

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.

Composite

Hermes U.S. SMID SMA

Index

Russell 2500® Index

Key investment team

Mark Sherlock, CFA®, FCA
 Alex Knox, ACA
 Michael Russell, CFA®
 Henry Biddle, CFA®, ACA

Objective

The Hermes U.S. SMID SMA’s objective is capital appreciation.

Positioning

We invest in 40-70 high-quality companies that we believe possess a durable competitive advantage. We value consistency and stable, growing revenues and cash flow. Over time, we believe that companies that exhibit these characteristics outperform with less risk. Our investment criteria are based on company fundamentals, not macro driven. We typically target small-to mid-cap businesses between \$1 billion at the low end to \$10 billion.

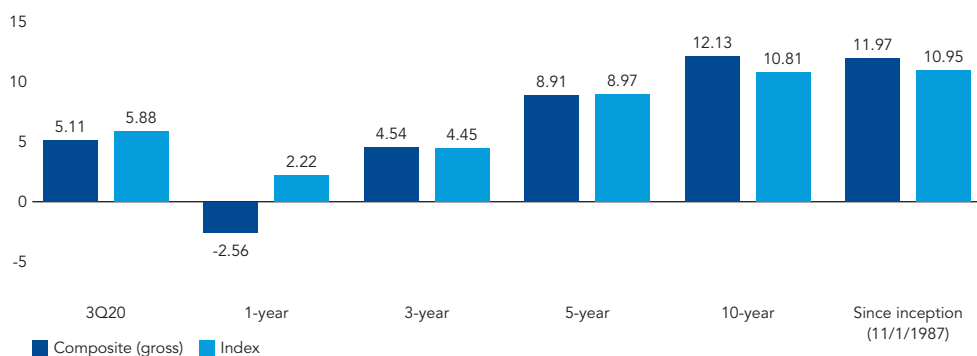
Philosophy

We believe that long-term investment in companies across the market with a durable competitive advantage, bought at a discount to intrinsic value, can produce the best risk-adjusted returns for clients. The emphasis on long-term investment is apparent in the 10-year forecasting period and the average holding length of three to five years. The team believes in holding a stock for long enough to reap its maximum potential. It believes that capital appreciation often occurs not only from the elimination of a discount to intrinsic value, but also, over time, from growth in the intrinsic value itself.

Investment approach

- Our focus on quality and cash flow generation gives a degree of downside defense that we believe provides a lower-risk way to access this high-risk asset class.
- The team is the largest dedicated to this asset class in Europe. We engage in more than 250 company meetings each year.
- The average holding period is three to five years. This longer-term focus allows the team to take advantage of short-term swings in investor sentiment to identify attractive entry points for investment.
- The Strategy is designed to be sector-neutral, with the majority of risk and alpha expected to come from bottom-up stock selection.
- The team includes corporate social responsibility factors in the research process with the objective of creating sustainable risk-adjusted alpha.

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 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 and index changes.

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.

Not FDIC Insured • May Lose Value • No Bank Guarantee

Portfolio characteristics

	Portfolio	Index
Wtd. avg. mkt. capitalization (bil.)	\$7,719.2	\$5,400.7
Wtd. median market capitalization (bil.)	\$5,753.6	\$4,480.0
EPS growth (3-year)*(%)	15.21	18.48
P/E ratio (FY1)*	26.45x	22.74x
Price/cash flow ratio*	16.90x	12.81x
Dividend yield* (%)	0.50	0.00
Number of holdings	54	2521

Sector weightings (%)

	Portfolio	Index
Communication Services	0.00	3.06
Consumer Discretionary	11.20	12.79
Consumer Staples	1.89	3.37
Energy	0.00	1.90
Financials	15.46	13.20
Health Care	17.38	16.79
Industrials	17.48	15.27
Information Technology	23.91	17.15
Materials	8.73	5.27
Real Estate	0.00	8.15
Utilities	1.76	3.06
[Cash]	2.19	0.00

Top holdings (%)

	Portfolio
Fortune Brands Home & Security, Inc.	2.66
Terminix Global Holdings Inc	2.37
Silicon Laboratories Inc.	2.37
Wintrust Financial Corporation	2.33
Brown & Brown, Inc.	2.32
Brooks Automation, Inc.	2.32
AMN Healthcare Services, Inc.	2.25
Teradyne, Inc.	2.25
US DOLLAR Cash Balance	2.19
STERIS Plc	2.17
Total	23.24

Market cap weightings (%)

	Portfolio	Index
>10 Billion	33.25	13.94
5-10 billion	21.81	31.16
2-5 billion	39.24	33.80
1-2 billion	3.51	11.93
<1 Billion	0.00	9.17
Cash	2.19	0.00

Calendar year returns (%)**

	Composite (gross)	Index
2010	23.65	26.71
2011	2.28	-2.51
2012	22.69	17.88
2013	36.79	36.80
2014	6.12	7.07
2015	2.16	-2.90
2016	21.31	17.59
2017	12.24	16.81
2018	-8.75	-10.00
2019	31.25	27.77

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.

*Weighted Median

**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 and index changes.

Past performance is no guarantee of future results.

Schedule of rates of return and statistics

Composite	Hermes U.S. SMID SMA Composite
Index	Russell 2500 Index
Periods ending	9/30/2020

Returns (%)

	Composite pure gross return [^]	Index	Net composite return (assuming maximum fee)
Q3 20	5.11	5.88	4.33
YTD	-9.84	-5.82	-11.88
1 Year	-2.56	2.22	-5.46
3 Years (Annlzd)	4.54	4.45	1.41
5 Years (Annlzd)	8.91	8.97	5.65
7 Years (Annlzd)	8.07	7.70	4.83
10 Years (Annlzd)	12.13	10.81	8.77
15 Years (Annlzd)	9.65	7.92	6.36
20 Years (Annlzd)	10.57	7.93	7.25
Nov 87 - Sep 20 (Annlzd)^{^^}	11.97	10.95	8.62

	Composite pure 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)
2010	23.65	19.94	26.71	26.66	26.80	<5	N/A	643.8	354.3
2011	2.28	-0.78	-2.51	23.25	23.40	<5	N/A	652.0	363.9
2012	22.69	19.01	17.88	18.05	18.97	<5	N/A	923.1	371.3
2013	36.79	32.69	36.80	14.68	15.63	<5	N/A	1,819.4	366.8
2014	6.12	2.94	7.07	10.60	11.67	<5	N/A	1,174.9	349.3
2015	2.16	-0.90	-2.90	12.25	12.42	<5	N/A	1,405.7	343.4
2016	21.31	17.67	17.59	12.67	13.67	<5	N/A	1,492.2	342.3
2017	12.24	8.87	16.81	11.43	12.13	<5	N/A	1,550.6	354.7
2018	-8.75	-11.49	-10.00	13.36	14.10	<5	N/A	1,372.7	377.2
2019	31.25	27.35	27.77	14.14	14.58	<5	N/A	0.3	503.1

The strategy is managed by Hermes Investment Management Limited and offered through Federated Investment Counseling.

[^]Pure gross returns are shown as supplemental and do not reflect the deduction of transaction costs.

^{^^}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)

The composite includes all discretionary portfolios following the US Small & Mid Cap strategy run by the Federated Hermes Int'l US Small & Mid Cap Equity team and has an inception date of 01 November 1987. The objective of the strategy is to achieve long-term capital appreciation. The composite's benchmark is the Russell 2500 Index, which is designed to measure the equity market performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "SMID" cap. The Russell 2500 Index is a subset of the Russell 3000 Index. The benchmark is market-cap weighted and rebalanced on a quarterly basis. The return is calculated on a total return basis gross of withholding tax. This composite was created in October 2019. Performance shown for 1987 is for a partial period starting 1 November 1987. 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 June 30, 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 (3.00% annually as charged by the program sponsor, inclusive of up to a maximum investment advisory fee of 0.75%) 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.

Hermes U.S. SMID SMA

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. 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 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.