

9/30/22

Firm overview

Federated Hermes, Inc. is a leading \$624.4 billion global investment manager (assets under management as of 9/30/22). 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 ADR SMA

Index

MSCI EAFE Index

Key investment team

Richard Winkowski, Jr.
Dariusz Czoch, CFA

Objective

The International ADR SMA relies on an intensive, bottom-up stock-selection process with the goal of creating an international developed-market portfolio by investing in non-U.S. companies that offer American Depositary Receipts (ADRs). The process focuses on individual stock/industry selection combined with a “buy-and-hold” approach. This results in a concentrated, low-turnover portfolio of undervalued stocks expected to increase in price as the market recognizes the true value of their franchise and cash-flow-generation capabilities.

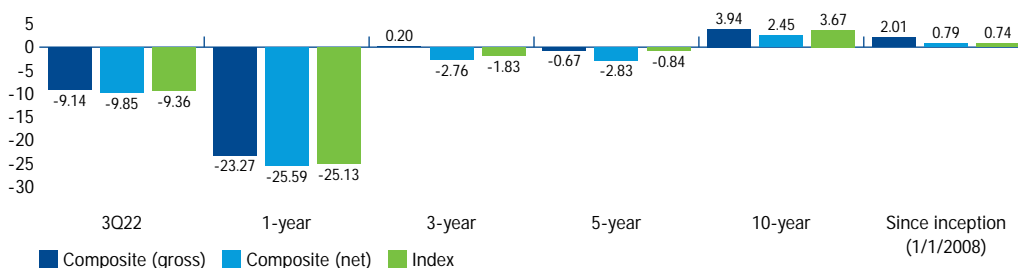
Philosophy

- We believe a rigorous, bottom-up, internally driven due-diligence process helps to identify high-quality companies trading below their intrinsic value. These companies offer the dual benefits of fundamental strength and the potential for higher capital growth.
- We believe a high-conviction portfolio with low turnover allows time for a company’s earnings growth to translate into strong share-price performance. This “buy-and-hold” approach offers the greatest potential to support investors’ long-term goals, especially in unpredictable markets.
- We have a long-term focus, buying attractive stocks at discounted valuations when they are out of favor.

Investment approach

- We follow a disciplined stock-selection process rather than fads and momentum investing.
- We use a bottom-up, Graham and Dodd-based value approach to international equity investing, focusing primarily on a high-conviction portfolio of industry leaders that meet our management team’s rigorous criteria for market leadership, sustainable business models, financial strength and compelling valuations.
- Our emphasis on diligent fundamental analysis and disciplined stock selection is designed to reduce turnover and potentially realize each holding’s true value based on future earnings and cash flows.

Annualized returns (%)



Data as of 9/30/22. Refer to the attached GIPS® report for additional information.

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

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 not indicative of future results.

Not FDIC Insured • May Lose Value • No Bank Guarantee

Portfolio characteristics

	Portfolio	Index
Dividend yield (%)**^	2.90	3.49
EPS growth (last 3 years) (%)**	18.31	19.60
P/E ratio (LTM)*	14.88x	14.66x
Price/book value ratio*	1.65x	2.01x
Price/cash flow ratio*	11.71x	11.62x
Market capitalization (mil.)**	\$63,254	\$65,932
Number of holdings	68	799

Sector weightings (%)

	Portfolio	Index
Communication Services	6.33	4.82
Consumer Discretionary	8.85	10.96
Consumer Staples	13.72	11.26
Energy	4.27	4.93
Financials	18.07	17.60
Health Care	17.03	13.85
Industrials	15.78	15.04
Information Technology	8.89	7.92
Materials	5.07	7.48
Real Estate	0.27	2.77
Utilities	1.72	3.37

Top holdings (%)***

	Portfolio
iShares MSCI Japan ETF	4.42
Astrazeneca PLC	3.71
Nestle S.A.	3.31
Bayer AG	3.30
Worldline SA	3.26
Accor SA	2.93
Roche Holding Ltd	2.72
Anheuser-Busch InBev SA/NV	2.68
Deutsche Telekom AG	2.43
Imperial Brands PLC	2.34

Country weightings (%)

	Portfolio
France	24.59
United Kingdom	17.69
Japan	15.15
Germany	13.00
Switzerland	9.70
Netherlands	4.00
Belgium	2.68
United States	2.00
Ireland	1.93
Hong Kong	1.90
Denmark	1.47
Finland	1.47
Singapore	1.40
Canada	1.36
Mexico	1.01
Norway	0.65

Calendar year returns (%)

	Composite (gross)	Composite (net)	Index
2013	28.58	27.70	22.78
2014	-6.25	-6.91	-4.90
2015	-0.52	-1.22	-0.81
2016	-2.71	-3.39	1.00
2017	26.19	25.33	25.03
2018	-19.54	-20.11	-13.79
2019	25.59	23.32	22.01
2020	13.53	10.20	7.82
2021	6.26	3.13	11.26
2022 (YTD)	-23.63	-25.38	-27.09

*Weighted median

**Weighted average

***Strategy has invested in iShares MSCI Japan as a means of providing liquid indexed exposure and reducing benchmark risk.

^Portfolio yield is only one component of available portfolio characteristics and it is not and should not be viewed as a statement of current or future performance of the strategy.

Refer to the attached GIPS® report for additional information.

Past performance is no guarantee of future results.

Schedule of rates of return and statistics

Composite	Federated Hermes International ADR SMA
Index	MSCI EAFE Index (net)
Periods ending	9/30/2022

Returns (%)

	Composite pure gross return [^]	Index	Net composite return (assuming maximum fee)
Q3 22	-9.14	-9.36	-9.85
YTD	-23.63	-27.09	-25.38
1 Year	-23.27	-25.13	-25.59
3 Years (Annlzd)	0.20	-1.83	-2.76
5 Years (Annlzd)	-0.67	-0.84	-2.83
7 Years (Annlzd)	2.28	2.84	0.48
10 Years (Annlzd)	3.94	3.67	2.45
Jan 08 - Sep 22 (Annlzd)^{^^}	2.01	0.74	0.79

	Composite pure gross return (%) [^]	Composite net return (%)	Benchmark return (%)	*Composite 3-yr std dev	*Benchmark 3-yr std dev	Number of portfolios	Dispersion**	Composite assets (\$mil)	Firm assets (\$bil)
2012	21.82	20.98	17.32	22.27	19.37	<5	N/A	0.2	371.3
2013	28.58	27.70	22.78	18.43	16.25	<5	N/A	0.3	366.8
2014	-6.25	-6.91	-4.90	14.74	13.03	<5	N/A	0.3	349.3
2015	-0.52	-1.22	-0.81	13.80	12.46	<5	N/A	0.3	343.4
2016	-2.71	-3.39	1.00	13.55	12.46	<5	N/A	0.3	342.3
2017	26.19	25.33	25.03	12.80	11.83	<5	N/A	0.3	354.7
2018	-19.54	-20.11	-13.79	13.26	11.24	<5	N/A	0.3	377.2
2019	25.59	23.32	22.01	13.29	10.81	<5	N/A	0.3	503.1
2020	13.53	10.20	7.82	19.91	17.89	<5	N/A	0.4	585.7
2021	6.26	3.13	11.26	18.56	16.92	<5	N/A	0.4	634.2

[^]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.

*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)

**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.

This composite is comprised of all fully invested international equity portfolios invested in a manner consistent with Federated Hermes' International ADR model portfolio. The International ADR model portfolio consists of foreign stocks that are listed on a U.S. exchange as American Depositary Receipts. 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. Portfolios in this composite may invest in less developed or emerging markets which generally entail greater political, economic, market, tax, credit and other risks, and generally have greater price volatility than securities issued or traded in developed markets. Portfolios managed in this strategy utilize a bottom-up approach focusing on large- and mid-cap stocks from primarily developed markets focusing on companies leading market positions, strong cash flow, solid growth prospects, and attractive valuations. This strategy is considered a core strategy with a bias toward quality. Effective January 2013, performance for this composite is calculated in U.S. dollars net of foreign withholding taxes on dividends, interest, and capital gains. 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. Portfolios in this composite are generally managed to the MSCI EAFE Index. The MSCI EAFE Index is an equity index which captures large- and mid-cap representation across developed markets countries around the world, excluding the U.S. and Canada. 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. Wrap fee accounts make up 100% of this composite for all time periods. This composite was created in January 2008. Federated Hermes has managed portfolios in this investment style since January 2008. 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, 2022. 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. Effective July 2019 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. 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 September 30, 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. 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 London office 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 London office 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.

Portfolio information is from a representative portfolio and for illustrative purposes only. Actual account characteristics of individual accounts may be different. Portfolio characteristics are as of 9/30/22 and are based on individual securities in the portfolio on that date. Securities in the portfolio are subject to change. Statistics shown are not indicative of future statistics and are not representative of future portfolio performance.

Since this is a managed portfolio and market conditions can fluctuate suddenly and frequently, the portfolio holdings and investment mix will change.