

# In need of dividend income?

## International Strategic Value Dividend ADR SMA

### As of 9/30/24

#### Portfolio objective

- Seeks to provide a high level of dividend income and long-term capital appreciation driven by dividend growth.
- Seeks lower downside risk relative to the broad market.
- Invests primarily in high-quality companies outside the US that are positioned to increase their dividends over time.

#### Key portfolio characteristics

- 4.76% weighted average dividend yield<sup>^</sup>
- 326 dividend increases and six cuts since 1/1/13
- 35 dividend increases and zero cuts in the TTM\*
- 32 portfolio holdings
- Beta: 0.95\*\*\*

#### Dividend payment history

- 100% of holdings have paid consecutive dividends for 10 years.
- 97% of holdings have paid consecutive dividends for 20 years.
- 47% of holdings have paid consecutive dividends for 50 years.

Holding	TTM* dividend yield (%) <sup>^</sup>	Country	Paid dividends consecutively since	TTM* dividend change date	TTM* dividend % change	S&P credit rating
<b>Communication Services 11.36%</b>						
<b>BCE Inc.</b>	8.49	Canada	1949	Feb-24	3.1%	BBB
<b>Telefonica Brasil SA</b>	4.49	Brazil**	1998	–	–	brAAA
<b>Telenor ASA</b>	7.04	Norway	2010	Feb-24	1.1%	A-
<b>Telus Corporation</b>	6.86	Canada	1999	Nov-23 & May-24	7.0%	BBB
<b>Consumer Staples 21.05%</b>						
<b>British American Tobacco PLC</b>	8.65	UK	1998	Feb-24	2.0%	BBB+
<b>Coca-Cola Europacific Partners PLC</b>	2.71	UK	1987	Nov-23	6.7%	NR
<b>Coca-Cola FEMSA</b>	3.49	Mexico**	2004	Mar-24	4.8%	A-
<b>Diageo PLC</b>	2.96	UK	1985	Jul-24	4.7%	A-
<b>Nestle SA</b>	3.53	Switzerland	1959	Feb-24	1.7%	AA-
<b>Philip Morris International Inc.</b>	4.45	US	1928	Sep-24	3.8%	A-
<b>Reckitt Benckiser Group PLC</b>	4.29	UK	1985	Jul-24	5.0%	A-
<b>Unilever PLC</b>	3.02	UK	1949	Jul-24	3.0%	A+
<b>Energy 19.13%</b>						
<b>Enbridge Inc.</b>	6.66	Canada	1953	Nov-23	3.1%	BBB+
<b>Pembina Pipeline Corp.</b>	4.95	Canada	1998	May-24	3.4%	BBB
<b>Shell PLC</b>	4.23	UK	1943	Feb-24	3.9%	A+
<b>TC Energy Corp.</b>	5.97	Canada	1985	Feb-24	3.2%	BBB+
<b>TotalEnergies SE</b>	5.40	France	1945	Feb-24	6.8%	A+
<b>Financials 16.81%</b>						
<b>Bank of Montreal</b>	5.08	Canada	1922	Dec-23 & May-24	5.4%	A+
<b>Canadian Imperial Bank of Commerce</b>	4.34	Canada	1868	Nov-23	3.4%	A+
<b>Munich Re Group</b>	3.03	Germany	1952	Feb-24	29.3%	AA
<b>Royal Bank of Canada</b>	3.36	Canada	1870	Nov-23 & May-24	5.2%	AA-
<b>Sumitomo Mitsui Financial Group, Inc.</b>	3.28	Japan	2002	Sep-24	15.3%	A-
<b>Zurich Insurance Group AG Ltd</b>	5.10	Switzerland	1999	Feb-24	8.3%	AA
<b>Health Care 17.01%</b>						
<b>GlaxoSmithKline PLC</b>	3.96	UK	1889	May-24	2.2%	A
<b>Novartis AG</b>	3.40	Switzerland	1997	Jan-24	3.1%	AA-
<b>Roche Holding AG</b>	3.55	Switzerland	1990	Feb-24	1.1%	AA
<b>Sanofi</b>	3.65	France	1985	Feb-24	5.6%	AA
<b>Takeda Pharmaceutical Co. Ltd.</b>	4.68	Japan	1949	Sep-24	4.3%	BBB+
<b>Materials 3.77%</b>						
<b>Arcor PLC</b>	4.41	US	1922	Oct-23	2.0%	BBB

continued on next page

\*TTM represents trailing twelve months.

\*\*Dividend growth may be variable due to the payment of irregular dividends in some Brazilian and Mexican investments.

\*\*\*The 5-year weighted average beta of the underlying stocks using their local market.

Dividend increase and cut history is shown from 1/1/13, when tracking of dividend changes in the portfolio began.

Dividend changes prior to sale in the TTM\*: On 12/12/23, SK Telecom Co., Ltd. increased its dividend by 26.5%.

<sup>^</sup>Portfolio yield is only one component of available portfolio characteristics and it is not and should not be viewed as a statement of current or future performance of the strategy. See next page for yield definitions.

Dividend growth percentage for ADRs is the dividend growth rate of the underlying foreign registered company.

Past performance is no guarantee of future results. See next page for 1-, 5- and 10-year total returns.

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Holding	TTM* dividend yield (%)^	Country	Paid dividends consecutively since	TTM* dividend change date	TTM* dividend % change	S&P credit rating
Utilities 10.87%						
<b>Enel S.p.A.</b>	5.99	Italy	2000	Nov-23	7.5%	BBB
<b>Fortis, Inc.</b>	4.00	Canada	1972	Sep-24	4.2%	A-
<b>National Grid PLC<sup>1</sup></b>	5.55	UK	1996	Nov-23	–	BBB+

#### Average annual total returns (%) as of 6/30/24

	1-year	5-year	10-year
<b>International Strategic Value Dividend ADR SMA (gross)</b>	4.86	5.99	2.68
<b>International Strategic Value Dividend ADR SMA (net)</b>	1.77	2.87	-0.36

\*TTM represents trailing twelve months.

**^Portfolio yield is only one component of available portfolio characteristics and it is not and should not be viewed as a statement of current or future performance of the strategy.**

<sup>1</sup>NG announced a 30% dilutive stock issuance, proceeds from rights associated with the issuance valued at 7%, and a 5.6% dividend increase. Netted together it is anticipated that the dividend going forward will be diluted by approximately 15-17%, as a result.

Holdings information as of 9/30/24.

Refer to the attached GIPS® report for additional information.

Sources: Bloomberg, FactSet and company websites of current holdings.

Dividend growth percentage for ADRs is the dividend growth rate of the underlying foreign registered company.

Weighted average dividend yield is the trailing 12-month dividend yield for each security averaged based on the percentages of the securities in the portfolio. Trailing 12-month dividend yield is calculated for each security by taking the total of all dividend payments made during the prior 12 months, then dividing by the current share price for each security. This is calculated based on a snapshot in time and may change due to fluctuations in share prices, dividends actually paid and changes in holdings in the portfolio.

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

## Schedule of rates of return and statistics

Composite Federated Hermes International Strategic Value Dividend ADR SMA  
 Index MSCI World ex USA High Dividend Yield (net)  
 Periods ending 6/30/24

	Returns (%)		
	Composite pure gross return <sup>^</sup>	Index	Net composite return (assuming maximum fee)
<b>Q2 24</b>	0.50	0.84	-0.25
<b>YTD</b>	0.97	2.01	-0.53
<b>1 Year</b>	4.86	11.34	1.77
<b>3 Years (Annlzd)</b>	3.82	5.88	0.75
<b>5 Years (Annlzd)</b>	5.99	6.75	2.87
<b>7 Years (Annlzd)</b>	4.52	5.64	1.44
<b>10 Years (Annlzd)</b>	2.68	3.43	-0.36
<b>15 Years (Annlzd)</b>	6.38	6.83	3.25
<b>Jul 08 - Jun 24 (Annlzd)<sup>^^</sup></b>	3.87	4.16	0.80

	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	Composite assets (\$mil)	Firm assets (\$bil)
<b>2014</b>	0.16	-2.80	-2.85	12.12	13.41	142	0.06	35.4	349.3
<b>2015</b>	-7.38	-10.14	-9.80	12.06	13.37	226	0.17	51.3	343.4
<b>2016</b>	2.30	-0.73	5.70	11.84	12.89	27	1.10	6.5	342.3
<b>2017</b>	16.12	12.72	19.90	10.42	11.56	23	0.29	7.9	354.7
<b>2018</b>	-12.09	-14.72	-13.04	10.06	10.68	17	0.41	4.3	377.2
<b>2019</b>	22.75	19.18	23.72	9.46	11.03	17	0.94	3.4	503.1
<b>2020</b>	-2.52	-5.42	-1.32	14.82	18.65	12	3.87	3.0	585.7
<b>2021</b>	13.51	10.19	8.63	14.97	18.14	12	1.80	3.3	634.2
<b>2022</b>	-1.43	-4.35	-1.70	17.29	19.95	<5	N/A	0.6	627.4
<b>2023</b>	10.62	7.37	18.41	14.86	15.53	<5	N/A	0.5	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 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 all portfolios investing in foreign stocks that management believes will provide high yield, reasonable dividend growth and lower volatility in falling equity market environments yet will provide potential participation in rising markets. Eligible portfolios are managed with wide latitude to choose the sectors and securities to fulfill the mandate. Portfolios may invest in less developed or emerging markets which generally entail greater political, economic, market, tax, credit, and other risks, and may have greater price volatility than securities issued or traded in developed markets. Within eligible portfolios, securities are selected based on a fundamental assessment of their financial strength, dividend yields, dividend growth rates, and performance during periods of market weakness. Effective January 2022, portfolios in this composite implement the strategy using American Depositary Receipts (ADR) versus directly purchasing shares of companies on foreign exchanges. Historically portfolios had the ability to utilize certain Federated Hermes Managed Account Pools (MAPs) in a strategic fashion. Those portfolios will no longer be included in this composite. Investments in ADRs entail risks related to daily fluctuations in the value of currency, which may be more volatile in times of increased market risk. There are no guarantees that dividend-paying stocks will continue to pay dividends. Effective January 2013, performance for this composite is calculated in U.S. dollars net of foreign withholding taxes on dividends, interest, and capital gains. Individual tax rates may vary dependent on individual residency. 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 country restriction, industry classification, business sensitivity, social theme, or security features. Effective December 2022 and retroactive to inception, the composite's benchmark is the MSCI World ex USA High Dividend Index, which is based on the MSCI World ex USA Index, its parent index, and includes large- and mid-cap stocks across 22 of 23 Developed Markets countries. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. The strategy previously utilized the MSCI EAFE High Dividend Yield Index (2008-2016), but this was changed due to the MSCI World ex USA High Dividend Yield Index (which includes Canada) more closely aligning from a country perspective. Secondly, the strategy utilizes the MSCI World ex USA Index as a proxy for the broad international market. However, because the strategy takes an absolute, benchmark-agnostic investment approach, it does not actively seek to outperform either the MSCI World ex USA High Dividend Yield Index or the MSCI World ex USA Index as one of its investment goals. Indexes are unmanaged and cannot be invested in directly. 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. This composite was created in March 2011. Federated Hermes has managed portfolios in this investment style since June 2008. Prior to April 2011, this composite consisted of the Federated Hermes International Strategic Value Dividend Institutional Composite. Effective April 2011, wrap fee accounts make up 100% of this composite. 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 0.75%) 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.

Credit ratings do not protect against market risk.

The ratings provided are sourced from securities ratings agency S&P Global Ratings (S&P). S&P makes the following credit rating classifications: A or better are considered to be high credit quality; credit ratings of BBB are good credit quality and the lowest category of investment grade; credit ratings BB and below are lower-rated securities ("junk bonds"); and credit ratings of CCC or below have high default risk. A modifier of 1 or + indicates that the obligation ranks in the higher end of its rating category and a modifier of 3 or - indicates a ranking in the lower end of the category.

Beta measures a portfolio's volatility relative to the market. A beta greater than 1.00 suggests the portfolio has historically been more volatile than the market as measured by the portfolio's benchmark. A beta less than 1.00 suggests the portfolio has historically had less volatility relative to the market.

Payment histories account for structural changes companies have experienced.

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.). Since this is a managed portfolio and market conditions can fluctuate suddenly and frequently, the portfolio holdings and investment mix will change. Securities listed should not be viewed as recommendations. It should not be assumed that holdings listed were or will be profitable. The portfolio securities have changed over time and may change at any time. Individual client accounts will vary.

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.

Investing in equities is speculative and involves substantial risk.

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

Prices of emerging markets 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.