

Embargoed until 10 August 2015

## Hermes GPE announce £1 billion private equity mandate from BTPS

Hermes GPE LLP ('Hermes GPE' or 'the Company'), a leading specialist investor in global private equity, announces a £1 billion mandate from the BT Pension Scheme ('BTPS'), one of the UK's largest occupational pension schemes. The mandate brings Hermes GPE's total private equity AUM to £4 billion (USD\$ \$6 billion).

Hermes GPE is part of Hermes Investment Management (Hermes), the £30.1 billion manager focused on delivering superior, sustainable, risk adjusted returns to its clients – responsibly, and was set up as a joint venture between the Hermes GPE management team and Hermes.

The £1 billion allocation will be invested over three years, split evenly between funds and co-investments, and invested on a global basis by Hermes GPE's 16-strong investment team based in London, New York and Singapore.

The Hermes GPE model optimises private equity exposure for institutional investors by combining globally sourced co-investments with commitments to primary funds. Hermes GPE was an early adopter of the co-investment approach and has subsequently built a 15 year \$1.8bn co-invest track record with realised returns of 1.8x and 31.3% IRR<sup>1</sup>. Hermes GPE recently raised one of the largest co-investment funds of 2014, Hermes GPE PEC II LP, which closed at \$480m in September 2014. The Fund is already c82% committed to 28 transactions with a further three pending completion and expects to be fully committed by the end of 2015.

### **Peter Gale, Head of Private Equity and CIO of Hermes GPE commented:**

*"We are delighted that BTPS continue to put their trust in us and our investment model. As one of the first private equity specialists to move away from the funds-only model, we have long been an innovator in the space and have a proven track record to match. Through our flexible implementation model, we believe private equity can be complementary to traditional asset classes and we will continue to work closely with BTPS, applying our investment judgement to meet their risk return targets."*

### **Simon Moss, Partner, Hermes GPE commented:**

*"Following the implementation of the first cycle of our combined funds and co-investment program for BTPS, we now look forward to investing the next program and to continuing to demonstrate the potential our co-investment model has to enhance investment returns via faster, targeted deployment of capital and more control over strategy and portfolio construction. The mandate will allow us to further enhance our relationships in the market as we put the funds to work, and demonstrate our proven execution capability to our global deal sourcing network."*

Ends.

### **Further information:**

#### **Hermes GPE**

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**About Hermes GPE**

Hermes GPE is a leading specialist in global private equity with c £4bn of assets under management as at today's date. Hermes GPE is part of Hermes Investment Management (Hermes), the £30.1 billion manager focused on delivering superior, sustainable, risk adjusted returns to its clients – responsibly, and was set up as a joint venture between Hermes and the Hermes GPE management team. Hermes manages assets on behalf of more than 200 clients<sup>2</sup> across equities, fixed income, alternatives and real estate, with £30.1 billion<sup>2</sup> assets under management. In Hermes EOS, we have the industry's leading engagement resource, advising on more than £124.3 billion<sup>2</sup> of assets.

The Hermes GPE team has a significant investment and advisory track record spanning 25 years, and focuses on developing bespoke global private equity portfolios for global institutional clients across co-investments, primary funds and secondary investments. Hermes GPE is an active proponent of responsible investing. Hermes GPE is authorised and regulated by the Financial Conduct Authority and is a registered investment adviser with the United States Securities and Exchange Commission. Hermes GPE (Singapore) Pte Ltd is regulated by the Monetary Authority of Singapore.

<sup>1</sup> Source: Hermes GPE. As at 31 March 2015. Returns are net of all underlying GP fees and are based on USD metrics. Past performance is no guarantee of future results

<sup>2</sup> As at 31 March, 2015