EARN

ELLINGTON CREDIT COMPANY

August 13, 2024

Earnings Conference Call

Q2 2024

Important Notice

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Forward-Looking Statements

Certain statements in this presentation constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve numerous risks and uncertainties. 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 based on our beliefs, assumptions and expectations of our future operations, business strategies, performance, financial condition, liquidity and prospects, taking into account information currently available to us. These beliefs, assumptions, and expectations are subject to numerous risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity, results of operations and strategies may vary materially from those expressed or implied in our forward-looking statements or 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 "believe," "expect," "anticipate," "estimate," "project," "plan," "continue," "intend," "should," "would," "could," "goal," "objective," "will," "may," "seek," or similar expressions or their negative forms, or by references to strategy, plans, or intentions.

The following factors are examples of those that could cause actual results to vary from those stated or implied by our forward-looking statements: changes in interest rates and the market value of our investments, market volatility, changes in mortgage default rates and prepayment rates, our ability to borrow to finance our assets, our ability to pivot our investment strategy to focus on CLOs, a deterioration in the CLO market, our ability to utilize our NOLs, our ability to convert to a closed end fund/RIC, including our ability to obtain shareholder approval of certain matters related to such conversion, changes in government regulations affecting our business, our ability to maintain our exclusion from registration under the Investment Company Act of 1940, and other changes in market conditions and economic trends, such as changes to fiscal or monetary policy, heightened inflation, slower growth or recession, and currency fluctuations. Furthermore, as stated above, forward-looking statements are subject to risks and uncertainties, including, among other things, those described under Item 1A of our Annual Report on Form 10-K, which can be accessed through the link to our SEC filings under "For Investors" on our website (at www.ellingtoncredit.com) or at the SEC's website (www.sec.gov). Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected or implied may be described from time to time in reports we file with the SEC, including reports on Forms 10-Q, 10-K, and 8-K. New risks and uncertainties emerge from time to time, and it is not possible for us to predict or assess the impact of every factor that may cause our actual results to differ from those contained in any forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Modeling

Some statements in this presentation may be derived from proprietary models developed by Ellington Management Group, L.L.C. (“Ellington”). Some examples provided may be based upon the hypothetical performance of such models. Models, however, are inherently imperfect and subject to a number of risks, including that the underlying data used by the models is incorrect, inaccurate, or incomplete, or that the models rely upon assumptions that may prove to be incorrect. The utility of model-based information is highly limited. The information is designed to illustrate Ellington’s current view and expectations and is based on a number of assumptions and limitations, including those specified herein. Certain models make use of discretionary settings or parameters which can have a material effect on the output of the model. Ellington exercises discretion as to which settings or parameters to use in different situations, including using different settings or parameters to model different securities. Actual results and events may differ materially from those described by such models.

Projected Yields and Spreads

Any projected yields and spreads discussed herein are based upon Ellington models and rely on a number of assumptions, including as to prepayments, defaults, recoveries and interest rates. Such models are inherently imperfect and there is no assurance that any particular investment will perform as predicted by the models, or that any such investment will be profitable. Projected yields are presented for the purposes of (i) providing insight into the strategy’s objectives, (ii) detailing anticipated risk and reward characteristics in order to facilitate comparisons with other investments, (iii) illustrating Ellington’s current views and expectations, and (iv) aiding future evaluations of performance. They are not a guarantee of future performance. They are based upon assumptions regarding current and future events and conditions, which may not prove to be accurate. There can be no assurance that the projected yields will be achieved. Investments involve risk of loss.

Financial Information

All financial information included in this presentation is as of June 30, 2024 unless otherwise indicated. We undertake no duty or obligation to update this presentation to reflect subsequent events or developments.

This presentation is not an offer to sell any securities and is not soliciting an offer to buy any securities. The information contained in this presentation does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

In addition, this presentation is not a solicitation of votes or proxies. Any such solicitation will only be made pursuant to a proxy statement or other appropriate proxy materials filed with the SEC and labeled as such.

Key Personnel

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Proposed Portfolio Managers

	Years of Experience	Years at Ellington	
Michael Vranos	41	29	• Founder and CEO of Ellington, and existing co-CIO of EARN • Oversees portfolio construction and implementation of hedging strategies at Ellington • Former head of RMBS trading and origination at Kidder Peabody • B.A. in Mathematics from Harvard University (magna cum laude, Phi Beta Kappa)
Greg Borenstein	17	12	• Head of Corporate Credit of Ellington • Responsible for Ellington's CLO investment business • Formerly member of the proprietary and secondary CLO trading desks at Goldman Sachs • Holds degrees in Applied Mathematics and Economics from Johns Hopkins University

Existing Management Team

	Years of Experience	Years at Ellington	
Laurence Penn Chief Executive Officer	40	29	• Vice Chairman of Ellington, CEO of EARN and EFC • Former Co-head of CMO origination and trading at Lehman Brothers • B.A. in Mathematics from Harvard University (summa cum laude, Phi Beta Kappa) • Masters in Mathematics from Cambridge University
Christopher Smernoff Chief Financial Officer	24	17	• CFO of EARN and CAO of EFC • Formerly a manager in the assurance practice of PricewaterhouseCoopers LLP • Member of American Institute of CPAs • B.S. in Accounting and Finance from Boston College
JR Herlihy Chief Operating Officer	21	13	• COO of EARN and CFO of EFC • Managing Director of EMG and former Co-Chief Investment Officer of Ellington Housing Inc. • Formerly Vice President of acquisitions at GTIS Partners LP • B.A. in Economics and History from Dartmouth College (summa cum laude, Phi Beta Kappa)

Strategic Transformation Update

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Completed

1 CLO Proof of Concept

- Ellington[1] has a longstanding track record of investing in the CLO sector across a wide variety of market conditions
- EARN began acquiring corporate CLOs in Sept. 2023, in a sector that we believe will provide greater risk-adjusted return potential for our shareholders over the long term, with less volatility, compared to Agency MBS
- Generated positive returns on CLO debt and equity investments through year end 2023
- Size of CLO portfolio capped by REIT qualification testing
- Maintained $0.08 per common share regular monthly dividend
- CLO portfolio at 12/31/23: $17 million

Completed

2 Rotate Additional Capital to CLOs

- Revoked REIT election effective 1/1/24 to enable further accumulation of CLO investments
- CLO investments continued to generate positive returns
- Changed company name to Ellington Credit Company to reflect new strategy
- Continued to reallocate capital from liquid Agency MBS pools to CLO debt and equity, but size of CLO portfolio now restricted by maintaining exemption from 1940 Act
- Operate as a taxable C-Corp while taking advantage of significant existing net operating loss carryforwards to offset the majority of our U.S. federal taxable income
- Maintained $0.08 per common share regular monthly dividend
- CLO portfolio at 8/9/24: $108 million

In Progress/Upcoming

3 Complete Transition to CLO Closed-End Fund/RIC

- Shareholder approval of certain matters is required to convert to a closed-end fund/RIC and complete our portfolio rotation from Agency MBS to CLOs
- Shortly before conversion becomes effective, sell remaining liquid Agency MBS pools and reduce leverage to comply with 1940 Act limitations
- Once we convert to a RIC, we will generally not be subject to corporate level income taxes, in contrast to our interim status as a C-Corp
- Expect to maintain $0.08 per common share regular monthly dividend

Anticipated Benefits to Shareholders of Pivot to CLOs and Conversion to RIC

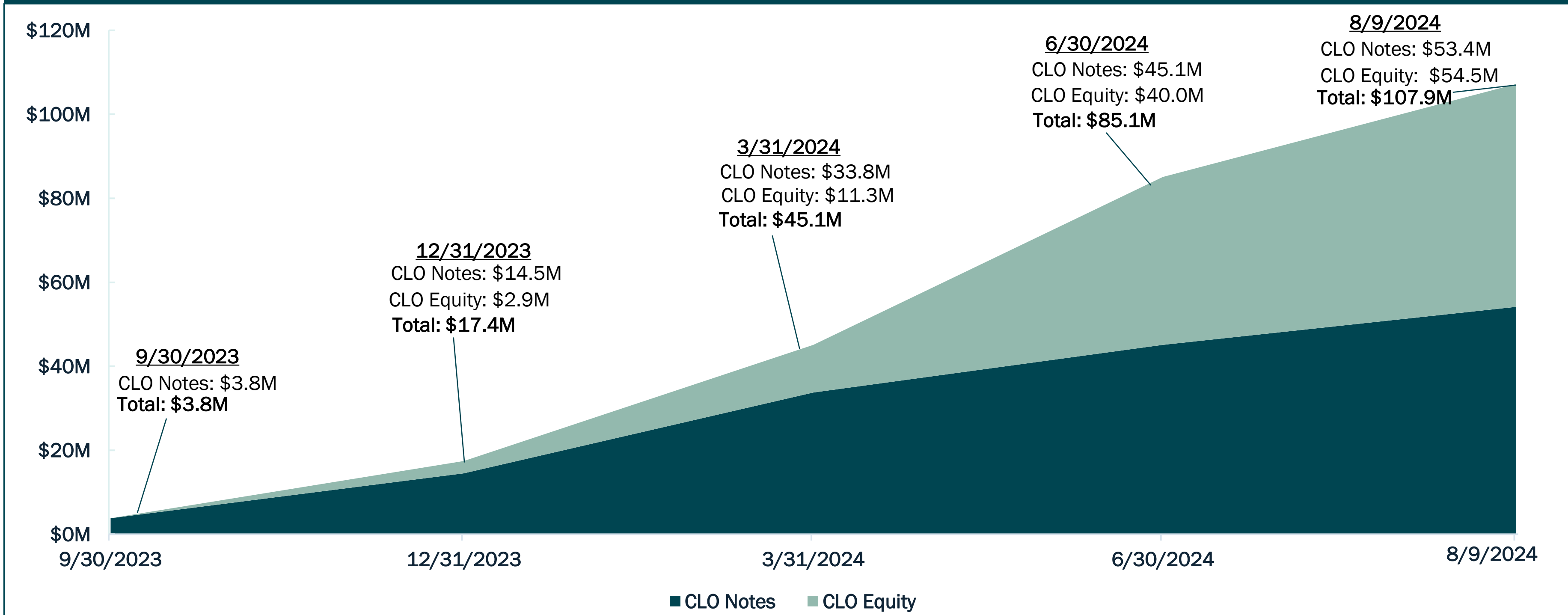
- Greater risk-adjusted return potential over the long term
- Enhanced access to the capital markets and more channels for potential growth
- Benefit from Ellington's longstanding experience investing in corporate CLOs
- Lower leverage; significantly less interest rate hedging required
- As a RIC, generally not subject to corporate income tax
- Anticipate more favorable cost of capital as a RIC, to support future earnings

Ellington's CLO Experience

Strategy Inception:	2012
Investment Professionals:	6
Avg. years of industry experience for senior investment professionals[1]:	21

- Ellington has extensive experience successfully managing CLO investments, including deep credit, structural, and fundamental analysis, understanding of market technicals and dynamics, and strong risk management
- Ellington employs both proprietary and third-party models and systems to guide its CLO investment process, enabling real-time analysis of investment opportunities and associated risks across various scenarios

EARN's CLO Portfolio Growth Over Time



- EARN's CLO portfolio has grown to $108 million as of 8/9/24, representing approximately 50% of our capital allocation[2]

Second Quarter Market Update

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Quarter Ended	6/30/2024	Q2/Q1	3/31/2024	Q1/Q4	12/31/2023	Q4/Q3	9/30/2023	6/30/2023
UST (%)[1]								
3M UST	5.35	-0.01	5.36	+0.03	5.33	-0.11	5.45	5.28
2Y UST	4.75	+0.13	4.62	+0.37	4.25	-0.79	5.04	4.90
5Y UST	4.38	+0.16	4.21	+0.37	3.85	-0.76	4.61	4.16
10Y UST	4.40	+0.20	4.20	+0.32	3.88	-0.69	4.57	3.84
30Y UST	4.56	+0.22	4.34	+0.31	4.03	-0.67	4.70	3.86
3M10Y Spread	-0.96	+0.20	-1.16	+0.29	-1.45	-0.58	-0.87	-1.45
2Y10Y Spread	-0.36	+0.06	-0.42	-0.05	-0.37	+0.10	-0.47	-1.06
SOFR (%)[1]								
1M	5.34	+0.01	5.33	-0.03	5.35	+0.04	5.32	5.14
3M	5.32	+0.03	5.30	-0.03	5.33	-0.06	5.40	5.27
1M3M Spread	-0.01	+0.02	-0.03	-0.01	-0.02	-0.10	0.08	0.13
CLO Tranche Spreads [2]								
CLO BBB Tranche Spread	330.0	+0.0	330.0	-45.0	375.0	-65.0	440.0	511.0
CLO BB Tranche Spread	650.0	-30.0	680.0	-95.0	775.0	-80.0	855.0	941.0
CLO B Tranche Spread	1075.0	-50.0	1125.0	-175.0	1300.0	-50.0	1350.0	1501.0
Corporate Credit Spreads [1]								
Markit CDX NA HY Index - Spread	343.9	+13.6	330.3	-26.1	356.4	-124.2	480.6	429.7
Markit CDX NA IG Index - Spread	53.5	+2.0	51.5	-5.2	56.7	-17.2	73.9	66.2
CLOIE BB DM Index Spread	778.2	+0.2	778.0	-57.5	835.5	-0.0	835.5	924.8
Morningstar/LSTA Leveraged Loan Index	96.5	-0.2	96.7	+0.5	96.2	+0.7	95.6	94.2
Mortgage Rates (%)[3]								
15Y	6.46	+0.11	6.35	+0.09	6.26	-0.60	6.86	6.30
30Y	6.86	+0.07	6.79	+0.37	6.42	-0.93	7.35	6.70
TSY-based OAS (bps)[4] [5]								
FNMA30Y2.5 OAS	31.8	-3.1	34.9	+11.2	23.7	-13.3	37.0	27.8
FNMA30Y4.5 OAS	23.9	-4.7	28.6	+4.1	24.5	-14.0	38.5	34.0
FNMA30Y6.0 OAS	25.4	-3.1	28.5	+7.2	21.3	-27.2	48.5	45.0
TSY-based ZSpread (bps)[4] [6]								
FNMA30Y2.5 ZSpread	49.5	-2.0	51.5	+9.4	42.1	-6.9	49.0	47.5
FNMA30Y4.5 ZSpread	83.3	-2.1	85.4	-4.3	89.7	+2.9	86.8	100.9
FNMA30Y6.0 ZSpread	134.0	+11.0	123.0	-1.5	124.5	-19.8	144.3	137.8
FNMA Pass-Thrus[1]								
30Y2.5	$81.72	-$1.05	$82.77	-$2.34	$85.12	$5.85	$79.27	$84.66
30Y4.5	$94.08	-$1.21	$95.29	-$1.70	$96.98	$5.20	$91.78	$96.05
30Y6.0	$100.20	-$0.75	$100.95	-$0.66	$101.62	$2.92	$98.70	$100.83

Second Quarter Highlights

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Results	• Net Loss: $(0.8) million or $(0.04) per share • Economic Return[1]: (0.8)% for the quarter • Adjusted Distributable Earnings[2]: $7.3 million or $0.36 per share • Net Interest Margin[3]: 13.41% on credit, 2.85% on Agency, and 4.24% overall
Shareholders' Equity & BVPS[4]	• Shareholders' Equity: $146.1 million • Book Value Per Share: $6.91

Investment Portfolio	• Capital Allocation[5]: 45% corporate CLOs as of 6/30/2024, as compared to 25% as of 3/31/2024
	• CLO strategy:
	  • Portfolio income (loss): $1.0 million or $0.05 per share
	  • CLO portfolio grew to $85.1 million as of 6/30/2024, from $45.1 million as of 3/31/2024
	• Agency RMBS strategy:
	  • Portfolio income (loss): $(0.9) million or $(0.05) per share
	  • Agency RMBS Portfolio: $533.5 million[4][6]
	  • Weighted average constant prepayment speed on our fixed-rate specified pools[7] increased quarter over quarter to 6.7 CPR from 5.2 CPR
	  • Average pay-ups on our fixed-rate specified pools decreased to 0.63% from 0.85%
	• Non-Agency RMBS strategy:
	  • Portfolio income (loss): $0.7 million or $0.04 per share
	  • Non-Agency RMBS portfolio: $17.8 million[4][6]

Leverage[5]	• Debt-to-Equity Ratio: 4.0:1, and 3.7:1 adjusted for unsettled purchases and sales • Net Mortgage Assets-to-Equity Ratio of 4.0:1[8] • Cash and cash equivalents of $118.8 million, which includes $89.9 million of U.S. Treasury Bills held on margin; unencumbered assets of $43.9 million. Excluding such U.S. Treasury Bills, cash and cash equivalents were $28.8 million.
Dividends	• Dividend yield of 14.1% based on 8/9/2024 closing price of $6.81 and monthly dividend of $0.08 per common share declared on 8/7/2024

Summary of Financial Results

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(in thousands except per share amounts)	Quarter Ended 6/30/2024		Quarter Ended 3/31/2024	
Interest Income	$	14,132	$	10,379
Interest Expense		(10,235)		(10,100)
Total Net Interest Income (Expense)	**$**	**3,897**	**$**	**279**
Total Other Gain (Loss)[1]		5,313		5,701
Total Expenses		(2,164)		(1,627)
Add back: Strategic Transformation costs		448		75
Add back: Catch-up Amortization Adjustment[2]		(221)		884
Adjusted Distributable Earnings[3]	**$**	**7,273**	**$**	**5,312**
Per Share[4]	**$**	**0.36**	**$**	**0.27**
Net Realized and Unrealized Gain (Loss):				
RMBS and CLOs		(6,661)		(8,765)
Long TBAs Held for Investment		(734)		(1,304)
Interest Rate and Credit Hedges and Other Activities, Net		(541)		9,980
Total Net Realized and Unrealized Gain (Loss)	**$**	**(7,936)**	**$**	**(89)**
Deduct : Strategic Transformation costs		(448)		(75)
Deduct: Catch-up Amortization Adjustment[2]		221		(884)
Net income (loss) before income taxes	**$**	**(890)**	**$**	**4,264**
Income tax expense (benefit)		(75)		303
Net Income (Loss)	**$**	**(815)**	**$**	**3,961**
Per Share[4]	**$**	**(0.04)**	**$**	**0.20**
Weighted Average Yield[5]		6.55%		5.20%
Cost of Funds		-2.31%		-2.17%
Net Interest Margin[6]		4.24%		3.03%
Average Pay-Ups		0.63%		0.85%
Shareholders' Equity	**$**	**146,129**	**$**	**142,917**
Book Value Per Share[4]	**$**	**6.91**	**$**	**7.21**

Operating Results by Strategy

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($ in thousands, except share amounts and per share amounts)	Three-Month Period Ended June 30, 2024	Per Share	Three-Month Period Ended March 31, 2024	Per Share
Credit:				
CLOs				
Interest income	$ 3,519	$ 0.18	$ 1,244	$ 0.06
Interest expense	(350)	(0.02)	(67)	-
Realized gain (loss), net	482	0.02	142	0.01
Unrealized gain (loss), net	(2,644)	(0.13)	1,008	0.05
Credit hedges and other activities, net[1]	39	-	(77)	-
Total CLO profit (loss)	**1,046**	**0.05**	**2,250**	**0.12**
Non-Agency RMBS[2]				
Interest income	528	0.03	564	0.03
Interest expense	(278)	(0.01)	(178)	(0.01)
Realized gain (loss), net	1,424	0.07	42	-
Unrealized gain (loss), net	(959)	(0.05)	795	0.04
Interest rate hedges	7	-	26	-
Total Non-Agency RMBS profit (loss)	**722**	**0.04**	**1,249**	**0.06**
Total Credit profit (loss)	**1,768**	**0.09**	**3,499**	**0.18**
Agency RMBS[2]				
Interest income	8,337	0.41	7,403	0.38
Interest expense	(8,163)	(0.40)	(9,091)	(0.47)
Realized gain (loss), net	(9,851)	(0.48)	(10,709)	(0.55)
Unrealized gain (loss), net	4,892	0.24	(43)	-
Interest rate hedges and other activities, net[3]	3,850	0.18	14,467	0.74
Total Agency RMBS profit (loss)	**(935)**	**(0.05)**	**2,027**	**0.10**
Total Credit and Agency RMBS profit (loss)	**833**	**0.04**	**5,526**	**0.28**
Other interest income (expense), net	441	0.02	365	0.02
Income tax (expense) benefit	75	-	(303)	(0.02)
General and administrative expenses	(2,164)	(0.10)	(1,627)	(0.08)
Net income (loss)	**$ (815)**	**$ (0.04)**	**$ 3,961**	**$ 0.20**
Weighted average shares outstanding	**20,354,062**		**19,548,408**	

Consolidated Balance Sheet (Unaudited)

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(in thousands except share amounts and per share amounts)	June 30, 2024	March 31, 2024
Assets		
Cash and cash equivalents	$ 118,763	$ 22,442
Securities, at fair value	636,368	812,042
Due from brokers	4,892	5,261
Financial derivative-assets, at fair value	80,834	82,330
Reverse repurchase agreements	16,405	-
Receivable for securities sold	71,673	36,474
Interest receivable	3,983	4,642
Other assets	539	765
Total Assets	**$ 933,457**	**$ 963,956**
Liabilities and Shareholders' Equity		
Liabilities		
Repurchase agreements	$ 578,503	$ 683,171
Payable for securities purchased	33,866	68,179
Due to brokers	146,010	58,238
Financial derivatives-liabilities, at fair value	6,720	5,746
U.S. Treasury securities sold short, at fair value	16,199	-
Dividend Payable	1,691	1,586
Accrued expenses	1,688	1,702
Management fee payable to affiliate	550	538
Interest payable	2,101	1,879
Total Liabilities	**$ 787,328**	**$ 821,039**
Shareholders' Equity		
Preferred shares, par value $0.01 per share, 100,000,000 shares authorized; (0 shares issued and outstanding, respectively)	-	-
Common shares, par value $0.01 per share, 500,000,000 shares authorized; (21,134,976 and 19,819,610 shares issued and outstanding, respectively)[1]	211	198
Additional paid-in-capital	291,114	282,161
Accumulated deficit	(145,196)	(139,442)
Total Shareholders' Equity	**146,129**	**142,917**
Total Liabilities and Shareholders' Equity	**$ 933,457**	**$ 963,956**
Supplemental Per Share Information		
Book Value Per Share	$ 6.91	$ 7.21

Portfolio Summary

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	June 30, 2024												March 31, 2024							
($ in thousands)	Current Principal		Fair Value		Average Price[1]		Cost		Average Cost[1]		Current Principal		Fair Value		Average Price[1]		Cost		Average Cost[1]	
Credit Portfolio:																				
Dollar Denominated:																				
CLOs																				
CLO Notes	$	46,314	$	37,225	80.38		$	37,108	80.12		$	39,096	$	33,761	86.35		$	32,413	82.91	
CLO Equity		n/a		33,228	n/a			34,779	n/a			n/a		6,715	n/a			6,839	n/a	
Total				**70,453**				**71,887**						**40,476**				**39,252**		
Non-Agency RMBS[2]		9,461		9,463	100.02			7,943	83.96			9,942		9,647	97.03			8,134	81.81	
Non-Agency IOs		n/a		8,328	n/a			6,182	n/a			n/a		11,545	n/a			8,432	n/a	
Corporate Equity		n/a		32	n/a			43	n/a			n/a		-	n/a			-	n/a	
Non-Dollar Denominated:																				
CLOs																				
CLO Notes		7,872		7,874	100.03			7,800	99.09			-		-	-			-	-	
CLO Equity		n/a		6,761	n/a			7,056	n/a			n/a		4,612	n/a			4,763	n/a	
Total				**14,635**				**14,856**						**4,612**				**4,763**		
Total Credit				**102,911**				**100,911**						**66,280**				**60,581**		
Agency Portfolio:																				
Agency RMBS[2]																				
15-year fixed rate mortgages		4,115		4,084	99.25			4,158	101.04			28,173		27,373	97.16			28,366	100.69	
20-year fixed rate mortgages		-		-	-			-	-			4,387		4,234	96.51			4,734	107.91	
30-year fixed rate mortgages		548,497		526,985	96.08			538,451	98.17			720,307		686,406	95.29			700,100	97.19	
ARMs		-		-	-			-	-			7,043		7,039	99.94			7,831	111.19	
Reverse mortgages		34		33	97.06			37	108.82			13,565		14,209	104.75			15,342	113.10	
Total Agency RMBS		**552,646**		**531,102**	**96.10**			**542,646**	**98.19**			**773,475**		**739,261**	**95.58**			**756,373**	**97.79**	
Agency IOs		n/a		2,355	n/a			1,985	n/a			n/a		6,501	n/a			5,454	n/a	
Total Agency				**533,457**				**544,631**						**745,762**				**761,827**		
Total			**$**	**636,368**			**$**	**645,542**					**$**	**812,042**			**$**	**822,408**		

- CLO portfolio increased to $85.1 million as of June 30, 2024, compared to $45.1 million as of March 31, 2024
- Agency RMBS holdings decreased by 28% to $531.1 million as of June 30, 2024, compared to $739.3 million as of March 31, 2024
- Aggregate holdings of interest-only securities and non-Agency RMBS decreased by 27% quarter over quarter

Fixed-Rate Agency Portfolio by Coupon[1]

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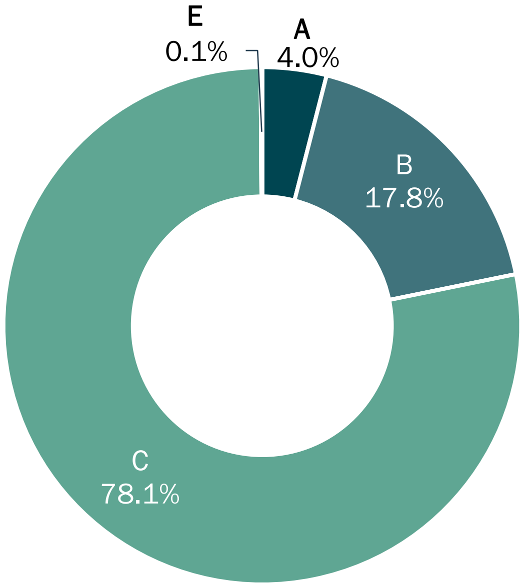
($ in thousands)	June 30, 2024 Current Principal	June 30, 2024 Fair Value	June 30, 2024 WALA (Mos)	March 31, 2024 Current Principal	March 31, 2024 Fair Value	March 31, 2024 WALA (Mos)
15-year fixed rate mortgages						
2.00-2.99 coupon	$ 1,503	$ 1,428	63	$ 1,932	$ 1,813	58
3.00-3.99 coupon	-	-	-	13,937	13,402	99
4.00-4.99 coupon	-	-	-	9,540	9,340	62
6.00-6.99 coupon	2,612	2,656	6	2,764	2,818	3
Total 15-year fixed-rate	**4,115**	**4,084**	**27**	**28,173**	**27,373**	**74**
20-year fixed rate mortgages						
3.00-3.99 coupon	-	-	-	1,132	1,016	49
4.00-4.99 coupon	-	-	-	1,702	1,643	50
5.00-5.99 coupon	-	-	-	568	567	67
6.00-6.99 coupon	-	-	-	985	1,008	9
Total 20-year fixed-rate	**-**	**-**	**-**	**4,387**	**4,234**	**43**
30-year fixed rate mortgages						
2.00-2.99 coupon	22,777	18,629	44	23,246	19,212	41
3.00-3.99 coupon	64,077	56,019	70	159,126	142,339	69
4.00-4.99 coupon	108,988	102,483	69	258,599	246,282	51
5.00-5.99 coupon	225,009	220,169	18	196,289	193,641	18
6.00-6.99 coupon	127,646	129,685	8	83,048	84,932	11
Total 30-year fixed-rate	**548,497**	**526,985**	**33**	**720,308**	**686,407**	**41**
Total fixed-rate Agency RMBS	**$ 552,612**	**$ 531,069**	**33**	**$ 752,867**	**$ 718,014**	**42**

- We've concentrated our Agency investments in liquid sectors, which we expect to keep the costs of liquidating pools modest

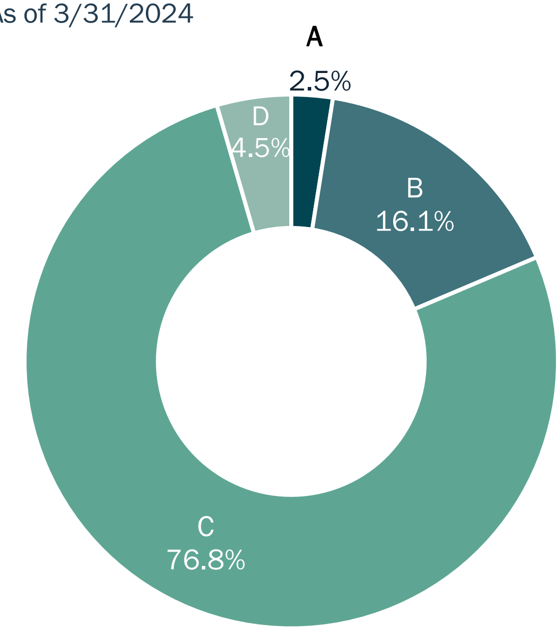
Interest Rate Hedging Portfolio

Short $379.5MM 10-yr equivalents[1]
As of 6/30/2024



A: <2 Yr Interest Rate Swaps
B: 2-to-5 Yr Interest Rate Swaps
C: >5 Yr Interest Rate Swaps
D: TBAs
E: > 5 Yr Treasuries and Treasury Futures

Short $418.0MM 10-yr equivalents[1]
As of 3/31/2024



We hedge along the entire yield curve to manage interest rate risk and protect book value

Shorting "generic" pools (or TBAs) allows EARN to significantly reduce interest rate risk and basis risk in its Agency portfolio

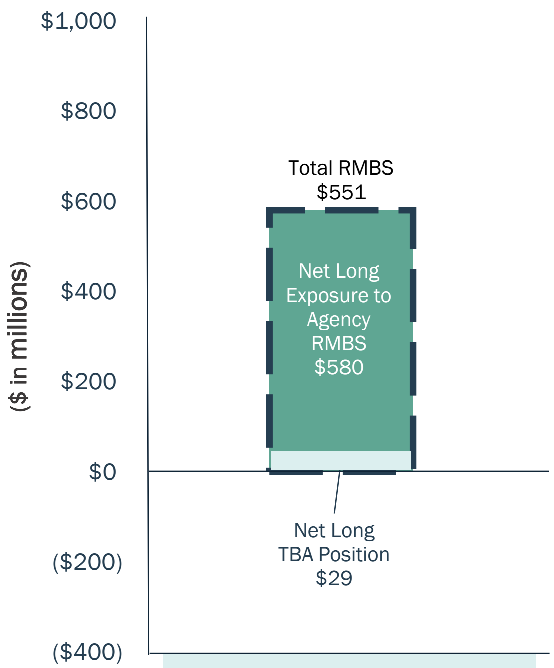
As of June 30th, we had a net long TBA position, both on a notional basis and as measured by 10-year equivalents

In the second quarter, we hedged interest rate risk primarily with interest rate swaps. We also selectively utilize U.S. Treasury securities, futures, and swaptions

Dynamic Hedging Strategy

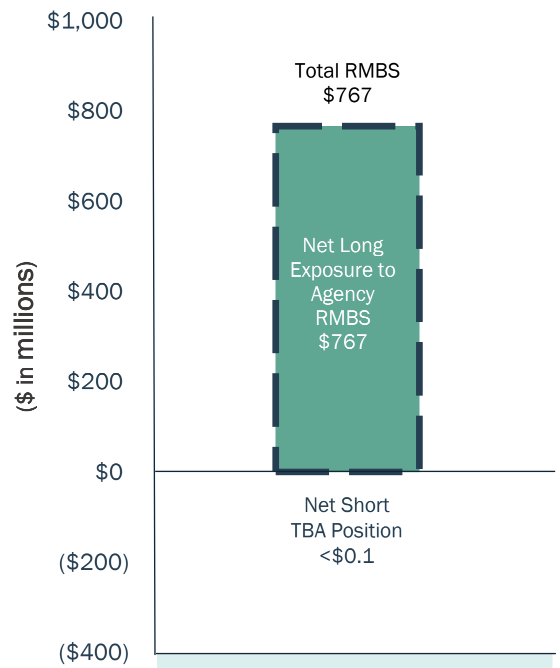
Net RMBS Exposure Based on Fair Value(1)

As of 6/30/2024



Net mortgage assets-to-equity(2): 4.0:1

As of 3/31/2024



Net mortgage assets-to-equity(2): 5:4:1

- EARN often carries significantly lower net effective mortgage exposure than our “headline” leverage suggests, due to our net short TBA position
- Our net mortgage assets-to-equity(2) ratio decreased quarter over quarter, driven by an increase in shareholders’ equity and a smaller Agency RMBS portfolio, partially offset by a net long TBA position as of June 30, 2024, compared to a net short TBA position as of March 31, 2024.
- Use of TBA short positions as hedges helps improve hedging performance in especially volatile quarters
- When interest rates spike, TBA short positions not only extend with specified pool assets, but they tend to extend more than specified pool assets, which dynamically and automatically hedges a correspondingly larger portion of our specified pool portfolio

Corporate CLO Underlying Asset Portfolio – Detail as of 6/30/2024

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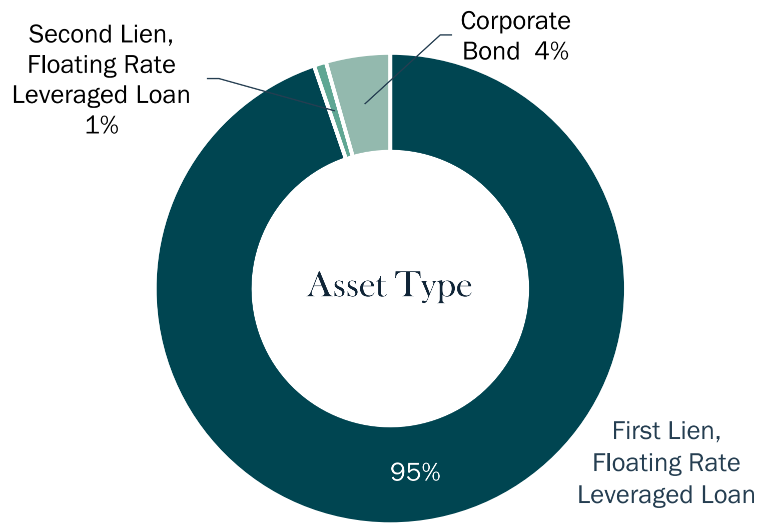

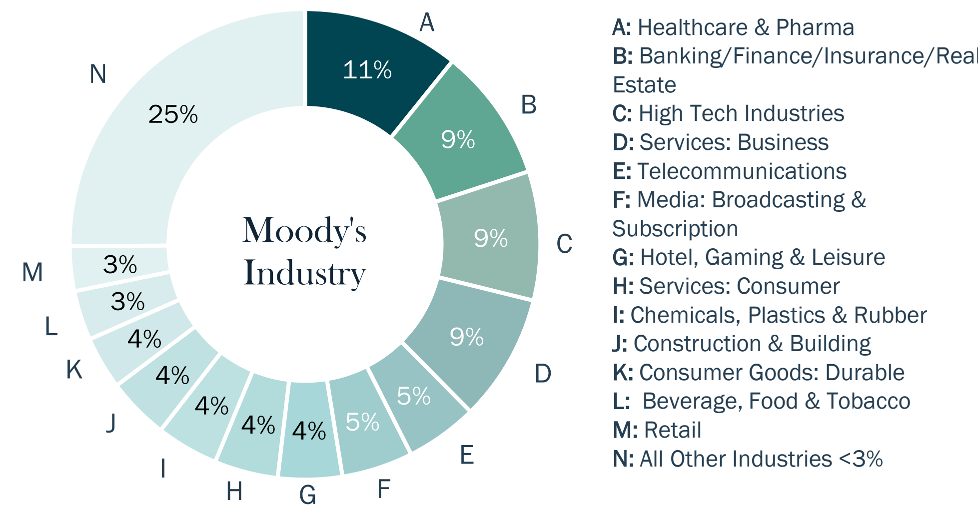

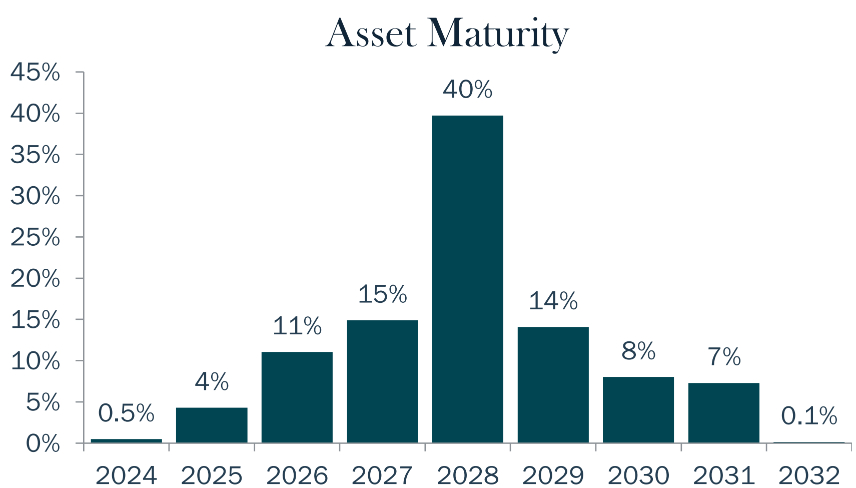

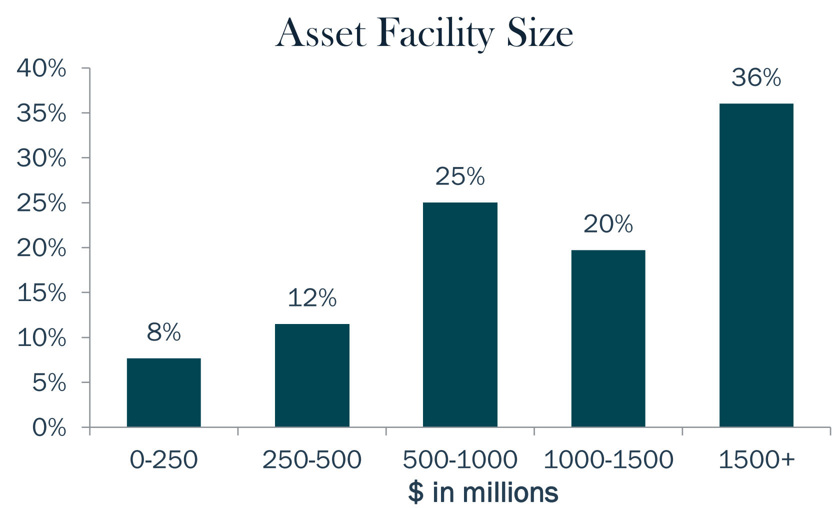

- Corporate CLO underlying asset portfolio spans 34 distinct industries, with no one industry comprising more than 11% of the total asset mix
- The overwhelming majority of assets are first lien, senior secured leveraged loans from robust corporate borrowers (under 8% of loans are below $250mm in size)
- Approximately 97% of the underlying assets are floating rate
- There are few near term asset maturities (under 1% of total prior to 2025)
- We selectively hedge a portion of the credit risk of our CLO portfolio using a variety of derivative instruments

Commitment to ESG

Ellington is committed to corporate social responsibility. We recognize the importance of environmental, social and governance ("ESG") factors, and believe that the implementation of ESG policies will benefit our employees, support long-term stockholder performance, and make a positive impact on the environment and society as a whole. Our Manager has a standing ESG Committee to address a variety of issues, including its impact on the environment, increasing the diversity of its workforce, employee engagement, and community involvement.

Environmental

- Our offices are conveniently located near mass transportation.
- We provide financial support and incentives to our employees who use public transit.
- To reduce energy usage, we use Energy Star® certified desktops, monitors and printers; and utilize motion sensor lighting and cooling to reduce energy usage in non-peak hours.
- To reduce waste and promote a cleaner environment, we use green cleaning supplies and kitchen products; recycle electronics, ink cartridges, and packaging; provide recycling containers to employees; and use water coolers to reduce waste.
- We have reduced the number of single use cups and plastic water bottles in our offices.

Social

- Ellington and senior members of management sponsor numerous charitable causes, including several devoted to diversity and children in need. We also support employee charitable contributions through matching gift programs, hosting food drives, and other community events.
- Our employees have access to robust health and wellness programs. Ellington also supports various events that support health and wellness.
- We provide opportunities for personal growth with training, including facilitating a lunch & learn series, and reimbursing professional continuing education. We also support professional development through mentorship programs and affinity groups, such as a women's networking group.
- We are committed to enhancing gender, racial, and ethnic diversity throughout our organization, as stated in our Manager's Diversity and Inclusion Policy. We have engaged a women-owned recruiting firm focused exclusively on women and minority recruiting on college campuses.
- We are in compliance with applicable employment codes and guidelines, including ADA, Equal Opportunity Employment, Non-Discrimination, Anti-Harassment and Non-Retaliation codes.

Governance

- Our Manager has a Responsible Investment policy incorporating ESG factors into its investment processes for applicable strategies.
- We operate under a Code of Business Conduct and Ethics.
- EARN has a separate independent Chairman, and the majority of Board members are independent.
- We hold annual elections of Trustees.
- We are committed to significant disclosure and transparency, including an established quarterly book value disclosure and monthly dividend policy.
- We have an established Whistleblower policy to encourage transparency and accountability.
- Robust process for shareholder engagement.

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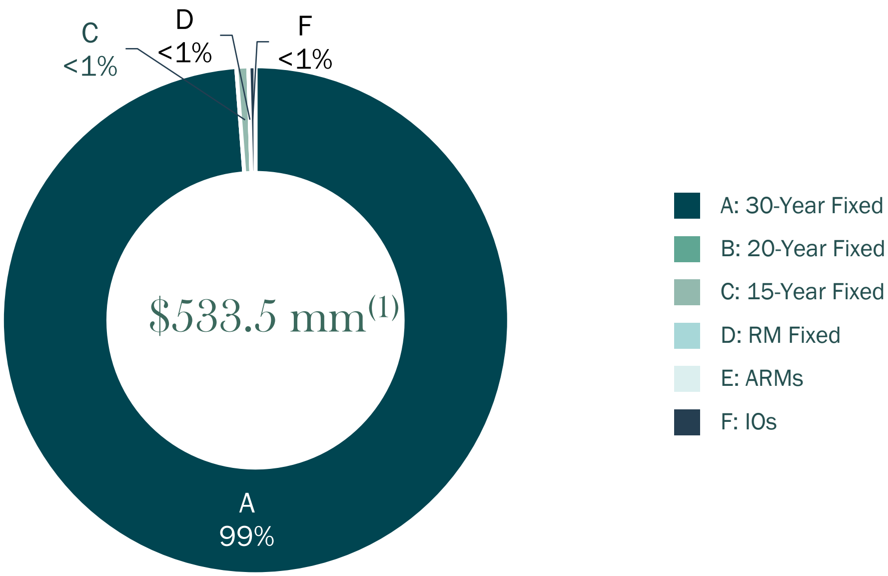
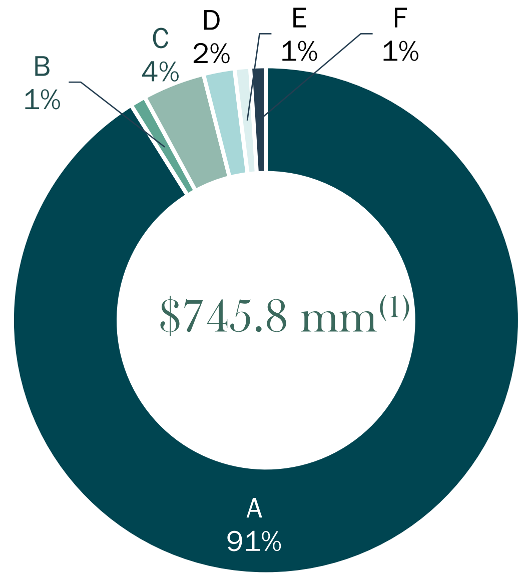
Supplemental Slides

Agency Portfolio Summary



As of 6/30/2024



As of 3/31/2024

Category	Fair Value[1][2]	Wtd. Avg. Coupon[3]
30-Year Fixed	$527.0	4.89
20-Year Fixed	-	-
15-Year Fixed	4.1	4.74
RM Fixed	0.0	4.70
Subtotal - Fixed	**531.1**	**4.89**
ARMs	-	
IOs	2.4	
Total	**$533.5**	

Category	Fair Value[1][2]	Wtd. Avg. Coupon[3]
30-Year Fixed	$686.4	4.49
20-Year Fixed	4.2	4.49
15-Year Fixed	27.4	3.77
RM Fixed	14.2	6.10
Subtotal - Fixed	**732.2**	**4.49**
ARMs	7.0	
IOs	6.5	
Total	**$745.8**	

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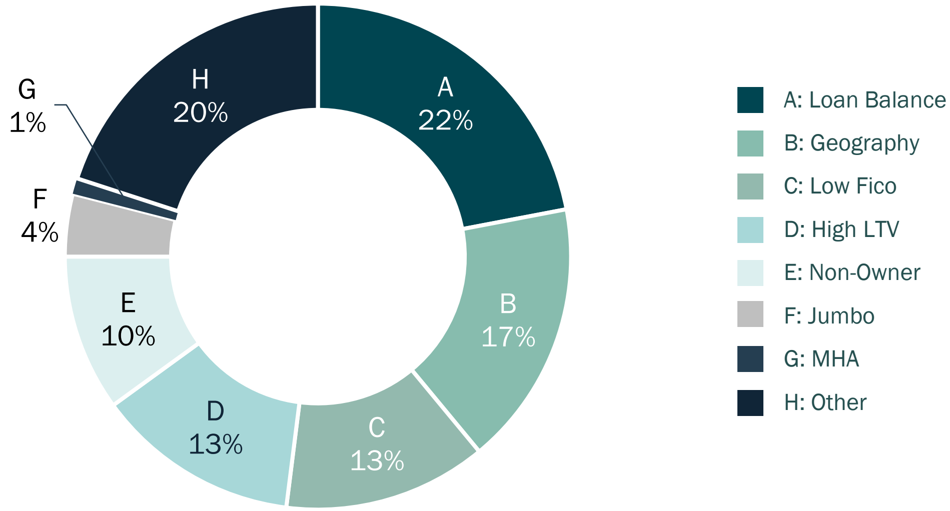
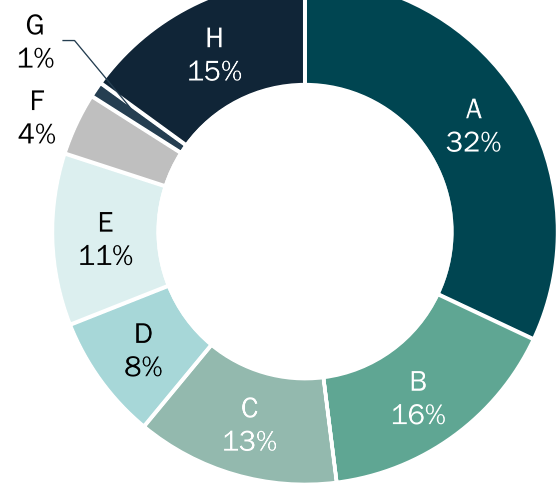
Average for Quarter Ended
6/30/2024[1]



Average for Quarter Ended
3/31/2024[1]



Collateral Characteristics and Historical 3-Mo CPR

Characteristic[2]	Fair Value[1][3]	3-Month CPR %[5]
Loan Balance	$144.1	8.7
Geography	104.2	7.1
Low FICO	83.3	4.0
High LTV	79.9	12.4
Non-Owner	64.0	4.2
Jumbo	24.0	2.5
MHA[4]	4.5	10.6
Other	123.2	4.2
Total	**$627.1**	**6.7**

Collateral Characteristics and Historical 3-Mo CPR

Characteristic[2]	Fair Value[1][3]	3-Month CPR %[5]
Loan Balance	$215.3	7.2
Geography	102.9	4.0
Low FICO	84.4	2.7
High LTV	55.0	3.0
Non-Owner	76.1	6.6
Jumbo	25.2	2.2
MHA[4]	5.4	9.5
Other	101.2	4.9
Total	**$665.5**	**5.2**

Non-Agency RMBS Portfolio

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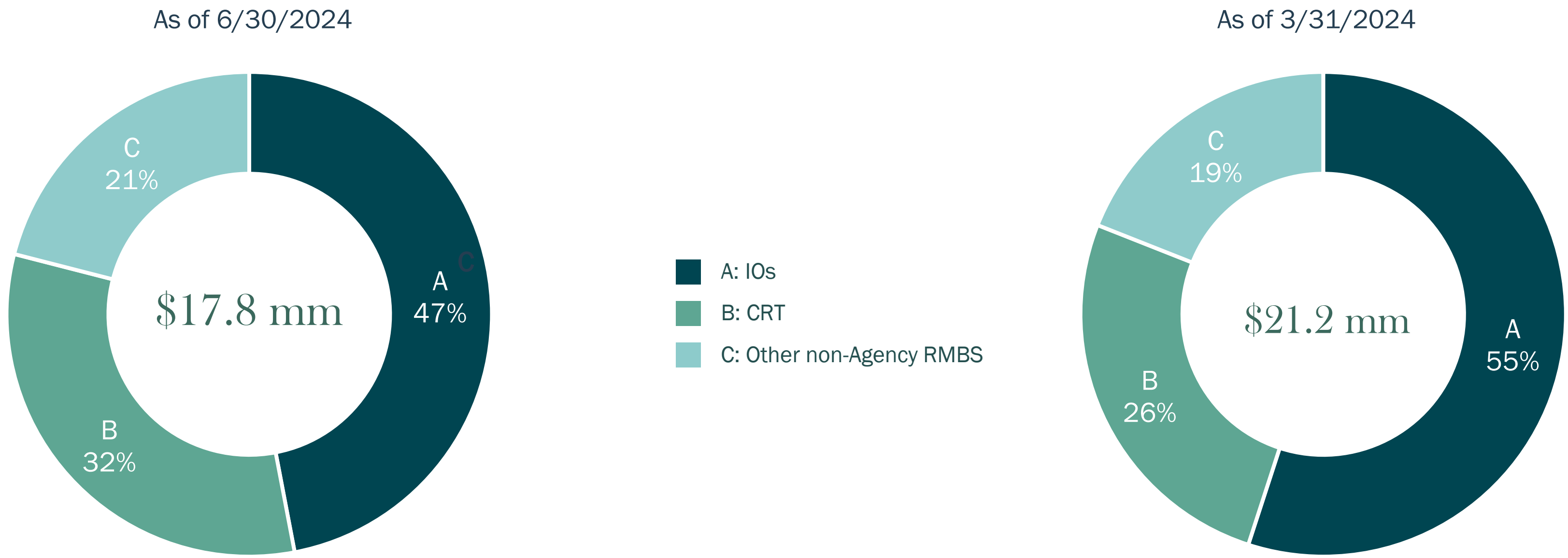

- The size of our non-Agency portfolio decreased by 16% in the second quarter

Repo Borrowings(1)

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	June 30, 2024			March 31, 2024		
		Weighted Average			Weighted Average	
Remaining Days to Maturity	Borrowings Outstanding	Interest Rate	Remaining Days to Maturity	Borrowings Outstanding	Interest Rate	Remaining Days to Maturity
	(in thousands)			*(in thousands)*		
30 days or less	$ 483,657	5.49%	16	$ 653,786	5.45%	12
31-60 days	46,604	6.03%	45	3,285	6.40%	49
61-90 days	2,331	6.44%	68	15,686	5.87%	72
181-360 days	45,911	5.50%	185	10,414	5.49%	276
Total	$ 578,503	5.54%	32	$ 683,171	5.47%	17

- Outstanding borrowings with 18 counterparties as of June 30th, 2024
- The weighted average interest rate on our repo borrowings increased to 5.54% as of June 30th, 2024 from 5.47% as of March 31st, 2024
- The weighted average interest rate on our repo borrowings for our Agency RMBS strategy was 5.46% as of June 30th, 2024, compared to 6.50% for our credit strategy

Interest Rate Sensitivity Analysis[1]

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($ in thousands)	Estimated Change in Fair Value			
	50 Basis Point Decline in Interest Rates		50 Basis Point Increase in Interest Rates	
	Market Value	% of Total Equity	Market Value	% of Total Equity
Agency RMBS Fixed Pools and IOs	$ 11,101	7.60%	$ (12,533)	-8.58%
Long TBAs	5,651	3.87%	(5,944)	-4.07%
Short TBAs	(3,001)	-2.05%	3,616	2.47%
Non-Agency RMBS	(201)	-0.14%	71	0.05%
CLOs	189	0.13%	(212)	-0.15%
Interest Rate Swaps	(15,472)	-10.59%	14,802	10.13%
U.S. Treasury Futures	2,387	1.63%	(2,320)	-1.59%
Corporate Securities and Derivatives on Corporate Securities	(7)	--%	7	-%
Repurchase and Reverse Repurchase Agreements	(155)	-0.11%	155	0.11%
Total	$ (159)	-0.11%	$ (1,738)	-1.19%

Financial Derivatives as of June 30, 2024

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(In thousands)

Fixed Payer Interest Rate Swaps

Maturity		Notional Amount		Fair Value	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Years to Maturity
2024-2025	$	100,268	$	3,982	2.98%	5.34%	1.23
2026-2028		145,192		9,576	2.82%	5.33%	3.79
2029-2031		299,715		32,553	2.19%	5.33%	6.04
2032-2052		291,730		32,136	2.77%	5.33%	10.87
Total	$	836,905	$	78,247	2.60%	5.33%	6.76

Fixed Receiver Interest Rate Swaps

Maturity		Notional Amount		Fair Value	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Years to Maturity
2026-2028	$	30,857	$	(789)	4.51%	3.02%	3.34
2029-2031		126,054		(1,220)	5.34%	4.02%	5.49
2032-2040		121,730		(1,845)	5.34%	3.84%	9.23
Total	$	278,641	$	(3,854)	5.34%	3.91%	6.92

TBA Securities

Coupon		Notional Amount(1)		Cost Basis(2)		Market Value(3)		Net Carrying Value(4)
2.00-2.99	$	3,792	$	3,404	$	3,322	$	(82)
3.00-3.99		81,173		72,119		71,841		(278)
4.00-4.99		109,705		103,527		102,996		(532)
5.00-5.99		(92,211)		(90,206)		(89,738)		469
6.00-6.99		(58,805)		(59,363)		(59,179)		184
Total	$	43,654	$	29,481	$	29,242	$	(239)

Treasury Futures

Maturity		Notional Amount		Fair Value	Remaining Months to Expiration
2yr	$	(5,400)	$	(22)	3.07
5yr		88,300		143	3.07
10yr		13,100		164	2.70
30yr		3,300		121	2.70
Total	$	99,300	$	406	3.01

Currency Futures

Type		Notional Amount		Fair Value	Remaining Months to Expiration
Euro FX Futures	$	(12,375)	$	170	2.60
Total	$	(12,375)	$	170	2.60

Credit Default Swaps

Type		Notional Amount		Fair Value	Remaining Months to Expiration
Credit default swaps on corporate bond indices	$	23,825	$	(618)	4.98
Total	$	23,825	$	(618)	4.98

Consolidated Statement of Operations (Unaudited)

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	Three-Month Period Ended	
(in thousands except share amounts and per share amounts)	June 30, 2024	March 31, 2024
Interest Income (Expense)		
Interest income	$ 14,132	$ 10,379
Interest expense	(10,235)	(10,100)
Total net interest income (expense)	**$ 3,897**	**$ 279**
Expenses		
Management fees to affiliate	550	538
Professional fees	690	339
Compensation expense	431	270
Insurance expense	93	94
Other operating expenses	400	386
Total expenses	**$ 2,164**	**$ 1,627**
Other Income (Loss)		
Net realized gains (losses) on securities	(7,985)	(9,823)
Net realized gains (losses) on financial derivatives	6,565	3,459
Change in net unrealized gains (losses) on securities	1,180	1,760
Change in net unrealized gains (losses) on financial derivatives	(2,367)	10,216
Other, net	(16)	-
Total other income (loss)	(2,623)	5,612
Net income (loss) before income taxes	(890)	4,264
Income tax expense (benefit)	(75)	303
Net Income (Loss)	**$ (815)**	**$ 3,961**
Net Income (Loss) per Common Share:		
Basic and Diluted	$ (0.04)	$ 0.20
Weighted Average Shares Outstanding	20,354,062	19,548,408
Cash Dividends Declared per Share	$ 0.24	$ 0.24

Consolidated Balance Sheet (Unaudited)

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(in thousands except share amounts and per share amounts)		June 30, 2024		March 31, 2024
Assets				
Cash and cash equivalents	$	118,763	$	22,442
Securities, at fair value		636,368		812,042
Due from brokers		4,892		5,261
Financial derivative-assets, at fair value		80,834		82,330
Reverse repurchase agreements		16,405		-
Receivable for securities sold		71,673		36,474
Interest receivable		3,983		4,642
Other assets		539		765
Total Assets	**$**	**933,457**	**$**	**963,956**
Liabilities and Shareholders' Equity				
Liabilities				
Repurchase agreements	$	578,503	$	683,171
Payable for securities purchased		33,866		68,179
Due to brokers		146,010		58,238
Financial derivatives-liabilities, at fair value		6,720		5,746
U.S. Treasury securities sold short, at fair value		16,199		-
Dividend Payable		1,691		1,586
Accrued expenses		1,688		1,702
Management fee payable to affiliate		550		538
Interest payable		2,101		1,879
Total Liabilities	**$**	**787,328**	**$**	**821,039**
Shareholders' Equity				
Preferred shares, par value $0.01 per share, 100,000,000 shares authorized;		-		-
(0 shares issued and outstanding, respectively)				
Common shares, par value $0.01 per share, 500,000,000 shares authorized;				
(21,134,976 and 19,819,610 shares issued and outstanding, respectively)[1]		211		198
Additional paid-in-capital		291,114		282,161
Accumulated deficit		(145,196)		(139,442)
Total Shareholders' Equity		**146,129**		**142,917**
Total Liabilities and Shareholders' Equity	**$**	**933,457**	**$**	**963,956**
Supplemental Per Share Information				
Book Value Per Share	$	6.91	$	7.21

Reconciliation of Adjusted Distributable Earnings to Net Income (Loss)(1)

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(in thousands except share amounts and per share amounts)	Three-Month Period Ended June 30, 2024	 March 31, 2024
Net Income (Loss)	$ (815)	$ 3,961
Income tax expense (benefit)	(75)	303
Net Income (Loss) before income taxes	$ (890)	$ 4,264
Adjustments:		
Net realized (gains) losses on securities	7,985	9,823
Change in net unrealized (gains) losses on securities	(1,180)	(1,760)
Net realized (gains) losses on financial derivatives	(6,565)	(3,459)
Change in net unrealized (gains) losses on financial derivatives	2,367	(10,216)
Net realized gains (losses) on periodic settlements of interest rate swaps	9,524	5,812
Change in net unrealized gains (losses) on accrued periodic settlements of interest rate swaps	(4,211)	(111)
Strategic Transformation costs and other adjustments(2)	464	75
Negative (positive) component of interest income represented by Catch-up Amortization Adjustment	(221)	884
Subtotal	8,163	1,048
Adjusted Distributable Earnings	$ 7,273	$ 5,312
Weighted Average Shares Outstanding	20,354,062	19,548,408
Adjusted Distributable Earnings Per Share	$ 0.36	$ 0.27

About Ellington Management Group

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Ellington Profile

As of 6/30/2024

Founded:	1994
Employees:	>160
Investment Professionals:	>60
Global offices:	3

$12.9

Billion in assets under management[(1)]

9

Employee-partners own the firm[(2)]

29

Years of average industry experience of senior portfolio managers

20%

Employees dedicated to research and information technology

Ellington and its Affiliated Management Companies

- Our external manager Ellington Credit Company Management LLC is part of the Ellington family of SEC-registered investment advisors[(3)].
- Ellington Management Group and its affiliates manage Ellington Credit Company (EARN), Ellington Financial Inc. (EFC), multi-investor hedge funds, separately managed accounts, and opportunistic private funds
- Time-tested infrastructure and proprietary resources in trading, research, risk management, and operational support

Industry-Leading Research & Trading Expertise

- Sophisticated proprietary models for prepayment and credit analysis
- Approximately 20% of employees dedicated to research and information technology
- Structured credit trading experience and analytical skills developed since the firm's founding 29 years ago
- Ellington's portfolio managers are among the most experienced in the structured products sector

Endnotes

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Slide 4 – Strategic Transformation Update

(1) "Ellington" refers, collectively, to Ellington Management Group, L.L.C and its affiliates.

Slide 6 – Ellington's CLO Experience and EARN's CLO Portfolio Growth

(1) As of June 30, 2024.
(2) Percentages shown are as of net assets, as opposed to gross assets, deployed in each strategy.

Slide 7 – Second Quarter Market Update

(1) Source: Bloomberg
(2) Source: BofA Global Research
(3) Source: Mortgage Bankers Association via Bloomberg
(4) Source: J.P. Morgan Markets
(5) TSY-based OAS measures the additional yield spread over TSY that an asset provides at its current market price after taking into account any interest rate options embedded in the asset.
(6) TSY-based Zero-volatility spread (Z-spread) measures the additional yield spread over TSY that the projected cash flows of an asset provide at the current market price of the asset.

Slide 8 – Second Quarter Highlights

(1) Economic return is based on book value per share.
(2) Adjusted Distributable Earnings is a non-GAAP financial measure. See slide 27, endnote 1 for an explanation regarding the renaming and calculation of Adjusted Distributable Earnings, and the definition of the Catch-up Amortization Adjustment.
(3) Net interest margin of a group of assets represents the weighted average asset yield less the weighted average cost of borrowings secured by those assets (including the effect of net interest income (expense) related to U.S. Treasury securities and actual and accrued payments on interest rate swaps used to hedge such borrowings); net interest margin excludes the effect of the Catch-up Amortization Adjustment.
(4) As of June 30, 2024.
(5) Percentages shown are of net assets, as opposed to gross assets, deployed in each strategy.
(6) Includes IOs.
(7) Excludes recent purchases of fixed rate Agency specified pools with no prepayment history.
(8) We define our net mortgage assets-to-equity ratio as the net aggregate market value of our mortgage-backed securities (including the underlying market values of our long and short TBA positions) divided by total shareholders' equity. As of June 30, 2024 the market value of our mortgage-backed securities and our net long TBA position was $551.2 million and $29.2 million, respectively, and total shareholders' equity was $146.1 million.

Slide 9 – Summary of Financial Results

(1) Total Other Gain (Loss) represents net realized and unrealized gains (losses) on periodic settlements of interest rate swaps.
(2) See slide 27, endnote 1 for definition of Catch-up Amortization Adjustment.
(3) Adjusted Distributable Earnings is a non-GAAP financial measure. See slide 27 for a reconciliation of Adjusted Distributable Earnings to Net Income (Loss).
(4) Book Value per share is calculated using shares outstanding at the end of the period. All other per share amounts are calculated using the weighted average shares outstanding for the quarter.
(5) Weighted Average Yield excludes the effect of the Catch-up Amortization Adjustment.
(6) Net interest margin of a group of assets represents the weighted average asset yield less the weighted average cost of borrowings secured by those assets (including the effect of net interest income (expense) related to U.S. Treasury securities and actual and accrued payments on interest rate swaps used to hedge such borrowings); net interest margin excludes the effect of the Catch-up Amortization Adjustment.

Slide 10 – Operating Results by Strategy

(1) Other activities includes currency hedges as well as net realized and unrealized gains (losses) on foreign currency.
(2) Includes IOs.
(3) Includes U.S. Treasury securities.

Endnotes

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Slide 11 – Consolidated Balance Sheet (Unaudited)

(1) Common shares issued and outstanding at June 30, 2024 includes 1,315,366 common shares issued during the second quarter under our at-the-market common share offering program.

Slide 12 – Portfolio Summary

(1) Expressed as a percentage of current principal balance.
(2) Excludes IOs.

Slide 13 – Fixed-Rate Agency Portfolio by Coupon

(1) Excludes fixed specified pools backed by reverse mortgages

Slide 14 – Interest Rate Hedging Portfolio

(1) "10-year equivalents" for a group of positions represent the amount of 10-year U.S. Treasury securities that would be expected to experience a similar change in market value under a standard parallel move in interest rates.

Slide 15 – Dynamic Hedging Strategy

(1) Net short TBA positions represents the current market value of the underlying Agency RMBS (on a forward delivery basis) as of June 30, 2024 and March 31, 2024. The net carrying value of the TBA positions as of June 30, 2024 and March 31, 2024 on the Consolidated Balance Sheet was $(239) thousand and $(74) thousand, respectively.
(2) We define our net mortgage assets-to-equity ratio as the net aggregate market value of our mortgage-backed securities (including the underlying market values of our long and short TBA positions) divided by total shareholder's equity. As of June 30, 2024 the market value of our mortgage-backed securities and our net long TBA position was $551.2 million and $29.2 million, respectively, and total shareholders' equity was $146.1 million. As of March 31, 2024 the market value of our mortgage-backed securities and our net short TBA position was $767.0 million and $(3) thousand, respectively, and total shareholders' equity was $142.9 million.

Slide 19 – Agency Portfolio Summary

(1) Does not include long TBA positions with a notional value of $216.7 million and a market value of $199.0 million as of June 30, 2024. Does not include long TBA positions with a notional value of $66.2 million and a market value of $63.6 million as of March 31, 2024.
(2) Fair value shown in millions.
(3) Represents weighted average net pass-through rate.

Slide 20 – CPR Breakout of Agency Fixed Long Portfolio

(1) Does not include long TBA positions, reverse mortgage pools, or fixed rate IOs. Fair values reflect the average of fair values at the beginning of each month during the quarter.
(2) Classification methodology may change over time as market practices change.
(3) Fair value shown in millions.
(4) "MHA" indicates those pools where underlying borrowers have participated in the Making Homes Affordable program.
(5) Excludes recent purchases of fixed rate Agency pools with no prepayment history.

Slide 22 – Repo Borrowings

(1) As of June 30, 2024 and March 31, 2024, we had no outstanding borrowings other than under repurchase agreements.

Endnotes

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Slide 23 – Interest Rate Sensitivity Analysis

(1) The table reflects the estimated effects on the value of our portfolio, both overall and by category, of hypothetical, immediate, 50 basis point downward and upward parallel shifts in interest rates, based on the market environment as of June 30, 2024. The preceding analysis does not include sensitivities to changes in interest rates for instruments which we believe that the effect of a change in interest rates is not material to the value of the overall portfolio and/or cannot be accurately estimated. In particular, this analysis excludes certain corporate securities and derivatives on corporate securities and reflects only sensitivity to U.S. interest rates. Furthermore, the fair value of each of the instruments comprising our portfolio is impacted by many other factors, each of which may or may not be correlated, or may only be loosely correlated, with interest rates. Depending on the nature of the instrument, these additional factors may include credit spreads, yield spreads, option-adjusted spreads, real estate prices, collateral adequacy, borrower creditworthiness, inflation, unemployment, general macroeconomic conditions, and other factors. Our analysis makes many simplifying assumptions as to the response of each of these additional factors affecting fair value to a hypothetical immediate shift in interest rates, including, for many if not most such additional factors, that such factor is unaffected by such shift in interest rates. Results are based on forward-looking models, which are inherently imperfect, and incorporate various simplifying assumptions. Therefore, the table is for illustrative purposes only and actual changes in interest rates would likely cause changes in the actual value of our portfolio that would differ from those presented, and such differences might be significant and adverse.

Slide 24 – Financial Derivatives as of June 30, 2024

(1) Notional amount represents the principal balance of the underlying Agency RMBS.
(2) Cost basis represents the forward price to be paid for the underlying Agency RMBS.
(3) Market value represents the current market value of the underlying Agency RMBS (on a forward delivery basis) as of June 30, 2024.
(4) Net carrying value represents the difference between the market value of the TBA contract as of June 30, 2024 and the cost basis, and is included in Financial derivatives-assets, at fair value and Financial derivatives-liabilities, at fair value on the Consolidated Balance Sheet.

Slide 26 – Consolidated Balance Sheet (Unaudited)

(1) Common shares issued and outstanding at June 30, 2024 includes 1,315,366 common shares issued during the second quarter under our at-the-market common share offering program

Slide 27 – Reconciliation of Adjusted Distributable Earnings to Net Income (Loss)

(1) We calculate Adjusted Distributable Earnings as net income (loss) adjusted for: (i) net realized and change in net unrealized gains and (losses) on securities, financial derivatives, and foreign currency transactions; (ii) net realized and change in net unrealized gains (losses) associated with periodic settlements on interest rate swaps; (iii) other income or loss items that are of a non-recurring nature, if any (iv) Catch-up Amortization Adjustment (as defined below); and (v) provision for income taxes. The Catch-up Amortization Adjustment is a quarterly adjustment to premium amortization or discount accretion triggered by changes in actual and projected prepayments on our Agency RMBS (accompanied by a corresponding offsetting adjustment to realized and unrealized gains and losses). The adjustment is calculated as of the beginning of each quarter based on our then-current assumptions about cashflows and prepayments, and can vary significantly from quarter to quarter. Adjusted Distributable Earnings is a supplemental non-GAAP financial measure. We believe that the presentation of Adjusted Distributable Earnings provides information useful to investors, because: (i) we believe that it is a useful indicator of both current and projected long-term financial performance, in that it excludes the impact of certain current-period earnings components that we believe are less useful in forecasting long-term performance and dividend-paying ability; (ii) we use it to evaluate the effective net yield provided by our portfolio, after the effects of financial leverage; and (iii), we believe that presenting Adjusted Distributable Earnings assists investors in measuring and evaluating our operating performance, and comparing our operating performance to that of our peers. Our calculation of Adjusted Distributable Earnings may differ from the calculation of similarly titled non-GAAP financial measures by our peers, with the result that these non-GAAP financial measures might not be directly comparable; adjusted Distributable Earnings excludes certain items, such as most realized and unrealized gains and losses, that may impact the amount of cash that is actually available for distribution. In addition, because Adjusted Distributable Earnings is an incomplete measure of our financial results and differs from net income (loss) computed in accordance with U.S. GAAP, it should be considered supplementary to, and not as a substitute for, net income (loss) computed in accordance with U.S. GAAP. The table above reconciles, for the three-month periods ended June 30, 2024 and March 31, 2024, our Adjusted Distributable Earnings to the line on our Consolidated Statement of Operations entitled Net Income (Loss), which we believe is the most directly comparable U.S. GAAP measure:
(2) For the three-month period ended June 30, 2024, includes $0.5 million of non-capitalized expenses incurred in connection with our strategic transformation.

Slide 28 – About Ellington Management Group

(1) $12.9 billion in assets under management includes approximately $0.6 billion in Ellington-managed CLOs. For these purposes, the Ellington-managed CLO figure represents the aggregate outstanding balance of CLO notes and market value of CLO equity, excluding any notes and equity held by other Ellington-managed funds and accounts.
(2) Does not include partners formerly employed by Ellington who may have residual capital balances but who no longer have voting rights in the partnership.
(3) Registration with the SEC does not imply that the firm or any of its principals or employees possess a particular level of skill or training in the investment advisory or any other business.

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