



Imperial Fund would like to thank all its Investors and Friends for attending our Q2, 2023 Investor Event! It was a great to see all our friends and colleagues for a fun night of wine tasting and hors d'oeuvres. The Imperial Fund team really appreciates everyone who participated and asked questions! We look forward to seeing everyone again at our 3rd quarter event. Imperial Fund and A&D Mortgage are also proud to announce the closing of the second securitization of 2023 in May. ADMT 2023-NQM2 closed on May 4th with \$379M in principle balance. This deal's execution was favorable as supply of Non-QM RMBS has decreased dramatically in 2023 with total issuance down an expected 50% from last year.

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With an apparent debt ceiling agreement in place, absent any surprises, the markets will focus again on economic data. Inflation continues to remain stubbornly sticky and coupled with a strong labor market, is not rethinking and repricing in another rate hike as soon as the next meeting. Market interest rates have risen by over 50bps across the curve and mortgage rates last week crossed the 7% barrier for conventional mortgages. We continue to believe we are near the end of the rate hiking cycle and expect rates to move down over the course of 2024-2025. Despite higher mortgage rates, low inventory is keeping prices elevated especially in the southeast.

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As the market looks for a stay in rate hikes and a potential pivot to rate cuts in 2024-2025, Imperial will be watching carefully for opportunities to call and re-securitize outstanding mortgage-backed securities. These call options, when exercised in a low-rate environment, can be very lucrative for Imperial Fund investors. So lucrative that additional subscriptions to Imperial Fund will be postponed until after call options are exercised to maximize returns for long-time Fund investors.

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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,  
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