

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 US SMID SMA

Index

Russell 2500® Index

Key investment team

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

Objective

The 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 from \$1 billion at the low end to \$10 billion.

Philosophy

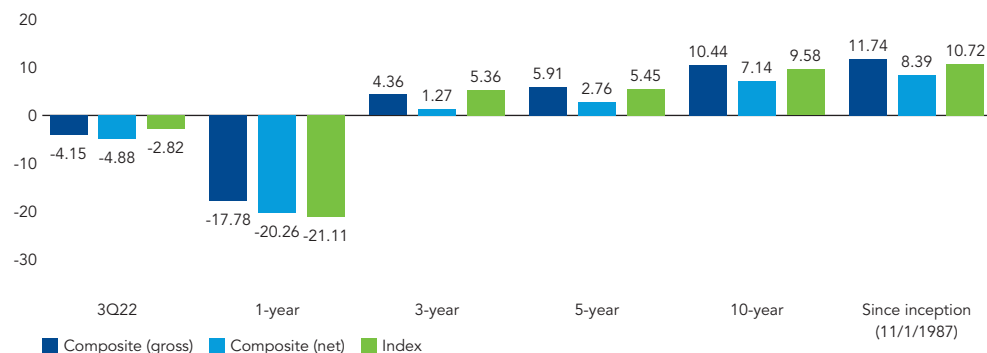
We believe that long-term investment in companies across the market with a durable competitive advantage, bought at a discount to intrinsic value, can produce the best risk-adjusted returns for clients.

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.
- 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 broadly diversified, 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 9/30/22. 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 no guarantee of future results.

Not FDIC Insured • May Lose Value • No Bank Guarantee

Portfolio characteristics

	Portfolio	Index
Wtd. avg. market capitalization (mil.)	\$8,381.2	\$5,486.8
Wtd. median market capitalization (mil.)	\$6,611.6	\$4,662.8
EPS growth (3-year)*(%)	24.60	20.48
P/E ratio (FY1)*	16.72x	14.72x
Price/cash flow ratio*	15.33x	11.59x
Dividend yield (%)*^	0.82	0.75
Number of holdings	51	2471

Sector weightings (%)

	Portfolio	Index
Communication Services	0.79	2.61
Consumer Discretionary	13.64	10.98
Consumer Staples	0.00	3.26
Energy	0.00	5.00
Financials	18.29	16.29
Health Care	14.91	13.76
Industrials	19.95	17.41
Information Technology	22.91	14.33
Materials	8.38	5.32
Real Estate	0.00	7.99
Utilities	0.00	3.06
Cash/Cash Equivalents	1.13	0.00

Top holdings (%)

	Portfolio
Wintrust Financial Corporation	3.65
Gartner, Inc.	3.51
LKQ Corporation	3.21
Axon Enterprise Inc	3.14
Clean Harbors, Inc.	2.91
Service Corporation International	2.87
Chart Industries, Inc.	2.86
NVR, Inc.	2.81
AMN Healthcare Services, Inc.	2.54
Webster Financial Corporation	2.53
Total	30.02

Market cap weightings (%)

	Portfolio	Index
>10 billion	30.46	14.43
5-10 billion	30.78	31.98
2-5 billion	35.53	33.65
1-2 billion	2.09	11.86
<1 billion	0.00	8.08
Cash	1.13	0.00

Calendar year returns (%)

	Composite (gross)	Composite (net)	Index
2013	36.79	32.69	36.80
2014	6.12	2.94	7.07
2015	2.16	-0.90	-2.90
2016	21.31	17.67	17.59
2017	12.24	8.87	16.81
2018	-8.75	-11.49	-10.00
2019	31.25	27.35	27.77
2020	12.12	8.82	19.99
2021	23.52	19.93	18.18
2022 (YTD)	-24.07	-25.82	-24.01

*Weighted median

^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 US SMID SMA
Index	Russell 2500 Index
Periods ending	9/30/2022

	Returns (%)		
	Composite pure gross return [^]	Index	Net composite return (assuming maximum fee)
Q3 22	-4.15	-2.82	-4.88
YTD	-24.07	-24.01	-25.82
1 Year	-17.78	-21.11	-20.26
3 Years (Annlzd)	4.36	5.36	1.27
5 Years (Annlzd)	5.91	5.45	2.76
7 Years (Annlzd)	8.65	8.39	5.41
10 Years (Annlzd)	10.44	9.58	7.14
15 Years (Annlzd)	8.88	7.27	5.62
20 Years (Annlzd)	11.47	10.22	8.13
Nov 87 - Sep 22 (Annlzd)^{^^}	11.74	10.72	8.39

	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)
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
2020	12.12	8.82	19.99	21.89	24.21	<5	N/A	0.3	585.7
2021	23.52	19.93	18.18	20.14	22.48	<5	N/A	0.4	634.2

The strategy is managed by Federated Hermes 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 US Small & Mid Cap Equity team (London Office) 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. Prior to October 2019, this composite consisted of Federated Hermes US Equity Small & Mid Cap Composite. Effective October 2019, wrap fee accounts make up 100% of this composite. 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. 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.

U.S. SMID SMA

Notes to the schedule of rates of return and statistics

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.

Interest income and dividends are recognized on an accrual basis. Returns include the reinvestment of all income.

All market values and performance information are valued in USD unless currency is denoted in composite description.

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.

See the composite description language for a discussion on appropriate fees currently applied to calculate composite performance. 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.

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.

Past performance is not indicative of future results.

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See disclosures on the Schedule of Rates of Return and Statistics Reports for additional information.

The strategy is managed by Federated Hermes Limited.

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.