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Ellington Financial LLC (NYSE: EFC) Keefe, Bruyette & Woods 2013 Mortgage Finance Conference

June 4, 2013

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. Our actual results may differ from our 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 exemption from registration under the Investment Company Act of 1940 and other changes in market conditions and economic trends. 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 filed on March 15, 2013 which can be accessed through the Company's website at www.ellingtonfinancial.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 10-Q, 10-K and 8-K. We undertake 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.

Example Analyses

The example analyses included herein are for illustrative purpose only and are intended to illustrate Ellington's analytic approach. They are not and should not be considered a recommendation to purchase or sell any security or a projection of the Company's future results or performance. The example analyses are only as of the date specified and do not reflect changes since that time.

Estimated Book Value Per Share

Estimated book value per share is derived from the Company's press release dated May 7, 2013 and is an estimate. This estimate is subject to change upon completion of the Company's year-end valuation procedures relating to its investment positions that will be performed in conjunction with the Company's preparation of its annual financial statements, and any such change could be material. In preparing monthly estimates of its book value per share, the Company employs valuation procedures that are generally less comprehensive than the valuation procedures employed for the Company's quarterly and annual financial statements. Furthermore, the Company's registered independent public accountants do not perform the types of reviews or audits on the Company's monthly estimates of its book value per share that they do for the Company's quarterly or annual financial statements. It is possible that, when the Company completes its more comprehensive valuation procedures, it could determine that its book value per common share as of April 30, 2013 differs materially from the estimate set forth in this presentation. Further, there can be no assurance that the Company's estimated book value per common share as of April 30, 2013, is indicative of what the Company's results are likely to be in future periods.

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.

Indices

Various indices are included in this presentation material to show the general trend in applicable markets in the periods indicated and are not intended to imply that the Company or its strategy is similar to any index in composition or element of risk.

The 2006-2 AAA ABX index, an index widely used and cited by investors and market participants tracking the subprime non-Agency RMBS market, is composed of 20 credit default swaps referencing mortgage-backed securities, originally rated AAA by Standard & Poor's, Inc., or Standard & Poor's, and Aaa by Moody's Investors Service, Inc., or Moody's, issued during the first six months of 2006 and backed by subprime mortgage loans originated in late 2005 and early 2006.

Financial Information

All financial information included in this presentation is as of March 31, 2013 unless otherwise indicated. We undertake no duty or obligation to update this presentation to reflect subsequent events or developments.

Ellington Financial LLC (NYSE: EFC)

Ellington Financial LLC (EFC) is a specialty finance company that acquires and manages mortgage-related assets, including residential mortgage-backed securities backed by prime jumbo, Alt-A, manufactured housing and subprime residential mortgage loans, residential mortgage-backed securities for which the principal and interest payments are guaranteed by a U.S. government agency or a U.S. government-sponsored enterprise, mortgage-related derivatives, commercial mortgage-backed securities, commercial mortgage loans and other commercial real estate debt, as well as corporate debt and equity securities and derivatives. Ellington Financial LLC is externally managed and advised by Ellington Financial Management LLC, an affiliate of Ellington Management Group L.L.C.

Estimated Book Value Per Diluted Share as of April 30, 2013	Diluted Book Value at August 2007 Inception	Dividends Paid/Declared Since Inception
$25.02	**$18.61**	**$12.25**

EFC: Overview

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High-yielding non-Agency Strategy	■ Seeks to buy high-yielding non-Agency mortgage assets at a discount; assets produce significant carry
Strong risk-adjusted Agency RMBS returns	■ Leveraged Agency RMBS strategy has also generated strong returns
Active trading	■ Active trading style augments returns in both non-Agency and Agency strategies
Interest rate AND Credit hedging ability	■ Utilizes interest rate AND credit hedging instruments to insulate portfolio
Lower leverage	■ Utilizes lower leverage relative to its mortgage REIT peers – 1.86:1 debt to equity ratio as of March 31, 2013
Attractive Dividend Yield	■ Dividend yield—13.2% based on closing price as of May 31, 2013 of $23.35 ■ Management expects to continue to recommend quarterly dividends of $0.77 per share[1] until conditions warrant otherwise ■ Board of Directors will consider, at the end of any year, whether to declare special dividend, taking into account earnings and other factors
Strong Returns	■ Life-to-date total return from inception in August 2007 through April 30, 2013 is 112%[2]

(1) We cannot assure you that we will pay any future dividends to our shareholders. The declaration and amount of future dividends remains in the discretion of the Board of Directors
(2) Life –to-date total return based on $19.17 net book value per share at inception in August 2007 and is calculated assuming the reinvestment of dividends.

Ellington Financial: Non-Agency MBS Strategy

Overall Market Conditions	■ Housing market statistics continued to support the notion that a sustained recovery has taken hold ■ Home prices continue to improve as distressed inventory continues to decline ■ Fed activities also continue to foster favorable environment for non-Agency MBS ■ Rising home prices are lifting more borrowers above water on their homes—this may entice more creditworthy borrowers to refinance, thereby providing additional potential upside for RMBS trading at a discount to par ■ Yields have steadily declined over the past year ■ Lack of robust new issue market has further concentrated demand for non-Agency RMBS into a shrinking legacy market ■ Other growing ABS sectors (CMBS and CLOs) present opportunities

Portfolio Trends	■ Maintained our long bias in the non-Agency MBS portfolio
	  ■ ABX hedges have been kept light
	  ■ More focus on non-mortgage hedges that may protect us better in an economic downturn
	■ Continued to actively trade portfolio—recent focus has been on purchasing securities where a reduction in defaults going forward can make a big difference, and on selling securities that have large pipelines of judicial state foreclosures, where we believe the market underestimates loss severities even under a good national HPA scenario
	■ Despite decline in CMBS holdings, continued expectation of investment opportunities in that sector
	■ 6.77%[1] weighted average market yield on long non-Agency MBS portfolio as of March 31, 2013
	■ Purchased $11.6 million in CLOs, including debt and equity tranches, to take advantage of opportunities in that growing market

(1) Refer to footnote 5 on page 8 for a discussion of management's market yield estimates.

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Ellington Financial: Agency Strategy

Overall Market Conditions	
	- Similar to 4th quarter of 2012, the ongoing uncertainty around the timing and method of the Fed's withdrawal of quantitative easing contributed to continued volatility in prices of Agency RMBS - On March 20th and May 1st, however, the Fed reiterated its intention to continue its purchases of U.S. Treasuries and Agency RMBS, and other fiscal policy accommodative actions in order to foster a stronger economic recovery - We expect volatility to continue and to create good opportunities

Portfolio Trends	
	- Increased holdings of Agency RMBS by approximately $87 million as of March 31, 2013 relative to December 31, 2012 - Increased investments in Agency pass-throughs backed by reverse mortgages to $64 million - Increased overall hedges and increased the relative proportion in interest rate swaps

Access to State of the Art Analytics

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Model Output

Loan level cashflows

Computations done in parallel on cluster of over 1,000 microprocessors

Data scrubbing and model calibration

<u>Home Price Data</u>

- Data for over 5,000 ZIP codes
  - It's not enough to know "California" or even "Los Angeles," trends are identifiable on a more granular level

<u>Consumer Credit Data</u>

- Anonymized updated credit scores matched to *each individual mortgage loan*
  - Has borrower defaulted on credit cards, auto loans?
  - Has borrower taken out additional home equity loans?

<u>Mortgage Data</u>

- Payment records from many sources, covering over 100 million loans (~40 million outstanding) from all sectors
  - Loan level mortgage data is the core of Ellington's research and analytics

<u>Macroeconomic Data</u>

- Constant flow of data
  - Housing starts, home sales, unemployment, income

Proprietary integrated analytics platform

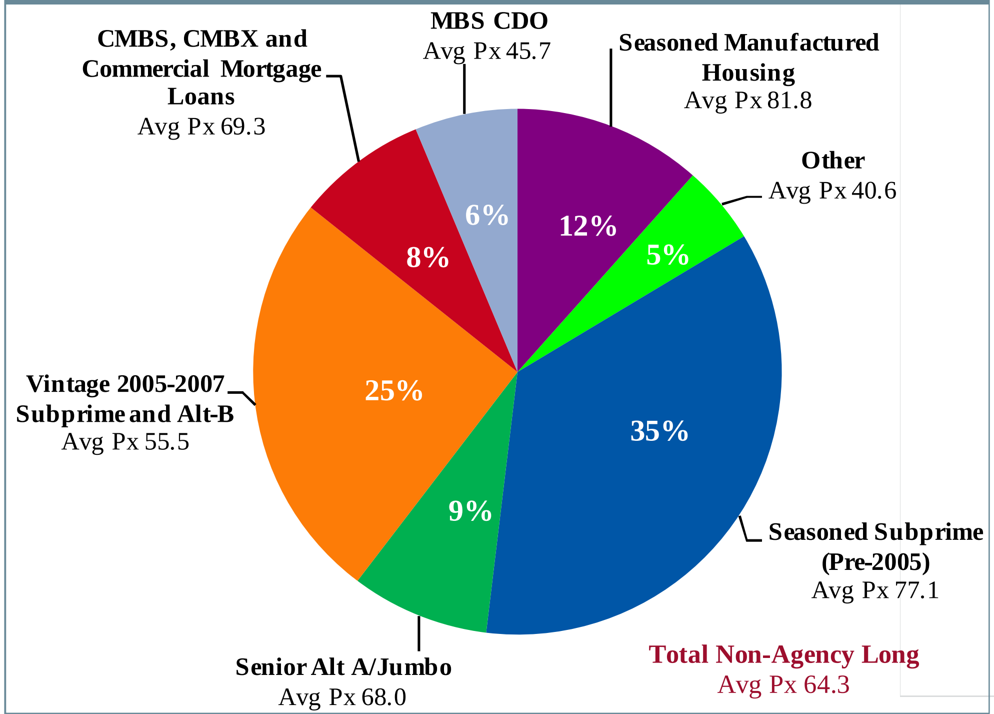
- Managed by team of 13 dedicated professionals, led by John Geanakoplos, James Tobin Professor of Economics at Yale
- Millions of lines of computer code
- Process starts with extensive loan level information and builds up to create aggregate forecasts

Benefits of agent-based approach

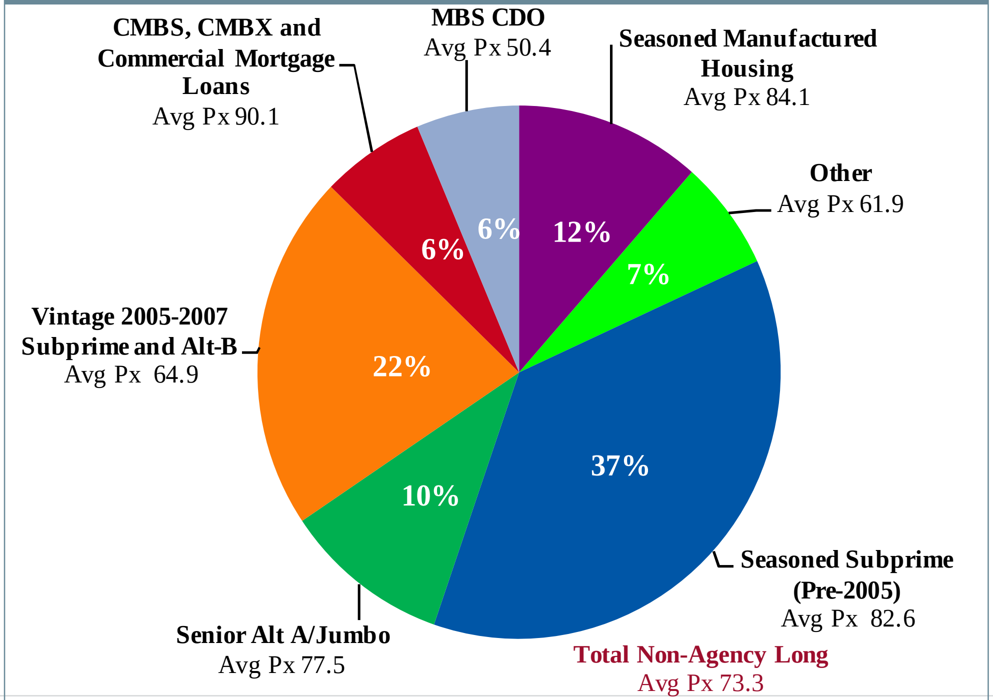
- Understand and model each agent's incentives naturally
  - How does the world look to each borrower, and what are his/her incentives?
  - What incentives do servicers face to modify loans, or stop advance payments on delinquent loans?

EFC: Non-Agency Long Portfolio

Previous Quarter
Non-Agency Long Portfolio 12/31/12: $577MM(1)(2)



Current Quarter
Non-Agency Long Portfolio 3/31/13: $611MM(1)(2)



- **Non-Agency portfolio is currently concentrated in:**
  - Seasoned securities where underlying borrowers have equity in their homes and where borrower performance has improved
  - Securities that maintain attractive yields when subjected to moderate home price stresses
- **During the first quarter non-Agency portfolio increased**
  - Prices continued to increase; substantial rally has increased opportunity for sector rotation as we view some sectors as having underperformed and others as having overperformed
  - Opportunistically purchased $11.6 million in CLOs, including debt and equity tranches

(1) Non-Agency portfolio includes PrimeX and CMBX, based on their respective bond equivalent values. Bond equivalent values for CDS represent the investment amount of a corresponding position in the reference obligation or index constituents, calculated assuming a price equal to the difference between (i) par and (ii) the tear up price ("points up front"). This information does not include interest rate swaps, TBA positions, equity swaps, or other hedge positions. The bond equivalent value of credit derivatives in the non-Agency long portfolio include $23.5 million of long CMBX positions and $2.4 million of long Primex positions at March 31, 2013, and $17.3 million of long CMBX positions and $2.4 million of long Primex positions at December 31, 2012. The corresponding net fair value of net long credit derivatives is $(14.1) million at March 31, 2013 and $(12.7) million at December 31, 2012.
(2) Average price excludes interest-only, principal-only, equity tranches, and other similar securities and long credit derivatives at March 31, 2013 and December 31, 2012.

EFC: Non-Agency Long Portfolio as of March 31, 2013

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- **EFC non-Agency MBS strategy is the main driver of earnings**
- **Non-Agency long portfolio value: $611 million[1] as of 3/31/2013 (which includes $585 million of long non-Agency MBS and loans and $26 million of bond equivalent value of long credit derivatives):**

MBS Sector	Fair Value (millions)	Average Price [2]	Weighted Average Life [3]	Historical 1-Year CPR [4]	Est. Yield at Market Price at HPA Down 15% [5][6]	Est. Yield at Market Price at Ellington HPA Forecast [5][6]
Seasoned Subprime	$226.6	82.6%	5.7	9.9%	5.51%	6.42%
Vintage 2005-2007 Subprime and Alt-B	132.5	64.9	5.0	13.5	4.67	6.78
Seasoned Manufactured Housing	70.1	84.1	6.6	6.9	6.87[7]	6.87
Senior Alt-A/Jumbo	62.9	77.5	4.8	13.1	4.58	6.26
CMBS and Commercial Mortgage Loans	39.0	90.1	9	N/A	10.78[7]	10.78
MBS CDO	38.9	50.4	2.8	N/A	4.45	7.40
Other	40.8	61.9	7.5	11.8	7.11	8.13
Total	**$610.8**	**73.3%**	**5.5**	**10.9%**	**5.40%**	**6.77%**

(1) For 3/31/2013, fair value includes $23.5 million of bond equivalent value of long CMBX positions and $2.4 million of bond equivalent value of long PrimeX positions. The above table does not include these positions in averages or totals.

(2) Average price excludes interest-only, principal-only, equity tranches, and other similar securities. All averages in this table are weighted averages using fair value, except for average price which uses principal balance.

(3) Weighted average life assumes "projected" cashflows using Ellington proprietary models. Excludes interest-only, principal-only, equity tranches, and other similar securities.

(4) Source for historical 1-Year CPR is Intex. Excludes interest-only, principal-only, equity tranches, and other similar securities, CMBS and commercial mortgage loans, and any securities where Intex CPR not available.

(5) Estimated yields at market prices are management's estimates derived from Ellington proprietary models based on prices and market environment as of 3/31/13 and include the effects of future estimated losses. The above analysis should not be considered a recommendation to purchase or sell any security or class of securities. Average sector yields include interest-only, principal-only, equity tranches, and other similar securities, and excludes securities for which yields were unavailable. Results are based on forward-looking models, which are inherently imperfect, and incorporate various simplifying assumptions. Therefore, the table above is for illustrative purposes only and the actual performance of our portfolio may differ from the data presented above, and such differences might be significant and adverse.

(6) "HPA down 15%" means all home prices decline a total of 15% over the next two years, and remain unchanged thereafter. "Ellington HPA Forecast" means that home prices change as predicted by Ellington's proprietary housing price model; as of 3/31/2013, this model was forecasting a flat-to-improving housing market for most regions of the country.

(7) Yields for manufactured housing securities, CMBS, and commercial mortgage loans are held constant for this analysis as management believes these underlying properties are less directly affected by changes in national home prices.

EFC: Credit Hedging Portfolio

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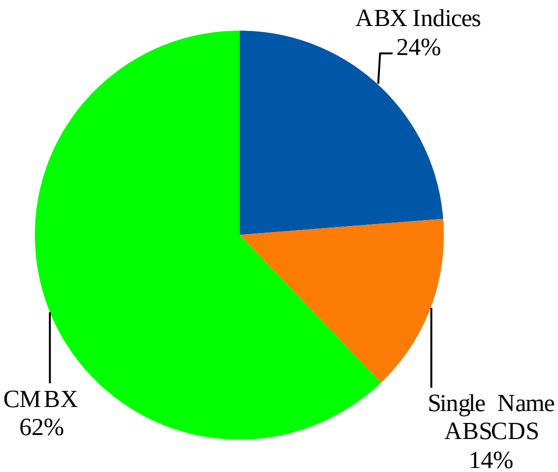
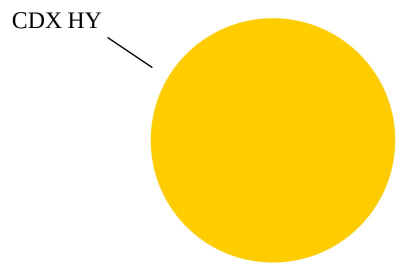
Previous Quarter
Credit Hedging Portfolio 12/31/12: $151MM(1)

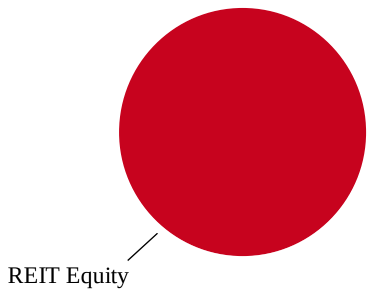
CDS on MBS: $64.2mm



Corporate CDS: $67.9.mm

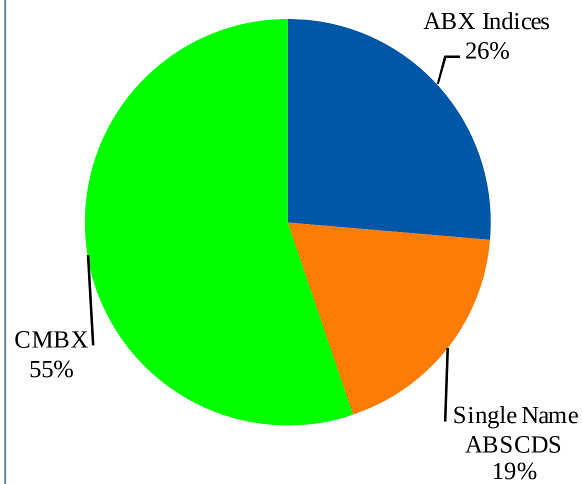


Equity Swaps: $18.7mm

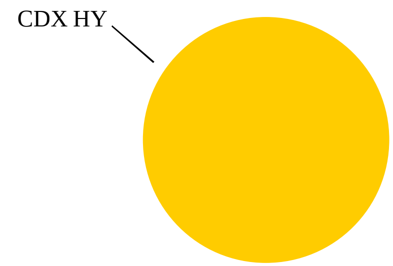


Current Quarter
Credit Hedging Portfolio 3/31/13: $158MM(1)

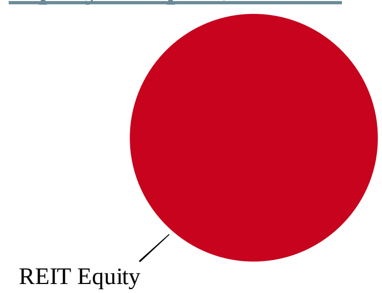
CDS on MBS: $59.0mm



Corporate CDS: $88.1.mm



Equity Swaps: $11.1mm

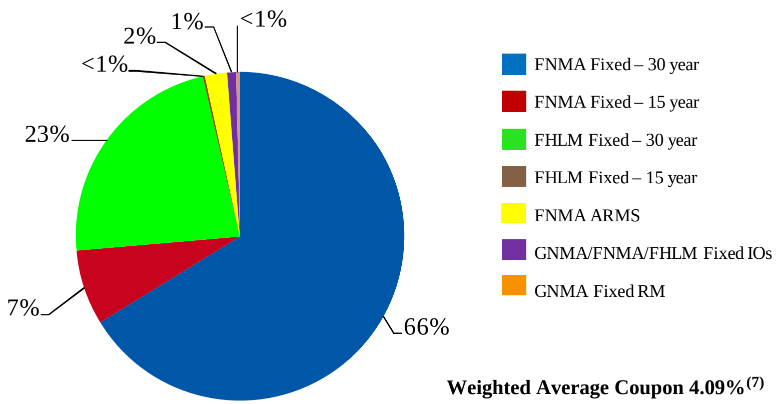


- **During the first quarter:**
  - Mortgage-related hedges were reduced further relative to the fourth quarter
  - More focus on non-mortgage hedges that may protect us better in an economic downturn, e.g., short position on CDX indices and total return swaps on REITs

(1) Credit hedging portfolio includes synthetic credit positions based on their respective bond equivalent values in the case of CDS. See footnote 1 on page 10 for a description of bond equivalent value of CDS. This information does not include interest rate swaps, TBA positions, or other hedge positions. The total bond equivalent value of CDS on MBS and Corporate CDS is $147.1 million at March 31, 2013 and $132.1 million at December 31, 2012. The corresponding net fair value of short CDS on MBS and short Corporate CDS is $33.0 million at March 31, 2013 and $47.2 million at December 31, 2012. For equity swaps, the amounts above represent notional value, based on the number of underlying shares multiplied by price per share at March 31, 2013 and December 31, 2012. The net short notional value of $11.1 million as of March 31, 2012 represents a gross short notional value of $13.6 millionoffset by a gross long notional value of $2.4 million. The fair value of equity swaps is $0.03 million as of March 31, 2013 and $(0.1) million as of December 31, 2012.

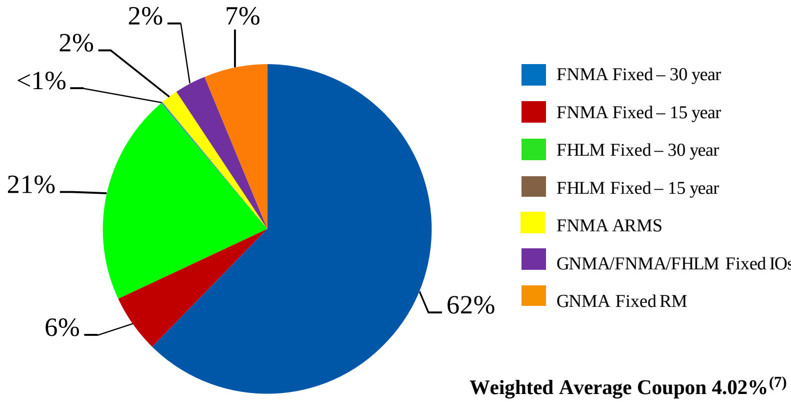
EFC: Agency Long Portfolio

Previous Quarter
Agency Long Portfolio 12/31/12: $774MM[1]



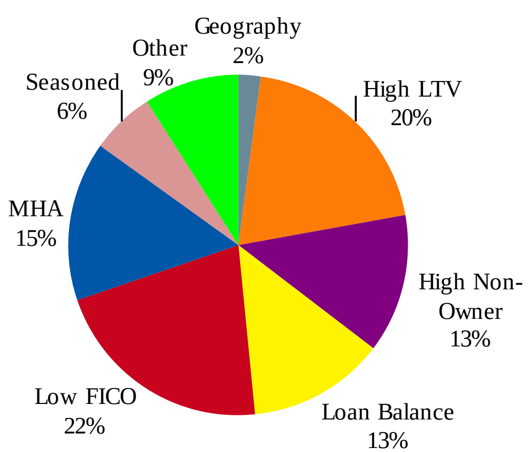
Weighted Average Coupon 4.09%[7]

Current Quarter
Agency Long Portfolio 3/31/13: $861MM[1]



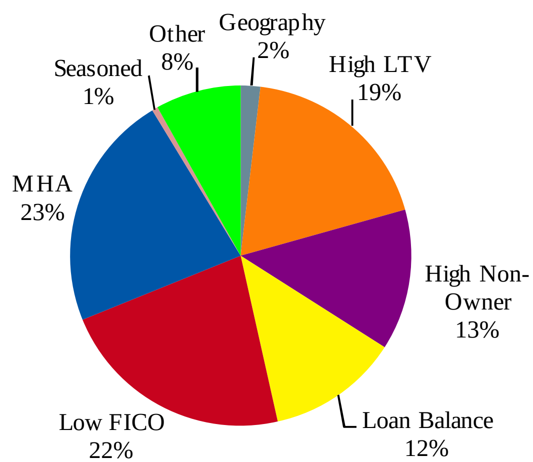
Weighted Average Coupon 4.02%[7]

Collateral Characteristics and Historical 3-month CPR
Agency Fixed Rate Pool Portfolio 12/31/12: $747MM[(2)]



Characteristic[(4)]	Fair Value[(2)(5)]	3-Month Historical CPR[(3)]
Geography	$15.9	14.5
High LTV	149.6	8.8
High Non-Owner Occupied	98.8	9.3
Low Loan Bal	97.5	6.3
Low FICO	159.6	7.8
MHA[(6)]	113.2	1.1
Seasoned	45.4	35.9
Other	67.5	17.9
Totals	747.5	9.7

Collateral Characteristics and Historical 3-month CPR
Agency Fixed Rate Pool Portfolio 3/31/13: $766MM[(2)]



Characteristic[(4)]	Fair Value[(2)(5)]	3-Month Historical CPR[(3)]
Geography	$14.1	30.7
High LTV	144.1	11.7
High Non-Owner Occupied	102.8	11.4
Low Loan Bal	95.3	9.9
Low FICO	171.3	6.6
MHA[(6)]	172.2	2.8
Seasoned	4.4	20.0
Other	62.1	14.1
Totals	766.3	9.1

(1) Does not include long TBA positions. Agency long portfolio includes $844.8 million of long Agency securities at March 31, 2013 and $767.6 million at December 31, 2012. Additionally, the long Agency portfolio includes $16.2 million of interest-only securities at March 31, 2013 and $6.6 million at December 31, 2012.
(2) Excludes interest-only securities with a value of $16.2 million at March 31, 2013 and $6.6 million at December 31, 2012 and reverse mortgage pool securities with a value of $64.0 million at March 31, 2013 and $3.0 million at December 31, 2012.
(3) Excludes interest-only securities and Agency fixed rate RMBS without any prepayment history with a total value of $53.5 million at March 31, 2013 and $14.2 million at December 31, 2012.
(4) Classification methodology may change over time as market practices change.
(5) Fair values are shown in millions.
(6) "MHA" indicates those pools where underlying borrowers have participated in the Making Homes Affordable program.
(7) Represents weighted average net pass-through rate. Excludes interest-only securities.

EFC: Agency Interest Rate Hedging Portfolio

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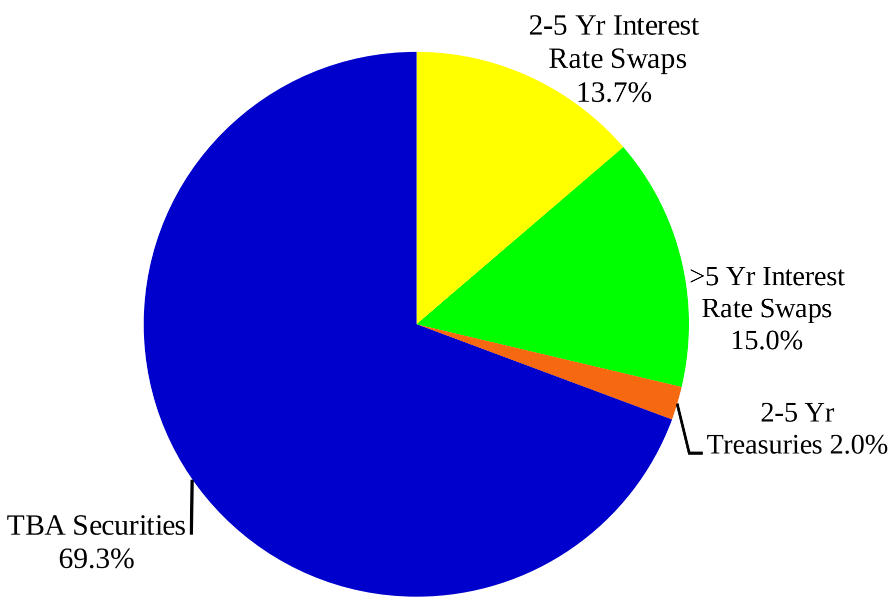
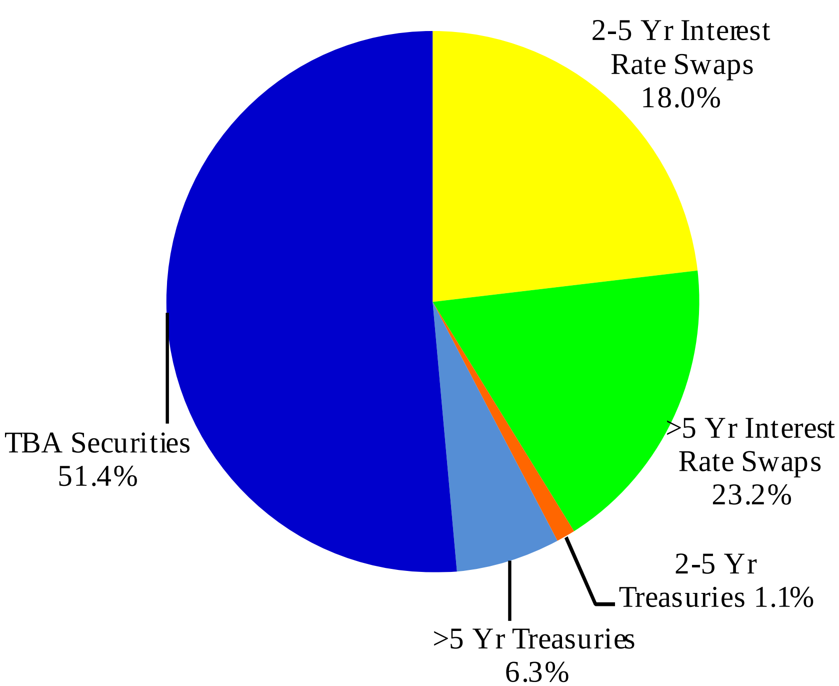
Previous Quarter
Agency Interest Rate Hedging Portfolio 12/31/12: Short $249MM 10-year equivalents



Current Quarter
Agency Interest Rate Hedging Portfolio 3/31/13: Short $408 MM 10-year equivalents



- **Agency interest rate hedges are shown in normalized units of risk, with each group of positions measured in "10-year equivalents."**
- **During the first quarter:**
  - Hedges were increased as portfolio size and duration increased
  - Increased proportion of interest rate swap hedges relative to TBAs

Note: "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.

EFC: Repo Borrowings as of March 31, 2013

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($ In Millions)	Repo Borrowings			
Remaining Days to Maturity	Non-Agency	Agency	Total	% of Total Borrowings
30 Days or Less	$57.8	$183.8	$241.6	25.0%
31-60 Days	70.3	248.7	319.0	33.1
61-90 Days	23.2	26.2	49.4	5.1
121-150 Days	0.0	109.2	109.2	11.3
151-180 Days	86.2	159.9	246.1	25.5
Total Borrowings	**$237.5**	**$727.8**	**$965.3**	**100.0%**
Weighted Average Remaining Days to Maturity	90	77	81	

- **As of March 31, 2013:**
  - EFC had borrowings outstanding with 12 counterparties. Borrowings from the largest counterparty represented 30% of total outstanding borrowings
  - EFC had repo borrowings with a remaining weighted average maturity of 81 days; maturities are staggered to mitigate liquidity risk
    - Non-Agency borrowings weighted average maturity declined by 22 days compared to December 2012
    - Agency borrowings increased by 35 days compared to December 2012

Note: Included in the above table, using the original maturity dates, are any reverse repos the Company may expect to terminate early in the case of an unsettled sale transaction at March 31, 2013. Not included are any reverse repos that the Company may have entered into prior to March 31, 2013, for which delivery of the borrowed funds is not scheduled until after March 31, 2013. Remaining maturity for a reverse repo is based on the contractual maturity date in effect as of March 31, 2013. Some reverse repos have floating interest rates, which may reset before maturity.

EFC: Gross Profit and Loss

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- **In times of MBS market distress, the use of hedging instruments has been effective in insulating long non-Agency portfolio from credit risk**
  - **Historically, non-Agency hedges have contributed gains to the overall portfolio**

	Qtr Ended March 31, 2013		Years Ended									
	2013		2012		2011		2010		2009		2008	
($ In thousands)	$	%	$	%	$	%	$	%	$	%	$	%
Long: Non-Agency	52,480	10.04	129,830	30.02	1,505	0.39	70,840	21.87	101,748	36.33	(64,565)	(26.20)
Credit Hedge: Non-Agency	(7,079)	(1.36)	(14,642)	(3.39)	19,895	5.16	(7,958)	(2.46)	10,133	3.62	78,373	31.81
Interest Rate Hedge: Non-Agency	348	0.07	(3,851)	(0.89)	(8,171)	(2.12)	(12,150)	(3.75)	(1,407)	(0.50)	(3,446)	(1.40)
Long: Agency	(77)	(0.02)	37,701	8.72	63,558	16.47	21,552	6.65	22,171	7.92	4,763	1.93
Interest Rate Hedge: Agency	811	0.16	(20,040)	(4.63)	(54,173)	(14.04)	(14,524)	(4.48)	(8,351)	(2.98)	(6,414)	(2.60)
Gross Profit	**46,483**	**8.89**	**128,998**	**29.83**	**22,614**	**5.86**	**57,760**	**17.83**	**124,294**	**44.39**	**8,711**	**3.54**

Note: Gross profit excludes expenses other than interest expense. Figures in "%" columns are as a percentage of average shareholders' equity for the period.

EFC: Book Value

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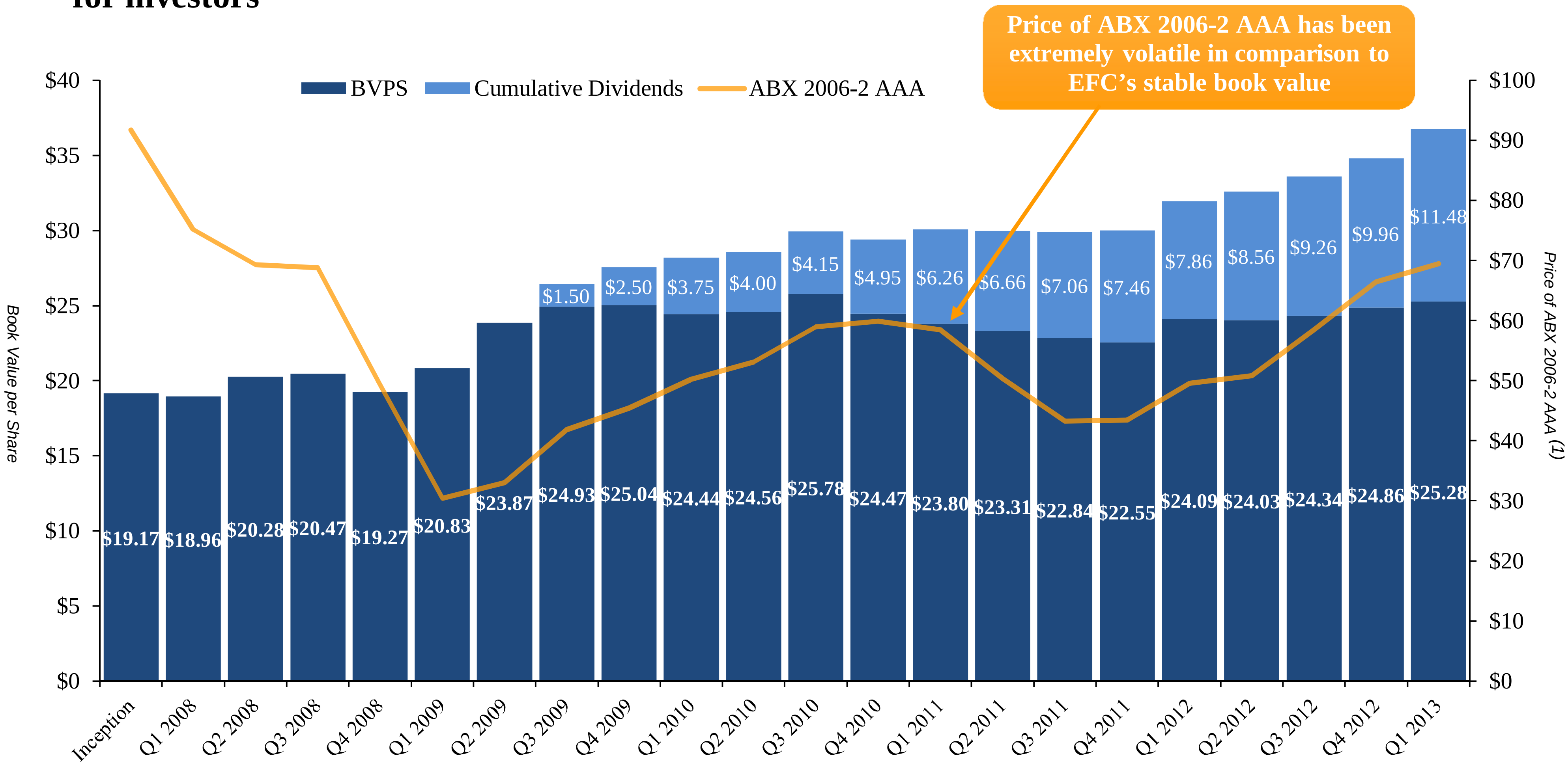
- **EFC has successfully preserved book value through market cycles, while producing strong results for investors**



- **EFC life-to-date net-asset-value-based total return from inception in August 2007 through April 30 is approximately 112%**
- **EFC year-to-date net-asset-based total return through April 2013 is 8.9%**

(1) Source: Bloomberg, Markit

Note: Total return is based on $19.17 net book value per share at inception in August 2007 and is calculated assuming the reinvestment of dividends. Total return from inception using the 4/30/2013 book value per share is 111.6%. Dividends were paid in the quarter following the period related to such performance.

EFC: Dividends and Expense Ratio

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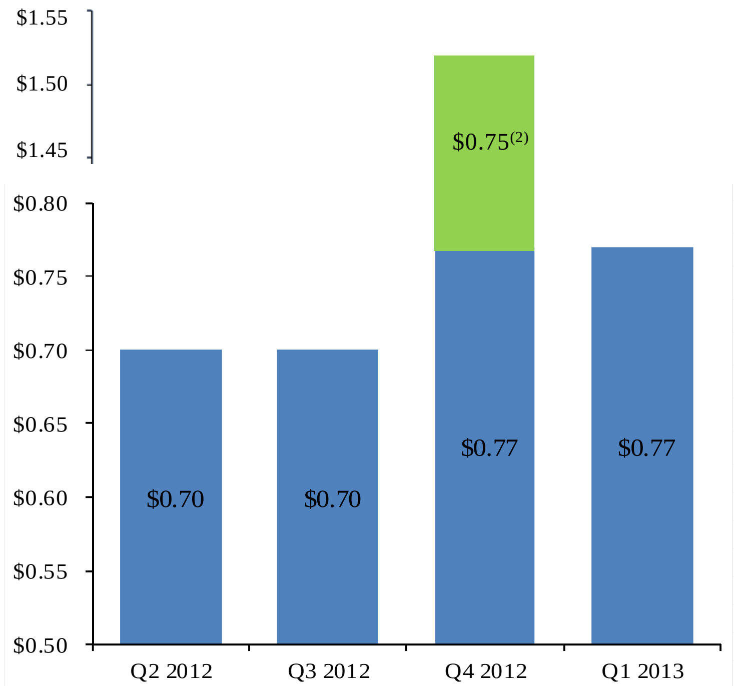
Dividends Per Share

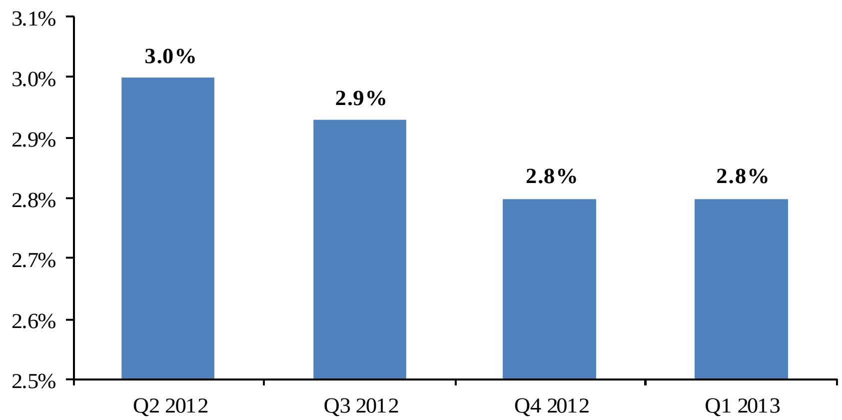


Dividend Yield as of March 31, 2013
12.4%(1)

(1) Based on NYSE closing price as of 3/31/2013.

(2) Special dividend.

Expense Ratio



About Ellington

Ellington Financial

- **EFC is managed by Ellington Financial Management LLC, an affiliate of Ellington Management Group L.L.C. ("EMG")**

- **EMG was founded in 1994 by Michael Vranos and five partners; currently has over 120 employees, giving EFC access to time-tested infrastructure and industry-leading resources in trading, research, risk management, and operational support**
  - EMG has approximately $5.4 billion in assets under management

- **EMG's portfolio managers are among the most experienced in the MBS sector and the firm's analytics are at the industry's cutting edge**
  - Prior to forming EMG, five of the founding partners constituted the core of Kidder Peabody's MBS trading and research group, while one spent ten years at Lehman Brothers where he ran collateralized mortgage obligation ("CMO") trading
  - The founding partners each have advanced academic training in mathematics and engineering, including among them several Ph.D.'s and Master's degrees

- **Management owns over 13% of EFC; interests are aligned with shareholders**

Note: Management ownership includes shares held by principals of EMG and family trusts, and operating partnership units attributable to non-controlling interest.

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