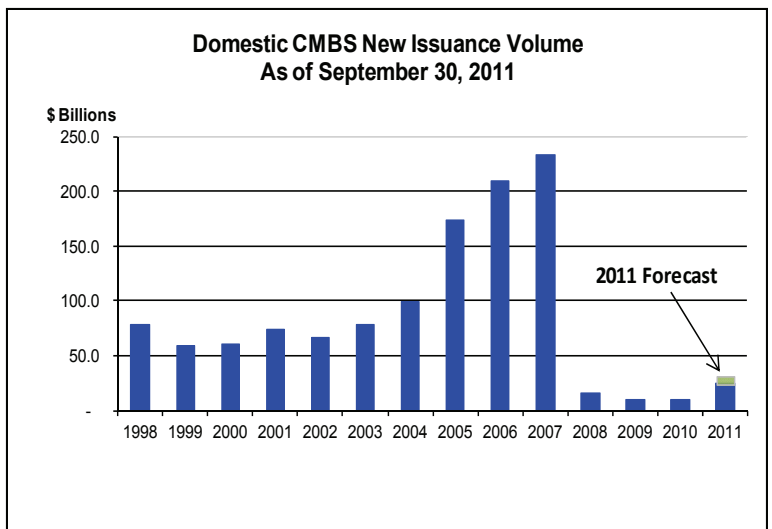
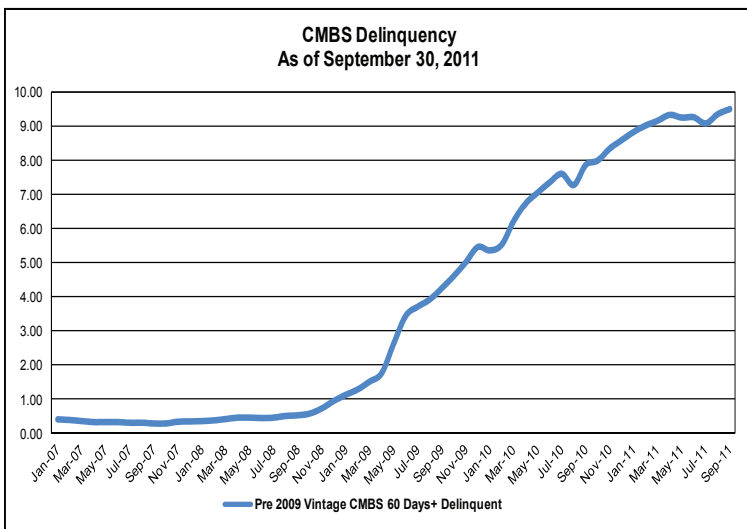
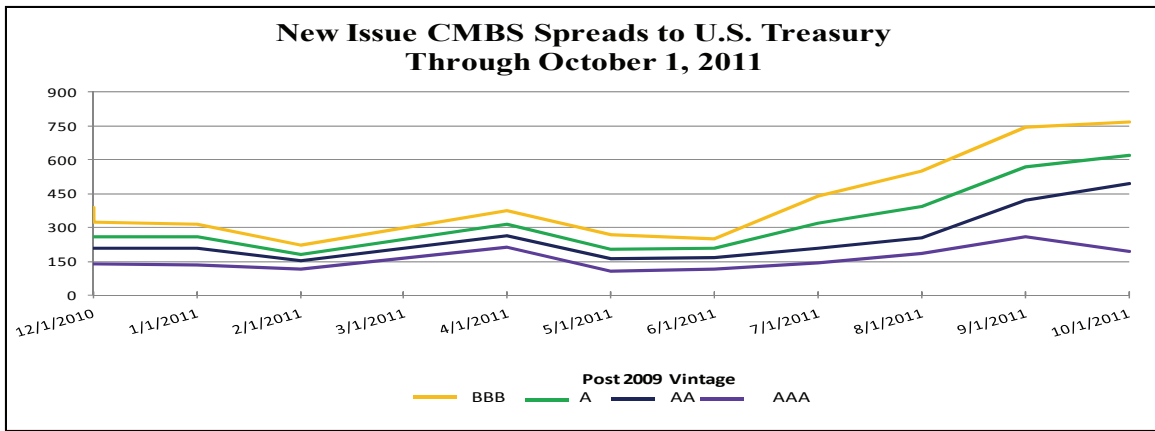
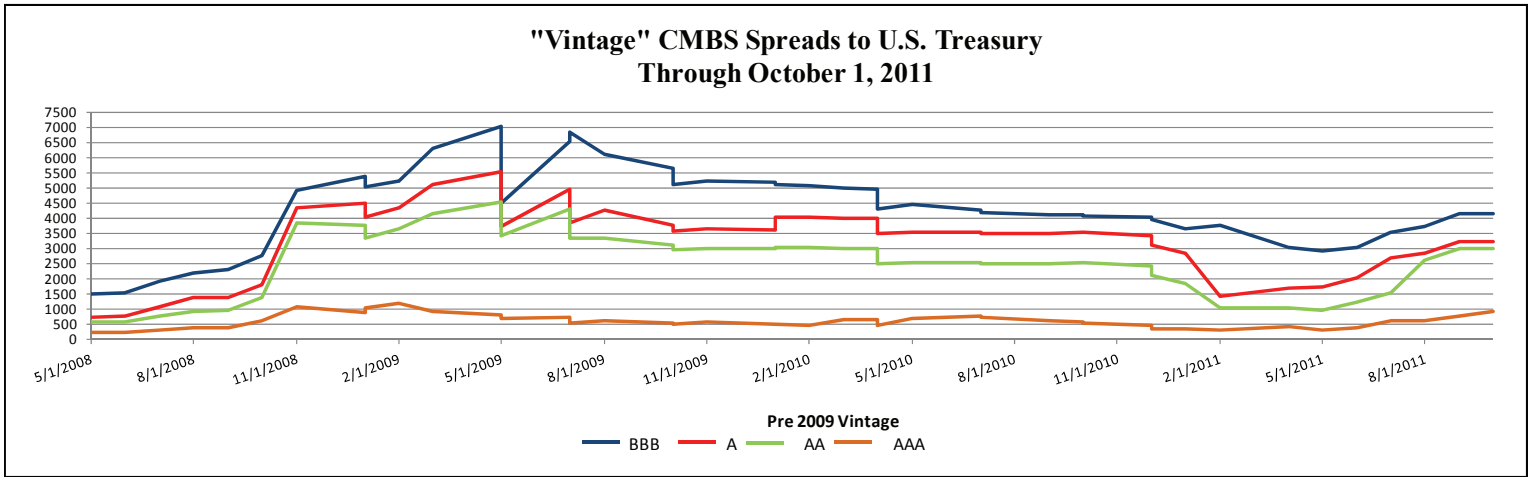




United States CMBS Market Update¹

- Concerns over weak U.S. economic fundamentals and escalation of the European sovereign debt crisis drove volatility higher for spread based investments, including CMBS.
- New issuance activity has continued to slow as conduit lenders are no longer actively originating commercial mortgage loans.
- CMBS 60 Days+ delinquencies (including liquidations) increased 57bps in September to 9.52%, which was led by a rising delinquency rate in the office sector. On the pool level, 2007 vintages drove the increase, rising 54bps and comprising roughly 30 percent of the current CMBS market.



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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