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## PRESS RELEASE

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### Interim close for Hermes Infrastructure Fund

Hermes Fund Managers has today announced that it has held an interim close for the Hermes GPE Infrastructure Fund and its related accounts (together, 'HIF'), raising an additional £210m (USD357m; EUR262.5m\*) from several clients including the Santander (UK) Common Investment Fund ('Santander CIF').

HIF has now raised over £700m (USD1.2bn; EUR875m) including allocations from several UK local government pension schemes, bringing Hermes Infrastructure's assets under management to £2.7bn (USD4.6bn; EUR3.4bn), including a £2bn (USD3.4bn; EUR2.5bn) direct investment managed account programme for the BT Pension Scheme. HIF offers local government pension schemes clients the opportunity to reduce costs by being treated as a single client for fee purposes.

**Peter Hofbauer, Head of Hermes Infrastructure, said,** "We are pleased to welcome our latest investors on board. We remain focussed and committed to delivering enhanced risk-adjusted returns for investors through our range of investment strategies and diversified infrastructure portfolio. Paying the right price, aiming to preserve capital and integrating ESG considerations into our investments are essential to our approach and optimising returns."

**Antony Barker, Director of Pensions at Santander UK plc, said,** "Investing in infrastructure assets is an important component of our asset allocation strategy, reflecting the natural hedge for liabilities and the chance to utilise our illiquidity for best reward. Partnering with Hermes Infrastructure is our first such dedicated infrastructure commitment for the Santander CIF, with Hermes selected because its strategies offered us the opportunity to tailor a direct and indirect portfolio that satisfied our risk and return requirements and, more importantly, an accelerated deployment of cash into new and secondary investments at attractive pricing."

Hermes Infrastructure currently manages a portfolio of eleven assets valued at c£1.2bn (USD2bn; EUR1.5bn), which are predominantly direct investments in UK Core and Value Added strategies.

**-ENDS-**

Hermes Fund Managers website: <http://www.hermes.co.uk>

Hermes Infrastructure website: <http://www.hermes.co.uk/infrastructure>

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## Notes to Editors:

### Hermes Fund Managers

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

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 provides wholesale, institutional and pension fund 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:

- **Fixed Income:** Inflation-Linked, Government Bonds, Investment Grade, High Yield
- **Alternatives:** Commodities, Hedge Fund Solutions, Infrastructure, Private Equity
- **Equities:** Global, Emerging Markets, Small & Mid Cap, Europe, Asia Ex Japan
- **Real Estate:** Segregated, Unitised, Debt, UK, US Residential, European

Hermes manages assets on behalf of more than 200 clients across these investment areas with £26.9 billion\*\* assets under management. In Hermes Equity Ownership Services, we have one of the largest engagement resources in the industry, advising on more than £103bn\*\* of assets.

\*Exchange rates:     GBP/USA 1.70  
                          GBP/EUR 1.25

\*\* Total AuM figure includes £3.5bn of assets managed or under an advisory agreement by Hermes GPE LLP ('Hermes GPE'), a joint venture between Hermes Fund Managers ('HFM') and GPE Partner Limited. Hermes GPE 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 2014.

### Santander UK Common Investment Fund

The Santander UK Common Investment Fund pools the assets backing the legacy pension liabilities arising from historic acquisitions in the UK by Grupo Santander such as Abbey National and Alliance & Leicester. The combined assets total £8bn and cover 100,000 members, making it one of the 30 largest pension schemes in the UK. Recent citations include:

Professional Pensions - Best Investment Strategy 2013, 2014  
Professional Pensions - Pension Manager of the Year 2014  
Financial News - Scheme Sponsor of the Year 2014  
Engaged Investor - Best Investment Strategy 2014  
Asset International - Most Innovative Large Pension Fund 2014  
Portfolio Institutional - Best Investor in Real Estate 2014  
IPE Real Estate - Best Investor in UK & Ireland 2014  
M&A International - Best Pension Fund Team 2014