



Imperial Fund is pleased to announce the closing of IMPRL 2023-NQM1 on February 7th, this is our first transaction of 2023, and we are excited to report that market conditions have improved. Due to high interest rates squeezing many potential home buyers out of the market, the supply of Non-QM loans have decreased dramatically. A&D Mortgage is one of only two or three lenders who is still showing strong origination volumes while other lenders' origination volumes have "fallen off a cliff."

Bank of America and Nomura Securities both expect Non-QM RMBS issuance to decline from \$40B in 2022 to \$20B in 2023. This shortage of Non-QM RMBS and Non-QM loans has already caused prices to increase, Imperial Fund LPs will begin to see the benefits of a strengthened Non-QM market.

January's inflation report keeps the Federal Reserve on full throttle with rate hikes for at least the next two meetings. As of now, Imperial expects they will remain at 25 bps each. Across the board, increases in food, energy and especially housing prices, boosted inflation after receding sharply over the prior few months. Macroeconomic forecasts are now indicating no interest rate cuts for 2023 and a terminal rate somewhere near 5.4% as well as a strong job market evident by the most recent payroll data. All this evidence points to long-term interest rate stability. This is beneficial to Imperial Fund as we now have more time to deploy capital on high interest rate loans so if interest rates do begin to decline (current guidance from the Federal Reserve indicates that rates will begin to decline in 2024 and should reach 2-3% steady state in 2025-2026) the value of Imperial Fund's portfolio of high interest rate loans will increase significantly.

Imperial Fund hosted our quarterly investor event on February 8th. It was a great success and such a pleasure seeing our partners and friends. Please see [this link](#) for a short video of the event.

We will be hosting an online investor event via Zoom on March 2nd for all those who missed the in-person event. We are always available and can be reached at info@imperialfund.com for any questions.

Fitch: [Fitch Assigns Expected Ratings to Imperial Fund Mortgage Trust 2023-NQM1 \(fitchratings.com\)](https://www.fitchratings.com)
KBRA: [Imperial Fund Mortgage Trust 2023-NQM1: Presale Report | DBRS Morningstar](#)



Thank you.
Best regards,
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