
**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): February 10, 2012

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 Value Forum InvestFest 2012 in Tampa, Florida on Saturday, February 11, 2012. The presentation materials that the Company will use at the conference will include the information attached hereto as Exhibit 99.1 and incorporated herein by reference. The presentation materials will be accessible online at the Company’s website (www.dynexcapi.com) on the “Investors Relations/Event Calendar” page.

The 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.*

Exhibit No.	Description
99.1	Investor presentation materials dated February 11, 2012

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: February 10, 2012

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



Dynex Capital, Inc.

Value Forum
InvestFest 2012

February 11, 2012

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, June 30, 2011, and September 30, 2011 and other reports filed with and furnished to the Securities and Exchange Commission.

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 *(as of 2/7/2012 unless indicated)*

NYSE Stock Ticker	DX
Shares Outstanding	54,117,772
Quarterly Dividend/Dividend Yield	\$0.28/12.3%
Share Price	\$9.14
Price to Book <small>(based on BV per share as of 9/30/2011)</small>	1.0x
Market Capitalization	\$494.64 million

Dynex at an Inflection Point



- ***Consistent Core Investment Strategy Since 2008***

- Short duration, high quality, and modest leverage has produced stable returns and increasing dividends
- Opportunistic asset allocation has avoided investment “landmines”
- Diversified asset opportunity

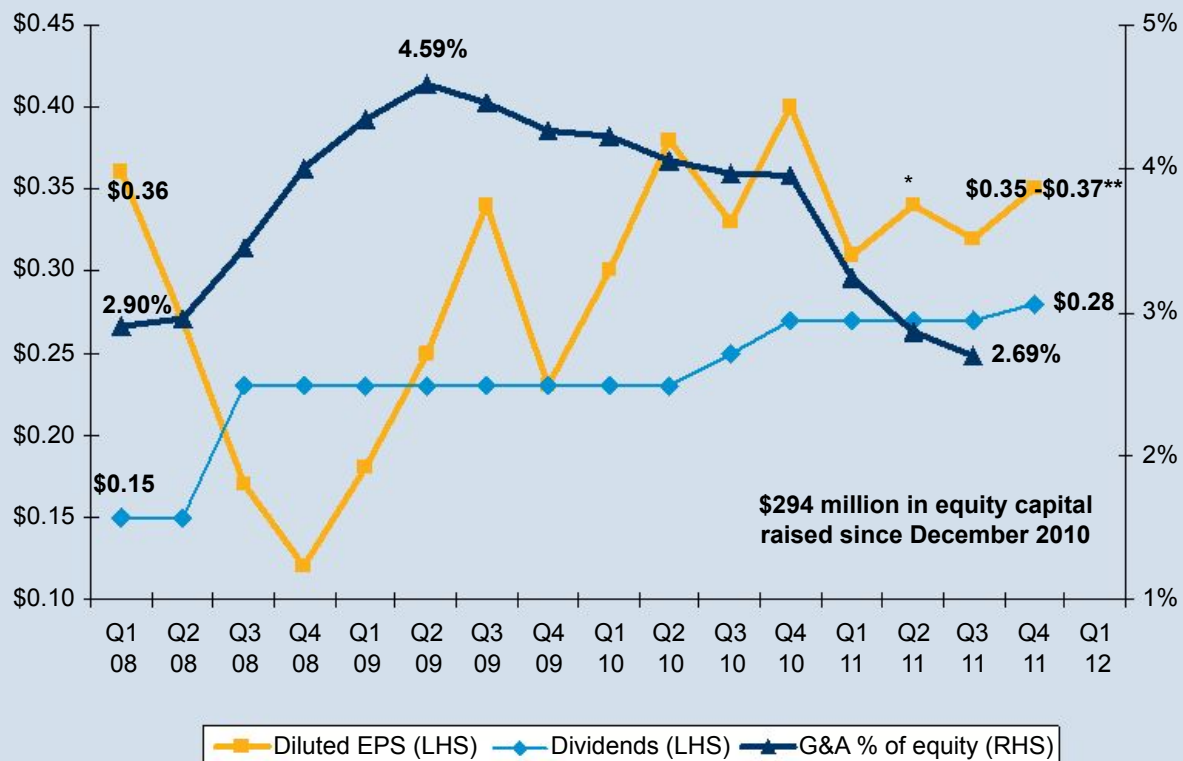
- ***Current Investment Opportunity***

- Federal Reserve recent ZIRP extension to 2014
- Non-Agency sector attractive with 16-20% low leverage returns
- Agency MBS spreads continue to offer attractive returns given the current macro environment
- Selective securities will help mitigate prepay risk, credit risk, and extension risk

- ***Track Record***

- Dynex has delivered an annualized total return of 11.5% since 2008, assuming reinvestment of dividends *(source: Bloomberg)*
- Book value has grown from \$8.07 in Q1 2008 to \$9.15 at Q3 2011
- Maintained consistent investment strategy without sacrificing risk for return
- Opportunistic capital raises have increased core earnings with little dilution

Performance Trends



See Footnotes "*" and "**" on Slide 6

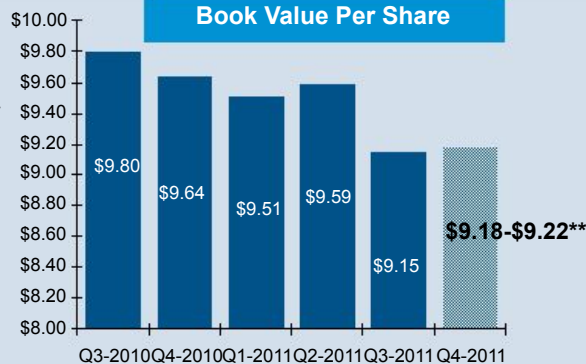
Summary of Results



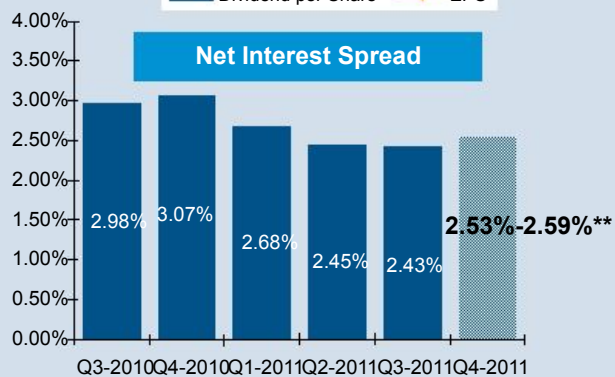
Dividends and Earnings Per Share*



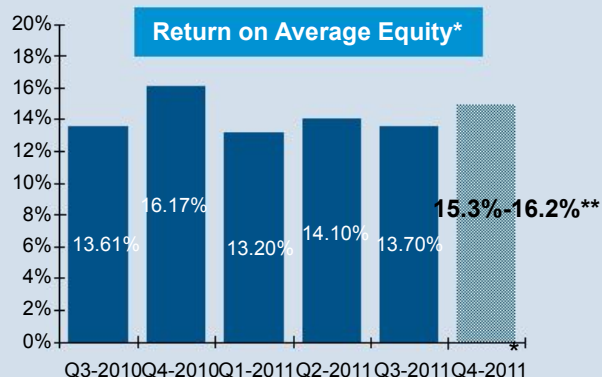
Book Value Per Share



Net Interest Spread



Return on Average Equity*



*As presented on this slide, Q3-2011 earnings per share and return on average equity exclude the impact of certain items (EPS Ex-Items). EPS Ex-Items for Q3-2011 excludes from GAAP earnings per share the impact of litigation settlement and related defense costs of \$8.2 million (or \$0.20 per diluted common share), a loss of \$2.0 million (or \$0.05 per diluted common share) on redemption of non-recourse collateralized financings, and \$1.3 million (or \$0.03 per diluted common share) in net accelerated premium amortization due to an increase in forecasted prepayment speeds during the third quarter of 2011. Reported diluted EPS for Q3-2011 was \$0.04.

**Year end 2011 projected range

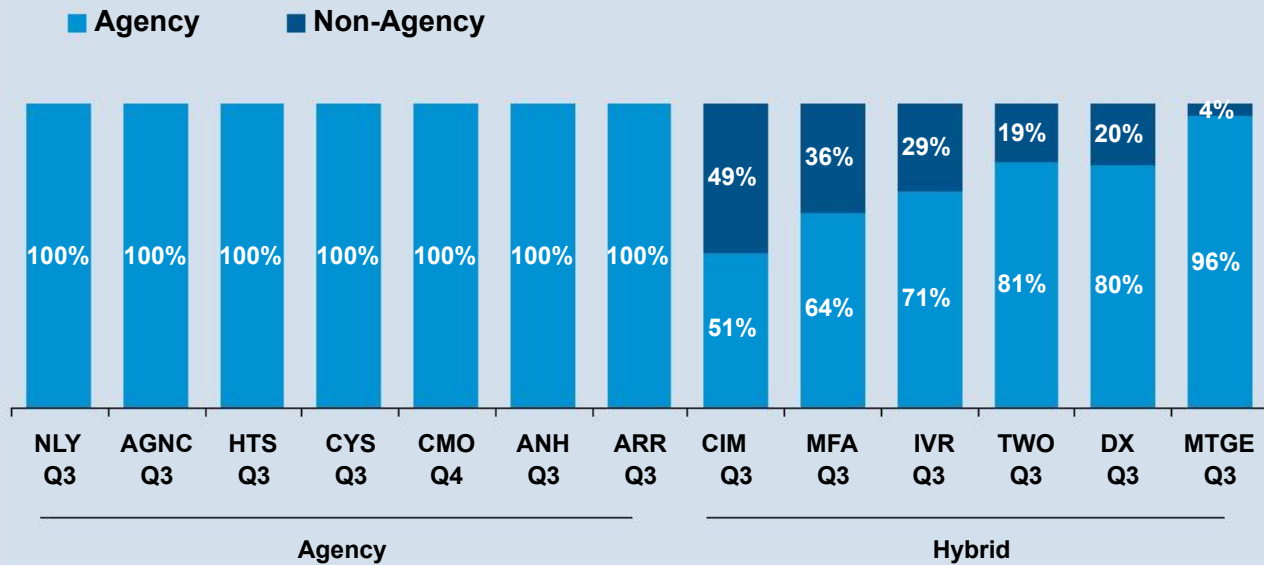
Investment Portfolio Review



- Our portfolio is constructed to perform well despite volatile markets as we have focused on high credit quality short duration assets.
- We continue to maintain a selective approach to adding assets to help minimize prepayment risk.
- We allocated our prior two capital raises between agency and non-agency securities backed by both residential and commercial loans.
- As spreads widened in 2011 we rotated our marginal investments into the CMBS sector with our main focus on the multi-family marketplace.
- There is a great opportunity to grow this strategy further as CMBS spreads continue to be attractive and agency securities offer mid-teens returns.
- We have confidence in our risk profile as we have steadily generated double-digit returns without extending far out of the risk spectrum.
- The DX portfolio has weathered multiple market challenges since 2008 including high volatility, lower interest rates, and a faster prepayment environment, the FN/FH buyouts of 2010, wider non-agency securities spreads.

Portfolio Comparisons

(as of Q3 2011 except where indicated)



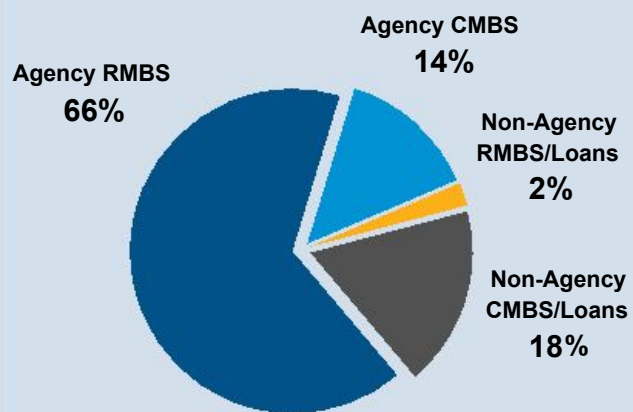
Source: J.P. Morgan (describing figures as based on company filings, press releases and presentations)

DX Portfolio Detail

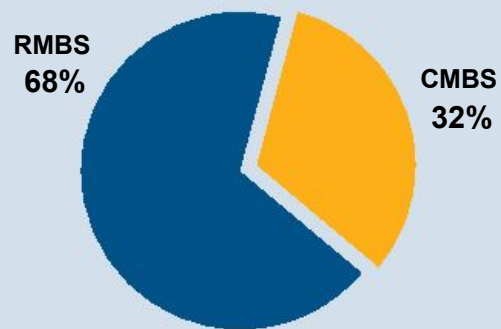
(as of September 30, 2011)



Agency/Non-Agency Breakdown



Residential/Commercial Breakdown

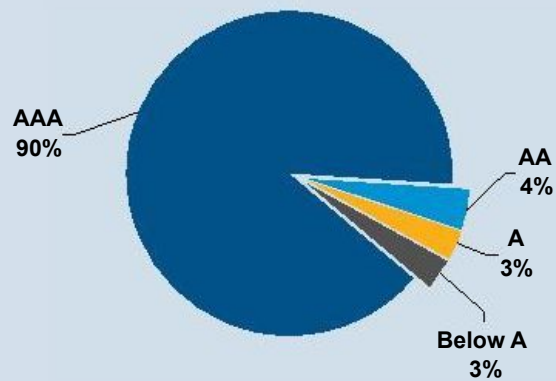


**OUR GOAL IS TO LIMIT
CREDIT, INTEREST RATE,
PREPAYMENT, AND
EXTENSION RISK IN OUR
INVESTMENT PORTFOLIO**

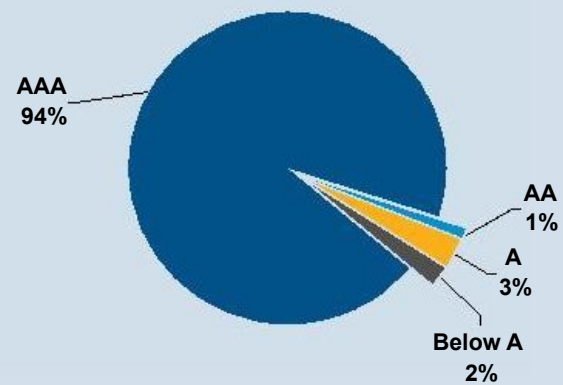
High Credit Quality Portfolio



As of September 30, 2011



As of June 30, 2011



**Agency securities are considered AAA rated as of the dates presented*

Interest Rate Risk Comparisons



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	6.3	-1.80%	-2.50%		-15.8%	
ANH	7.0			-1.0%		-7.0%
HTS	7.9	-0.35%		-1.45%		-11.5%
AGNC	7.6	-0.2%		-0.8%		-6.08%
CYS	8.1	-2.14%	-3.25%		-26.3%	
ARR	9.5	-0.79%		-1.74%		-16.5%
DIVERSIFIED MBS						
DX	6.1	-0.50%		-1.20%		-7.3%
IVR	5.3	-0.23%		-0.73%		-6.6%
MFA	2.9	-0.16%		-0.44%		-3.5%
TWO	3.8	-0.20%		-0.30%		-2.3%
CIM	1.8	-2.50%	-3.79%		-6.8%	

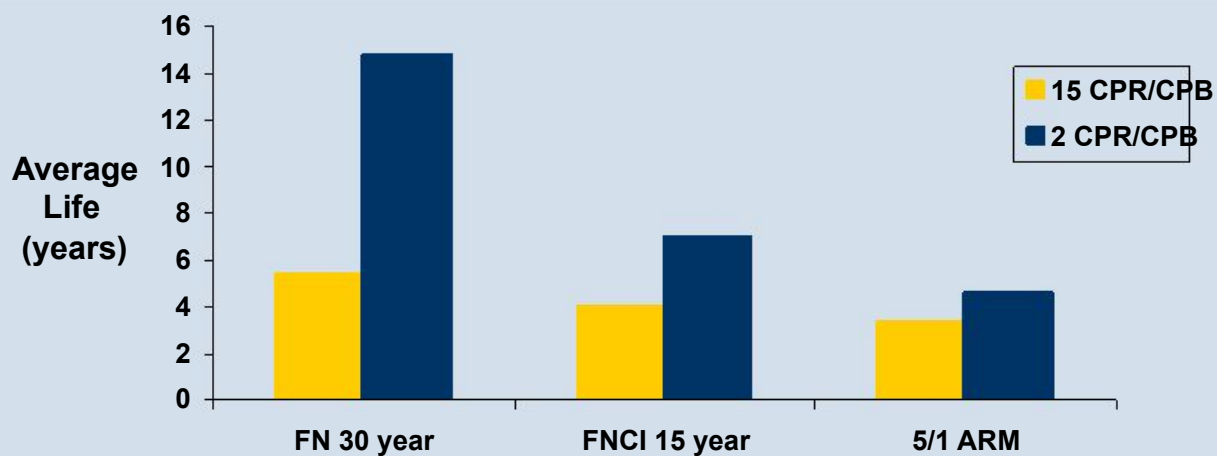
(1) As disclosed in each company's 10-Q for quarter ended September 30, 2011. Ratios are dependent on each company's method of calculation.

(2) As of September 30, 2011, as disclosed in each company's 10-Q for quarter ended September 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 September 30, 2011. All others equal estimated percentage decrease for the +75/+100 scenarios multiplied by estimated company leverage, and are meant to show the potential change in equity value for the corresponding change in rates.

Extension Risk

(as of September 30, 2011)



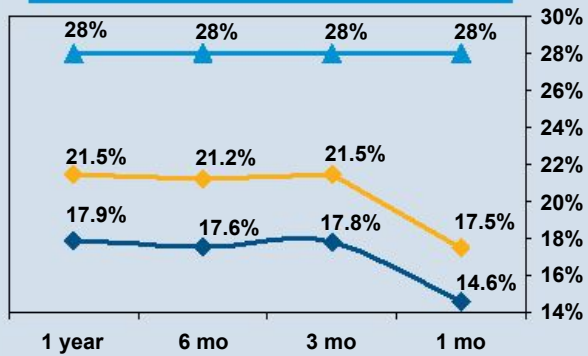
	Price	Coupon	WAC	Speed	Average Life	Average Life Extension
FN 30yr	\$103-10	4.00%	4.43%	15 CPR 2 CPR	5.41 years 14.78 years	~9 years
FNCI 15yr	\$103-10	3.50%	3.80%	15 CPR 2 CPR	4.01 years 6.98 years	~3 years
5/1 ARM	\$103-2	2.75%	3.16%	15 CPB 2 CPB	3.35 years 4.57 years	~1 year

Portfolio Snapshot

(as of September 30, 2011, unless indicated)

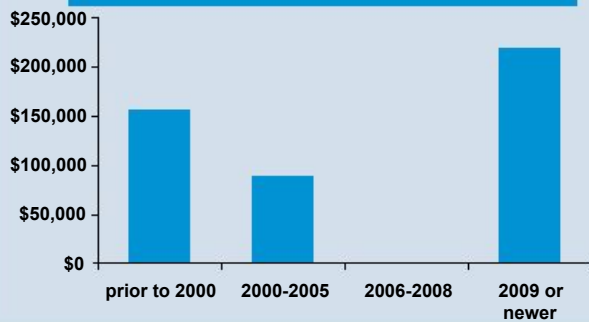


Prepayment Performance
through December 31, 2011

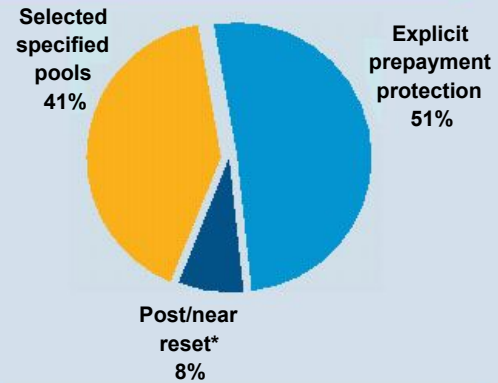


— Agency MBS — Total portfolio — Future modeled Agency MBS

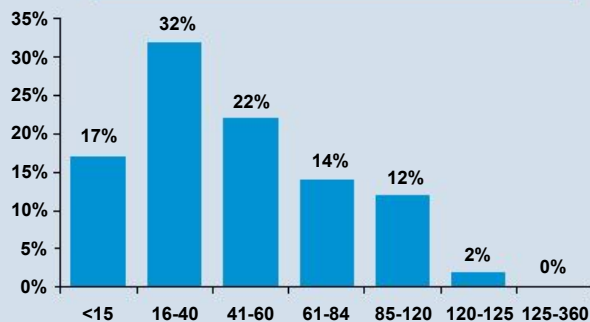
Non-Agency CMBS Vintage Portfolio
by year of origination



Dollar Premium Prepayment Exposure



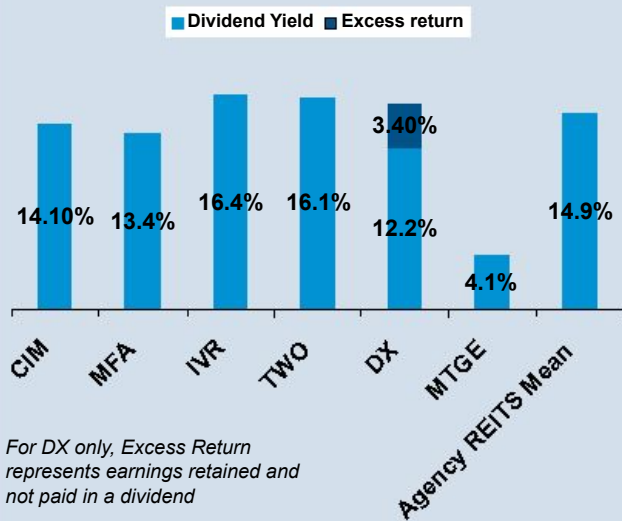
Portfolio Maturity/Reset Distribution



Trading Comparables



Dividend Yields

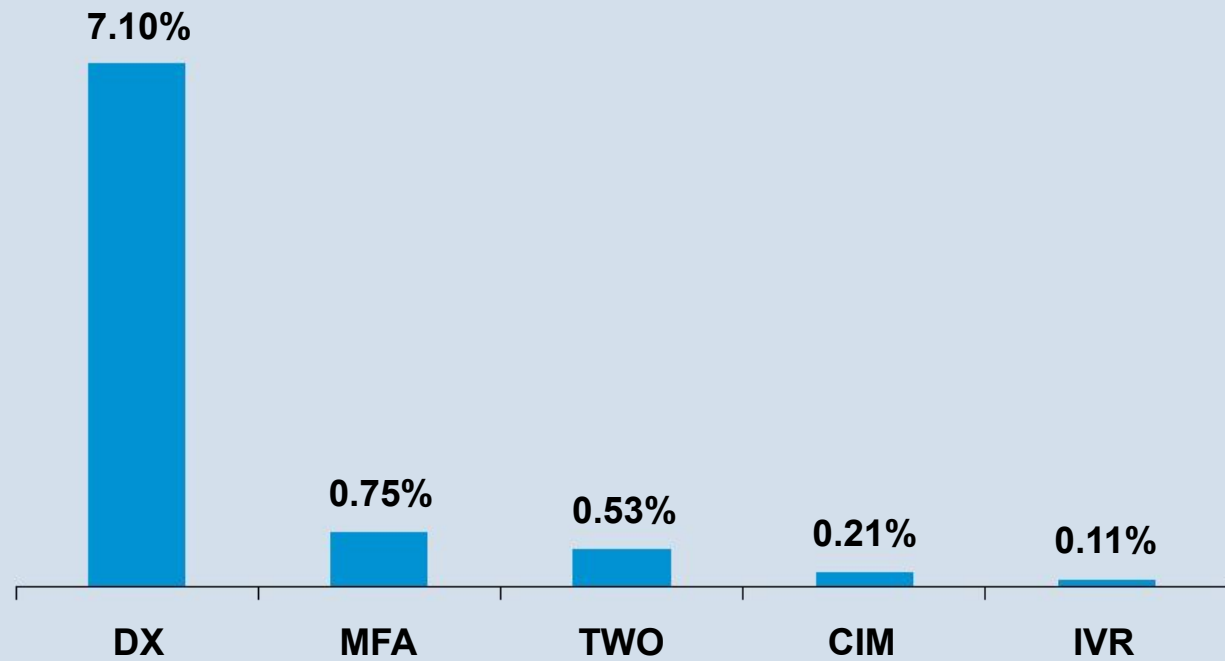


Debt to equity (x)



Source: J.P. Morgan (describing figures as based on SNL Financial, FactSet and company filings). Prices per share for dividend yield as of February 3, 2012; all other data as per most recent publicly available GAAP results

Insider Ownership Comparison



Source: Bloomberg

Potential Investment Returns

(as of February 7, 2012)



<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	103-108	2.0%-2.8%	1.5%-2.3%	12%-19%
Agency CMBS	103-115	2.9%-3.4%	1.3%-1.9%	14%-18%
Non-Agency 'A'AAA' RMBS	85-104	3.0%-8.5%	1.5%-4.0%	12%-20%
Non-Agency 'A'-'AAA'CMBS	88-109	4.5%-6.0%	2.2%-3.9%	15%-19%

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 returns on equity is based on certain assumptions, including assumptions relating to asset allocation percentages and spreads where mortgage assets can be acquired versus a current cost of funds to finance acquisitions of those assets. Rates used represent a range of asset yields and funding costs based on data available as of the date referenced above. Any change in the assumed yields, funding costs or assumed leverage could materially alter the company's returns. There can be no assurance that asset yields or funding costs will remain at current levels. For a discussion of risks 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 Reports on Form 10-Q for the quarters ended June 30, 2011 and September 30, 2011.

Why Dynex

(1) Source for non DX Info: J.P. Morgan (SNL Financial, FactSet, Company filings), Market data as of February 3, 2012. Financial data as per most recent available GAAP results



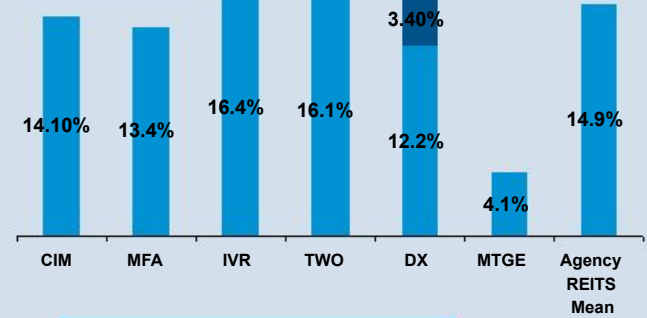
High Insider Ownership

Source: Bloomberg

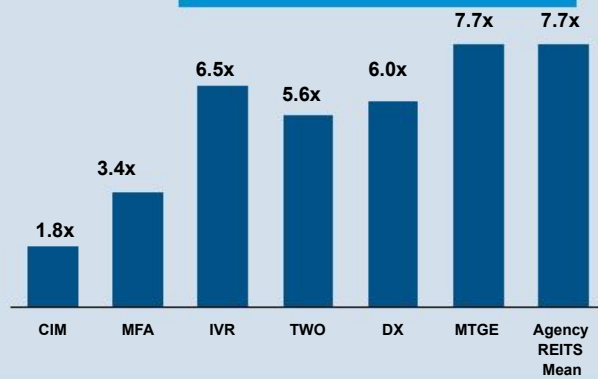


Competitive Returns (1)

■ Dividend Yield ■ ROE

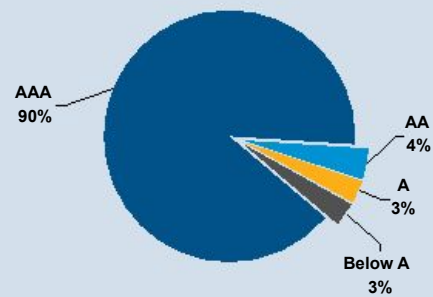


Low Debt-to-Equity (1)



High Credit Quality Portfolio

As of September 30, 2011



Why Dynex



- ✓ Excellent long term investment strategy driving solid performance record
- ✓ Short-duration, high credit quality portfolio constructed to reduce exposure to interest rate, prepayment, extension and credit risk
- ✓ Balance sheet positioned to perform through volatile market environments
- ✓ 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

APPENDIX

Management Team



Experienced team of professionals with a combined 83 years of experience managing mortgage REITs and mortgage portfolios

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

- 33 years of experience in the industry and 8 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**

- 28 years of experience in the industry with 4 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**

- 22 years of experience in the industry
- Employed at Dynex for 17 years in various treasury, risk management and financial reporting roles
- Managed Dynex from 2002-2007
- 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

Capital Allocation

(as of September 30, 2011)



(\$ in millions)	Asset Carrying Basis	Associated Financing ⁽¹⁾ / Liability Carrying Basis	Allocated Shareholders' Equity	Leverage Target	Notes
Agency RMBS	\$1,716.2	(\$1,542.5)	\$173.7	7 - 9x	<ul style="list-style-type: none"> • \$1,337.3 mm in Hybrid Agency ARMs - Weighted average months-to-reset of 40 months • \$358.7 mm in Agency ARMs - Weighted average months-to-reset of 8 months
Agency CMBS	355.9	(251.3)	104.6	8x	<ul style="list-style-type: none"> • Fixed rate agency CMBS • Voluntary prepayment protected
Non-Agency RMBS	12.9	(10.0)	2.9	4 - 5x	<ul style="list-style-type: none"> • 3Q 2011 weighted average annualized yield of 6.58% • ~33% "AAA" and "AA" rated
Non-Agency CMBS	390.7	(322.8)	67.9	3 - 5x	<ul style="list-style-type: none"> • 3Q 2011 weighted average annualized yield of 6.03% • ~74% "AAA" and "AA" rated
Securitized mortgage loans	118.7	(84.9)	33.8	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	1.0	-	1.0	-	<ul style="list-style-type: none"> • Unsecuritized single family and commercial mortgage loans
Derivative Instruments	-	(28.8)	(28.8)	-	<ul style="list-style-type: none"> • Consists of interest rate swaps
Total	\$2,595.4	(\$2,240.3)	\$355.1	5 - 7x	• 6.1x 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"). Associated financing for hedging instruments represents the fair value of the interest rate swap agreements in a liability position.

Selected Financial Highlights

(as of and for the quarter ended)



Financial Highlights:

(\$000 except per share amounts)

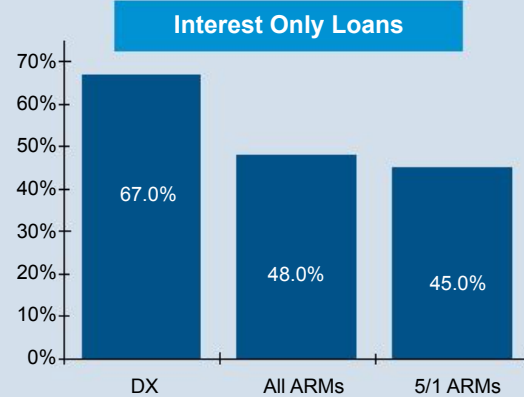
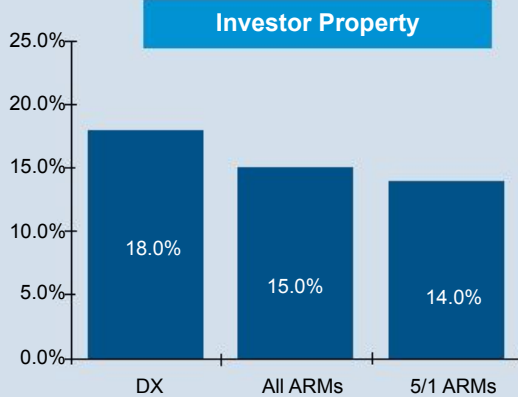
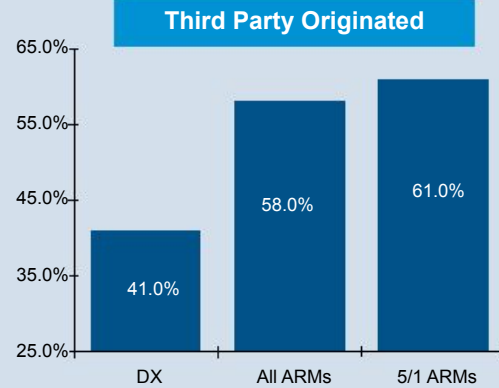
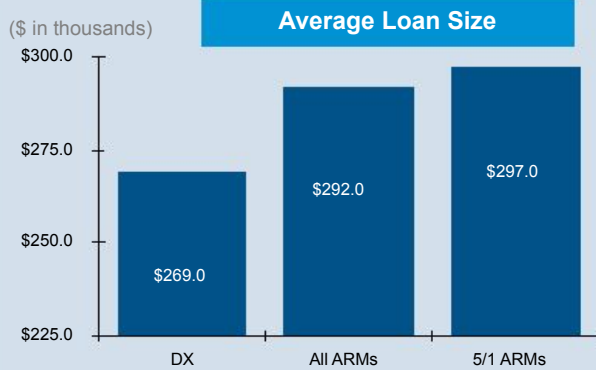
	Sept 30, 2011	Jun 30, 2011	Mar 31, 2011	Dec 31, 2010	Sept 30, 2010
Total Investments	\$ 2,595,574	\$ 2,591,097	\$ 2,279,610	\$ 1,614,126	\$ 1,064,546
Total Assets	2,633,686	2,656,703	2,359,816	1,649,584	1,091,835
Total Liabilities	2,264,152	2,269,843	1,976,323	1,357,227	866,361
Total Equity	369,534	386,860	383,493	292,357	225,474
Interest Income	21,143	21,065	17,465	14,281	11,734
Interest Expense	6,583	6,032	4,734	3,385	3,333
Net Interest Income	14,560	15,033	12,731	10,896	8,401
General and Administrative Expenses	2,335	2,255	2,118	2,911	1,971
Net income	\$ 1,532	\$ 13,594	\$ 10,280	\$ 9,646	\$ 7,022
Diluted EPS	\$ 0.04*	\$ 0.34	\$ 0.31	\$ 0.40	\$ 0.33
Dividends declared per common share	0.27	0.27	0.27	0.27	0.25
Book Value per share	9.15	9.59	9.51	9.64	9.80

* Diluted EPS Ex-Items was \$0.32. EPS Ex-Items, or Dynex's earnings per share excluding certain items, excludes from GAAP earnings per share the impact of litigation settlement and related defense costs of \$8.2 million (or \$0.20 per diluted common share), a loss of \$2.0 million (or \$0.05 per diluted common share) on redemption of non-recourse collateralized financings, and \$1.3 million (or \$0.03 per diluted common share) in net accelerated premium amortization due to an increase in forecasted prepayment speeds during the third quarter of 2011. See the Company's press release issued November 1, 2011 for further discussion.

Key Prepayment Metrics for Selected Agency RMBS Specified Pools



(as of September 30, 2011)



Source for Non-DX Metrics : J.P. Morgan