Cantor
Smart Income Investing

Market Opportunity
June 15th, 2016

WAVE OF MATURING CMBS LOANS

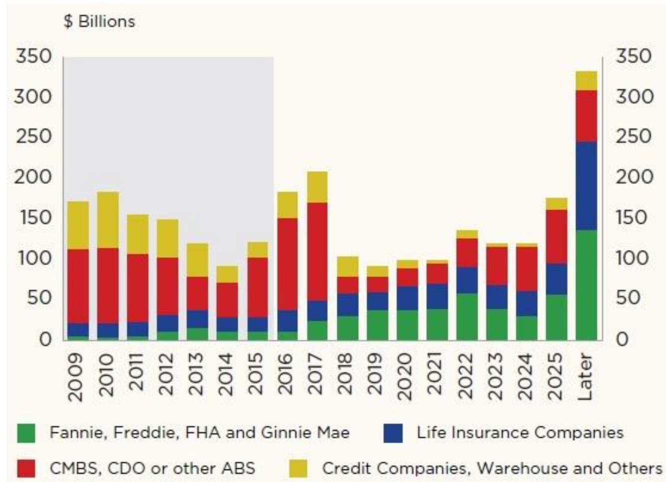
Between 2015 and 2018, $259.7 billion of CMBS conduit loans are due to mature, with $54.5 billion maturing in 2015, $87.1 billion maturing in 2016 and $105.8 billion in 2017.

A total of $259.7 billion of CMBS loans maturing from 2015-2018. High LTV's and increases in interest rates will naturally put some loans at risk.

MEETING DSCR & LOAN-TO-VALUE REQUIREMENTS

Loans originated during 2005-2007 were underwritten at 1.05x to 1.10x debt-service coverage ratio. In today's market lenders are underwriting at a minimum 1.20x to 1.40x DSCR. Many properties have not been able to increase rental rates enough to produce a NOI to cover the new DSCR requirement. The widening bond spreads have translated to higher costs for borrowers, they will need to consider the impact of higher interest rates and lower LTV requirements on their ability to refinance. We are seeing many borrowers with maturing loans (predominately in secondary markets) unable to qualify for refinancing due to high LTV's, therefore being forced to turn over their keys to special servicers.

NON-BANK COMMERCIAL & MULTIFAMILY MORTGAGE MATURITIES



CANTOR OPPORTUNITY

Current market conditions provide significant CMBS loans coming due and increased financing challenges, which presents a steady pipeline of opportunities that match our targeted acquisitions located in secondary U.S. markets. Cantor has established relationships with some of the largest Special Servicers, who have reported a recent uptick in new properties they are taking over and they anticipate a steady pipeline of new properties over the next 24-36 months, providing a significant opportunity for Fund II.

LOAN REFINANCING SCENARIO

The table below shows the analysis a bank performs to determine a borrower's maximum loan qualification. In this scenario, the borrower received an original loan for $10,919,551. In today's market, based on the property's NOI the borrower only qualifies for a loan amount of $8,843,982.

Original Loan		**Proposed Refinance Loan**	
Net Operating Income	$1,449,000	Net Operating Income	$1,453,000
Available for Debt Service (NOI/DSCR)	$1,380,000	Available for Debt Service (NOI/DSCR)	$1,117,692
Max Loan at 1.05x DSCR	**$10,919,551**	**Max Loan at 1.30x DSCR**	**$8,843,982**

Assuming the borrower had an interest only loan, the borrower would have to come out of pocket $2,075,569 to cover the refinance and would likely default on the existing loan.