Ellington Financial LLC
Form 10-Q
August 09, 2018
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

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

For the quarterly period ended June 30, 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 x 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 x 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	x
Non-Accelerated Filer (Do not check if a smaller reporting company)	¨	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 x

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 August 3, 2018

Common Shares Representing Limited Liability Company Interests, no par value	30,151,721

ELLINGTON FINANCIAL LLC

INDEX

Table of Contents

PART I—FINANCIAL INFORMATION
Item 1. Consolidated Financial Statements (Unaudited)
ELLINGTON FINANCIAL LLC
CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES, AND EQUITY
(UNAUDITED)

	June 30, 2018	December 31, 2017
(In thousands except share amounts)	Expressed in U.S. Dollars	
ASSETS		
Cash and cash equivalents	$22,071	$ 47,233
Restricted cash	425	425
Investments, financial derivatives, and repurchase agreements:		
Investments, at fair value (Cost – $2,631,409 and $2,071,754)	2,625,471	2,071,707
Financial derivatives–assets, at fair value (Net cost – $24,510 and $31,474)	30,669	28,165
Repurchase agreements, at fair value (Cost – $214,346 and $155,109)	214,411	155,949
Total investments, financial derivatives, and repurchase agreements	2,870,551	2,255,821
Due from brokers	84,196	140,404
Receivable for securities sold and financial derivatives	637,965	476,000
Interest and principal receivable	32,469	29,688
Other assets	24,399	43,770
Total Assets	$3,672,076	$ 2,993,341
LIABILITIES		
Investments and financial derivatives:		
Investments sold short, at fair value (Proceeds – $880,825 and $640,202)	$882,146	$ 642,240
Financial derivatives–liabilities, at fair value (Net proceeds – $18,294 and $27,463)	25,675	36,273
Total investments and financial derivatives	907,821	678,513
Reverse repurchase agreements	1,421,506	1,209,315
Due to brokers	3,250	1,721
Payable for securities purchased and financial derivatives	431,024	202,703
Other secured borrowings (Proceeds – $95,630 and $57,909)	95,630	57,909
Other secured borrowings, at fair value (Proceeds – $102,298 and $125,105)	101,100	125,105
Senior notes, net	84,902	84,771
Accounts payable and accrued expenses	4,105	3,885
Base management fee payable to affiliate	2,021	2,113
Incentive fee payable	291	—
Interest and dividends payable	6,791	5,904
Other liabilities	360	441
Total Liabilities	3,058,801	2,372,380
EQUITY	613,275	620,961
TOTAL LIABILITIES AND EQUITY	$3,672,076	$ 2,993,341
Commitments and contingencies (Note 17)		
ANALYSIS OF EQUITY:		
Common shares, no par value, 100,000,000 shares authorized;		
(30,149,880 and 31,335,938 shares issued and outstanding)	$589,000	$ 589,722
Additional paid-in capital – Long term incentive plan units	10,567	10,377
Total Shareholders' Equity	599,567	600,099
Non-controlling interests	13,708	20,862
Total Equity	$613,275	$ 620,961

PER SHARE INFORMATION:		
Common shares	$ 19.89	$ 19.15

See Notes to Consolidated Financial Statements

Table of Contents

ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018
(UNAUDITED)

Current Principal/Number of Shares	Description	Rate	Maturity	Fair Value
(In thousands)				Expressed in U.S. Dollars
Cash Equivalents—Money Market Funds (1.11%) (a) (b)				
North America				
Funds				
$6,833	Various	1.80% - 1.81%		$ 6,833
Total Cash Equivalents—Money Market Funds (Cost $6,833)				$ 6,833
Long Investments (428.11%) (a) (b) (ad)				
Mortgage-Backed Securities (256.80%)				
Agency Securities (206.36%) (c)				
Fixed Rate Agency Securities (192.85%)				
Principal and Interest - Fixed Rate Agency Securities (139.11%)				
North America				
Mortgage-related—Residential				
$129,679	Federal National Mortgage Association Pools (30 Year)	4.00%	9/39 - 3/48	$133,114
111,971	Federal Home Loan Mortgage Corporation Pools (30 Year)	4.00%	11/41 - 7/48	114,913
85,957	Federal National Mortgage Association Pools (30 Year)	3.50%	9/42 - 2/48	85,942
73,728	Federal Home Loan Mortgage Corporation Pools (30 Year)	4.50%	9/43 - 5/48	77,234
70,076	Federal National Mortgage Association Pools (30 Year)	4.50%	10/41 - 6/48	73,524
52,004	Government National Mortgage Association Pools (30 Year)	4.00%	7/45 - 5/48	53,331
47,147	Federal National Mortgage Association Pools (15 Year)	3.50%	3/28 - 3/32	47,772
40,956	Government National Mortgage Association Pools (30 Year)	3.50%	12/42 - 2/48	41,041
34,242	Federal National Mortgage Association Pools (30 Year)	5.00%	10/35 - 5/48	36,520
32,197	Government National Mortgage Association Pools (30 Year)	5.00%	2/48 - 6/48	34,018
27,559	Federal Home Loan Mortgage Corporation Pools (30 Year)	3.50%	1/42 - 3/48	27,560
21,710	Government National Mortgage Association Pools (30 Year)	4.50%	9/46 - 4/48	22,714
14,735	Government National Mortgage Association Pools (30 Year)	5.50%	4/48 - 6/48	15,739
11,624	Federal National Mortgage Association Pools (15 Year)	3.00%	4/30 - 9/32	11,570
8,869	Federal Home Loan Mortgage Corporation Pools (15 Year)	3.50%	9/28 - 12/32	8,983
8,198	Federal Home Loan Mortgage Corporation Pools (Other)	3.50%	2/30 - 9/46	8,205
6,541	Federal National Mortgage Association Pools (15 Year)	4.00%	6/26 - 5/31	6,729
5,070	Federal National Mortgage Association Pools (30 Year)	5.50%	10/39 - 6/48	5,460
5,086	Federal Home Loan Mortgage Corporation Pools (30 Year)	5.00%	7/44 - 4/48	5,395
5,062	Federal National Mortgage Association Pools (Other)	5.00%	9/43 - 1/44	5,365
4,926	Federal National Mortgage Association Pools (Other)	4.00%	6/37 - 12/47	5,013
3,542	Federal Home Loan Mortgage Corporation Pools (30 Year)	3.00%	7/43 - 1/47	3,448

2,666	Government National Mortgage Association Pools (30 Year)	3.75%	7/47	2,688
2,538	Federal Home Loan Mortgage Corporation Pools (Other)	4.50%	5/44	2,648
2,703	Federal National Mortgage Association Pools (30 Year)	3.00%	1/42 - 6/45	2,639
2,465	Federal National Mortgage Association Pools (15 Year)	4.50%	4/26	2,564
2,479	Federal National Mortgage Association Pools (Other)	4.50%	5/41	2,561
2,436	Federal Home Loan Mortgage Corporation Pools (15 Year)	3.00%	4/30	2,424
1,774	Federal Home Loan Mortgage Corporation Pools (30 Year)	5.50%	8/33 - 5/48	1,915
1,594	Federal National Mortgage Association Pools (20 Year)	4.00%	12/33	1,648
1,236	Government National Mortgage Association Pools (30 Year)	6.00%	5/48	1,337

See Notes to Consolidated Financial Statements

Table of Contents

ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018 (CONTINUED)
(UNAUDITED)

Current Principal/Notional Value	Description	Rate	Maturity	Fair Value
(In thousands)				Expressed in U.S. Dollars
(continued)				
$1,234	Federal Home Loan Mortgage Corporation Pools (15 Year)	4.00%	2/29	$ 1,267
1,147	Federal National Mortgage Association Pools (30 Year)	6.00%	9/39 - 2/40	1,257
1,099	Federal Home Loan Mortgage Corporation Pools (Other)	3.00%	6/28 - 3/30	1,091
1,000	Federal Home Loan Mortgage Corporation Pools (20 Year)	4.50%	12/33	1,053
856	Federal Home Loan Mortgage Corporation Pools (30 Year)	6.00%	5/40	937
885	Federal National Mortgage Association Pools (Other)	3.00%	10/46	853
722	Government National Mortgage Association Pools (30 Year)	3.00%	11/42	707
626	Government National Mortgage Association Pools (Other)	3.50%	10/30 - 2/32	616
650	Government National Mortgage Association Pools (30 Year)	2.49%	10/43	610
461	Federal National Mortgage Association Pools (Other)	3.50%	4/26	467
145	Government National Mortgage Association Pools (Other)	3.00%	6/30	141
110	Federal National Mortgage Association Pools (30 Year)	3.28%	6/42	107
				853,120
Interest Only - Fixed Rate Agency Securities (2.05%)				
North America				
Mortgage-related—Residential				
19,686	Government National Mortgage Association	4.00%	2/45 - 6/45	3,498
12,358	Federal National Mortgage Association	4.50%	12/20 - 6/44	1,512
5,270	Government National Mortgage Association	6.00%	6/38 - 8/39	1,093
7,183	Government National Mortgage Association	4.50%	6/39 - 7/44	966
3,745	Federal National Mortgage Association	5.50%	10/39	831
4,078	Government National Mortgage Association	5.50%	11/43	719
3,896	Federal National Mortgage Association	4.00%	5/39 - 11/43	613
3,984	Federal Home Loan Mortgage Corporation	3.50%	12/32	591
6,137	Federal Home Loan Mortgage Corporation	5.00%	11/38	528
3,254	Federal National Mortgage Association	5.00%	1/38 - 5/40	509
4,441	Federal Home Loan Mortgage Corporation	5.50%	1/39 - 9/39	439
1,801	Federal National Mortgage Association	6.00%	1/40	318
1,527	Federal Home Loan Mortgage Corporation	4.50%	7/43	283
3,909	Government National Mortgage Association	5.00%	5/37 - 5/41	261
2,488	Federal National Mortgage Association	3.00%	9/41	237
930	Government National Mortgage Association	4.75%	7/40	183
				12,581
TBA - Fixed Rate Agency Securities (51.69%)				
North America				
Mortgage-related—Residential				
93,642	Government National Mortgage Association (30 Year)	5.00%	8/18	98,156
91,953	Federal National Mortgage Association (30 Year)	4.00%	7/18	93,756
39,213	Government National Mortgage Association (30 Year)	5.00%	7/18	41,161
21,540	Federal Home Loan Mortgage Corporation (30 Year)	3.50%	7/18	21,425

18,609	Government National Mortgage Association (30 Year)	4.50%	7/18	19,343
17,600	Federal National Mortgage Association (30 Year)	4.50%	8/18	18,297

See Notes to Consolidated Financial Statements

Table of Contents

ELLINGTON FINANCIAL LLC

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS

AT JUNE 30, 2018 (CONTINUED)

(UNAUDITED)

Current Principal/Notional Value	Description	Rate	Maturity	Fair Value
(In thousands)				Expressed in U.S. Dollars
(continued)				
$8,675	Government National Mortgage Association (30 Year)	5.50%	7/18	$ 9,165
8,240	Government National Mortgage Association (30 Year)	4.00%	7/18	8,445
4,825	Government National Mortgage Association (30 Year)	3.00%	7/18	4,724
1,660	Federal Home Loan Mortgage Corporation (15 Year)	3.00%	7/18	1,648
890	Government National Mortgage Association (30 Year)	3.50%	7/18	893
				317,013
Total Fixed Rate Agency Securities (Cost $1,203,700)				1,182,714
Floating Rate Agency Securities (13.51%)				
Principal and Interest - Floating Rate Agency Securities (10.20%)				
North America				
Mortgage-related—Residential				
53,399	Government National Mortgage Association Pools	4.41% - 4.68%	7/61 - 12/67	56,371
4,132	Federal National Mortgage Association Pools	2.70% - 4.69%	9/35 - 5/45	4,283
1,835	Federal Home Loan Mortgage Corporation Pools	3.49% - 4.33%	6/37 - 5/44	1,872
				62,526
Interest Only - Floating Rate Agency Securities (3.31%)				
North America				
Mortgage-related—Residential				
283,640	Other Government National Mortgage Association	0.36% - 4.71%	3/37 - 10/66	13,246
56,713	Other Federal National Mortgage Association	1.12% - 5.50%	6/33 - 12/41	4,782
22,991	Other Federal Home Loan Mortgage Corporation	3.93% - 4.58%	3/36 - 1/44	2,109
7,818	Resecuritization of Government National Mortgage Association (d)	2.60%	8/60	181
				20,318
Total Floating Rate Agency Securities (Cost $85,730)				82,844
Total Agency Securities (Cost $1,289,430)				1,265,558
Private Label Securities (50.44%)				
Principal and Interest - Private Label Securities (49.17%)				
North America (27.06%)				
Mortgage-related—Residential				
208,679	Various	0.00% - 27.05%	5/19 - 3/47	152,506
Mortgage-related—Commercial				
42,805	Various	2.80% - 4.25%	8/46 - 5/61	13,469
Total North America (Cost $155,765)				165,975
Europe (22.11%)				
Mortgage-related—Residential				
145,103	Various	0.00% - 5.50%	6/25 - 12/50	119,269
Mortgage-related—Commercial				
26,027	Various	0.37% - 4.04%	10/20 - 8/45	16,309

Total Europe (Cost $133,727)	135,578
Total Principal and Interest - Private Label Securities (Cost $289,492)	301,553

See Notes to Consolidated Financial Statements

Table of Contents

ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018 (CONTINUED)
(UNAUDITED)

Current Principal/Notional Value	Description	Rate	Maturity	Fair Value
(In thousands)				Expressed in U.S. Dollars
Interest Only - Private Label Securities (1.27%)				
North America				
Mortgage-related—Residential				
$33,472	Various	0.00% - 2.00%	12/30 - 9/47	$ 4,328
Mortgage-related—Commercial				
43,707	Various	1.25% - 2.00%	3/49 - 5/61	3,458
Total Interest Only - Private Label Securities (Cost $5,694)				7,786
Other Private Label Securities (0.00%)				
North America				
Mortgage-related—Residential				
70,577	Various	—%	6/37	—
Mortgage-related—Commercial				
—	Various	—%	7/45 - 5/61	—
Total Other Private Label Securities (Cost $191)				—
Total Private Label Securities (Cost $295,377)				309,339
Total Mortgage-Backed Securities (Cost $1,584,807)				1,574,897
Collateralized Loan Obligations (34.29%)				
North America (32.00%) (e)				
335,854	Various	0.00% - 10.04%	7/18 - 11/57	196,254
Total North America (Cost $201,637)				196,254
Europe (2.29%)				
14,663	Various	4.47% - 7.95%	4/24 - 1/27	14,067
Total Europe (Cost $14,194)				14,067

Total Collateralized Loan Obligations (Cost $215,831)				210,321
Consumer Loans and Asset-backed Securities backed by Consumer Loans (32.49%) (f)				
North America (31.07%)				
Consumer (g) (h)				
207,154	Various	5.31% - 76.50%	7/18 - 6/23	190,531
Total North America (Cost $194,898)				190,531
Europe (1.42%)				
Consumer				
3,608	Various	—%	8/24 - 12/30	8,723
Total Europe (Cost $899)				8,723
Total Consumer Loans and Asset-backed Securities backed by Consumer Loans (Cost $195,797)				199,254

See Notes to Consolidated Financial Statements

7

ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018 (CONTINUED)
(UNAUDITED)

Current Principal/Number of Properties		Rate	Maturity	Fair Value
(In thousands)				Expressed in U.S. Dollars
Corporate Debt (13.23%)				
North America (11.28%)				
Basic Materials				
$3,770	Various	3.55% - 7.63%	10/21 - 3/26	$ 3,775
Communications				
14,216	Various	4.13% - 12.29%	4/20 - 3/27	14,618
Consumer				
26,786	Various	2.60% - 10.86%	1/19 - 12/34	26,750
Energy				
3,975	Various	4.63% - 7.88%	9/21 - 8/25	3,985
Financial				
355	Various	5.00%	8/22	359
Industrial				
13,715	Various	3.25% - 5.88%	6/20 - 1/28	13,440
Technology				
6,770	Various	3.63% - 4.38%	9/20 - 5/22	6,275
Total North America (Cost $65,053)				69,202
Europe (1.95%)				
Consumer				
20,636	Various	—%	9/18	52
Financial				
12,344	Various	0.00% - 16.00%	10/20 - 11/22	11,884
Total Europe (Cost $13,081)				11,936
Total Corporate Debt (Cost $78,134)				81,138
Secured Notes (1.82%) (n)				
North America				
Mortgage-related—Residential				
17,945	Various	5.00%	11/57	11,126
Total Secured Notes (Cost $11,361)				11,126
Mortgage Loans (64.97%) (f)				
North America				
Mortgage-related—Commercial (j)				
105,453	Various	3.73% - 13.50%	8/18 - 10/37	104,951
Mortgage-related—Residential (k) (m)				
293,774	Various	2.00% - 15.00%	7/18 - 6/58	293,472

Total Mortgage Loans (Cost $396,155)		398,423
Real Estate Owned (5.60%) (f) (l)		
North America		
Real estate-related		
5	Single-Family Houses	894
18	Commercial Properties	33,445
Total Real Estate Owned (Cost $33,593)		34,339

See Notes to Consolidated Financial Statements

8

Table of Contents
ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018 (CONTINUED)
(UNAUDITED)

Current Principal/Number of Shares (In thousands)		Rate	Maturity	Fair Value Expressed in U.S. Dollars
Corporate Equity Investments (7.42%)				
North America (7.42%)				
Asset-Backed Securities				
n/a	Non-Controlling Equity Interest in Limited Liability Company (i)			$ 5,284
Communications				
7	Non-Exchange Traded Corporate Equity			174
Consumer				
n/a	Non-Controlling Equity Interest in Limited Liability Company (i)			6,053
23	Exchange Traded Equity			54
1,540	Non-Exchange Traded Corporate Equity			5
Diversified				
144	Non-Exchange Traded Corporate Equity			1,275
Financial				
61	Exchange Traded Equity			683
Mortgage-related—Commercial (n)				
n/a	Non-Controlling Equity Interest in Limited Liability Company			1,150
Mortgage-related—Residential (n)				
23	Non-Exchange Traded Preferred Equity Investment in Mortgage Originators			28,009
9,818	Non-Exchange Traded Common Equity Investment in Mortgage Originators			2,814
Total North America (Cost $45,260)				45,501
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 $45,264)				45,505
U.S. Treasury Securities (11.49%)				
North America				
Government				
$68,175	U.S. Treasury Note	2.63%	6/23	67,842
1,995	U.S. Treasury Note	2.25%	11/27	1,895
448	U.S. Treasury Note	2.63%	3/25	443
292	U.S. Treasury Note	2.00%	1/21	288
Total U.S. Treasury Securities (Cost $70,467)				70,468
Total Long Investments (Cost $2,631,409)				$ 2,625,471

See Notes to Consolidated Financial Statements

Table of Contents
ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018 (CONTINUED)
(UNAUDITED)

Current Principal (In thousands)	Description	Rate	Maturity	Fair Value Expressed in U.S. Dollars
Repurchase Agreements (34.96%) (a) (b) (o)				
$112,808	JP Morgan Securities LLC Collateralized by Par Value $111,830 U.S. Treasury Note, Coupon 2.75% Maturity Date 5/23	2.08%	7/18	$ 112,808
15,396	JP Morgan Securities LLC Collateralized by Par Value $15,300 U.S. Treasury Note, Coupon 2.63% Maturity Date 6/21	2.15%	7/18	15,396
13,847	JP Morgan Securities LLC Collateralized by Par Value $13,607 U.S. Treasury Note, Coupon 2.88% Maturity Date 5/28	1.92%	7/18	13,847
13,239	JP Morgan Securities LLC Collateralized by Par Value $13,025 U.S. Treasury Note, Coupon 2.88% Maturity Date 5/28	1.98%	7/18	13,239
10,595	JP Morgan Securities LLC Collateralized by Par Value $10,158 Sovereign Government Bond, Coupon 0.75% Maturity Date 7/21	(0.55)%	12/18	10,595
10,264	Bank of America Securities Collateralized by Par Value $10,200 U.S. Treasury Note, Coupon 2.88% Maturity Date 5/25	2.10%	7/18	10,264
9,587	JP Morgan Securities LLC Collateralized by Par Value $9,212 Sovereign Government Bond, Coupon 2.75% Maturity Date 4/19	(0.55)%	12/18	9,587
5,667	CILO 2016-LD1 Holdings LLC (p) Collateralized by Par Value $9,511 Exchange-Traded Debt, Coupon 5.50%, Maturity Date 7/22	3.92%	9/18	5,667
3,098	Bank of America Securities Collateralized by Par Value $3,094 U.S. Treasury Note, Coupon 2.75% Maturity Date 2/28	2.15%	7/18	3,098
2,834	CS First Boston Collateralized by Par Value $2,845 Exchange-Traded Corporate Debt, Coupon 8.00%, Maturity Date 6/27	(2.00)%	7/18	2,834
2,703	Barclays Capital Inc	0.25%	7/18	2,703

Collateralized by Par Value $2,495
Exchange-Traded Corporate Debt, Coupon 5.63%
Maturity Date 10/23

See Notes to Consolidated Financial Statements

Table of Contents
ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018 (CONTINUED)
(UNAUDITED)

Current Principal (In thousands) (continued)	Description	Rate	Maturity	Fair Value Expressed in U.S. Dollars
$2,111	Bank of America Securities Collateralized by Par Value $2,101 U.S. Treasury Note, Coupon 2.75% Maturity Date 4/23	2.10%	7/18	$ 2,111
2,029	Societe Generale Collateralized by Par Value $1,850 Exchange-Traded Corporate Debt, Coupon 7.50% Maturity Date 4/24	(1.15)%	7/18	2,029
2,020	RBC Capital Markets LLC Collateralized by Par Value $1,985 Exchange-Traded Corporate Debt, Coupon 5.13% Maturity Date 11/23	1.35%	7/18	2,020
1,067	Barclays Capital Inc Collateralized by Par Value $1,045 Exchange-Traded Corporate Debt, Coupon 5.88% Maturity Date 10/20	(2.00)%	7/18	1,067
1,066	Bank of America Securities Collateralized by Par Value $1,050 U.S. Treasury Bond, Coupon 3.00% Maturity Date 2/48	1.75%	7/18	1,066
968	Bank of America Securities Collateralized by Par Value $968 U.S. Treasury Note, Coupon 1.88% Maturity Date 12/19	2.15%	7/18	968
773	RBC Capital Markets LLC Collateralized by Par Value $745 Exchange-Traded Corporate Debt, Coupon 5.13% Maturity Date 9/24	1.45%	7/18	773
615	Barclays Capital Inc Collateralized by Par Value $710 Exchange-Traded Corporate Debt, Coupon 4.50% Maturity Date 4/22	(2.00)%	7/18	615
542	RBC Capital Markets LLC Collateralized by Par Value $545 Exchange-Traded Corporate Debt, Coupon 8.25% Maturity Date 6/23	1.15%	7/18	542
519	RBC Capital Markets LLC Collateralized by Par Value $500 Exchange-Traded Corporate Debt, Coupon 5.75% Maturity Date 10/22	1.55%	7/18	519
503	RBC Capital Markets LLC	(0.50)%	7/18	503

Collateralized by Par Value $545
Exchange-Traded Corporate Debt, Coupon 10.50%
Maturity Date 9/22

See Notes to Consolidated Financial Statements

Table of Contents

ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018 (CONTINUED)
(UNAUDITED)

Current Principal (In thousands) (continued)	Description	Rate	Maturity	Fair Value Expressed in U.S. Dollars
$461	RBC Capital Markets LLC Collateralized by Par Value $470 Exchange-Traded Corporate Debt, Coupon 4.50% Maturity Date 4/24	1.55%	7/18	$ 461
451	Bank of America Securities Collateralized by Par Value $448 U.S. Treasury Note, Coupon 2.75% Maturity Date 2/25	2.15%	7/18	451
265	Bank of America Securities Collateralized by Par Value $275 U.S. Treasury Bond, Coupon 2.75% Maturity Date 8/47	2.15%	7/18	265
262	RBC Capital Markets LLC Collateralized by Par Value $250 Exchange-Traded Corporate Debt, Coupon 8.00% Maturity Date 6/27	(2.38)%	7/18	262
243	Barclays Capital Inc Collateralized by Par Value $250 Exchange-Traded Corporate Debt, Coupon 4.50% Maturity Date 4/22	(1.75)%	7/18	243
242	RBC Capital Markets LLC Collateralized by Par Value $230 Exchange-Traded Corporate Debt, Coupon 8.00% Maturity Date 6/27	(2.00)%	7/18	242
236	RBC Capital Markets LLC Collateralized by Par Value $255 Exchange-Traded Corporate Debt, Coupon 4.70% Maturity Date 4/23	1.55%	7/18	236
Total Repurchase Agreements (Cost $214,346)				$ 214,411

See Notes to Consolidated Financial Statements

Table of Contents
ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018 (CONTINUED)
(UNAUDITED)

Current Principal (In thousands)	Description	Rate	Maturity	Fair Value Expressed in U.S. Dollars
Investments Sold Short (-143.84%) (a) (b)				
TBA - Fixed Rate Agency Securities Sold Short (-100.88%) (q)				
North America				
Mortgage-related—Residential				
$(134,610)	Government National Mortgage Association (30 year)	3.50%	7/18	$ (135,083)
(92,000)	Federal Home Loan Mortgage Corporation (30 year)	4.00%	8/18	(93,642)
(82,133)	Government National Mortgage Association (30 year)	4.00%	7/18	(84,167)
(63,000)	Federal National Mortgage Association (30 year)	3.50%	8/18	(62,626)
(48,930)	Federal National Mortgage Association (30 year)	5.00%	7/18	(51,839)
(42,801)	Federal Home Loan Mortgage Corporation (30 year)	4.50%	8/18	(44,475)
(38,520)	Federal National Mortgage Association (15 year)	3.50%	7/18	(38,976)
(25,490)	Federal National Mortgage Association (15 year)	3.00%	7/18	(25,339)
(20,402)	Federal National Mortgage Association (30 year)	3.50%	7/18	(20,305)
(13,970)	Federal National Mortgage Association (30 year)	5.00%	8/18	(14,773)
(13,112)	Federal National Mortgage Association (30 year)	3.00%	8/18	(12,687)
(11,110)	Federal National Mortgage Association (30 year)	4.50%	7/18	(11,569)
(9,297)	Federal Home Loan Mortgage Corporation (30 year)	4.00%	7/18	(9,477)
(6,860)	Federal National Mortgage Association (30 year)	5.50%	8/18	(7,348)
(5,515)	Federal Home Loan Mortgage Corporation (30 year)	3.00%	8/18	(5,332)
(1,050)	Government National Mortgage Association (30 year)	3.00%	7/18	(1,027)
Total TBA - Fixed Rate Agency Securities Sold Short (Proceeds -$616,872)				(618,665)
Government Debt Sold Short (-29.20%)				
North America (-25.96%)				
Government				
(111,830)	U.S. Treasury Note	2.75%	5/23	(111,975)
(15,300)	U.S. Treasury Note	2.63%	6/21	(15,303)
(13,321)	U.S. Treasury Note	2.88%	5/28	(13,349)
(10,200)	U.S. Treasury Note	2.88%	5/25	(10,242)
(3,094)	U.S. Treasury Note	2.75%	2/28	(3,067)
(2,561)	U.S. Treasury Note	2.75%	4/23	(2,563)
(1,050)	U.S. Treasury Bond	3.00%	2/48	(1,053)
(968)	U.S. Treasury Note	1.88%	12/19	(960)
(448)	U.S. Treasury Note	2.75%	2/25	(446)
(275)	U.S. Treasury Bond	2.75%	8/47	(262)
Total North America (Proceeds -$159,005)				(159,220)
Europe (-3.24%)				
Government				
(19,370)	European Sovereign Bond	0.75% - 2.75%	4/19 - 7/21	(19,866)
Total Europe (Proceeds -$19,668)				(19,866)
Total Government Debt Sold Short (Proceeds -$178,673)				(179,086)

See Notes to Consolidated Financial Statements

Table of Contents
ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018 (CONTINUED)
(UNAUDITED)

Current Principal/Number of Shares	Description	Rate	Maturity	Fair Value
(In thousands)				Expressed in U.S. Dollars
Common Stock Sold Short (-5.49%)				
North America				
Financial				
(774)	Exchange Traded Equity			$ (33,684)
Total Common Stock Sold Short (Proceeds -$34,786)				(33,684)
Corporate Debt Sold Short (-8.27%)				
North America				
Basic Materials				
$(2,695)	Various	3.45%	6/27	(2,551)
Communications				
(15,485)	Various	3.40% -10.50%	9/22 - 5/25	(14,359)
Consumer				
(15,467)	Various	4.35% - 5.88%	10/20 - 2/28	(15,396)
Energy				
(9,125)	Various	4.50% - 8.25%	4/22 - 6/27	(8,882)
Financial				
(2,345)	Various	3.75% - 5.13%	9/24 - 3/26	(2,381)
Industrial				
(5,955)	Various	3.55% - 5.90%	10/24 - 2/27	(5,908)
Technology				
(255)	Various	4.70%	4/23	(230)
Utilities				
(940)	Various	7.25%	5/26	(1,004)
Total Corporate Debt Sold Short (Proceeds -$50,494)				(50,711)
Total Investments Sold Short (Proceeds -$880,825)				$ (882,146)

See Notes to Consolidated Financial Statements
14

Table of Contents
ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018 (CONTINUED)
(UNAUDITED)

(In thousands)	Primary Risk Exposure	Notional Value	Range of Expiration Dates	Fair Value Expressed in U.S.Dollars
Financial Derivatives–Assets (5.00%) (a) (b)				
Swaps (4.88%)				
Long Swaps:				
Credit Default Swaps on Corporate Bond Indices (r)	Credit	$ 39,184	6/19 - 12/22	$ 816
Credit Default Swaps on Asset-Backed Indices (r)	Credit	980	12/37 - 11/59	8
Interest Rate Swaps (s)	Interest Rates	4,375	1/24 - 3/24	59
North America				
Credit Default Swaps on Corporate Bonds (r)				
Basic Materials	Credit	7,868	12/22 - 6/23	428
Communications	Credit	9,730	12/20 - 6/23	244
Consumer	Credit	19,565	6/22 - 6/23	2,858
Energy	Credit	9,642	12/18 - 12/22	304
Financial	Credit	2,495	6/23	331
Industrial	Credit	1,410	6/23	39
Utilities	Credit	1,175	6/23	169
Total Credit Default Swaps on Corporate Bonds				4,373
Short Swaps:				
Credit Default Swaps on Asset-Backed Indices (t)	Credit	(19,651)	5/46 - 11/59	3,712
Interest Rate Swaps (u)	Interest Rates	(570,809)	7/18 - 12/45	15,711
North America				
Credit Default Swaps on Asset-Backed Securities (t)				
Mortgage-related—Residential	Credit	(5,396)	5/35 - 12/35	2,591
Credit Default Swaps on Corporate Bonds (t)				
Basic Materials	Credit	(695)	3/22	5
Communications	Credit	(20,395)	12/18 - 12/22	1,550
Consumer	Credit	(10,165)	12/18 - 6/23	168
Energy	Credit	(8,563)	12/18 - 12/22	353
Industrial	Credit	(585)	6/23	27
Technology	Credit	(7,000)	6/20 - 12/22	553
Total Credit Default Swaps on Corporate Bonds				2,656
Total Return Swaps (v)				
Financial	Credit	(8,018)	7/19	—
Total Total Return Swaps				—
Total Swaps (Net cost $24,507)				29,926
Options (0.00%)				
Purchased Options:				
Interest Rate Caps (x)	Interest Rates	90,253	10/18 - 5/19	—
Total Options (Cost $3)				—

See Notes to Consolidated Financial Statements

Table of Contents
ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018 (CONTINUED)
(UNAUDITED)

(In thousands)	Primary Risk Exposure	Notional Value	Range of Expiration Dates	Fair Value Expressed in U.S.Dollars
Futures (0.11%)				
Short Futures:				
U.S. Treasury Note Futures (y)	Interest Rates	$ (95,900)	9/18	$ 634
Currency Futures (z)	Currency	(8,250)	9/18	40
Total Futures				674
Forwards (0.01%)				
Short Forwards:				
Currency Forwards (ab)	Currency	(13,375)	9/18	69
Total Forwards				69
Total Financial Derivatives–Assets (Net cost $24,510)				$ 30,669
Financial Derivatives–Liabilities (-4.19%) (a) (b)				
Swaps (-4.15%)				
Long Swaps:				
Credit Default Swaps on Asset-Backed Indices (r)	Credit	$ 6,607	3/49 - 11/60	$ (963)
Interest Rate Swaps (s)	Interest Rates	293,281	11/18 - 10/24	(6,473)
North America				
Credit Default Swaps on Corporate Bonds (r)				
Communications	Credit	23,453	6/21 - 6/23	(2,474)
Consumer	Credit	8,331	3/20 - 6/23	(346)
Energy	Credit	9,882	6/20 - 6/23	(1,340)
Industrial	Credit	6,640	6/23	(306)
Technology	Credit	980	12/22 - 6/23	(110)
Total Credit Default Swaps on Corporate Bonds				(4,576)
Total Return Swaps (v)				
Communications	Credit	59	7/19	—
Total Total Return Swaps				—
Recovery Swaps (w)				
Consumer	Credit	2,600	6/19	(8)
Total Recovery Swaps				(8)

See Notes to Consolidated Financial Statements
16

Table of Contents
ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018 (CONTINUED)
(UNAUDITED)

	Primary Risk Exposure	Notional Value		Range of Expiration Dates	Fair Value	
(In thousands)					Expressed in U.S.Dollars	
Short Swaps:						
Interest Rate Swaps (u)	Interest Rates	$ (30,000	)	5/20 - 6/20	$ (15	)
Interest Rate Basis Swaps (aa)	Interest Rates	(12,900	)	6/19	(2	)
Credit Default Swaps on Corporate Bond Indices (t)	Credit	(216,162	)	6/19 - 6/23	(7,234	)
Total Return Swaps (ac)	Credit	(56,140	)	12/18	(314	)
North America						
Credit Default Swaps on Corporate Bonds (t)						
Basic Materials	Credit	(12,660	)	6/19 - 12/22	(933	)
Communications	Credit	(22,920	)	12/18 - 6/23	(907	)
Consumer	Credit	(57,110	)	12/18 - 6/23	(3,426	)
Energy	Credit	(15,402	)	12/18 - 6/23	(315	)
Financial	Credit	(355	)	9/22	(54	)
Industrial	Credit	(16,180	)	6/21 - 6/23	(180	)
Technology	Credit	(3,655	)	3/19 - 12/19	(10	)
Utilities	Credit	(1,100	)	6/19	(52	)
Total Credit Default Swaps on Corporate Bonds					(5,877	)
Total Swaps (Net proceeds -$18,294)					(25,462	)
Futures (-0.03%)						
Short Futures:						
Currency Futures (z)	Currency	(29,875	)	9/18	(155	)
Total Futures					(155	)
Forwards (-0.01%)						
Short Forwards:						
Currency Forwards (ab)	Currency	(12,120	)	9/18	(58	)
Total Forwards					(58	)
Total Financial Derivatives–Liabilities (Net proceeds -$18,294)					$ (25,675	)

See Notes to Consolidated Financial Statements

Table of Contents

ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018 (CONTINUED)
(UNAUDITED)

(a) See Note 2 and Note 3 in Notes to Consolidated Financial Statements.

(b) Classification percentages are based on Total Equity.

(c) At June 30, 2018, the Company's long investments guaranteed by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Government National Mortgage Association, represented 89.40%, 46.63%, and 70.33% 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 $57.5 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.

(g) 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 cash flows, net of servicing-related fees and expenses. At June 30, 2018 loans for which the Company has beneficial interests in the net cash flows, totaled $18.2 million. See Note 9 to the Notes to Consolidated Financial Statements.

(h) 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 flows of the underlying loans held by the trust. At June 30, 2018 loans held in the related party trust for which the Company has participating interests in the cash flows, totaled $168.5 million. See Note 9 to the Notes to Consolidated Financial Statements.

(i) Represents the Company's beneficial interest in an entity, which is co-owned by an affiliate of Ellington 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 $6.8 million whereby principal and/or interest is past due and a maturity date is not applicable.

(k) As of June 30, 2018, the Company had residential mortgage loans that were in the process of foreclosure with a fair value of $7.5 million.

(l) Number of properties not shown in thousands, represents actual number of properties owned.

(m) Includes $107.9 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.

(p) 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 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.

(q) At June 30, 2018, the Company's short investments guaranteed by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Government National Mortgage Association, represented 40.02%, 24.94%, and 35.92% 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.

(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 June 30, 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 June 30, 2018, 371 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.

See Notes to Consolidated Financial Statements

Table of Contents
ELLINGTON FINANCIAL LLC
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS
AT JUNE 30, 2018 (CONCLUDED)
(UNAUDITED)

(ad) 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. 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	206.36 %
Aaa/AAA/AAA	11.52 %
Aa/AA/AA	0.85 %
A/A/A	1.04 %
Baa/BBB/BBB	4.71 %
Ba/BB/BB or below	67.62 %
Unrated	136.01 %

See Notes to Consolidated Financial Statements
19

Table of Contents

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)				$ 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

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

See Notes to Consolidated Financial Statements
20

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

Current Principal/Notional Value	Description	Rate	Maturity	Fair Value
(In thousands)				Expressed in U.S. Dollars
(continued)				
$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

See Notes to Consolidated Financial Statements

Table of Contents

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

Current Principal /Notional Value (In thousands)	Description	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				

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

See Notes to Consolidated Financial Statements

22

Table of Contents

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

Current Principal /Notional Value	Description	Rate	Maturity	Fair Value
(In thousands)				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)				

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

See Notes to Consolidated Financial Statements

23

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

Current Principal/Number of Properties	Description	Rate	Maturity	Fair Value
(In thousands)				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

See Notes to Consolidated Financial Statements

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

Number of Shares (In thousands)	Description	Rate	Maturity	Fair Value
				Expressed in U.S. Dollars
Corporate Equity Investments (6.03%)				