
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): August 31, 2011

DYNEX CAPITAL, INC.

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction
of incorporation)

1-9819
(Commission
File Number)

52-1549373
(IRS Employer
Identification No.)

4991 Lake Brook Drive, Suite 100
Glen Allen, Virginia
(Address of principal executive offices)

23060-9245
(Zip Code)

Registrant's telephone number, including area code: (804) 217-5800

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

Dynex Capital, Inc. (the “Company”) will be participating in the Midwest IDEAS Conference in Chicago, Illinois on August 31, 2011. The presentation materials that the Company will use at the conference are attached hereto as Exhibit 99.1 and incorporated herein by reference. The materials will also be accessible online at the Company’s website (www.dynexcapital.com) on the “Investor Relations” page under “News and Market Information.”

The presentation materials attached to this report as Exhibit 99.1 are furnished pursuant to Item 7.01 and shall not be deemed filed in this or any other filing of the Company under the Securities Exchange Act of 1934, as amended, unless expressly incorporated by reference in any such other filing.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor presentation materials dated August 31, 2011

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DYNEX CAPITAL, INC.

Date: August 31, 2011

By: /s/ Stephen J. Benedetti
Stephen J. Benedetti
Executive Vice President, Chief Operating Officer
and Chief Financial Officer



Sound Strategy. Unique Advantages.

Dynex Capital, Inc. Midwest IDEAS Conference

August 31, 2011

www.dynexcapital.com
(NYSE: DX)

Safe Harbor Statement



NOTE:

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about projected future investment strategies and leverage ratios, financial performance, the projected impact of NOL carryforwards, future dividends paid to shareholders, and future investment opportunities and capital raising activities. The words “will,” “believe,” “expect,” “forecast,” “anticipate,” “intend,” “estimate,” “assume,” “project,” “plan,” “continue,” and similar expressions also identify forward-looking statements that are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Although these forward-looking statements reflect our current beliefs, assumptions and expectations based on information currently available to us, the Company’s actual results and timing of certain events could differ materially from those projected in or contemplated by these statements. Our forward-looking statements are subject to the following principal risks and uncertainties: our ability to find suitable reinvestment opportunities; changes in economic conditions; changes in interest rates and interest rate spreads, including the repricing of interest-earnings assets and interest-bearing liabilities; our investment portfolio performance particularly as it relates to cash flow, prepayment rates and credit performance; adverse reactions in financial markets related to the budget deficit or national debt of the United States government; potential or actual default by the United States government on Treasury securities; and potential or actual downgrades to the sovereign credit rating of the United States or the credit ratings of GSEs; the cost and availability of financing; the cost and availability of new equity capital; changes in our use of leverage; the quality of performance of third-party service providers of our loans and loans underlying our securities; the level of defaults by borrowers on loans we have securitized; changes in our industry; increased competition; changes in government regulations affecting our business; government initiatives to support the U.S. financial system and U.S. housing and real estate markets; GSE reform or other government policies and actions; and an ownership shift under Section 382 of the Internal Revenue Code that impacts the use of our tax NOL carryforward. For additional information, see the Company’s Annual Report on Form 10-K for the year ended December 31, 2010, the Company’s Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011 and June 30, 2011, and other reports filed with and furnished to the Securities and Exchange Commission.

Our Guiding Principles



Our Mission

Manage a successful public mortgage REIT with a focus on capital preservation and providing risk-adjusted returns reflective of a diversified, leveraged fixed income portfolio.

Our Core Values

- ✓Generate dividends for our shareholders
- ✓Manage leverage conservatively
- ✓Remain owner-operators
- ✓Maintain a culture of integrity and employ the highest ethical standards
- ✓Provide a strong risk-management culture
- ✓Focus on long-term shareholder value while preserving capital

DX Snapshot



Company Highlights

- ✓ Internally managed REIT commenced operations in 1988
- ✓ Significant insider ownership and experienced management team
- ✓ Diversified investment strategy in residential and commercial mortgage assets
- ✓ Large NOL carryforward for unique total return opportunity

Market Highlights (all as of 8/24/11)

NYSE Stock Ticker	DX
Shares Outstanding	40,344,434
Quarterly Dividend/Dividend Yield	\$0.27/12%
Share Price	\$9.03
Price to Book	0.94
Market Capitalization	\$364.3 million

Important Macro Themes

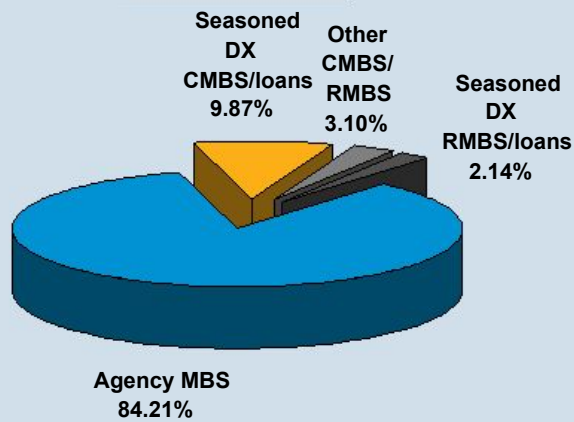


- ✓ Multiple factors combining to depress economic activity – recession risk has increased
- ✓ Global risk remains high particularly in the Eurozone
- ✓ Fed maintaining its very accommodative posture
- ✓ Government policy/regulations continue to influence investment returns
- ✓ Financing environment is still strong but anxious over global events
- ✓ Increasing volatility and prepayment concerns have impacted asset valuations
- ✓ GSE reform will ultimately eliminate a substantial buyer of mortgage credit risk
- ✓ Securitization markets are healing slowly but unevenly

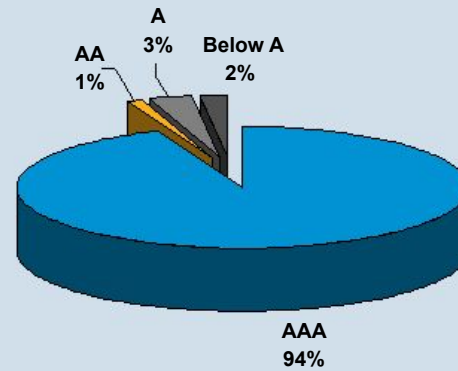
Investment Portfolio as of June 30, 2011



Composition



Ratings



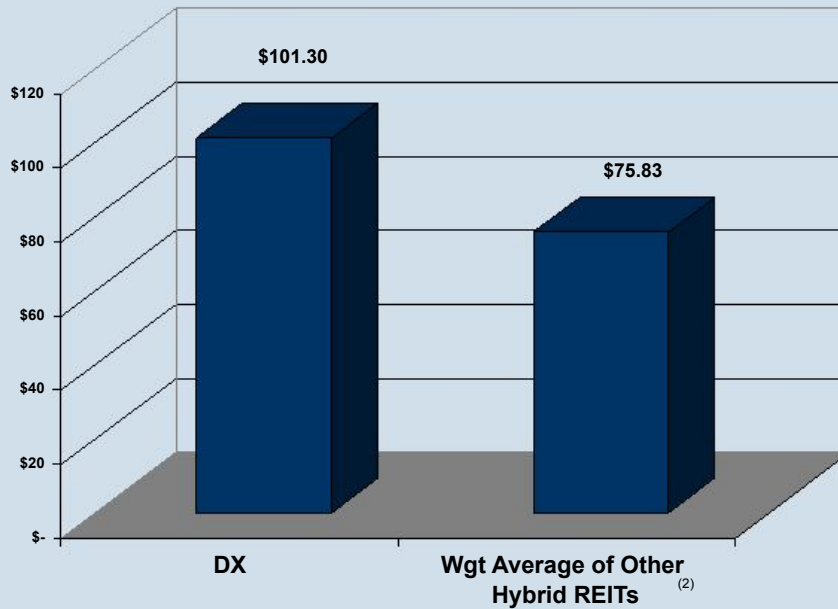
- High quality portfolio of primarily short-duration Agency MBS
- 94% AAA/Agency securities, 98% rated A or higher
- Relative to most other diversified REITs, Dynex maintains a higher credit quality portfolio

(1) Percentages based on asset carrying basis.

Credit Portfolio Comparisons



Average June 30, 2011 Portfolio Non-Agency Price⁽¹⁾



(1) Figures exclude non-Agency interest-only securities.

(2) Consists of the weighted average of dollar prices for non-Agency investments as of June 30, 2011 for MFA, IVR, and TWO as disclosed in each company's 10-Q for quarter ended June 30, 2011.

Interest Rate Risk



Change in Value from Change in Rates

Ticker	Estimated Company Leverage ⁽¹⁾	Portfolio Value ⁽²⁾			Equity Value ⁽³⁾	
		+50	+75	+100	+75	+100
AGENCY MBS						
NLY	5.7x	-0.96%	-1.58%		-9.01%	
ANH	7.0x			-2.40%		-16.80%
HTS	7.4x	-0.56%		-1.76%		-13.02%
AGNC	7.5x	-0.50%		-1.20%		-9.00%
CYS	8.1x	-2.03%	-3.09%		-25.03%	
ARR	8.7x	-1.61%		-2.70%		-23.54%
DIVERSIFIED MBS						
DX	5.9x	-0.40%		-0.90%		-5.31%
IVR	5.7x	-0.58%		-1.34%		-7.64%
MFA	3.3x	-0.36%		-0.84%		-2.77%
TWO	4.5x	-0.30%		-0.70%		-4.60%
CIM	1.9x	-3.35%	-5.08%		-9.65%	

(1) As disclosed in each company's 10-Q for quarter ended June 30, 2011. Ratios are dependent on each company's method of calculation.

(2) As of June 30, 2011, as disclosed in each company's 10-Q for quarter ended June 30, 2011. Percentages are dependent on each company's assumptions, as disclosed in their 10-Qs.

(3) Figure shown for TWO is disclosed in 10-Q for quarter ended June 30, 2011. All others equal estimated % decrease for the +75/+100 scenarios multiplied by estimated company leverage, and is meant to show the potential change in equity value for the corresponding change in rates.

Potential Return Profile for Prospective Investments as of August 24, 2011



<u>Investment</u>	<u>Range of Prices</u>	<u>Range of yields</u>	<u>Range of net spread to funding</u>	<u>Range of ROEs</u>
Agency				
RMBS	103-109	2.3%-3.2%	1.3%-2.8%	13%-28%
CMBS	103-111	3.0%-3.6%	1.3%-1.9%	13%-19%
Non-Agency				
'AAA'RMBS	90-102	3.6%-6.0%	2.6%-4.0%	14%-21%
'AAA'CMBS	95-105	3.9%-6.9%	2.0%-4.0%	14%-20%

The above portfolio is for illustrative purposes only, does not represent actual or expected performance and should not be relied upon for any investment decision. The range of return on equity is based on certain assumptions including assumptions relating to asset allocation percentages and spreads where new mortgage assets can be acquired versus a current cost of funds to finance acquisition of those assets. Rates used represent a range of asset yields and financing costs based on data available as of the date referenced above. Any change in the assumed yields, financing costs or assumed leverage could materially alter the company's returns. The performance results above do not include assumption for the deduction of investment advisory fees, expenses or commissions. The performance results assume that no cash was added to or assets withdrawn from the portfolio and that all dividends, gains and other earnings in the portfolio were reinvested. There can be no assurance that asset yields or financing costs will remain at current levels. For a discussion of risk that may affect our ability to implement strategy and other factors which may affect our potential returns, please see the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2011.

Balance Sheet Overview

as of June 30, 2011



(\$ in millions)	Asset Carrying Basis	Associated Financing ⁽¹⁾ / Liability Carrying Basis	Allocated Shareholders' Equity	Leverage Target	Notes
Agency RMBS	\$1,906.3	(\$1,728.5)	\$177.8	7 – 9x	<ul style="list-style-type: none"> • \$1,566.9 mm in Hybrid Agency ARMs - Weighted average months-to-reset of 40 months • \$339.4 mm in Agency ARMs - Weighted average months-to-reset of 8 months
Agency CMBS	275.6	(192.7)	82.9	8 – 8x	<ul style="list-style-type: none"> • Fixed rate agency CMBS • Voluntary prepayment protected
Non-Agency RMBS	10.4	(7.7)	2.7	4 – 5x	<ul style="list-style-type: none"> • 4Q 2010 weighted average annualized yield of 6.23% • ~44% "AAA" and "AA" rated
Non-Agency CMBS	266.8	(218.4)	48.3	4 – 5x	<ul style="list-style-type: none"> • 4Q 2010 weighted average annualized yield of 6.03% • ~76% "AAA" and "AA" rated
Securitized mortgage loans	131.0	(92.0)	39.0	2 – 3x	<ul style="list-style-type: none"> • Loans pledged to support repayment of securitization bonds issued by the Company • Originated in the 1990's
Other investments	1.1	–	1.1	–	<ul style="list-style-type: none"> • Unsecuritized single family and commercial mortgage loans
Other ⁽²⁾	31.2	(17.3)	13.9	–	
Total	\$2,622.4	(\$2,256.6)	\$365.7	5 – 6x	• 5.9x actual leverage

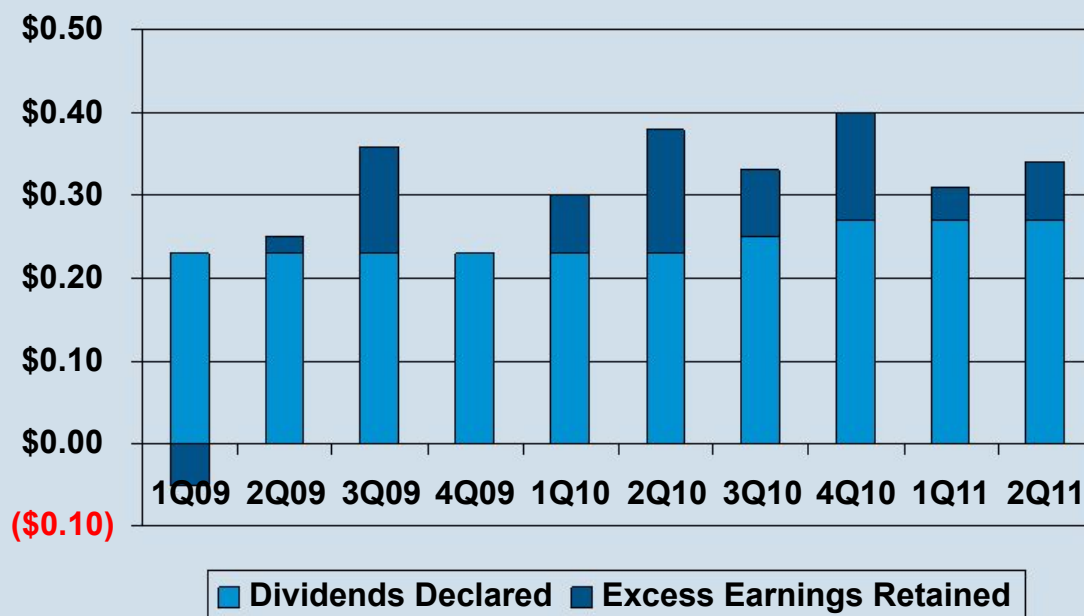
(1) Associated financing for investments includes repurchase agreements, securitization financing issued to third parties and TALF financing (the latter two of which are presented on the Company's balance sheet as "non-recourse collateralized financing").

(2) Includes hedging instruments, cash and cash equivalents, and other assets/other liabilities.

Earnings – Paid and Retained



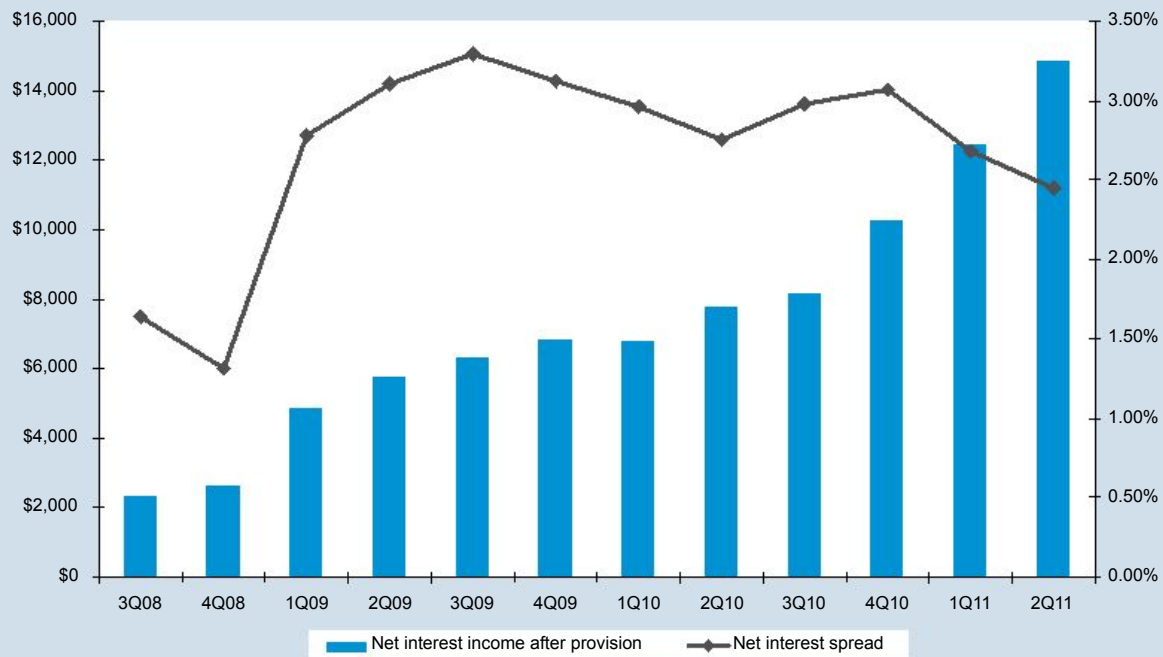
We Pay a Dividend AND Generate and Retain Earnings
(Utilizing our NOL) to Grow Book Value



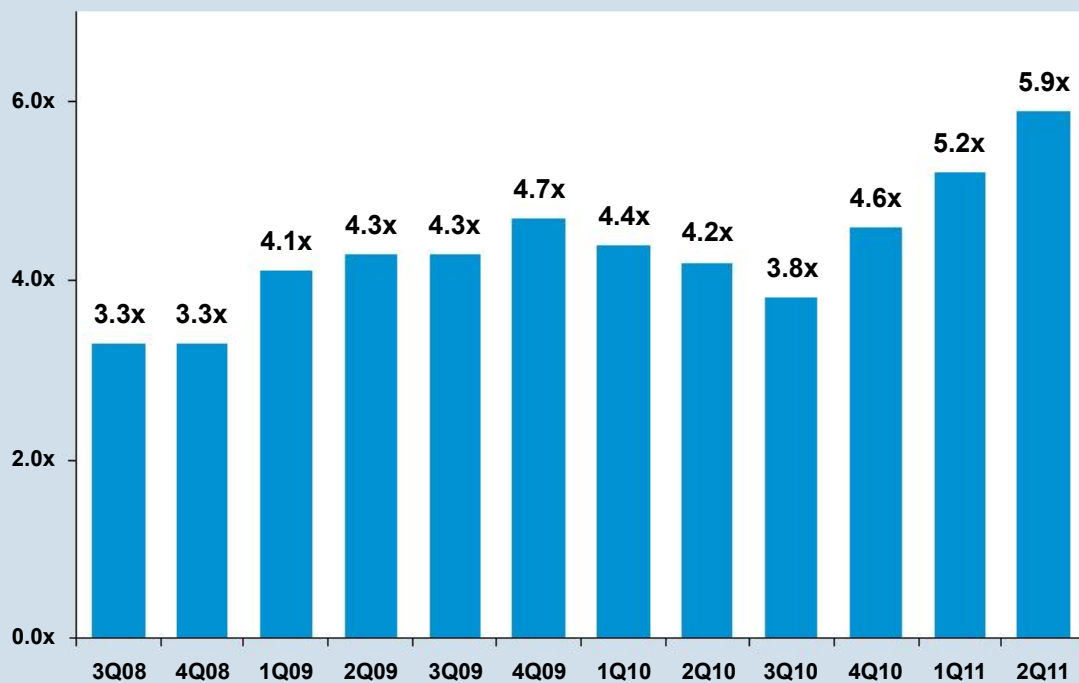
Investment Portfolio Income and Spread



\$ in thousands



Portfolio Leverage



Why Dynex



- ✓ Excellent long term performance record
- ✓ Strong and defensive balance sheet positioned to weather market volatility
- ✓ Experienced management with a track record of disciplined capital deployment through multiple economic cycles
- ✓ Alignment of interests with shareholders due to owner-operator structure
- ✓ Complementary investment opportunities exist with attractive return profiles consistent with our investment philosophy
- ✓ Opportunistic capital raises have increased shareholder value without significant book value dilution

Appendix

Long Term Performance



Five Year Total Return



Source: SNL Financial.

(1) Based on beginning share price of \$6.99 on 8/24/06 and ending share price of \$9.00 on 8/23/11. Assumes reinvestment of dividends.

(2) SNL U.S. Finance REIT: Includes all publicly traded (NYSE, NASDAQ, OTC BB, Pink Sheets) Investment Companies with the following primary focuses: MBS REIT, Mortgage REIT, and Specialty Finance REITs in SNL's coverage universe.

Management Team



Experienced team of professionals with a combined 80 years of experience managing mortgage REITs and mortgage portfolios

- **Thomas B. Akin – Chairman and Chief Executive Officer**

- 32 years of experience in the industry and 7 years at Dynex
- Chairman since 2003 and CEO since 2008
- Managing Member of Talkot Capital, LLC
- 16 years at Merrill Lynch and Salomon Brothers

- **Byron L. Boston – Chief Investment Officer**

- 27 years of experience in the industry with 3 years as CIO at Dynex
- 13 years managing levered multi-product portfolios at Freddie Mac and Sunset Financial Resources
- 11 years trading MBS on Wall Street
- 3 years Senior Corporate Lending Officer at Chemical Bank

- **Stephen J. Benedetti – Chief Financial Officer and Chief Operating Officer**

- 21 years of experience in the industry
- Employed at Dynex for 16 years in various treasury, risk management and financial reporting roles
- Managed Dynex from 2002 to 2007
- Began career at Deloitte & Touche

- **Portfolio Management Team**

- 5 member team with a collective 65 years of industry experience with broad and deep skill sets in both agency and non-agency investment strategies