

Engagement report

12/31/21

The Global Equity investment team seeks to invest in a diverse range of large-cap companies, favoring companies with competitive advantages, robust financial statements, sustainable business models and good or improving Environmental, Social and Governance (ESG) characteristics. Alongside core fundamental research, the team evaluates financially material ESG considerations to enhance their understanding of the risks and opportunities each company must address in order to sustain and grow their business over the long run.

The investment team relies on proprietary ESG analytics, as well as active engagement, through EOS at Federated Hermes, our global team of ESG engagement specialists. These dedicated engagement specialists meet regularly with companies to better understand their ESG profiles, which we believe can also 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 level that are designed to improve ESG performance. We may engage with a company on multiple engagements 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

Water

U.S. manufacturer of home and security products

Environmental

- Developed eco-efficient products.

Executive remuneration

Global online retail company
Governance

- Implemented policy that prohibits the hedging of shares by executives.

Succession planning

Global pharmaceutical company
Governance

- Succession plans are a priority focus for the nomination committee.

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 fund, 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: 28.0%)

Company	Sector	EOS engagement	Environmental	Social & ethical	Governance	Strategy, risk & communication
Apple Inc.	Information technology	Yes	–	Human rights	Executive remuneration	–
Microsoft Corporation	Information technology	Yes	–	Human rights	Executive remuneration	Integrated reporting
Alphabet Inc.	Communication services	Yes	Climate change	Conduct and culture	Shareholder protection and rights	Business strategy
NVIDIA Corporation	Information technology	Yes	–	–	Board diversity	Business strategy
Amazon.com, Inc.	Consumer discretionary	Yes	Pollution and waste management	Human rights	Executive remuneration	–
ASML Holding N.V.	Information technology	Yes	–	Diversity	Executive remuneration	–
Thermo Fisher Scientific Inc.	Health care	Yes	–	Human rights	Executive remuneration	Integrated reporting
Accenture PLC	Information technology	Yes	–	–	Board diversity	–
Lonza Group AG	Health care	Yes	Pollution and waste management	–	Succession planning	Audit and accounting
Abbott Laboratories	Health care	Yes	–	–	Board independence	–

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. Please carefully read the summary prospectus or prospectus before investing.

ESG investments may be viewed as "sustainable," "responsible" or "socially conscious," among other names. ESG factors may be utilized and evaluated differently by different investment managers and may mean different things to different people. Investing based in part on ESG factors carries the risk that, under certain market conditions, the investment strategy may underperform strategies that do not utilize such factors. The application of responsible investment criteria may affect exposure to certain sectors or types of investments and may impact relative investment performance depending on whether such sectors or investments are in or out of favor in the market. An investment's ESG performance or an investment manager's assessment of such performance may change over time. The successful application of ESG factors is dependent on an investment manager's skill in properly identifying and analyzing material ESG issues, and the suitability of ESG investments may change over time.

The holdings percentages are based on net assets at the close of business on 12/31/21 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.

Prices of emerging-market securities can be significantly more volatile than the prices of securities in developed countries, and currency risk and political risks are accentuated in emerging markets.

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

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.