

INVESTMENTS. RESPONSIBLY DELIVERED.

Who we are

Hermes Investment Management provides active investment strategies and stewardship. Our goal is to help people invest better, retire better and create a better society for all.

We believe that, while our primary purpose is helping beneficiaries retire better by providing world class active investment management and stewardship services, our role goes further. We believe we have a duty to deliver holistic returns – outcomes for our clients that go far beyond the financial and consider the impact our decisions have on society, the environment and the wider world.

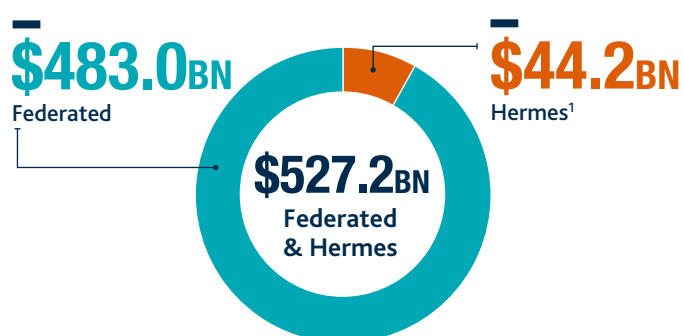
Hermes is majority owned by Federated Investors, Inc (Federated), a leading US investment manager with \$483.0 billion assets under management. BTPS retains a minority stake, alongside members of Hermes' management. This relationship offers a strong global platform as both firms share a commitment to delivering client-centric investment returns responsibly.

What we do

We offer actively-managed public and private market solutions to investors across the globe, managing money for more than 600 clients in 32 different locations across the world.

However, our duty extends beyond achieving clients' financial outcomes: we must act as stewards of the investments we manage. In 2004 we established Hermes EOS, which is now one of the largest stewardship teams in the industry and counts some of the world's leading pension funds as clients.

Federated and Hermes assets under management



\$637.8BN
Assets under
stewardship

356
Total experienced
investment and
stewardship
professionals



It is the decisions we make on how we invest our beneficiaries'

money that shapes the society they live in. Our agenda is defined by them.

Saker Nusseibeh, Chief Executive, Hermes Investment Management

A quick history

- 1983** Hermes, originally PosTel Investment Management Limited (PosTel), is established as manager of the Post Office and British Telecommunication Staff Superannuation schemes. The latter scheme was renamed 'BT' and its pension renamed the BT Pension Scheme.
- '97** Hermes begins marketing its products and services to other institutional investors.
- '04** Hermes EOS is founded
- '06** Hermes Real Estate publishes Responsible Property Investment annual report.
- '10** Hermes signs the UK Stewardship Code launched by the UK Financial Reporting Council.
- '15** Hermes establishes the Pledge of Responsibility and Transparency.
- '18** Federated Investors completes acquisition of majority interest in Hermes.

¹ Please note the total AUM figure includes US\$8.1bn / £6.5bn / €7.4bn of assets managed or under an advisory agreement by Hermes GPE LLP ("HGPE"), a joint venture between Hermes Fund Managers Limited ("HFM"), HGPE Capital Limited and GPE Partner Limited. HGPE is an independent entity and not part of the Hermes group. US\$33.2m / £27.0m / €30.5m of total group AUM figure represents HFM mandates under advice. Source: Hermes as at 30 September 2019. Source: Federated and Hermes as at 30 September 2019.

Public and private market capabilities

By developing products in tandem and bringing existing products to the newly combined global client base, the Federated and Hermes partnership offers a breadth of asset class options.

Federated & Hermes Multi-Asset Options							
Liquidity Prime Government Municipal Multi-currency Stable value	Equities Growth Value Quantitative Global International/EAFE Emerging Markets		Fixed Income Multi-sector Unconstrained Corporate Municipal Government Regional/International		Private Markets Private equity Real estate Private debt Illiquid credit Infrastructure		Thematic (across asset classes) Bespoke Environmental, Social and Governance (ESG) screens (e.g. tobacco exclusions) ESG focused Impact investment Focused engagement (e.g. aligned with UN's Sustainable Development Goals)
Federated	Federated	Hermes	Federated	Hermes	Federated	Hermes	Hermes

Delivering holistic returns

Our mission is to be the world's leading provider of long-term holistic returns for our investors, thus creating value for all stakeholders in the financial system.

Alongside investment performance, delivering our mission has three key elements:



Role of the Responsibility Office

The Responsibility Office acts as the conscience of Hermes and is responsible for ensuring that everyone at Hermes delivers on our mission of delivering Holistic Returns.

The Responsibility Office works with the Investment Office to ensure that Hermes' investment and engagement teams integrate stewardship and ESG factors into their activities, develops and leads the implementation of our advocacy positions and holds each department at Hermes accountable for ensuring that we act as a responsible firm and in the interests of the clients and their beneficiaries.

The value of investments and income from them may go down as well as up, and you may not get back the original amount invested.

Hermes EOS

Hermes EOS is a leading stewardship service.

This dedicated team is comprised of individuals with specific industry experience who seek to both drive positive change and mitigate risk through corporate board and executive-level interactions. The intelligence gained from these engagements is also used by investment teams to assist them in making informed investment decisions.

Engagements include:



Monitoring

Active monitoring of issues to assess whether trends in ESG performance are positive or negative.



Engagement

Engaging with senior management teams to promote and achieve beneficial change relating to risk management, governance, sustainability and business strategy.



Voting

Using voting rights as investors in a considered and intelligent manner in order to manage long-term risks and promote positive change.



Public policy and best practices

Hermes is a formal founding signatory to many stewardship codes globally that serve to guide public policy and companies in implementing best practices to achieve ESG goals.



Environmental

Encouraging companies to manage their environmental footprint, set appropriate targets and disclose progress.



Social & Ethical

Working to improve human capital management and supply chains, raise health and safety standards, stamp out bribery and corruption and engage on labor and community relations.



Governance

Promoting transparency and high standards of accountability.



Strategy, risk and communication

Embedding sustainability in business strategy and changing corporate culture.

International team

32 staff



Global

12 nationalities **10** languages

Australia | Austria | Brazil
China | France | Germany
Canada | Japan | Netherlands
Sweden | UK | USA

Extensive experience

In 2018 engaged with:

746
companies on

2,084
issues and objectives

EOS' Advantage

Industry specialists

- ✓ Accountants
- ✓ Former bankers
- ✓ Industry executives
- ✓ Lawyers
- ✓ Scientists
- ✓ Climate change experts

Hermes Investment Management

We are an asset manager with a difference. We believe that, while our primary purpose is to help savers and beneficiaries by providing world class active investment management and stewardship services, our role goes further. We believe we have a duty to deliver holistic returns – outcomes for our clients that go far beyond the financial – and consider the impact our decisions have on society, the environment and the wider world.

Our goal is to help people invest better, retire better and create a better society for all.

Our investment solutions include:

High active share equities, private markets, credit and responsible investment advisory services.

For more information, visit www.hermes-investment.com or connect with us on social media:   

Federated | HERMES IS A FEDERATED INVESTORS COMPANY.

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