

Ellington Financial

DATE: May 2, 2016

RE: Ellington Financial, LLC
CUSIP #288522303
Qualified Notice for Distribution Payable on June 15, 2016
Withholding Information

In accordance with IRS regulation section 1.1446-4 this memorandum is a **Qualified Notice** with respect to the distribution of \$0.50 per share declared by Ellington Financial, LLC on May 2, 2016 and payable on June 15, 2016 to record holders as of June 1, 2016.

The distribution consists of the following components:

Interest Income (U.S.) that qualifies for the Portfolio Interest exception ¹	\$0.4298
U.S. dividend income ²	\$0.0641
Other interest income ³	<u>\$0.0061</u>
Total Distribution per Unit ⁴	\$0.5000

¹ As described in §871 (h) of the Internal Revenue Code (“the Code”).

² Subject to withholding under §1441 of the Code.

³ Subject to withholding under §1441 of the Code.

⁴ No portion of this distribution represents income effectively connected with a U.S. trade or business.