

FEDERATED INVESTMENT COUNSELING

March 17, 2020

ITEM 2. MATERIAL CHANGES

As required by SEC rules, through this summary, Federated Investment Counseling is identifying and discussing certain changes from the last annual update to its Form ADV, Part 2A, brochure.

The discussion immediately below addresses only changes believed to be material from the last annual update of our brochure dated March 18, 2019. We encourage you to use this summary to determine whether to review our amended brochure, dated March 17, 2020 (Updated Brochure), in its entirety or to contact Federated Investment Counseling with questions about the changes.

You may contact us at 1-800-245-4770 (select option 2) if you have any questions or to request a copy of our Updated Brochure. A copy of our Updated Brochure will be provided free of charge. You also may obtain our Updated Brochure from our website (FederatedInvestors.com) free of charge. Additional information about us, our investment adviser representatives, and our affiliates that are domestic registered investment advisers (together with us, each a Federated Advisory Company and, collectively, the Federated Advisory Companies) also is available via the SEC's website at www.adviserinfo.sec.gov."

Item 4 Section B ("Advisory Business - Our Ownership Structure"): This section has been updated to reflect that our ultimate parent is now known as Federated Hermes, Inc. and to describe our current relationship with the Hermes Advisory Companies and Hermes EOS (each as defined below). Accordingly, this section has been restated as follows:

We are an indirect, wholly-owned subsidiary of Federated Hermes, Inc. Federated Hermes is organized as a Pennsylvania corporation and is a publicly owned company (Ticker Symbol: FHI). Federated Hermes owns 100% of the outstanding voting securities of FII Holdings, Inc., a Delaware corporation. FII Holdings owns 100% of the outstanding voting securities of Federated Investment Counseling.

Federated Hermes, a public company, has shares of both Class A Common Stock and Class B Common Stock. The Class B Common Stock is listed on the New York Stock Exchange ("NYSE"). Except under certain limited circumstances, the entire voting power of Federated Hermes is vested in the holder of the outstanding shares of the Class A Common Stock. All of the outstanding shares of Class A Common Stock are held by a Voting Shares Irrevocable Trust, dated May 31, 1989 (the "Voting Trust"), the three trustees of which are Federated Hermes's President and Chief Executive Officer and Chairman of its Board of Directors, Mr. J. Christopher Donahue, his brother, Thomas R. Donahue, Federated Hermes's Vice President, Treasurer and Chief Financial Officer and a director, and their mother, for the benefit of the members of the Donahue family.

Federated Hermes owns a number of domestic and foreign advisory subsidiaries that are under common control with, and affiliates of, Federated Investment Counseling. Effective July 1, 2018, Federated Hermes, Inc. (under its former name, Federated Investors, Inc.) completed a transaction whereby its subsidiary, Federated Holdings (UK) II Limited, became the majority shareholder of Hermes Fund Managers Limited and its subsidiaries, including, among other entities, its registered investment adviser subsidiaries (the "Hermes Advisory Companies") and Hermes Equity Ownership Services ("Hermes EOS"), an entity that provides stewardship services, including engagement on environmental, social, corporate governance, strategic and financial matters, as well as proxy voting recommendations and administrative services, and research services. Hermes EOS is discussed further in Item 10. Although the Hermes Advisory Companies are under common control with, and affiliates of, Federated Investment Counseling and the other Advisory Companies (together with us, each, as applicable, a "Federated Advisory Company" and, collectively, as applicable, the "Federated Advisory Companies"), the disclosure and discussion of the policies and practices of the Federated Advisory Companies herein does not include the Hermes Advisory Companies, except where specifically noted, as the Hermes Advisory Companies generally operate their investment management and trading functions independently, and will have no material effect on the advisory activities of the Federated Advisory Companies. However, Federated Investment Counseling or other Federated Advisory Companies will provide coordination and oversight of the investment

management activities of the Hermes Advisory Companies when the Hermes Advisory Companies act in a subadvisory capacity for clients of the Federated Advisory Companies, and will share certain internally-generated research with the Hermes Advisory Companies and Hermes EOS, subject to the information barriers described below. As discussed under “Conflicts Related to Information Sharing Among Affiliates” in Item 6, information barriers have been implemented among the Advisory Companies and Hermes EOS to prevent the exchange of material non-public information among the Federated Advisory Companies, Hermes EOS, and the Hermes Advisory Companies, and which requires that all investment-related activities, including trading activity and the allocation and aggregation of trades, of the Federated Advisory Companies are operated independent of, and are not integrated with, the investment related activities of the Hermes Advisory Companies. (Please refer to “Other Financial Industry Activities and Affiliations” in Item 10 of this brochure for further information.)

The Federated Advisory Companies collectively provide advisory services to a variety of separately managed accounts or wrap fee accounts (Managed Accounts), institutional, or high net worth individual, separate accounts (Separate Accounts), registered investment companies or mutual funds (Investment Companies), private investment companies (Private Investment Companies), other pooled investment vehicles (Pooled Investment Vehicles), and proprietary accounts and funds (Proprietary Accounts). Federated Hermes also owns other companies, both in the United States and in certain other countries, such as brokers/dealers, investment advisers, management companies, commodity pool operators, and trust companies.

Item 5 Section A.1 (“Fees and Compensation - Our Advisory Fees - Advisory Fee Information for Separate Accounts, Managed Accounts, and Model Portfolio Management Services”): This section has been updated to reflect our current basic fee schedules. Accordingly, the fee schedules under the heading “Our Basic Fee Schedules -- Separate Accounts, Managed Accounts, and Model Portfolio Management Services” have been restated as follows:

Federated Investment Counseling’s basic fee schedules are as follows:

Small Cap Accounts:

85 basis points - first \$5 million in assets under management (AUM)
80 basis points - first \$25 million in AUM
75 basis points - over \$25 million to \$50 million in AUM
70 basis points - over \$50 million to \$100 million in AUM
60 basis points - over \$100 million in AUM

Large Cap Accounts; All Cap Value Accounts; Balanced Accounts:

70 basis points - first \$5 million in assets under management (AUM)
60 basis points - first \$25 million in AUM
50 basis points - over \$25 million to \$50 million in AUM
40 basis points - over \$50 million to \$100 million in AUM
35 basis points - over \$100 million in AUM

International Equity Accounts:

75 basis points - first \$25 million in assets under management (AUM)
65 basis points - over \$25 million to \$50 million in AUM
55 basis points - over \$50 million to \$100 million in AUM
45 basis points - over \$100 million in AUM

Money Market/Liquidity Accounts:

10 basis points - first \$500 million in assets under management (AUM)
8 basis points - over \$500 million in AUM

Active Cash Fixed Income Accounts:

12 basis points - first \$100 million in assets under management (AUM)
10 basis points - over \$100 in AUM

Low Duration Fixed Income Accounts:

20 basis points - first \$25 million in assets under management (AUM)

18 basis points - over \$25 million to \$100 million in AUM
15 basis points - over \$100 million in AUM

General Fixed Income Accounts:

35 basis points - first \$5 million in assets under management (AUM)
30 basis points - on the first \$25 million in AUM
25 basis points - over \$25 million to \$100 million in AUM
22.5 basis points - over \$100 million in AUM

Core Plus Fixed Income Accounts:

35 basis points - first \$25 million in assets under management (AUM)
30 basis points - over \$25 million to \$100 million in AUM
27.5 basis points - over \$100 million in AUM

Opportunistic Corporate Fixed Income Accounts:

35 basis points - first \$25 million in assets under management (AUM)
30 basis points - over \$25 million to \$75 million in AUM
25 basis points - over \$75 million in AUM

High Yield Fixed Income Accounts:

50 basis points - first \$50 million in assets under management (AUM)
35 basis points - over \$50 million to \$100 million in AUM
25 basis points - over \$100 million in AUM

International Fixed Income Accounts:

45 basis points - first \$25 million in assets under management (AUM)
40 basis points - over \$25 million to \$50 million in AUM
35 basis points - over \$50 million to \$100 million in AUM
30 basis points - over \$100 million in AUM

Trade Finance Fixed Income Accounts:

85 basis points - first \$25 million in assets under management (AUM)
75 basis points - on the next \$25 million to \$50 million in AUM
65 basis points - on the next \$50 million to \$75 million in AUM
50 basis points - over \$75 million in AUM

Floating Rate Strategic Multi-Sector Fixed Income Accounts:

50 basis points - first \$50 million in assets under management (AUM)
35 basis points - over \$50 million to \$100 million in AUM
25 basis points - over \$100 million in AUM

Bond Ladders:

25 basis points - first \$100 million in assets under management (AUM)
20 basis points - over \$100 million in AUM

Short Municipal Accounts:

25 basis points - on the first \$25 million in assets under management (AUM)
22.5 basis points - over \$25 million to \$100 million in AUM
20 basis points - over \$100 million in AUM

Intermediate to Long Municipal Accounts:

35 basis points - first \$5 million in assets under management (AUM)

30 basis points - on the first \$25 million in AUM

27.5 basis points - over \$25 million to \$50 million in AUM

25 basis points - over \$50 million to \$100 million in AUM

22.5 basis points - over \$100 million in AUM

Institutional Separate Accounts that Include Project and Trade Finance Investments as Part of Investment Strategy:

For any institutional separate account that may be invested in Project and Trade Finance investments as part of its investment strategy, Federated Investment Counseling reserves the right to increase its standard fee schedule noted above as follows:

- If exposure to project and trade finance investments in the strategy is intended to be at 5% up to 10%, each tier of the applicable standard fee schedule may be raised by 5 basis points (so 35 basis points on the first \$25 million becomes 40 basis points, etc.).
- If exposure to project and trade finance investments in the strategy is intended to be at 10% or above, each tier of the standard fee schedule may be raised by 10 basis points.
- This structure applies regardless of whether the actual exposure fluctuates, and regardless of whether the exposure to project and trade finance investments is achieved through investments in individual securities, investments in Investment Companies, Private Investment Companies, or other Pooled Investment Vehicles, or a combination of individual securities and funds.

Item 6 Section B.6 (“Performance-Based Fees and Side by Side Management - Conflicts of Interest Relating to Side by Side Management - Other Conflicts of Interest Relating to Certain Investment and Brokerage Practices”): This section has been updated to reflect certain of our and our affiliates’ current investment and brokerage practices and the conflicts of interest related thereto. Accordingly, this section has been restated as follows:

There will be times when the same security is being purchased or sold concurrently for multiple client accounts or portfolios. In these situations, except as discussed below, Federated Investment Counseling has policies in place which are reasonably designed to commence trade execution as concurrently as practicable, or otherwise in a fair and equitable manner, address potential conflicts of interest and protect client interests. Various factors, however, may result in trades for a client not being aggregated with batched trades for other clients of Federated Investment Counseling or another Federated Advisory Company and clients receiving a different price, either higher or lower, for the same security. For example, certain operational differences inherent in the trade execution process result in trades for certain clients (such as Managed Accounts and other accounts managed to the same model portfolio as Managed Accounts) being effected either before or after trades for other clients. Also, for example and except as discussed below, when providing discretionary advisory services to Managed Account clients, purchases and sales of securities generally are processed on a rotational basis by Managed Account Program Sponsor and Program. With respect to our equity investment strategies utilized in providing our non-discretionary Model Portfolio Management Services, we include the Overlay Managers in the trade rotation process for our discretionary Managed Accounts and we currently communicate model changes to the Overlay Managers during the Overlay Manager’s turn in the trading rotation. In implementing our trade rotation process, Federated Investment Counseling may allot a period of time, which may be adjusted periodically, for a Sponsor or Overlay Manager to arrange executions for accounts before moving to the next Sponsor’s or Overlay Manager’s turn in the rotation process. With respect to our fixed income investment strategies utilized in providing our non-discretionary Model Portfolio Management Services, given the operational aspects inherent in trading fixed income securities, decisions with respect to changes in fixed income model portfolios depend upon the availability of fixed income securities in the market; as a result, we communicate fixed income model changes to Overlay Managers as concurrently as practicable (outside of our trade rotation process) to commencing trading with respect to the Managed Accounts we manage on a discretionary basis. The Overlay Managers have discretion to accept or reject our recommended model portfolio changes and will execute trades in accordance with the Overlay Manager’s policies and procedures, which may result in trades for Overlay Manager clients being effected before, after or at the same time as trades for other Federated Investment Counseling clients. Managed Account Programs that require directed brokerage/trading (and other clients who direct brokerage/trading) may instruct that client transactions be executed through specific brokers/dealers. Except as discussed below, the other Federated Advisory Companies have adopted similar policies. Taking these scenarios and factors into account, Federated Investment Counseling and the other

Federated Advisory Companies, have procedures in place which we believe are consistent with our duty to seek to obtain best execution of client trades and designed to treat clients fairly and prevent clients from being systematically favored or disadvantaged.

With respect to certain Managed Account strategies, including the small cap value strategy, Federated Investment Counseling rebalances or optimizes portfolios on a periodic basis, on schedules that generally differ by strategy. Based on market or other events or circumstances, securities may also be bought or sold prior to a scheduled rebalancing. Trading for these strategies is performed by personnel that do not coordinate trading with personnel responsible for trading other client accounts. Consequently, Federated Investment Counseling may purchase or sell securities for Managed Accounts on different days than it does for other accounts and, in certain circumstances, on the same day before or after trades for such other accounts. Federated Investment Counseling will periodically review trading to seek to identify, and if necessary address, any material impact on performance created by these trading practices.

Federated Global Investment Management Corp.

With respect to most investment strategies, Federated Global Investment Management Corp. has policies in place which are reasonably designed to commence trade execution as concurrently as practicable, or otherwise in a fair and equitable manner, for Managed Accounts and other client accounts (*e.g.*, institutional and high net worth Separate Accounts and Investment Companies) at different trading desks.

With respect to certain Managed Account strategies, including its large cap growth equity strategy, Federated Global Investment Management Corp. rebalances or optimizes portfolios on a periodic basis, on schedules that generally differ by strategy. Based on market or other events or circumstances, securities may also be bought or sold prior to a scheduled rebalancing. Trading for these strategies is performed by personnel that do not coordinate trading with personnel responsible for trading other client accounts. Consequently, Federated Global Investment Management Corp. may purchase or sell securities for Managed Accounts on different days than it does for other accounts and, in certain circumstances, on the same day before or after trades for such other accounts. Federated Global Investment Management Corp. will periodically review trading to seek to identify, and if necessary address, any material impact on performance created by these trading practices.

Trades for a client that has directed use of a particular broker or dealer are typically placed at the end of aggregated trading activity. There can be no assurance that each client will receive the same price for a security, and, depending upon the circumstances, different clients may receive different prices, either higher or lower, for the same security.

Federated MDTA LLC

Due to operational, technological and other reasons, Federated MDTA LLC, another Federated Advisory Company, also has adopted a rotation policy whereby purchases and sales of securities are processed on a rotational basis. Federated Investment Counseling clients do not participate in the trading rotation of MDTA LLC accounts. When providing nondiscretionary Model Portfolio Management Services, Federated MDTA LLC currently communicates model changes to Overlay Managers as concurrently as practicable with commencing trading with respect to the Managed Accounts Federated MDTA LLC manages on a discretionary basis.

Clients also should be aware that conflicts of interest arise because portfolio decisions regarding one client's account may impact the accounts of the other clients. If authorized under an investment management agreement, Federated Investment Counseling or other Federated Advisory Companies may (a) participate in bankruptcy proceedings or join creditor committees on behalf of some or all of our or their clients with respect to securities or other assets held in client accounts, (b) participate in other litigation, actions or decisions involving securities or other assets held in client accounts, or (c) otherwise pursue or enforce rights available to creditors with respect to a security held in a client's account. For example, we may seek to enforce rights with respect to a security of an issuer in which a client's assets have been invested, and those activities may potentially have an adverse effect on that or other securities of that issuer held in client accounts. As a result, prices, availability, liquidity and other investment terms may be negatively impacted by such activities, and transactions for client accounts may be impaired or effected at prices or on terms that may be different (including less favorable) than would otherwise have been the case.

Item 6 Section C.4 (“Performance-Based Fees and Side by Side Management - Other Actual or Potential Conflicts of Interest - Conflicts of Interest Relating to Information Sharing Among Affiliates”): This section has been updated to reflect how certain information is shared among the Federated Advisory Companies (as defined below), the Hermes Advisory Companies, and Hermes EOS. Accordingly, this section has been restated as follows:

Actual or potential conflicts of interest could arise to the extent that Federated Investment Counseling, or our affiliates (e.g., the other Advisory Companies and Hermes EOS), share material non-public information related to a security (“MNPI”). In order to address such potential conflicts and protect client interests, information barriers have been established among the Federated Advisory Companies, the Hermes Advisory Companies, and Hermes EOS such that personnel of the Federated Advisory Companies, the Hermes Advisory Companies, and Hermes EOS are generally precluded from sharing investment-related information, including MNPI, across the barriers. The entities will generally operate their investment management and trading functions independently, and will be subject to their own internal personal dealing, trade allocation, and side by side management policies. The Federated Advisory Companies, the Hermes Advisory Companies, and Hermes EOS share internally-generated research that does not contain MNPI or information regarding non-public holdings or trading for client accounts. It is possible that future investment products may be mutually developed by the Advisory Companies or that specific engagements may be entered between the two groups. These new products or engagements will be structured with appropriate information sharing limitations specific to that product or engagement.

Federated Investment Counseling and the other Advisory Companies will frequently be required by law in the U.S., the U.K. and certain other jurisdictions, to make regulatory filings based on the investments made and resulting fund ownership in securities when the ownership of such securities exceeds thresholds specified in relevant law. It is possible that services provided by Hermes EOS may from time to time necessitate similar filings. These filings may in turn require the sharing of certain information among the Hermes Advisory Companies, Hermes EOS, and the Federated Advisory Companies. This information may contain detailed holdings or positions data and could constitute MNPI. To address this potential conflict, the Advisory Companies have implemented internal controls which require that such information will be shared only among such limited personnel as is necessary to make accurate and timely regulatory filings and to maintain proper trading limitations. Similar controls have been established to appropriately manage other instances of information sharing, to the extent that personnel of a Federated Advisory Company must receive certain investment-related information from a Hermes Advisory Company (or vice versa). To mitigate any potential conflicts, such personnel will generally be subject to the codes of ethics of both the Federated Advisory Companies and the Hermes Advisory Companies.

Item 6 Section C.5 (“Performance-Based Fees and Side by Side Management - Other Actual or Potential Conflicts of Interest - Conflicts of Interest Relating to Hermes EOS”): This section has been updated to describe how the Federated Advisory Companies may utilize Hermes EOS’s stewardship and engagement services. Accordingly, this section has been restated as follows:

Actual or potential conflicts of interest may arise to the extent that the Federated Advisory Companies engage Hermes EOS to provide some or all of its stewardship and engagement services in connection with Investment Supervisory Services provided by the Federated Advisory Companies. For example, to the extent that the Federated Advisory Companies retain Hermes EOS to provide stewardship services, Hermes EOS may benefit from the opportunity to broaden the asset base that it represents with respect to these services in the aggregate, and consequently broaden the scope of its business. In addition, certain stewardship services provided by EOS may be contrary to the personal views of our clients as they relate to ESG or other stewardship matters. In order to mitigate this potential conflict, the Federated Advisory Companies will use Hermes EOS stewardship services ultimately to seek to increase the value of positions held in the Federated Advisory Companies’ client accounts. To the extent that the Federated Advisory Companies determine that advocacy by Hermes EOS is not likely to result in an increase in value, Federated may request that its holdings not be included in any advocacy with an issuer. While there is no intent on the part of the Federated Advisory Companies to act jointly with other Hermes EOS clients on any matter, it is also possible that certain stewardship services entered into by Hermes EOS may be viewed as joint action by Hermes EOS and/or its clients, including the Federated Advisory Companies, which could impose certain reporting and other requirements under U.S. securities laws. Hermes EOS and the Federated Advisory Companies seek to mitigate this potential conflict of interest through policies that provide that the Federated Advisory Companies will not direct Hermes EOS with respect to the companies with which it engages or the positions that inform its engagement. Hermes EOS also maintains policies and

procedures related to client engagement and voting that are intended, in part, to limit the reporting obligations of Hermes EOS and its clients under U.S. securities laws.

Item 7 Section B (“Types of Clients - Requirements for Accounts”): This section has been updated to reflect our current account requirements. Accordingly, this section has been restated as follows:

Federated Investment Counseling requires clients to enter into an investment management agreement. Our investment management agreements contain grants of authority from our clients that allow us to manage client assets and, in certain cases, we may request clients to execute and deliver a separate, stand-alone power of attorney. Except in the case of a dual contract or unbundled Managed Account Program, Managed Account clients typically will not enter into an investment management agreement directly with us. In that case, Managed Account clients will enter into investment management and/or other agreements with the Sponsors or Platform Providers for the Managed Account Program.

While we reserve the right to waive minimum account size requirements, our minimum account size targets are stated below.

Our minimum account size for accounts other than Managed Account Program accounts generally is \$500 million for Money Market/Liquidity Accounts, \$50 million for Active Cash Fixed Income Accounts and \$25 million for all other strategies.

Accounts (including accounts below the relevant investment minimums) may utilize Investment Companies, Private Investment Companies and certain Pooled Investment Vehicles managed by Federated Investment Counseling or other Federated Advisory Companies that meet the objectives of the client.

Federated Investment Counseling’s target account size for Managed Account Program accounts is \$100,000. Certain asset classes may require larger account minimums to seek proper diversification. The minimum account sizes for Managed Account Programs also may differ based on the requirements of the program Sponsors, Platform Providers or Overlay Managers.

Federated Investment Counseling may request clients to provide proof of authority, directed trading letters, qualified purchaser or accredited investor letters/certifications, or other information to allow us to manage client assets.

We provide investment advisory services for our Managed Account and other clients in accordance with the performance standards and limitations of liability as discussed in this brochure. (Please refer to “Standard of Care” in Item 4 of this brochure for further information.)

Federated Investment Counseling also may be restricted by the securities laws of jurisdictions outside of the U.S. from managing the assets of certain clients living or located in such jurisdictions.

Item 8 Section A (“Methods of Analysis, Investment Strategies and Risk of Loss - Basic Information”): This section has been updated to describe additional risks associated with the following:

LIBOR

Certain derivatives or debt securities, or other financial instruments in which we may invest, as well as certain Investment Companies’ committed, revolving line of credit agreements, as applicable, utilize or may utilize in the future the London Interbank Offered Rate (“LIBOR”) as the reference or benchmark rate for interest rate calculations.

LIBOR is a measure of the average interest rate at which major global banks can borrow from one another. It is quoted in multiple currencies and tenors using data reported by a panel of private-sector banks. Following allegations of rate manipulation in 2012 and concerns regarding its thin liquidity, the use of LIBOR came under increasing pressure, and in July 2017, the U.K. Financial Conduct Authority, which regulates LIBOR, announced that it will stop encouraging banks to provide the quotations needed to sustain LIBOR after 2021. This may cause LIBOR to cease to be published. LIBOR panel banks have agreed to submit quotations to LIBOR through the end of 2021. Before then, it is expected that market participants will transition to the use of different reference or benchmark rates. However, there is currently no definitive information regarding the future utilization of LIBOR or of any particular replacement rate. Regulators have

suggested alternative reference rates, but global consensus is lacking and the process for amending existing contracts or instruments to transition away from LIBOR remains unclear.

While it is expected that market participants will amend financial instruments referencing LIBOR to include fallback provisions and other measures that contemplate the discontinuation of LIBOR or other similar market disruption events, neither the effect of the transition process nor the viability of such measures is known. While market participants have begun transitioning away from LIBOR, there are obstacles to converting certain longer term securities and transactions to a new benchmark or benchmarks. The effectiveness of multiple alternative reference rates as to one primary reference rate has not been determined. The effectiveness of alternative reference rates used in new or existing financial instruments and products has also not yet been determined. As market participants transition away from LIBOR, LIBOR's usefulness may deteriorate, which could occur prior to the end of 2021. The transition process may lead to increased volatility and illiquidity in markets that currently rely on LIBOR to determine interest rates. LIBOR's deterioration may adversely affect the liquidity and/or market value of securities that use LIBOR as a benchmark interest rate, including securities and other financial instruments we invest in. Further, the utilization of an alternative reference rate, or the transition process to an alternative reference rate, may adversely affect investment performance.

Coronavirus

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in December 2019 and subsequently spread internationally. This coronavirus has resulted in closing borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains and customer activity, as well as general concern and uncertainty. The impact of this coronavirus may be short term or may last for an extended period of time and result in a substantial economic downturn. Health crises caused by outbreaks, such as the coronavirus outbreak, may exacerbate other pre-existing political, social and economic risks. The impact of this outbreak, and other epidemics and pandemics that may arise in the future, could negatively affect the worldwide economy, as well as the economies of individual countries, individual companies and the market in general in significant and unforeseen ways. Any such impact could adversely affect the performance of the securities in which a client's account invests and the performance of a client's account.

Item 8 Section B ("Methods of Analysis, Investment Strategies and Risk of Loss - Strategy-Specific Disclosure"): This section has been updated to remove a specific strategy we no longer offer and to add new disclosures regarding certain strategies, as follows:

International Equity

This strategy seeks to invest primarily in equity securities of foreign companies located in both developed and emerging market countries. A combination of quantitative screens and/or fundamental analysis may be used to create a portfolio of attractively valued stocks with strong industry positions and solid growth prospects. The strategy may use growth and/or value investment styles and may include market capitalization considerations. Portfolios may employ hedging strategies. Risks for this strategy include, for example, political, economic, market, tax, credit and other risks associated with foreign investing, risks of the value of equity securities and exchange-traded funds rising and falling; risks of business failure, risks related to company size, investment style risks, technology risks, risks of investing in derivative contracts, risks that a party to a transaction involving the portfolio will fail to meet its obligations, risks of daily fluctuations in the value of currency, risks of issuer default, and risks that a particular sector will underperform other sectors.

All Cap Value

This strategy seeks long-term capital appreciation by investing primarily in a portfolio of equity securities – across all capitalization ranges – that the portfolio managers believe to be undervalued and poised for fundamental improvement. Securities are selected based on bottom-up research conducted by an experienced group of fundamental analysts. The analysts seek securities that are trading at prices below their intrinsic values, and that also fit into at least one of three specific situations, which are classified as Crossroads, Coattail, and Competitive Advantage scenarios. This classical value investing strategy utilizes sophisticated quantitative techniques to aid in both idea generation and portfolio management, seeking to deliver the optimal blend of risk and return. Risks for this strategy include, for example, risks of the price of equity securities rising and falling, risks of business failure, risks that value stocks may lag behind growth stocks in an up

market, risks related to company size, technology risks, and risks that a party to a transaction involving the portfolio will fail to meet its obligations.

Small Cap Value

This strategy seeks long-term capital appreciation by investing primarily in a portfolio of equity securities of small capitalization companies that the portfolio managers believe to be undervalued and poised for fundamental improvement. Securities are selected based on bottom-up research conducted by an experienced group of fundamental analysts. The analysts seek securities that are trading at prices below their intrinsic values, and that also fit into at least one of three specific situations, which are classified as Crossroads, Coattail, and Competitive Advantage scenarios. This classical value investing strategy utilizes sophisticated quantitative techniques to aid in both idea generation and portfolio management, seeking to deliver the optimal blend of risk and return. Risks for this strategy include, for example, risks of the value of equity securities rising and falling, risks of business failure, risks that value stocks may lag behind growth stocks in an up market, risks that a particular sector will underperform other sectors, risks related to company size, technology risks, risks of investing in derivative contracts, and risks that a party to a transaction involving the portfolio will fail to meet its obligations.

Item 11 Section B.3 (“Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Participation or Interest in Client Transactions - Principal and Cross Transactions”): This section has been updated to describe the circumstances under which cross transactions involving Proprietary Accounts (as defined below) may generally occur. Accordingly, this section has been restated as follows:

Federated Investment Counseling or an affiliate (*e.g.*, the other Federated Advisory Companies) also may from time to time buy or sell portfolio securities:

- Between a Proprietary Account and another client account (including Separate Accounts, Investment Companies, Private Investment Companies, or Pooled Investment Vehicles);
- Between client accounts (including Separate Accounts, Investment Companies, Private Investment Companies, or Pooled Investment Vehicles); or
- Between Proprietary Accounts.

A Proprietary Account generally will only participate in one of the foregoing transactions when the extent of our and/or our affiliates’ interest in such Proprietary Account would not cause the transaction to be a principal transaction within the meaning of Section 206(3) of the Advisers Act. When engaging in cross or principal transactions, neither Federated Investment Counseling nor our affiliates receive any compensation for acting as a broker/dealer and follow any applicable SEC rules or guidance for cross transactions or, if applicable, principal transactions. (Please refer to “Conflicts of Interest Relating to Certain Cross Transactions” in Item 6 of this brochure for further information regarding conflicts of interest and how they are addressed.)

The above activities can create various actual or potential conflicts of interest for Federated Investment Counseling and our employees, supervised persons and related persons. (Please refer to “Conflicts of Interest Relating to Uninvested Cash Positions,” “Conflicts of Interest Relating to Affiliated Investment Vehicles,” “Conflicts of Interest Relating to Proprietary Accounts” and “Conflicts of Interest Relating to Certain Cross Transactions” in Item 6 of this brochure for further information regarding conflicts of interest and how they are addressed.)

Item 13.A (“Review of Accounts - Account Reviews”): This section has been updated to reflect our current account review practices. Accordingly, this section has been restated as follows:

Federated Investment Counseling assigns one or more portfolio manager(s) to each account or investment product. Each account is subject to periodic, continuous review and monitoring on a daily basis by the portfolio manager(s) assigned to the account or investment product. Individual portfolio manager accounts typically range from one to twenty client relationships. All accounts or investment products are reviewed on an ongoing basis by the portfolio manager(s) and Chief Investment Officers for Federated Investment Counseling through the use of a set of summary control reports. Reviews with clients are conducted at time intervals established by each client and generally cover all significant investment aspects of an account’s portfolio.

For Managed Accounts, we assign one or more portfolio manager(s) to establish portfolios of specific investment styles. Individual accounts are reviewed by the portfolio manager(s) and traders and operations personnel on a daily basis. Oversight is provided by a Chief Investment Officer and senior advisory personnel. Reviews also are conducted at least quarterly by each Managed Account Program Sponsor.

The portfolio managers observe the portfolio objectives and special requirements of each account as well as the investment restrictions. Triggering events for review include, among others, changes in account objectives and restrictions, assessments of the outlook in research, and cash inflows and outflows.

As part of the regular, ongoing, periodic reviews discussed above, or at other times determined necessary, reviews also are triggered for compliance purposes, such as in connection with compliance monitoring and testing for compliance with investment guidelines and investment restrictions.

Item 14.A (“Client Referrals and Other Compensation - Arrangements Involving Receipt of Economic Benefits from Non-Clients”): This section has been updated (i) to explain we and certain other Federated Advisory Companies receive Research and Brokerage Services (as defined below) from broker/dealers in connection with client transactions and (ii) to describe how certain investment professionals are currently compensated. Accordingly, this section has been restated as follows:

As discussed under “Brokerage Practices” in Item 12 of this brochure, some brokers or dealers that execute portfolio transactions for Federated Investment Counseling and certain other Federated Advisory Companies and their clients, may furnish Research and Brokerage Services which may be used by us and certain other Federated Advisory Companies in advising Investment Companies, Private Investment Companies, Pooled Investment Vehicles, Separate Accounts, Managed Accounts and other accounts. To the extent that receipt of these services and software may supplant services for which we or certain other Federated Advisory Companies might otherwise have paid, expenses would be reduced.

As discussed under “Our Advisory Services” in Item 4 of this brochure, Federated Investment Counseling and our affiliates (*e.g.*, certain other Federated Advisory Companies) act as portfolio managers in Managed Account Programs. In Managed Account Program arrangements, we, and certain of our affiliates, receive fees from Sponsors to the Managed Account Programs, or Related Platform Providers, for services rendered to Managed Account Program participants. To the extent that the Sponsor or Platform Provider is not considered a client, and Managed Account Program participants may be deemed to be clients, we, and certain of our affiliates, could be viewed as receiving cash from a non-client in connection with advice given to Managed Account Program participants. Similarly, we, and certain of our affiliates, receive fees for investment advisory services provided to sub-advisory clients from the primary advisers for those clients.

As discussed under “Sales Compensation” in Item 5 of this brochure, Federated Investment Counseling and certain other Advisory Companies have entered into a written agreement with our affiliate, Federated Securities Corp., a registered broker/dealer, municipal securities dealer, and investment adviser as well as with Federated International Securities Corp., a registered broker/dealer and investment adviser. Under these arrangements, employee-representatives of Federated Securities Corp. or Federated International Securities Corp. may also serve as sales people for the investment services and products sponsored by Federated Hermes and investment advisory services offered by Federated Investment Counseling and certain of the other Advisory Companies. Federated Securities Corp., Federated International Securities Corp. and their employee-representatives, act in the capacity of solicitors for Federated Investment Counseling and certain other Advisory Companies. In certain cases, Federated Securities Corp. or Federated International Securities Corp., and their employee-representatives, also provide advice on behalf of us and other Federated Advisory Companies to the institutional, separately managed account/wrap fee account and other clients of Federated Investment Counseling and other Federated Advisory Companies. Federated Securities Corp. and Federated International Securities Corp. receive compensation from us and such other Advisory Companies (in the form of an intercompany credit) for performing these activities on our and their behalf. Federated Securities Corp.’s or Federated International Securities Corp.’s employee-representatives also may receive compensation from Federated Securities Corp. or from Federated International Securities Corp. for performing such solicitation and other functions. In connection with these services, under applicable guidance issued by the SEC, Federated Securities Corp.’s and Federated International Securities Corp.’s relevant regulatory history, if any, is required to be disclosed to clients and potential clients.

Employees and supervised persons of Federated Investment Counseling and/or our affiliates (*e.g.*, the other Federated Advisory Companies) also may receive salaries, bonuses and certain sales awards, such as travel and entertainment, from Federated Hermes or other affiliates. For example, Federated Securities Corp.’s or Federated International Securities

Corp.'s employee-representatives are salaried employees of Federated Securities Corp. or of Federated International Securities Corp., respectively and receive no commission, fees or other remuneration in connection with individual securities transactions. Bonuses may be based on a number of factors, including mutual fund/account sales, net sales, increase in average annual assets and/or revenue of assigned accounts/investment products or territories, and, for certain sales managers, Federated Hermes, Inc.'s overall financial results. Certain employee-representatives may be eligible to receive a portion of their annual bonus in cash or a combination of cash and restricted stock of Federated Hermes, Inc. Finally, investment professionals may receive a fixed-base salary and a variable annual incentive or bonus. Base salary is determined within a market competitive, position-specific salary range, based on the portfolio manager's experience and performance. The annual incentive amount or bonus is determined based primarily on the performance of the accounts managed by the investment professional and may also include a discretionary component based on a variety of factors deemed relevant, such as financial measures and performance and may be paid entirely in cash, or in a combination of cash and restricted stock of Federated Hermes. The allocation or weighting given to the performance of any account for which the individual is responsible when compensation is calculated can vary. The performance of any such account may or may not represent a significant portion of the calculation at any point in time (and may be adjusted periodically). Investment performance is based on a variety of factors including performance versus account specific benchmarks and versus the performance of a designated peer group of comparable accounts. Any individual allocations from the discretionary component may be determined by executive management on a discretionary basis using various factors, such as, for example, on a product, strategy or asset class basis, and considering overall contributions and any other factors deemed relevant (and may be adjusted periodically). (Please refer to "Conflicts of Interest Relating to Receipt of Compensation or Benefits, Other Than Advisory Fees" in Item 6 of this brochure for a further discussion of these conflicts of interest and how they are addressed.) Such employees and supervised persons also may receive certain entertainment and gifts from third parties to the extent permitted under Federated Investment Counseling's, and the other Federated Advisory Companies', Code of Ethics. (Please refer to "Our Code of Ethics" in Item 11 of this brochure for further information on Federated Investment Counseling's Code of Ethics.)

We also may be provided with office space, phone systems, computer systems, internet and other administrative, clerical and technical support from or through our ultimate parent company, Federated Hermes, Inc., or its affiliates.

Arrangements in which Federated Investment Counseling or our related persons receive economic benefits from non-clients create conflicts of interest for us and our related persons. We, and our employees and supervised persons, have an incentive to favor these non-clients over the interests of our clients. For example, we, and our employees and supervised persons, have an incentive to utilize the services of a particular broker/dealer, or recommend a particular security to or buy a particular security for, a client account based on economic benefits received from the broker/dealer or issuer or placement agent.

(Please refer to "Sales Compensation" in Item 5 of this brochure for additional information regarding these arrangements.) Conflicts of interest also arise in connection with certain portfolio manager or other employee and supervised person compensation arrangements. (Please refer to "Conflicts of Interest Relating to Receipt of Compensation or Benefits, Other Than Advisory Fees" in Item 6 of this brochure for a further discussion of these conflicts of interest and how they are addressed.)

Item 17 ("Voting Client Securities"): This section has been updated to reflect our current general proxy voting practices. Accordingly, this section has been restated as follows:

We will accept the authority to vote proxies with respect to securities held in client accounts to which we provide discretionary investment advisory services. The scope of our authority to vote proxies typically is set forth in our investment management agreements with our clients or, in the case of Managed Accounts, in our agreements with the Managed Account Program Sponsors and Platform Providers and the client's Managed Account documentation. With respect to Model Portfolio Management Services and other non-discretionary investment advisory services, we typically will not vote proxies. However, we may provide voting recommendations to such clients or Managed Account Program Sponsors, Platform Providers and Overlay Managers.

Federated Investment Counseling has adopted proxy voting policies and procedures. As a fiduciary to its clients, Federated Investment Counseling's general policy is to cast proxy votes in favor of management proposals and shareholder proposals that we anticipate will enhance the long-term value of the securities being voted in a manner that is consistent with the client's investment objectives. Federated Investment Counseling may also take into account certain proxy voting research and/or recommendations provided by Hermes EOS. However, Federated Investment Counseling

does not grant proxy voting authority to Hermes EOS and considers such research and/or recommendations among other factors it deems relevant to its proxy voting determinations.

Federated Investment Counseling also generally votes consistently on the same matter when securities of an issuer are held by multiple client portfolios. However Federated Investment Counseling may vote differently if a particular client's investment objectives differ from those of other clients or if a client explicitly instructs Federated Investment Counseling to vote differently.

To the extent that we have accepted authority to vote securities in a client's account, a client generally can direct how Federated Investment Counseling votes with respect to a particular solicitation. A client wishing to do so should submit a written instruction to us at the address specified for notices in the client's investment management agreement with us. Managed Account Program clients may be required to submit a written instruction to the Managed Account Program Sponsor or Platform Provider. Federated Investment Counseling will endeavor to vote in accordance with any such written instructions that are timely communicated to Federated Investment Counseling and received by us reasonably in advance of the time that we, or our proxy voting service, votes with respect to a particular solicitation.

Conflicts of interest arise from time to time between the interests of Federated Investment Counseling and/or our affiliates (e.g., the other Advisory Companies), and the interests of our clients. Federated Investment Counseling has adopted procedures to address situations where a matter on which a proxy is sought may present a potential conflict between the interests of the client and those of Federated Investment Counseling or our affiliates. If such potential material conflicts of interest do arise, Federated Investment Counseling will analyze and document them and shall ultimately vote the relevant proxies in what Federated Investment Counseling believes to be the best long-term economic interests of its clients. The Federated Hermes Proxy Voting Committee is responsible for monitoring and reporting with respect to such potential material conflicts of interest.

If we do not have the authority to vote proxies for a client's account, a client generally will receive proxies or other solicitations from their custodian, transfer agent or other intermediary. If we inadvertently receive a proxy or other solicitation, we will endeavor to return it promptly to the custodian, transfer agent or other intermediary (e.g., a proxy aggregator or, for Managed Accounts, from the Managed Account Program Sponsor or Platform Provider if different from the custodian) for the client's account, although there is no guarantee that it would be returned either by us or the intermediary prior to the voting deadline for the solicitation. The client may still ask us questions regarding the particular solicitation by sending us the question in writing at the address specified below. We will endeavor to respond to questions in a timely manner, but there is no guarantee that a response will be received by the client prior to the voting deadline for the solicitation.

We will furnish a copy of our proxy voting policies and procedures to any client upon such client's written request. A client can additionally request at any time a record of all votes cast for its portfolio. The record reflects the proxy issues that we voted for the client during the past year, as well as the position taken with respect to each issue. Written requests should be sent to:

Investment Administration-Proxy Services
c/o Federated MDT Advisers
125 High Street
Oliver Street Tower, 21st Floor
Boston, Massachusetts 02110