

Third Quarter 2015 Fact Sheet

NYSE: EARN
www.earnreit.com

EARN OVERVIEW^(as of 9/30/15)

Market Capitalization ⁽¹⁾ :	\$113.6mm
Q3 Dividend Per Share:	\$0.45
Dividend Yield ⁽¹⁾ :	14.5%
Mortgage-backed Securities:	\$1.281bn
Book Value Per Share:	\$16.20
Q3 Earnings Per Share:	\$(0.53)
Q3 Core Earnings per Share ⁽²⁾ :	\$0.69
Debt-to-Equity Ratio:	8.3x
Q3 Economic Book Value Return ⁽³⁾ :	(3.1)%

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

CONTACT INFORMATION

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EARN

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 \$6.1 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 160 employees, including over 30 professionals dedicated to research and systems.

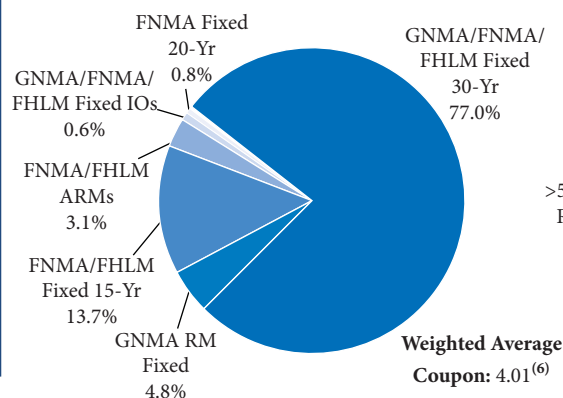
Active and Research-Driven Investment Approach

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.

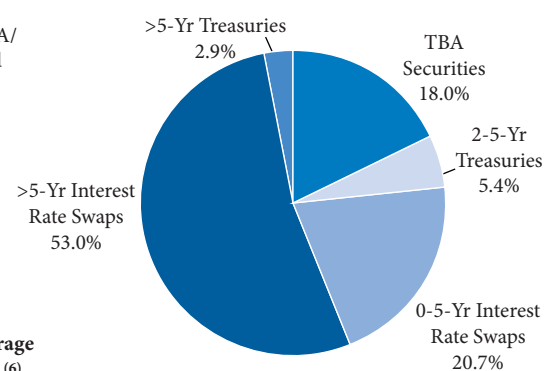
PORTFOLIO COMPOSITION AS OF 9/30/2015

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

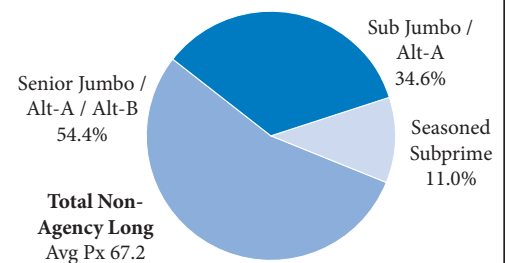
Agency RMBS Long Portfolio - \$1.25bn⁽⁴⁾ Long \$567mm 10-Year Equivalents⁽⁵⁾



Agency Interest Rate Hedging Portfolio - Short \$516mm 10-Year Equivalents⁽⁵⁾



Non-Agency RMBS Long Portfolio - \$29mm



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 September 30, 2015 unless otherwise noted. (1) Market capitalization is based on the November 2, 2015 closing share price of \$12.44. Dividend yield is calculated by annualizing the \$0.45 quarterly dividend declared for the quarter ended September 30, 2015, divided by the November 2, 2015 closing share price of \$12.44. (2) Please refer to our earnings press release for the quarterly period ended September 30, 2015 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. (6) Represents weighted average net pass-through rate.