

A Closer Look at Holdings (as of 06/30/2022)

Federated Hermes PMC ESG Portfolios

The Federated Hermes PMC ESG Portfolios are designed for investors with sustainability priorities and are constructed using high-conviction ESG-focused managers identified through Envestnet | PMC's thorough, multi-layered research and due diligence process. PMC regularly monitors and rebalances the portfolios, empowering advisors to support clients in their pursuit of sustainable investing. Our partner Federated Hermes is an industry pioneer and leader in ESG integration and engagement on environmental and social issues.

Domestic Equity

Large Cap Core

Parnassus Core Equity

- Seeks to achieve both capital appreciation and current income through a concentrated portfolio of around 40 stocks. Aims to exploit quality and time arbitrage market inefficiencies through investing primarily in dividend-paying, large-cap companies determined to be undervalued at time of purchase.
- Investment team utilizes a comprehensive process that fully integrates fundamental and ESG research to assess the business quality and valuation of potential portfolio companies. There is a firm-wide belief that ESG evaluations enable the investment team to identify risks and opportunities that may be overlooked in the fundamental process. The fund invests in companies with sustainable competitive advantages, relevant products and services, strong management teams, and compelling ESG profiles.
- Has performed in line with expectations as a conservative, high-quality portfolio which has generally kept pace in rising environments and outperformed during downturns. Performance relative to large-cap blend peers has been strong, with the fund placing in either the top or second quartile across the trailing one-, three-, five-, ten-, and fifteen-year periods.
- Excludes investments in companies that derive significant revenue from the manufacturing of tobacco, alcohol, gambling, weapons, nuclear power, and business involvement with Sudan.

A Closer Look at Holdings (as of 06/30/2022)

Federated Hermes PMC ESG Portfolios

American Century Sustainable Equity

- Seeks to identify 80-100 stocks near the beginning of the cycle of improving earnings, increasing earnings estimates, and expanding stock price multiples.
- Five person dedicated ESG team which researches and communicates financially material findings to the Sustainable Equity PM team on a stock-by-stock basis. The team utilizes ESG analysis to provide a more comprehensive assessment of risk than financial analysis alone, as an embedded component of the bottom-up process in evaluating stocks.
- Maintains a tight tracking error and high R-Squared compared to the S&P 500 Index since the fund's ESG conversion in mid-2016, with a moderate growth tilt. Alpha has been driven by stock selection.
- Implements an ESG model with inputs from MSCI ESG Research, MSCI Governance and Carbon Metrics, Bloomberg ESG Business Intelligence, Sustainability Accounting Standard Board, and ISS Socially Responsible Investing. ESG is largely used to identify risks, and is used relative to industry peers. Tobacco is the only industry excluded.

Small Cap Core

Federated Hermes SDG Engagement Equity

- Seeks to identify 40-60 global small-and mid-cap companies with the potential, through engagement aligned with the UN Sustainable Development Goals (SDGs), to generate outcomes that benefit people, the planet and investors.
- Stocks considered for the portfolio must meet specific investment and engagement criteria: high-quality businesses with good growth prospects that are led by management teams with the ability and willingness to embed the SDGs in their corporate strategies. This evaluation is supported by intelligence from Hermes EOS, the firm's 60 person engagement and stewardship team.
- Team uses a proprietary ESG dashboard technology that integrates several ESG data providers, corporate governance data, and proprietary data, to analyze and measure ESG risks and opportunities at the company and portfolio level.
- Due to a primary focus on high quality businesses, the strategy can be expected to perform well when fundamentals drive stock prices. The low beta profile and conservative approach can help preserve investor capital during a market correction.

A Closer Look at Holdings (as of 06/30/2022)

Federated Hermes PMC ESG Portfolios

International Developed Markets

Federated Hermes International Equity

- Seeks to achieve long-term capital appreciation by investing in equity securities globally with favorable ESG characteristics. Views ESG considerations as both a source of alpha and a form of risk control.
- Team identifies 70-100 stocks by applying a disciplined approach using time-tested fundamental factors in a systematic process, pursuing stocks with strong financials, competitive strength, strong management quality and positive ESG characteristics.
- Team uses a proprietary ESG dashboard technology that integrates several ESG data providers, corporate governance data, and proprietary data, to analyze and measure ESG risks and opportunities at the company and portfolio level.
- Hermes EOS, the firm's 60 person engagement and stewardship team, provides intelligence that identifies companies with a good or improving ESG track record, which informs investment decisions.

Emerging Markets

Calvert Emerging Markets

- Strategy is sub-advised by Federated Hermes, specifically by the Hermes Emerging Markets team. Hermes EOS' work and the ESG analysis delivered on each stock idea by the analysts in the Hermes Global Emerging Markets team are subject to review by Calvert, which conducts additional ESG due diligence.
- Invests at least 80% of its assets in equity securities of companies located in emerging market countries, seeking those whose products/services or industrial/business practices contribute towards addressing sustainability challenges in their local and/or international markets.
- Seeks to avoid investments in companies involved in tobacco, weapons, alcohol, gambling, or companies that significantly support governments that are under U.S. or international sanction for human rights abuses such as genocide or forced labor.

A Closer Look at Holdings (as of 06/30/2022)

Federated Hermes PMC ESG Portfolios

Global Equity

Federated Hermes Global Equity

- Seeks to achieve long-term capital appreciation by investing in equity securities globally with favorable ESG characteristics. Views ESG considerations as both a source of alpha and a form of risk control.
- Team identifies 80-100 stocks by applying a disciplined approach using both a systematic and fundamental stock-selection process that favors companies with competitive advantages, robust financial statements, sustainable business models and histories of responsible governance.
- Team utilizes a proprietary ESG dashboard technology that integrates several ESG data providers, corporate governance data, and proprietary data, to analyze and measure ESG risks and opportunities at the company and portfolio level.
- Hermes EOS, the firm's 60 person engagement and stewardship team, provides intelligence that identifies companies with a good or improving ESG track record, which informs investment decisions.

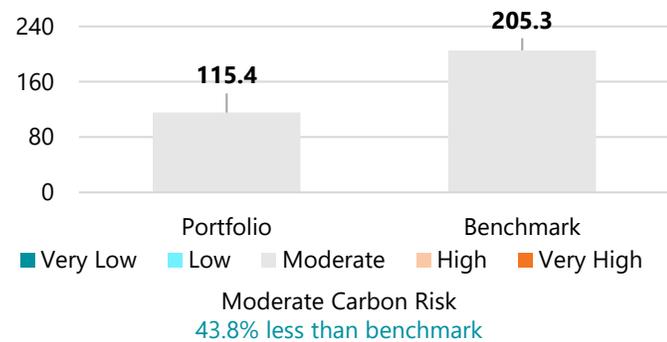
Equity Sustainability Reporting Metrics (as of 06/30/22)

Powered by MSCI ESG Research

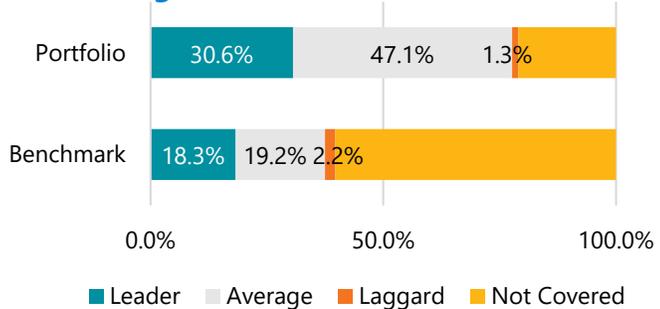
Equities

Carbon Risk

(T CO2E/\$M Sales)



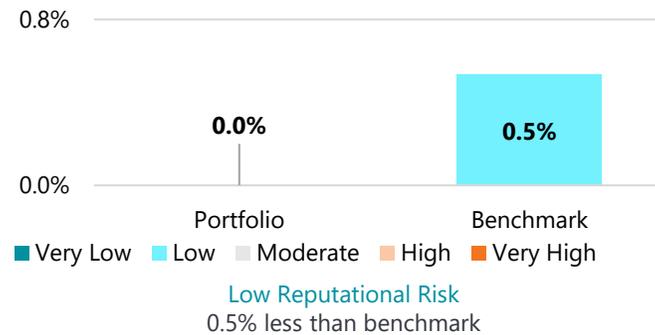
ESG Ratings Distribution



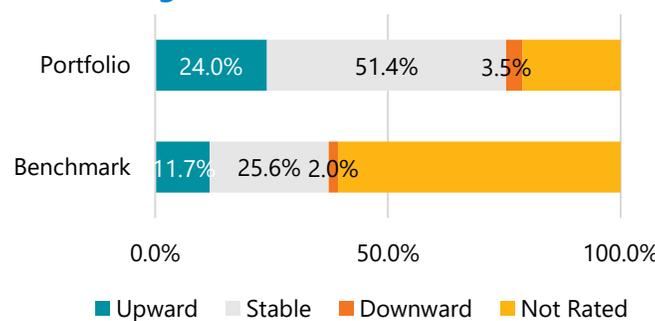
Benchmark: 60% Russell 3000, 40% MSCI All Country World Index EX US

Reputational Risk

(Very Severe Controversy Exposure)



ESG Ratings Momentum



Definitions

- Carbon Risk** measures exposure to carbon intensive companies. It is based on MSCI Carbon Metrics, and is calculated as the portfolio weighted average of issuer carbon intensity. At the issuer level, Carbon Intensity is the ratio of annual scope 1 and 2 carbon emissions to annual revenue. Carbon Risk is categorized as Very Low (0 to <15), Low (15 to <70), Moderate (70 to <250), High (250 to <525), and Very High (>=525).
- Reputational Risk** represents the percentage of a portfolio's market value coming from holdings involved in very severe controversial events. It is based on MSCI ESG Controversies. Portfolio level Reputational Risk is categorized as Very Low (0%), Low (>0% to <1%), Moderate (1% to <5%), High (5% to <10%), and Very High (>=10%).
- ESG Ratings Distribution** represents the percentage of a portfolio's market value coming from holdings classified as ESG Ratings Leaders (AAA and AA), Average (A, BBB, and BB), and Laggards (B and CCC).
- ESG Ratings Momentum** represents the percentage of a portfolio's market value coming from holdings that have had an ESG Ratings upgrade, and those with a downgrade, since their previous ESG Rating assessment.

Equity Sustainability Reporting Metrics (as of 06/30/22)

Powered by MSCI ESG Research

Equities

How to read this page

The exposure figures represent revenue exposure to Sustainable Impact Solutions which reflects the extent to which company revenue is exposed to products and services that help solve the world's major social and environmental challenges. It is calculated as a weighted average, using portfolio weights and each issuer's percent of revenue generated from Sustainable Impact Solutions. To be eligible to contribute, an issuer must maintain minimum ESG standards.

The classifications below help interpret the different degrees of exposure.

Climate Change

	Portfolio	Benchmark	Active
Alternative Energy (%)	0.3%	0.3%	0.0%
Energy Efficiency (%)	1.5%	0.5%	1.0%
Green Building (%)	0.2%	0.2%	0.0%

Natural Capital

	Portfolio	Benchmark	Active
Sustainable Water (%)	0.1%	0.1%	0.1%
Pollution Prevention (%)	0.2%	0.1%	0.1%
Sustainable Agriculture (%)	0.5%	0.1%	0.5%

Basic Needs

	Portfolio	Benchmark	Active
Major Diseases Treatment (%)	1.1%	0.9%	0.2%
Sanitation (%)	0.3%	0.1%	0.1%
Nutrition (%)	0.2%	0.2%	0.0%

Empowerment

	Portfolio	Benchmark	Active
Education (%)	0.0%	0.0%	0.0%
SME Finance (%)	0.1%	0.2%	-0.1%
Connectivity (%)	0.0%	0.0%	0.0%

Benchmark: 60% Russell 3000, 40% MSCI All Country World Index EX US

Equity Sustainability Reporting Metrics (as of 06/30/22)

Powered by MSCI ESG Research

Equities

Business Involvement

The percentage of portfolio's market value exposed to companies flagged for any tie, including ownership of and by, in the difference categories, this is considered zero tolerance. Values Alignment metrics provide transparency to help identify funds that align with ethical, religious or political views. The metrics measure the percentage of portfolio's market value exposed to companies flagged for controversial business involvement.

	Portfolio	Benchmark	Active
Adult Entertainment (%)	0.0%	0.0%	0.0%
Alcohol (%)	1.2%	1.6%	-0.4%
Civilian Firearms Retailers (%)	0.0%	0.0%	0.0%
Civilian Firearms Producer (%)	0.0%	0.1%	-0.1%
Gambling (%)	0.2%	0.6%	-0.5%
Nuclear Power (%)	0.7%	0.6%	0.1%
Tobacco (%)	0.1%	0.5%	-0.4%
Weapons (%)	0.7%	0.8%	-0.1%
Controversial Weapons (%)	0.2%	0.0%	0.1%
Direct Predatory Lending (%)	0.0%	0.3%	-0.3%
Genetic Engineering (%)	0.1%	0.4%	-0.3%

Benchmark: 60% Russell 3000, 40% MSCI All Country World Index EX US

Environmental Risk

Fossil Fuel Reserves (%): The percentage of portfolio's market value exposed to companies that own fossil fuel reserves.

High Impact Fossil Fuel Reserves (%): The percentage of portfolio's market value exposed to companies that own high impact fossil fuel reserves. High impact fossil fuel reserves include Thermal Coal, Oil Sands, and Shale Oil and Shale Gas.

	Portfolio	Benchmark	Active
Carbon Risk (T CO2E/\$M Sales)	115	205	-43.8%
Fossil Fuel Reserves (%)	2.4%	3.8%	-1.4%
High Impact Fossil Fuel Reserves (%)	1.8%	3.2%	-1.4%

A Closer Look at Holdings (as of 06/30/2022)

Federated Hermes PMC ESG Portfolios

Fixed Income

Intermediate Bond

Federated Hermes Total Return Bond

- Pursues total return and invests primarily in U.S. government and investment-grade corporates as well as high-yield and emerging markets. The investment process consists of sector rotation, security selection, and adjustments to duration, yield-curve, and currency.
- Sector rotation and security selection are the primary sources of alpha. Under current management tenure since 2013, the strategy has outperformed peers and its benchmark, with lower volatility than peers.
- Pursues ESG integration with the view that ESG information is integral to fundamental analysis and when used in conjunction with quantitative metrics, and other qualitative information, provides a more holistic assessment of the risks and opportunities of a given security or issuer.

CCM Community Impact Bond

- Seeks to provide a high level of current income while maintaining tight risk controls aimed at the preservation of capital. Concentrated, conservatively managed portfolio provides investors with a core bond allocation through investing in agency mortgage-backed securities (MBS) and taxable municipal bonds.
- Invests in MBS pools in which underlying mortgages provide capital investment in underserved, low-and moderate-income communities; multi-family MBS securities backing housing developments offering a positive community impact; and taxable municipal issues supporting local manufacturing and redevelopment projects, such as those that support job creation and clean energy.
- A significant underweight to corporate credit will detract from returns in risk-on environments, however, fund performance has been in-line with expectations over the long term, providing investors with lower volatility and slightly better risk-adjusted returns than its benchmark.
- Excludes the stocks of companies that present excessive ESG-related risk and/or those with any of the following activities: fossil fuel exploration and production; any activity related to coal, tobacco, chemical manufacturing, weapons, prison management, regulatory issues, discriminatory labor practices, safety issues, or material involvement (over 30% of revenue) in: gaming, oil transportation & storage, fuel generation from fossil fuels, and junk food.

A Closer Look at Holdings (as of 06/30/2022)

Federated Hermes PMC ESG Portfolios

Global Bond

DWS ESG Global Bond

- Implements a value-oriented process, leveraging macro input from DWS' "CIO View" and bottom-up feedback from analysts. Analysts incorporate ESG factors into traditional credit assessments. Spread over swaps is the team's primary measure of value.
- Approach incorporates an ESG framework. The team incorporates outputs from the DWS proprietary ESG Engine, which synthesizes input from eight ESG data providers. The engine helps the team identify ESG leaders and issuers that are aligned with the UN's Sustainable Development Goals (SDGs), as well as avoid issuers with elevated climate transition risk.
- The team has been running this fund with an ESG mandate since May 2019, however, despite a short track record, management's navigation of the end of the previous credit cycle and the market's volatile reaction to COVID-19 suggest it has strong potential.
- Avoids investing in issuers that have significant revenue exposure to controversial weapons, coal, tobacco, adult entertainment, nuclear power, gambling, or defense. Issuers linked to child/forced labor and severe environmental damage are also excluded

High Yield

Federated Hermes SDG Engagement HY Credit

- 75-100 holdings with a dual objective of delivering superior, risk-adjusted high-yield returns while also effecting positive change in society and the environment by engaging with companies on how alignment around the UN Sustainable Development Goals (SDGs).
- Pursues companies that provide the best relative value, with supportive fundamentals, cash-generative operations and be trading at attractive valuations, as well as the potential to play a significant role in helping to achieve the SDGs.
- A strong bias towards higher quality within the high yielding securities compared to its benchmark and its peers may result in outperformance during credit sell-offs. Since its inception in September 2019, the strategy has generated a positive alpha and its absolute return ranks within the top quartile of its peer group.
- To measure the opportunity for generating SDG-aligned impact, the team uses a one-to five scoring system that assesses the credit fundamentals of a company and the scale of its opportunity to create change. Portfolio companies must have business lines, supply chains, or product or services offerings where there is opportunity to create SDG aligned impact, and company management must be willing to enter into the engagement process.

A Closer Look at Holdings (as of 06/30/2022)

Federated Hermes PMC ESG Portfolios

Short Bond

Federated Hermes Short Term Income

- Pursues current income and invests in asset-backed, mortgage-backed and corporate bonds as well as U.S. Treasury and Agency securities. Seeks to provide a relatively conservative approach to earning a higher level of income than is generally available through money market funds.
- Maintains a portfolio dollar-weighted average effective duration of one to three years.
- Pursues ESG integration with the view that ESG information is integral to fundamental analysis and when used in conjunction with quantitative metrics, and other qualitative information, provides a more holistic assessment of the risks and opportunities of a given security or issuer.

Manager Highlight

The **Federated Hermes SDG Engagement High Yield Credit Fund** has a dual objective of delivering superior, risk-adjusted high-yield returns while also effecting positive change in society and the environment by encouraging companies, through constructive dialog, to operate in a more responsible way. The fund aims to outperform the global high-yield market by investing in and engaging companies on the United Nations Sustainable Development Goals. The engagement strategy for the fund is a natural extension of Federated Hermes work in stewardship through their EOS team. Learn more about specific engagements that the team has pursued in the links below:

Orbia

ENGAGEMENT CASE STUDY:
Orbia

Federated Hermes SDG Engagement HY Credit, Q2 2022

Orbia is a global industrial solutions company, reporting across five business lines: polymer and films, building and infrastructure, precision agriculture, data communications and financial solutions. Its polymer solutions business (accounting for almost 40% of revenues in 2021) focuses on one of the most widely used plastics worldwide, polyvinyl chloride (PVC resin), which is further integrated into the product range of its building and infrastructure, precision agriculture, and data communications businesses. Today, its diversified relations between provides routine and downstream products made from PVC resin for applications ranging from energy storage, to refrigeration, to medical products. While Orbia previously operated mostly in Mexico, it has since expanded its operations to a global footprint, with more than 72,000 employees in over 50 countries.

Engagement contact:
Anna Chong, Deputy Head of corporate credit research
Jake Goodman, CFA, engagement manager of sustainable fixed income

Investment case:
Orbia has an extensive geographical footprint with commercial activities in more than 10 countries and operations in 50 countries. The business profile is supported by a diversified product mix, including precision agriculture (17% of 2021 sales), polymer solutions (29% of 2021 sales), building and infrastructure (25% of 2021 sales), data communications (11% of 2021 sales), and financial solutions (8% of 2021 sales). The polymer solutions business benefits from PVC vertical integration, which enables a low-cost production profile. This also enables greater security of supply for other downstream divisions, as well as value added by products. Orbia's product line mix also benefits from value-add products, a strong distribution network, and solid long-term customer relationships. This improves pricing power, creates barriers to entry and provides margin support.

Orbia's product line mix also benefits from value-add products, a strong distribution network, and solid long-term customer relationships.

Federated Hermes Limited
www.hermes-investment.com

Sustainable Finance Report

**The sleeping giant:
Unlocking sustainable finance**

Aaron Hay
Director, engagement & strategy – sustainable fixed income
Filippo Allocati
Head of financials (credit)
Sophie Demare
ESG & engagement associate – sustainable fixed income

**SDG Engagement High Yield Credit
Q2 2022**

Federated Hermes Limited
www.hermes-investment.com
For professional investors only

Disclosure

The information, analysis, and opinions expressed herein are for general and educational purposes only. Nothing contained in this presentation is intended to constitute legal, tax, accounting, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. All investments carry a certain risk, and there is no assurance that an investment will provide positive performance over any period of time. An investor may experience loss of principal. The asset classes and/or investment strategies described may not be suitable for all investors. Investment decisions should always be made based on the investor's specific financial needs and objectives, goals, time horizon and risk tolerance. An investment in these portfolios is subject to market risk and an investor may experience loss of principal. Returns are presented without provision for federal or state taxes. This is not a sales solicitation, but rather a research profile on a specific investment option.

This material is not meant as a recommendation or endorsement of any specific security or strategy. Information has been obtained from sources believed to be reliable, however, Envestnet | PMC cannot guarantee the accuracy of the information provided. The information, analysis and opinions expressed herein reflect our judgment as of the date of writing and are subject to change at any time without notice. An individual's situation may vary; therefore, the information provided above should be relied upon only when coordinated with individual professional advice. Reliance upon any information is at the individual's sole discretion. Diversification does not guarantee profit or protect against loss in declining markets. **Past performance is not indicative of future results.**

Investments in smaller companies carry greater risk than is customarily associated with larger companies for various reasons such as volatility of earnings and prospects, higher failure rates, and limited markets, product lines or financial resources. Investing overseas involves special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets. Income (bond) funds are subject to interest rate risk which is the risk that debt securities in a fund's portfolio will decline in value because of increases in market interest rates.

Investors should consider the investment objectives, risks, and charges and expenses of mutual funds carefully before investing. A prospectus or summary prospectus which contains this and other information about these funds can be obtained by contacting your Financial Advisor. Please read the prospectus carefully before investing. Expense Ratios reflect the internal expenses of any investment products but do not reflect the deduction of investment advisory fees. Performance results will be reduced by fees including, but not limited to, investment management fees and other costs such as custodial, reporting, evaluation and advisory services. A description of all fees, costs and expenses are found in a financial advisor's Disclosure Brochure.

ESG and impact focused strategies are identified with the support of third-party research. Certain asset classes may not have an ESG or impact focused strategy that goes through our ESG due diligence standards. In this case, the portfolios will generally utilize alternative strategies that have been vetted by the PMC Research Team. Funds that incorporate ESG characteristics into the investment process may limit their exposure to certain types of investments. As a result, an investment in an ESG focused fund may be less diversified relative to funds with similar strategies that do not have an ESG focus.

The portfolios incorporate the impact and/or ESG criteria on a best-efforts basis. PMC utilizes several ESG research and ratings providers for portfolio management and reporting purposes. All ESG data, including impact scores, are believed to be from reliable sources; however, we make no representation as to its accuracy or completeness. The scores, ratings, and assessments are subjective by nature, and may or may not be accurate, complete, or reflect the beliefs of some investors. Pursuing an ESG investment strategy may limit the types and number of certain issuers for nonfinancial reasons, as a result, may lead to underperforming other funds that do not have an ESG focus. A fund's ESG investment strategy may result in the fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds that are not ESG integrated or screened for ESG standards.

For more details on PMC's research practices and/or portfolio attributes, please contact pmc@envesnet.com or call 1-888-612-9300. Advisors should always conduct their own research and due diligence on investment products and the product managers prior to offering or making a recommendation to a client.