



Lloyds Chambers 1 Portsoken Street London E1 8HZ
Tel: 020 7702 0888 Fax: 020 7702 9452
www.hermes.co.uk

Press Release

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Global Equities Team to Join Hermes

Hermes Fund Managers Ltd (Hermes) announces a significant step today in its development to become a multi specialist asset manager with the recruitment of a global equities team. Joining from Fortis, the Boston-based team of six are led by Lode Devlaminck and John Chisholm and have an average of 19 years of investment experience.

The recruitment of the team will provide Hermes with the expertise to build a core active global equity business which will be structured as a specialist investment partnership. Hermes will own the majority share but the partners and employees will have a stake in both the long-term profitability and the enterprise value of the business.

Following approval from the SEC the team will initially focus on the requirements of the BT Pension Scheme (BTPS) but will also be looking to market this new capability to institutional third parties. BTPS will provide a cornerstone investment of US\$ 500m. Hermes believes there are significant opportunities for global equities as the long term trend to shift exposure from domestic to global equity mandates continues and as clients seek alpha driven strategies that provide excess returns to complement passive beta exposures. This belief is reflected in the strategy for BTPS.

John Chisholm said "We are delighted to have joined Hermes, we feel that the culture and environment of Hermes fits us well and the long-term approach is well aligned with our approach to managing money".

Rupert Clarke, CEO, Hermes said: "We have clearly stated that we are looking to build strong propositions on the asset management side and that we will pursue a strategy of team acquisitions where we do not currently have capability. The recruitment of this team, which follows the successful establishment of Hermes BPK, represents another crucial step in the development of our business strategy. We are very pleased to have recruited an excellent team with a compelling track record."

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For further information:

Lansons Communications

David Masters davidm@lansons.com
+44 (0)7825 427514

Henrietta Guthrie henrietta@lansons.com
+44 (0)20 7490 8828

Notes to editors:

Hermes

Hermes is a collection of specialist investment partnerships with a truly long-term and responsible approach to delivering investment returns. As a multi strategy asset management business 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 187* clients across these product areas and has £20.5bn* 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 £40 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 June 2009