

Execution Policy

July 2026

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GLOSSARY OF ABBREVIATIONS AND TERMS

Abbreviation/term	Definition
BEC	Best Execution Committee.
FASC	Federated Advisory Services Company (“FASC”) a Federated Hermes Inc trading desk regulated by the SEC.
FCA	Financial Conduct Authority.
Federated Hermes	Federated Hermes Limited (“Federated Hermes”) contains companies authorised and regulated by the Financial Conduct Authority (“FCA”) and the Securities Exchange Commission (“SEC”). The investment management companies operating under the name Federated Hermes are; Hermes Investment Management Limited (HIML); and Hermes GPE LLP (Hermes GPE).
GOC	Governance Oversight Committee
MiFID	Markets in Financial Instruments Directive II (Markets in Financial Instruments Directive 2014/65/EU).
OMS	The Order Management Systems for processing client orders are Bloomberg AIM for credit portfolios and Charles River for equity portfolios.
MTFs	Multilateral Trading Facilities.
SEC	Securities Exchange Commission (“SEC”).
SI	Systematic Internaliser.

INTRODUCTION

This document sets out the Execution Policy and approach to providing best execution to our clients, as required by the Markets in Financial Instruments Directive II (MiFID II) and the FCA.

MiFID II requires Federated Hermes to take all sufficient steps to obtain the best possible results for clients when executing orders, taking into account price, costs, speed, likelihood of execution and settlement, size, nature and/or any other relevant order execution consideration, whether we are executing orders on behalf of clients or placing orders with, or passing orders to, others for execution.

Based on information provided by the client as part of their investment management agreement, Federated Hermes shall take reasonable steps to ensure that a decision to trade is suitable for the client's portfolio. At all times Federated Hermes will act in the best interests of clients when executing orders.

This policy provides an overview of Federated Hermes' approach to achieving the best possible results for clients when executing orders.

EXECUTION POLICY

Best execution obligation

Federated Hermes will act in the best interests of clients and seek best execution when placing orders on behalf of clients. Federated Hermes has in place this Policy and procedures which are designed to obtain the best possible execution result on a consistent basis for clients, taking into account the financial instrument and the nature of the order. Federated Hermes only executes orders on behalf of Professional Investors.

Federated Hermes' Central Dealing Desk

Federated Hermes uses the Central Dealing Desk model to ensure a separation of duties. Portfolio managers are responsible for the investment decision to trade which is then routed to the Central Dealing Desk for execution. The Central Dealing Desk is made up of a team of experienced dealers with

a wide knowledge of the markets and instruments Federated Hermes deals in. It is their job to focus on achieving the best possible execution of trades on behalf of clients. Orders transmitted to the Central Dealing Desk are passed on to third parties to execute in the relevant financial markets.

For equity investment teams the Central Dealing Desk operates a hybrid dealing model using both internal dealing desks and an outsourced external dealing desk operated by State Street Partnered Trading (UK) Limited. State Street Partnered Trading (UK) Limited execute orders for trades in the APAC and MEA regions in alignment with this Policy. Hermes Investment Management Limited and Federated Advisory Services Company are Federated Hermes' entities trading on behalf of clients for jurisdictions and instruments not traded by State Street Partnered Trading (UK) Limited. This hybrid model provides local market coverage for markets which operate outside of standard UK business hours. Federated Hermes has oversight over and monitors the quality of execution of all orders placed by State Street Partnered Trading (UK) Limited, Hermes Investment Management Limited and Federated Advisory Services Company.

Trading factors

Federated Hermes take into consideration a range of different factors when determining how to obtain the best possible result. These factors are price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order. For further information on the relative importance of the execution factors please see below.

Trading factor	Description
Price	For most liquid instruments, the price paid for the financial instrument will merit a high relative importance in obtaining the best possible result. However, in some circumstances other execution factors are more important than price in obtaining the best possible result.
Likelihood of Execution	In some instances, Federated Hermes' ability to actually execute the order will be the primary factor to be considered. Where, for example, the instrument is illiquid (i.e. rarely traded) or the size of the order is prohibitive, the policy will ensure that our ability to carry out the order takes precedence over other factors.
Order Size	The best price in a market is usually represented by the opportunity to trade in a particular size (i.e. number of shares, units, contracts etc.) which may not match the size of the client's order. Where the order is bigger than the typical quoted size, then the part of the order executed over and above the threshold may only be available at a less favourable price. This may require Federated Hermes to execute orders over the course of a day, or a number of days, with the overall order execution being expressed as an average price of all the individual executions on any given day.
Costs	Where explicit charges (such as exchange fees or settlement/custody costs) would make the overall consideration of the execution prohibitive (e.g. due to the cost of many small trades on an order book) then this may become the most important factor. Implicit charges such as those factored into a pricing spread may also be a consideration.
Speed of Execution	The speed of execution may be an important factor for some types of orders. Speed will be a high priority for an order in liquid (i.e. frequently traded) shares in a fast-moving market.
Nature of the Order	Federated Hermes will take into account any other factor relevant to the order that it believes warrants consideration in terms of how that order should be executed. For example this could be simply whether it is a buy or sell order or the order has price limits.
Any other relevant order execution factor	Quality of settlement and risks associated with a broker could be an example of another consideration when placing an order.

Factor weights

When assessing the best result the weights given to each trading factor are dynamic and may depend upon several variables, for example:

- A The characteristics of the client
- A The objectives, investment policy and risks specific to the portfolio
- A The characteristics of the client order
- A The characteristics of the financial instruments that are the subject of that order
- A The characteristics of the execution venues to which that order can be directed

Appendix 1 provides an overview of the primary factors typically considered by Federated Hermes' Central Dealing Desk when executing orders for different types of financial instruments. Whilst these are the most typical factors considered any of the factors could apply to a specific order.

Execution venues

An execution venue is where an order is transmitted to by the Central Dealing Desk for execution. The execution venue selected for a trade will take into account the financial

instrument and relevant trading factors. For each financial instrument in which we execute orders, the venues that we consider enable us on a consistent basis to obtain best execution are listed in Appendix 2.

We regularly assess the execution venues available and may add or delete venues in accordance with our obligation to provide the best possible execution result on a consistent basis. Federated Hermes may invest in an instrument that trades outside of a regulated market or Multilateral Trading Facility.

The venue selection for an order is impacted by an analysis of the trading factors relevant to the order and qualitative factors attributable to each venue. These qualitative selection factors for venues include:

- A Ability to source natural liquidity
- A Execution coverage/service
- A Execution consultancy and market structure analysis
- A Operational efficiency
- A Product development and innovation
- A Transparency and analysis tools

Methods of execution

Federated Hermes uses a variety of methods to execute orders. The most appropriate method for an order is selected to achieve best execution at the time.

Method	Description
Direct Market Access	Trades can be executed using third party technology and exchange memberships to access liquidity.
Algorithmic Trading	We may place orders with brokers who use algorithmic trading tools to access liquidity.
Direct Instruction	Trade instructions can be communicated either by voice or electronic message.
Request for Quote	Trades can be executed using either voice or electronic communication after third party quotes have been put into competition.
Programme trades	Programme trades may be used to trade a slice of a portfolio. Typically these trades are used to manage investor subscriptions and redemptions.
Hourly FX Fixing	A published and transparent FX market fixing price. This takes place hourly.

Liquidity Sources

Federated Hermes uses a variety of liquidity sources to transact. The most appropriate method for an order is selected to achieve best execution at the time.

Source	Description
Lit	Visible order book liquidity from available exchanges.
Dark	Invisible liquidity from available exchanges.
Auctions	Periodic Auctions - Liquidity from short duration auctions run periodically over the course of the day on a lit exchange order book. Open/Close Auctions - Liquidity from open/close auctions at the start and end of continuous Lit book market trading.
Systematic Internalisers	A systematic internaliser is an investment firm providing liquidity on an organised, systematic, frequent, and substantive basis on its own account when executing client orders.
Large in Scale	A large in scale waiver is offered to liquidity in the dark over a certain size, allowing trading to continue for blocks once the dark volume caps have been reached. Large in scale orders benefit from a pre-transparency waiver that is designed to protect large orders from adverse market impact and to avoid abrupt price movements that can cause market distortion.
Conditional Blocks	Order negotiation and execution platforms that allow market participants to trade blocks without revealing them to the wider market.
Off Exchange (OTC)	Most Fixed Income investments are executed off exchange where executions are transacted with the counterparty directly.
Placings	Block liquidity available from either primary or secondary market issuance.
Hourly FX Fixing	Transparent FX liquidity in which we can participate hourly.

Cross trades

If a client's portfolio allows cross trading and if the parameters of orders between separate clients match, they may be transacted with each other. The buyer and the seller benefit by having a reduced market impact and reduced costs.

Following specific instructions from a client

Whenever there is a specific instruction from a client Federated Hermes will execute the order in line with the specific instruction. Federated Hermes will take all sufficient steps to obtain the best possible result but may be constrained by the client's instructions. This may impact the quality of execution.

Aggregation of client orders

When multiple portfolios wish to trade in the same financial instrument at the same time, these orders may be aggregated together as a block trade to help achieve the best possible execution result for all clients. Orders will only be aggregated together if the order parameters match and there are no client restrictions on aggregating orders. Federated Hermes will ensure that orders are executed promptly and allocated in a fair manner on behalf of all investors.

Management of execution costs

For equity trades Federated Hermes negotiate execution commission rates with executing venues to achieve a quality of service that will help achieve best execution. Federated Hermes monitor and benchmark these rates against industry surveys and market intelligence. Further negotiation may take place on larger trades where we may be able to obtain improved rates. For credit trades a separate commission is not paid as it is embedded within the bid/offer spread.

Cash Management

Where appropriate and relevant Federated Hermes will invest available cash on behalf of clients. Facilities used for cash management purposes will be subject to a value-assessment to ensure we are seeking a competitive yield for clients.

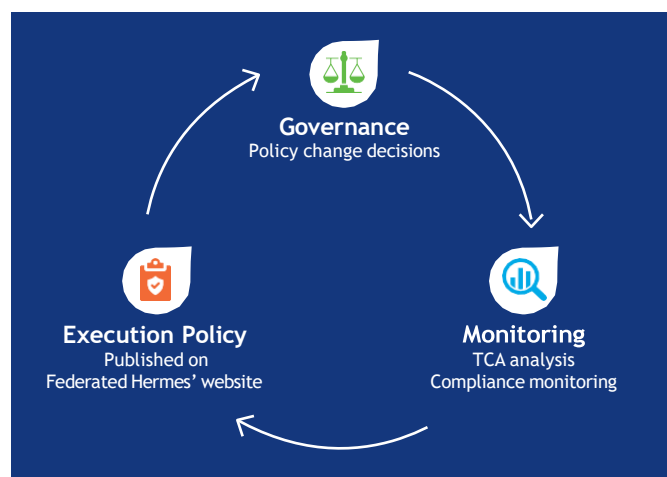
Monitoring and review

Federated Hermes monitors the effectiveness of execution arrangements and this Policy on a regular basis. As part of the monitoring third party transaction cost analysis is used to monitor the effectiveness of Federated Hermes trading against the market. Additional monitoring is undertaken by the Federated Hermes Compliance department.

Federated Hermes uses transaction cost analysis to review and improve the quality and methods of execution.

As part of the monitoring and review process Federated Hermes will look at enhancing this Policy when appropriate. Changes may be made due to the results of the monitoring identifying appropriate changes to trading practices or due to developments within the trading environment. Figure 1 demonstrates the constant monitoring, governance and policy development process:

Figure 1 - Monitoring and review Execution Policy



This Policy is reviewed regularly at part of the above process and at a minimum annually. The Policy is available publicly and published on the Federated Hermes' website <https://www.hermes-investment.com/policies>

Counterparty approval process

Trading venue approvals are subject to a formal process, assessing ownership, terms of business and financial adequacy of the counterparties Federated Hermes trades with. This is carried out independently by the Global Liquidity Group in conjunction with Risk. Once approved each Counterparty is subject to regular reviews. Selection can only be made from the pre-authorised list of Federated Hermes eligible counterparties. Clients may also request restrictions on the counterparties that can be used for their segregated account.

Conflicts of Interest

Fair treatment of clients in the execution of orders and allocation of trades is achieved by the use of standard allocation defaults on Federated Hermes' OMS and by following Federated Hermes Allocation & Aggregation Policy. This ensures that similar client mandates are managed fairly.

The OMS is also used to enforce a stop list of securities in which Federated Hermes is in receipt of price sensitive information.

There is a segregation of duty between fund managers and dealers. Fund managers are responsible for requesting orders and dealers are responsible for seeking the best possible results when placing orders.

Federated Hermes does not trade on its own investments alongside client orders. All trades are conducted to target best execution.

Federated Hermes Limited pays for all of its own investment research. Where a portfolio is sub-advised by a US regulated entity it may use Soft Dollars. If this is the case this will be agreed with the client and for funds it will be disclosed in the product offering documents.

Figure 2 - Governance



Governance

Federated Hermes has a governance structure to oversee execution arrangements. The Federated Hermes Best Execution Committee (BEC) is responsible for the oversight of Federated Hermes' best execution arrangements. The BEC monitors execution results. Any issues that require escalation will be reported to the Federated Hermes Governance Oversight Committee (GOC). Members of BEC include the Chief Compliance Officer, Global Head of Trading, Head of Risk, Group Head of Trading and representatives from other parts of the business, who provide risk oversight. Any issues or enhancements identified are discussed and this Policy is updated to reflect new trading practices when required. The GOC will refer any material issues to the Risk, Compliance & Financial Crime Committee and/or the Boards as necessary. The Global Liquidity Group in conjunction with Risk are responsible for the approval and monitoring of counterparties. The Counterparty Credit Committee have oversight of the approved list of counterparties.

APPENDICES

Appendix 1 - Appendix of instruments v factors

The following table provides a breakdown of the primary trading factors considered by Federated Hermes' Central Dealing Desk when placing an order on behalf of a client and are subject to change.

The primary factors will vary for different types of asset classes and financial instruments. Whilst these are the most consistent factors considered they may vary dependent on investment limits and market conditions at the time of a specific order. Any of the following trading factors may apply: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order.

Asset class	Primary factors
Equity	(i) Price (ii) Size
Fixed	(i) Price (ii) Size (iii) Likelihood of Execution
Yield	(i) Price (ii) Size (iii) Likelihood of Execution
Cash	(i) Price (ii) Size
Deposit	(i) Price
FX	(i) Price. We execute FX in the nearest hourly available market Fix. If a benchmark is missed due to unforeseen circumstances, executions are conducted in a timely fashion.
Futures	(i) Price (ii) Likelihood of Execution and Settlement
Exchange Traded Option	(i) Price (ii) Size
Swap	(i) Price (ii) Likelihood of Execution and Settlement
Swaption	(i) Price (ii) Likelihood of Execution and Settlement

The primary execution factors in the table are subject to change.

Appendix 2 - Execution venues

Federated Hermes uses the following execution venues when obtaining best execution as defined by MiFID. This list is not exhaustive and will be subject to change and will be updated from time to time. Federated Hermes may also use other venues where it deems appropriate in accordance with this Policy to achieve the best possible execution results.

Asset class	Execution venue	
Cash	Credit Agricole Corporate and Investment Bank	MUFG Bank Ltd London Branch
Discount	Bank of America NA Barclays Bank PLC BNP Paribas Paris Citigroup Global Markets Ltd Credit Agricole Corporate and Investment Bank Deutsche Bank AG Goldman Sachs International	JPMorgan Chase Bank NA (United States) Morgan Stanley & Co International Plc NatWest Markets PLC Nomura International Plc (London Branch) RBC Europe Ltd Wells Fargo Securities International Ltd
Equity	ABG Sundal Collier ASA Banco Santander SA BMO Capital Markets Limited Bradesco Securities Inc BTG Pactual US Capital LLC Cantor Fitzgerald Europe Citigroup Global Markets Ltd CLSA UK Daiwa Capital Markets Europe Ltd DnB NOR Bank ASA EFG Hermes International Securities Brokerage S.A. Goldman Sachs International Goodbody Stockbrokers Haitong International Securities Company Limited HSBC Bank Plc India Infoline Limited Instinet Europe Ltd Itau BBA USA Securities Inc Jefferies International Ltd J&E Davy	Joh Berenberg Gossler & Co JPMorgan Chase Bank NA Kepler Cheuvreux Kotak Securities Limited Merrill Lynch International Morgan Stanley & Co International Plc Morgan Stanley & Co Intl Nordea Bank Abp Numis Securities Ltd Optiver Panmure Gordon (UK) Ltd Peel Hunt LLP RBC Europe Ltd Stifel Nicolaus Europe Limited UBS AG Viet Capital Securities Joint Stock Company Virtu Europe Trading Limited Virtu Financial Ireland Limited Marex Financial JPMorgan Securities PLC
Fixed	Banco Santander SA Bank of America NA Barclays Bank PLC BNP Paribas Paris Cantor Fitzgerald Europe Citigroup Global Markets Ltd Commerzbank AG Credit Agricole Corporate and Investment Bank Danske Bank A/S Deutsche Bank AG Flow Traders B.V. Goldman Sachs International HSBC Bank Plc Jane Street Financial Limited Jefferies International Ltd JPMorgan Chase Bank NA (United States) Liquidnet Europe Ltd Lloyds Bank Corporate Markets PLC	MarketAxess Capital Limited Mizuho International Plc Morgan Stanley & Co International Plc MUFG Securities EMEA PLC Natixis NatWest Markets PLC Nomura International Plc (London Branch) Oddo BHF SCA RBC Europe Ltd SMBC Bank International PLC Societe Generale International Ltd Standard Chartered Bank SumRidge Partners LLC The Bank of Nova Scotia (London Branch) Tradeweb Europe Limited UBS AG Wells Fargo Securities International Ltd SMBC Nikko Capital Markets Ltd
Future	Morgan Stanley & Co International Plc Merrill Lynch International Barclays Bank Plc BNP Paribas Citigroup Global Markets Ltd JPMorgan Chase Bank	JPMorgan Securities Plc NatWest Markets Plc Societe Generale International Ltd Goldman Sachs International UBS AG
FX	Barclays Bank PLC HSBC Bank Plc JPMorgan Chase Bank NA (United States) Lloyds Bank Corporate Markets PLC	Northern Trust Company Royal Bank of Canada State Street Bank & Trust Co. (London Branch)
Swap	Barclays Bank PLC Barclays Bank Ireland PLC BNP Paribas Paris Citigroup Global Markets Ltd Deutsche Bank AG Goldman Sachs International	HSBC Bank Plc JPMorgan Chase Bank NA (United States) JPMorgan Securities PLC Merrill Lynch International Morgan Stanley & Co International Plc Morgan Stanley Capital Services LLC
Swaption	BNP Paribas Paris Goldman Sachs International JPMorgan Chase Bank NA (United States)	Merrill Lynch International Morgan Stanley & Co International Plc

Federated Hermes

Federated Hermes is a global leader in active, responsible investing.

Guided by our conviction that responsible investing is the best way to create long-term wealth, we provide specialised capabilities across equity, fixed income and private markets, multi-asset and liquidity management strategies, and world-leading stewardship.

Our goals are to help people invest and retire better, to help clients achieve better risk-adjusted returns and, where possible, to contribute to positive outcomes that benefit the wider world.

Our investment and stewardship capabilities:

- **Active equities:** global and regional
- **Fixed income:** across regions, sectors and the yield curve
- **Liquidity:** solutions driven by five decades of experience
- **Private markets:** private equity, private credit, real estate and infrastructure
- **Stewardship:** corporate engagement, proxy voting and policy advocacy

For more information, visit www.hermes-investment.com or connect with us on social media:

