



NEWS RELEASE

For ASB Real Estate Investments

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ASB AND UNION PROPERTY CAPITAL SELL OFFICE BUILDING IN SAN FRANCISCO'S POTRERO HILL FOR \$20 MILLION

San Francisco—February 9, 2015—A joint venture between ASB Real Estate Investments and Union Property Capital announced today the \$20 million sale of 135 Mississippi Street, a 28,450-square-foot office building in the Potrero Hill submarket, south of the city's financial district. The sale of the property to an affiliate of Zurich Alternative Asset Management, LLC ("ZAAM") was made by ASB on behalf of Meridian Fund I, a closed-end investment vehicle, and by ASB's joint venture partner, Union Property Capital LLC. The Meridian Fund series focuses on low leverage, value-creation opportunities in emerging submarkets of major U.S. cities.

The joint venture acquired 135 Mississippi in 2012 at a significant discount to replacement cost, then upgraded building systems and re-tenanted the building to its current 100% occupancy. The investment has benefited from rising demand for space in Potrero Hill, one of the city's most dynamic neighborhoods, popular for its mixed-use environment and proximity to Mission Bay. The area is conveniently served by a vast public transportation network, a lively mix of cafes, high-end restaurants, a growing number of residential complexes and the new UCSF medical center.

"In meeting our value-creation strategy and given our holding period for the property, the timing of 135 Mississippi's sale is extremely opportune," said Robert Bellinger, President and CEO of ASB Real Estate Investments. "We now have round-tripped all investments in Meridian Fund I, which we launched in 2010."

ASB recently bought two nearby office buildings in the city – 444 De Haro Street and 1400 16th Street – on behalf of its Allegiance Fund, a \$4 billion core investment vehicle. The company also manages four other investments in San Francisco: retail space at 200 Powell Street; office buildings at 795 Folsom and 989 Market streets, and apartments at 333 Fremont St.

ZAAM runs a national core and core-plus acquisition program out of New York, which targets assets valued between \$15 million and \$100 million throughout 14 major markets in the United States. Joe Russo, associate director of acquisitions and Sean Bannon, managing director and head of US real estate represented ZAAM in the transaction. “ASB did a fantastic job with 135 Mississippi, and we are pleased to add it to our growing portfolio,” said Bannon.

About ASB Real Estate Investments

ASB Real Estate Investments (ASB), a division of ASB Capital Management, LLC, is a leading U.S. real estate investment management firm, managing \$5.4 billion* in gross assets under management for over 300 institutional clients. Headquartered in Washington DC, ASB invests in major urban markets across the country, concentrating in office, multifamily, retail and industrial properties. ASB manages the ASB Allegiance Real Estate Fund, its sole vehicle for core investing; the ASB Meridian Real Estate Fund, a low-leverage value creation vehicle; and a development separate account. For more information about the company, visit www.asbrealstate.com.

Union Property Capital, LLC

Union Property Capital is a San Francisco based real estate development and advisory firm. Founded in 1989, the firm has worked with a variety of institutional and private capital partners in order to execute numerous adaptive re-use, mixed use office and retail projects throughout the Bay Area. A representative sample includes H&M’s first west coast flagship, REI @ Brannan, 365 Main Data Center and PCH/Lime Labs US HQ. www.unionpropertycapital.com.

* As of 9/30/2014.

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