

**Firm Overview**

Federated Clover Investment Advisors, a division of Federated Global Investment Management Corp., a federally registered investment advisor, provides investment advisory services to institutional and private clients. Federated Clover, a value equity manager, is located in Rochester, NY.

**Composite**

Clover All Cap Value Managed Account

**Index**

Russell 3000® Value (Index)

**Key Investment Team**

**Stephen K. Gutch, CFA**

Senior Vice President,  
Senior Portfolio Manager  
24 Years Experience

**Clover All Cap Value Managed Account**

**Investment Philosophy**

Federated Clover’s approach to value equity investing integrates bottom up, fundamental analysis with rigorous quantitative analysis to exploit inefficiencies in the market. The team’s process targets alpha through security selection which centers upon free cash flow analysis. Portfolios are actively managed through systematic monitoring of factor risks which allows the portfolio managers to minimize unintended macroeconomic exposures while allocating capital to the team’s highest conviction ideas.

**Investment Process**

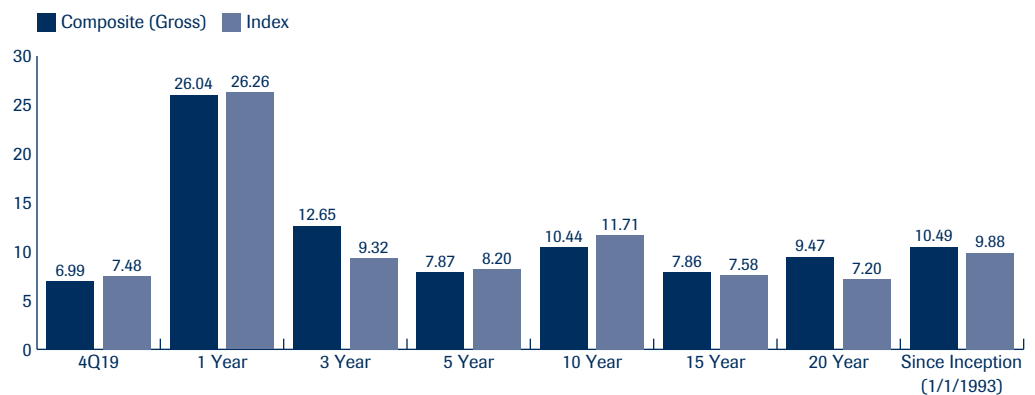
Our investment process is bottom-up and value-driven. We believe this approach allows us the greatest opportunity to provide outperformance over the long term. Our fundamental analysts each have responsibility for specific sectors within the corresponding benchmark. Idea generation focuses on identifying the precursors to change at both the industry and company level.

The strength in our approach lies in our unique process for identifying investment opportunities. We maintain a disciplined methodology in our fundamental analysis, which targets companies characterized by one or more of the following forms of change:

- **Internal Change:** companies that have reached an inflection point in their life cycle and are undergoing change from within, such as a management change, restructuring activities, or a shift in business mix.
- **External Change:** companies that are positioned to benefit from change at the industry level. Examples would include technological change, regulatory change, or a change in consumer preferences.

By focusing our research efforts on identifying these situations, we seek to anticipate change, rather than react to it. We believe that this inclination to identify the precursor of change, and how it will likely drive shareholder value, gives us a strong competitive advantage over our peers.

**Annualized Returns (%)\***



Data as of 12/31/19. Information is supplemental to the GIPS report.

\*For a comparison of gross to net returns, see chart on page 3. "Pure" gross-of-fees returns do not reflect the deduction of any expenses, including trading costs. "Pure" gross-of-fees returns are supplemental to net returns. This information is supplemental to the attached GIPS report which should be referred to for the current performance, including the net figures.

# Clover All Cap Value

## Portfolio Highlights

**Style:** Value, Bottom-up fundamental stock selection

**Benchmark:** Russell 3000 Value Index

**Number of Holdings:** 25-50 stocks

**Weighted Average Market Cap:** \$125.3 billion

**Average P/E NTM:** 16.0x

**Average Annual Portfolio Turnover:** 60-80%

## Calendar Year Returns (%)\*\*

	Composite (Gross)	Index
2010	11.25	16.23
2011	4.08	-0.10
2012	15.53	17.55
2013	31.58	32.69
2014	5.03	12.70
2015	-9.68	-4.13
2016	13.10	18.40
2017	22.01	13.19
2018	-7.04	-8.58
2019	26.04	26.26

## Market Cap Weightings (%)

	Portfolio	Index
Small Cap (<\$3 Billion)	2.25	5.57
Mid Cap (\$3-30 Billion)	42.74	30.70
Large Cap (>\$30 Billion)	55.01	63.73

## Sector Weightings (%)

	Portfolio	Index
Communication Services	3.9	7.8
Consumer Discretionary	3.7	6.1
Consumer Staples	5.6	8.5
Energy	8.9	8.1
Financials	24.6	24.3
Health Care	10.7	12.5
Industrials	15.3	9.9
Information Technology	11.0	6.5
Materials	3.3	4.3
Real Estate	3.2	5.6
Utilities	4.2	6.6

## Top Holdings (%)

	Portfolio
JPMorgan Chase & Co.	5.5
Citigroup Inc.	5.2
Stanley Black & Decker, Inc.	4.0
Berkshire Hathaway Inc. Class B	3.6
Genpact Limited	3.3
Walmart Inc.	3.1
UnitedHealth Group Incorporated	2.9
Union Pacific Corporation	2.5
Mondelez International, Inc. Class A	2.5
Atmos Energy Corporation	2.5

## Ten Year Benchmark Analysis\*

	Portfolio	Index
Annualized Return (%)	10.44	11.71
Annualized Standard Deviation (%)	13.08	12.87
Annualized Sharpe Ratio	0.75	0.87
Beta	0.98	1.00
Tracking Error (%)	3.39	0.00
Annualized Alpha (%)	-0.08	0.00
R-Squared	0.93	1.00
Up Capture Ratio (%)	88.06	100.00
Down Capture Ratio (%)	100.01	100.00

Data as of 12/31/19. Information is supplemental to the GIPS report.

\*FactSet, 12/31/09-12/31/19

\*\*For a comparison of gross to net returns, see chart on page 3. "Pure" gross-of-fees returns do not reflect the deduction of any expenses, including trading costs. "Pure" gross-of-fees returns are supplemental to net returns. This information is supplemental to the attached GIPS report which should be referred to for the current performance, including the net figures.

The information presented is for a representative account and for illustrative purposes only. Actual account holdings will vary depending on the size of an account, cash flows within an account, and restrictions on an account. Portfolio holdings are subject to change daily. Under no circumstances does the information contained within represent a recommendation to buy, hold or sell securities.

Past performance is no guarantee of future results.

**Index Descriptions (An index is unmanaged and has no expenses and it is not possible to invest directly in an index.)**

**Russell 3000 Value Index:** The Russell 3000 Value index is representative of those Russell 3000 index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000 Value Index or Russell 2000 Value Index.

### Risk Considerations

Investing in securities entails risks, including: Equity portfolios are subject to the basic stock market risk that a particular security, or securities in general, may decrease in value. The stocks of small and medium-sized companies are often associated with higher risk than stocks of larger companies, including higher volatility. When investing in value securities, the market may not necessarily have the same value assessment as the manager, and, therefore, the performance of the securities may decline.

# Schedule of Rates of Return and Statistics

Composite **Federated Clover All Cap Value Managed Account Composite**  
 Index **Russell 3000 Value Index**  
 Periods Ending **12/31/2019**

Returns (%)			
	Gross Composite Return	Index	Net Composite Return (Assuming Maximum Fee)
<b>Q4 19</b>	6.99	7.48	6.21
<b>1 Year</b>	26.04	26.26	22.38
<b>3 Years (Annlzd)</b>	12.65	9.32	9.35
<b>5 Years (Annlzd)</b>	7.87	8.20	4.69
<b>7 Years (Annlzd)</b>	10.55	12.05	7.31
<b>10 Years (Annlzd)</b>	10.44	11.71	7.20
<b>15 Years (Annlzd)</b>	7.86	7.58	4.69
<b>20 Years (Annlzd)</b>	9.47	7.20	6.25
<b>Jan 93 - Dec 19 (Annlzd)</b>	10.49	9.88	7.25

	Composite Gross Return	Composite Net Return	Benchmark Return	Composite* 3-Yr St Dev	Benchmark* 3-Yr St Dev	Number of Portfolios	Dispersion**	Composite Assets (\$mil)	Firm Assets (\$bil)
<b>2010</b>	11.25	7.98	16.23	21.51	23.49	697	0.23	140.4	354.3
<b>2011</b>	4.08	1.00	-0.10	18.17	21.04	593	0.23	117.3	363.9
<b>2012</b>	15.53	12.15	17.55	15.34	15.81	300	0.18	85.6	371.3
<b>2013</b>	31.58	27.77	32.69	12.38	12.90	286	0.28	103.3	366.8
<b>2014</b>	5.03	1.94	12.70	9.99	9.36	429	0.23	140.6	349.3
<b>2015</b>	-9.68	-12.37	-4.13	12.32	10.74	297	0.17	83.1	343.4
<b>2016</b>	13.10	9.78	18.40	12.91	10.97	10	0.12	7.4	342.3
<b>2017</b>	22.01	18.46	13.19	12.31	10.33	12	0.12	8.1	354.7
<b>2018</b>	-7.04	-9.81	-8.58	11.66	11.05	14	0.09	7.7	377.2
<b>2019</b>	26.04	22.38	26.26	11.24	12.01	16	0.05	10.3	503.1

\*Represents the 3-year annualized standard deviation for both the composite and index returns. The statistic is used to measure the volatility of composite returns.

\*\*Standard deviation is calculated using gross returns. Standard deviation is not applicable ("N/A") for any period if fewer than five accounts are in the composite for that period. (See footnote 5)

This composite is comprised of portfolios that must be invested in equity securities with an investment objective of long-term capital appreciation. Portfolios in this composite invest substantially in equity securities of U.S. companies from a broad range of large, medium and small market capitalization companies typically found in the Russell 3000 Value Index. The Russell 3000 Value Index measures the performance of the broad value segment of the U.S. equity value universe. It includes those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. Indexes are unmanaged and cannot be invested in directly. The objective is to create a diversified portfolio of equities with lower-than-average valuations and improving fundamental business outlooks. Accounts managed in this composite have a high degree of uniformity but will vary based on account opening dates, client contributions and withdrawals and may contain client directed security restrictions. Accounts deemed by the portfolio manager to have a category restriction shall be excluded from this composite. A category is defined as a collection of investments with similar attributes such as industry classification, business sensitivity, social theme, or security features. Separate accounts eligible for this composite generally have a minimum of \$100,000 at the time of opening and are a part of an asset-based pricing program. Prior to October 2009, this composite consisted of the Federated Clover Value Institutional Composite. Beginning October 2009, wrap fee accounts make up 100% of this composite. This composite was created in August 2009. Federated Clover Investment Advisors, a division of Federated Global Investment Management, has managed portfolios in this investment style since January 1988. Firm assets prior December 2008 are of an acquired entity of Federated Investors. Performance presented prior to December 2008 occurred while the Portfolio Management Team members were affiliated with a prior firm. Federated Investors claims compliance with the Global Investment Performance Standards ("GIPS®") and has prepared and presented this report in compliance with the GIPS® standards. Federated Investors has been independently verified for the period of January 1, 1992, through September 30, 2019. The verification report is available upon request. A firm that claims compliance with the GIPS® standards must establish policies and procedures for complying with all the applicable requirements of the GIPS® standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS® standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. Performance results are presented both net and gross of total wrap fees and reflect the reinvestment of income. "Pure" gross returns are shown as supplemental and do not reflect the deduction of transaction costs. Net returns reflect the deduction of a maximum fee. A fee equal to the highest anticipated wrap fee that a client could pay (3.00% annually as charged by the program sponsor, inclusive of up to a maximum investment advisory fee of 0.70%) is used. This total wrap fee includes all charges for trading costs, portfolio management, custody and other administrative fees. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size.

See Notes to the Schedule of Rates of Return and Statistics.

# Notes to the Schedule of Rates of Return and Statistics

- 1. Federated Investors is a global, independent, multi-strategy investment management firm with offices in Pittsburgh, New York, Rochester, Boston, London, Dublin and Frankfurt. For GIPS® purposes, Federated Investors is defined to include the assets of registered investment companies, separate (or private) accounts, managed accounts (including wrap accounts) and commingled or collective trusts that are advised or sub-advised by the following subsidiaries: Federated Advisory Services Co.; Federated Equity Management Co. of PA; Federated Investment Counseling; Federated Investment Management Co.; Federated Global Investment Management Corp.; International Management Limited; MDT Advisers; Federated Securities Corp.; effective December, 2008, (the date of acquisition) the institutional assets of Federated Clover Investment Advisors, and effective September, 2009, (the date the assets were brought into compliance) the SMA/Wrap assets of Federated Clover Investment Advisors; and effective April, 2012 (the date of acquisition) Federated Investors (UK) LLP. Effective with the January 1, 2011, change in GIPS® policies regarding fair value, the assets of the Capital Preservation Fund (a Guaranteed Investment Contract vehicle) were included in the defined firm assets. Prior to that date they were excluded as they are not market value based investments. Firm assets on this report exclude the advisory-only, model-based assets that may be included in other reports providing total firm assets.*
- 2. Interest income and dividends are recognized on an accrual basis. Returns include the reinvestment of all income.*
- 3. All market values and performance information are valued in U.S. dollars unless currency is denoted in composite title.*
- 4. With the exception of the Federated Clover Investment Advisors composites, annual composite dispersion is measured and presented using the asset weighted standard deviation of the returns of all of the portfolios included in the composite over the entire year. Quarterly dispersion is measured using all portfolios included in the composite for that quarter. With regard to Federated Clover Investment Advisors composites, annual dispersion is measured using the equal weighted standard deviation of the returns of all the portfolios included in the composite over the entire year.*
- 5. Composite dispersion does not measure the risk of the product presented, it simply measures the return variance among portfolios managed in a similar fashion. This variance can be affected by variations in cash flow or specific client parameters among the portfolios comprising the composites, as well as by Federated's execution of strategy across accounts.*
- 6. See the composite description language on the prior page for a discussion on appropriate fees currently applied to calculate composite performance. With regard to the institutional composites not managed by the Federated Clover or MDT Advisers teams, for the period July 1, 1992 through September 30, 2009, net of fee performance was calculated monthly by reducing the gross composite return by the highest actual fee of any account in the composite for that month, regardless of investment vehicle. Prior to this, the maximum management fee charged for the period July 1, 1992 through September 30, 1992 was used to calculate net of fee performance back to inception of the composite. In addition, further fee information can be obtained from Federated's respective Forms ADV Part 2 Brochure Item 5.*
- 7. Additional information regarding the policies for valuing portfolios, calculating performance and preparing compliant presentations, as well as a complete list and description of the firm's composites is available upon request.*
- 8. Past performance is not indicative of future results.*
- 9. See disclosures on the Schedule of Rates of Return and Statistics Reports for additional information.*



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