ELLINGTON
INCOME OPPORTUNITIES FUND

SEMIANNUAL REPORT

June 30, 2024

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Market quotations are not typically readily available for the majority of the Fund's securities and they are often valued at fair value as determined by the Adviser, in its capacity as Valuation Designee (the "Valuation Designee"). The Valuation Designee seeks to obtain at least one third-party indicative valuation for each instrument and obtains multiple indicative valuations when available. Third-party valuation providers often utilize proprietary models that are highly subjective and also require the use of a significant amount of judgment and the application of various assumptions including, but not limited to, prepayment and default rate assumptions. The Valuation Designee has been able to obtain third-party indicative valuations on the vast majority of the Fund's investments and expects to continue to solicit third-party valuations on substantially all investments in the future to the extent practical. The Valuation Designee generally values each financial instrument using a third-party valuation received. However, such third-party valuations are not binding, and while the Valuation Designee generally does not adjust such valuations, the Valuation Designee may challenge or reject a valuation when, based on validation criteria, the Valuation Designee determines that such valuation is unreasonable or erroneous. Furthermore, the Valuation Designee may determine, based on validation criteria, that for a given instrument the third-party valuations received does not result in what the Valuation Designee believes to be fair value, and in such circumstances the Valuation Designee may override the third-party valuation with its own good faith valuation. The validation criteria include the use of the Valuation Designee's own models, recent trading activity in the same or similar instruments, and valuations received from third parties.

The Valuation Designee's valuation process, including the application of validation criteria, is overseen and periodically reviewed by the Fund's Board of Trustees. Because of the inherent uncertainty of valuations, these estimated values may differ significantly from the values that would have been used had a ready market for the financial instruments existed, and the differences could be material to the financial statements.

The table below reflects the value of the Fund's Level 1, Level 2 and Level 3 financial instruments measured at fair value as of June 30, 2024:

Description	Level 1	Level 2	Level 3	Total
Investments				
Asset Backed Securities	$ -	$ 26,151,695	$ 3,493,364	$ 29,645,059
Corporate Debt	32,369	-	-	32,369
Preferred Stocks	1,668,852	-	-	1,668,852
Short-Term Investments	2,918,709	-	-	2,918,709
Total Investments	$ 4,619,930	$ 26,151,695	$ 3,493,364	$ 34,264,989
Other Financial Instruments*				
Interest Rate Swaps	$ -	$ (27,838)	$ -	$ (27,838)
Total Swaps Contracts	$ -	$ (27,838)	$ -	$ (27,838)

*Other financial instruments are derivative instruments, such as swap contacts, which are reported at market value.

The Fund generally uses prices provided by an independent pricing service, broker, or agent bank, which provide non-binding indicative prices on or near the valuation date as the primary basis for fair value determinations for certain instruments. The independent pricing services typically value such securities based on one or more inputs, including but not limited to benchmark yields, transactions, bids, offers, quotations from dealers and trading systems, new issues, spreads and other relationships observed in the markets among comparable securities, and pricing models such as yield measurers calculated using factors such as cash flows, financial or collateral performance and other reference data. In addition to these inputs, mortgage-backed and asset-backed obligations may utilize cash flows, prepayment information, default rates, delinquency and loss assumptions, collateral characteristics, credit enhancements, and specific deal information. These values are non-binding and may not be determinative of fair value. Values are evaluated during the Fund's valuation process by the Valuation Designee in conjunction with additional information about the instrument, similar instruments, market indicators and other information.