



FOR IMMEDIATE RELEASE

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LIONSTONE INVESTMENTS AND HERMES PURCHASE 100 M ST, SE

Washington, DC (December 10, 2014) – Lionstone Investments and Hermes Real Estate announced that they have closed on the purchase of 100 M Street, SE. 100 M is a 243,000 SF Class A office building located at First and M Streets, SE in the Capitol Riverfront submarket. The building, which was completed in 2008, is approximately 80% leased with a diverse group of tenants that include Parson, Regus, Dutko Grayling, and Gordon Biersch.

This is the first investment in the Lionstone Hermes Real Estate Venture, a \$250 million joint venture between Lionstone and Hermes that was formed to invest in primarily office properties in high-growth U.S. markets. Monument Realty advised on the acquisition and will provide property management and leasing services for the property.

Situated between the two entrances to the Navy Yard Metro and two blocks from Nationals Park, 100 M has spectacular views of the U.S. Capitol less than a mile to the north, Nationals Park and the waterfront just a few blocks to the south. In addition to being home to the Washington Nationals, the Capitol Riverfront is one of the fastest growing submarkets in the Washington, DC region with over 1,500 residential units under construction and another 1,500 getting ready to break ground. Projects already partially completed, such as The Yards, with over a dozen new restaurants, and Half Street are transforming the neighborhood into a mixed-use destination.

“100 M Street is one of the best office buildings in the Capitol Riverfront, a transformational neighborhood that has a concentration of some of Washington’s most attractive natural and man-made amenities,” said Glenn Lowenstein, Lionstone Co-Founder and CIO. “These amenities, in combination with excellent accessibility via Metro and existing roadways, positions Capitol Riverfront to become an established, high demand submarket within the next several years.”

Chris Taylor, CEO of Hermes Real Estate, said, “This significant first step in our partnership with Lionstone is consistent with our long term approach to investing in sustainable locations within growing markets. Through the occupier-driven approach we share with Lionstone, we are confident 100 M Street will take its place within this flourishing neighbourhood.”

Eastdil Secured represented the previous owner on the sale of the building and arranged acquisition financing.

About Lionstone Investments

Lionstone Investments is a privately owned real estate investment firm that specializes in conceptualizing, researching, and executing national investment strategies on behalf of institutional investors and high net worth individuals. The firm’s investment programs span the risk spectrum (from core to opportunistic) and



focus real estate that serves the most productive segments of the U.S. economy. For more information, visit: www.lionstoneinvestments.com.

About Hermes Investment Management

Hermes is focused on delivering superior, sustainable, risk adjusted returns for our clients – responsibly.

Hermes manages assets on behalf of more than 200 clients* across equities, fixed income, alternatives and real estate, with £27.9 billion* assets under management. In Hermes Equity Ownership Services, we have the industry's leading engagement resource, advising on more than £120.3 billion* of assets.

We believe in Excellence, Responsibility and Innovation

- Excellence: We aspire to excellence in everything we do. This manifests itself most visibly in our investment performance. We will only offer products to our clients where we believe there is a strong investment thesis and where we can deliver sustainable alpha.
- Responsibility: We believe it is our responsibility to lead discussion and debate about the fiduciary responsibilities of fund managers to our clients, their stakeholders and, ultimately, society at large. We have always sought positive engagement with the firms in which we invest.
- Innovation: We have the entrepreneurial culture to identify forward-looking products that meet those needs, along with the resources and speed-to-market mentality to develop them rapidly.

Our structure gives clients globally the benefit of access to a broad range of specialist, high conviction investment teams operating within an established and robust operating platform.

Hermes' investment solutions include:

- Equities: Global, Emerging Markets, Small & Mid Cap, Europe, Asia Ex Japan, Greater China
- Fixed Income: Inflation-Linked, Government Bonds, Investment Grade, High Yield
- Real Estate: Segregated, Unitised, Debt, UK, US Residential, European, UK PRS
- Alternatives: Multi Asset, Infrastructure, Private Equity

*Please note the total AuM figure includes £3.6bn of assets managed or under an advisory agreement by Hermes GPE LLP ("HGPE"), a joint venture between Hermes Fund Managers ("HFM") and GPE Partner Limited. HGPE is an independent entity and not part of the Hermes group. £0.4bn of total group AuM figure represents HFM mandates under advice. Source: Hermes as at 30 September 2014.

[NOTE TO HERMES & Clare Hartstorne: Is there a shorter version we can use?]

About Monument Realty

Monument Realty, an award-winning full service real estate firm, has been leading the way by embracing challenges and creating opportunities for clients and investors since 1998. Monument's development portfolio includes more than five million square feet of Class A office space, 3,500 residential units and a number of hotel properties valued at nearly \$5 billion. For more information, visit:

www.monumentrealty.com.