

Asset class returns

Annual returns (%) 2012-2021

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EM Bonds 18.54	Small Cap Growth 43.30	Municipal Bonds HY 14.60	Large Cap Growth 5.67	Small Cap Value 31.74	EM Equities 37.28	Municipal Bonds HY 5.23	Large Cap Growth 36.39	Large Cap Growth 38.49	Small Cap Value 28.27
Municipal Bonds HY 18.44	Small Cap Value 34.52	Large Cap Value 13.45	Municipal Bonds 3.32	Large Cap Value 17.34	International Sm/Mid Cap 30.35	Municipal Bonds 1.36	Small Cap Growth 28.48	Small Cap Growth 34.63	Large Cap Growth 27.60
EM Equities 18.22	Large Cap Growth 33.48	Large Cap Growth 13.05	Municipal Bonds HY 2.84	High Yield 17.13	Large Cap Growth 30.21	Mortgage-Backed Sec 0.99	Large Cap Value 26.54	EM Equities 18.31	Large Cap Value 25.16
Small Cap Value 18.05	Large Cap Value 32.53	Municipal Bonds 9.26	Mortgage-Backed Sec 1.51	Small Cap Growth 11.32	International Large Cap 25.03	Treasury/Agencies 0.86	Small Cap Value 22.39	International Sm/Mid Cap 12.01	International Large Cap 11.26
International Sm/Mid Cap 17.98	International Large Cap 22.78	Inv Grade Corporates 7.53	EM Bonds 1.23	EM Equities 11.19	Small Cap Growth 22.17	International Equities -1.20	International Sm/Mid Cap 22.36	Inv Grade Corporates 9.35	International Sm/Mid Cap 10.16
Large Cap Value 17.51	International Sm/Mid Cap 17.79	Mortgage-Backed Sec 6.08	Treasury/Agencies 0.84	EM Bonds 10.19	Large Cap Value 13.66	Large Cap Growth -1.51	International Large Cap 22.01	International Equities 9.20	Municipal Bonds HY 6.82
International Large Cap 17.32	High Yield 7.44	Small Cap Growth 5.60	International Sm/Mid Cap 0.44	Large Cap Growth 7.08	EM Bonds 9.32	High Yield -2.08	EM Equities 18.42	Treasury/Agencies 8.00	High Yield 5.26
High Yield 15.78	Mortgage-Backed Sec -1.41	EM Bonds 5.53	Inv Grade Corporates -0.77	Inv Grade Corporates 5.63	Small Cap Value 7.84	Inv Grade Corporates -2.11	EM Bonds 14.42	International Large Cap 7.82	Small Cap Growth 2.83
Large Cap Growth 15.26	Inv Grade Corporates -2.01	Treasury/Agencies 5.05	International Large Cap -0.81	Municipal Bonds HY 4.92	High Yield 7.50	EM Bonds -4.61	High Yield 14.32	High Yield 7.05	Municipal Bonds 1.77
Small Cap Growth 14.59	Municipal Bonds -2.55	Small Cap Value 4.22	Small Cap Growth -1.38	International Sm/Mid Cap 3.57	International Equities 7.39	Large Cap Value -8.27	Inv Grade Corporates 13.80	Municipal Bonds HY 6.00	Mortgage-Backed Sec -1.04
Inv Grade Corporates 9.37	EM Equities -2.60	High Yield 2.46	International Equities -3.15	International Equities 2.09	Inv Grade Corporates 6.18	Small Cap Growth -9.31	Municipal Bonds HY 10.77	EM Bonds 5.88	Inv Grade Corporates -1.08
Municipal Bonds 7.41	International Equities -2.60	International Equities 0.59	Large Cap Value -3.83	Mortgage-Backed Sec 1.67	Municipal Bonds HY 5.27	Small Cap Value -12.86	Municipal Bonds 7.26	Municipal Bonds 4.95	EM Bonds -1.51
International Equities 4.32	Treasury/Agencies -2.75	EM Equities -2.19	High Yield -4.43	Treasury/Agencies 1.04	Municipal Bonds 4.95	International Large Cap -13.79	Treasury/Agencies 6.86	Small Cap Value 4.63	Treasury/Agencies -2.32
Mortgage-Backed Sec 2.59	Municipal Bonds HY -4.00	International Sm/Mid Cap -3.05	Small Cap Value -7.47	International Large Cap 1.00	Mortgage-Backed Sec 2.47	EM Equities -14.57	International Equities 6.84	Mortgage-Backed Sec 3.87	EM Equities -2.54
Treasury/Agencies 1.99	EM Bonds -6.58	International Large Cap -4.90	EM Equities -14.92	Municipal Bonds 0.77	Treasury/Agencies 2.31	International Sm/Mid Cap -17.06	Mortgage-Backed Sec 6.35	Large Cap Value 2.80	International Equities -4.71

Source: Morningstar, Inc.

This is for illustrative purposes and not indicative of any investment or representative of performance for any particular Federated Hermes fund. The data presented herein represents securities industry market data as of the dates specified. We at Federated Hermes have reviewed this data and consider it reliable, but we do not represent that it is accurate or complete. Indices are unmanaged and individuals cannot invest in them. Past performance does not guarantee future results.

- **Emerging Market Bonds** are represented by the **J.P. Morgan Emerging Markets Bond Index Global** which tracks total returns for traded external debt instruments in the emerging markets.
- **Emerging Market Equities** are represented by the **MSCI Emerging Markets Index** which captures large- and mid-cap representation across 24 Emerging Markets (EM) countries. With 832 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
- **High Yield Stocks** are represented by the **Bloomberg US Corporate High Yield 2% Issuer Capped Index** which is an issuer-constrained version of the flagship US Corporate High Yield Index, which measures the USD-denominated, high yield, fixed-rate corporate bond market. The index follows the same rules as the uncapped version, but limits the exposure of each issuer to 2% of the total market value and redistributes any excess market value index wide on a pro rata basis. The index was created in 2002, with history backfilled to January 1, 1993.
- **International Equities** are represented by the **Bloomberg Global Aggregate Index** which is a measure of global investment-grade debt from 24 different local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized bonds from both developed and emerging markets issuers.
- **International Large Cap Stocks** are represented by the **MSCI Europe, Australasia and Far East (EAFE) Index** which is an equity index that captures large- and mid-cap representation across developed markets countries around the world, excluding the U.S. and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country.
- **International Small/Mid Cap Stocks** are represented by the **MSCI ACWI ex USA SMID Cap Index** which captures mid- and small-cap representation across developed market countries (excluding the U.S.) and emerging markets countries. The index covers approximately 28% of the free float-adjusted market capitalization in each country.
- **Investment-Grade Corporates** are represented by the **Bloomberg US Credit Index** which is composed of all publicly issued, fixed-rate, nonconvertible, investment-grade corporate debt. Issues are rated at least Baa by Moody's Investors Service or BBB by Standard & Poor's, if unrated by Moody's. Collateralized Mortgage Obligations (CMOs) are not included. Total return comprises price appreciation/depreciation and income as a percentage of the original investment.
- **Large Cap Growth Stocks** are represented by **Russell 1000® Growth Index** which measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics.
- **Large Cap Value Stocks** are represented by the **Russell 1000® Value Index** which 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 Russell 1000® Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The Russell 1000® Value Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.
- **Mortgage-Backed Securities** are represented by the **Bloomberg US Mortgage-Backed Securities Index** which tracks agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC).
- **Municipal Bonds** are represented by the **S&P Municipal Bond Index** which is a broad, comprehensive, market value-weighted index that are exempt from U.S. federal income taxes or subject to the alternative minimum tax (AMT). Eligibility criteria for inclusion include, but are not limited to: the bond issuer must be a state or local government or a state or local government entity where interest on the bond is exempt from U.S. federal income taxes or subject to the AMT; the bond must be held by a mutual fund for which Standard & Poor's Securities Evaluations, Inc. provides prices; it must be denominated in U.S. dollars and have a minimum par amount of \$2 million; and the bond must have a minimum term to maturity and/or call date greater than or equal to one calendar month. It is rebalanced monthly.
- **Municipal Bonds High Yield** is represented by the **S&P High Yield Municipal Bond Index** which is a broad, comprehensive, market value-weighted index. All bonds in the index are exempt from U.S. federal income taxes, but may be subject to alternative minimum tax (AMT).
- **Small Cap Growth Stocks** are represented by the **Russell 2000® Growth Index** which measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000® Index companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics.
- **Small Cap Value Stocks** are represented by the **Russell 2000® Value Index** which measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000® Index companies with lower price-to-book ratios and lower forecasted growth values. The index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect value characteristics.
- **Treasury/Agencies** are represented by the **Bloomberg US Treasury Index** which measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting.

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a summary prospectus or prospectus containing this and other information, contact us or visit [FederatedInvestors.com](https://www.federatedinvestors.com). Please carefully read the summary prospectus or prospectus before investing.

Past performance is no guarantee of future results. While stocks are more volatile than bonds, historically stocks have outperformed bonds over the long run. Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices. Actual investments cannot be made directly in an index. Total returns represent the value of an investment after reinvesting all income and capital gains. These charts are for illustrative purposes only and are not representative of performance for any particular Federated Hermes fund. These charts are for a selected time period. Results over different periods would have varied.

Diversification does not assure a profit nor protect against loss.