



NEWS RELEASE

For ASB Real Estate Investments
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ASB INVESTS \$61 MILLION IN LA'S ARTS DISTRICT PLANS WAREHOUSE REDEVELOPMENT INTO 125,000-SQUARE-FOOT DESTINATION INFILL RETAIL CENTER

Los Angeles — June 11, 2014 — ASB Real Estate Investments announced today the \$32.5 million acquisition of five warehouse buildings located in Los Angeles' downtown Arts District at Palmetto and Mateo Streets. In keeping with the neighborhood's rapid transformation into a residential-cultural hub, ASB plans to invest an additional \$30 million for redeveloping the industrial complex into a 125,000-square-foot urban retail center with a 430-space parking structure. The acquisition in joint venture with Blatteis & Schnur was made on behalf of ASB's Allegiance Real Estate Fund, a \$3.5 billion core real estate vehicle. The seller was a local businessman.

The redevelopment plan, which requires local government approvals, will seek to retain the existing buildings' 24-foot high ceilings and large open floor plates to create an open-air, urban retail destination anchored by a major retailer and fresh grocer with restaurants, bars and numerous inline shops. The center will feature over 900 feet of street frontage along Palmetto and Mateo streets.

The Arts District, recently named America's "Next Great Neighborhood" by GQ magazine, has attracted more than two dozen new or planned residential projects as well as technology and entertainment companies locating in nearby office space. Expected to double in population over the next five years, the gentrifying neighborhood now boasts an average annual household income in excess of \$125,000 and is significantly underserved from a retail perspective.

Robert Bellinger, President and Chief Executive Officer of ASB Real Estate Investments, said: "The Arts District evolution tracks what we are seeing in major urban centers around the country where demographic and economic trends are helping regenerate old warehouse districts into vibrant, multi-faceted residential neighborhoods with street front boutiques, restaurants, galleries, and entertainment venues. This redevelopment project seeks to create value for our investors, while supporting downtown's continuing revival and growth."

Robert Schnur, Co-Chairman of Blatteis & Schnur, said: "In keeping with our focus and passion, we intend to create the dominant retail project for the District. A brilliant design is planned, allowing us to attract unique, compelling and artisanal retailers and food purveyors. We will remain conscious of the neighborhood's unique place in Los Angeles and look to build on that foundation caringly."

Over the past 18 months, ASB has been an investment leader in purchasing high-street retail across the U.S., including more than 71,000 square feet of prime storefront space along Hollywood, Robertson, and Abbot Kinney Boulevards in Los Angeles. These local acquisitions were also made on behalf of Allegiance Fund in

partnerships with Blatteis & Schnur. Separately, Blatteis and an ASB opportunistic fund developed 1415 Third Street Promenade in Santa Monica, home to the West Coast flagship of Apple.

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 over \$4.9 billion* in gross assets under management for over 250 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, as well as the ASB Meridian Real Estate Fund, a low-leverage opportunistic vehicle and a development separate account.

For more information about the company, visit www.asbrealstate.com.

* As of 3/31/2014.

About Blatteis & Schnur

Blatteis & Schnur traces its roots back to 1922 when Samuel Blatteis co-founded what is believed to be the first real estate firm in the Western United States to specialize in retail leasing and brokerage. Headed by Principals Daniel Blatteis, Robert Schnur and Marc Guth, Blatteis & Schnur is a Los Angeles-based firm with both brokerage and principal operations. The firm's brokerage business specializes in the leasing of upscale retail properties nationally and their principal business specializes in the acquisition of 100% High Street properties in the top urban retail markets in the United States.

For more information please visit www.blatteisschnur.com.

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