

# In need of dividend income?

## Strategic Value Dividend SMA

### As of 6/30/24

#### 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 in high-quality companies positioned to increase their dividends over time.

#### Key portfolio characteristics

- 5.14% weighted average dividend yield<sup>^</sup>
- 737 dividend increases and 27 cuts since inception (10/1/01)
- 31 dividend increases and zero cuts in the TTM\*
- 38 portfolio holdings
- Beta: 0.76\*\*

#### Dividend payment history

- 92% of holdings have paid consecutive dividends for 20 years.
- 63% of holdings have paid consecutive dividends for 50 years.
- 21% of holdings have paid consecutive dividends for 100 years.

#### Dividend increase history

- 21% of holdings have raised dividends each year for 20 years.
- 8% of holdings have raised dividends each year for 30 years.
- 5% of holdings have raised dividends each year for 50 years.

Holding	Prospective dividend yield (%) <sup>^</sup>	Dividends paid consecutively since	Consecutive years of dividend increases	TTM* dividend change date	TTM* dividend % change	S&P credit rating
Communication Services 9.46%						
<b>AT&amp;T Inc.</b>	5.81	1893	0	–	–	BBB
<b>BCE Inc.</b>	9.00	1949	16	Feb-24	3.1%	BBB+
<b>Verizon Communications Inc.</b>	6.45	1893	17	Sep-23	1.9%	BBB+
Consumer Staples 13.60%						
<b>British American Tobacco PLC</b>	9.69	1998	27	Feb-24	2.0%	BBB+
<b>Coca-Cola Company</b>	3.05	1920	62	Feb-24	5.4%	A+
<b>Conagra Brands, Inc.</b>	4.93	1977	4	Jul-23	6.1%	BBB-
<b>Kenvue Inc.</b>	4.40	1944	0	–	–	A
<b>Kimberly-Clark Corporation</b>	3.53	1935	52	Jan-24	3.4%	A
<b>Philip Morris International Inc.</b>	5.13	1928	16	Sep-23	2.4%	A-
Energy 15.89%						
<b>Chevron Corp.</b>	4.17	1912	6	Feb-24	7.9%	AA-
<b>Enbridge Inc.</b>	7.52	1953	28	Nov-23	3.1%	BBB+
<b>TC Energy Corp.</b>	7.40	1985	25	Feb-24	3.2%	BBB+
<b>TotalEnergies SE</b>	5.07	1945	3	Feb-24	6.8%	A+
<b>Williams Companies, Inc.</b>	4.47	1974	8	Jan-24	6.1%	BBB
Financials 12.74%						
<b>Canadian Imperial Bank of Commerce</b>	5.53	1868	13	Nov-23	3.4%	A+
<b>Huntington Bancshares Incorporated</b>	4.70	1971	0	–	–	BBB+
<b>PNC Financial Services Group, Inc.</b>	3.99	1979	3	Jul-23	3.3%	A-
<b>Truist Financial Corp.</b>	5.35	1980	0	–	–	A-
<b>U.S. Bancorp</b>	4.94	1980	3	Dec-23	2.1%	A
Health Care 16.48%						
<b>AbbVie Inc.</b>	3.61	1924	10	Oct-23	4.7%	A-
<b>Amgen Inc.</b>	2.88	2011	12	Dec-23	5.6%	BBB+
<b>Bristol-Myers Squibb Company</b>	5.78	1933	18	–	–	A
<b>Gilead Sciences, Inc.</b>	4.49	2015	9	Feb-24	2.7%	BBB+
<b>Pfizer Inc.</b>	6.00	1938	14	Dec-23	2.4%	A
<b>Sanofi</b>	4.18	1985	29	Feb-24	5.6%	AA
Industrials 1.65%						
<b>United Parcel Service, Inc.</b>	4.76	1970	15	Jan-24	0.6%	A
Materials 5.18%						
<b>Amcor PLC</b>	5.11	1922	4	Oct-23	2.0%	BBB
<b>LyondellBasell Industries N.V.</b>	5.60	2011	4	May-24	7.2%	BBB
Real Estate 3.18%						
<b>ProLogis Inc.</b>	3.42	1994	10	–	–	A
<b>Realty Income Corporation</b>	5.98	1994	31	Jun-24	2.6%	A-

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\*TTM represents trailing twelve months.

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

There were no dividend changes prior to sale in the TTM.\*

<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	Prospective dividend yield (%)^	Dividends paid consecutively since	Consecutive years of dividend increases	TTM* dividend change date	TTM* dividend % change	S&P credit rating
Utilities 21.82%						
<b>American Electric Power Co., Inc.</b>	4.01	1910	11	Oct-23	6.0%	BBB+
<b>Dominion Energy, Inc.</b>	5.45	1925	0	–	–	BBB+
<b>Duke Energy Corporation</b>	4.09	1926	16	Jul-23	2.0%	BBB+
<b>Entergy Corp.</b>	4.22	1988	9	Oct-23	5.6%	BBB+
<b>National Grid PLC<sup>1</sup></b>	6.47	1996	10	Nov-23	–	BBB+
<b>PPL Corporation</b>	3.73	1946	2	Feb-24	7.3%	A-
<b>Southern Company</b>	3.71	1948	23	Apr-24	2.9%	A-
<b>Xcel Energy, Inc.</b>	4.10	1959	18	Feb-24	5.3%	BBB+

#### Average annual total returns (%) as of 3/31/24

	1-year	5-year	10-year
<b>Strategic Value Dividend SMA (gross)</b>	3.81	5.70	6.82
<b>Strategic Value Dividend SMA (net)</b>	0.75	2.58	3.67

\*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 6/30/24.

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 prospective dividend yield for each security averaged based on the percentages of the securities in the portfolio. Prospective dividend yield is calculated by taking the most recent declared dividend payment multiplied by the number of dividend payments typically made during the year for each holding divided 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 Strategic Value Dividend SMA  
 Index S&P 500 Index  
 Periods ending 3/31/24

	Returns (%)		
	Composite pure gross return <sup>^</sup>	Index	Net composite return (assuming maximum fee)
<b>Q1 24</b>	3.59	10.56	2.82
<b>YTD</b>	3.59	10.56	2.82
<b>1 Year</b>	3.81	29.88	0.75
<b>3 Years (Annlzd)</b>	6.41	11.49	3.27
<b>5 Years (Annlzd)</b>	5.70	15.05	2.58
<b>7 Years (Annlzd)</b>	5.82	14.09	2.70
<b>10 Years (Annlzd)</b>	6.82	12.96	3.67
<b>15 Years (Annlzd)</b>	10.72	15.63	7.47
<b>20 Years (Annlzd)</b>	7.37	10.15	4.21
<b>Oct 01 - Mar 24 (Annlzd)<sup>^^</sup></b>	8.46	9.56	5.27

	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>	12.34	9.05	13.69	8.92	8.97	6,412	0.23	2,223.3	349.3
<b>2015</b>	4.00	0.93	1.38	9.97	10.47	6,982	0.21	2,303.9	343.4
<b>2016</b>	10.05	6.82	11.96	9.93	10.59	11,970	0.25	3,189.3	342.3
<b>2017</b>	15.64	12.26	21.83	9.11	9.92	13,884	0.16	3,918.8	354.7
<b>2018</b>	-7.89	-10.64	-4.38	9.83	10.80	10,330	0.21	2,526.3	377.2
<b>2019</b>	20.43	16.91	31.49	9.64	11.93	11,038	0.24	3,037.4	503.1
<b>2020</b>	-6.94	-9.71	18.40	15.60	18.53	9,585	0.87	2,497.4	585.7
<b>2021</b>	22.89	19.32	28.71	15.52	17.17	9,776	0.41	3,062.5	634.2
<b>2022</b>	5.94	2.82	-18.11	18.00	20.87	2,533	0.28	999.0	627.4
<b>2023</b>	-2.54	-5.43	26.29	15.19	17.29	2,178	0.25	777.8	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 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 domestic portfolios investing in U.S. and 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. 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. Portfolios in this composite implement the strategy using American Depositary Receipts (ADR) versus directly purchasing shares of companies on foreign exchanges. 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 December 2022 and retroactive to inception, the composite's official benchmark is the S&P 500. The S&P 500 is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Previously, the composite utilized the Dow Jones Select Dividend Index (2007-2022) and the Russell MidCap Value Index (2001-2007). Because the strategy's objectives of dividend yield and dividend growth are absolute in nature, and the strategy's investment universe/guidelines do not align well to many dividend index proxies, the S&P 500 was chosen as the most applicable broad market comparison for the strategy's overall risk/return performance profile. The strategy generally takes a benchmark-agnostic investment approach, and while the strategy expects lower volatility than the S&P 500 (or broad equity market), it does not actively seek to outperform the S&P 500 as one of its investment goals. Indexes are unmanaged and cannot be invested in directly. Effective July 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. Effective January 2016 accounts previously assigned to a platform-restricted composite may be eligible for inclusion in this composite. 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 December 2001. Federated Hermes has managed portfolios in this investment style since July 1997. Performance shown for 2001 is for a partial period starting on October 1, 2001. 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 December 31, 2023. 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.

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.

Payment histories account for structural changes companies have experienced.

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.

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.