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## PRESS RELEASE

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### HERMES: GLOBAL HIGH YIELD BOND FUND CELEBRATES FIVE YEARS AND FIVE STARS

Hermes Investment Management, the £30.1 billion manager focused on delivering superior, sustainable, risk adjusted returns to its clients – responsibly, celebrated the five year anniversary of the Hermes Global High Yield Bond Fund on 11 May 2015. The fund has a five star Morningstar Rating™, based on the fund's total returns, adjusted for risk and sales charges, relative to other funds in its Morningstar category.

The Hermes Global High Yield Bond Fund has returned 54.71%\* over the five year period since inception, compared to its benchmark, the Merrill Lynch Global High Yield Constrained 2% ex Financials (Euro hedged) Index, which returned 48.83%\* in the same period. The fund is managed by Co-head of Hermes Credit and Senior Portfolio Manager, Fraser Lundie, and aims to provide long-term capital appreciation and to exceed the return of the benchmark on a rolling three-year basis.

**Fraser Lundie, Co-Head of Hermes Credit and Senior Portfolio Manager, said:**

“Over the past five years, changes in valuation and liquidity of high yield credit have presented challenges within the asset class. The consistently strong performance of the Hermes Global High Yield Bond Fund during this time demonstrates our flexibility and ability to invest globally and across the capital structure.

“Our performance has been driven by three key factors: our approach of combining top-down allocation to attractive regions and sectors while bottom-up analysis helps us to avoid negative events; maximising our flexibility, which allows us to take advantage of mispricing opportunities that we locate; and investing truly globally and across the capital structure, through bonds, CDS, and other instruments.

“In the current market, where fixed income risks are heightened and liquidity risk in particular continues to rise, flexible mandates are essential and security selection is as important to us as company selection. In addition, it is vital that managers actively manage duration risk in this uncertain rates environment. We are now seeing attractive relative value versus a year ago, and believe we are well-positioned to continue to outperform.”

\* Performance shown is the F share class Euro Accum net of costs and management fees since seeding on 16 May 2013, prior track record is the Z share class sterling Accum, fee and currency adjusted since inception net of all costs. Rating is for the F share class Euro Accum.

Past performance is not a reliable guide to future performance. The value of your investment is not guaranteed and may go up or down.

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## Notes to Editors

### 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 £30.1 billion\* assets under management. In Hermes EOS, we have the industry's leading engagement resource, advising on more than £124.3 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 £3.5bn of assets managed or under an advisory agreement by Hermes GPE LLP ("HGPE"), a joint venture between Hermes Fund Managers Limited ("HFM") and GPE Partner Limited. HGPE is an independent entity and not part of the Hermes group. £0.5bn of total group AuM figure represents HFM mandates under advice. Source: Hermes as at 31 March 2015.