



**We hope that all our investors and friends are doing well and enjoying the summer season!**

As Imperial Fund and A&D Mortgage prepare for the **4th programmatic securitization** of the year (mark your calendars for a mid August announcement!) we are carefully reviewing our portfolio of outstanding securitizations to see which products and structures perform best for our investors as we continue to fine tune our collateral mix to best fit our investor's preferences.

## Economic Updates:

- Non-QM RMBS credit spreads remained unchanged this month. The NQM sector is currently accounting for about 32% of total RMBS issuance so far this year over 40 securitizations totaling \$15.6 billion.
- In continued good news for fixed income investors, June's CPI release saw headline inflation decrease by 0.1% mostly driven by falling gas/energy prices. This weak inflation reading has significantly increased the chances of a September rate cut by the Fed as inflation normalizes closer to their 2% target. Treasuries rallied in response to the optimistic inflation data with two-year yields decreasing 13 basis points that morning.

Fixed-income investors await the opportunity to lock in additional gains via these interest rate cuts this September and December. Imperial Fund will be watching the labor market closely in the coming months for signs of potential weakening as increased levels of unemployment is a frequently observed side effect of high interest rate environments.

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

