

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 International Strategic Value Dividend ADR SMA

**Index**

MSCI World ex U.S. High Dividend Yield Index

**Secondary index**

MSCI World ex U.S. Index

**Key investment team**

Daniel Peris, Ph.D., CFA®  
Deborah Bickerstaff  
Jared Hoff  
Michael Tucker

**Philosophy**

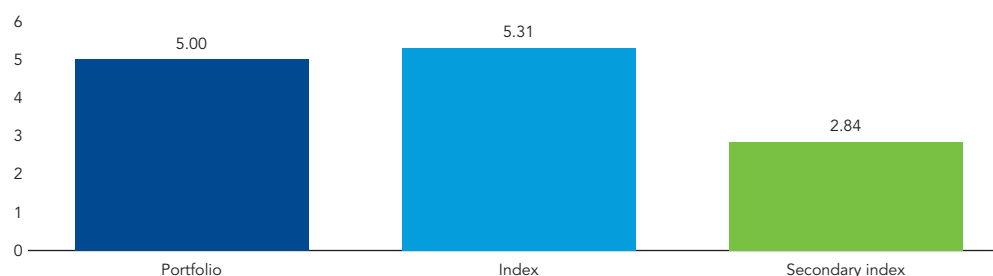
We view ourselves as investors in businesses and, as such, we believe a diversified portfolio of high-dividend-paying stocks with the potential for a rising dividend income stream can produce attractive total returns over time while limiting risk.

**Objective**

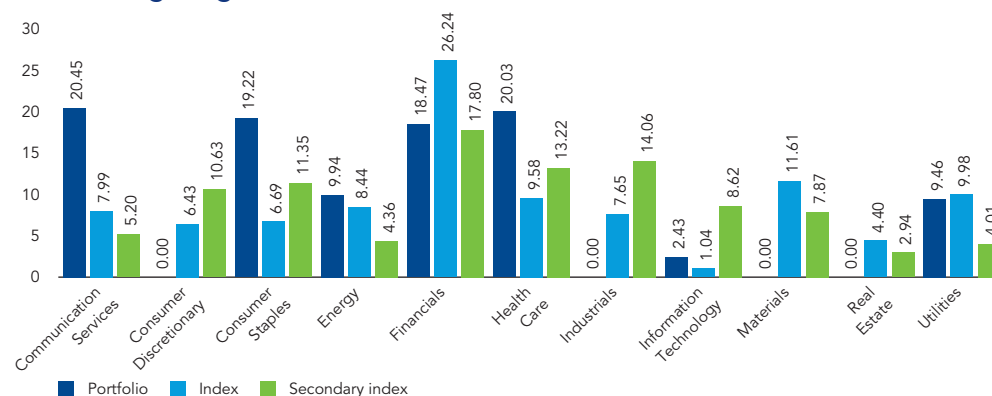
The strategy's objective is to provide a high level of current income, long-term capital appreciation driven by dividend growth and lower downside risk from non-U.S. companies that offer American Depositary Receipts (ADRs).

- Pursues a substantially higher dividend yield than the broad international market.
- Invests in companies that are positioned to increase their dividend distribution over time.
- Seeks to offer competitive performance in strong market environments and lower downside risk in periods of broad market weakness.

**Dividend yield (%)**



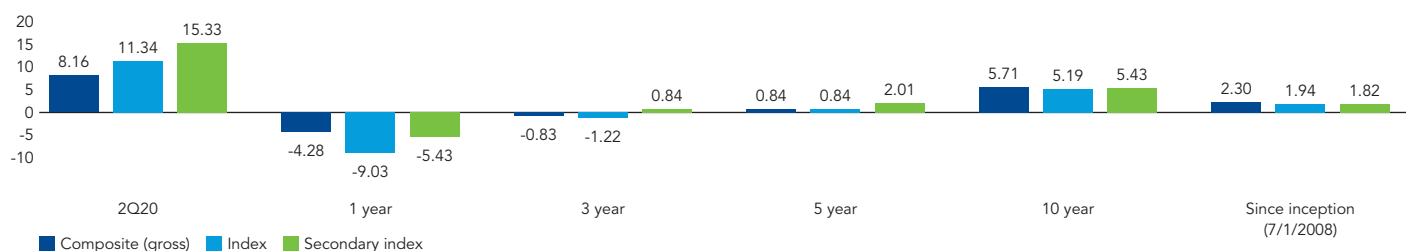
**Sector weightings (%)**



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

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.

## Annualized returns (%)\*



## Portfolio characteristics

	Portfolio	Index	Secondary index
<b>Dividend yield (%)</b>	5.00	5.31	2.84
<b>P/E ratio (LTM)**</b>	16.82x	12.62x	20.80x
<b>Price/book value ratio**</b>	1.94x	1.53x	2.31x
<b>Price/cash flow ratio**</b>	8.43x	7.58x	11.66x
<b>Market capitalization (mil.)***</b>	\$80,725	\$54,865	\$61,138
<b>Median mkt. capitalization (mil.)</b>	\$56,910	\$11,832	\$9,639
<b>Turnover (trailing 1 year) (%)</b>	30.90	—	—
<b>Holdings</b>	28	136	987

## Top holdings (%)

	Portfolio
<b>National Grid PLC</b>	5.68
<b>Zurich Insurance Group AG</b>	5.46
<b>Unilever PLC</b>	5.00
<b>Munich Re Group</b>	4.81
<b>AstraZeneca PLC</b>	4.79
<b>Sanofi</b>	4.74
<b>TC Energy Corporation</b>	4.24
<b>Philip Morris International Inc.</b>	4.21
<b>BCE, Inc.</b>	4.16
<b>Enbridge Inc.</b>	3.89

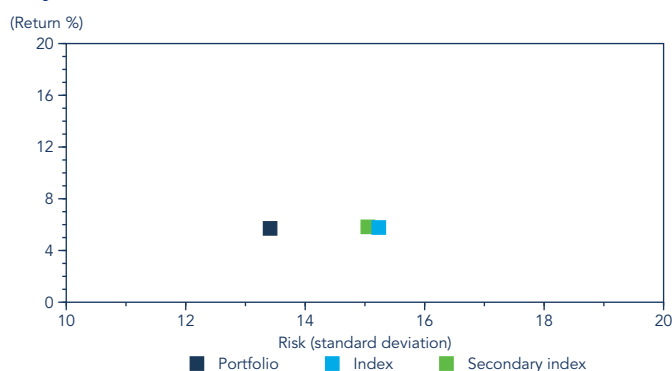
## Country weightings (%)

	Portfolio
<b>Canada</b>	30.16
<b>United Kingdom</b>	27.59
<b>Switzerland</b>	15.42
<b>France</b>	8.58
<b>United States</b>	6.64
<b>Germany</b>	4.81
<b>Japan</b>	3.08
<b>Norway</b>	2.57
<b>Brazil</b>	1.15
<b>Total</b>	100.00

## Risk statistics

	Portfolio	Index	Secondary index
<b>Beta using monthly total returns (3 year)<sup>1</sup></b>	0.77	0.78	1.00
<b>Beta of underlying stocks*** (5 year)<sup>2</sup></b>	0.78	0.90	1.00
<b>Standard deviation (5 year)</b>	12.31	14.34	14.36
<b>Upside capture ratio (5 year)</b>	—	84	62
<b>Downside capture ratio (5 year)</b>	—	85	69

## 10 year risk/return trade-off\*



## Calendar year returns (%)\*

	Composite (gross)	Index	Secondary index
<b>2011</b>	4.90	-1.19	-12.14
<b>2012</b>	15.42	13.38	17.32
<b>2013</b>	15.96	23.90	22.78
<b>2014</b>	0.16	-3.61	-4.90
<b>2015</b>	-7.38	-6.74	-0.81
<b>2016</b>	2.30	5.70	2.75
<b>2017</b>	16.12	19.90	24.21
<b>2018</b>	-12.09	-13.04	-14.09
<b>2019</b>	22.75	23.72	22.49
<b>2020 (YTD)</b>	-12.82	-16.46	-11.49

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 and index changes.

\*\*Weighted Median

\*\*\*Weighted Average

<sup>1</sup>Versus the Index. The 3 year beta is derived using three years of monthly linked returns to calculate the covariance of the portfolio and the broad market divided by the variance of the 3 year monthly linked returns of the broad market.

<sup>2</sup>5 year weighted average beta of the underlying stocks versus their local market.

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

## Schedule of rates of return and statistics

Composite	Federated Hermes International Strategic Value Dividend ADR SMA
Index	MSCI World ex US High Div Yld (1/2016) from EAFE High Div Yld (net)
Periods Ending	6/30/2020

### Annualized returns (%)

	Composite pure gross return <sup>^</sup>	Index	Net composite return (assuming maximum fee)
<b>Q2 20</b>	8.16	11.34	7.37
<b>YTD</b>	-12.82	-16.46	-14.15
<b>1 Year</b>	-4.28	-9.03	-7.12
<b>3 Years (Annlzd)</b>	-0.83	-1.22	-3.77
<b>5 Years (Annlzd)</b>	0.84	1.11	-2.14
<b>7 Years (Annlzd)</b>	2.26	2.74	-0.77
<b>10 Years (Annlzd)</b>	5.71	5.78	2.59
<b>Jul 08 - Jun 20 (Annlzd)<sup>^^</sup></b>	2.30	1.95	-0.73

### 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>	3.84	0.77	-0.32	N/A	N/A	<5	N/A	37.4	354.3
<b>2011</b>	4.90	1.80	-1.19	19.14	24.37	6	N/A	0.8	363.9
<b>2012</b>	15.42	12.04	13.38	16.95	19.54	10	0.13	2.0	371.3
<b>2013</b>	15.96	12.57	23.90	13.51	15.37	58	0.17	11.9	366.8
<b>2014</b>	0.16	-2.80	-3.61	12.12	13.80	142	0.06	35.4	349.3
<b>2015</b>	-7.38	-10.14	-6.74	12.06	13.47	226	0.17	51.3	343.4
<b>2016</b>	2.30	-0.73	5.70	11.84	12.77	27	1.10	6.5	342.3
<b>2017</b>	16.12	12.72	19.90	10.42	11.30	23	0.29	7.9	354.7
<b>2018</b>	-12.09	-14.72	-13.04	10.06	10.68	17	0.41	4.3	377.2
<b>2019</b>	22.75	19.18	23.72	9.46	11.03	17	0.94	3.4	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 portfolios investing in foreign stocks that management believes will provide high yield, reasonable dividend growth and lower volatility in falling equity market environments, yet will provide potential participation in rising markets. Eligible portfolios are managed with wide latitude to choose the sectors and securities to fulfill the mandate. Portfolios may invest in less developed or emerging markets which generally entail greater political, economic, market, tax, credit and other risks, and may have greater price volatility than securities issued or traded in developed markets. Within eligible portfolios, securities are selected based on a fundamental assessment of their financial strength, dividend yields, dividend growth rates, and performance during periods of market weakness. Portfolios in this composite implement the strategy using American Depositary Receipts (ADR) versus directly purchasing shares of companies on foreign exchanges. Investments in ADRs entail risks related to daily fluctuations in the value of currency, which may be more volatile in times of increased market risk. Effective January 2013, performance for this composite is calculated in U.S. dollars net of foreign withholding taxes on dividends, interest, and capital gains. Individual tax rates may vary dependent on individual residency. 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 country restriction, industry classification, business sensitivity, social theme, or security features. Portfolios in this composite typically are managed against the MSCI World ex U.S. High Dividend Yield Index. This index is based on the MSCI World ex U.S. Index, its parent index, and includes large- and mid-cap stocks across 22 of 23 Developed Markets countries. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. Indexes are unmanaged and cannot be invested in directly. 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. This composite was created in March 2011. Federated Hermes has managed portfolios in this investment style since June 2008. Prior to April 2011, this composite consisted of the Federated Hermes International Strategic Value Dividend Institutional Composite. Effective April 2011, wrap fee accounts make up 100% of this composite. 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 March 31, 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 (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.

### 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 U.S. 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.
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10. See disclosures on the Schedule of Rates of Return and Statistics Reports for additional information.