

PRESS RELEASE

18 MAY 2015

Hermes: £1.16bn final close for Hermes GPE Infrastructure Fund

Hermes Investment Management (“Hermes”), the £30.1 billion manager focused on delivering superior, sustainable, risk adjusted returns to its clients – responsibly, has today announced that Hermes Infrastructure has held a final close for the Hermes GPE Infrastructure Fund (the “Fund”) and its related accounts (together, “HIF”). HIF has raised a total of £1.16bn (USD1.8bn; EUR1.6bn)**, with the Fund itself raising £1.0bn (USD1.6bn EUR1.4bn) exceeding its £800.0m (USD1.3 EUR1.1bn) target. Hermes Infrastructure now manages funds of £3.1bn (USD4.8bn; EUR4.3bn), including a £2bn (USD3.1bn; EUR2.8bn) direct investment managed account programme for the BT Pension Scheme, one of the UK’s largest occupational pension schemes.

HIF has 18 investors in total, including large European corporate pension schemes (c60% of the funds raised), as well as six UK local government pension scheme (“LGPS”) investors who collectively account for c30% of the Fund. Foundations account for the remaining c10%. The final close included top up commitments from certain early stage investors, as well as commitments from nine new investors.

Peter Hofbauer, Head of Hermes Infrastructure, said, “We are pleased to have raised HIF from a varied and prestigious group of investors. As one of only a few UK-based- and-focused direct infrastructure investors, HIF offers exposure to high quality UK infrastructure assets which can deliver excellent investment characteristics for institutional investors. We will look to continue to target long-term stable, inflation linked infrastructure investments for our clients and apply best in class governance to these assets in order to deliver superior risk-adjusted returns.”

Jonathan Bunt, Chief Financial Officer, London Borough of Barking and Dagenham Pension Fund (“LBBD”), said “We invest in infrastructure to diversify our portfolio and gain access to long term, stable cash flows that help match our pension liabilities. LBBD was an early investor in HIF in 2012 and increased its commitment at the final close on the back of strong performance to date. An additional attraction of this particular Fund has been the pooling arrangement in place for LGPS investors, which allows us to achieve meaningful fee discounts on a collective basis.”

Hermes Infrastructure currently manage a portfolio of 13 investments comprised of nine assets in the renewable, utilities, ports and transport sectors, as well as four infrastructure fund investments. In March 2015, Hermes Infrastructure announced its intention to acquire stakes in Eurostar, the high-speed rail service and Associated British Ports, the UK’s leading ports group in consortium with Caisse de dépôt et placement du Québec (CDPQ) and Canada Pension Plan Investment Board (CPPIB) respectively. Both transactions are due to complete mid-2015.

This press release is not an offer of securities for sale in the United States, any securities may not be offered or sold in the United States absent registration or an exemption from registration, and no registration of securities in the United States is contemplated.

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**Exchange rates: GBP/USA 1.56
GBP/EUR 1.39

Follow Hermes Investment Management on Twitter: [@Hermesinvest](https://twitter.com/Hermesinvest)

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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.

Hermes Infrastructure

Hermes Infrastructure, part of Hermes Investment Management, manages approximately £3.1 billion on behalf of clients including the Hermes GPE Infrastructure Fund. Hermes Infrastructure is focused on delivering superior risk-adjusted returns for investors through a range of investment strategies and a diversified infrastructure portfolio.