| \*\*Factor\*\* | \*\*Relative Importance\*\* | \*\*Key Example\*\* | \*\*Why It Matters\*\* |

|--------------------------------|-------------------------|------------------------------------------------------|----------------------------------------------------------------------------------|

| \*\*Office CRE Refinancing Risk\*\* | \*\*1.0\*\* | Sharp sentiment decline in \*\*CMBS Office\*\* tranches | Office property valuations are deteriorating rapidly, amplifying default risks. |

| \*\*Credit Quality Divergence\*\* | \*\*0.85\*\* | Positive views on \*\*CLO AAA\*\* vs. bearish on \*\*BB CLOs\*\* | Reflects systemic bifurcation: AAA remains a safe haven, while BB faces default pressure. |

| \*\*Macroeconomic Uncertainty\*\* | \*\*0.8\*\* | Higher-for-longer rates stress \*\*CLO BB\*\* refinancing | Macro volatility directly affects leverage, credit spreads, and refinancing. |

| \*\*Consumer Credit Divergence\*\* | \*\*0.65\*\* | Rising delinquencies in \*\*subprime RMBS\*\* | Indicates growing stress on lower-income borrowers, signaling cracks in consumer resilience. |

| \*\*Green Securitizations\*\* | \*\*0.55\*\* | Growth in \*\*EV loan ABS\*\* and \*\*green RMBS\*\* | ESG-driven securitizations are an emerging opportunity but lack immediacy. |

| \*\*Private Credit Scrutiny\*\* | \*\*0.5\*\* | Regulatory oversight on \*\*private credit funds\*\* | May constrain leveraged loan supply, affecting \*\*CLO pipelines\*\* and mezzanine risk. |

| \*\*Resilience of Multifamily CRE\*\* | \*\*0.4\*\* | Positive sentiment on \*\*CMBS Industrial\*\* tranches | Industrial and multifamily CRE remain resilient, providing selective opportunities. |

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### \*\*How Relative Importance Was Derived\*\*:

1. \*\*Office CRE Refinancing Risk (1.0)\*\*:

- Clearly the most immediate and severe threat, consistently flagged as a systemic risk across reports. Implications include defaults, liquidity crunches, and spread volatility in CMBS.

2. \*\*Credit Quality Divergence (0.85)\*\*:

- Highly interconnected with macro trends and structural credit bifurcation. AAA CLOs remain stable, while BB tranches are vulnerable to downgrades and refinancing headwinds.

3. \*\*Macroeconomic Uncertainty (0.8)\*\*:

- Affects all credit markets through \*\*higher rates\*\* and \*\*slower-than-expected easing\*\*, impacting riskier tranches (BB CLOs, non-QM RMBS) the most.

4. \*\*Consumer Credit Divergence (0.65)\*\*:

- Analysts signal cracks in subprime borrower resilience. While not systemic yet, rising delinquencies in \*\*subprime RMBS\*\* reflect stress in household balance sheets.

5. \*\*Green Securitizations (0.55)\*\*:

- Long-term opportunity driven by policy incentives but not as immediate or severe as other factors.

6. \*\*Private Credit Scrutiny (0.5)\*\*:

- Regulatory risks could constrain CLO supply, but these changes are still evolving and less imminent compared to CRE or consumer credit concerns.

7. \*\*Resilience of Multifamily CRE (0.4)\*\*:

- Positive tailwind for industrial and multifamily CMBS segments but not a systemic driver of market sentiment.