



## We hope that all our investors and friends have had a great start to 2024!

We are proud to announce our **18th programmatic securitization** closed on January 25th.

**ADMT 2024-NQM1** was \$393M in total, and like the past two securitizations, was EU risk retention compliant. Enabling European investors to participate in our burgeoning mortgage issuance platform.

### Economic Updates:

- In good news for fixed income markets, the Fed's preferred inflation gauge cooled to the lowest rate since 2021. The core personal consumption expenditures index decreased to 2.9% in December, the lowest since 2021. With this print, core PCE inflation for the past six months annualized to 1.9%, or slightly less than the Fed's 2% long term target.
- Credit spreads on Non-QM assets as well as the larger fixed income universe have tightened materially since the December FOMC meeting and continue to do so in the wake of positive news surrounding the Fed's war on inflation.

Sustained higher rates put pressure on borrowers and the stress is starting to show. Performance on 2023 vintage notes has not been as good as prior vintages. Imperial Fund predicted that higher rates would cause additional strain on borrowers and began closely tracking portfolio performance on a weekly basis. Imperial also formed a committee whose sole purpose is to review portfolio performance and adjust guidelines to compensate for any perceived weakness in real time. With the help of A&D Mortgage's experienced underwriting and servicing teams we will continue to adjust guidelines to improve the overall credit quality of our portfolio.

We are always available and can be reached at [info@imperialfund.com](mailto:info@imperialfund.com) for any questions

