

Press Release

Source: Charles Street Capital Management

Charles Street Capital Announces Formation Of Real Estate Investment Company

BOSTON, Mass. --(BUSINESS WIRE)-- October 25, 2006 - Charles Street Capital today announced its formation as an investment company focused on commercial real estate opportunities in the United States and Canada. Charles Street Capital was founded by Jerry Quill, formerly a Managing Director with GE Real Estate, the global real estate business of General Electric, where he was responsible for loan acquisitions, joint ventures, and M&A transactions.

“Strong real estate fundamentals in many North American markets together with low financing costs continue to create attractive investments,” said Jerry Quill. “We see a major opportunity in the U.S. debt market, specifically purchasing assets from lenders that have grown their portfolios rapidly over the past few years and have a need to reduce or rebalance real estate exposure.”

Charles Street Capital’s initial investment vehicle targets the acquisition of loans from existing real estate lenders in the secondary market, such as banks, insurance companies, and government agencies. The firm’s management team has substantial experience in the loan acquisition market gained through over \$2.4 billion of transactions since 2002.

“We believe purchasing loans generates superior risk-adjusted returns for our investors compared with buying properties in some of today’s high priced markets,” said Quill.

Charles Street Capital’s investment criteria covers multiple property types, fixed or floating rate loans, and a full range of performance characteristics, including performing, subperforming, and nonperforming loans. The firm is evaluating a pipeline of investment opportunities and expects the loan sale market to grow significantly in coming years as a result of the recent expansion in commercial real estate credit by both regulated and nonregulated lenders.

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