

12/31/22

### Firm overview

Federated Hermes, Inc. is a leading \$668.9 billion global investment manager (assets under management as of 12/31/22). 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 Strategic Value Dividend SMA

### Index

S&P 500® Index

### Key investment team

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

### Objective

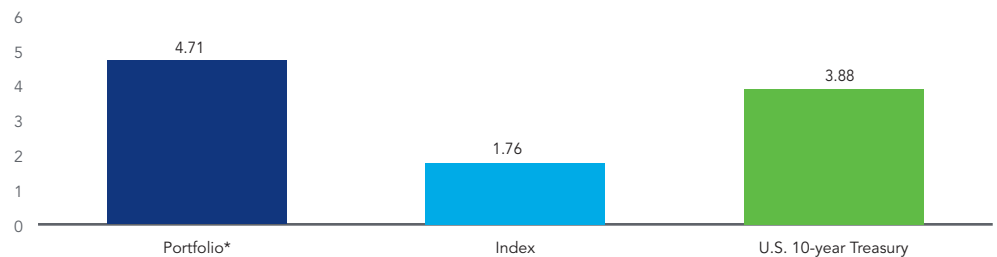
The strategy's objective is to provide a high level of current income, long-term capital appreciation driven by dividend growth and lower downside risk.

- Pursues a substantially higher dividend yield than the broad market average.
- 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.

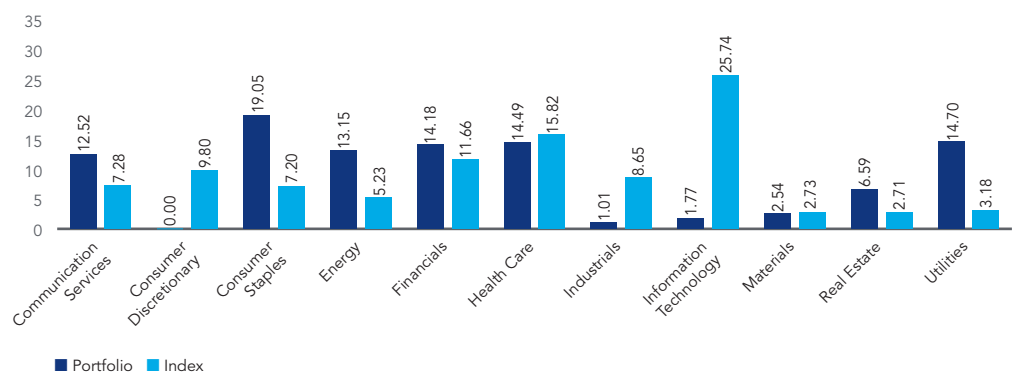
### Philosophy

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.

### Dividend yield (%)



### Sector weightings (%)



Data as of 12/31/22. Refer to the attached GIPS® report for additional information.

**\*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.**

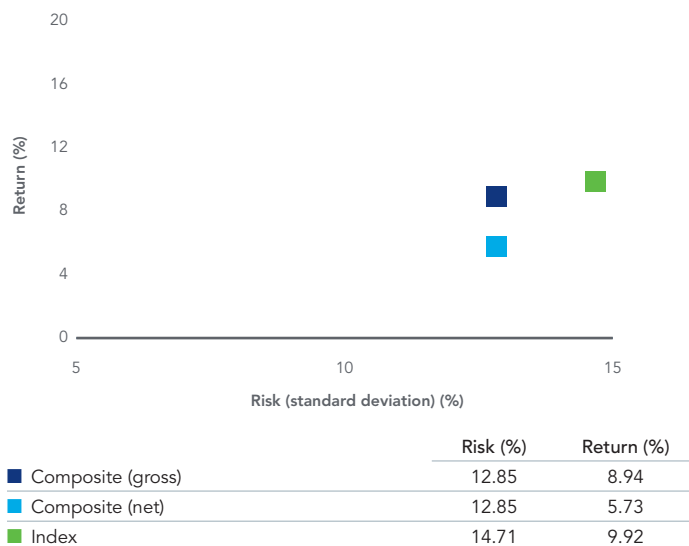
Weighted average dividend yield is the prospective dividend yield for each security averaged based on the percentages of the securities in the portfolio. Prospective dividend yield is calculated by taking the most recent declared dividend payment multiplied by the number of dividend payments typically made during the year for each holding divided by the current share price for each security. This is calculated based on a snapshot in time and may change due to fluctuations in share prices, dividends actually paid and changes in holdings in the portfolio.

Yield for the portfolio and indexes is the weighted average dividend yield. The current U.S. 10-year Treasury yield is not a dividend yield and is shown for comparison purposes.

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.**

## Risk/return trade-off since inception



## Risk statistics

	Portfolio	Index
<b>Beta using monthly returns (3-year)*</b>	0.72	1.00
<b>Beta of underlying stocks (5-year)**</b>	0.78	1.00
<b>R-squared (5-year) vs. Index</b>	0.67	1.00
<b>Standard deviation (5-year)</b>	15.59	18.53
<b>Upside capture ratio (10-year) (%)</b>	—	71
<b>Downside capture ratio (10-year) (%)</b>	—	68

## Dividend increases/cuts

	Increases	Cuts
<b>2013</b>	33	1
<b>2014</b>	40	0
<b>2015</b>	35	0
<b>2016</b>	35	0
<b>2017</b>	31	0
<b>2018</b>	32	0
<b>2019</b>	31	2
<b>2020</b>	27	4
<b>2021</b>	33	0
<b>2022</b>	35	2

## Top ten consecutive dividend payers

Company	GICS sector	Prospective dividend yield (%)	Paid dividend consecutively since
<b>Canadian Imperial Bank of Commerce</b>	Financials	6.21	1868
<b>AT&amp;T, Inc.</b>	Communication Services	6.03	1893
<b>Verizon Communications</b>	Communication Services	6.62	1893
<b>American Electric Power Co., Inc.</b>	Utilities	3.50	1910
<b>Amcor PLC</b>	Materials	4.11	1922
<b>AbbVie Inc.</b>	Health Care	3.66	1924
<b>Dominion Energy, Inc.</b>	Utilities	4.35	1925
<b>Duke Energy Corp.</b>	Utilities	3.90	1926
<b>Philip Morris International Inc.</b>	Consumer Staples	5.02	1928
<b>Walgreens Boots Alliance, Inc.</b>	Consumer Staples	5.14	1932

Dividend payment histories account for structural changes companies have experienced. There are no guarantees that dividend-paying stocks will continue to pay dividends. For a full list of portfolio holdings, visit [FederatedInvestors.com](https://www.federatedinvestors.com).

## Purchases during the quarter

### Established positions within the portfolio

LyondellBasell Industries N.V. (LYB)  
Medtronic PLC (MDT)

### Increased positions within the portfolio

American Electric Power Co., Inc. (AEP)  
BCE Inc. (BCE)  
Crown Castle, Inc. – REIT (CCI)  
Duke Energy Corp. (DUK)  
JPMorgan Chase & Co. (JPM)  
KeyCorp (KEY)  
Kimberly-Clark Corporation (KMB)  
Pfizer Inc. (PFE)  
Southern Company/The (SO)  
TC Energy Corporation (TRP)  
U.S. Bancorp (USB)  
Verizon Communications (VZ)

## Sells during the quarter

### Reduced positions within the portfolio

Amgen Inc. (AMGN)  
Gilead Sciences, Inc. (GILD)  
Merck & Co., Inc. (MRK)  
Southern Company/The (SO)

### Eliminated positions within the portfolio

Bristol-Myers Squibb (BMY)  
Chevron Corp (CVX)  
Exxon Mobil Corporation (XOM)

\*Versus the S&P 500® Index. The 3-year beta is derived using three years of M&P 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.

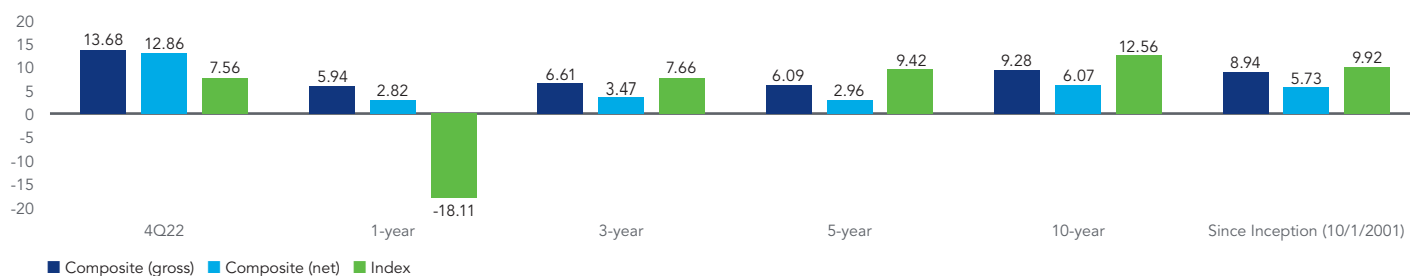
\*\*The 5-year weighted average beta of the underlying stocks versus their local market.

Holdings are subject to change and should not be considered as recommendations to hold or sell any particular security.

Refer to the attached GIPS® report for additional information.

**Past performance is no guarantee of future results.** See page 3 for 1-, 5- and 10-year total returns.

## Annualized returns (%)



## Portfolio characteristics

	Portfolio	Index
<b>Dividend yield (%)**</b>	4.71	1.76
<b>EPS growth (next 5 years)*(%)</b>	5.51	12.71
<b>P/E ratio (NTM)**</b>	14.19x	20.20x
<b>Price/book value ratio**</b>	1.89x	5.43x
<b>Price/cash flow ratio**</b>	9.50x	17.08x
<b>Market capitalization (mil.)*</b>	\$99,486	\$417,497
<b>Turnover (trailing 1-year) (%)</b>	39.66	—
<b>Number of holdings</b>	41	500

## Top holdings (%)

	Portfolio
<b>Gilead Sciences, Inc.</b>	5.02
<b>British American Tobacco PLC</b>	4.59
<b>TotalEnergies SE</b>	4.48
<b>Philip Morris International Inc.</b>	4.47
<b>Verizon Communications</b>	4.06
<b>Enbridge Inc.</b>	3.69
<b>Duke Energy Corp.</b>	3.57
<b>BCE, Inc.</b>	3.36
<b>Crown Castle Inc.</b>	3.29
<b>Williams Companies, Inc.</b>	3.22

## Country weightings (%)

	Portfolio
<b>United States</b>	75.00
<b>United Kingdom</b>	10.79
<b>Canada</b>	9.73
<b>France</b>	4.48

## Calendar year returns (%)

	Composite (gross)	Composite (net)	Index
<b>2013</b>	21.59	18.05	32.38
<b>2014</b>	12.34	9.05	13.68
<b>2015</b>	4.00	0.93	1.37
<b>2016</b>	10.05	6.82	11.95
<b>2017</b>	15.64	12.26	21.82
<b>2018</b>	-7.89	-10.64	-4.40
<b>2019</b>	20.43	16.91	31.49
<b>2020</b>	-6.94	-9.71	18.40
<b>2021</b>	22.89	19.32	28.71
<b>2022</b>	5.94	2.82	-18.11

\*Weighted average

\*\*Weighted median

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

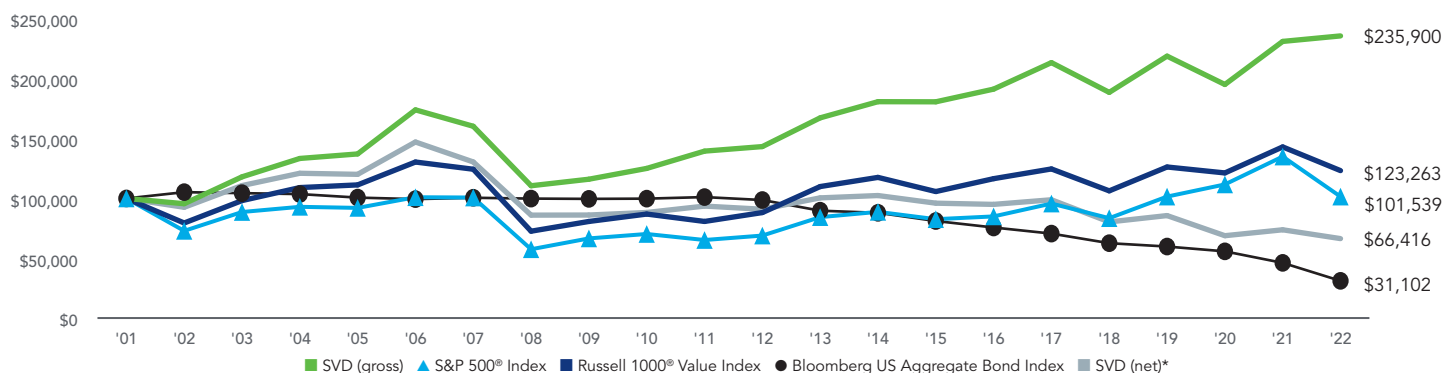
**^Portfolio yield is only one component of available portfolio characteristics and it is not and should not be viewed as a statement of current or future performance of the strategy.** See first page for yield definitions.

Refer to the attached GIPS® report for additional information.

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

## Attractive income potential

An investment in Strategic Value Dividend SMA could have provided a sustained income stream — even through difficult market conditions. The charts below show a \$100,000 investment with an annual 5% withdrawal and 3% annual inflation.



**Total withdrawals** \$143,382

\*Reflects max allowable fee.

\*\*Initial investment value at 12/31/01.

Information is as of 12/31/22 and represents the appreciation of \$100,000 with an annual withdrawal of 5%, increased 3% annually for inflation, since inception (12/31/01).

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 Strategic Value Dividend SMA
Index	S&P 500 Index
Periods ending	12/31/2022

	Returns (%)		
	Composite pure gross return <sup>^</sup>	Index	Net composite return (assuming maximum fee)
<b>Q4 22</b>	13.68	7.56	12.86
<b>1 Year</b>	5.94	-18.11	2.82
<b>3 Years (Annlzd)</b>	6.61	7.66	3.47
<b>5 Years (Annlzd)</b>	6.09	9.42	2.96
<b>7 Years (Annlzd)</b>	7.97	11.48	4.79
<b>10 Years (Annlzd)</b>	9.28	12.56	6.07
<b>15 Years (Annlzd)</b>	7.04	8.41	3.89
<b>20 Years (Annlzd)</b>	9.01	10.50	5.81
<b>Oct 01 - Dec 22 (Annlzd)<sup>^^</sup></b>	8.94	9.92	5.73

	Composite pure gross return (%) <sup>^</sup>	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)
<b>2013</b>	21.59	18.05	32.38	8.53	11.94	7,420	0.42	2,444.2	366.8
<b>2014</b>	12.34	9.05	13.68	8.92	8.97	6,412	0.23	2,223.3	349.3
<b>2015</b>	4.00	0.93	1.37	9.97	10.47	6,982	0.21	2,303.9	343.4
<b>2016</b>	10.05	6.82	11.95	9.93	10.59	11,970	0.25	3,189.3	342.3
<b>2017</b>	15.64	12.26	21.82	9.11	9.92	13,884	0.16	3,918.8	354.7
<b>2018</b>	-7.89	-10.64	-4.40	9.83	10.80	10,330	0.21	2,526.3	377.2
<b>2019</b>	20.43	16.91	31.49	9.64	11.94	11,038	0.24	3,037.4	503.1
<b>2020</b>	-6.94	-9.71	18.40	15.60	18.53	9,585	0.87	2,497.4	585.7
<b>2021</b>	22.89	19.32	28.71	15.52	17.17	9,776	0.41	3,062.5	634.2
<b>2022</b>	5.94	2.82	-18.11	18.00	20.87	2,533	0.28	999.0	627.4

<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 domestic portfolios investing in U.S. and 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. 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. There are no guarantees that dividend-paying stocks will continue to pay dividends. Effective December 2022 and retroactive to inception, the composite's official benchmark is the S&P 500. The S&P 500 is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Previously, the composite utilized the Dow Jones Select Dividend Index (2007-2022) and the Russell MidCap Value Index (2001-2007). Because the strategy's objectives of dividend yield and dividend growth are absolute in nature, and the strategy's investment universe/guidelines do not align well to many dividend index proxies, the S&P 500 was chosen as the most applicable broad market comparison for the strategy's overall risk/return performance profile. The strategy generally takes a benchmark-agnostic investment approach, and while the strategy expects lower volatility than the S&P 500 (or broad equity market), it does not actively seek to outperform the S&P 500 as one of its investment goals. Indexes are unmanaged and cannot be invested in directly. Effective July 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. Effective January 2016 accounts previously assigned to a platform-restricted composite may be eligible for inclusion in this composite. 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. 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 December 2001. Federated Hermes has managed portfolios in this investment style since July 1997. Performance shown for 2001 is for a partial period starting on October 1, 2001. 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 September 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. 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 0.70%) 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 12/31/22 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.

**S&P 500® Index:** An unmanaged capitalization-weighted index of 500 stocks designated to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

**Russell 1000® Value Index:** Measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® Index companies with lower price-to-book ratios and lower expected growth values. The index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. It is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

**Bloomberg US Aggregate Bond Index:** An unmanaged index composed of securities from the Bloomberg Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indexes are rebalanced monthly by market capitalization.

Indexes are unmanaged and cannot be invested in directly.

**Upside capture ratio:** A statistical measure of an investment manager's overall performance in up markets.

**Downside capture ratio:** A statistical measure of an investment manager's overall performance in down markets.

**Standard deviation:** The square root of the variance. A measure of dispersion of a set of data from its mean.

**Price-to-earnings ratio (NTM):** A ratio comparing the company's current share price, as compared to its earnings-per-share, for the next 12 months.

**EPS growth (next 5 years):** The estimated average annual growth rate of fiscal year earnings per share for the next five years for a given corporation.

**Price/book value ratio:** A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share.

**Price/cash flow ratio:** A stock valuation measure calculated by dividing a firm's cash flow per share into the current stock price.

**R-squared:** A statistical measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index.

**Beta:** A measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

**Weighted average market capitalization:** A stock market index weighted by the market capitalization of each stock in the index.

**Turnover:** The number of shares traded for a period as a percentage of the total shares in a portfolio or of an exchange.

**Holdings:** Legally owned property, especially stocks, bonds or real estate.