

# Ellington Financial

DATE: May 2, 2017

RE: Ellington Financial, LLC  
CUSIP #288522303  
Qualified Notice for Distribution Payable on June 15, 2017  
**Withholding Information for Withholding Agents:**

In accordance with IRS regulation section 1.1446-4 this memorandum is a **Qualified Notice** with respect to the distribution of \$0.45 per share declared by Ellington Financial, LLC on May 1, 2017 and payable on June 15, 2017 to record holders as of June 1, 2017.

For tax withholding purposes, the distribution consists of the following components:

Interest Income (U.S.) that qualifies for the Portfolio Interest exception <sup>1</sup>	\$0.3928
U.S. dividend income <sup>2</sup>	\$0.0572
Other interest income <sup>3</sup>	<u>\$0.0000</u>
Total Distribution per Unit <sup>4</sup>	\$0.45

**(For U.S. shareholders:**

In computing your U.S. federal taxable income, you should not rely on this Qualified Notice, but rather you will generally be required to take into account your allocable share of the Company's taxable income as reported to you on your Schedule K-1.)

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

<sup>2</sup> Subject to withholding under §1441 of the Code.

<sup>3</sup> Subject to withholding under §1441 of the Code.

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