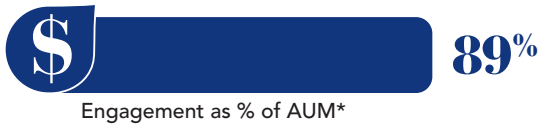


Engagement report as of 12/31/22

A key component of the investment team's pursuit of long-term capital appreciation involves active assessment of a company's quality and its approach to risk management. This includes risks associated with the company's management of the Environmental, Social and Governance (ESG) issues most material to the company and its industry.

To support its fundamental research, the investment team relies on proprietary ESG analytics as well as the demonstrated expertise of EOS at Federated Hermes, our in-house team of ESG engagement specialists. By meeting regularly with the companies represented in the fund, EOS seeks to better understand their ESG profiles, which we believe can help us assess an investment's risk-return potential.

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



Engagement objectives are specific, measurable changes defined at the company 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

Climate change

Global specialty chemical company

Environmental

- Set medium-term greenhouse gas reduction targets.

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.

Climate change

U.S. manufacturer of home and security products

Environmental

- Disclosed emissions and set meaningful targets to reduce carbon footprint.

Human capital management

U.S. manufacturer of building products

Social & ethical

- Published more detailed reporting on workplace matters.

Top holdings

(Total % of portfolio: 28.6%)

Company	Sector	EOS engagement	Environmental	Social & ethical	Governance	Strategy, risk & communication
Gartner, Inc.	Information Technology	No	–	–	–	–
LKQ Corporation	Consumer Discretionary	Yes	Climate change	Human capital management	Executive remuneration	–
PTC Inc.	Information Technology	Yes	–	–	Executive remuneration	–
Axon Enterprise, Inc.	Industrials	Yes	–	–	Succession Planning	–
Equifax Inc.	Industrials	Yes	–	Human capital management	–	Business strategy
Wintrust Financial Corporation	Financials	Yes	Climate change	Diversity	Executive remuneration	–
Clean Harbors, Inc.	Industrials	Yes	Climate change	Diversity	–	–
Power Integrations, Inc.	Information Technology	Yes	–	–	Executive remuneration	–
PerkinElmer, Inc.	Health Care	Yes	–	–	Executive remuneration	–
Eagle Materials Inc.	Materials	Yes	Climate change	–	Executive remuneration	–

Engagement milestones



Engagement themes and objectives include but are not limited to:

- Environmental** (Icon: leaf) Climate change, natural resource stewardship, pollution waste and circular economy
- Social & ethical** (Icon: people) Human and labor rights, human capital management, conduct, culture and ethics
- Governance** (Icon: building) Board effectiveness, executive remuneration, shareholder protection and rights
- Strategy, risk & communication** (Icon: speech bubble) 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. 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.

Federated Global Investment Management Corp. is the advisor of the fund and Hermes Investment Management Limited is the sub-advisor.

Past performance is no guarantee of future results.

Mutual funds are subject to risks and fluctuate in value.

Small company stocks may be less liquid and subject to greater price volatility than large capitalization stocks.

Mid-capitalization companies often have narrower markets and limited managerial and financial resources compared to larger and more established companies.

The fund may invest in small capitalization (or “small-cap”) companies. Small-cap companies may have less liquid stock, a more volatile share price, unproven track records, a limited product or service base and limited access to capital. The above factors could make small-cap companies more likely to fail than larger companies and increase the volatility of the fund’s portfolio, performance and share price.

The fund’s use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional instruments.