

# Separately managed accounts

## Institutional-quality management for the high-net-worth individual investor

Separately managed accounts (SMAs) offer investors the benefits of direct security ownership combined with the oversight of a professional money manager. SMAs have a flexible structure to deliver a portfolio that has the ability to be tailored to the investor's objectives and risk tolerance.

With more than \$31 billion in assets under management and more than 30 strategies, Federated Hermes' full range of SMAs provide high-net-worth investors with a level of personalized investment management traditionally reserved for large institutions.

## The benefits of SMAs



### Professional management

Portfolio managers are specialists in specific investment styles and make deeply informed investment decisions.



### Portfolio customization

SMAs can provide investors with customization in a number of ways, most commonly by adjusting exposure to or excluding certain holdings from the portfolio. These tactics can help an investor avoid too much exposure to any one company, or avoid certain types of companies (for example, tobacco companies).



### Investment transparency

SMAs allow the investor to see each individual security in the portfolio. The investor can stay informed about and connected to their portfolio through regular communication and performance reporting.



### Greater tax efficiency

Investors own the individual securities, which allows them to address specific tax concerns and implement tax-efficient investing strategies such as offsetting capital gains.

## The benefits of Federated Hermes SMAs

**8th**  
**largest**

model-delivered  
SMA manager\*

**\$31.2**  
**billion**

in SMA assets  
under management

**35+**  
**year**

track record  
in SMA management

**30+**  
**strategies**

including equity, fixed-income  
and balanced

## Federated Hermes SMAs

Federated Hermes SMAs provide investors with access to highly specialized investment teams dedicated to style-specific investing. Portfolio managers, analysts and traders apply their experience, sector and industry knowledge and market insights on each investor's behalf.

### Federated Hermes equity

Our equity investment process originates with a commitment to proprietary research—both fundamental and quantitative. Using that research, management teams construct portfolios using strict constraints specific to each SMA's investment style. Performance attribution is then used in reviewing portfolio performance and positioning.

- Clover All Cap Value
- Clover Balanced
- Clover Small Cap Value
- Global Equity Low Carbon
- Global Strategic Value Dividend
- Growth and Income
- International ADR
- International Strategic Value Dividend ADR
- International Strategic Value Dividend with MAP
- Kaufmann Large Cap Growth
- Strategic Value Dividend
- U.S. SMID

### Federated Hermes MDT Advisers

Because of behavioral biases in the market, there will always be mispriced securities. MDT Advisers' goal is to take advantage of those biases by using an unemotional, disciplined process. MDT provides well-diversified portfolios that hold companies with strong combinations of fundamentals. These portfolios aim for significant alpha with only moderate tracking error to give clients the opportunity for strong risk-adjusted performance.

- MDT All Cap Core
- MDT Large Cap Growth
- MDT Large Cap Value
- MDT Mid Cap Growth
- MDT Small Cap Core
- MDT Small Cap Growth
- MDT Small Cap Value
- MDT Tax Aware All Cap Core

### Federated Hermes fixed income

Federated Hermes fixed-income SMAs combine multiple alpha generation decision factors, intensive risk management and a portfolio attribution feedback loop. Our fixed-income SMAs allow access to a range of fixed-income markets such as new issues, mortgage, high-yield and international asset classes. The SMAs seek long-term outperformance with a consistent, repeatable investment process that has historically generated attractive absolute and risk-adjusted investment returns.

- Core Aggregate
- Core Plus
- Corporate 0-5 Year Ladder
- Corporate 0-10 Year Ladder
- Government Credit
- Government Credit with MAPs
- Intermediate Government Credit
- Intermediate Government Credit A or Better
- Intermediate Government Credit Plus
- Intermediate Municipal

### Federated Hermes CW Henderson

The CW Henderson team constructs municipal bond portfolios designed to be a lower risk component of an investor's portfolio. The team focuses on four core goals: wealth preservation via credit quality and conservative duration, tax-free income generation, tax efficiency with proactive tax-loss harvesting as interest rates rise and active management focused on extracting value across the yield curve and issuers.

- CW Henderson Intermediate Municipal
- CW Henderson Ultrashort Municipal

All information is as of 12/31/23 unless otherwise noted.

\*Sources: Federated Hermes; Money Management Institute/Cerulli Associates, Q3 2023.

Past performance is no guarantee of future results.