



## **BT Pension Scheme and Canada Pension Plan Investment Board Form 50:50 Office Joint Venture**

### ***Joint Venture Portfolio to Initially Include Eight Central London Office Assets***

**Toronto, Canada (July 11, 2013):** Hermes Real Estate Investment Management Limited (“Hermes”), on behalf of The BT Pension Scheme (“BTPS”), and Canada Pension Plan Investment Board (“CPPIB”) announced today that they have formed a 50:50 joint venture partnership that will initially include eight Central London office assets from BTPS’ existing portfolio. CPPIB will invest £173.9 million to acquire a 50 per cent interest in this core-plus/value-add portfolio, with the assets primarily located in London’s West End. The portfolio comprises 550,000 square feet of high quality offices, retail and ancillary accommodation.

It is the intention of the partners to double the size of the joint venture partnership by increasing its exposure to similar types of core-plus/value-add assets.

Graeme Eadie, Senior Vice-President and Head of Real Estate Investments for CPPIB, said: “We are pleased to be partnering with BTPS and Hermes on this unique opportunity to invest in a high quality, well-diversified portfolio of office properties in prime Central London locations. This acquisition is in line with our strategy to capitalise on attractive opportunities in the London office market and invest alongside well-aligned partners. We see an excellent opportunity to increase the seed portfolio’s value and to grow the venture by acquiring more value-add product in Central London.”

Chris Taylor, Chief Executive Officer of Hermes Real Estate Investment Management Limited for Hermes said: “We are delighted to be entering into this joint venture partnership with CPPIB as a like-minded long-term global investor. Hermes Real Estate has an excellent performance track record and reputation in the market for deliverability. Our ability to source opportunities off-market and act decisively together with a conviction to understand how occupiers assess real estate provides a compelling case for investing in this platform. We firmly believe Central London will continue to deliver attractive opportunities.”

#### **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 March 31, 2013, the CPP Fund totalled C\$183.3 billion, of which C\$19.9



billion represents real estate investments. For more information about CPPIB, please visit [www.cppib.com](http://www.cppib.com).

**About BTPS:**

BT Pension Scheme Management Limited (BTPSM) provides a range of investment management and advisory services to the Trustee of the BT Pension Scheme (BTPS). In 2012, BTPSM changed its regulatory permissions to become an Occupational Pension Scheme (OPS) Firm. The BTPS is one of the largest private pension funds in the UK, with £38.7 billion in assets and 321,474 members\*.

\* As at 31<sup>st</sup> December 2012

**About Hermes Fund Managers:**

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

- Our Multi-Boutique Structure gives wholesale, 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:

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

Hermes manages assets on behalf of more than 170 clients\* across these investment areas with nearly £25.6 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 £125 billion\* of assets.

\* Please note the total AuM figure includes £3.4bn 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. £0.5bn of total group AuM figure represents HFM mandates under advice. Source: Hermes as at 31 March 2013.

This press release is issued and approved by Hermes Investment Management Limited of 1 Portsoken Street, London E1 8HZ.



**For more information:**

**CPPIB**

Linda Sims  
Director, Media Relations  
(416) 868-8695  
[lsims@cppib.com](mailto:lsims@cppib.com)

**HREIML**

Steven Hilton  
[steven@redwoodconsulting.co.uk](mailto:steven@redwoodconsulting.co.uk)

Clare Roberts  
[clare@redwoodconsulting.co.uk](mailto:clare@redwoodconsulting.co.uk)

Redwood Consulting  
+44 (0)20 7828 5553