

9/30/20

**Firm overview**

Federated Hermes, Inc. is a leading \$614.8 billion global investment manager (assets under management as of 9/30/20). Guided by our conviction that responsible investing is the best way to create wealth over the long term, Federated Hermes offers world-class investment management and engagement services. Our products span equity, fixed-income, alternative/private markets, multi-asset and liquidity management strategies and a range of separately managed account strategies, all distributed through a network of institutions and intermediaries worldwide.

**Composites**

Federated Hermes Corporate 0-5 Year Ladder SMA

Federated Hermes Corporate 0-10 Year Ladder SMA

**Index**

Bloomberg Barclays 1-5 Year U.S. Treasury Index

**Secondary index**

Bloomberg Barclays U.S. Intermediate Treasury Index

**Key investment team**

Robert Ostrowski, CFA®

Denis Doherty, CFA®

**Objective**

The Corporate Bond Ladders SMAs seek to provide income that is relatively stable compared to interest rate movements.

**Philosophy**

Ladders are appropriate for investors who seek regular income and prefer holding most bonds to maturity, thus reducing principle gains and losses.

**Strategies**

- Corporate 0-5 Year Ladder
- Corporate 0-10 Year Ladder

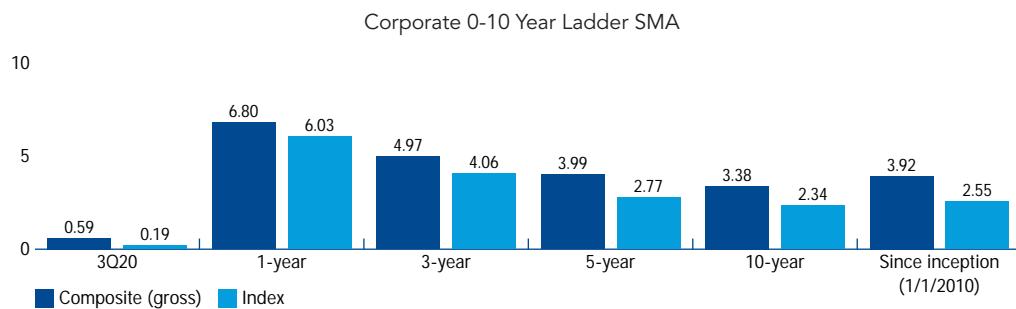
**Goal: Buy and hold with credit oversight**

- Individual investment-grade credits and occasionally Treasury bonds
- May sell security if there is material deterioration of credit
- May realize principle loss
- Target 20-50 maturities
- \$250,000 minimum

**Target audience**

- Seeks higher income (wants higher yield than Treasuries)
- Seeks predictable coupon income generated by ladder
- Prefers liquidity provided by regular maturities

**Annualized returns (%)\***



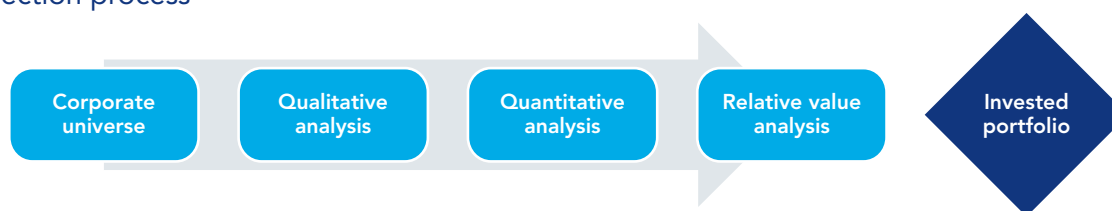
Data as of 9/30/20. Information is supplemental to the attached GIPS report.

Total returns for periods of one year or less are cumulative.

\*For a comparison of gross to net return, see charts on pages 3 & 4. "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 net figures.

While there is no assurance that the strategy will achieve its objective, the advisor endeavors to do so by selecting securities in the manner described in this document. Past performance is no guarantee of future results.

## Security selection process



### Corporate 0-5 Year Ladder

#### Portfolio characteristics

	Portfolio	Index
<b>Holdings</b>	47	151
<b>Effective duration (years)</b>	2.43	2.69
<b>Yield to maturity</b>	0.27%	0.17%

#### Portfolio quality (%)

	Portfolio
<b>AAA</b>	4.98
<b>AA</b>	32.14
<b>A</b>	53.17
<b>BBB</b>	9.70

#### Top holdings

	Portfolio	Coupon	Maturity
<b>Microsoft Corporation</b>	2.87	2.875	2/6/2024
<b>Chevron Corporation</b>	2.83	2.498	3/3/2022
<b>Walmart Inc.</b>	2.82	2.550	4/11/2023
<b>Berkshire Hathaway Inc.</b>	2.70	2.750	3/15/2023
<b>Wells Fargo &amp; Company</b>	2.60	3.750	1/24/2024

### Corporate 0-10 Year Ladder

#### Portfolio characteristics

	Portfolio	Index
<b>Holdings</b>	48	206
<b>Effective duration (years)</b>	4.22	3.83
<b>Yield to maturity</b>	0.86%	0.25%

#### Portfolio quality (%)

	Portfolio
<b>AAA</b>	5.62
<b>AA</b>	35.48
<b>A</b>	50.66
<b>BBB</b>	8.24

#### Top holdings

	Portfolio	Coupon	Maturity
<b>Walmart Inc.</b>	3.23	3.700	6/26/2028
<b>Johnson &amp; Johnson</b>	2.95	2.950	3/3/2027
<b>Equinor Asa</b>	2.80	3.700	3/1/2024
<b>Procter &amp; Gamble Company</b>	2.74	3.100	8/15/2023
<b>Microsoft Corporation</b>	2.67	3.125	11/3/2025

Portfolio information is derived from a model portfolio managed in the strategy as of 9/30/20. Since this is a managed portfolio and market conditions can fluctuate suddenly and frequently, the portfolio holdings and investment mix will change. Information is supplemental to the attached GIPS report.

**Effective Duration:** A measure of a security's price sensitivity to changes in interest rates. One of the methods of calculating the risk associated with interest-rate changes on securities such as bonds.

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

**Bloomberg Barclays 1-5 Year U.S. Treasury Index:** Includes all publicly issued, U.S. Treasury securities that have a remaining maturity of greater than or equal to 1 year and less than 5 years, are rated investment grade and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non-convertible.

**Bloomberg Barclays U.S. Intermediate Treasury Index:** Includes all publicly issued, U.S. Treasury securities that have a remaining maturity of greater than or equal to 1 year and less than 10 years, are rated investment grade and have \$250 million or more of outstanding face value.

**Past performance is no guarantee of future results.**

## Schedule of rates of return and statistics

Composite	Federated Hermes Corporate 0-5 Year Ladder SMA
Index	Bloomberg Barclays 1-5 Year U.S. Treasury Index
Periods ending	9/30/2020

	Returns (%)		
	Composite pure gross return <sup>^</sup>	Index	Net composite return (assuming maximum fee)
<b>Q3 20</b>	0.39	0.13	0.01
<b>YTD</b>	3.97	4.37	2.81
<b>1 Year</b>	4.72	4.72	3.17
<b>3 Years (Annlzd)</b>	3.63	3.23	2.09
<b>5 Years (Annlzd)</b>	2.82	2.21	1.29
<b>7 Years (Annlzd)</b>	2.47	1.96	0.94
<b>10 Years (Annlzd)</b>	2.22	1.72	0.70
<b>Jan 10 - Sep 20 (Annlzd)<sup>^^</sup></b>	2.41	2.01	0.88

	Composite pure gross return (%) <sup>^</sup>	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>	3.04	1.51	3.73	N/A	N/A	<5	N/A	0.3	354.3
<b>2011</b>	3.25	1.72	3.38	N/A	N/A	<5	N/A	25.5	363.9
<b>2012</b>	2.28	0.76	0.89	1.23	1.41	<5	N/A	26.0	371.3
<b>2013</b>	0.26	-1.23	-0.14	1.24	1.14	<5	N/A	28.3	366.8
<b>2014</b>	1.58	0.07	1.17	1.13	0.97	<5	N/A	27.8	349.3
<b>2015</b>	1.32	-0.19	0.92	1.16	1.14	<5	N/A	26.7	343.4
<b>2016</b>	1.60	0.09	1.02	1.18	1.43	<5	N/A	0.3	342.3
<b>2017</b>	1.65	0.14	0.68	1.07	1.39	<5	N/A	2.0	354.7
<b>2018</b>	1.57	0.06	1.51	1.10	1.47	<5	N/A	1.4	377.2
<b>2019</b>	5.45	3.88	4.25	1.11	1.44	<5	N/A	2.5	503.1

<sup>^</sup>Pure gross returns are shown as supplemental and do not reflect the deduction of transaction costs.

<sup>^^</sup>Represents composite inception period. See additional notes to the schedule of rates of return and statistics.

\*Represents the 3-year annualized standard deviation for both the gross composite and the index returns. Statistic is used to measure 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 all separately managed account portfolios with the authority to invest in treasuries, agencies, and corporates that are managed in a laddered structure out to approximately five years on the ladder. Portfolios in this style are generally benchmarked against the Bloomberg Barclays 1-5 Year U.S. Treasury Index. The Bloomberg Barclays U.S. Treasury 1-5 Year Index measures the performance of U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury with remaining years to maturity between 1 and 5 years. Indexes are unmanaged and cannot be invested in directly. Accounts eligible for this composite must have wrapped or bundled fees, follow this style, and be fully-discretionary. Accounts eligible for this composite generally are stand-alone portfolios and not part of a balanced portfolio. Wrap fee accounts make up 100% of this composite for all time periods. Separate accounts eligible for this composite generally have a minimum of \$250,000 at the time of opening. Effective 2Q 2009, the significant cash flow policy in effect for this composite requires portfolios with a 10% or larger cash flow to be removed from the composite until it is invested in line with the model. Additional detail on this policy is available upon request. This composite was created in June 2009. Federated Hermes has managed portfolios in this investment style since July 2009. Federated Hermes claims compliance with the Global Investment Performance Standards ("GIPS<sup>®</sup>") and has prepared and presented this report in compliance with the GIPS<sup>®</sup> standards. Federated Hermes has been independently verified for the period of January 1, 1992, through June 30, 2020. The verification report is available upon request. A firm that claims compliance with the GIPS<sup>®</sup> standards must establish policies and procedures for complying with all the applicable requirements of the GIPS<sup>®</sup> 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<sup>®</sup> 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 (1.50% annually as charged by the program sponsor, inclusive of up to a maximum investment advisory fee of 0.25%) 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.

## Schedule of rates of return and statistics

Composite	Federated Hermes Corporate 0-10 Year Ladder SMA
Index	Bloomberg Barclays US Intermediate Treasury Index
Periods ending	9/30/2020

	Returns (%)		
	Composite pure gross return <sup>^</sup>	Index	Net composite return (assuming maximum fee)
<b>Q3 20</b>	0.59	0.19	0.21
<b>YTD</b>	6.17	6.02	4.99
<b>1 Year</b>	6.80	6.03	5.22
<b>3 Years (Annlzd)</b>	4.97	4.06	3.41
<b>5 Years (Annlzd)</b>	3.99	2.77	2.45
<b>7 Years (Annlzd)</b>	3.76	2.57	2.22
<b>10 Years (Annlzd)</b>	3.38	2.34	1.85
<b>Apr 09 - Sep 20 (Annlzd)<sup>^^</sup></b>	3.92	2.55	2.37

	Composite pure gross return (%) <sup>^</sup>	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>	5.78	4.21	5.29	N/A	N/A	<5	N/A	1.8	354.3
<b>2011</b>	6.68	5.10	6.57	N/A	N/A	<5	N/A	2.2	363.9
<b>2012</b>	4.03	2.48	1.71	2.30	2.49	<5	N/A	2.1	371.3
<b>2013</b>	-1.30	-2.78	-1.34	2.46	2.17	<5	N/A	2.1	366.8
<b>2014</b>	4.39	2.84	2.57	2.41	1.78	<5	N/A	1.9	349.3
<b>2015</b>	2.03	0.52	1.18	2.62	1.98	<5	N/A	1.9	343.4
<b>2016</b>	2.20	0.68	1.06	2.52	2.31	<5	N/A	1.1	342.3
<b>2017</b>	2.96	1.43	1.14	2.30	2.23	<5	N/A	1.1	354.7
<b>2018</b>	0.48	-1.02	1.41	2.14	2.26	<5	N/A	1.4	377.2
<b>2019</b>	8.23	6.63	5.22	2.20	2.14	<5	N/A	1.6	503.1

<sup>^</sup>Pure gross returns are shown as supplemental and do not reflect the deduction of transaction costs.

<sup>^^</sup>Represents composite inception period. See additional notes to the schedule of rates of return and statistics.

\*Represents the 3-year annualized standard deviation for both the gross composite and the index returns. Statistic is used to measure 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 all separately managed accounts portfolios with the authority to invest in treasuries, agencies, and corporates that are managed in a laddered structure out to approximately ten years on the ladder. Portfolios in this style are generally benchmarked against the Bloomberg Barclays U.S. Intermediate Treasury Index. The Bloomberg Barclays U.S. Intermediate Treasury Index represents the public obligations of the U.S. Treasury Index with a remaining maturity of one year or more. Indexes are unmanaged and cannot be invested in directly. Accounts eligible for this composite must have wrapped or bundled fees, follow this style, and be fully-discretionary. Accounts eligible for this composite generally are stand-alone portfolios and not part of a balanced portfolio. Wrap fee accounts make up 100% of this composite for all time periods. Separate accounts eligible for this composite generally have a minimum of \$250,000 at the time of opening. Effective 2Q 2009, the significant cash flow policy in effect for this composite requires portfolios with a 10% or larger cash flow to be removed from the composite until it is invested in line with the model. Additional detail on this policy is available upon request. This composite was created in March 2009. Federated Hermes has managed portfolios in this investment style since March 2009. Performance shown for 2009 is for a partial period starting on April 1, 2009. Federated Hermes claims compliance with the Global Investment Performance Standards ("GIPS<sup>®</sup>") and has prepared and presented this report in compliance with the GIPS<sup>®</sup> standards. Federated Hermes has been independently verified for the period of January 1, 1992, through June 30, 2020. The verification report is available upon request. A firm that claims compliance with the GIPS<sup>®</sup> standards must establish policies and procedures for complying with all the applicable requirements of the GIPS<sup>®</sup> 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<sup>®</sup> 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 (1.50% annually as charged by the program sponsor, inclusive of up to a maximum investment advisory fee of 0.25%) 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.

## Notes to the schedule of rates of return and statistics

1. Federated Hermes is a global, independent, multi-strategy investment management firm. For GIPS® purposes, Federated Hermes is defined to include the assets of registered investment companies that are advised or sub-advised by the various Federated Hermes advisory companies. Effective February 3, 2020, for GIPS® purposes the name of the firm was officially changed to Federated Hermes. Firm assets on this report exclude assets affiliated with Hermes GPE and 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 USD unless currency is denoted in composite description.
4. Annual composite dispersion is measured and presented using the asset weighted standard deviation of the gross 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. Prior to March, 2020 with regard to Federated Clover Investment Advisors composites, annual dispersion was measured using the equal weighted standard deviation of the returns of all the portfolios included in the composite over the entire year.
5. Annual composite dispersion is measured and presented using the asset weighted standard deviation of the gross 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. Prior to March, 2020 with regard to Federated Clover Investment Advisors composites, annual dispersion was measured using the equal weighted standard deviation of the returns of all the portfolios included in the composite over the entire year.
6. See the composite description language for a discussion on appropriate fees currently applied to calculate composite performance. With regard to the institutional composites not managed by the MDT Advisers and Federated Hermes International 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 July 1992, the maximum management fee for third quarter 1992 was used to calculate net of fee performance historically to inception of the composite. For those composites managed by the Federated Hermes International investment team, net composite results are based off model fees using the stated fee schedule. In addition, further fee information can be obtained from the firm's respective Forms ADV Part 2 Brochure Item 5.
7. Additional information regarding the policies for valuing investments, calculating performance, and preparing GIPS reports, as well as a complete list and description of the firm's composites and pooled funds is available upon request.
8. Past performance is not indicative of future results.
9. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
10. See disclosures on the Schedule of Rates of Return and Statistics Reports for additional information.