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Press Release

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HERMES REAL ESTATE SELLS SAINSBURY'S EAST DULWICH FOR £68M

Hermes Real Estate has sold the Sainsbury's superstore in East Dulwich to M&G Real Estate for £68 million, reflecting a net initial yield of 3.95 per cent.

The 89,011 sq ft store, on Dog Kennel Hill in East Dulwich, is let to Sainsbury's Supermarket Limited on a 30 year lease with just under 25 years remaining. The store was comprehensively refurbished in 2009 and serves an affluent London suburb.

Chris Taylor, CEO of Hermes Real Estate said: "The sale of the East Dulwich store fits within our long-term investment strategy of portfolio diversification, both regionally across the UK and increasingly overseas. As part of this we are actively marketing strong assets to ensure we can recycle capital into higher yielding property where we are able to add value by deploying our asset management skills."

JLL acted for Hermes Real Estate, while M&G Real Estate was represented by Lewis Ellis.

-ENDS-

For further information, please contact:

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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 £103 billion* of assets.

*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 ("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 2014.

