



We hope that all our investors and friends are doing well this February!

Representatives from Imperial Fund are excited to attend the annual structured finance conference in Las Vegas this month where we look forward to re-connecting in person with our investors and partners. **Structured Finance Las Vegas** or “SF Vegas” is a forum to discuss issues and share ideas about the structured product space. As one of the premier Non-QM RMBS issuers in the nation, Imperial Fund takes this opportunity to stay up to date with current and emerging trends in our industry. Imperial Fund will meet with rating agencies to discuss potential risk factors and learn about their views on the Non-QM space.

Economic Updates:

- Unemployment remains low, but January inflation figures came in higher than expected.
- 3.9% core inflation outpaced the expected 3.7% and ruled out the possibility of a March rate cut.
- Rates traders now give a ~27% chance of the first rate cut being in May and a 65% chance of a June easing.
- Good news for fixed income traders as they continue to load up on high coupon assets to reap the rewards should interest rates moderate.

Imperial Fund created a bond trading desk to capitalize on the current high-interest rate environment and support additional returns to our investors.

Credit spreads on Non-QM RMBS as well as the larger fixed income universe have remained tight of 2023 wides, and have not increased materially since the December FOMC meeting.

Imperial Fund with the help of our origination and servicing partners at A&D Mortgage continue to closely monitor the portfolio of mortgage loans as higher rates continue to strain borrower's finances. Current data indicates that delinquencies have not increased materially from Q4 2023, but the Imperial Team continues to monitor performance carefully and work with management at A&D to reduce delinquency risk.

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

