

6/30/20

**Firm overview**

Federated Hermes, Inc. is a leading \$628.8 billion global investment manager (assets under management as of 6/30/20). 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.

**Composite**

Federated Hermes Government Credit SMA

**Index**

Bloomberg Barclays U.S. Government/Credit Index

**Key investment team**

Robert Ostrowski, CFA®  
Denis Doherty, CFA®

**Objective**

The strategy seeks to achieve maximum income generation within a conservative total return management style.

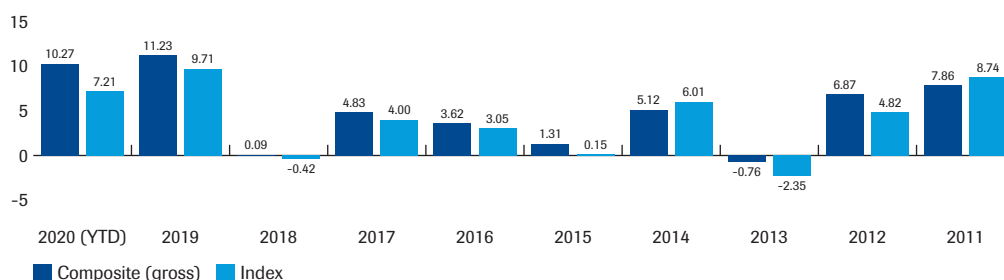
**Positioning**

Seeks to outperform the Bloomberg Barclays U.S. Government/Credit Index with less volatility by overweighting high quality corporate bonds.

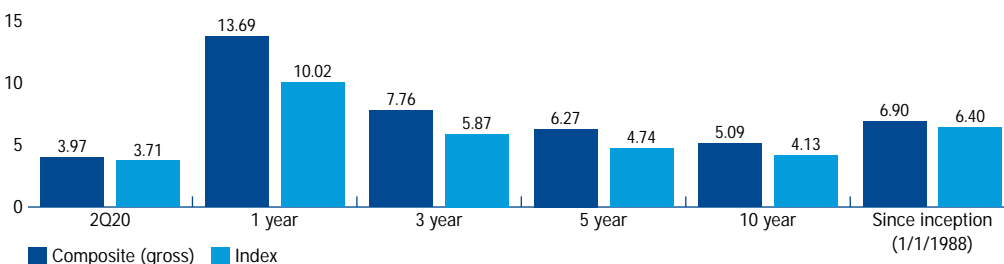
**Investment philosophy**

Federated Hermes' fixed-income philosophy has been in practice for more than 40 years and is built on a solid foundation of investment experience. We believe that optimum results in fixed-income products are best achieved through a traditional value-based approach, grounded in fundamental analysis. Our process concentrates on analysis of duration, sector, yield curve and security characteristics and incorporates an assessment of major long-term indicators of interest rate direction. The process is designed to capture strong, full-cycle performance while managing risk.

**Calendar year returns (%)\***



**Annualized returns (%)\***

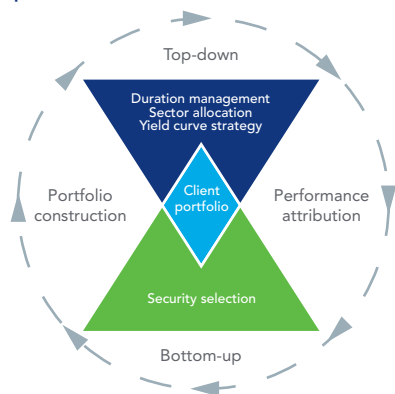


Data as of 6/30/20. Information is supplemental to the attached GIPS report.

\*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.

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. Performance data quoted represents past performance which is no guarantee of future results.

## Investment process and decision tools



The investment process combines top-down decision making with bottom-up security selection. This process is designed to capture the depth of experience and focus of product teams while providing a diversified, risk-adjusted portfolio. Our process seeks to capitalize on structural inefficiencies or anomalies and extract relative performance from each of the four major decision tools.

## Portfolio characteristics

	Portfolio	Index
<b>Effective duration (yrs)</b>	6.97	7.29
<b>Average maturity (yrs)</b>	9.22	9.77
<b>Yield to maturity</b>	1.17%	1.22%
<b>Current yield</b>	2.04%	2.60%
<b>Average coupon</b>	2.26%	2.91%

## Risk management

	5 year		10 year	
	Portfolio	Index	Portfolio	Index
<b>Sharpe ratio</b>	1.59	0.99	1.41	1.01
<b>Standard deviation</b>	3.18	3.58	3.16	3.45
<b>Beta</b>	0.80	1.00	0.85	1.00
<b>Upside capture</b>	118.22	100.00	113.12	100.00
<b>Downside capture</b>	50.64	100.00	69.54	100.00

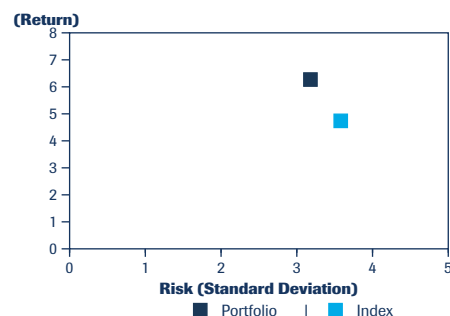
## Sector weights (%)

	Portfolio
<b>Agency</b>	3.40
<b>Credit</b>	55.59
<b>Treasury</b>	41.01

## Quality (%)\*

	Portfolio
<b>AAA</b>	41.01
<b>AA</b>	13.55
<b>A</b>	35.60
<b>BBB</b>	9.85

## 5 year risk/return (%)\*\*



\*Totals may not add up to 100% due to rounding.

Portfolio information is derived from a model portfolio managed in the strategy as of 6/30/20. 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.

\*\*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.

**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.)**

**Bloomberg Barclays U.S. Government/Credit Index:** Is an unmanaged index of investment grade bonds, including U.S. Government Treasury bonds, corporate bonds and yankee bonds.

**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.

## Schedule of rates of return and statistics

Composite	Federated Hermes Government Credit SMA
Index	Bloomberg Barclays U.S. Government Credit Index
Periods ending	6/30/2020

### Annualized returns (%)

	Composite pure gross return <sup>^</sup>	Index	Net composite return (assuming maximum fee)
<b>Q2 20</b>	3.97	3.71	3.59
<b>YTD</b>	10.27	7.21	9.46
<b>1 Year</b>	13.69	10.02	12.01
<b>3 Years (Annlzd)</b>	7.76	5.87	6.17
<b>5 Years (Annlzd)</b>	6.27	4.74	4.69
<b>7 Years (Annlzd)</b>	5.40	4.24	3.84
<b>10 Years (Annlzd)</b>	5.09	4.13	3.53
<b>15 Years (Annlzd)</b>	5.52	4.50	3.95
<b>20 Years (Annlzd)</b>	6.17	5.30	4.60
<b>Jan 88 - Jun 20 (Annlzd)<sup>^^</sup></b>	6.90	6.40	5.31

### Annual returns (%)

	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>	5.51	3.95	6.59	5.68	5.26	25	0.68	15.8	354.3
<b>2011</b>	7.86	6.26	8.74	3.10	3.42	20	0.09	10.3	363.9
<b>2012</b>	6.87	5.29	4.82	2.59	2.96	28	0.17	18.1	371.3
<b>2013</b>	-0.76	-2.24	-2.35	3.07	3.17	27	0.10	22.2	366.8
<b>2014</b>	5.12	3.56	6.01	2.85	2.95	20	0.04	15.3	349.3
<b>2015</b>	1.31	-0.20	0.15	3.04	3.25	24	0.03	25.1	343.4
<b>2016</b>	3.62	2.08	3.05	2.95	3.46	36	0.09	29.4	342.3
<b>2017</b>	4.83	3.27	4.00	2.78	3.28	32	0.09	28.3	354.7
<b>2018</b>	0.09	-1.40	-0.42	2.70	3.16	26	0.04	21.4	377.2
<b>2019</b>	11.23	9.59	9.71	3.01	3.26	61	0.14	77.7	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 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 all separately managed account portfolios managed to the Bloomberg Barclays U.S. Government Credit Index. Portfolios that comprise this composite do not permit the use of Federated Hermes Managed Account Pools (MAPs), therefore requiring exposure to all markets via individual securities. All portfolios utilize Federated Hermes' primary institutional fixed income approach, a benchmark-driven process designed to add value through fundamental analysis with teams focused by sector to extract value from each step of the process - analysis of sector, yield curve, and security characteristics, and assessment of major long-term indicators of interest rate direction and volatility - within client-driven parameters that meet the above criteria. The Bloomberg Barclays U.S. Government Credit Index is a broad-based benchmark that measures the non-securitized component of the U.S. Aggregate Index. It includes investment-grade, U.S. dollar-denominated, fixed-rate Treasuries, government-related, and corporate securities. Indexes are unmanaged and cannot be invested in directly. Prior to October 2008, this composite consisted of the Federated Hermes Government Credit Fixed Income Institutional Composite. Beginning October 2008, wrap fee accounts make up 100% of this composite. Accounts eligible for this composite must have wrapped or bundled fees, must follow this style, and be fully-discretionary. Accounts eligible for this composite generally are stand-alone portfolios and not part of a balanced portfolio. 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 October 2008. Federated Hermes has managed portfolios in this investment style since January 1988. Federated Hermes did not claim compliance with GIPS® standards prior to 1992. Federated Hermes claims compliance with the Global Investment Performance Standards ("GIPS®") and has prepared and presented this report in compliance with the GIPS® standards. Federated Hermes has been independently verified for the period of January 1, 1992, through March 31, 2020. 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 (1.50% annually as charged by the program sponsor, inclusive of up to a maximum investment advisory fee of 0.35%) 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 with offices in Pittsburgh, New York, Boston, Cleveland, and London. For GIPS® purposes, Federated Hermes 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 various Federated Hermes advisory companies. In 2018 Federated Investors announced the acquisition of a majority interest in Hermes Fund Managers Limited and is in the process of integrating those assets into one combined firm. Effective February 3, 2020, the name of the firm was officially changed to Federated Hermes. 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 US dollars unless currency is denoted in composite title.
4. 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. 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. 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 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 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 July 1992, the maximum management fee for third quarter 1992 was used to calculate net of fee performance historically to inception of the composite. 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.