EARN

ELLINGTON RESIDENTIAL MORTGAGE REIT

March 7, 2024

Earnings Conference Call

Q4 2023

Important Notice

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Forward-Looking Statements

This presentation contains 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 the Company's 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 Company's results can fluctuate from month to month and from quarter to quarter depending on a variety of factors, some of which are beyond the Company's control and/or are difficult to predict, including, without limitation, changes in interest rates and the market value of the Company's securities, changes in mortgage default rates and prepayment rates, the Company's ability to borrow to finance its assets, changes in government regulations affecting the Company's business, the Company's ability to maintain its exclusion from registration under the Investment Company Act of 1940 and other changes in market conditions and economic trends including changes to fiscal or monetary policy, heightened inflation, slower growth or recession, and currency fluctuations. Furthermore, 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 (www.earnreit.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 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. The Company undertakes 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

Projected yields and spreads discussed herein are based upon Ellington models and rely on a number of assumptions, including as to prepayment, default and interest rates and changes in home prices. 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 December 31, 2023 unless otherwise indicated. We undertake no duty or obligation to update this presentation to reflect subsequent events or developments.

Fourth Quarter Market Update

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Quarter Ended	12/31/2023	Q4/Q3	9/30/2023	Q3/Q2	6/30/2023	Q2/Q1	3/31/2023	12/31/2022
UST (%)[1]								
3M UST	5.33	-0.11	5.45	+0.16	5.28	+0.59	4.69	4.34
2Y UST	4.25	-0.79	5.04	+0.15	4.90	+0.87	4.03	4.43
5Y UST	3.85	-0.76	4.61	+0.45	4.16	+0.58	3.57	4.00
10Y UST	3.88	-0.69	4.57	+0.73	3.84	+0.37	3.47	3.87
30Y UST	4.03	-0.67	4.70	+0.84	3.86	+0.21	3.65	3.96
3M10Y Spread	-1.45	-0.58	-0.87	+0.57	-1.45	-0.22	-1.23	-0.47
2Y10Y Spread	-0.37	+0.10	-0.47	+0.59	-1.06	-0.50	-0.56	-0.55
US Dollar Swaps (%)[1]								
2Y SWAP	4.07	-0.90	4.97	-0.13	5.09	+0.74	4.36	4.71
5Y SWAP	3.53	-0.85	4.38	+0.16	4.22	+0.58	3.63	4.02
10Y SWAP	3.47	-0.79	4.27	+0.40	3.86	+0.40	3.46	3.84
SOFR (%)[1]								
1M	5.35	+0.04	5.32	+0.18	5.14	+0.34	4.80	4.36
3M	5.33	-0.06	5.40	+0.13	5.27	+0.36	4.91	4.59
1M3M Spread	-0.02	-0.10	0.08	-0.05	0.13	+0.02	0.11	0.23
Mortgage Rates (%)[2]								
15Y	6.26	-0.60	6.86	+0.43	6.30	+0.33	5.97	6.06
30Y	6.42	-0.93	7.35	+0.65	6.70	+0.46	6.24	6.41
TSY-based OAS (bps)[3] [4]								
FNMA30Y2.5 OAS	23.7	-13.3	37.0	+9.2	27.8	-11.6	39.4	21.4
FNMA30Y4.5 OAS	24.5	-14.0	38.5	+4.5	34.0	-16.9	50.9	26.2
FNMA30Y6.0 OAS	21.3	-27.2	48.5	+3.5	45.0	+11.1	33.9	44.2
TSY-based ZSpread (bps)[3] [5]								
FNMA30Y2.5 ZSpread	42.1	-6.9	49.0	+1.5	47.5	-10.9	58.4	45.5
FNMA30Y4.5 ZSpread	89.7	+2.9	86.8	-14.1	100.9	-6.8	107.7	96.4
FNMA30Y6.0 ZSpread	124.5	-19.8	144.3	+6.5	137.8	+22.8	115.0	145.4
FNMA Pass-Thrus[1]								
30Y2.5	$85.12	+$5.85	$79.27	-$5.40	$84.66	-$1.46	$86.13	$84.63
30Y4.5	$96.98	+$5.20	$91.78	-$4.27	$96.05	-$1.87	$97.92	$96.31
30Y6.0	$101.62	+$2.92	$98.70	-$2.13	$100.83	-$1.23	$102.06	$101.58
Corporate Credit Spreads [1]								
Markit CDX NA HY Index - Spread	356.4	-124.2	480.6	+50.9	429.7	-33.7	463.4	484.0
Markit CDX NA IG Index - Spread	56.7	-17.2	73.9	+7.7	66.2	-9.6	75.9	82.0
Morningstar/LSTA Leveraged Loan Index	96.2	+0.7	95.6	+1.3	94.2	+0.9	93.4	92.4

Fourth Quarter Highlights

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Results	• Net Income: $12.4 million or $0.75 per share • Economic Return[(1)]: 7.7% for the quarter • Adjusted Distributable Earnings[(2)]: $4.6 million or $0.27 per share • Net Interest Margin[(3)]: 2.02% on Agency, 6.28% on credit, and 2.19% overall
Shareholders' Equity & BVPS[(4)]	• Shareholders' Equity: $136.2 million • Book Value Per Share: $7.32

Investment Portfolio	• Capital Allocation[(4)]: 89% mortgage-related securities, 11% corporate CLOs
	• Agency RMBS Portfolio: $728.0 million[(5)]
	  • Weighted average constant prepayment speed on our fixed-rate specified pools[(6)] decreased quarter over quarter to 6.8 CPR from 7.3 CPR
	  • Average pay-ups on our fixed-rate specified pools decreased slightly to 1.01% from 1.02%
	• Interest-Only Securities: $18.7 million[(5)]
	• Non-Agency RMBS Portfolio: $9.4 million[(5)]
	• CLO portfolio grew to $17.4 million as of year end, from $3.8 million as of 9/30/2023

Leverage[(4)]	• Debt-to-Equity Ratio: 5.4:1, and 5.3:1 adjusted for unsettled purchases and sales • Net Mortgage Assets-to-Equity Ratio of 6.5:1[(7)] • Cash and cash equivalents of $38.5 million, in addition to other unencumbered assets of $22.9 million
Dividends	• Dividend yield of 16.0% based on 3/5/2024 closing price of $5.99 and monthly dividend of $0.08 per common share declared on 2/7/2024

Summary of Financial Results

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(in thousands except per share amounts)	Quarter Ended 12/31/2023		Quarter Ended 9/30/2023 [1]	
Interest Income	$	11,888	$	11,253
Interest Expense		(11,511)		(12,349)
Total Net Interest Income (Expense)	**$**	**377**	**$**	**(1,096)**
Total Other Gain (Loss)[2]		6,108		5,709
Total Expenses		(1,374)		(1,356)
Add back: Non-recurring expenses		13		28
Add back: Catch-up Amortization Adjustment[3]		(566)		(46)
Adjusted Distributable Earnings[4]	**$**	**4,558**	**$**	**3,239**
Per Share[5]	**$**	**0.27**	**$**	**0.21**
Net Realized and Unrealized Gain (Loss):				
RMBS and CLOs		37,744		(35,024)
Long TBAs Held for Investment		4,394		(2,191)
Interest Rate Hedges and Other Activities, Net		(34,810)		22,538
Total Net Realized and Unrealized Gain (Loss)	**$**	**7,328**	**$**	**(14,677)**
Deduct : Non-recurring expenses		(13)		(28)
Deduct: Catch-up Amortization Adjustment[3]		566		46
Net Income (Loss)	**$**	**12,439**	**$**	**(11,420)**
Per Share[5]	**$**	**0.75**	**$**	**(0.75)**
Weighted Average Yield[6]		4.56%		4.25%
Cost of Funds		-2.37%		-2.91%
Net Interest Margin[7]		2.19%		1.34%
Average Pay-Ups		1.01%		1.02%
Shareholders' Equity	**$**	**136,238**	**$**	**111,458**
Book Value Per Share[5]	**$**	**7.32**	**$**	**7.02**

Consolidated Balance Sheet (Unaudited)

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(in thousands except share amounts and per share amounts)		December 31, 2023		September 30, 2023
Assets				
Cash and cash equivalents	$	38,533	$	39,996
Securities, at fair value		773,548		836,275
Due from brokers		3,245		27,900
Financial derivative-assets, at fair value		74,279		100,948
Reverse repurchase agreements		-		37,103
Receivable for securities sold		51,132		16,667
Interest receivable		4,522		4,995
Other assets		431		552
Total Assets	**$**	**945,690**	**$**	**1,064,436**
Liabilities and Shareholders' Equity				
Liabilities				
Repurchase agreements	$	729,543	$	811,180
Payable for securities purchased		12,139		8,220
Due to brokers		54,476		71,202
Financial derivatives-liabilities, at fair value		7,329		8,840
U.S. Treasury securities sold short, at fair value		-		46,326
Dividend Payable		1,488		1,270
Accrued expenses		1,153		1,454
Management fee payable to affiliate		513		420
Interest payable		2,811		4,066
Total Liabilities	**$**	**809,452**	**$**	**952,978**
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 $0.01 per share, 500,000,000 shares authorized; (18,601,464 and 15,870,141 shares issued and outstanding, respectively)[1]		186		159
Additional paid-in-capital		274,698		258,258
Accumulated deficit		(138,646)		(146,959)
Total Shareholders' Equity		**136,238**		**111,458**
Total Liabilities and Shareholders' Equity	**$**	**945,690**	**$**	**1,064,436**
Supplemental Per Share Information				
Book Value Per Share	$	7.32	$	7.02

Portfolio Summary[1]

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	December 31, 2023					September 30, 2023				
($ in thousands)	Current Principal	Fair Value	Average Price[1]	Cost	Average Cost[1]	Current Principal	Fair Value	Average Price[1]	Cost	Average Cost[1]
Agency Portfolio:										
Agency RMBS[2]										
15-year fixed rate mortgages	$ 28,647	$ 27,847	97.21	$ 28,765	100.41	$ 34,975	$ 32,600	93.21	$ 34,800	99.50
20-year fixed rate mortgages	8,524	7,863	92.25	9,033	105.97	10,441	9,074	86.91	11,083	106.15
30-year fixed rate mortgages	697,510	670,294	96.10	682,379	97.83	800,500	726,345	90.74	786,592	98.26
ARMs	7,127	7,119	99.89	8,060	113.09	7,207	7,154	99.26	7,983	110.77
Reverse mortgages	14,406	14,874	103.25	16,589	115.15	15,023	15,335	102.08	17,049	113.49
Total Agency RMBS	**756,214**	**727,997**	**96.27**	**744,826**	**98.49**	**868,146**	**790,508**	**91.06**	**857,507**	**98.77**
Agency IOs	n/a	7,415	n/a	6,607	n/a	n/a	7,845	n/a	6,967	n/a
Total Agency		**735,412**		**751,433**			**798,353**		**864,474**	
Credit Portfolio:										
CLO Notes	16,876	14,491	85.87	14,441	85.57	4,500	3,824	84.98	3,823	84.95
CLO Equity	n/a	2,926	n/a	2,947	n/a	-	-	-	-	-
Non-Agency RMBS[2]	9,953	9,409	94.53	8,189	82.28	14,752	12,825	86.94	12,316	83.49
Non-Agency IOs	n/a	11,310	n/a	8,700	n/a	n/a	11,540	n/a	8,884	n/a
Total Credit		**38,136**		**34,277**			**28,189**		**25,023**	
Total		**$ 773,548**		**$ 785,710**			**$ 826,542**		**$ 889,497**	

- Agency RMBS holdings decreased by 8% to $728.0 million as of December 31st, 2023, as compared to $790.5 million as of September 30th, 2023
  - Agency RMBS portfolio turnover was 25% for the quarter
- Aggregate holdings of interest-only securities and non-Agency RMBS decreased by 13% over the same period
- CLO holdings increased more than fourfold to $17.4 million during the fourth quarter

Fixed-Rate Agency Portfolio by Coupon[(1)]

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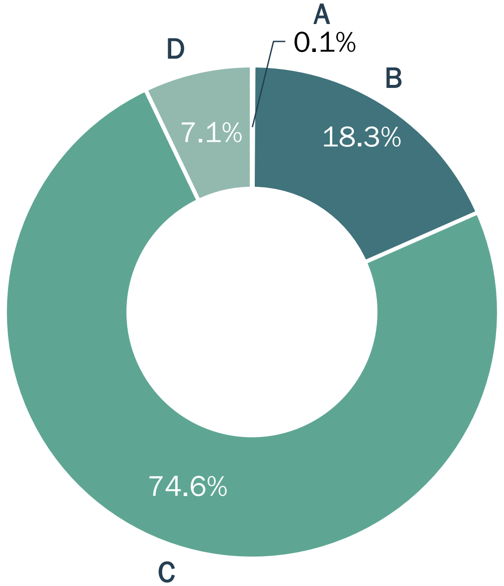
($ in thousands)	December 31, 2023 Current Principal	December 31, 2023 Fair Value	December 31, 2023 WALA (Mos)	September 30, 2023 Current Principal	September 30, 2023 Fair Value	September 30, 2023 WALA (Mos)
15-year fixed rate mortgages						
2.00-2.99 coupon	$ 3,794	$ 3,550	52	$ 8,226	$ 7,352	37
3.00-3.99 coupon	14,790	14,329	96	15,786	14,810	93
4.00-4.99 coupon	10,063	9,968	60	10,963	10,438	58
Total 15-year fixed-rate	**28,647**	**27,847**	**78**	**34,975**	**32,600**	**69**
20-year fixed rate mortgages						
2.00-2.99 coupon	4,063	3,502	42	5,836	4,775	39
3.00-3.99 coupon	1,147	1,045	46	1,161	1,001	43
4.00-4.99 coupon	1,746	1,714	47	1,860	1,727	44
5.00-5.99 coupon	577	583	64	587	566	61
6.00-6.99 coupon	991	1,019	6	997	1,005	3
Total 20-year fixed-rate	**8,524**	**7,863**	**41**	**10,441**	**9,074**	**38**
30-year fixed rate mortgages						
2.00-2.99 coupon	42,117	35,847	36	34,692	27,472	34
3.00-3.99 coupon	188,196	172,978	67	256,166	219,598	63
4.00-4.99 coupon	258,469	251,243	62	266,275	244,443	62
5.00-5.99 coupon	145,746	145,652	26	197,544	188,971	19
6.00-6.99 coupon	62,982	64,574	9	45,823	45,861	9
Total 30-year fixed-rate	**697,510**	**670,294**	**49**	**800,500**	**726,345**	**47**
Total fixed-rate Agency RMBS	**$ 734,681**	**$ 706,004**	**50**	**$ 845,916**	**$ 768,019**	**48**

- Most of our fixed-rate Agency portfolio continues to be in the middle of the coupon stack, where we see attractive yields and spreads, and better technical support
- Limited investment in low-coupon RMBS (i.e., with passthrough rates 2.5% and lower)

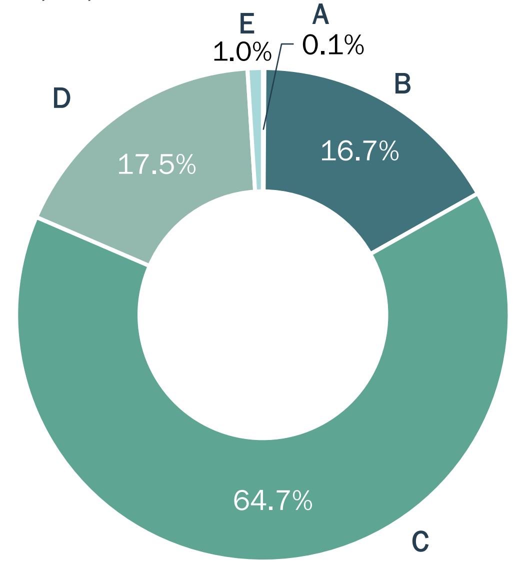
Interest Rate Hedging Portfolio

Short $442.3MM 10-yr equivalents(1)
As of 12/31/2023



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

Short $566.9MM 10-yr equivalents(1)
As of 9/30/2023



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

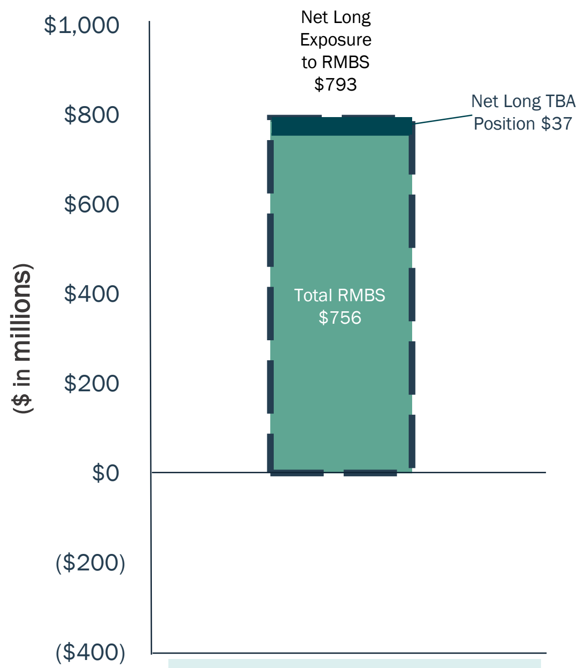
As of December 31st, we had a net long TBA position on a notional basis, but a small net short TBA position as measured by 10-year equivalents

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

Dynamic Hedging Strategy

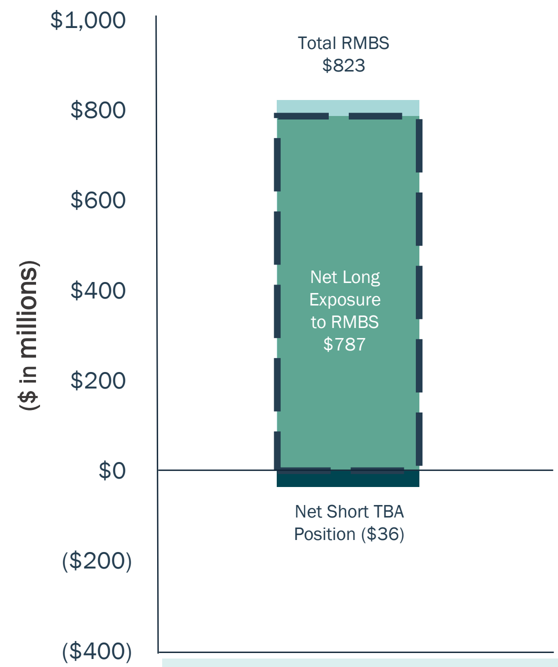
Net RMBS Exposure Based on Fair Value(1)

As of 12/31/2023



Net mortgage assets-to-equity(2): 6.5:1

As of 9/30/2023



Net mortgage assets-to-equity(2) : 7.2:1

- 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 lower leverage employed in our mortgage-related strategies despite having a net long TBA position at 12/31/2023 as compared to a net short TBA position at 9/30/2023
- 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
- Unlike the prior quarter, we had a small net long TBA position in Q4

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Supplemental Slides

Corporate CLO Underlying Asset Portfolio – Detail as of 12/31/2023

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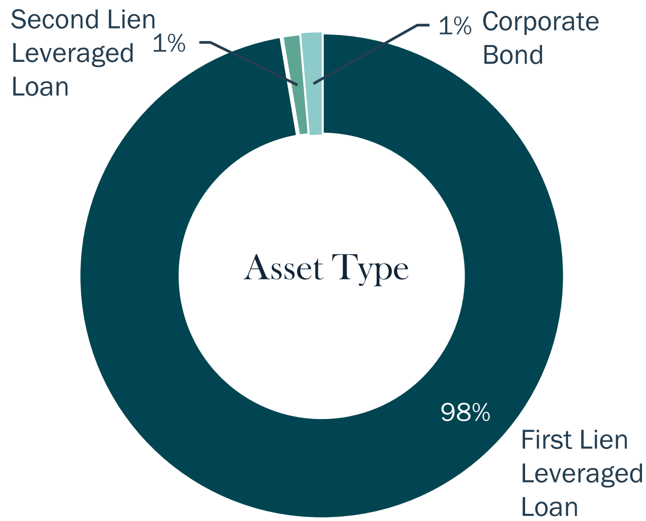
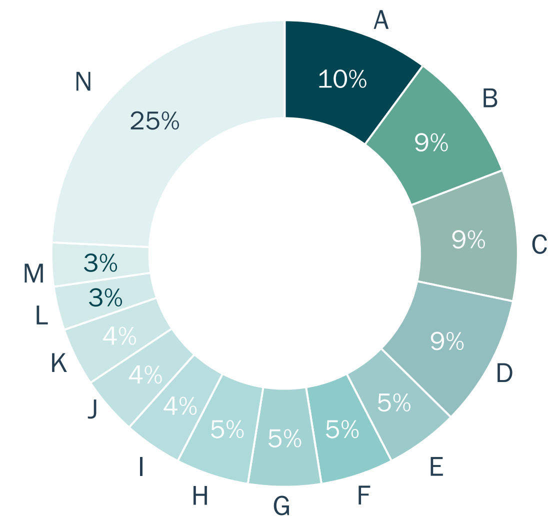
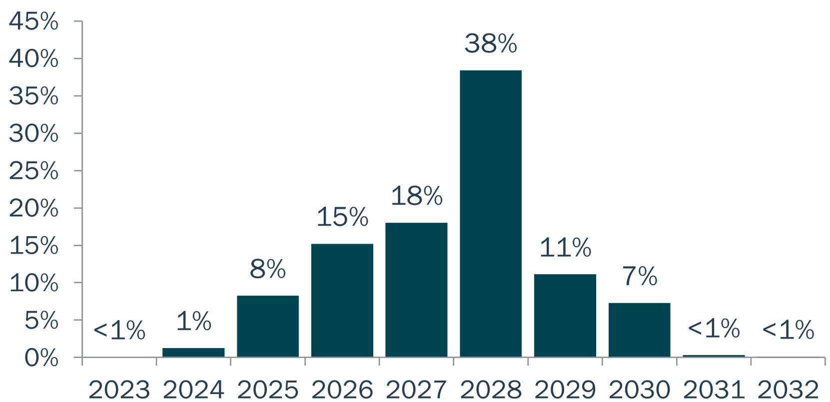


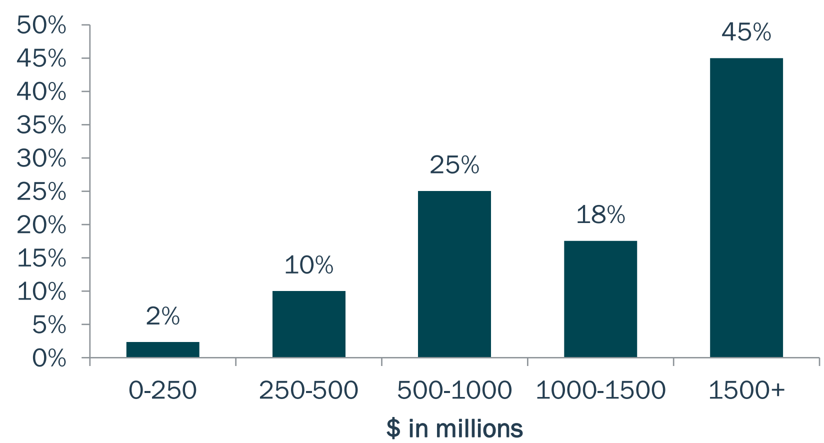


A: Healthcare & Pharma
B: Banking/Finance/Insurance/Real Estate
C: High Tech Industries
D: Services: Business
E: Telecommunications
F: Media: Broadcasting & Subscription
G: Construction & Building
H: Hotel, Gaming & Leisure
I: Services: Consumer
J: Chemicals, Plastics & Rubber
K: Retail
L: Capital Equipment
M: Beverage, Food & Tobacco
N: All Other Industries <3%

Asset Maturity



Asset Facility Size



- Corporate CLO underlying asset portfolio spans 32 distinct industries, with no one industry comprising more than 10% of the total asset mix
- The overwhelming majority of assets are first lien, senior secured leveraged loans from robust corporate borrowers (under 2.5% of loans are below $250mm in size)
- More than 98% of the underlying assets are floating rate
- There are few near term asset maturities (under 1.5% 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

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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.

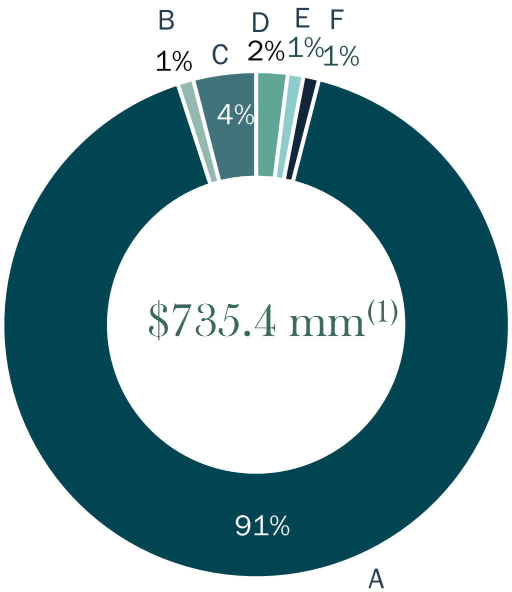
Social

- We invest in home mortgage loans, which support homeownership and stability within communities.
- 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

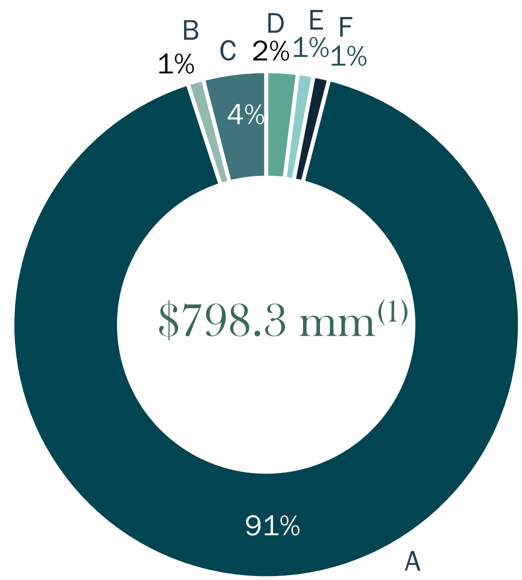
- Our Manager has a Responsible Investment policy incorporating ESG factors into its investment processes for applicable strategies.
- We operate under a Code of Business Conduct and Ethics.
- EARN has a separate independent Chairman, and the majority of Board members are independent.
- We hold annual 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.

Agency Portfolio Summary



As of 12/31/2023

- A: 30-Year Fixed
- B: 20-Year Fixed
- C: 15-Year Fixed
- D: RM Fixed
- E: ARMs
- F: IOs



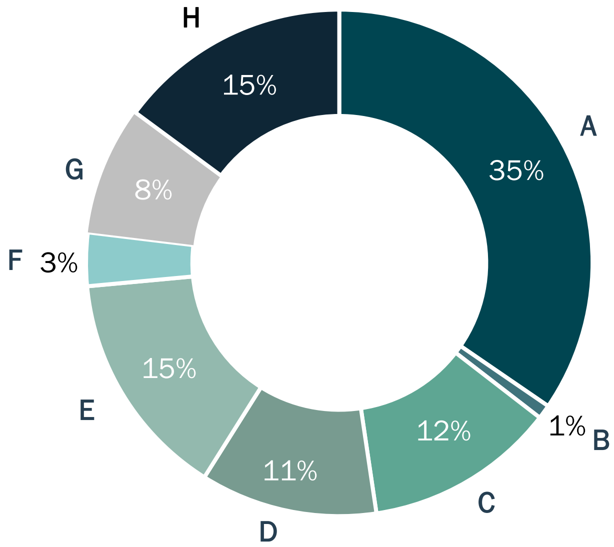
As of 9/30/2023

Category	Fair Value[1][2]	Wtd. Avg. Coupon[3]
30-Year Fixed	$670.3	4.26
20-Year Fixed	7.9	3.30
15-Year Fixed	27.8	3.46
RM Fixed	14.9	5.92
Subtotal - Fixed	**720.9**	**4.25**
ARMs	7.1	
IOs	7.4	
Total	**$735.4**	

Category	Fair Value[1][2]	Wtd. Avg. Coupon[3]
30-Year Fixed	$726.3	4.18
20-Year Fixed	9.1	3.17
15-Year Fixed	32.6	3.35
RM Fixed	15.3	5.54
Subtotal - Fixed	**783.3**	**4.16**
ARMs	7.2	
IOs	7.8	
Total	**$798.3**	

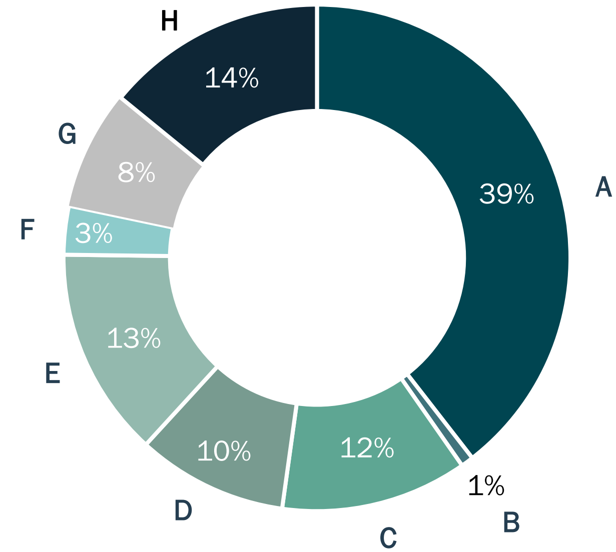
CPR Breakout of Agency Fixed Long Portfolio

Average for Quarter Ended 12/31/2023(1)



A: Loan Balance
B: MHA
C: Low Fico
D: Non-Owner
E: Geography
F: Jumbo
G: High LTV
H: Other

Average for Quarter Ended 9/30/2023(1)



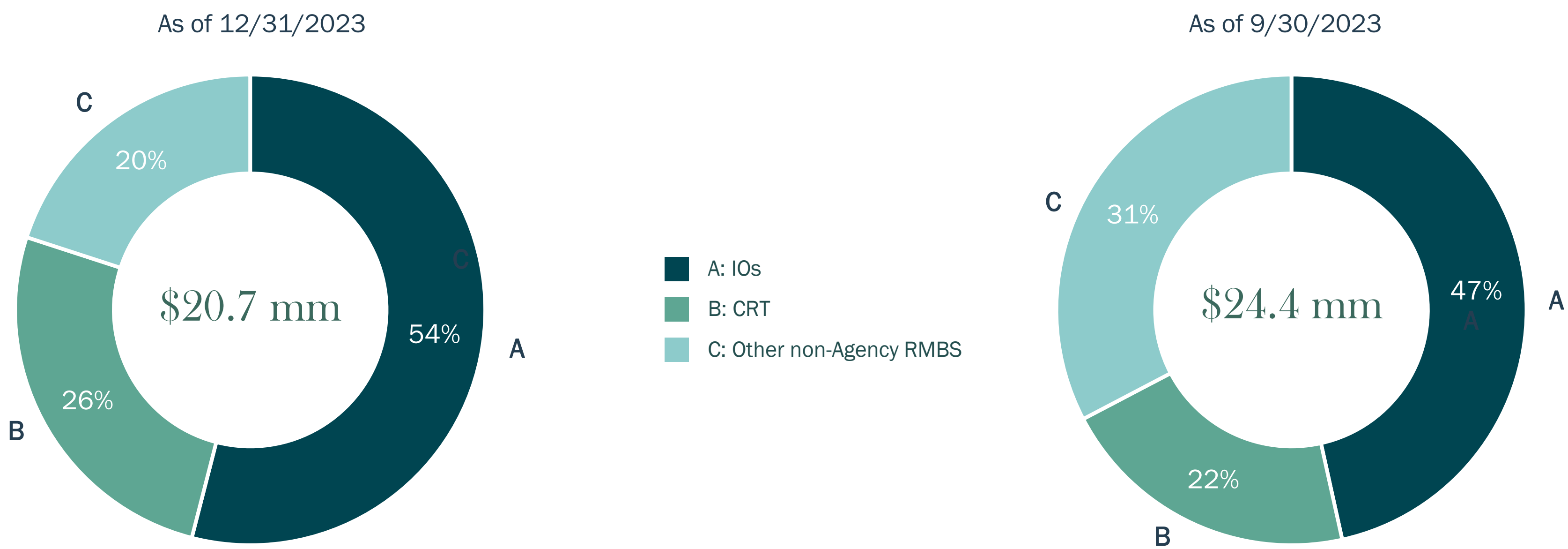
Collateral Characteristics and Historical 3-Mo CPR

Characteristic(2)	Fair Value(1)(3)	3-Month CPR %(5)
Loan Balance	$247.4	7.1
MHA(4)	6.1	2.0
Low FICO	87.2	5.3
Non-Owner	80.9	7.3
Geography	104.5	8.0
Jumbo	24.1	3.3
High LTV	58.5	6.5
Other	107.0	6.9
Total	**$715.8**	**6.8**

Collateral Characteristics and Historical 3-Mo CPR

Characteristic(2)	Fair Value(1)(3)	3-Month CPR %(5)
Loan Balance	$331.6	8.9
MHA(4)	6.5	1.1
Low FICO	100.2	5.7
Non-Owner	80.4	10.3
Geography	112.9	6.1
Jumbo	26.0	6.5
High LTV	64.0	2.4
Other	118.1	6.1
Total	**$839.7**	**7.3**

Non-Agency RMBS Portfolio



- The size of our non-Agency portfolio decreased by 15% quarter over quarter
- We may increase our allocation to non-Agency RMBS based on market opportunities

Repo Borrowings[1]

	December 31, 2023			September 30, 2023		
		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	$ 713,678	5.56%	17	$ 479,224	5.47%	17
31-60 days	6,131	6.69%	46	254,888	5.50%	45
61-90 days	9,734	6.47%	67	25,307	6.00%	73
91-120 days	-	-	-	47,782	5.44%	93
151-180 days	-	-	-	3,979	6.23%	158
Total	$ 729,543	5.58%	18	$ 811,180	5.50%	33

- Outstanding borrowings with 19 counterparties as of December 31st, 2023
- The weighted average interest rate on our repo borrowings increased to 5.58% as of December 31st, 2023 from 5.50% as of September 30th, 2023

Interest Rate Sensitivity Analysis[1]

ELLINGTON RESIDENTIAL MORTGAGE REIT

($ 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 – ARM Pools	$ 73	0.05%	$ (79)	-0.06%
Agency RMBS Fixed Pools and IOs	14,682	10.78%	(16,278)	-11.95%
Long TBAs	1,260	0.92%	(1,585)	-1.16%
Short TBAs	(2,160)	-1.59%	2,252	1.65%
Non-Agency RMBS	(506)	-0.37%	296	0.22%
CLOs	21	0.02%	(22)	-0.02%
Interest Rate Swaps	(18,036)	-13.24%	17,248	12.66%
U.S. Treasury Futures	2,900	2.13%	(2,797)	-2.05%
Corporate Securities and Derivatives on Corporate Securities	(7)	--%	7	-%
Repurchase and Reverse Repurchase Agreements	(186)	-0.14%	186	0.14%
Total	$ (1,959)	-1.45%	$ (772)	-0.57%

Financial Derivatives as of December 31, 2023

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ELLINGTON RESIDENTIAL MORTGAGE REIT

(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
2023-2025	$	173,961	$	5,121	2.68%	5.39%	1.14
2026-2028		145,192		6,428	2.82%	5.38%	4.29
2029-2031		286,702		28,807	2.13%	5.38%	6.61
2032-2052		281,582		23,181	2.73%	5.38%	11.40
Total	$	887,437	$	63,537	2.54%	5.38%	6.68

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	$	10,131	$	(19)	5.39%	3.50%	4.98
2029-2031		58,700		(280)	5.38%	3.47%	6.17
2032-2040		119,329		3,345	10.74%	4.68%	9.72
Total	$	188,160	$	3,046	5.38%	3.71%	8.36

TBA Securities Coupon		Notional Amount[1]		Cost Basis[2]		Market Value[3]		Net Carrying Value[4]
1.00-1.99	$	(490)	$	(421)	$	(427)	$	(5)
2.00-2.99		(20,068)		(16,231)		(17,015)		(784)
3.00-3.99		(30,312)		(27,081)		(27,564)		(484)
4.00-4.99		(15,848)		(14,206)		(14,755)		(549)
5.00-5.99		66,990		66,260		66,871		611
6.00-6.99		28,865		29,580		29,569		(11)
Total TBAs net	$	29,137	$	37,901	$	36,679	$	(1,222)

Futures Maturity		Notional Amount		Fair Value	Remaining Months to Expiration
2yr	$	(5,400)	$	(63)	2.93
5yr		15,700		424	2.93
10yr		65,600		1,529	2.63
30yr		3,300		331	2.63
Total	$	79,200	$	2,221	2.70

Credit Default Swaps Type		Notional Amount		Fair Value	Weighted Average Years to Maturity
Credit default swaps on corporate bond indices	$	25,943	$	(632)	4.98
Total	$	25,943	$	(632)	4.98

Consolidated Statement of Operations (Unaudited)

	Three-Month Period Ended	
(in thousands except share amounts and per share amounts)	December 31, 2023	September 30, 2023
Interest Income (Expense)		
Interest income	$ 11,888	$ 11,253
Interest expense	(11,511)	(12,349)
Total net interest income (expense)	**$ 377**	**$ (1,096)**
Expenses		
Management fees to affiliate	512	420
Professional fees	193	290
Compensation expense	190	177
Insurance expense	93	95
Other operating expenses	386	374
Total expenses	**$ 1,374**	**$ 1,356**
Other Income (Loss)		
Net realized gains (losses) on securities	(11,825)	(19,572)
Net realized gains (losses) on financial derivatives	1,440	1,152
Change in net unrealized gains (losses) on securities	50,930	(15,824)
Change in net unrealized gains (losses) on financial derivatives	(27,109)	25,276
Total other income (loss)	13,436	(8,968)
Net Income (Loss)	**$ 12,439**	**$ (11,420)**
Net Income (Loss) per Common Share:		
Basic and Diluted	$ 0.75	$ (0.75)
Weighted Average Shares Outstanding	16,662,407	15,199,837
Cash Dividends Declared per Share	$ 0.24	$ 0.24

Consolidated Balance Sheet (Unaudited)

EARN
ELLINGTON RESIDENTIAL MORTGAGE REIT

(in thousands except share amounts and per share amounts)	December 31, 2023	September 30, 2023
Assets		
Cash and cash equivalents	$ 38,533	$ 39,996
Securities, at fair value	773,548	836,275
Due from brokers	3,245	27,900
Financial derivative-assets, at fair value	74,279	100,948
Reverse repurchase agreements	-	37,103
Receivable for securities sold	51,132	16,667
Interest receivable	4,522	4,995
Other assets	431	552
Total Assets	**$ 945,690**	**$ 1,064,436**
Liabilities and Shareholders' Equity		
Liabilities		
Repurchase agreements	$ 729,543	$ 811,180
Payable for securities purchased	12,139	8,220
Due to brokers	54,476	71,202
Financial derivatives-liabilities, at fair value	7,329	8,840
U.S. Treasury securities sold short, at fair value	-	46,326
Dividend Payable	1,488	1,270
Accrued expenses	1,153	1,454
Management fee payable to affiliate	513	420
Interest payable	2,811	4,066
Total Liabilities	**$ 809,452**	**$ 952,978**
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 $0.01 per share, 500,000,000 shares authorized; (18,601,464 and 15,870,141 shares issued and outstanding, respectively)[1]	186	159
Additional paid-in-capital	274,698	258,258
Accumulated deficit	(138,646)	(146,959)
Total Shareholders' Equity	**136,238**	**111,458**
Total Liabilities and Shareholders' Equity	**$ 945,690**	**$ 1,064,436**
Supplemental Per Share Information		
Book Value Per Share	$ 7.32	$ 7.02

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

	Three-Month Period Ended	
(in thousands except share amounts and per share amounts)	December 31, 2023	September 30, 2023
Net Income (Loss)	$ 12,439	$ (11,420)
Adjustments:		
Net realized (gains) losses on securities	11,825	19,572
Change in net unrealized (gains) losses on securities	(50,930)	15,824
Net realized (gains) losses on financial derivatives	(1,440)	(1,152)
Change in net unrealized (gains) losses on financial derivatives	27,109	(25,276)
Net realized gains (losses) on periodic settlements of interest rate swaps	880	796
Change in net unrealized gains (losses) on accrued periodic settlements of interest rate swaps	5,228	4,913
Non-recurring expenses	13	28
Negative (positive) component of interest income represented by Catch-up Amortization Adjustment	(566)	(46)
Subtotal	(7,881)	14,659
Adjusted Distributable Earnings	$ 4,558	$ 3,239
Weighted Average Shares Outstanding	16,662,407	15,199,837
Adjusted Distributable Earnings Per Share	$ 0.27	$ 0.21

About Ellington Management Group

Ellington Profile

As of 12/31/2023

Founded:	1994
Employees:	>170
Investment Professionals:	>60
Global offices:	3

$10.3
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 Residential Mortgage Management LLC is part of the Ellington family of SEC-registered investment advisors[3].
- Ellington Management Group and its affiliates manage Ellington Residential Mortgage REIT (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 MBS sector

Endnotes

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ELLINGTON RESIDENTIAL MORTGAGE REIT

Slide 3 – Fourth Quarter Market Update

(1) Source: Bloomberg
(2) Source: Mortgage Bankers Association via Bloomberg
(3) Source: J.P. Morgan Markets
(4) 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.
(5) 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 4 – Fourth Quarter Highlights

(1) Economic return is based on book value per share.
(2) Adjusted Distributable is a non-GAAP financial measure. See slide 22, 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) Percentages shown are of net assets, as opposed to gross assets, deployed in each strategy.
(5) As of December 31, 2023.
(6) Excludes recent purchases of fixed rate Agency specified pools with no prepayment history.
(7) 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 shareholder's equity attributable to our mortgage-related strategies. As of December 31, 2023 the market value of our mortgage-backed securities and our net short TBA position was $756.1 million and $36.7 million, respectively, and shareholders' equity attributable to our mortgage related strategies was $121.8 million.

Slide 5 – Summary of Financial Results

(1) Conformed to current period presentation
(2) Total Other Gain (Loss) represents net realized and unrealized gains (losses) on periodic settlements of interest rate swaps.
(3) See slide 22, endnote 1 for definition of Catch-up Amortization Adjustment.
(4) Adjusted Distributable Earnings is a non-GAAP financial measure. See slide 22 for a reconciliation of Adjusted Distributable Earnings to Net Income (Loss).
(5) 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.
(6) Weighted Average Yield excludes the effect of the Catch-up Amortization Adjustment.
(7) 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 6 – Consolidated Balance Sheet (Unaudited)

(1) Common shares issued and outstanding at December 31, 2023 includes 2,720,548 common shares issued during the fourth quarter under our at-the-market common share offering program.

Slide 7 – Portfolio Summary

(1) Excludes U.S. Treasury securities and preferred equity securities.
(2) Expressed as a percentage of current principal balance.
(3) Excludes IOs.

Slide 8 – Fixed-Rate Agency Portfolio by Coupon

(1) Excludes fixed specified pools backed by reverse mortgages

Endnotes

Slide 9 – 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 10 – 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 December 31, 2023 and September 30, 2023. The net carrying value of the TBA positions as of December 31, 2023 and September 30, 2023 on the Consolidated Balance Sheet was $(1.2) million and $1.6 million, 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 shareholder's equity attributable to our mortgage-related strategies. As of December 31, 2023 the market value of our mortgage-backed securities and our net long TBA position was $756.1 million and $36.7 million, respectively, and shareholders' equity attributable to our mortgage related strategies was $121.8 million. As of September 30, 2023 the market value of our mortgage-backed securities and our net short TBA position was $822.7 million and $36.7 million, respectively, and shareholders' equity attributable to our mortgage related strategies was $108.9 million.

Slide 14 – Agency Portfolio Summary

(1) Does not include long TBA positions with a notional value of $29.1 million and a market value of $36.7 million as of December 31, 2023. Does not include long TBA positions with a notional value of $68.1 million and a market value of $64.1 million as of September 30, 2023.
(2) Fair value shown in millions.
(3) Represents weighted average net pass-through rate.

Slide 15 – 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 17 – Repo Borrowings

(1) As of December 31, 2023 and September 30, 2023, we had no outstanding borrowings other than under repurchase agreements.

Slide 18 – 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 December 31, 2023. 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.

Endnotes

ELLINGTON RESIDENTIAL MORTGAGE REIT

Slide 19 – Financial Derivatives as of December 31, 2023

(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 December 31, 2023.
(4) Net carrying value represents the difference between the market value of the TBA contract as of December 31, 2023 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 21 – Consolidated Balance Sheet (Unaudited)

(1) Common shares issued and outstanding at December 31, 2023 includes 2,720,548 common shares issued during the fourth quarter under our at-the-market common share offering program.

Slide 22 – Reconciliation of Adjusted Distributable Earnings to Net Income (Loss)

(1) We calculate Adjusted Distributable Earnings as net income (loss), excluding realized and change in net unrealized gains and (losses) on securities and financial derivatives, and excluding other income or loss items that are of a non-recurring nature, if any. Adjusted Distributable Earnings includes net realized and change in net unrealized gains (losses) associated with periodic settlements on interest rate swaps. Adjusted Distributable Earnings also excludes the effect of the Catch-up Amortization Adjustment on interest income. 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 residential mortgage REIT 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. Furthermore, Adjusted Distributable Earnings is different than REIT taxable income. As a result, the determination of whether we have met the requirement to distribute at least 90% of our annual REIT taxable income (subject to certain adjustments) to our shareholders, in order to maintain qualification as a REIT, is not based on whether we have distributed 90% of our Adjusted Distributable Earnings. The following table reconciles, for the three-month periods ended December 31, 2023 and September 30, 2023, Adjusted Distributable Earnings to the line on the Consolidated Statement of Operations entitled Net Income (Loss), which we believe is the most directly comparable U.S. GAAP measure:

Slide 23 – About Ellington Management Group

(1) $10.3 billion in assets under management includes approximately $0.8 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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