

12/31/23

Firm overview

Federated Hermes, Inc. is a leading \$757.6 billion global investment manager (assets under management as of 12/31/23). 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 (60/40) Value Equity/Treasury SMA

Index

60% Russell 3000® Value Index/40% Bloomberg US Intermediate Treasury Index

Style

Value, bottom-up fundamental stock selection

Key investment team

Stephen Gutch, CFA
 Denis Doherty, CFA
 Adam Koser, CFA
 Robert Schwartz

Equity strategy

Our approach to value equity investing integrates bottom-up, fundamental analysis with rigorous quantitative analysis to exploit inefficiencies in the market. The team’s process targets alpha through security selection that centers upon free cash flow analysis. 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.

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

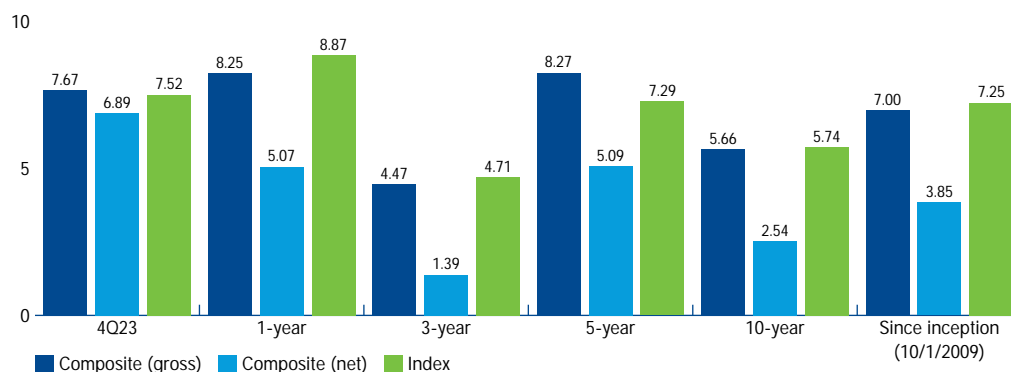
- Internal change: Companies that have reached an inflection point in their life cycle and are undergoing change from within, such as a management change, restructuring activities or a shift in business mix.
- External change: Companies that are positioned to benefit from change at the industry level, such as technological change, regulatory change or a change in consumer preferences.

By focusing our research efforts on identifying these situations, we seek to anticipate change, rather than react to it. We believe that this inclination to identify the precursor of change, and how it will likely drive shareholder value, gives us a strong competitive advantage over our peers.

Fixed-Income strategy

Federated Hermes’ fixed-income philosophy has been in practice for more than 50 years and is built on a solid foundation of investment experience. We believe that optimum results in fixed-income products are best achieved through a traditional value-based approach, grounded in fundamental analysis. Our process concentrates on analysis of duration, sector, yield curve and security characteristics and incorporates an assessment of major long-term indicators of interest rate direction. The process is designed to capture strong, full-cycle performance while managing risk.

Annualized returns (%)



Data as of 12/31/23. 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
Number of holdings	76
Weighted average market cap (mil.)	\$188,331
Price to earnings (NTM)	19.2

Sector weightings (%)

	Portfolio	Index
Communication Services	4.87	4.55
Consumer Discretionary	5.54	5.50
Consumer Staples	8.08	7.52
Energy	6.78	7.84
Financials	23.19	22.14
Health Care	13.51	14.25
Industrials	12.18	13.87
Information Technology	8.85	9.33
Materials	4.52	4.85
Real Estate	3.77	5.37
Utilities	5.44	4.77
Cash/Cash Equivalents	3.27	0.00

Equity top holdings (%)

	Portfolio
Wells Fargo & Company	3.99
Goldman Sachs Group, Inc.	3.12
Berkshire Hathaway Inc. Class B	2.73
Walmart Inc.	2.66
Boeing Company	2.21
Qorvo, Inc.	2.17
PPL Corporation	2.16
S&P Global, Inc.	2.15
General Electric Company	1.98
Exxon Mobil Corporation	1.93

Fixed-Income characteristics

	Portfolio
Weighted average maturity (years)	3.94
Effective duration	3.64
Yield to maturity (%)	4.07
Weighted average coupon	1.86
Current yield (%)	2.00

Fixed-Income top holdings (%)

	Portfolio
U.S. Treasury Note, 0.5%, 02/28/2026	7.71
U.S. Treasury Note 2% 11/15/2026	7.57
U.S. Treasury Note 1.5% 11/30/2028	5.52
U.S. Treasury Note 2% 02/15/2025	4.26
U.S. Treasury Note 1.25% 8/15/2031	3.07
U.S. Treasury Note 2.625% 05/31/2027	2.78
U.S. Treasury Note, 2.625%, 02/15/2029	2.66
U.S. Treasury Note 4.125% 07/31/2028	2.10
U.S. Treasury Note 3.5% 02/15/2033	1.26
U.S. Treasury Note 2.75% 08/15/2032	1.13

Calendar year returns (%)

	Composite (gross)	Composite (net)	Index
2014	3.76	0.69	8.63
2015	-5.31	-8.12	-1.82
2016	8.57	5.37	11.38
2017	13.18	9.86	8.27
2018	-3.47	-6.33	-4.43
2019	17.25	13.82	17.72
2020	11.29	8.02	5.22
2021	12.76	9.46	14.01
2022	-6.58	-9.36	-7.52
2023	8.25	5.07	8.87

Data as of 12/31/23. Refer to the attached GIPS® report for additional information.

Past performance is no guarantee of future results.

Clover Balanced SMA

Schedule of rates of return and statistics

Composite	Federated Hermes Clover (60/40) Value Equity/Treasury SMA
Index	60/40 Russell 3000V/Bloomberg US Intermediate Treasury
Periods ending	12/31/2023

	Returns (%)		
	Composite pure gross return [^]	Index	Net composite return (assuming maximum fee)
Q4 23	7.67	7.52	6.89
1 Year	8.25	8.87	5.07
3 Years (Annlzd)	4.47	4.71	1.39
5 Years (Annlzd)	8.27	7.29	5.09
7 Years (Annlzd)	7.19	5.67	4.03
10 Years (Annlzd)	5.66	5.74	2.54
Oct 09 - Dec 23 (Annlzd)^{^^}	7.00	7.25	3.85

	Composite pure gross return (%) [^]	Composite net return (%)	Benchmark return (%)	*Composite 3-yr std dev	*Benchmark 3-yr std dev	Number of portfolios	Dispersion**	Composite assets (\$mil)	Firm assets (\$bil)
2014	3.76	0.69	8.63	6.01	5.56	<5	N/A	0.7	349.3
2015	-5.31	-8.12	-1.82	7.29	6.33	7	0.07	3.4	343.4
2016	8.57	5.37	11.38	7.44	6.25	7	0.05	3.7	342.3
2017	13.18	9.86	8.27	7.00	5.76	10	0.08	4.2	354.7
2018	-3.47	-6.33	-4.43	6.60	6.23	9	0.08	3.8	377.2
2019	17.25	13.82	17.72	6.44	6.89	9	0.10	4.2	503.1
2020	11.29	8.02	5.22	10.82	11.46	10	0.16	4.9	585.7
2021	12.76	9.46	14.01	10.35	11.07	13	0.04	6.8	634.2
2022	-6.58	-9.36	-7.52	12.13	13.00	14	0.12	6.5	627.4
2023	8.25	5.07	8.87	10.04	10.88	10	0.09	5.8	720.0

[^]Pure gross returns are shown as supplemental and do not reflect the deduction of transaction costs.

^{^^}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 have a balanced investment objective that emphasizes both capital appreciation and current income. The target asset mix of portfolios in this composite is 60% equity and 40% fixed income securities; however, the actual asset mix may vary at any given time. The equity portion is typically invested in the All Cap Value strategy, which invests substantially in U.S. companies from a broad range of large, medium and small capitalization companies typically found in the Russell 3000 Value Index. The fixed income portion of the portfolios is managed to the Bloomberg US Intermediate Treasury 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. The Bloomberg US Intermediate Treasury Index represents the public obligations of the US Treasury Index with a remaining maturity of one year or more. Indexes are unmanaged and cannot be invested in directly. This composite is measured against a customized blended benchmark that is rebalanced monthly. The fixed income component of the portfolios must be comprised of Treasury securities; however, a small percentage of non-Treasury securities may be held. Accounts managed in this composite have a high degree of uniformity but will vary based on account opening dates, client contributions and withdrawals. 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. Wrap fee accounts make up 100% of this composite for all time periods. This composite was created in August 2009. Federated Hermes has managed portfolios in this investment style since June 2006. Firm assets prior December 2008 are of an acquired entity Federated Hermes. Performance presented prior to December 2008 occurred while the Portfolio Management Team members were affiliated with a prior firm. Performance shown for 2009 is for a partial period starting on October 1, 2009. Federated Hermes claims compliance with the Global Investment Performance Standards ("GIPS[®]") and has prepared and presented this report in compliance with the GIPS[®] standards. Federated Hermes has been independently verified for the period of January 1, 1992, through September 30, 2023. The verification report is available upon request. A firm that claims compliance with the GIPS[®] standards must establish policies and procedures for complying with all the applicable requirements of the GIPS[®] 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[®] 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 12/31/23 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.

Current yield: The coupon divided by price. Portfolio current yield is the market value weighted average of the security level current yields.

Effective duration: A measure of a security's price sensitivity to changes in interest rates. One of the methods of calculating the risk associated with interest rate changes on securities such as bonds.

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.

Weighted average coupon: This figure is calculated by weighting each bond's coupon by its relative size in the portfolio. This figure indicates whether the portfolio has more high- or low-coupon bonds.

Weighted average maturity: Is the average time to maturity of debt securities held in the fund.

Yield to maturity (YTM): Used to determine the rate of return an investor would receive if a long-term, interest-bearing investment, such as a bond, is held to its maturity date. It takes into account purchase price, redemption value, time to maturity, coupon yield and the time between interest payments.

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.

Bloomberg US Intermediate Treasury Index: Includes all publicly issued, U.S. Treasury securities that have a remaining maturity of greater than or equal to one year and less than 10 years, are rated investment grade and have \$250 million or more of outstanding face value.

Risk considerations

Investing in equities is speculative and involves substantial risk.

Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.