



PRESS RELEASE

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HERMES REAL ESTATE AND CANADA PENSION PLAN INVESTMENT BOARD FORM UK REGIONAL JOINT VENTURE

London, U.K. (November xx, 2014): Hermes Real Estate and Canada Pension Plan Investment Board (CPPIB) announced today that they have formed a new UK regional joint venture. The partnership involves Hermes Real Estate selling 50 per cent of the development phase of Wellington Place in Leeds to CPPIB.

Complementing the existing London office joint venture set up between Hermes Real Estate and CPPIB in July 2013, this new UK regional joint venture involves Hermes Real Estate and CPPIB committing equity to the project on a 50:50 basis, for a total Gross Development Value in excess of £185 million.

Located in the centre of Leeds, Wellington Place is being developed and managed by MEPC who will continue to run the project under the new partnership. The masterplan envisages 1.5 million sq ft of commercial, retail, leisure and residential space that will make Wellington Place one of the biggest and most prestigious new city centre business quarters in Europe.

With 35,000 sq ft of offices completed, and construction already underway on a further 105,000 sq ft, Wellington Place has been attracting strong interest from the Leeds occupational market. MEPC has successfully leased the great majority of the recently completed first building and is now in active discussions with major office occupiers for further phases. Three further buildings are planned to deliver an additional 317,000 sq ft of prime office space in the only fully masterplanned and securely managed office campus in Leeds City Centre.

Chris Taylor, Chief Executive of Hermes Real Estate, said: "Our partnership with CPPIB in London has grown significantly since its establishment in July 2013 and it is a natural next step for both parties to develop the partnership further. Hermes Real Estate has recently demonstrated its commitment to the regional UK property market through a series of major urban renewal schemes in Birmingham, Leeds and Manchester, and as a like-minded long-term investor, CPPIB is the right partner to take the Wellington Place project forward with us.

“With a proven track record in delivering sustained growth in line with occupational demand drivers, MEPC’s management will remain at the heart of the scheme’s development and ensure Wellington Place is well placed to capture on future economic growth.”

Andrea Orlandi, Managing Director & Head of Real Estate Investments Europe, CPPIB, said: “We are pleased to build on our existing partnership with Hermes Real Estate through this exciting development in Leeds and see this as a strong complement to our existing office portfolio in London. Together with Hermes Real Estate and MEPC, we aim to make Wellington Place the new premier business location in Leeds with state-of-the-art office space, an attractive public realm, great transport links and full access to amenities.”

James Dipple CEO of MEPC added: “Wellington Place has been carefully designed to meet the expectations of modern successful businesses that are looking for great workplaces where their staff and customers can thrive in a world class environment. This is exemplified by the news that global law firm, Squire Patton Boggs, has just signed up to 32,000 sq ft at No. 6 Wellington Place when the 150,000 sq ft building completes in late 2015. This new investment by Hermes Real Estate and CPPIB into Leeds comes at a perfect time to enable us to provide the high quality accommodation in this vibrant City”

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Notes to Editors:

Hermes manages assets on behalf of more than 200 clients* across equities, fixed income, alternatives and real estate, with £27.9 billion* assets under management. In Hermes Equity Ownership Services, we have the industry’s leading engagement resource, advising on more than £120.3 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 £3.6bn 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. £0.4bn of total group AuM figure represents HFM mandates under advice. Source: Hermes as at 30 September 2014.

About CPPIB

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 June 30, 2014, the CPP Fund totalled C\$226.8 billion of which C\$24.6 billion represented real estate investments. For more information about CPPIB, please visit www.cppib.com.