

12/31/24

Firm overview

Federated Hermes, Inc. is a leading \$829.6 billion global investment manager (assets under management as of 12/31/24). 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.

Objective

The strategy's objective is to provide a high level of current income and long-term capital appreciation driven by dividend growth.

- Pursues a substantially higher dividend yield than the broad market average
- Invests in high-quality companies that are positioned to increase their dividend distribution over time
- Seeks competitive performance in strong market environments and lower downside risk in periods of broad market weakness

Investment team

- 14 investment professionals
- 20+ years average investment experience
- \$30+ billion dividend-paying assets under management as of 12/31/24*



Daniel Peris, Ph.D., CFA

Senior Vice President
Senior Portfolio Manager
Head of Income and Value Group



Deborah Bickerstaff

Senior Vice President
Portfolio Manager



Jared Hoff

Vice President
Senior Portfolio Manager



Michael Tucker

Senior Vice President
Senior Portfolio Manager

Our philosophy

We believe in owning businesses that are committed to providing investors regular dividend payments. We believe actively seeking out companies that both generate profits and regularly share those profits via dividends, rather than those who opt for share buybacks, can deliver more consistent value to our clients.

We are not a traditional equity value shop; rather, we believe in an income-first approach that seeks to deliver a high current yield and growing income stream to our clients. We believe we can meet the needs of investors seeking current income, as well as those looking for moderate capital appreciation through dividend growth.

Investment process demonstrated since 2001

Focus on high-quality companies with:

- Higher dividend yields than S&P 500® average
- Dividend growth potential
- Strong balance sheets
- Stable cash flows

The team forecasts each company's cash flow generation and balance sheet strength to project its long-term dividend trajectory. The team's approach is to diversify across the income-producing sectors of the economy, building a focused portfolio of approximately 35-50 holdings. This helps ensure exposure to the most attractive dividend income opportunities in the market.

*Includes \$20.4 billion in models-based accounts.

Investing involves risk, including possible loss of principal.

While there is no assurance that the strategy will achieve its objective, the advisor endeavors to do so by selecting securities in the manner described in this document.

Dividend yield represents a stock's annual dividends divided by its current stock price.

Dividend growth is the increase of a stock's annual dividend distribution to shareholders over a period of time.

High-dividend-paying stocks are defined by the advisor as those with a higher dividend yield than the S&P 500®'s average dividend yield.

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.

S&P 500® is an unmanaged capitalization-weighted index of 500 stocks designated to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.