Federated Hermes Global Equity ESG

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Annual Report 2024

Federated Hermes
Limited

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Contents

SECTION ONE

Investment review, 2024

It was a tale of two halves for global equity markets in 2024, with performance starting strong before making way for volatility in H2.

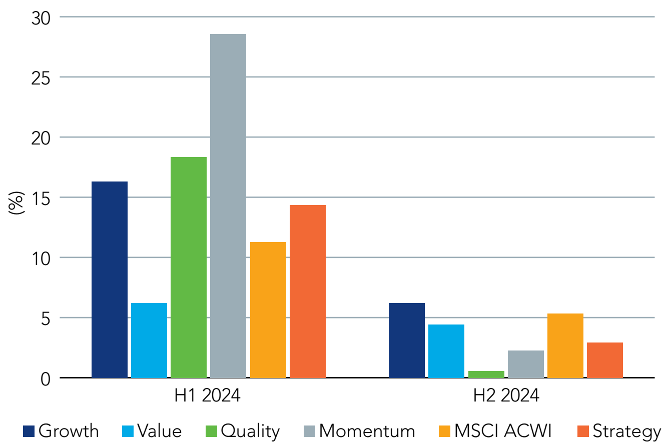
The Global Equity ESG Strategy is structured to be broadly neutral from a sector and regional viewpoint, while top-down macro and style exposures are controlled, ensuring the Strategy is exposed to companies with good or improving ESG characteristics across the style spectrum. With returns dominated by mega-cap technology companies over the past couple of years, we believe stock markets will broaden in 2025, but we do not anticipate a smooth ride. Diversification, a dynamic approach to controlling risk and a focus on fundamentals will continue to be important.

Performance review[1]

Past performance is not a reliable indicator of future returns.

Overall, global equity markets posted strong returns in 2024, but the year could be split into two halves: a strong H1 driven by sentiment made way for a more volatile H2 as the momentum trade faltered and quality became less important.

Figure 1: A tale of two halves – MSCI ACWI factor returns in 2024



Source: Bloomberg as of 31 December 2024. **Past performance is not a reliable indicator of future performance.**

The start of the period saw markets driven by the US with investors turning back towards 2023's winners, while expectations of significant interest rate cuts boosted sentiment. Japan also posted decent gains (in local currency terms), against a backdrop of better-than-expected earnings and optimism around the economic cycle, coupled with modest inflation, a weakening currency and a shift to positive rates. However, the Asia ex-Japan region lagged, driven by continued pessimism towards China's economy.

Moderating expectations for rate cuts in the US ensured that Q2 started on the back foot, which was reflected in our risk aversion measure spiking higher into risk-off territory. But, markets soon recovered their poise against a backdrop of resilient economic data and signs that inflation was starting to cool. Sentiment was further boosted as artificial intelligence (AI)-focused stocks continued to surpass expectations, which led to the outperformance of US technology companies and the majority of the so-called 'Magnificent Seven' cohort of mega-cap tech stocks.

Volatility returned early in the second half of the year, initially via a major rotation towards smaller cap stocks and rate-sensitive companies as softer inflation and employment data raised expectations that rate cuts would happen sooner rather than later. At the start of August volatility spiked even higher as stock markets plummeted across the globe, and particularly in Japan due to the unwind of the yen carry trade after the Bank of Japan (BoJ) raised interest rates.

Risk appetite improved towards the end of Q3 through the long-awaited (and welcome) interest rate cut in the US and China's stimulus announcement. Investors then retreated into 'wait and see' mode ahead of November's US Presidential election, but the unexpectedly decisive result led to a sharp increase in risk appetite as the US drove equity markets higher. The year ended, however, with a bout of profit taking as markets declined.

Sentiment was the stand-out factor in Q1, but there was little consistency as investors initial preference for growth faded as valuation became more important. There was a clear preference for valuation at the beginning of Q2 as expectations for interest rate cuts moderated in the US. Factor returns were muted in May, although we saw some volatility within sentiment and valuation in June. Since the start of Q3, the picture has been volatile. Investors have regularly switched preference between sentiment, growth and valuation. In Q4, sentiment and growth came to the fore again, while investors typically avoided cheaper names, but the final weeks of 2024 saw valuation become the most important consideration.

The Strategy performed admirably in 2024, outperforming its benchmark, the MSCI All Country World Index (MSCI ACWI), gross of fees, with its diversification and the team's dynamic approach to risk management helping negotiate the volatility, particularly in H2 when the market backdrop was especially difficult.

At the sector level, there were notable contributions from stock selection in the Consumer sectors. There was also an additional boost from having an underweight position in the Energy sector. The largest detractions came from selection in Communication Services, Information Technology and Health Care. At the regional level, stock selection in Europe was strong, while the underweight position in Latin America also added value. These offset detractions from selection in North America and Emerging Asia.

[1] Management fees are not included and will have the effect of reducing performance.

Performance contributors	
Broadcom	The company is a beneficiary of the artificial intelligence (AI) theme. Its share price increased sharply in December after positive results where the company highlighted the large opportunity for its AI chips and announced it had won two major new hyper-scaler customers.
Trane Technologies	Trane Technologies reported strong Q1 results as it continues to see strength in the commercial heating, ventilation, and air conditioning (HVAC) market, which is being driven by data centre demand.
UniCredit	The company has consistently reported results that surpassed expectations, and a strong capital distribution policy has also boosted sentiment.
Performance detractors	
Samsung Electronics	The company was impacted by concerns of weaker demand for conventional memory chips, mainly in mobile and PC, alongside an expected inventory correction in high bandwidth memory.
Zoetis	Zoetis declined early in 2024 after reporting mixed results, with disappointment in its 'Companion Animals' division. It was also affected by the rotation into value in March. The company's share price subsequently recovered most of the lost ground, before declining into the year end, despite reporting better-than-expected results.
Eli Lilly	The company's share price increased significantly in H1 and we opened a position in Q2 to help diversify the Strategy's exposure to obesity. The share price subsequently underperformed in Q4 following disappointing results that were driven by destocking of its obesity drugs.
Meta Platforms	Not owning Meta Platforms was also a significant detractor for the Strategy. We deem the company uninvestable due to several material controversies and ESG concerns.

Positioning and outlook

The Strategy is structured to be broadly neutral from a sector and regional viewpoint, while top-down macro and style exposures are controlled. Within these parameters, the team seeks to identify a diverse range of companies that look attractive from multiple perspectives and have no materially weak links. This diversification ensures that the Strategy is exposed to companies with good or improving ESG characteristics across the style spectrum.

All of the companies in the portfolio are systematically assessed from an ESG perspective. The aim is to ensure the portfolio contains companies that have good or improving standards of ESG, while avoiding those whose behaviours or poor management of ESG risks represent such a material risk that they are uninvestable. This manifests itself in a portfolio whose ESG profile is higher than the benchmark, whose carbon footprint is lower than the benchmark, and has substantial revenue exposure to social and environmental themes.

Sector exposures continue to be within +/- 3% of the benchmark index weight. While we retain balanced exposures, we have increased our tilt towards names with domestic US exposure and areas that could be beneficiaries of deregulation following the US Presidential election. The largest overweight positions are in Health Care, Industrials and Financials, while Energy and Consumer Discretionary are the largest underweights. Our regional exposures remain within the expected range, although the trading activity resulted in a reduction of the Strategy's overweight to Europe and an increase in our overweight stance in North America.

2025 promises to be an interesting year on a variety of fronts. President Donald Trump's pro-business, regulation-light policy agenda should boost economic activity in the US. In addition, the continued revival of US exceptionalism is expected to persist, casting a positive light on the US markets. It is a different story elsewhere though. Initial optimism over China's efforts to boost growth through fiscal and monetary policy has faded, while confidence that the Eurozone could revive is low, amid political, geopolitical and economic uncertainty.

The threat of tariffs provides a large dose of uncertainty in terms of trade and inflation. There is a school of thought that believes the threats are a negotiating tactic, with tariffs likely to be more targeted and less aggressive than the rhetoric suggests. We have some sympathy with this view. Nevertheless, China, and to a lesser extent Europe, are likely to bear the brunt. Regardless of how this plays out, we expect, much like in President Trump's first term, increased volatility in reaction to each development or social media post.

There has also been much talk of how the Trump administration will impact ESG and sustainability. We continue to view ESG as being important, not from a moral perspective, but because we believe that companies with good or improving ESG standards will generate superior financial outcomes. In a world of reduced regulation, companies need strong, risk-aware leadership who can navigate the increasingly volatile macroeconomic backdrop.

With returns dominated by mega-cap technology over the past couple of years, markets should broaden in 2025. Although we remain positive on the structural growth opportunity for AI, we expect more opportunities will emerge further down the market cap range. Diversification, a dynamic approach to controlling risk and a focus on fundamentals will be important in this environment.

This document does not constitute a solicitation or offer to any person to buy or sell any related securities or financial instruments. The value of investments and income from them may go down as well as up, and you may not get back the original amount invested. Any investments overseas may be affected by currency exchange rates.

SECTION TWO

Engagement overview

Alongside our stewardship colleagues in EOS at Federated Hermes Limited (EOS), we seek to encourage positive change through board and executive-level interactions. Our engagements with portfolio companies take the form of face-to-face meetings with board members, chairs, lead independent directors and chairs of board committees. We also gather information relating to specific engagement objectives and issues through our interactions with divisional heads and investor relations teams. Our proprietary milestone system allows us to track our engagement progress through four key stages from initial raising of concerns through acknowledgement of the issue and commitment to change, to implementation.

We benefit from the wider research universe covered by EOS. The diverse team have backgrounds in law, banking, sciences, academia, accountancy, climate change and corporate strategy, and collectively they are fluent in 10 different languages. This expertise, combined with their cultural understanding and connections, enables local language dialogues which are of great importance.

Figure 2: Measuring progress – Milestones

Source: Federated Hermes Limited, as at 31 December 2024.

Engagement progress, 2024

Total number of engagement objectives: **136**

Number of companies engaged: **77**

Voting, 2024

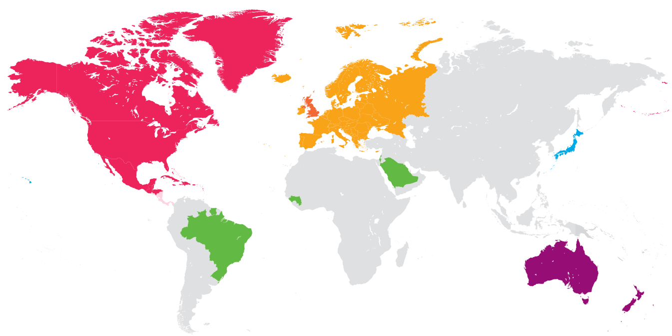
Voting is a key part of demonstrating active ownership and encourages companies to meet the needs of shareholders.

Voting breakdown

Meetings voted in favour:	Meetings where we voted against, against and abstained, or with management by exception:
32.7%	67.3%

Source: Federated Hermes Limited, as at 31 December 2024.

Objectives by region:



North America 76

United Kingdom 6

Europe 19

Emerging and developing markets 13

Developed Asia 20

Australia & New Zealand 2

Engagement objectives by theme

Source: Federated Hermes, as at 31 December 2024.

Environmental: objectives engaged

Source: Federated Hermes, as at 31 December 2024.

Social and ethical: objectives engaged

Source: Federated Hermes, as at 31 December 2024.

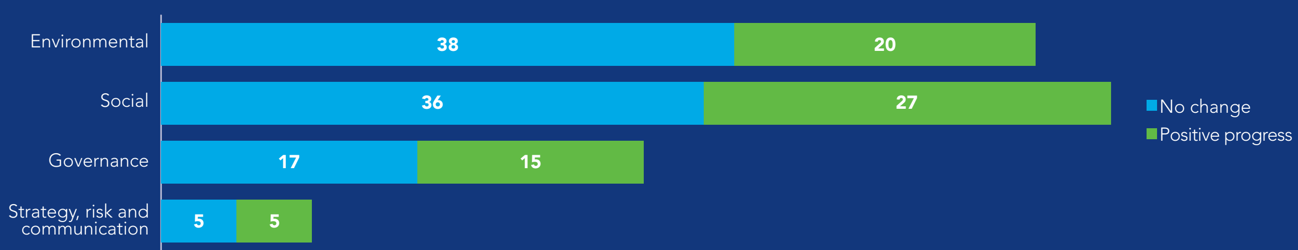
Governance: objectives engaged

Source: Federated Hermes, as at 31 December 2024.

Strategy, risk and communication: objectives engaged

Source: Federated Hermes, as at 31 December 2024.

Milestone status of engagement



Source: Federated Hermes, as at 31 December 2024.

SECTION THREE

ESG outcomes

We recognise that every company has both positive and negative impacts when it comes to its operations. Here we present a snapshot of the Strategy's environmental metrics, which help us to identify our risk exposures which help us to assess our climate and sustainability risks.

35%
lower than the benchmark index per US$m invested (scope 1 and 2)

Carbon footprint per US$m invested

Portfolio	25.81
Benchmark	39.54
Lower than the benchmark	**35%**

Source: Federated Hermes Limited, as at 31 December 2024.

Carbon intensity – tonnes per US$m of sales (scope 1 and 2)

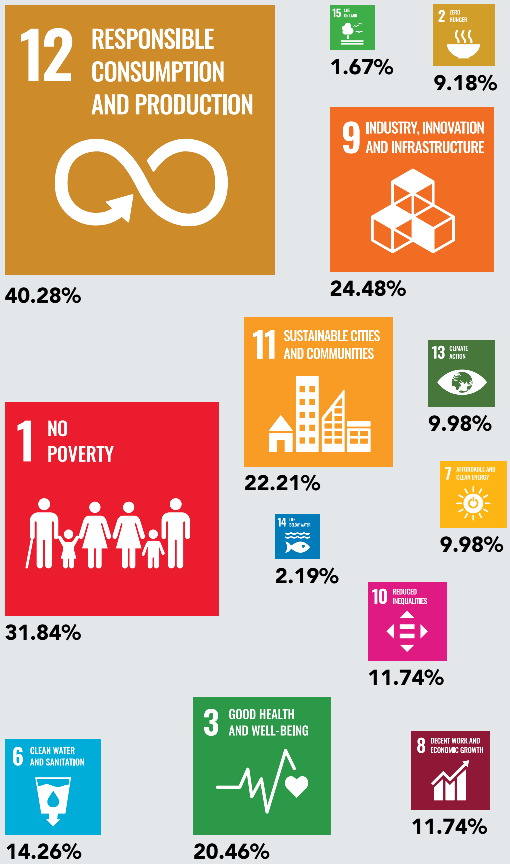
Portfolio	91.5
Benchmark	138.53
Lower than the benchmark	**34%**

Source: Federated Hermes Limited, as at 31 December 2024.

Environmental opportunities exposure **40%**

SDG exposure

Here we demonstrate our SDG exposure – that is, companies where there is revenue exposure to investable themes which are aligned to the UN Sustainable Development Goals (SDGs).



Source: Federated Hermes Limited, as at 31 December 2024. Note that percentages shown add up to more than 100% as companies can be exposed to more than one SDG.

Science-based targets

We continue to see increased momentum behind climate action and carbon risk management, in line with the rollout of the Task Force on Climate-related Financial Disclosures (TCFD) framework. The fact that more of our portfolio companies are committing to TCFD reporting – and to net zero or science-based targets – is evidence of this trend:

Globally, in total over

10,184 companies are taking science-based climate action and over

7,279 companies have approved science-based targets

Within the Strategy

42 companies have validated science-based targets and another

7 have committed to setting them within the next two years

This represents

53% of the strategy's holdings

Source: Federated Hermes, as at 31 December 2024.

SECTION FOUR: THEMATIC FOCUS

Nature in focus: How we're investing in biodiversity

Introduction

Biodiversity loss has a clear link to climate change and continues to rise up the global agenda for investors. The Kunming-Montreal Global Biodiversity Framework (GBF),[1] agreed at the 2022 United Nations Biodiversity Conference (COP15), represents a positive step forward. In addition, the recent COP16 highlighted the focus in the EU and Latin America on the bioeconomy and circular economy, along with the importance of promoting sustainable growth.

Biodiversity remains an important engagement topic with companies. In H2 2024, EOS at Federated Hermes Limited engaged firms on 21 issues or objectives relating to natural-resource stewardship.

We continue to monitor portfolio holdings committing to the Taskforce on Nature-related Financial Disclosures (TNFD[2]) reporting, where financially material. We focus on companies with strong governance structures and a prudent approach to managing financial and climate-related risks. We conduct stringent assessments of all companies considered for the portfolio, including examining firms for their impacts on biodiversity.

Assessing companies

Investor engagement with companies on biodiversity and plastics issues remains key, alongside the development of national and international policy responses. EOS's nature-related engagement has focused primarily on sectors within the food system, given the significant impacts these companies can have on biodiversity. EOS also has a long history of engaging with retailers and grocers on plastics reduction, recycling and reuse targets.

Robust governance and board oversight is critical for firms aiming to reduce their environmental impacts. The most effective companies also align their direct and indirect lobbying practices with internal sustainability commitments and international agreements, such as the Paris Agreement and the Global Biodiversity Framework.

As part of these assessments, we review how companies and specific business practices align or work against the UN's the UN's 17 Sustainable Development Goals (UN SDGs).

For example, the commercial production of soy, beef and palm oil are dominant economic forces in many rural economies. Managed sustainably, these processes could become engines of rural development, meeting many of the global SDGs relating to ending poverty and protecting the planet. In our assessment process, we identify company revenues linked to products and services that contribute towards the SDGs.

We favour firms which commit to net-positive biodiversity impacts. As part of our company-level assessments, we review firms' use of nature-based solutions in line with climate strategies; ecosystem services; adherence to the Task Force on Climate-related Financial Disclosures (TCFD) framework; disclosures; and targets on land-use change.

We are seeing many companies make commitments but fall short on implementation. That said, we do see progress as the robustness of the frameworks and metrics used evolve.

Working with industry bodies

In 2024, we responded to three TNFD sector guidance consultations (for food & agriculture, beverage, and apparel, accessories & footwear). For the apparel sector, we made recommendations related to circularity, human health issues caused by chemicals, human rights and the sector's power to drive change. We expect to see more companies reporting in line with the TNFD and other frameworks over time. In 2024, the TNFD reached a milestone, with over 500 organisations committed to adopting the recommendations. The International Advisory Panel on Biodiversity Credits (IAPB) also launched a framework for high-integrity biodiversity credit markets at COP16.[3]

Biodiversity impacts

Companies and institutional investors alike can use a wide range of metrics to assess the impacts of business operations, sectors and industries on biodiversity. Some of the exposures we monitor include:

- **Deforestation** – Transition in supply chain, deforestation-free sourcing of commodities
- **Sustainable protein** – Transition of protein portfolio, healthy alternative protein manufacturing, marketing, sales
- **Regenerative agriculture** – Soil health, reduced tilling, use of composting, crop rotation, plant diversity, crop residue retention, cover cropping
- **Water use** – Water use reductions, disclosure of water stress areas, risk management, water discharge
- **Animal welfare** – Animal feed innovation, appropriate animal conditions, disease management
- **AMR** – Policy on antibiotic use, disclosure of quantity of antibiotics used
- **Chemicals and pollution** – Manure management in animal farming, decreased pesticide and fertiliser use, water pollution reduction
- **Ocean health** – Protection of marine ecosystem, responsible fishing, sea lice management

[1] https://www.cbd.int/gbf
[2] https://tnfd.global/
[3] https://www.iapbiocredits.org/framework

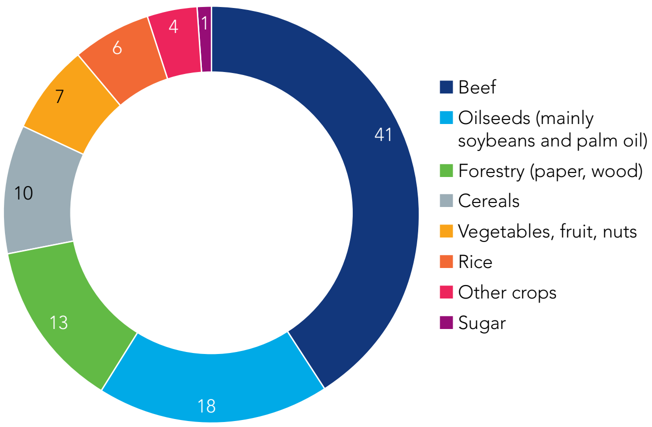
Enhancements to the Federated Hermes Quantitative ESG (QESG) score

Our proprietary QESG score ranking allows us to evaluate how well firms manage ESG risk versus peers. The increasing availability of better and more granular data sources has enabled us to make improvements in several key areas.

We have recently added datapoints related to biodiversity, deforestation and commodity-related impacts.

For example, we use data collected by CDP[4] to determine the maturity and sophistication of companies' approaches towards key commodities including palm oil, soy, timber and cattle products. This data helps us to assess a company's commodity-related risks and mitigation activities. We also use data from MSCI to assess exposure to and management of biodiversity-related risk.

Figures 1: Commodities driving tropical deforestation



Source: Drivers of Deforestation, published by Our World in Data in 2021, citing Florence Pendrill et al 2019.

Data in focus: deforestation risk and mitigation activities

Potential investees are also screened via asset location data and exposure to deforestation risk. Reporting is often limited in this area, and available data may contain inaccuracies due to a lack of standardised reporting requirements, non-comprehensive monitoring capabilities and supply-chain complexity.

That said, investors and companies have made progress over recent years. In December 2020, Consumer Goods Forum members endorsed a paper encouraging the European Union to adopt a mix of measures to address deforestation across supply chains. In 2023, the EU's regulation on deforestation-free products – which aims to ensure the products EU citizens consume do not contribute to deforestation or forest degradation – came into force.

We work with data provider **Forest IQ[5]** to investigate companies' deforestation links. The service allows us to effectively examine commodity exposures and supply chains. Palm oil, for example, is included in many consumer products around the world, and so most large consumer goods companies have exposure. Palm oil plantations are a significant cause of deforestation in some regions, and we therefore seek guarantees that investee products containing palm oil use sustainable sources (from RSPO-certified[6] growers, for example).

We also work with **Net Purpose**, a data provider which tracks the environmental and social impacts of corporate activities.

Firm in focus: Weyerhaeuser's responsible lumber

Lumber company and real-estate investment trust Weyerhaeuser[7] was a part of the TNFD's pilot and produced its first report in 2024. The company accords with best practice on sustainable management of natural resources, commitments to biodiversity, land restoration efforts and protection of ecosystems. In its reporting, Weyerhaeuser identifies its nature dependencies, impacts, risks and opportunities. The firm has a net zero target and emission reduction commitments that have been verified by the Science Based Targets Initiative.[8]

The company operates in a sector which has a high impact on nature. All of Weyerhaeuser's forest operations in the US and Canada are independently certified to sustainable forestry standards, including more than twenty million acres to the SFI 2005-2009 Standard.

We make use of the Biodiversity Intactness Index (BII)[9] geospatial data layer and Bloomberg, along with detailed TNFD reporting, to examine how the company is integrating nature considerations within its strategy. A key impact metric for the firm is the amount of forest or land restored or conserved (measured in hectares).

According to our assessments, the firm currently has seven assets in areas classified as having a high level of biodiversity intactness. Looking forward, we will monitor the specific actions that are taking place at these sites and review how Weyerhaeuser employs strategies such as mitigation, forest management and certification, and renewable energy development.

The above does not represent all of the securities held in the portfolio and it should not be assumed that the above securities were or will be profitable. This document does not constitute a solicitation or offer to any person to buy or sell any related securities or financial instruments.

[4] https://www.cdp.net/en/data
[5] https://forestiq.org/
[6] https://rspo.org/
[7] Environmental Stewardship | Weyerhaeuser
[8] https://sciencebasedtargets.org/
[9] https://www.nhm.ac.uk/our-science/services/data/biodiversity-intactness-index.html

SECTION 5

CASE STUDY:

Hitachi

Hitachi is a Japanese multinational conglomerate founded in 1910 and headquartered in Tokyo. The firm produces communications & electronic equipment, electrical and industrial machinery and consumer devices.

As a leading industrial 'internet of things' platform provider – an area that is providing a profitability boost – Hitachi stands to benefit as a growing number of corporates take part in global digitalisation projects.

Investment perspective

The company rates highly in our Alpha Model assessment across most factor categories, and has been held in the portfolio since the start of 2024. Hitachi generates meaningful green revenues through its green energy & mobility division, which includes energy solutions aimed at renewables, nuclear, power grids and power distribution. It also compares favourably with peers across each ESG pillar.

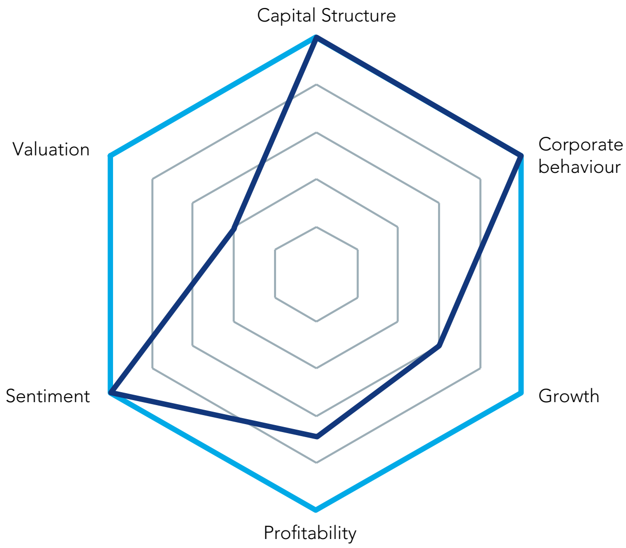
That said, we believe there is still room for improvement. Our recent engagement with the firm has covered a range of topics including board succession, board diversity, remuneration and improvements to human rights disclosures. Our engagement activities are broadly consistent with the view that Hitachi sits ahead of peers across the environmental, social and governance pillars. However, there is room for improvement. For example, while we are pleased that human rights due diligence is a priority, we want further disclosure, such as case studies and evidence of functioning policies.

> **Our recent engagement with the firm has covered a range of topics including board succession.**

The company is exposed to various favourable AI trends in areas including fintech and areas including utilisation of technology, data and automation. The automotive segment is one area that has struggled to deliver in light of a weak macro outlook for vehicles, though the trains business is showing good profitability. The company has been refined over the years, with the divestment of Hitachi Metals an example of the firm's prudent management. The energy business is particularly exposed to Trump's tariffs and the strong US dollar remains a significant factor for the company.

> **The company is exposed to various favourable AI trends in areas including fintech and areas including utilisation of technology, data and automation.**

Alpha Model assessment



Source: Federated Hermes Limited, as at 31 December 2024.

The company has set out a detailed environmental strategy for reducing greenhouse gas (GHG) emissions. This includes a focus on decarbonising the full value chain and developing technologies in energy efficiency, energy management systems and hydrogen-related applications. We favour the company for its green revenues, strong management of carbon emissions and robust target-setting across scopes 1, 2 and 3.[1] The green revenues are aligned with UN SDGs 9, 11 and 12. We view GHG emissions reduction as the most financially material environmental issue in the short- to medium-term.

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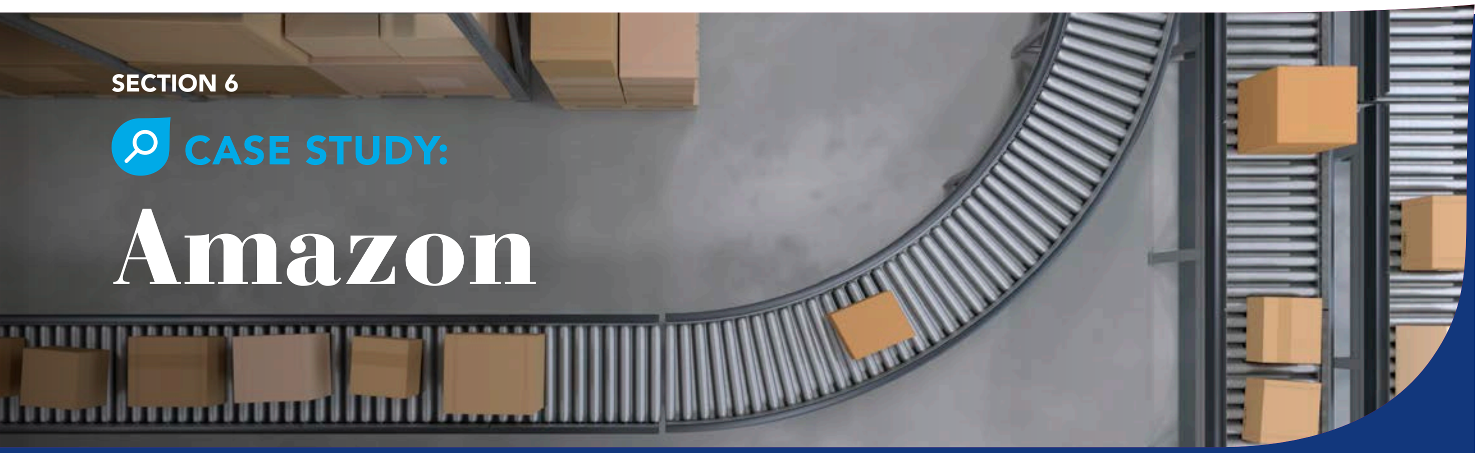
[1] https://ghgprotocol.org/



SECTION 6

CASE STUDY: Amazon

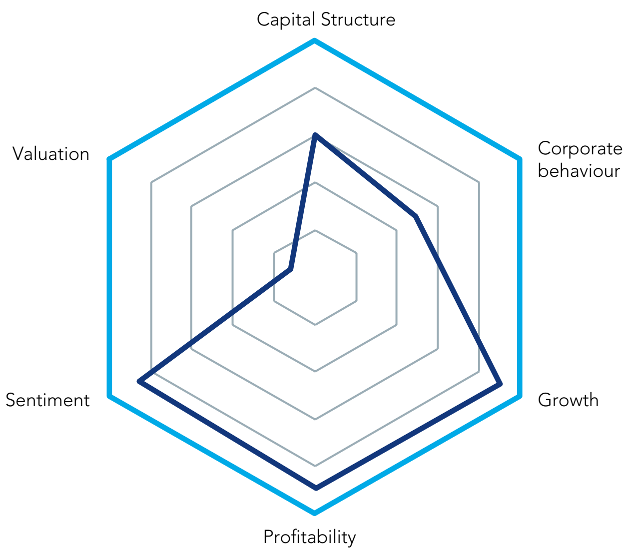
Amazon is a US technology company involved in e-commerce, cloud computing, online advertising, digital streaming and AI. The company made US$638bn in revenue in 2024, up from US$61bn in revenue in 2012.

Investment perspective

The company looks attractive from a growth, profitability and sentiment perspective according to our Alpha Model. The market is overwhelmingly positive on Amazon as an investment opportunity. The firm is a market leader within ecommerce and cloud computing – both areas continue to see significant growth across industry segments and market cycles. Amazon Web Services (AWS) has about 35% of global market share in cloud infrastructure.

The company has seen steady gains to EBITDA[1] since 2017 and in 2024 reached an EBITDA margin of 20%.

Alpha Model assessment



Source: Federated Hermes Limited, as at 31 December 2024.

The incredible growth of AWS has justified Amazon's premium valuation, although inflation continues to challenge the firm's retail business. From an ESG perspective, we believe that the company can and should do more. In 2024, our engagement with the company included a tour of an Amazon fulfilment centre and discussions on labour rights, health and safety standards and employee feedback mechanisms. The tour highlighted Amazon's commitment to hiring staff without using formal education criteria and the firm's competitive salaries, but issues with the firm's execution of health and safety standards remain. Overall, EOS are seeing positive engagement sentiment for the year.

Labour rights and human rights issues within Amazon's supply chains are well documented, and have been a key engagement focus. Progress has been mixed, but our overall sentiment is positive. For example, the company fulfilled our original request to demonstrate that it is collecting and using forward-looking data and qualitative techniques to reduce workforce health and safety incidents. It has reduced its total recordable incident rate by 30%, while its lost time incident rate has fallen by 60%. The company has also published human rights impact assessments on raw and recovered supply chain materials, as well as on subsidiaries Twitch and Whole Foods Market. Following the assessments, the company concluded that its approach to freedom of association is in line with US laws and with International Labour Organization standards.[2]

The company's approach to human rights due diligence appears in line with the UN Guiding Principles on Business and Human Rights. However, we have observed that the company appears to exert large amounts of control over the diligence process, and there could be a greater role for independent review.

Our engagement with Amazon is a long-term undertaking, and over the years we have seen the company make significant improvements in reporting and shareholder communication on ESG topics.

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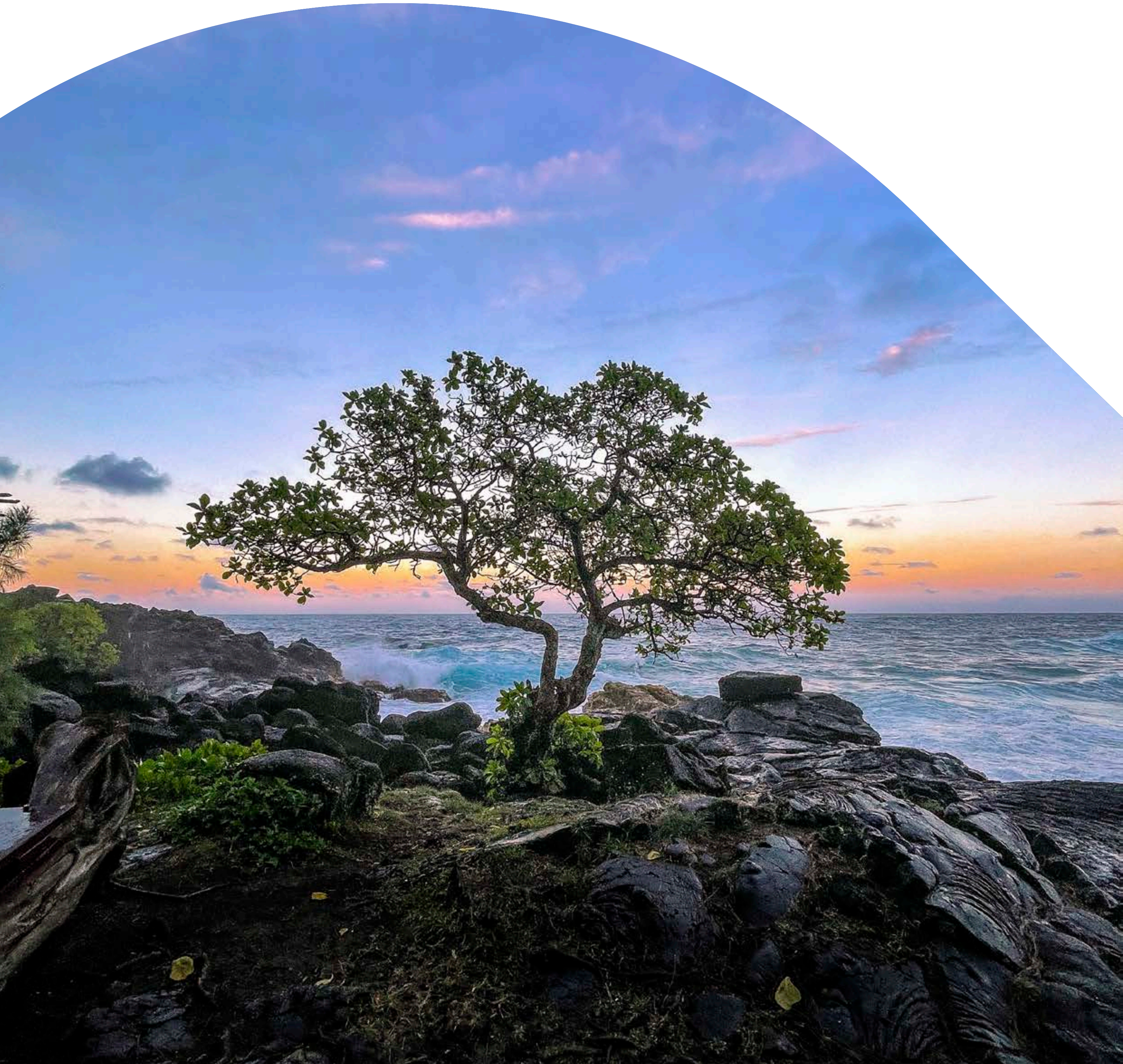
[1] Earnings before interest, taxes, depreciation, and amortisation.
[2] https://www.ilo.org/international-labour-standards

Rolling year performance (%)

	31/12/23 to 31/12/24	31/12/22 to 31/12/23	31/12/21 to 31/12/22	31/12/20 to 31/12/21	31/12/19 to 31/12/20	31/12/18 to 31/12/19	31/12/17 to 31/12/18	31/12/16 to 31/12/17	31/12/15 to 31/12/16
Federated Hermes Global Equity ESG (%)	19.33	22.74	-22.38	20.51	19.82	28.02	-10.53	23.98	6.43

Source: Federated Hermes Global Equity ESG as at 31 December 2024. Composite inception date: 1 May 2013. Returns are in USD gross of fees. The information shown is supplemental to the GIPS® compliant composite report provided in the Appendix. **Management fees are not included and will have the effect of reducing performance. Past performance is not a reliable indicator of future returns.**



Schedule of Rates of Return and Statistics

Composite: Federated Hermes Global Equity ESG
Index: MSCI All Country World (net)
Periods ending: 31-Dec-24

Annualised Returns (%)

	Composite Gross Return	Index	Composite Net Return
Q4 24	-0.92	-0.99	-1.06
1 Year	19.33	17.49	18.67
3 Years (Annlzd)	4.37	5.44	3.79
5 Years (Annlzd)	10.42	10.06	9.81
10 Years (Annlzd)	9.77	9.23	9.16
May-13 - Dec-24 (Annlzd)^^	10.46	9.31	9.84

Annual Returns (%)

	Composite Gross Return	Composite Net Return	Benchmark Return	*Composite 3-Yr St Dev	*Benchmark 3-Yr St Dev	Number of Portfolios	**Dispersion	Composite Assets (mil)	Firm Assets (bil)
2015	2.34	1.78	-2.36	N/A	N/A	<5	N/A	44.2	28
2016	6.43	5.85	7.86	11.12	11.06	<5	N/A	1,188.30	28.9
2017	23.98	23.3	23.97	10.71	10.36	<5	N/A	1,913.20	34.5
2018	-10.53	-11.02	-9.42	11.76	10.48	<5	N/A	2,385.50	32
2019	28.02	27.32	26.6	12.36	11.22	5	N/A	3,528.80	40.2
2020	19.82	19.16	16.25	18.35	18.13	5	0.51	4,586.00	585.7
2021	20.51	19.85	18.54	16.59	16.84	5	2.06	6,296.80	634.2
2022	-22.38	-22.81	-18.36	20.06	19.86	5	0.14	4,694.80	627.4
2023	22.74	22.07	22.2	17.08	16.27	5	3.21	5,314.30	720
2024	19.33	18.67	17.49	17.28	16.2	<5	N/A	5,620.70	792.2

^^Represents composite inception period. See below for 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 the 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.

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