

FOCUSED STRATEGY

We hope that all our investors and friends are doing well as we wrap up the summer season and fall begins.

Imperial Fund and A&D Mortgage are pleased to announce the marketing of our **21st programmatic securitization. ADMT2024-NQM4** will be our 4th deal so far, this year. It is \$369M in total size and has an 8.4% weighted average gross interest rate. The transaction received over \$860M in total orders, making the transaction about 2.5x oversubscribed. Due to the strong demand, the AAA class priced five basis points tighter than the initial price talks.

Economic Updates:

- Non-QM RMBS credit spreads tightened marginally this month. With spreads coming in about 5 to 10 basis points, providing tailwinds to issuers who are coming to market in late August.
- In the previous month's issue, it was noted that unemployment rates are a critical statistic in the Fed's fight against inflation and that increases in unemployment are frequently correlated with high-interest rate environments. In August's economic news, the Bureau of Labor Statistics announced in their preliminary estimate of upcoming revisions that the number of non-farm payrolls will likely be pared down by 818,000 for the one-year period ending March 31st, 2024. If confirmed in January of 2025, this would be the largest downward revision since 2009. These figures suggest that unemployment rates were increasing faster and sooner than previously anticipated. This data will likely support the Federal Reserve cutting interest rates in September. The 2- year treasury rallied by almost 10 basis points on the revision's news and closed 5 bps down on the day.

Fixed income investors await the opportunity to lock in additional gains via interest rates cuts this September and December. With rates traders currently pricing in at least 75 basis points of cuts in 2024.

We are always available and can be reached at info@imperialfund.com for any questions

