

6/30/24

**Firm overview**

Federated Hermes, Inc. is a leading \$782.7 billion global investment manager (assets under management as of 6/30/24). 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 Clover All Cap Value SMA

**Index**

Russell 3000® Value Index

**Style**

Value, bottom-up fundamental stock selection

**Key investment team**

Stephen Gutch, CFA  
Adam Koser, CFA

**Philosophy**

Our approach to value equity investing integrates bottom-up, fundamental analysis with quantitative screens to exploit inefficiencies in the market. The team's process targets alpha through security selection that centers upon identifying underappreciated company, industry and thematic opportunities. Portfolios are actively managed through systematic monitoring of factor risks, which allows the portfolio managers to minimize unintended macroeconomic exposures while allocating capital to the team's highest conviction ideas.

**Process**

Our investment process is bottom-up and value-driven. We believe this approach allows us the greatest opportunity to provide outperformance over the long term. Our fundamental analysts each have responsibility for specific sectors within the corresponding benchmark. Idea generation focuses on identifying and quantifying sources of underappreciation at the company, industry and thematic level.

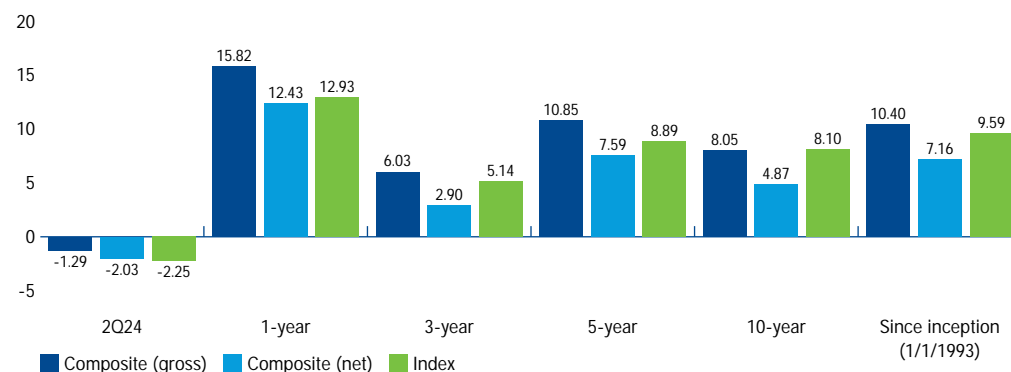
The strength in our approach lies in our unique process for identifying investment opportunities and allocating capital in the portfolio. We maintain a disciplined methodology in our fundamental analysis, which targets companies characterized by one or more of the following:

- **Underappreciated improvement:** Company, industry and thematic opportunities where materially improved earnings and cash flow are not appropriately captured in consensus estimates
- **Underappreciated stability:** Company, industry and thematic opportunities where stability in earnings and cash flow are not appropriately valued by the market

Additionally, we employ a sophisticated, risk-based capital allocation framework to ensure portfolio risk is driven by the highest conviction ideas.

We believe that this inclination to identify underappreciated opportunities, develop and maintain conviction through a continuous feedback loop, and deliberately manage portfolio risk, gives us a strong competitive advantage over our peers.

**Annualized returns (%)**



Data as of 6/30/24. Refer to the attached GIPS® report for additional information.  
Total returns for periods of less than one year are cumulative.

**Past performance is no guarantee of future results.**

**Not FDIC Insured • May Lose Value • No Bank Guarantee**

## Portfolio characteristics

	Portfolio
<b>Number of holdings</b>	72
<b>Weighted average market cap (mil.)</b>	\$221,912
<b>Price to earnings (NTM)</b>	20.4

## Sector weightings (%)

	Portfolio	Index
<b>Communication Services</b>	4.66	4.37
<b>Consumer Discretionary</b>	4.54	5.07
<b>Consumer Staples</b>	7.85	7.63
<b>Energy</b>	7.76	8.14
<b>Financials</b>	23.38	23.06
<b>Health Care</b>	16.15	13.61
<b>Industrials</b>	10.13	14.26
<b>Information Technology</b>	8.59	9.36
<b>Materials</b>	3.32	4.68
<b>Real Estate</b>	3.51	4.90
<b>Utilities</b>	5.08	4.92
<b>Cash/Cash Equivalents</b>	5.03	0.00

## Top holdings (%)

	Portfolio
<b>Wells Fargo &amp; Company</b>	3.57
<b>Berkshire Hathaway Inc. Class B</b>	3.00
<b>First Horizon Corporation</b>	2.61
<b>Goldman Sachs Group, Inc.</b>	2.58
<b>Walmart Inc.</b>	2.56
<b>UnitedHealth Group Incorporated</b>	2.38
<b>Exxon Mobil Corporation</b>	2.15
<b>S&amp;P Global, Inc.</b>	2.13
<b>KKR &amp; Co Inc.</b>	2.08
<b>General Motors Company</b>	2.04

## 10-year risk statistics

	Portfolio	Index
<b>Annualized standard deviation (%)</b>	15.58	15.64
<b>Annualized Sharpe ratio</b>	0.42	0.42
<b>Beta</b>	0.97	1.00
<b>Tracking error (%)</b>	3.44	0.00
<b>R-squared</b>	0.95	1.00
<b>Up capture ratio (%)</b>	97.41	100.00
<b>Down capture ratio (%)</b>	96.31	100.00

## Market cap weightings (%)

	Portfolio	Index
<b>\$0-5 Billion</b>	0.42	6.12
<b>\$5-10 Billion</b>	11.55	6.29
<b>\$10-20 Billion</b>	6.39	10.29
<b>\$20-30 Billion</b>	6.03	5.96
<b>&gt;\$30 Billion</b>	75.60	71.34

## Calendar year returns (%)

	Composite (gross)	Composite (net)	Index
<b>2015</b>	-9.68	-12.37	-4.13
<b>2016</b>	13.10	9.78	18.40
<b>2017</b>	22.01	18.46	13.19
<b>2018</b>	-7.04	-9.81	-8.58
<b>2019</b>	26.04	22.38	26.26
<b>2020</b>	9.83	6.59	2.87
<b>2021</b>	22.95	19.37	25.37
<b>2022</b>	-6.52	-9.30	-7.98
<b>2023</b>	10.63	7.38	11.66
<b>2024 (YTD)</b>	9.26	7.65	6.18

Data as of 6/30/24. Refer to the attached GIPS® report for additional information.

**Past performance is no guarantee of future results.**

Clover All Cap Value SMA

## Schedule of rates of return and statistics

Composite Federated Hermes Clover All Cap Value SMA  
 Index Russell 3000 Value Index  
 Periods ending 6/30/2024

	Returns (%)		
	Composite pure gross return <sup>^</sup>	Index	Net composite return (assuming maximum fee)
<b>Q2 24</b>	-1.29	-2.25	-2.03
<b>YTD</b>	9.26	6.18	7.65
<b>1 Year</b>	15.82	12.93	12.43
<b>3 Years (Annlzd)</b>	6.03	5.14	2.90
<b>5 Years (Annlzd)</b>	10.85	8.89	7.59
<b>7 Years (Annlzd)</b>	10.62	8.43	7.37
<b>10 Years (Annlzd)</b>	8.05	8.10	4.87
<b>15 Years (Annlzd)</b>	11.37	11.70	8.10
<b>20 Years (Annlzd)</b>	8.70	8.07	5.50
<b>Jan 93 - Jun 24 (Annlzd)<sup>^^</sup></b>	10.40	9.59	7.16

	Composite pure gross return (%) <sup>^</sup>	Composite net return (%)	Benchmark return (%)	*Composite 3-yr std dev	*Benchmark 3-yr std dev	Number of portfolios	Dispersion <sup>**</sup>	Composite assets (\$mil)	Firm assets (\$bil)
<b>2014</b>	5.03	1.94	12.70	9.99	9.36	429	0.23	140.6	349.3
<b>2015</b>	-9.68	-12.37	-4.13	12.32	10.74	297	0.17	83.1	343.4
<b>2016</b>	13.10	9.78	18.40	12.91	10.97	10	0.12	7.4	342.3
<b>2017</b>	22.01	18.46	13.19	12.31	10.33	12	0.12	8.1	354.7
<b>2018</b>	-7.04	-9.81	-8.58	11.66	11.05	14	0.09	7.7	377.2
<b>2019</b>	26.04	22.38	26.26	11.24	12.01	16	0.05	10.3	503.1
<b>2020</b>	9.83	6.59	2.87	19.45	19.95	22	0.16	24.0	585.7
<b>2021</b>	22.95	19.37	25.37	18.75	19.34	20	0.07	27.5	634.2
<b>2022</b>	-6.52	-9.30	-7.98	20.82	21.53	22	0.17	20.1	627.4
<b>2023</b>	10.63	7.38	11.66	15.62	16.69	24	0.07	29.8	720.0

<sup>^</sup>Pure gross returns are shown as supplemental and do not reflect the deduction of transaction costs.

<sup>^^</sup>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)

This composite is comprised of portfolios that must be invested in equity securities with an investment objective of long-term capital appreciation. Portfolios in this composite invest substantially in equity securities of U.S. companies from a broad range of large, medium, and small market capitalization companies typically found in the Russell 3000 Value Index. The Russell 3000 Value Index measures the performance of the broad value segment of the U.S. equity value universe. It includes those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. Indexes are unmanaged and cannot be invested in directly. The objective is to create a diversified portfolio of equities with lower-than-average valuations and improving fundamental business outlooks. Accounts managed in this composite have a high degree of uniformity but will vary based on account opening dates, client contributions and withdrawals and may contain client directed security restrictions. Accounts deemed by the portfolio manager to have a category restriction shall be excluded from this composite. A category is defined as a collection of investments with similar attributes such as industry classification, business sensitivity, social theme, or security features. Separate accounts eligible for this composite generally have a minimum of \$100,000 at the time of opening and are a part of an asset-based pricing program. Prior to October 2009, this composite consisted of the Federated Hermes Clover Value Institutional Composite. Beginning October 2009, wrap fee accounts make up 100% of this composite. This composite was created in August 2009. Federated Hermes has managed portfolios in this investment style since January 1988. Firm assets prior to December 2008 are of an acquired entity of Federated Hermes. Performance presented prior to December 2008 occurred while the Portfolio Management Team members were affiliated with a prior firm. Federated Hermes claims compliance with the Global Investment Performance Standards ("GIPS<sup>®</sup>") and has prepared and presented this report in compliance with the GIPS<sup>®</sup> standards. Federated Hermes has been independently verified for the period of January 1, 1992, through March 31, 2024. The verification report is available upon request. A firm that claims compliance with the GIPS<sup>®</sup> standards must establish policies and procedures for complying with all the applicable requirements of the GIPS<sup>®</sup> 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<sup>®</sup> 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 0.70%) 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.

### Notes to the schedule of rates of return and statistics

1. 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.
2. Interest income and dividends are recognized on an accrual basis. Returns include the reinvestment of all income.
3. All market values and performance information are valued in USD unless currency is denoted in composite description.
4. 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. Prior to January 2023, annual dispersion for the CW Henderson composites was measured using the equal weighted standard deviation of the returns of all the portfolios included in the composite over the entire year. Effective January 2023 this was changed to asset weighted. Prior to March 2020 with regard to Federated Clover Investment Advisors composites, annual dispersion was measured using the equal weighted standard deviation of the returns of all the portfolios included in the composite over the entire year.
5. Composite dispersion does not measure the risk of the product presented; it simply measures the return variance among portfolios managed in a similar fashion. This variance can be affected by variations in cash flow or specific client parameters among the portfolios comprising the composites, as well as by execution of strategy across accounts.
6. See the composite description language for a discussion on appropriate fees currently applied to calculate composite performance. With regard to the institutional composites not managed by the MDT Advisers and Federated Hermes London office teams, for the period July 1, 1992 through September 30, 2009, net of fee performance was calculated monthly by reducing the gross composite return by the highest actual fee of any account in the composite for that month, regardless of investment vehicle. Prior to July 1992, the maximum management fee for third quarter 1992 was used to calculate net of fee performance historically to inception of the composite. For those composites managed by the Federated Hermes London office investment team, 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.
7. 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.
8. Past performance is not indicative of future results.
9. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
10. See disclosures on the Schedule of Rates of Return and Statistics Reports for additional information.

The characteristics are based on a portfolio which is used as a guide for cloning (or managing) underlying accounts to a particular strategy. Taking into consideration individual investor circumstances could cause deviation from this guide (e.g. restrictions, tax requests, etc.). Portfolio characteristics are as of 6/30/24 and are based on individual securities in the portfolio on that date. Securities in the portfolio are subject to change.

Risk statistics are based on gross performance. 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.

**Beta:** A measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

**Downside capture ratio:** A statistical measure of an investment manager's overall performance in down markets.

**Price-to-earnings ratio (P/E):** A ratio comparing the company's current share price, as compared to its earnings-per-share, for the last twelve months (LTM), or estimated for the next twelve months (NTM), current fiscal year (FY1), or next (forward) fiscal year.

**R-squared:** A statistical measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index.

**Sharpe ratio:** Calculated by dividing a fund's annualized excess return over a risk-free rate by the fund's annualized standard deviation. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**Standard deviation:** The square root of the variance. A measure of dispersion of a set of data from its mean.

**Tracking error:** The standard deviation of the difference between a portfolio's returns and the benchmark or index it was meant to mimic or beat.

**Upside capture ratio:** A statistical measure of an investment manager's overall performance in up markets.

**Index descriptions** (An index is unmanaged and has no expenses, and it is not possible to invest directly in an index.)

**Russell 3000® Value Index:** Is representative of those Russell 3000® Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000® Value Index or Russell 2000® Value Index.

#### Risk considerations

Investing in equities is speculative and involves substantial risk.