



Imperial Fund would like to wish you a happy summer season!

In this month's newsletter we will discuss the Fed's decision to abstain from a rate hike in June and changes made to MBS rating agency models that favor assets like Imperial Fund's Non-QM RMBS.

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At the June 14th Federal Open Market Committee meeting, Chairman Jerome Powell and other committee members abstained from raising interest rates. This marks the first FOMC meeting since March of 2022 where the Fed has opted not to increase the U.S. central bank's overnight lending rate. This pause in interest rate hikes implies that the Fed has observed the economy responding to its series of monetary policy tightening measures and wants to see the full impact that these changes will have on the economy before making their next move. Markets are currently pricing in another 25-50 basis points of rate increases before the Fed will either end its campaign of rate hikes for the moderate term or "pivot" and begin cutting rates to deal with a weakening U.S. economy.

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Fitch Ratings, a credit rating analysis firm and one of the three largest credit rating agencies in the U.S. has changed its model assumptions for Non-QM RMBS. Fitch is now more comfortable with Non-QM RMBS since they have had time to observe the MBS and the strong performance associated with them. Due to low delinquency rates and high home price appreciation, Fitch is now giving more credit to MBS issuers like Imperial Fund. Fitch also revised their home price estimates for Miami-Fort Lauderdale (where Imperial's HQ and 30% of our portfolio is located) from over-valued to neutral. This signifies Fitch's belief that the home price appreciation seen in south Florida is not transitory but sticky and that higher prices may not be going away any time soon as many prospective home buyers wish.

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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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