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Press Release

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Hermes Real Estate Announces New Senior Appointments

Hermes Real Estate announces the appointment of Steven Grahame as Chief Investment Officer – Alternatives. Steven joins from Watson Wyatt, where he was a Senior Investment Consultant and Head of Global Real Estate Manager Research and was previously in the Multi Manager team at UBS. At the same time Hermes Real Estate also announces the promotion of Tim Turnbull to Chief Investment Officer and Alasdair Evans to Chief Operating Officer.

Rupert Clarke, Chief Executive of Hermes Fund Managers said: “We are delighted to welcome Steven to Hermes. Steven will further enhance the Real Estate team’s investment skills in Real Estate equities, debt and derivatives, which we believe will form an integral part of institutional Real Estate portfolios in the future.

“I would also like to congratulate and thank Alasdair and Tim, who have effectively been fulfilling the roles of Real Estate COO and CIO respectively since August 2007 in extremely difficult market conditions and who have worked very well together. Steven complements the skills of the existing team of directors in Hermes Real Estate and together they offer a strong leadership platform to capitalise on growth opportunities over the next two or three years.

Steven Grahame commented: “I am delighted to be joining the team in this new role as Hermes expands its boutique real estate business. The combination of the financial strength and backing of the Hermes group and BT Pension scheme and a strong commitment to Corporate Governance puts Hermes Real Estate in an excellent position at a time when there are likely to be some very interesting opportunities arising in the global real estate markets.”

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Hermes

Hermes is a multi boutique asset manager with a truly long-term and responsible approach to delivering investment returns. As a multi boutique we offer our clients the best combination of specialist investment teams and products along with a robust operating platform from which to run them.

Hermes offers investment solutions which range from alternative strategies such as fund of hedge funds, commodities and our engagement focus funds to real estate, private equity and specialist equity products. Hermes invests assets on behalf of 205* clients across these product areas and has £31.2bn* under management. Additionally, we help pension funds meet the highest standards of responsible long term ownership through our innovative Equity Ownership Service, which has over £50 billion* of assets under stewardship.

Hermes is the advisor and principle investment manager for the BT Pension Scheme (BTPS) and BTPS is also the 100% owner of Hermes. This unique relationship gives us a long term parent whose requirement for investment excellence is perfectly aligned with that of all of our other clients and provides a privileged insight which informs our product development.

* As at 30 September 2008