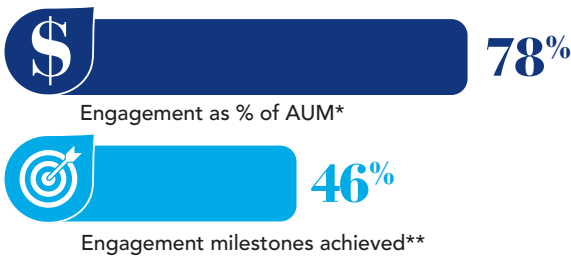


Engagement report as of 12/31/22

Assessing material Environmental, Social and Governance (ESG) issues when evaluating company fundamentals is an integral component of the Value Income team's investment process. The investment team believes that ESG integration can help identify undervalued investment opportunities and serve as the basis for prudent risk management.

The ability to access robust, proprietary ESG data analytics and collaborate with Federated Hermes' EOS ESG engagement specialists provides the investment team with a key information advantage, enhancing its fundamental research with unique, real-time ESG insights based on continuing dialogue with company boards and executive management. Incorporating the assessment of material ESG factors in the team's proprietary approach to fundamental and quantitative research—complemented by proactive risk management—allows it to pursue consistent alpha throughout an economic cycle.

Engagement coverage and progress



The progress percentage achieved will change constantly and never be 100%. Typically, we expect to see between 35% and 65%.

Percentage of AUM* engaged by theme



100 Engagement objectives

196 Engagement interactions***

13 Engagement specialists

Engagement objectives are specific, measurable changes defined at the company level that are designed to improve ESG performance. We may have multiple engagements with a company at any one time. Objectives are regularly reviewed until they are completed and are tracked using milestones. Objectives may be discontinued if the objective is no longer relevant, or because the engagement is no longer feasible or material.

Engagement outcomes

<p>Climate change</p> <p>U.S. utility company</p> <p>Environmental</p> <ul style="list-style-type: none"> Set long-term ambition to achieve net zero emissions by 2050 or sooner. 	<p>Executive remuneration</p> <p>Global pharmaceutical company</p> <p>Governance</p> <ul style="list-style-type: none"> Increased CEO share ownership requirements. 	<p>Climate change</p> <p>Global energy company</p> <p>Environmental</p> <ul style="list-style-type: none"> Established medium-term greenhouse gas targets.
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The above case studies are shown to demonstrate engagement. EOS at Federated Hermes does not make any investment recommendations, and this information is not an offer to buy or sell securities or financial instruments.

For illustrative purposes only.

*Engagement numbers represent the percentage of the fund's engageable securities. These numbers do not include U.S. Treasury securities, derivative contracts, sovereign bonds, or third-party pooled vehicles.

The fund may invest in affiliated funds and, where applicable, the engagement numbers reflect exposure to the underlying securities held by the affiliated funds, with the engagements for those funds are included within the overall percentages. However, the engagement objectives and engagement interactions totals do not include numbers related to investments in affiliated money market funds.

**Engagement milestones achieved is the percentage of EOS engagements whose objectives moved forward by at least one milestone over the trailing 12 months.

***Trailing 12 months. Engagement interactions are tailored to specific companies and seek to assess the most material ESG risks and opportunities, through long-term, continuous dialogue at the board and senior executive level.

Top holdings

(Total % of portfolio: 27.6%)

Company	Sector	EOS engagement	Environmental	Social & ethical	Governance	Strategy, risk & communication
Exxon Mobil Corporation	Energy	Yes	Climate change	Human rights	–	–
Johnson & Johnson	Health Care	Yes	–	Conduct and Culture	Executive remuneration	Risk management
Pfizer Inc.	Health Care	Yes	Climate change	Human rights	Executive remuneration	–
Honeywell International Inc.	Industrials	Yes	Climate change	–	Executive remuneration	Integrated reporting
Chevron Corp	Energy	Yes	Climate change	Human rights	Executive remuneration	Risk management
Berkshire Hathaway Inc.	Financials	Yes	Climate change	–	–	–
Wells Fargo & Co.	Financials	Yes	Climate change	Human capital management	Executive remuneration	–
ConocoPhillips	Energy	Yes	Climate change	Human rights	Executive remuneration	–
CenterPoint Energy, Inc.	Utilities	Yes	Climate change	–	Board diversity	Audit and accounting
The Hartford Financial Services Group, Inc.	Financials	No	–	–	–	–

Engagement milestones



Engagement themes and objectives include but are not limited to:

- Environmental**
Climate change, natural resource stewardship, pollution waste and circular economy
- Social & ethical**
Human and labor rights, human capital management, conduct, culture and ethics
- Governance**
Board effectiveness, executive remuneration, shareholder protection and rights
- Strategy, risk & communication**
Corporate reporting, risk management, business purpose and strategy

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.

Terminology such as "ESG integrated", "sustainable" or "impact", among other terms, is not uniformly defined across the industry. Investment managers may understand and apply ESG factors in different ways, and that the role those factors play in investment decisions also varies. Therefore, we recommend investors understand the role of ESG factors in a strategy to ensure that approach is consistent with their investment objectives. Like any aspect of investment analysis, there is no guarantee that an investment strategy that considers ESG factors will result in performance better than or equal to products that do not consider such factors. Investing and making buy and sell decisions that emphasize ESG factors carries the risk that, under certain market conditions, the fund or strategy may underperform those that do not incorporate such factors explicitly into the decision-making process. The application of ESG criteria may affect exposure to certain sectors or securities and may impact relative investment performance depending on whether such sectors or securities are generally in or out of favor in the market.

The holdings percentages are based on net assets at the close of business on 12/31/22 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes. Because this is a managed portfolio, the investment mix will change.

Past performance is no guarantee of future results.

Mutual funds are subject to risks and fluctuate in value.

There are no guarantees that dividend-paying stocks will continue to pay dividends. In addition, dividend-paying stocks may not experience the same capital appreciation potential as non-dividend-paying stocks.

Diversification does not assure a profit nor protect against loss.

International investing involves special risks including currency risk, increased volatility, political risks and differences in auditing and other financial standards.

Alpha measures the excess returns of a fund relative to the return of a benchmark index.