

PRESS RELEASE

1 June 2015

**HERMES AND COUNTRYWIDE LAUNCH 'VISTA'
– THE UK RESIDENTIAL PROPERTY FUND**

Hermes Investment Management (“Hermes”), the £30.1 billion investment manager focused on delivering superior, sustainable, risk adjusted returns to its clients – responsibly, and Countrywide plc (“Countrywide”), the UK’s largest property services group, announce the launch of ‘Vista’ – a new UK residential property fund that aims to be the pre-eminent investment vehicle of its type for institutional investors.

The open-ended fund offers institutional investors access to an attractive but historically inaccessible market, the UK private rented sector (PRS), by providing the scale, expertise and resources essential for them to allocate. Residential property investment has delivered returns in excess of all other UK real estate sectors for more than a decade, while at the same time exhibiting low correlations¹.

Vista will be managed by Hermes’ recently announced Fund Director, Philip Nell, working closely with the Hermes and Countrywide existing teams. It will target high-quality, modern, purpose-built residential stock across the UK, with a bias toward regional towns and cities with strong underlying economies. The fund will cap its Greater London exposure to a third of the overall portfolio. Vista is launching with £95 million of commitments from cornerstone investors and has already invested in three assets in Manchester, Birmingham and Nottingham, with a combined value of £13 million.

Vista combines the complementary skill sets of Hermes Real Estate, a recognised industry leader with an innovative and long-term approach to responsible property investment and over £6 billion* of real estate assets under management, and Countrywide, the UK’s largest lettings and property management company.

Chris Taylor, Chief Executive, Hermes Real Estate said: “The UK PRS sector has delivered attractive, risk adjusted returns over recent years and we believe that it will continue to perform in a market which is facing a chronic mismatch between demand and supply. This demand for PRS is further underpinned by demographic and lifestyle trends and coupled with a shift towards greater urbanisation, long term institutional capital invested in PRS can play a key role in delivering much needed new housing supply. This, coupled with the low correlations and strong returns relative to other real estate sectors and asset classes make UK PRS an attractive portfolio diversifier for institutional investors.

“We also believe an opportunity exists to establish best practices in the delivery and management of purpose-built PRS at an affordable rent throughout the UK. Through its principles of Responsible Property Investment, Hermes works to enhance the economic and social value of its real estate assets by improving their energy efficiency, minimising waste, enhancing tenant experience and strengthening local communities. Using the combined strengths and expertise of Hermes and Countrywide, we are determined to deliver an extremely attractive UK PRS investment solution to investors and tenants alike.”

Graham Bell, Finance Director, Countrywide added: “As the UK’s largest property services Group with over 1,300 branches, the size and scale of Countrywide means it is uniquely placed to play a leading role in building a large residential investment vehicle.

“The fund leverages Countrywide’s platform to overcome the main barriers to institutional investment in residential property, namely difficulty in finding areas with both attractive and sustainable yields, managing operating costs and sourcing attractive assets. Countrywide’s proprietary data and on-the-ground knowledge generated from over 12,000 employees working in their local property markets, allows us to identify specific areas which combine strong economic growth potential and attractive yields. Our integrated letting and property management platform, with over 65,000 properties let and managed, allows us to drive operating performance and minimise gross-to-net erosion. Finally, both our Lambert Smith Hampton division and our large Land & New Homes team give us access to an

¹ IPD UK Residential Index, IPD UK Annual Property Index, Catella

extensive network of relationships across the UK which allows us to source attractive investment opportunities.”

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

Follow us on Twitter: [@Hermesinvest](https://twitter.com/Hermesinvest)
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Follow us on Twitter: [@CountrywideUK](https://twitter.com/CountrywideUK)
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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.

About Countrywide plc

Countrywide plc, the UK's largest integrated property services Group, including the largest estate agency and lettings network, operates more than 1,300 associated branches across the UK.



Countrywide plc's network of expertise helps more people move than any other business in the UK and is a leading provider of estate agency, lettings, mortgage services, land and new homes, auctions, surveying, conveyancing, corporate property management services and commercial property.

Countrywide plc's award-winning service has earned the business over 180 high-profile industry awards in the last six years, with customers voting Countrywide Best Estate and Lettings Agency at the 2014 ESTAS awards. Our Land & New Homes team was named the UK's Best New Homes Agent for two consecutive years at the Estate Agency of the Year Awards 2012 and 2013 and Countrywide Surveying Services won the award for Best Surveyor/Valuer - Panel Manager at the Mortgage Strategy Awards 2014.