

Ellington Financial LLC
Form 10-Q
August 09, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013

OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 001-34569

Ellington Financial LLC
(Exact Name of Registrant as Specified in Its Charter)

Delaware 26-0489289
(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

53 Forest Avenue, Old Greenwich, Connecticut 06870
(Address of Principal Executive Office) (Zip Code)
(203) 698-1200
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filers" "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class Outstanding at August 2, 2013
25,417,155

Common Shares Representing Limited Liability
Company Interests, no par value

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PART 1. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements (unaudited)

ELLINGTON FINANCIAL LLC

CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES, AND EQUITY

(UNAUDITED)

	June 30, 2013	December 31, 2012
	Expressed in U.S. Dollars	
(In thousands except share amounts)		
ASSETS		
Cash and cash equivalents	\$201,795	\$59,084
Investments, financial derivatives, and repurchase agreements:		
Investments at fair value (Cost – \$1,675,134 and \$1,328,153)	1,710,422	1,375,116
Financial derivatives – assets at fair value (Net cost – \$47,291 and \$65,860)	46,977	48,504
Repurchase agreements (Cost – \$41,188 and \$13,650)	41,188	13,650
Total investments, financial derivatives, and repurchase agreements	1,798,587	1,437,270
Due from brokers	48,294	22,744
Receivable for securities sold	672,035	626,919
Interest and principal receivable	6,571	5,719
Other assets	1,125	379
Total Assets	\$2,728,407	\$2,152,115
LIABILITIES		
Investments and financial derivatives:		
Investments sold short at fair value (Proceeds – \$614,208 and \$621,048)	\$608,922	\$622,301
Financial derivatives – liabilities at fair value (Net proceeds – \$16,042 and \$13,171)	18,543	15,212
Total investments and financial derivatives	627,465	637,513
Reverse repurchase agreements	1,287,992	905,718
Due to brokers	30,345	30,954
Payable for securities purchased	136,084	57,333
Securitized debt (Proceeds – \$1,150 and \$1,311)	1,168	1,335
Accounts payable and accrued expenses	1,917	1,995
Base management fee payable	2,405	1,934
Incentive fee payable	1,182	7,343
Other payables	311	903
Interest and dividends payable	1,680	732
Total Liabilities	2,090,549	1,645,760
EQUITY	637,858	506,355
TOTAL LIABILITIES AND EQUITY	\$2,728,407	\$2,152,115
ANALYSIS OF EQUITY:		
Common shares, no par value, 100,000,000 shares authorized; (25,412,011 and 20,370,469 shares issued and outstanding)	\$624,096	\$497,373
Additional paid-in capital – LTIP units	9,066	8,982
Total Shareholders' Equity	633,162	506,355
Non-controlling interest	4,696	—
Total Equity	\$637,858	\$506,355
PER SHARE INFORMATION:		
Common shares	\$24.92	\$24.86
See Notes to Consolidated Financial Statements		

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ELLINGTON FINANCIAL LLC

CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS

AT JUNE 30, 2013

(UNAUDITED)

Current Principal/ Notional Value/Number of Shares	Description	Rate	Maturity	Fair Value
(In thousands)				Expressed in U.S. Dollars
North America (r)				
Long Investments (268.15%) (a) (p)				
Mortgage-Backed Securities (260.25%)				
Agency Securities (147.62%) (b)				
Fixed Rate Agency Securities (143.67%)				
Principal and Interest - Fixed Rate Agency Securities (129.00%)				
\$75,125	Federal National Mortgage Association Pool	3.50%	2/43	\$ 75,620
39,607	Federal National Mortgage Association Pool	3.50%	1/43	39,769
19,593	Federal National Mortgage Association Pool	4.50%	12/41	20,895
16,806	Federal National Mortgage Association Pool	4.50%	9/41	17,922
17,552	Federal National Mortgage Association Pool	3.50%	8/42	17,846
16,329	Federal National Mortgage Association Pool	5.00%	8/41	17,740
17,128	Federal National Mortgage Association Pool	3.00%	6/28	17,574
16,033	Federal National Mortgage Association Pool	4.50%	10/41	17,098
15,831	Federal Home Loan Mortgage Corporation Pool	5.00%	7/41	17,076
13,767	Federal National Mortgage Association Pool	5.00%	3/41	15,027
12,008	Federal National Mortgage Association Pool	4.00%	8/42	12,523
12,607	Federal Home Loan Mortgage Corporation Pool	3.00%	10/42	12,308
11,105				