



Imperial Fund is pleased to announce the addition of two new warehouse line of credit providers. Nomura Securities and Mizuho International are now financing Imperial Fund's acquisition of non-Agency loans from A&D Mortgage. This increase in financing capacity will allow Imperial Fund to purchase additional mortgage assets at decade high interest rates to produce an attractive yield for investors. The partnerships with Nomura and Mizuho increase total aggregation capacity to an all-time high of \$870 million!

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Recent inflation data suggests consumer prices are on a path of moderation after rising to multi-decade highs last year. The nearly 500 basis point increases in short term interest rates to stem rampant inflation show moderating consumer demand as evidenced by a weaker than expected retail sales report. This moderation in demand hopefully indicates an end to rising inflation and hawkish Fed policy. Housing demand remains strong and increased significantly in March as mortgage interest rates have fallen well over 50 basis points since their peak in late 2022. As market interest rates have fallen, the demand for Non-Agency RMBS and other MBS products remains high as investors look to lock in yields that many believe will not last much longer.

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Imperial Fund's view is that short term interest rates are very close to a peak with one more 25 basis point hike likely in May. We expect the Fed funds rate to slowly decrease before year-end as the impact of higher rates curtails consumer demand and inflation. According to Bloomberg, over the last 40 years, the period between the Fed's final rate hike and the onset of the first-rate cut has generated returns of nearly 7% for bonds. Further, we believe short-term interest rates are likely to fall 100-200 basis points in 2024, which should keep demand strong for both housing and bond markets, particularly Non-Agency MBS.

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

We are also including links to the third-party rating agency presale reports that were generated ahead of the pricing of our last transaction.

- Click [HERE](#) for Fitch presale
- Click [HERE](#) for DBRS presale



**IMPERIAL FUND**  
STABILITY & SUCCESS

Thank you.

Best regards,

Imperial Fund Team

+1 (954) 507-0000

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