity	Fair Value
				Expressed in U.S. Dollars
Cash				
Equivalents—Money				
Market Funds				
(0.22%) (a) (b)				
North America				
Funds				
\$1,348	Various	1.55% - 1.61%		\$ 1,348
Total Cash				
Equivalents—Money				
Market Funds (Cost				
\$1,348)				
Long Investments (384.25%) (a) (b) (ad)				
Mortgage-Backed Securities (236.69%)				
Agency Securities (183.88%) (c)				
Fixed Rate Agency Securities (170.09%)				
Principal and Interest - Fixed Rate Agency Securities (136.19%)				
North America				
Mortgage-related—Residential				
\$138,722	Federal National Mortgage Association Pools (30 Year)	4.00%	9/39 - 3/48	\$143,229
116,328	Federal Home Loan Mortgage Corporation Pools (30 Year)	4.00%	11/41 - 3/48	120,065
96,173	Federal National Mortgage Association Pools (30 Year)	3.50%	9/42 - 2/48	96,783
75,488	Federal National Mortgage Association Pools (30 Year)	4.50%	10/41 - 3/48	79,727
65,694	Federal Home Loan Mortgage Corporation Pools (30 Year)	4.50%	9/43 - 4/48	69,290
62,193	Government National Mortgage Association Pools (30 Year)	4.00%	7/45 - 4/48	64,185
49,623	Federal National Mortgage Association Pools (15 Year)	3.50%	3/28 - 3/32	50,828
40,079	Government National Mortgage Association Pools (30 Year)	3.50%	12/42 - 2/48	40,418
28,596	Federal National Mortgage Association Pools (30 Year)	5.00%	10/35 - 11/44	30,711
25,588	Government National Mortgage Association Pools (30 Year)	4.50%	9/46 - 4/48	26,844
21,324	Federal Home Loan Mortgage Corporation Pools (30 Year)	3.50%	1/42 - 3/48	21,491
12,133	Federal National Mortgage Association Pools (15 Year)	3.00%	4/30 - 9/32	12,157
9,129	Federal Home Loan Mortgage Corporation Pools (15 Year)	3.50%	9/28 - 12/32	9,343
8,596	Federal Home Loan Mortgage Corporation Pools (Other)	3.50%	2/30 - 9/46	8,661
7,133	Federal National Mortgage Association Pools (15 Year)	4.00%	6/26 - 5/31	7,401
5,871	Government National Mortgage Association Pools (30 Year)	5.00%	2/48 - 4/48	6,220
5,184	Federal National Mortgage Association Pools (Other)	5.00%	9/43 - 1/44	5,549
4,954	Federal National Mortgage Association Pools (Other)	4.00%	6/37 - 12/47	5,078
3,743	Federal Home Loan Mortgage Corporation Pools (30 Year)	3.00%	7/43 - 1/47	3,667
2,894	Government National Mortgage Association Pools (30 Year)	3.75%	7/47	2,936
2,661	Federal National Mortgage Association Pools (15 Year)	4.50%	4/26	2,817
2,703	Federal National Mortgage Association Pools (Other)	4.50%	5/41	2,796

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2,751	Federal National Mortgage Association Pools (30 Year)	3.00%	1/42 - 6/45	2,703
2,552	Federal Home Loan Mortgage Corporation Pools (Other)	4.50%	5/44	2,702
2,322	Federal National Mortgage Association Pools (30 Year)	5.50%	10/39	2,532
2,480	Federal Home Loan Mortgage Corporation Pools (15 Year)	3.00%	4/30	2,482
1,613	Federal National Mortgage Association Pools (20 Year)	4.00%	12/33	1,678
1,437	Federal Home Loan Mortgage Corporation Pools (15 Year)	4.00%	2/29	1,484
1,200	Federal National Mortgage Association Pools (30 Year)	6.00%	9/39 - 2/40	1,346
1,151	Federal Home Loan Mortgage Corporation Pools (Other)	3.00%	6/28 - 3/30	1,145
1,012	Federal Home Loan Mortgage Corporation Pools (20 Year)	4.50%	12/33	1,072

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT MARCH 31, 2018 (CONTINUED)
(UNAUDITED)

Current Principal/Notional Value Description (In thousands) (continued)	Rate	Maturity	Fair Value Expressed in U.S. Dollars
\$860 Federal Home Loan Mortgage Corporation Pools (30 Year)	6.00%	5/40	\$ 956
635 Government National Mortgage Association Pools (Other)	3.50%	10/30 - 2/32	630
485 Federal Home Loan Mortgage Corporation Pools (30 Year)	5.00%	7/44	518
470 Federal Home Loan Mortgage Corporation Pools (30 Year)	5.50%	8/33 - 11/38	511
477 Federal National Mortgage Association Pools (Other)	3.50%	4/26	482
148 Government National Mortgage Association Pools (Other)	3.00%	6/30	144
111 Federal National Mortgage Association Pools (30 Year)	3.28%	6/42	108
			830,689
Interest Only - Fixed Rate Agency Securities (2.20%)			
North America			
Mortgage-related—Residential			
20,827 Government National Mortgage Association	4.00%	2/45 - 6/45	3,795
13,447 Federal National Mortgage Association	4.50%	12/20 - 6/44	1,545
5,545 Government National Mortgage Association	6.00%	6/38 - 8/39	1,145
5,161 Government National Mortgage Association	4.50%	2/41 - 7/44	927
3,921 Federal National Mortgage Association	5.50%	10/39	873
4,342 Government National Mortgage Association	5.50%	11/43	771
4,167 Federal Home Loan Mortgage Corporation	3.50%	12/32	619
4,104 Federal National Mortgage Association	4.00%	5/39 - 11/43	618
6,625 Federal Home Loan Mortgage Corporation	5.00%	11/38	570
3,635 Federal National Mortgage Association	5.00%	1/38 - 5/40	529
17,842 Government National Mortgage Association	1.50%	6/40	497
4,741 Federal Home Loan Mortgage Corporation	5.50%	1/39 - 9/39	466
1,921 Federal National Mortgage Association	6.00%	1/40	340
1,609 Federal Home Loan Mortgage Corporation	4.50%	7/43	286
2,577 Federal National Mortgage Association	3.00%	9/41	245
963 Government National Mortgage Association	4.75%	7/40	185
985 Government National Mortgage Association	5.00%	5/37	40
			13,451
TBA - Fixed Rate Agency Securities (31.70%)			
North America			
Mortgage-related—Residential			
80,419 Government National Mortgage Association (30 Year)	4.50%	4/18	83,601
51,448 Government National Mortgage Association (30 Year)	4.00%	4/18	52,883
28,540 Federal Home Loan Mortgage Corporation (30 Year)	3.50%	4/18	28,607
17,070 Government National Mortgage Association (30 Year)	4.50%	5/18	17,726
4,825 Government National Mortgage Association (30 Year)	3.00%	4/18	4,750
3,060 Government National Mortgage Association (30 Year)	5.00%	5/18	3,209
1,660 Federal Home Loan Mortgage Corporation (15 Year)	3.00%	4/18	1,657
890 Government National Mortgage Association (30 Year)	3.50%	4/18	899

	193,332
Total Fixed Rate Agency Securities (Cost \$1,055,098)	1,037,472

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT MARCH 31, 2018 (CONTINUED)
(UNAUDITED)

Current Principal/Notional Value	Description	Rate	Maturity	Fair Value
(In thousands)				Expressed in U.S. Dollars
	Floating Rate Agency Securities (13.79%)			
	Principal and Interest - Floating Rate Agency Securities (10.67%)			
	North America			
	Mortgage-related—Residential			
\$54,193	Government National Mortgage Association Pools	4.41% - 4.68%	7/61 - 12/67	\$ 57,825
4,710	Federal National Mortgage Association Pools	2.79% - 3.69%	9/35 - 5/45	4,878
2,330	Federal Home Loan Mortgage Corporation Pools	3.49% - 4.72%	6/37 - 5/44	2,392
				65,095
	Interest Only - Floating Rate Agency Securities (3.12%)			
	North America			
	Mortgage-related—Residential			
293,069	Other Government National Mortgage Association	0.40% - 5.01%	3/37 - 10/66	14,352
29,079	Other Federal National Mortgage Association	3.98% - 5.68%	6/33 - 12/41	3,119
10,794	Other Federal Home Loan Mortgage Corporation	4.22% - 4.85%	3/36 - 4/40	1,266
9,253	Resecuritization of Government National Mortgage Association (d)	2.92%	8/60	262
				18,999
	Total Floating Rate Agency Securities (Cost \$86,175)			84,094
	Total Agency Securities (Cost \$1,141,273)			1,121,566
	Private Label Securities (52.81%)			
	Principal and Interest - Private Label Securities (51.62%)			
	North America (28.46%)			
	Mortgage-related—Residential			
222,075	Various	0.00% - 28.37%	5/19 - 7/46	164,667
	Mortgage-related—Commercial			
39,904	Various	2.31% - 4.25%	8/46 - 11/54	8,920
	Total North America (Cost \$165,111)			173,587
	Europe (23.16%)			
	Mortgage-related—Residential			
148,194	Various	0.00% - 5.50%	6/25 - 12/50	119,791
	Mortgage-related—Commercial			
33,868	Various	0.37% - 5.05%	10/20 - 8/45	21,500
	Total Europe (Cost \$132,644)			141,291
	Total Principal and Interest - Private Label Securities (Cost \$297,755)			314,878
	Interest Only - Private Label Securities (1.19%)			
	North America			
	Mortgage-related—Residential			
35,352	Various	0.00% - 2.00%	12/30 - 9/47	4,518
	Mortgage-related—Commercial			
37,641	Various	1.25% - 2.00%	3/49 - 12/49	2,746

Total Interest Only - Private Label Securities (Cost \$4,956)

7,264

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT MARCH 31, 2018 (CONTINUED)
(UNAUDITED)

Current Value	Principal/Notional Description	Rate	Maturity	Fair Value
(In thousands)				Expressed in U.S. Dollars
	Other Private Label Securities (0.00%)			
	North America			
\$72,556	Mortgage-related—Residential Various	—%	6/37	\$ —
—	Mortgage-related—Commercial Various	—%	7/45 - 12/49	—
	Total Other Private Label Securities (Cost \$196)			—
	Total Private Label Securities (Cost \$302,907)			322,142
	Total Mortgage-Backed Securities (Cost \$1,444,180)			1,443,708
	Collateralized Loan Obligations (37.24%)			
	North America (33.20%) (e)			
338,883	Various	0.00% - 10.04%	7/18 - 11/57	202,491
	Total North America (Cost \$208,654)			202,491
	Europe (4.04%)			
25,365	Various	3.23% - 7.95%	4/24 - 1/27	24,665
	Total Europe (Cost \$23,830)			24,665
	Total Collateralized Loan Obligations (Cost \$232,484)			227,156
	Consumer Loans and Asset-backed Securities backed by Consumer Loans (24.34%) (f)			
	North America (23.37%)			
	Consumer (g) (h)			
159,258	Various	5.31% - 76.50%	4/18 - 3/23	142,511

Total North America (Cost \$147,743)				142,511
Europe (0.97%)				
Consumer				
3,800	Various	—%	8/24 - 12/30	5,911
Total Europe (Cost \$1,005)				5,911
Total Consumer Loans and Asset-backed Securities backed by Consumer Loans (Cost \$148,748)				148,422

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT MARCH 31, 2018 (CONTINUED)
(UNAUDITED)

Current Principal/Number of Properties (In thousands)	Rate	Maturity	Fair Value Expressed in U.S. Dollars
Corporate Debt (15.12%)			
North America (12.82%)			
Basic Materials			
\$8,435 Various	3.55% - 6.88%	1/22 - 3/26	\$ 8,460
Communications			
17,388 Various	5.13% - 11.88%	4/20 - 5/22	17,734
Consumer			
39,127 Various	2.60% - 10.27%	1/19 - 12/34	39,840
Energy			
5,550 Various	4.63% - 9.25%	1/19 - 8/25	5,556
Financial			
355 Various	5.00%	8/22	365
Industrial			
2,785 Various	3.75% - 5.88%	6/20 - 12/21	2,824
Technology			
3,570 Various	3.63% - 4.13%	10/21 - 5/22	3,386
Total North America (Cost \$78,315)			78,165
Europe (2.30%)			
Consumer			
20,754 Various	—%	6/18	52
Financial			
13,395 Various	0.00% - 16.00%	10/20 - 11/22	12,853
Industrial			
1,145 Various	2.21%	3/21	1,128
Total Europe (Cost \$14,401)			14,033
Total Corporate Debt (Cost \$92,716)			92,198
Mortgage Loans (57.39%) (f)			
North America			
Mortgage-related—Commercial (j)			
111,903 Various	3.14% - 13.17%	6/18 - 10/37	109,294
Mortgage-related—Residential (k) (m)			
242,085 Various	2.00% - 12.27%	6/21 - 8/57	240,781
Total Mortgage Loans (Cost \$348,149)			350,075
Real Estate Owned (4.77%) (f) (l)			

North America

Real estate-related

5	Single-Family Houses	870
12	Commercial Property	28,240
	Total Real Estate Owned	29,110
	(Cost \$28,363)	

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT MARCH 31, 2018 (CONTINUED)
(UNAUDITED)

Current Principal/Number of Shares (In thousands)	Rate	Maturity	Fair Value Expressed in U.S. Dollars
Corporate Equity Investments (8.34%)			
North America (8.34%)			
Asset-Backed Securities			
n/a Non-Controlling Equity Interest in Limited Liability Company (i)			\$ 9,806
Communications			
7 Non-Exchange Traded Corporate Equity			418
Consumer			
n/a Non-Controlling Equity Interest in Limited Liability Company (i)			5,907
1,540 Non-Exchange Traded Corporate Equity			6
Diversified			
156 Non-Exchange Traded Corporate Equity			2,680
Mortgage-related—Commercial (n)			
n/a Non-Controlling Equity Interest in Limited Liability Company			1,833
Mortgage-related—Residential (n)			
23 Non-Exchange Traded Preferred Equity Investment in Mortgage Originators			27,401
9,818 Non-Exchange Traded Common Equity Investment in Mortgage Originators			2,814
Total North America (Cost \$50,637)			50,865
Europe (0.00%)			
Consumer			
125 Non-Exchange Traded Corporate Equity			—
Financial			
— Non-Exchange Traded Corporate Equity			4
Total Europe (Cost \$4)			4
Total Corporate Equity Investments (Cost \$50,641)			50,869
U.S. Treasury Securities (0.36%)			
North America			
Government			
\$2,287 U.S. Treasury Note	2.00% - 2.25%	1/21 - 11/27	2,200
Total U.S. Treasury Securities (Cost \$2,178)			2,200
Total Long Investments (Cost \$2,347,459)			\$ 2,343,738

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT MARCH 31, 2018 (CONTINUED)
(UNAUDITED)

Current Balance (In thousands)	Description	Rate	Maturity	Fair Value Expressed in U.S. Dollars
	Repurchase Agreements (21.73%) (a) (b) (c)			
\$33,153	JP Morgan Securities LLC Collateralized by Par Value \$33,320 U.S. Treasury Note, Coupon 2.50% Maturity Date 1/25	1.65%	4/18	\$ 33,153
17,274	JP Morgan Securities LLC Collateralized by Par Value \$17,167 U.S. Treasury Note, Coupon 2.75% Maturity Date 2/28	1.55%	4/18	17,274
17,052	JP Morgan Securities LLC Collateralized by Par Value \$16,915 Sovereign Government Bond, Coupon 0.25% Maturity Date 4/18	(0.52)%	4/18	17,052
14,300	Bank of America Securities Collateralized by Par Value \$14,372 U.S. Treasury Note, Coupon 2.38% Maturity Date 1/23	1.65%	4/18	14,300
11,095	JP Morgan Securities LLC Collateralized by Par Value \$10,700 Sovereign Government Bond, Coupon 0.75% Maturity Date 7/21	(0.76)%	4/18	11,095
10,331	JP Morgan Securities LLC Collateralized by Par Value \$9,704 Sovereign Government Bond, Coupon 2.75% Maturity Date 4/19	(0.56)%	4/18	10,331
5,655	CILO 2016-LD1 Holdings LLC (p) Collateralized by Par Value \$9,511 Exchange-Traded Debt, Coupon 5.50%, Maturity Date 7/22	3.92%	6/18	5,655
2,799	CS First Boston Collateralized by Par Value \$2,845 Exchange-Traded Corporate Debt, Coupon 8.00%, Maturity Date 6/27	(1.00)%	4/18	2,799
2,699	Bank of America Securities Collateralized by Par Value \$2,689 U.S. Treasury Note, Coupon 2.63% Maturity Date 2/23	1.60%	4/18	2,699
2,429	Barclays Capital Inc Collateralized by Par Value \$2,270 Exchange-Traded Corporate Debt, Coupon 5.88%, Maturity Date 10/20	(2.00)%	4/18	2,429
2,289	RBC Capital Markets LLC	1.05%	4/18	2,289

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Collateralized by Par Value \$2,175
Exchange-Traded Corporate Debt, Coupon 5.13%
Maturity Date 10/24

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CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT MARCH 31, 2018 (CONTINUED)
(UNAUDITED)

Current (In thousands) (continued)	Description	Rate	Maturity	Fair Value Expressed in U.S. Dollars
\$1,979	Barclays Capital Inc Collateralized by Par Value \$1,850 Exchange-Traded Corporate Debt, Coupon 7.50% Maturity Date 4/24	(0.25)%	4/18	\$ 1,979
1,624	RBC Capital Markets LLC Collateralized by Par Value \$1,640 Exchange-Traded Corporate Debt, Coupon 4.30% Maturity Date 4/27	1.15%	4/18	1,624
1,347	RBC Capital Markets LLC Collateralized by Par Value \$2,025 Exchange-Traded Corporate Debt, Coupon 7.13% Maturity Date 1/23	1.00%	4/18	1,347
1,051	Bank of America Securities Collateralized by Par Value \$1,050 U.S. Treasury Bond, Coupon 3.00% Maturity Date 2/48	1.85%	4/18	1,051
966	Bank of America Securities Collateralized by Par Value \$968 U.S. Treasury Note, Coupon 1.88% Maturity Date 12/19	1.70%	4/18	966
906	Barclays Capital Inc Collateralized by Par Value \$826 Exchange-Traded Corporate Debt, Coupon 7.00% Maturity Date 3/27	(2.15)%	4/18	906
897	Bank of America Securities Collateralized by Par Value \$893 U.S. Treasury Note, Coupon 2.75% Maturity Date 2/25	1.35%	4/18	897
827	RBC Capital Markets LLC Collateralized by Par Value \$950 Exchange-Traded Corporate Debt, Coupon 10.50% Maturity Date 9/22	1.30%	4/18	827
725	Barclays Capital Inc Collateralized by Par Value \$711 Exchange-Traded Corporate Debt, Coupon 8.00% Maturity Date 6/27	(1.00)%	4/18	725
695	RBC Capital Markets LLC Collateralized by Par Value \$711 Exchange-Traded Corporate Debt, Coupon 8.00% Maturity Date 6/27	(2.00)%	4/18	695
528	RBC Capital Markets LLC	1.30%	4/18	528

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Collateralized by Par Value \$500
Exchange-Traded Corporate Debt, Coupon 5.75%
Maturity Date 10/22

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ELLINGTON FINANCIAL LLC
 CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
 AT MARCH 31, 2018 (CONTINUED)
 (UNAUDITED)

Current (In thousands) (continued)	Description	Rate	Maturity	Fair Value Expressed in U.S. Dollars
\$ 505	RBC Capital Markets LLC Collateralized by Par Value \$545 Exchange-Traded Corporate Debt, Coupon 8.25% Maturity Date 6/23	0.90%	4/18	\$ 505
505	RBC Capital Markets LLC Collateralized by Par Value \$465 Exchange-Traded Corporate Debt, Coupon 5.63% Maturity Date 10/23	(0.10)%	4/18	505
282	CS First Boston Collateralized by Par Value \$310 Exchange-Traded Corporate Debt, Coupon 5.50% Maturity Date 10/24	(4.00)%	4/18	282
262	Bank of America Securities Collateralized by Par Value \$275 U.S. Treasury Bond, Coupon 2.75% Maturity Date 8/47	1.85%	4/18	262
243	Barclays Capital Inc Collateralized by Par Value \$250 Exchange-Traded Corporate Debt, Coupon 4.50% Maturity Date 4/22	(1.75)%	4/18	243
120	Barclays Capital Inc Collateralized by Par Value \$118 Exchange-Traded Corporate Debt, Coupon 8.00% Maturity Date 6/27	(1.50)%	4/18	120
	Total Repurchase Agreements (Cost \$132,730)			\$ 132,538

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT MARCH 31, 2018 (CONTINUED)
(UNAUDITED)

Current Principal (In thousands)	Description	Rate	Maturity	Fair Value Expressed in U.S. Dollars
Investments Sold Short (-113.45%) (a) (b)				
TBA - Fixed Rate Agency Securities Sold Short (-81.91%) (q)				
North America				
Mortgage-related—Residential				
\$(99,307)	Federal Home Loan Mortgage Corporation (30 year)	4.00%	5/18	\$ (101,759)
(65,010)	Government National Mortgage Association (30 year)	3.50%	4/18	(65,635)
(63,302)	Federal National Mortgage Association (30 year)	3.50%	4/18	(63,435)
(50,210)	Federal National Mortgage Association (30 year)	4.50%	4/18	(52,571)
(42,594)	Government National Mortgage Association (30 year)	4.00%	5/18	(43,719)
(39,000)	Federal National Mortgage Association (30 year)	4.50%	5/18	(40,766)
(33,451)	Federal Home Loan Mortgage Corporation (30 year)	4.50%	5/18	(34,961)
(28,320)	Federal National Mortgage Association (15 year)	3.50%	4/18	(28,868)
(23,257)	Federal National Mortgage Association (30 year)	4.00%	4/18	(23,864)
(13,590)	Federal National Mortgage Association (15 year)	3.00%	4/18	(13,572)
(12,112)	Federal National Mortgage Association (30 year)	3.00%	4/18	(11,813)
(6,860)	Federal National Mortgage Association (30 year)	5.50%	5/18	(7,448)
(5,515)	Federal Home Loan Mortgage Corporation (30 year)	3.00%	4/18	(5,378)
(4,500)	Federal National Mortgage Association (30 year)	5.00%	5/18	(4,798)
(1,050)	Government National Mortgage Association (30 year)	3.00%	4/18	(1,033)
Total TBA - Fixed Rate Agency Securities Sold Short (Proceeds -\$497,379)				(499,620)
Government Debt Sold Short (-17.57%)				
North America (-11.34%)				
Government				
(33,320)	U.S. Treasury Note	2.50%	1/25	(32,942)
(17,167)	U.S. Treasury Note	2.75%	2/28	(17,174)
(13,727)	U.S. Treasury Note	2.38%	1/23	(13,614)
(2,689)	U.S. Treasury Note	2.63%	2/23	(2,697)
(1,050)	U.S. Treasury Bond	3.00%	2/48	(1,055)
(968)	U.S. Treasury Note	1.88%	12/19	(961)
(448)	U.S. Treasury Note	2.75%	2/25	(450)
(275)	U.S. Treasury Bond	2.75%	8/47	(263)
Total North America (Proceeds -\$68,716)				(69,156)
Europe (-6.23%)				
Government				
(16,915)	Spanish Sovereign Bond	0.25%	4/18	(16,926)
(10,700)	Spanish Sovereign Bond	0.75%	7/21	(11,041)
(9,704)	Spanish Sovereign Bond	2.75%	4/19	(10,033)
Total Europe (Proceeds -\$35,101)				(38,000)
Total Government Debt Sold Short (Proceeds -\$103,817)				(107,156)

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ELLINGTON FINANCIAL LLC
 CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
 AT MARCH 31, 2018 (CONTINUED)
 (UNAUDITED)

Current Principal/Number of Shares (In thousands)	Description	Rate	Maturity	Fair Value Expressed in U.S. Dollars
	Common Stock Sold Short (-6.27%)			
	North America			
	Financial			
(824)	Exchange Traded Equity			\$ (38,242)
	Total Common Stock Sold Short (Proceeds -\$39,111)			(38,242)
	Corporate Debt Sold Short (-7.70%)			
	North America			
	Basic Materials			
\$(1,746)	Various	4.55% - 7.00%	11/24 - 3/27	(1,719)
	Communications			
(21,548)	Various	3.40%-10.50%	9/22 - 3/27	(20,427)
	Consumer			
(9,085)	Various	3.50% - 5.88%	10/20 - 12/26	(8,935)
	Energy			
(10,960)	Various	4.30% - 8.25%	4/22 - 6/27	(10,026)
	Industrial			
(4,110)	Various	5.13%	10/24	(4,194)
	Utilities			
(1,575)	Various	5.13% - 7.25%	5/26 - 9/27	(1,643)
	Total Corporate Debt Sold Short (Proceeds -\$47,476)			(46,944)
	Total Investments Sold Short (Proceeds -\$687,783)			\$ (691,962)

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT MARCH 31, 2018 (CONTINUED)
(UNAUDITED)

	Primary Risk Exposure	Notional Value	Range of Expiration Dates	Fair Value
(In thousands)				Expressed in U.S.Dollars
Financial Derivatives—Assets (4.92%) (a) (b)				
Swaps (4.92%)				
Long Swaps:				
Credit Default Swaps on Corporate Bond Indices (r)	Credit	\$ 50,262	12/18 - 12/22	\$ 1,143
Credit Default Swaps on Asset-Backed Indices (r)	Credit	846	12/37	9
Interest Rate Swaps (s)	Interest Rates	17,567	1/24 - 3/28	147
North America				
Credit Default Swaps on Corporate Bonds (r)				
Basic Materials	Credit	5,245	6/22 - 12/22	584
Communications	Credit	23,055	12/20 - 6/23	424
Consumer	Credit	23,120	12/18 - 6/23	1,895
Energy	Credit	2,405	12/18	68
Industrial	Credit	260	12/21	5
Utilities	Credit	2,395	6/22 - 12/22	375
Total Credit Default Swaps on Corporate Bonds				3,351
Short Swaps:				
Credit Default Swaps on Asset-Backed Indices (t)	Credit	(21,392)	5/46 - 9/58	4,260
Interest Rate Swaps (u)	Interest Rates	(606,304)	7/18 - 12/45	15,381
Interest Rate Basis Swaps (aa)	Interest Rates	(13,700)	4/18	4
Total Return Swaps (ac)	Credit	(7,250)	12/18	17
North America				
Credit Default Swaps on Asset-Backed Securities (t)				
Mortgage-related—Residential	Credit	(5,579)	5/35 - 12/35	3,069
Credit Default Swaps on Corporate Bonds (t)				
Basic Materials	Credit	(700)	12/22	7
Communications	Credit	(16,658)	6/19 - 6/23	1,625
Consumer	Credit	(4,090)	3/20 - 12/22	102
Energy	Credit	(11,533)	12/18 - 12/22	693
Technology	Credit	(4,025)	12/21 - 6/22	221
Total Credit Default Swaps on Corporate Bonds				2,648
Total Return Swaps (v)				
Financial	Credit	(10,073)	7/19	1
Total Total Return Swaps				1
Total Swaps (Net cost \$25,388)				30,030
Options (0.00%)				
Purchased Options:				
Interest Rate Caps (x)	Interest Rates	90,253	10/18 - 5/19	—
Total Options (Cost \$3)				—

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT MARCH 31, 2018 (CONTINUED)
(UNAUDITED)

	Primary Risk Exposure	Notional Value	Range of Expiration Dates	Fair Value	
(In thousands)					Expressed in U.S.Dollars
Forwards (0.00%)					
Short Forwards:					
Currency Forwards (ab)	Currency	\$ (5,044)	6/18	\$ 8	
Total Forwards				8	
Total Financial Derivatives—Assets (Net cost \$25,391)				\$ 30,038	
Financial Derivatives—Liabilities (-5.73%) (a) (b)					
Swaps (-5.54%)					
Long Swaps:					
Credit Default Swaps on Asset-Backed Indices (r)	Credit	\$ 13,708	3/49 - 5/63	\$ (2,200)	
Interest Rate Swaps (s)	Interest Rates	333,232	11/18 - 4/28	(7,146)	
North America					
Credit Default Swaps on Corporate Bonds (r)					
Basic Materials	Credit	1,850	12/22 - 6/23	(31)	
Communications	Credit	22,333	12/21 - 6/23	(3,562)	
Consumer	Credit	7,851	3/20 - 6/23	(217)	
Energy	Credit	26,487	12/20 - 6/23	(2,355)	
Industrial	Credit	5,155	6/23	(119)	
Technology	Credit	1,070	12/22	(84)	
Total Credit Default Swaps on Corporate Bonds				(6,368)	
Total Return Swaps (v)					
Communications	Credit	60	7/19	—	
Total Total Return Swaps				—	
Recovery Swaps (w)					
Consumer	Credit	2,600	6/19	(8)	
Total Recovery Swaps				(8)	
Short Swaps:					
Interest Rate Basis Swaps (aa)	Interest Rates	(12,900)	6/19	(7)	
Credit Default Swaps on Corporate Bond Indices (t)	Credit	(235,106)	12/18 - 6/23	(9,679)	
Total Return Swaps (ac)	Credit	(11,040)	12/18	(1)	
North America					
Credit Default Swaps on Corporate Bonds (t)					
Basic Materials	Credit	(17,630)	6/19 - 6/23	(1,733)	

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Communications	Credit	(24,177)	12/18 - 6/23	(773)
Consumer	Credit	(80,077)	6/18 - 6/23	(5,253)
Energy	Credit	(24,009	)	6/18 - 12/19	(397)
Financial	Credit	(355	)	9/22	(62)
Industrial	Credit	(2,650	)	12/21	(50)
Technology	Credit	(2,495	)	3/19 - 12/19	(22)
Utilities	Credit	(1,375	)	6/19 - 12/22	(106)
Total Credit Default Swaps on Corporate Bonds					(8,396)
Total Swaps (Net proceeds -\$22,202)					(33,805)

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ELLINGTON FINANCIAL LLC
 CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
 AT MARCH 31, 2018 (CONTINUED)
 (UNAUDITED)

	Primary Risk Exposure	Notional Value	Range of Expiration Dates	Fair Value	Expressed in U.S.Dollars
(In thousands)					
Futures (-0.17%)					
Short Futures:					
U.S. Treasury Note Futures (y)	Interest Rates	\$ (95,900	) 6/18	\$ (931)
Currency Futures (z)	Currency	(35,250	) 6/18	(92)
Total Futures				(1,023)
Forwards (-0.02%)					
Short Forwards:					
Currency Forwards (ab)	Currency	(20,053	) 6/18	(97)
Total Forwards				(97)
Total Financial Derivatives–Liabilities (Net proceeds -\$22,202)				\$ (34,925)

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT MARCH 31, 2018 (CONTINUED)
(UNAUDITED)

- (a) See Note 2 and Note 3 in Notes to Consolidated Financial Statements.
- (b) Classification percentages are based on Total Equity.
At March 31, 2018, the Company's long investments guaranteed by the Federal National Mortgage Association, the
(c) Federal Home Loan Mortgage Corporation, and the Government National Mortgage Association, represented
75.10%, 45.78%, and 63.00% of Total Equity, respectively.
- (d) Private trust 100% backed by interest in Government National Mortgage Association collateralized mortgage
obligation certificates.
- (e) Includes investment in collateralized loan obligation notes in the amount of \$29.7 million that were issued and are
managed by related parties of the Company. See Note 9 to the Notes to Consolidated Financial Statements.
- (f) Loans and real estate owned are beneficially owned by the Company through participation certificates in the
various trusts that hold such investments. See Note 9 to the Notes to Consolidated Financial Statements.
Includes investments in participation certificates related to loans titled in the name of a related party of Ellington
Management Group L.L.C. Through its participation certificates, the Company has beneficial interests in the loan
(g) cash flows, net of servicing-related fees and expenses. At March 31, 2018 loans for which the Company has
beneficial interests in the net cash flows, totaled \$14.8 million. See Note 9 to the Notes to Consolidated Financial
Statements.
Includes investments in participation certificates related to loans held in a trust owned by a related party of
Ellington Management Group, L.L.C. Through its participation certificates, the Company participates in the cash
(h) flows of the underlying loans held by the trust. At March 31, 2018 loans held in the related party trust for which the
Company has participating interests in the cash flows, totaled \$122.8 million. See Note 9 to the Notes to
Consolidated Financial Statements.
Represents the Company's beneficial interest in an entity, which is co-owned by an affiliate of Ellington
(i) Management Group, L.L.C. The entity owns subordinated notes issued by, as well as trust certificates representing
ownership of, a securitization trust. See Note 6 and Note 9 to the Notes to Consolidated Financial Statements.
- (j) Includes non-performing commercial mortgage loans in the amount of \$24.3 million whereby principal and/or
interest is past due and a maturity date is not applicable.
- (k) As of March 31, 2018, the Company had residential mortgage loans that were in the process of foreclosure with a
fair value of \$12.2 million.
- (l) Number of properties not shown in thousands, represents actual number of properties owned.
- (m) Includes \$120.3 million of non-qualified mortgage loans that have been securitized and are held in a consolidated
securitization trust. See Note 6 to the Notes to Consolidated Financial Statements.
- (n) Represents the Company's investment in a related party. See Note 9 to the Notes to Consolidated Financial
Statements.
- (o) In general, securities received pursuant to repurchase agreements were delivered to counterparties in short sale
transactions.
Repurchase agreement is between the Company and CILO 2016-LD1 Holdings LLC, an entity in which the
Company has a beneficial interest and is co-owned by an affiliate of Ellington Management Group, L.L.C. CILO
(p) 2016-LD1 Holdings LLC owns subordinated notes issued by, as well as trust certificates representing ownership
of, a securitization trust. See Note 9 to the Notes to Consolidated Financial Statements.
At March 31, 2018, the Company's short investments guaranteed by the Federal National Mortgage Association,
(q) the Federal Home Loan Mortgage Corporation, and the Government National Mortgage Association, represented
40.52%, 23.29%, and 18.10% of Total Equity, respectively.
- (r) For long credit default swaps, the Company sold protection.
- (s) For long interest rate swap contracts, the Company pays a floating rate and receives a fixed rate.
- (t) For short credit default swaps, the Company purchased protection.

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- (u) For short interest rate swap contracts, the Company pays a fixed rate and receives a floating rate.
- (v) Notional value represents number of underlying shares multiplied by the closing price of the underlying security.
- (w) For long recovery swaps the Company receives a specified recovery rate in exchange for the actual recovery rate on the underlying.
- (x) Notional value represents the amount on which interest payments are calculated to the extent the market interest rate exceeds the rate cap on the contract.
- (y) Notional value represents the total face amount of U.S. Treasury securities underlying all contracts held. As of March 31, 2018, a total of 959 contracts were held.
- (z) Notional value represents the total face amount of foreign currency underlying all contracts held; as of March 31, 2018, 348 contracts were held.
- (aa) Represents interest rate "basis" swaps whereby the Company pays one floating rate and receives a different floating rate.
- (ab) Notional value represents U.S. Dollars to be received by the Company at the maturity of the forward contract.
- (ac) Notional value represents the number of underlying index units multiplied by the reference price.

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ELLINGTON FINANCIAL LLC
 CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
 AT MARCH 31, 2018 (CONCLUDED)
 (UNAUDITED)

The table below shows the Company's long investment ratings from Moody's, Standard and Poor's, or Fitch, as well as the Company's long investments that were unrated but guaranteed by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association. (ad) Ratings tend to be a lagging credit indicator; as a result, the credit quality of the Company's long investment holdings may be lower than the credit quality implied based on the ratings listed below. In situations where an investment has a split rating, the lowest provided rating is used. The ratings descriptions include ratings qualified with a "+," "-", "1," "2," or "3."

Rating Description	Percent of Equity
Unrated but Agency-Guaranteed	183.88 %
Aaa/AAA/AAA	0.41 %
A/A/A	0.82 %
Baa/BBB/BBB	3.73 %
Ba/BB/BB or below	76.12 %
Unrated	119.29 %

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT DECEMBER 31, 2017
(UNAUDITED)

Current Principal/Number of Shares (In thousands)	Description	Rate	Maturity	Fair Value
				Expressed in U.S. Dollars
Cash				
Equivalents—Money				
Market Funds				
(4.27%) (a) (b)				
North America				
Funds				
\$26,500	Various	1.17%		\$ 26,500
Total Cash				
Equivalents—Money				
Market Funds (Cost				
\$26,500)				
Long Investments (333.63%) (a) (b) (ad)				
Mortgage-Backed Securities (208.70%)				
Agency Securities (160.32%) (c)				
Fixed-rate Agency Securities (145.75%)				
Principal and Interest—Fixed-Rate Agency Securities (123.80%)				
North America				
Mortgage-related—Residential				
\$130,885	Federal National Mortgage Association Pools (30 Year)	4.00%	9/39 - 11/47	\$138,033
115,008	Federal Home Loan Mortgage Corporation Pools (30 Year)	4.00%	11/41 - 12/47	121,154
77,724	Federal National Mortgage Association Pools (30 Year)	3.50%	9/42 - 12/47	80,245
60,698	Federal National Mortgage Association Pools (30 Year)	4.50%	10/41 - 12/47	65,178
51,851	Federal National Mortgage Association Pools (15 Year)	3.50%	3/28 - 3/32	53,894
47,555	Federal Home Loan Mortgage Corporation Pools (30 Year)	4.50%	9/43 - 12/47	50,980
42,239	Government National Mortgage Association Pools (30 Year)	4.00%	7/45 - 12/47	44,414
33,982	Government National Mortgage Association Pools (30 Year)	3.50%	7/45 - 12/47	35,235
32,061	Federal National Mortgage Association Pools (30 Year)	5.00%	10/35 - 12/44	34,664
23,002	Federal Home Loan Mortgage Corporation Pools (30 Year)	3.50%	1/42 - 9/47	23,753
21,561	Government National Mortgage Association Pools (30 Year)	4.50%	9/46 - 12/47	22,924
20,544	Federal National Mortgage Association Pools (15 Year)	3.00%	4/30 - 9/32	20,986
9,405	Federal Home Loan Mortgage Corporation Pools (15 Year)	3.50%	9/28 - 12/32	9,764
8,960	Federal Home Loan Mortgage Corporation Pools (Other)	3.50%	2/30 - 9/46	9,221
8,156	Federal National Mortgage Association Pools (15 Year)	4.00%	6/26 - 5/31	8,562
5,410	Federal National Mortgage Association Pools (Other)	5.00%	9/43 - 1/44	5,888
4,981	Federal National Mortgage Association Pools (Other)	4.00%	6/37 - 12/47	5,159
3,833	Federal Home Loan Mortgage Corporation Pools (15 Year)	3.00%	4/30 - 9/32	3,912
3,579	Federal Home Loan Mortgage Corporation Pools (30 Year)	3.00%	7/43 - 10/45	3,587
3,519	Government National Mortgage Association Pools (30 Year)	3.00%	11/42 - 12/42	3,547
2,906	Government National Mortgage Association Pools (30 Year)	3.75%	7/47	3,025
2,877	Federal National Mortgage Association Pools (Other)	4.50%	5/41	3,021

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2,794	Federal National Mortgage Association Pools (15 Year)	4.50%	4/26	2,973
2,671	Federal Home Loan Mortgage Corporation Pools (Other)	4.50%	5/44	2,875
2,791	Federal National Mortgage Association Pools (30 Year)	3.00%	1/42 - 6/45	2,804
2,335	Federal National Mortgage Association Pools (30 Year)	5.50%	10/39	2,569
1,633	Federal National Mortgage Association Pools (20 Year)	4.00%	12/33	1,728
1,463	Federal Home Loan Mortgage Corporation Pools (15 Year)	4.00%	2/29	1,531
1,207	Federal National Mortgage Association Pools (30 Year)	6.00%	9/39 - 2/40	1,360
1,175	Federal Home Loan Mortgage Corporation Pools (Other)	3.00%	6/28 - 3/30	1,193
1,023	Federal Home Loan Mortgage Corporation Pools (20 Year)	4.50%	12/33	1,099

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT DECEMBER 31, 2017 (CONTINUED)
(UNAUDITED)

Current Principal/Notional Value Description (In thousands) (continued)	Rate	Maturity	Fair Value Expressed in U.S. Dollars
\$864 Federal Home Loan Mortgage Corporation Pools (30 Year)	6.00%	5/40	\$ 969
644 Government National Mortgage Association Pools (Other)	3.50%	10/30 - 2/32	647
516 Federal Home Loan Mortgage Corporation Pools (30 Year)	5.50%	8/33 - 11/38	565
488 Federal Home Loan Mortgage Corporation Pools (30 Year)	5.00%	7/44	526
492 Federal National Mortgage Association Pools (Other)	3.50%	4/26	504
150 Government National Mortgage Association Pools (Other)	3.00%	6/30	150
112 Federal National Mortgage Association Pools (30 Year)	3.28%	6/42	112
			768,751
Interest Only—Fixed-Rate Agency Securities (2.03%)			
North America			
Mortgage-related—Residential			
21,942 Government National Mortgage Association	4.00%	2/45 - 6/45	3,686
5,867 Government National Mortgage Association	6.00%	6/38 - 8/39	1,173
6,286 Federal National Mortgage Association	4.50%	12/20 - 6/44	928
5,437 Government National Mortgage Association	4.50%	2/41 - 7/44	914
4,116 Federal National Mortgage Association	5.50%	10/39	907
4,660 Government National Mortgage Association	5.50%	11/43	801
4,350 Federal Home Loan Mortgage Corporation	3.50%	12/32	628
7,145 Federal Home Loan Mortgage Corporation	5.00%	11/38	598
4,185 Federal National Mortgage Association	4.00%	5/39 - 11/43	521
5,074 Federal Home Loan Mortgage Corporation	5.50%	1/39 - 9/39	494
4,100 Federal National Mortgage Association	5.00%	1/38 - 5/40	493
2,038 Federal National Mortgage Association	6.00%	1/40	371
74,967 Government National Mortgage Association	0.26%	6/40	352
1,699 Federal Home Loan Mortgage Corporation	4.50%	7/43	256
2,677 Federal National Mortgage Association	3.00%	9/41	247
1,000 Government National Mortgage Association	4.75%	7/40	178
1,168 Government National Mortgage Association	5.00%	5/37	47
			12,594
TBA—Fixed-Rate Agency Securities (19.92%)			
North America			
Mortgage-related—Residential			
42,884 Government National Mortgage Association (30 Year)	4.00%	1/18	44,738
35,719 Government National Mortgage Association (30 Year)	4.50%	1/18	37,504
27,340 Federal Home Loan Mortgage Corporation (30 Year)	3.50%	1/18	28,085
9,403 Federal National Mortgage Association (30 Year)	4.00%	1/18	9,835
2,100 Government National Mortgage Association (30 Year)	3.00%	1/18	2,119
890 Government National Mortgage Association (30 Year)	3.50%	1/18	920
470 Federal Home Loan Mortgage Corporation (15 Year)	3.00%	1/18	479
			123,680

Total Fixed-Rate Agency Securities (Cost \$911,909)

905,025

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ELLINGTON FINANCIAL LLC
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(UNAUDITED)

Current Principal /Notional Description Value (In thousands)	Rate	Maturity	Fair Value Expressed in U.S. Dollars
Floating Rate Agency Securities (14.57%)			
Principal and Interest—Floating Rate Agency Securities (11.10%)			
North America			
Mortgage-related—Residential			
\$56,137 Government National Mortgage Association Pools	3.59% - 4.68%	7/61 - 10/67	\$ 60,866
4,806 Federal National Mortgage Association Pools	2.79% - 3.69%	9/35 - 5/45	4,999
2,963 Federal Home Loan Mortgage Corporation Pools	3.49% - 4.80%	6/37 - 5/44	3,068
			68,933
Interest Only—Floating Rate Agency Securities (3.47%)			
North America			
Mortgage-related—Residential			
313,840 Other Government National Mortgage Association	0.41% - 5.31%	3/37 - 10/66	16,248
30,729 Other Federal National Mortgage Association	4.30% - 6.00%	6/33 - 12/41	3,506
11,211 Other Federal Home Loan Mortgage Corporation	4.52% - 5.15%	3/36 - 4/40	1,436
10,619 Resecuritization of Government National Mortgage Association (d)	3.25%	8/60	366
			21,556
Total Floating Rate Agency Securities (Cost \$91,413)			90,489
Total Agency Securities (Cost \$1,003,322)			995,514
Private Label Securities (48.38%)			
Principal and Interest—Private Label Securities (47.12%)			
North America (29.16%)			
Mortgage-related—Residential			
232,771 Various	0.00% - 30.29%	5/19 - 9/46	154,887
Mortgage-related—Commercial			
80,114 Various	2.05% - 4.41%	8/35 - 9/58	26,155
Total North America (Cost \$172,285)			181,042
Europe (17.96%)			
Mortgage-related—Residential			
127,469 Various	0.00% - 5.50%	6/25 - 1/61	99,923
Mortgage-related—Commercial			
23,752 Various	0.37% - 5.03%	10/20 - 2/41	11,601
Total Europe (Cost \$106,518)			111,524
Total Principal and Interest—Private Label Securities (Cost \$278,803)			292,566
Interest Only—Private Label Securities (1.26%)			
North America			
Mortgage-related—Residential			
36,008 Various	0.00% - 2.00%	12/30 - 9/47	4,856
Mortgage-related—Commercial			

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39,871	Various	1.25% - 2.00%	3/49 - 12/49	2,989
Total Interest Only-Private Label Securities (Cost \$5,334)				7,845

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT DECEMBER 31, 2017 (CONTINUED)
(UNAUDITED)

Current Principal /Notional Description Value (In thousands)	Rate	Maturity	Fair Value
			Expressed in U.S. Dollars
Other Private Label Securities (0.00%)			
North America			
Mortgage-related—Residential			
\$79,487	Various —%	6/37	\$ —
Mortgage-related—Commercial			
—	Various —%	7/45 - 12/49	—
Total Other Private Label Securities (Cost \$215)			—
Total Private Label Securities (Cost \$284,352)			300,411
Total Mortgage-Backed Securities (Cost \$1,287,674)			1,295,925
Collateralized Loan Obligations (33.95%)			
North America (27.40%) (e)			
278,601	Various 0.00% - 10.04%	1/18 - 11/57	170,123
Total North America (Cost \$174,635)			170,123
Europe (6.55%)			
42,101	Various 0.00% - 7.95%	4/22 - 1/27	40,693
Total Europe (Cost \$38,363)			40,693
Total Collateralized Loan Obligations (Cost \$212,998)			210,816
Consumer Loans and Asset-backed Securities backed by Consumer Loans (21.78%) (f)			
North America (21.34%)			
Consumer (g) (h)			

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151,753	Various	5.31% - 76.28%	1/18 - 9/22	132,509
Total North America				132,509
(Cost \$138,312)				
Europe (0.44%)				
Consumer				
3,711	Various	—%	8/24 - 12/30	2,749
Total Europe (Cost				2,749
\$1,075)				
Total Consumer				
Loans and				
Asset-backed				
Securities backed by				135,258
Consumer Loans				
(Cost \$139,387)				

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ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT DECEMBER 31, 2017 (CONTINUED)
(UNAUDITED)

Current Principal/Number of Description Properties (In thousands)	Rate	Maturity	Fair Value Expressed in U.S. Dollars
Corporate Debt (12.11%)			
North America (9.76%)			
Basic Materials			
\$6,025 Various	6.88% - 7.00%	8/25 - 3/27	\$ 6,254
Communications			
8,490 Various	3.40% - 11.57%	4/20 - 8/27	8,523
Consumer			
21,993 Various	2.60% - 9.73%	1/19 - 12/34	23,043
Energy			
9,665 Various	4.50% - 9.63%	3/19 - 8/25	10,266
Financial			
560 Various	5.13%	9/24	606
Industrial			
2,250 Various	3.75%	12/21	2,286
Mortgage-related—Residential (n)			
5,429 Various	15.00%	10/19	5,429
Technology			
4,300 Various	3.63% - 7.50%	10/21 - 8/22	4,211
Total North America (Cost \$60,640)			60,618
Europe (2.35%)			
Consumer			
20,070 Various	—%	3/18	50
Financial			
13,725 Various	0.00% - 15.67%	10/20 - 11/22	13,437
Industrial			
1,145 Various	1.59%	3/21	1,088
Total Europe (Cost \$15,312)			14,575
Total Corporate Debt (Cost \$75,952)			75,193
Mortgage Loans (46.83%) (f)			
North America			
Mortgage-related—Commercial (j)			
116,707 Various	3.14% - 12.87%	2/18 - 10/37	108,301
Mortgage-related—Residential (l) (m)			
181,553 Various	2.00% - 12.63%	4/22 - 4/57	182,472 290,773

Total Mortgage Loans (Cost
\$288,034)

Real Estate Owned (4.23%) (f)
(k)

North America

Real estate-related

3	Single-Family Houses	591
9	Commercial Properties	25,686
	Total Real Estate Owned (Cost \$26,146)	26,277

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ELLINGTON FINANCIAL LLC
 CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
 AT DECEMBER 31, 2017 (CONTINUED)
 (UNAUDITED)

Number	Rate	Maturity	Fair Value
0 Description			
Shares			
(In			Expressed in U.S.
thousands)			Dollars
Corporate Equity Investments (6.03%)			
North America (6.03%)			
Asset-Backed Securities			
7 Non-Controlling Equity Interest in Limited Liability Company (i)			\$ 5,033
Communications			
7 Non-Exchange Traded Corporate Equity			557
Consumer			
7 Non-Controlling Equity Interest in Limited Liability Company (i)			5,693
1,540 Exchange Traded Corporate Equity			5
Diversified			
1,561 Non-Exchange Traded Corporate Equity			2,585
Mortgage-related—Residential (n)			
2 Non-Exchange Traded Preferred Equity Investment in Mortgage Originators			20,774
9,818 Exchange Traded Common Equity Investment in Mortgage Originators			2,814
Total North America (Cost \$41,559)			37,461
Europe (0.00%)			
Consumer			
1,561 Non-Exchange Traded Corporate Equity			—
Financial			
1 Non-Exchange Traded Corporate Equity			4
Total Europe (Cost \$4)			4
Total Corporate Equity Investments (Cost \$41,563)			37,465
Total Long Investments (Cost \$2,071,754)			\$ 2,071,707

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ELLINGTON FINANCIAL LLC
 CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
 AT DECEMBER 31, 2017 (CONTINUED)
 (UNAUDITED)

Current Balance (In thousands)	Description	Rate	Maturity	Fair Value Expressed in U.S. Dollars
	Repurchase Agreements (25.11%) (a) (b) (o)			
\$30,310	Bank of America Securities Collateralized by Par Value \$30,501 U.S. Treasury Note, Coupon 2.25% Maturity Date 2/27	1.45%	1/18	\$ 30,310
16,578	Barclays Capital Inc	(0.57)%	1/18	