

PRESS RELEASE

Amsterdam, October 4, 2016

Redevco/Hermes Joint Venture initiates €250 million acquisition programme with retail property purchase in Rouen

The joint venture vehicle established last year by Hermes Investment Management, the £26 billion manager focused on delivering superior, sustainable, risk adjusted returns to its clients – responsibly, and Redevco, the pan-European retail real estate specialist, has made its first investment by acquiring the property “L’Espace du Palais” in the French city Rouen.

The Redevco/Hermes Investment Management European joint venture is targeting investments in high street properties, shopping centres and retail parks in need of hands-on asset management in France, Germany, the Benelux countries and the Nordic region. The property in Rouen was acquired from a fund advised by KKR and its operating partner Seefar. The price of the transaction is not being disclosed.

Andrew Vaughan, CEO of Redevco, said: “This investment matches perfectly with the joint venture’s strategy as it offers significant scope for value creation through refurbishment and astute asset management. With large-scale city centre operations in the European regional metropolises already, we offer considerable expertise in the local retail markets and we have close working relationships with municipalities and other local authorities. We are looking to extend Redevco’s platform through more acquisitions similar to this one in Rouen.”

Chris Taylor, Head of Private Markets at Hermes Investment Management, said: “The ongoing developments in retailing in Western Continental Europe, including longer-term urbanisation trends and demographic lifestyle shifts, are creating opportunities for redeveloping city centre retail that will meet changing occupational requirements, making an attractive proposition for our core+/value-add strategy. Working in partnership with a like-minded, long term investor such as Redevco in acquiring this property, will enable us to deliver added value from our asset management approach.”

“L’Espace du Palais” in the centre of Rouen, 130 km northwest of Paris, is approximately 10,000 sq.m. and comprises 30 units with Fnac as its anchor tenant. The first steps by the new owners will be to reinforce the visibility of the shopping centre and its commercial positioning by reversing its introvert conception to an extrovert appearance. The objective is to revitalise the existing site as part of a global refurbishment ambition of the city centre already commenced by local authorities.

Rouen has a primary catchment area of 480,000 inhabitants in the surrounding Normandy region, which has higher incomes than the French national average. The city ranks 12th in France with a “Very Good” label in Redevco’s City Attractiveness ranking.

Full deployment of the asset is planned for 2019.

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ABOUT REDEVCO:

Redevco is an independent, pan-European real estate investment management company specialised in retail property. The 390 assets under management are spread across the strongest retail concentrations in Austria, Belgium, France, Germany, Hungary, Luxembourg, the Netherlands, Portugal, Spain, Switzerland and the United Kingdom. Redevco partners with over 1,000 retailers.

For further information about Redevco please visit www.redevco.com.

Hermes Investment Management

Hermes is focused on delivering superior, sustainable, risk adjusted returns for our clients – responsibly.

Hermes manages assets on behalf of more than 330 clients* across equities, fixed income, alternatives and real estate, with £26 billion* assets under management. In Hermes EOS, we have the industry's leading engagement resource, advising on £189 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:

- **Private markets** - International real estate, UK commercial real estate, UK private rental sector real estate, infrastructure and private equity
- **High active share equities** - Asia, global emerging markets, Europe, US, global, and small and mid cap
- **Credit** - Absolute return, global high yield, multi strategy, real estate debt, direct lending and global investment grade
- **Multi asset** - Multi asset inflation
- **Responsible Investment Services** -Corporate engagement, intelligent voting and public policy engagement

*Please note the total AUM figure includes £5.1bn of assets managed or under an advisory agreement by Hermes GPE LLP ("HGPE"), a joint venture between Hermes Fund Managers Limited ("HFM") and GPE Partner Limited. HGPE is an independent entity and not part of the Hermes group. £0.2bn of total group AUM figure represents HFM mandates under advice. Source: Hermes as at 30 June 2016 with the exception of one portfolio using estimated values totalling £97.7m as at 29 February 2016.

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