

**Fourth Quarter 2014
Fact Sheet**

NYSE: EARN
www.earnreit.com

EARN OVERVIEW (as of 12/31/14)

Market Capitalization ⁽¹⁾ :	\$149.0mm
Q4 Dividend Per Share:	\$0.55
Dividend Yield ⁽¹⁾ :	13.5%
Mortgage-backed Securities:	\$1.393bn
Book Value Per Share:	\$17.86
Q4 Earnings Per Share:	\$(0.13)
Q4 Core Earnings per Share ⁽²⁾ :	\$0.76
Debt-to-Equity Ratio:	8.1x
Q4 Economic Book Value Return ⁽³⁾ :	(0.6)%
2014 Economic Book Value Return ⁽³⁾ :	9.7%

TARGETED ASSETS

- Agency RMBS Strategy:
 - Fixed Rate "Specified" Pools
 - ARM Pools
 - Reverse Mortgage Pools
 - IO Pass-Through Certificates
 - TBAs
- Non-Agency MBS Strategy:
 - Residential MBS Credit
 - Residential MBS Derivatives
 - Residential Mortgage Loans
 - MSRs
 - Other Mortgage-Related Assets

ANALYST COVERAGE

- Citi
- Credit Suisse
- Deutsche Bank
- JMP Securities
- MLV & Co.

CONTACT INFORMATION

53 Forest Avenue
Old Greenwich, CT 06870
info@earnreit.com
Tel: (203) 409-3773

COMPANY PROFILE

Ellington Residential Mortgage REIT, ("EARN" or "the Company"), is a real estate investment trust that acquires and manages mortgage-related assets, with the majority of its capital allocated to Agency RMBS. EARN's primary objective is to generate attractive, risk-adjusted returns by utilizing an opportunistic approach to investing in its target assets. The Company seeks to capture upside in good markets and control downside in difficult markets. EARN is externally managed and advised by Ellington Residential Mortgage Management LLC, an affiliate of Ellington Management Group, L.L.C. ("Ellington"), a registered investment advisory firm founded in 1994 with approximately \$6.2 billion in assets under management, primarily focused on mortgage- and real estate-related securities. EARN was formed through an initial strategic venture between affiliates of Ellington and a group of funds managed by an affiliate of The Blackstone Group LP.

INVESTMENT HIGHLIGHTS

Seasoned Mortgage Investor

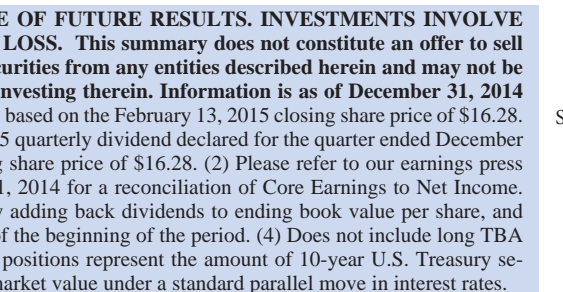
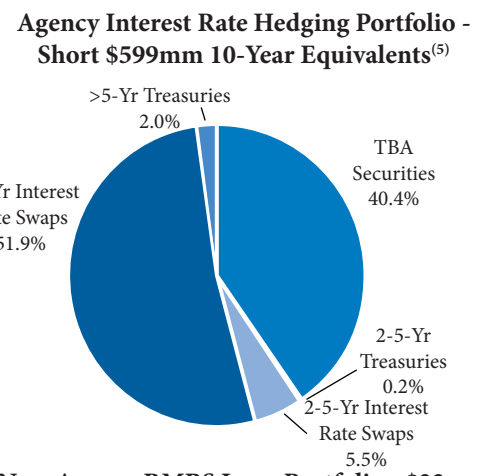
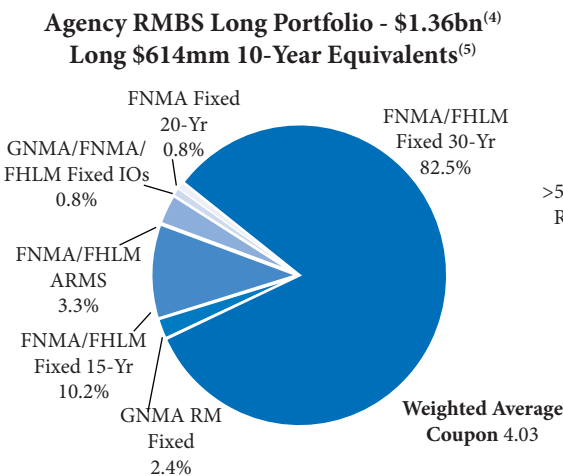
Ellington's portfolio managers and senior management have a long history of mortgage investing and long-standing relationships within the Company's key markets. With an average of 25 years of trading in the mortgage markets, the senior management team has managed mortgage assets successfully over multiple market cycles. Ellington emphasizes a quantitative, analytic model-driven approach to portfolio management, and many of the firm's principals have degrees in mathematics or engineering from top universities, including a number of advanced degrees. The firm's investment management process is supported by its proprietary portfolio management and analytic systems, which process data covering over 100 million loans, and by over 150 employees, including more than 28 professionals dedicated to research and systems.

Active and Research-Driven Investment Approach

The Company employs a sophisticated, active, and research-driven style of investing in a diverse mix of mortgage-related securities, rather than just taking a buy-and-hold approach. The Company uses a variety of interest rate hedging instruments to manage risk and volatility.

PORTFOLIO COMPOSITION AS OF 12/31/2014

The following charts set forth additional information regarding EARN's investment portfolios:



PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. INVESTMENTS INVOLVE SUBSTANTIAL RISK, INCLUDING RISK OF LOSS. This summary does not constitute an offer to sell or the solicitation of an offer to purchase any securities from any entities described herein and may not be used or relied upon in evaluating the merits of investing therein. Information is as of December 31, 2014 unless otherwise noted. (1) Market capitalization is based on the February 13, 2015 closing share price of \$16.28. Dividend yield is calculated by annualizing the \$0.55 quarterly dividend declared for the quarter ended December 31, 2014, divided by the February 13, 2015 closing share price of \$16.28. (2) Please refer to our earnings press release for the quarterly period ended December 31, 2014 for a reconciliation of Core Earnings to Net Income. (3) Economic return on book value is computed by adding back dividends to ending book value per share, and comparing that amount to book value per share as of the beginning of the period. (4) Does not include long TBA positions. (5) "10-year equivalents" for a group of positions represent the amount of 10-year U.S. Treasury securities that would experience a similar change in market value under a standard parallel move in interest rates.