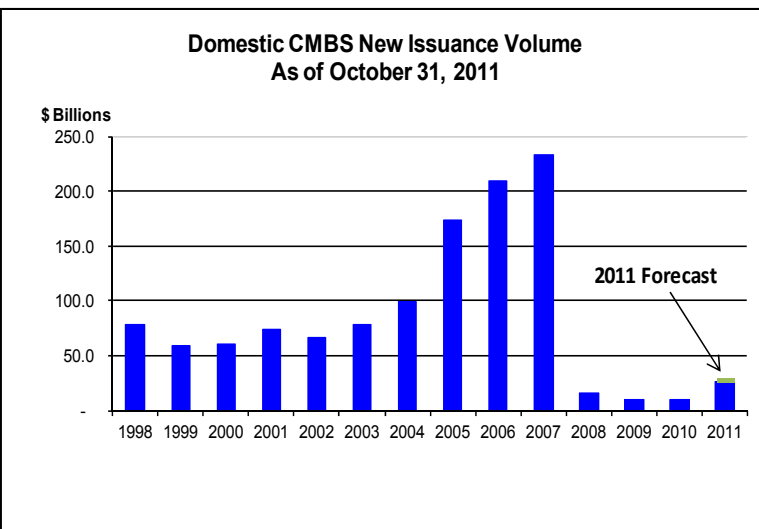
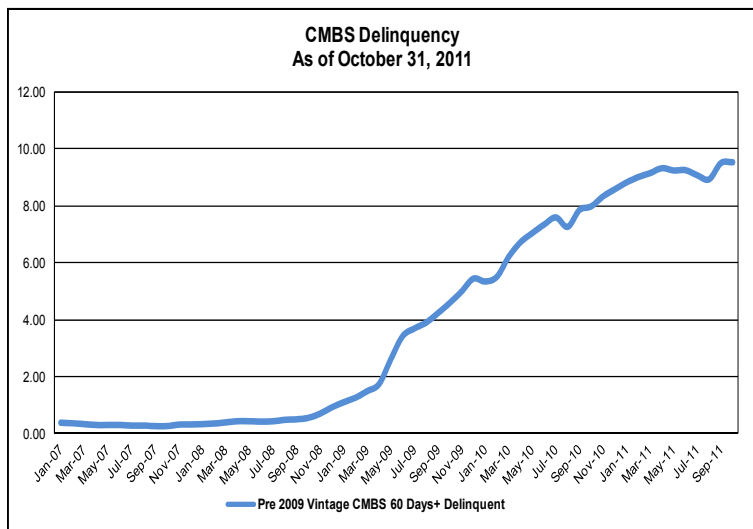
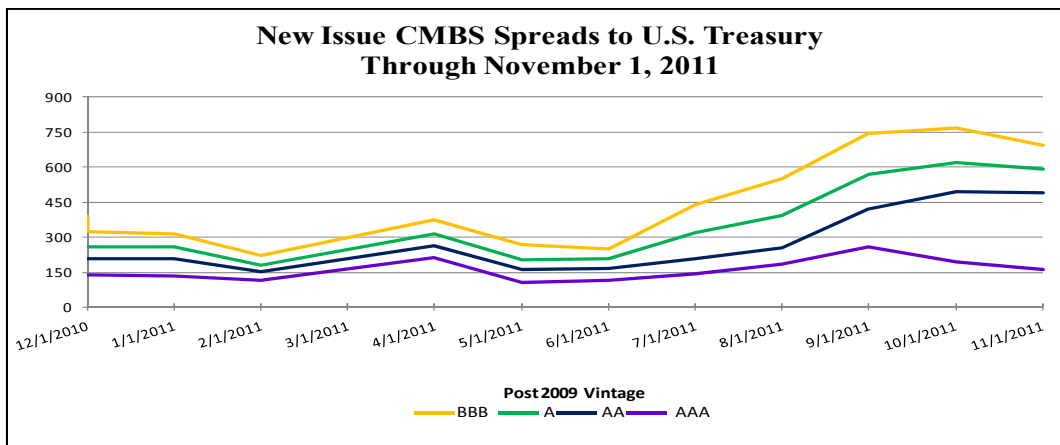
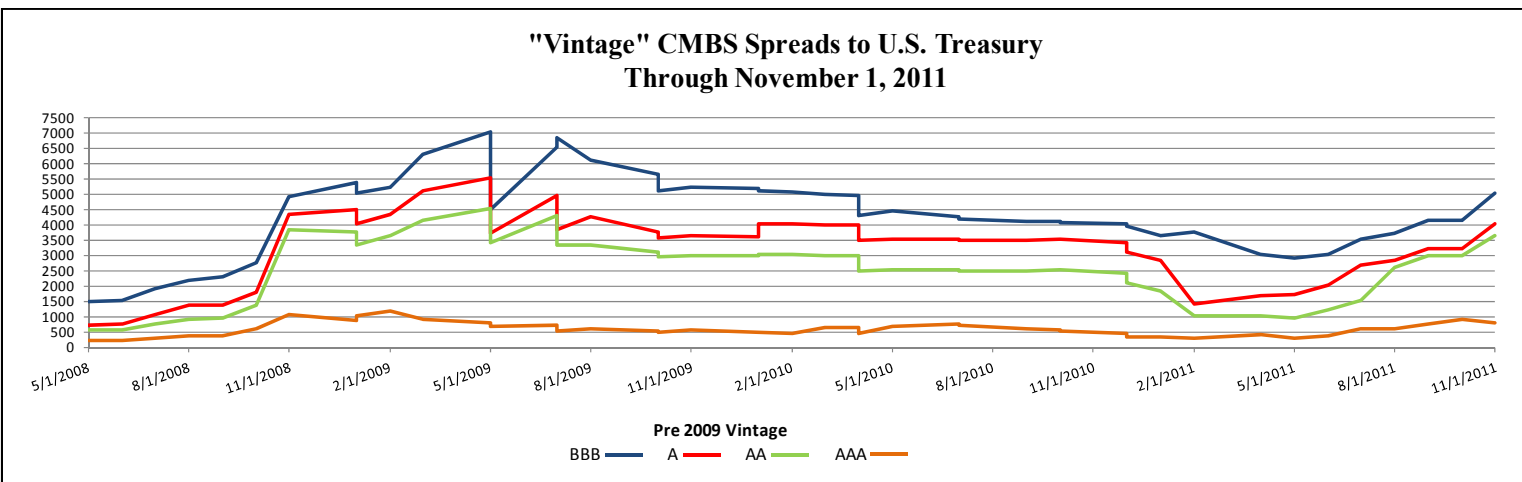




United States CMBS Market Update¹

- Spread products, including CMBS, gained in October with credit quality driving performance. Returns on lower rated investments outperformed higher rated credits as investors' risk appetite improved on less negative U.S. economic news and signs that Europe was addressing its sovereign debt crisis.
- There was no new conduit CMBS issuance in October. Issuance through the end of the year and into early 2012 will be almost exclusively comprised of loans originated earlier in 2011 that the banks want to clear out of inventory.
- CMBS 60 days+ delinquencies (including liquidations) increased marginally in October to 9.55%. The retail sector rose 24bps, leading the increase.



¹ Data sources include Quadrant Real Estate Advisors, Barclays, IDC, Merrill Lynch, Wells Fargo, Citigroup, Morgan Stanley, Trepp, and JP Morgan.

About Quadrant Real Estate Advisors

Quadrant Real Estate Advisors LLC (Quadrant) is a SEC registered investment advisor with approximately \$5.9 billion of commercial and multifamily real estate investments under management on behalf of institutional investors. Quadrant's clients include insurance companies, pension funds, sovereign wealth funds and high net worth investors.

Since 1990, Quadrant senior management have worked together as a team providing its clients access to both privately placed and publicly traded U.S. commercial real estate debt and equity investments through commingled funds and single client accounts. In addition to experience, senior management owns 50% of the firm thereby providing true alignment of interest and accountability.

The firm's executive leadership includes Kurt Wright, Chief Executive Officer; Michael Wood, Executive Vice President; Thomas Mattinson, Executive Vice President; and Walter Huggins, Executive Vice President.

Important Notes

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