



Press Release

05 JUNE 2014

HERMES REAL ESTATE AND CANADA PENSION PLAN INVESTMENT BOARD ACQUIRES COMMERCIAL ELEMENTS IN SOUTH BANK TOWER FROM CIT

Hermes Real Estate and Canada Pension Plan Investment Board (CPPIB), as part of their 50:50 London partnership, have agreed to acquire the offices and retail elements, along with the residential ground rent income, of South Bank Tower by way of a forward commitment to purchase from joint venture owners, Jadwa Investment and CIT Group.

South Bank Tower, which was previously known as King's Reach Tower, is a mixed-use scheme that involves the redevelopment of the original Seifert designed building. The scheme is set for practical completion between October 2015 and May 2016 and will comprise circa 269,000 sq ft office and retail accommodation, along with 191 residential apartments. All of the residential apartments will be accommodated in a tower that will have been extended by 11 stories to provide a total of 41 floors.

Chris Taylor, Chief Executive, Hermes Real Estate said: "Hermes Real Estate continues to deliver exceptional returns for its investors and has a reputation in the market for innovation and deliverability. Moreover, we have demonstrated our continued ability to source opportunities off-market and acting decisively backed up by our conviction on understanding how occupiers assess real estate.

"South Bank Tower is a major mixed-use development in a thriving part of London's Riverside which is proving attractive for residential and commercial occupiers alike; it is located within the improving cluster of mixed-use developments which have transformed the area between Westminster Bridge and Tower Bridge along the South Bank and which is rapidly becoming a destination of choice for major occupiers attracted by proximity to excellent infrastructure, an attractive environment and access to a wide variety of retail, leisure and cultural outlets."

Wenzel Hoberg, Managing Director and Head of Real Estate Investments Europe for CPPIB, said: “We are pleased to complete the acquisition of a mixed-use property which complements CPPIB’s London office portfolio. We look forward to further expanding this venture alongside Hermes to acquire high quality properties in Central London.”

George Kyriacou, Managing Director, from CIT Developments LLP, said: “We are very pleased with the deal we have completed with Hermes to pre-sell all the commercial space at South Bank Tower. Having already exchanged contracts on 132 of the 191 apartments without an official ‘launch’ yet, we are absolutely delighted with progress. Our residential marketing suite is due to officially open this September. The presale of the commercial parts of the building further cements the success of the project for us.”

CBRE advised Hermes Real Estate on the transaction.

-ENDS-

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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.

About Canada Pension Plan Investment Board

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 18 million Canadian contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, New York City and São Paulo, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At March 31, 2014, the CPP Fund totalled C\$219.1 billion of which C\$25.5 billion represents real estate investments. For more information about CPPIB, please visit www.cppib.com.

About CIT Group – www.CIT.co.uk

CIT Group is an independent private equity real estate business founded in 1995 operating in the UK and Europe. Since inception CIT has invested £3.0bn in direct real estate globally.

CIT is committed to high quality development, working mainly in central London. They have recently achieved consents in Westminster, Camden, Wandsworth, RBKC and Southwark and also have current schemes in RBKC, Camden and Tower Hamlets. Developments previously completed by CIT include the GLA headquarters building at More London, Abbey House on Baker Street, and a variety of other projects for a mix of residential, office and retail uses.