

Hermes Real Estate and Canada Pension Plan Investment Board Make First Acquisition as Part of Office Joint Venture

London, U.K. (October 31, 2013): Hermes Real Estate Investment Management Limited (HREIML) and Canada Pension Plan Investment Board (CPPIB) have today announced the acquisition of Aldgate House, London, EC3 as part of their 50:50 office joint venture. The deal marks the partnership's first purchase following its formation in July.

The multi-let asset provides over 214,000 sq ft of high-quality office accommodation next to Aldgate Underground station. The property was purchased for £100 million from the vendor, clients of Orchard Street Investment Management. Occupiers in the building include Thomson Reuters, LCH Clearent and ISG.

Chris Taylor, CEO of Hermes Real Estate Investment Management Limited said: "The acquisition of Aldgate House as part of our joint venture with CPPIB marks a significant first step in our partnership's strategy of increasing the size of the portfolio of value-add assets. We have an excellent performance track record across our portfolios, both here in London and increasingly on a global basis. We are anticipating further selective expansion of the partnership with the aim of capitalising upon the robust economic drivers which we observe across the Central London market."

Wenzel Hoberg, Managing Director and Head of Real Estate Investments Europe for CPPIB, said: "We are delighted to secure our first transaction alongside Hermes Real Estate having set up the joint venture this summer. This acquisition complements our existing London office portfolio and highlights our desire to grow the partnership with Hermes Real Estate as we continue to execute on our strategy of acquiring high-quality properties."

Jones Lang La Salle advised HREIML and CPPIB's joint venture partnership whilst GM Real Estate acted on behalf of Orchard Street Investment Management.

About Canada Pension Plan Investment Board

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organisation 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 London and Hong Kong, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At June 30, 2013, the CPP Fund totaled C\$188.9 billion, of which C\$20.9 billion represents real estate investments. For more information about CPPIB, please visit www.cppib.com.

About Hermes Fund Managers

Hermes is a unique fund manager – we have been an industry leader in Responsible Investing for over thirty years and offer clients the unparalleled combination of:

- Our **Multi-Boutique Structure** gives 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.

- Our **Investment Office** is a crucial function, acting as a performance risk ‘radar’ for all boutiques’ investment activity and is central to our mission to deliver Sustainable Risk-Adjusted Alpha to all our clients.
- Our commitment to behaving as a **Responsible Asset Manager**, not merely by being a ‘Responsible Investor’ in quoted companies but also by applying these principles across all asset classes and by behaving as a ‘good fiduciary’ on behalf of our clients.

Hermes' investment solutions include:

- **Bonds:** Inflation-Linked, Government Bonds, Investment Grade, High Yield
- **Alternatives:** Commodities, Hedge Fund Solutions, Real Estate, Private Equity, Infrastructure
- **Equities:** Global, Emerging Markets, Small Cap, Europe, Japan

Hermes manages assets on behalf of more than 170 clients* across these investment areas with £24.9 billion* assets under management. Additionally, we support pension funds and other global institutional investors worldwide in meeting their ESG responsibilities through our market leading Hermes Equity Ownership Services, which takes on a stewardship role engaging globally on more than £115 billion* of assets.

*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 June 2013.

About Orchard Street Investment Management

Established in 2004, Orchard Street Investment Management LLP is a leading specialist commercial property investment manager, focused on the UK market. It acts on behalf of institutional clients world-wide to advise on investing in and the active management of property assets, including industrial, retail warehouses, offices and shopping centres. Orchard Street currently has assets under management totalling £3.3 billion.

For more information

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