



NEWS RELEASE

For ASB Real Estate Investments
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ASB BUYS SAN FRANCISCO OFFICE BUILDING FOR \$61.3 MILLION MID-MARKET DISTRICT LOCATION TAKES ADVANTAGE OF TENANT SURGE

San Francisco – July 1, 2014 – ASB Real Estate Investments announced today the \$61.3 million acquisition of 989 Market Street, a 111,497-square-foot Class A office building, located between 5th and 6th Streets in the rapidly evolving Mid-Market district adjacent to Union Square in San Francisco. The purchase from seller Harbert Management Corporation was made on behalf of ASB's Allegiance Real Estate Fund, a \$3.5 billion core vehicle.

The six-story building's office space is 94% leased to Zendesk, the cloud-based help desk provider, and Zoosk, the social dating service. The rent roll is indicative of the influx of tech-oriented, creative tenants propelling a leasing surge in the submarket, which has benefitted from San Francisco's strong demand fundamentals. The property's architectural features – including 10-to-15 foot exposed ceilings and flexible 17,000-square-foot-floor plans – provide creative build-out solutions increasingly sought by tenants. The property also features 13,000 square feet of prime retail space on Market Street currently leased to Blick Art Materials, one of the nation's largest and oldest art suppliers.

The Market Street location is near all forms of mass transportation—just blocks from the Powell Street and Civic Center BART subway stations and within a two-block radius of 15 different bus and transit lines. In 2017, the completion of the 4th Street thoroughfare will add a nearby access point to Caltrain.

Robert Bellinger, President and CEO of ASB Real Estate Investments, said: "Led by Twitter, Spotify, Yammer and Intuit, new and expanding technology companies have made the Mid-Market District a location of choice, leading to a market renaissance, from which our investors can take advantage. The property's proximity to Union Square and the extension of premier retailing along Market Street also translates to great long-term fundamentals for the retail space."

ASB Real Estate Investments currently manages four other investments in San Francisco: the retail space at 200 Powell Street; the 795 Folsom office building; 135 Mississippi St., an office building; and apartments at 333 Fremont St. An ASB land holding at 350 Bush/500 Pine was sold in April.

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.

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