

# ADV Part 2A Brochure

**150 Cheapside, London, EC2V 6ET, UK**

**+44 (0) 20 7702 0888**

**[www.hermes-investment.com](http://www.hermes-investment.com)**

This Investment Adviser Brochure ("Brochure") provides information about the qualifications and business practices of Hermes Investment Management Limited. If you have any questions about the contents of this Brochure, please contact us at +44 (0) 20 7702 0888 or at email address [compliance@hermes-investment.com](mailto:compliance@hermes-investment.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities' authority.

Hermes Investment Management Limited is registered as an Investment Adviser with the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Registration of an investment adviser does not imply a certain level of skill or training.

Additional information about Hermes Investment Management Limited is also available on the SEC's website at **[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**.

**Hermes Investment Management Limited**

March 2021



## Item 2 – Material Changes

Date of previous update: June 30, 2020.

Since filing our last annual update to this Part 2 of Form ADV on behalf of Hermes Investment Management Limited, changes were made to the brochure as follows:

- Update to the assets under management figure as at December 2020 in item 4.
- Update to our fee schedule in item 5.
- Update in items 4,5,12,13 & 16 regarding additional service provided by HIML in participating in a new managed account program for certain investment strategies.
- Additional disclosure of account opening requirements in item 7.
- Additional risk disclosed in item 8.
- Enhanced disclosure of arrangements with related persons and conflicts resulting from them in item 10.
- Update in the brochure supplement in item 27-31 to reflect changes in supervised persons.

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## Item 4 – Advisory Business

Hermes Investment Management Limited (“HIML”) is a UK-based investment management company established in February 1990. HIML is an active asset manager that provides discretionary and non-discretionary asset management services through the management of a range of portfolios covering U.S. and global markets.

HIML forms part of the international business of Federated Hermes (“Federated Hermes”) and is a wholly-owned subsidiary of Hermes Fund Managers Limited (“HFML”), a UK holding company, which in turn is 60% owned by Federated Holdings (UK) II Limited (a wholly-owned subsidiary of publicly listed company Federated Hermes Inc (“FHI”)) with the remaining 40% stake split between the BT Pension Scheme (“BTPS”), the pension scheme of the BT Group which has a 29.5% stake and Intertrust Employee Benefit Trust Ltd (“IEBT”), the trustee of Hermes Employee Benefit Trust (set up to hold shares on behalf of certain senior employees of HFML), which holds the remainder 10.5% stake. Federated Hermes’ primary purpose is to help our clients retire better by providing active investment management and stewardship. Alongside this is a commitment to delivering holistic returns – outcomes that consider the impact our decisions have on society, the environment and the wider world.

Due to the ownership structure, there could be a conflict between HIML’s owners (FHI & BTPS) and third-party Clients. To mitigate this, there is an information barrier in place between Federated Hermes, FHI and BTPS whereby FHI and BTPS personnel do not have access to Federated Hermes systems and confidential information (further details in item 10).

## Investment Services

HIML primarily provides investment management services to institutional clients, including pensions, charitable organizations, profit-sharing accounts and pooled investment vehicles which are not registered for public sale in the United States (“private funds”). Private funds may be registered for public sale in other jurisdictions such as Cayman Islands, Ireland or the United Kingdom. Currently, interests in the Cayman Island domiciled private funds are made available to US investors that are accredited investors and/or qualified purchasers as those terms are defined under the federal securities laws, or as otherwise permitted under applicable law. Private funds domiciled in Ireland or the United Kingdom are currently not made available to US investors

HIML provides investment solutions in a range of equities, fixed income, multi-asset and private markets strategies. Investments are managed in accordance with the Client’s investment objectives, strategies, restrictions and guidelines. Private funds are managed only in accordance with their own characteristics and are not tailored to any specific private fund investor (each an “Investor”).

HIML also furnishes investment advice and recommendations through the provision of model portfolios for some of its investment strategies and provides periodic updates to the model portfolios (“Model Portfolio Management Services”). HIML typically provides these services to investment advisory firms or other managers (“Overlay Managers”), either directly or through turn-key asset management providers that operate platforms or programs in which Overlay Managers participate. These Overlay Managers utilize HIML’s model portfolios and periodic updates, either alone or together with other model portfolios provided by the Overlay Managers or other investment advisers, to manage the assets of the Overlay Manager’s clients. HIML generally does not have investment discretion or trading responsibilities in such arrangements, nor does HIML have an advisory relationship with the Overlay Manager’s clients, and does not manage model portfolios on the basis of the financial situation or investment objectives of individual clients that participate in these programs.

In addition, HIML participates as an investment manager or portfolio manager in certain separately managed account programs (Managed Accounts or Managed Account Programs), through which it provides advisory services to pension plans, charitable organizations, corporations or other business entities, and broker-dealer intermediaries. Managed Account Programs generally are investment programs under which a client is charged a single specified fee for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers), execution of client transactions by the program’s sponsor, and custodial services. However, with respect to certain Managed Account Programs, the single Managed Account fee does not cover the cost of execution of client transactions. We receive a portion of the fees paid by the Managed Account client for our services. In Managed Account Programs, clients (with or without the assistance of the sponsors (“Sponsors”) of the Managed Account Program) select or appoint HIML to manage designated client assets in accordance with one or more of our investment strategies. The Sponsors of the Managed Account Programs typically are broker/dealers, financial institutions or other investment advisory firms which sponsor, operate and administer the Managed Account Programs. When providing investment services to Managed Accounts, we typically act as a sub-adviser to the Sponsors of the Managed Account Programs. The Sponsors typically enter into investment management agreements with clients and we do not have direct investment management agreements with clients that participate in Managed Account Programs. In all cases, the Sponsors typically provide portfolio manager selection, performance monitoring and evaluation, custody, brokerage and other administrative services (or a combination of these services) to clients. We exclusively provide advisory services to Managed Account Program clients. There are certain differences between how we manage Managed Accounts and how we manage other client accounts. For example, when participating in Managed Account Programs, the

Sponsor is typically responsible for determining the suitability of the Managed Account Program, including HIML and our investment strategy, for the client. We are usually only responsible for managing client assets in accordance with the designated investment strategy. In certain Managed Account Programs, Sponsors and Platform Providers may limit the information that is available to us about the client, the client's other investments or risk tolerance, and other information that would be relevant to determining whether the investment strategy or certain specific investments would be suitable for the client. Likewise, we may be restricted by Sponsors and

Platform Providers from communicating directly with clients; all communications, including communications with respect to the clients' investment objectives, financial condition and reasonable investment restrictions, must usually be directed through the Sponsor or Platform Provider.

### Asset Under Management

As of December 31, 2020, HIML had \$40.4 billion in assets managed on a discretionary basis, and \$69.6 million in assets managed on a non-discretionary basis.

## Item 5 – Fees and Compensation

### Segregated Account Fees

HIML's standard fee schedule for institutional segregated investment accounts ("Segregated Accounts") for its investment strategies in basis points are as follows:

Strategy	\$50m	\$100m	\$150m	\$200m	\$250m	\$500m	\$1bn
Asia ex-Japan	65	65	60	60	60	55	55
EM Asia (Cayman)	100	100	100	95	90	85	80
Global Emerging Markets	100	100	100	100	100	100	100
Global Emerging Markets SMID	85	80	80	80	75	70	70
China Equity	90	85	85	80	80	70	65
Global Equity	55	55	50	50	45	40	35
Global Equity ESG	55	55	50	50	45	40	35
Global Equity Low Carbon	55	55	50	50	45	40	35
Global Equity Screened ESG	40	40	35	30	30	25	20
US SMID Equity	75	75	70	65	60	60	55
Global Small Cap Equity	75	70	70	65	65	60	55
Global High Yield	65	55	55	50	50	45	40
Global Investment Grade	45	35	30	25	25	25	25
Multi-Strategy Credit	65	55	55	50	50	45	40
Absolute Return Credit	40	35	35	30	30	30	30
Unconstrained Credit	65	55	55	50	50	45	40
Emerging Markets Credit	65	60	55	55	55	50	50
Impact Opportunities Equity	65	65	60	60	55	50	45
SDG Engagement Equity	95	90	85	80	75	70	65
SDG Engagement High Yield Credit	65	55	55	50	50	45	40
European Alpha Equity	75	65	60	60	55	50	45
Europe Ex-UK Equity	75	65	60	60	55	50	45
Eurozone	75	65	60	60	55	50	45
Sustainable Global Equity	60	55	50	45	45	40	40

European Direct Lending:

- A management fee of 75bps of acquisition costs, less impairments
- A performance fee of 10% above a preferred return of Euribor +350bps

Note: fees are subject to negotiation and subject to change.

Fees are typically charged quarterly in arrears and are based on the market value of assets on the last trading day of each calendar quarter. In any partial calendar quarter, fees are pro-rated based on the number of days in which the account is

open during the quarter. For purposes of calculating HIML's management fees, the market value of assets in a Segregated Account shall consist of the market value of securities and other investments held in the account and will not be reduced by any margin or other indebtedness of Clients with respect to such securities or other investments. Assets of Segregated Accounts that have a business relationship to each other may, at the discretion of HIML, be aggregated for purposes of calculating the management fee applicable to each Segregated Account. In certain circumstances, Segregated Account fees and minimums may be negotiable. To the extent that fees are negotiable, some clients may pay more or less

than other clients for the same management services, depending, for example, on account inception date, applicable investment mandates or restrictions, total assets under management by HIML or number of related Segregated Accounts. HIML's Trade Aggregation and Allocation policy ensures that all Clients are treated fairly regardless of the fees charged. See Item 12, below, for HIML's trading policies.

Fees are adjusted and/or calculated on a pro rata basis where: (i) the effective date is on a date other than the first Business Day of a calendar quarter; (ii) the effective date of termination of the Agreement is on a date other than the last Business Day of a calendar quarter; and/or (iii) where the applicable percentage changes on a date other than the first Business Day of a calendar quarter.

HIML's fees are typically adjusted to reflect deposits or withdrawals during a quarter, by pro-rating the fees (on number of days) within the quarter to before and after the deposits or withdrawal.

Clients' Segregated Account agreements may be terminated in accordance with agreed terms. Typically, a refund of prepaid fees is not applicable as fees are charged in arrears. However, any unearned, pre-paid fees, should they arise, will be refunded.

In circumstances where HIML has appointed any of its affiliates as a sub-advisor, they will be compensated by receiving a portion of the fees as per the sub-advisory agreement. In addition to management fees payable to HIML, transaction costs will be incurred along with other costs such as custodian fees, brokerage fees, wire transfer and taxes charged by service providers such as custodian, brokers and others.

### Model Portfolio Management Fees

The fees HIML charges and receives for providing Model Portfolio Management Services generally are asset-based fees that are paid quarterly by, or through, an Overlay Manager, and generally equal a percentage of the total assets (or a portion of the assets) invested by the Overlay Manager in the Overlay Manager's investment strategy derived from HIML's model portfolio.

HIML's fees typically may be negotiated only between the Overlay Manager and HIML. A client of the Overlay Manager typically pays an advisory fee to the Overlay Manager for the Overlay Manager's discretionary management. In such cases, the client does not pay a separate fee to HIML for the Model Portfolio Management Services HIML provides to the Overlay Manager. HIML receives from the Overlay Manager a portion of the fees paid by the Overlay Manager's client for its services. HIML is not generally informed of the specific fee arrangements negotiated between each Overlay Manager and the Overlay Manager's clients.

### Managed Accounts Fees

As discussed in Item 4 of this brochure, Managed Account clients typically pay a single fee or fees (a "wrapped fee") which cover HIML's services as well as other services provided by the Managed Account Program Sponsor or a Platform Provider. These other services typically include, for example, portfolio manager selection, performance monitoring and evaluation, custody, brokerage and/or other administrative services. The total Managed Account Program fee(s) charged under such programs may be up to 3.00%. Certain Managed Account Program Sponsors or Platform Providers may charge brokerage commission and/or fees separately or as part of the client's overall Managed Account Program fee(s). Some Managed Account Program Sponsors or Platform Providers may also charge a minimum annual Managed Account Program fee to each client that participates in their Managed Account Program. HIML is not generally informed of the specific fee arrangements negotiated between each Managed Account Sponsor and each client participating in the Sponsor's Managed Account Program. We receive a portion of the fees paid by the Managed Account client for our services. Our fees for Managed Accounts generally are asset-based fees that are paid quarterly by, or through, the Managed Account Program Sponsor or Platform Provider as a component of the "wrapped fee." Our fees generally equal a percentage of the total assets in the Managed Account Program for which we provide advisory services. Our fees may either be payable in arrears at or after the end of each quarter (in which case they are not refundable) or payable in advance of the quarter in which such services are to be rendered. If paid in advance, our fees typically will be refunded on a pro-rated basis in the event that we are terminated from managing the client's Managed Account or the Sponsor or Platform Provider terminates its agreement with us.

Clients that participate in Managed Account Programs should be aware that services similar or comparable to those provided to them as a participant in a Managed Account Program may be available at a higher or lower aggregate cost elsewhere separately or on an unbundled basis.

The terms of the Managed Account Programs in which we participate generally prescribe how our fees are charged and collected. Clients should refer to their account documentation for additional information regarding how our fees are charged and collected.

### Private Funds Fees

Fees for each private fund are described in its Private Placement Memorandum ("PPM") or other offering documents.

## Item 6 – Performance-Based Fees and Side-By-Side Management

Certain Clients may negotiate a performance-based fee. Performance-based fees are negotiated in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), or as otherwise permitted by Advisers Act Section 205. These Segregated Accounts are managed in the same facility, using the same systems and staffed with the same personnel used for Clients which do not have performance-based fees. Depending on performance, fees obtained by HIML and compensation earned by its investment staff on these Segregated Accounts may be significantly higher than that earned on accounts of Clients which do not have performance-based fees. There are inherent conflicts of interest in the side-by-side management of performance fee and asset-based or fixed fee accounts, in that HIML may have an incentive to favor a performance fee account over other accounts that do not charge performance-based fees. However, HIML believes its Trade Aggregation and Allocation policy and procedures, including procedures for allocating limited offerings and average pricing of executed trades, mitigate such potential conflicts of interest. The procedures generally require accounts for Clients with similar investment strategies to be managed in a similar fashion, subject to a variety of exceptions, such as, particular investment restrictions or policies applicable only to certain accounts, differences in cash flows and account sizes, and similar factors. HIML’s trade allocation procedures are discussed more fully in Item 12 below.

## Item 7 – Types of Clients

HIML provides investment advisory services to institutional clients, which currently includes the following:

- Pension and profit-sharing plans including pension plans subject to the Employee Retirement Income Security Act of 1974 (ERISA);
- Trusts;
- Estates;
- Charitable organizations;
- Corporations or other business entities;
- Broker-dealer intermediaries; and
- Other Investment Advisers.

## Accounts Requirements

Clients are required to enter into a written investment management or advisory agreement prior to the establishment of an advisory relationship with HIML, except that Managed Account clients do not enter into an agreement directly with HIML. Instead, as discussed in Item 4 above, Managed Account clients will enter into an investment management and/or other agreements with the Sponsor or Platform Provider for the Managed Account Program.

Minimum investment can vary depending on the investment strategy, but generally HIML requires a minimum investment of USD 50 Million to open a Segregated Account and all mandates must meet a minimum revenue requirement of USD 200,000. HIML’s target account size for Managed Account Program accounts is USD 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.

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

HIML is an active asset manager that provides discretionary and non-discretionary asset management services through the management of a range of portfolios in equity, fixed income and alternatives. Each of these strategies is conducted by a different investment team within HIML.

Generally, each Segregated Account is managed pursuant to a single strategy determined by the Client and in accordance with investment objectives and guidelines agreed upon (or, in the case of Managed Account Program accounts, provided in the Managed Account Program Sponsor’s brochure or other Program documentation).

## Equity

HIML equity strategies encompass a variety of investment objectives and styles including value, growth & blend across different geographical regions such as emerging markets, Asia, Europe, US & global equities and different market capitalization. The Investment teams use several methods for asset selection which include fundamental analysis, quantitative analysis & qualitative analysis or combinations of all. The teams will use either a bottom-up or a top-down approach or both in their investment process, to identify and buy quality stocks that are attractively priced.

The teams will also integrate ESG along with other factors including business model, financials, cash flow and growth prospects into their investment processes. ESG integration is delivered through HIML proprietary ESG tools. The Investment teams also have access and collaborate with EOS at Federated Hermes (“HEOS”) (Federated Hermes’ Stewardship and Engagement business) staff who provide stewardship services in respect of the portfolios.

Additionally, HIML ESG-specific strategies are designed to meet specific Socially Responsible Investment (‘SRI’), Environment, Social & Governance (‘ESG’) and positive impacts objectives which focus on quality companies with effective governance, good track records on climate change and pollution reduction initiatives, strong labor rights and community relations and a generally positive impact on society and the planet.



The teams will use a variety of sources in the screening and selection process including proprietary screening tools, third-party research materials, meetings with company management and industry & sector analyses.

Risk management and monitoring is embedded in the selection and ongoing portfolio monitoring processes using different risk measures and proprietary systems as well as an investment risk oversight role performed by the Investment Office.

### Fixed Income

HIML Credit's investment philosophy is focused on capital stability and consistency of returns rather than a series of highs and lows. By investing on a global basis, the team seeks to capture valuation anomalies across various geographic jurisdictions and to capture valuation anomalies that exist within the debt capital structure of companies and across all available debt instruments.

HIML Credit team uses an active, research-intensive investment process to seek superior risk-adjusted returns through top-down and bottom up analysis. The portfolio construction process includes market risk, default risk, rating migration risk and proprietary rating.

Top-down analysis is applied to assess the general credit market and sector condition which determines the overall appetite for credit risk across the portfolios, how the team wants to allocate that risk and depending on the nature of the strategy, whether to employ any defensive or hedging strategies.

The core consideration for the research process is the analysis of the issuer's ability to fulfil its financial obligations and ESG related risks. Experienced portfolio managers/analysts operate on a sector responsibility basis which includes both investment grade and sub-investment grade issuer coverage, and information sharing with HIML's equity teams. The Investment teams also have access and collaborate with HEOS staff who provide stewardship services in respect of the portfolios.

### Real Estate

HIML Real Estate team provides client-focused property investment solutions through segregated and pooled structures that invest in real estate and real estate debt. The investment process adopts a top-down portfolio risk management and bottom-up property selection to capitalize on mismatch between price and value by targeting assets that are highly competitive within their local marketplaces and which have sustainable income streams. The team seeks to maximize performance on a risk-adjusted basis.

The Real Estate Debt strategy aim to deliver outperformance by lending to attractive, growing businesses on terms seeking capital preservation and yield capture. The team invests in senior-secured loans to a diverse range of UK and European

mid-market businesses. The team will undertake full due diligence by analyzing the underlying businesses, the financial and structural risks of companies, and the prospective returns and terms of the loans. Following execution, the performance of each borrower is monitored and evaluated: the borrowers report on the company's performance, usually monthly and every quarter, the company is subject to maintenance covenant tests.

In addition to the aforementioned strategies, HIML may, at any time, offer additional strategies which will broadly be similar in their methods of analysis and investment to those described here.

### Risks

As with all investments, the strategies outlined above are exposed to many risks and the value of investments and income from them may go down as well as up, and investors may not get back the original amount invested. Performance targets cannot be guaranteed, and past performance is not a reliable indicator of future result.

#### General risks

- **Market risk** – This is the risk of experiencing losses due to factors affecting the overall performance of the financial markets.
- **Liquidity risk** – This is the risk that an investment held cannot be traded quickly enough to prevent or minimize loss.
- **Currency risk** – This is the risk that return on investments in foreign securities are lower due to fluctuations in foreign exchange rates.
- **Country risk** – This is the risk of experiencing losses or lower returns due to political, social & economic developments in the country or adverse government actions such as nationalization. This can arise when investing in foreign countries particularly less developed ones.
- **Regulatory/Legal risk** – This is the risk that changes in laws and regulations such as restrictions on assets or activities will negatively impact the value or marketability of an investment.
- **Operational risk** – This is the risk of loss resulting from failures in internal procedures, people and systems.
- **Cybersecurity risk** – This is the risk of disruptions causing the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs associated with Cybersecurity failures or breaches of HIML or its service providers or the issuers of securities in which HIML's has invested.
- **Counterparty risk** – This is the risk of loss from the failure or inability of a counterparty to a transaction to meet its contractual obligations.
- **Leverage risk** – This is the risk of incurring greater losses and increased volatility due to the use of leveraged financial instruments such as derivatives.



### Equity specific risks

- **Style-specific risk** – This is the risk of loss associated with a particular investment style, for example, growth stocks tend to be more volatile whereas value stocks tend to be more stable.
- **Equity security risk** – This is the risk that the equity security's value declines due to changes in its price due to declines in the company's prospects or its industry or sector.
- **Company size risk** – This is the risk of loss associated with the size of the company invested in, for example, small and medium companies tend to be more volatile and less liquid than larger ones.

### Fixed income specific risks

- **Default risk** – This is the risk of loss from the issuer of a security not being able to make payment of interest or principal.
- **Interest rate risk** – This is the risk that a change in interest rate has an adverse effect on the values of the assets held.

### Real estate specific risks

- **Credit risk** – This is the risk of loss resulting from a borrower's failure to repay a loan.
- **Real estate valuation risk** – Real estate valuations require a degree of subjective analysis of the fair market value of the underlying assets therefore, there are no guarantees that the value of the investments held will be accurate on a given date nor that the sale of any property will be at a price equivalent to its last estimated value.

This is not an exhaustive list and risks applicable to a strategy or Client's account will depend on the investment objective, style, guidelines and type of securities held. These will be described in more details in any presentations, prospectuses and marketing materials provided and discussions held with Clients.

## Item 9 – Disciplinary Information

HIML has no information applicable to this Item.

## Item 10 – Other Financial Industry Activities and Affiliations

As per its ownership structure outlined in item 4 above, HIML is affiliated through common ownership with the following SEC-registered investment advisers:

- Hermes Alternative Investment management Limited ("HAIML") (registered as an Exempt Reporting Advisers)
- Hermes GPE LLP ("HGPE")
- Hermes GPE (USA) INC ("HGPE USA")
- Federated Advisory Services Company
- Federated Hermes (UK) LLP
- Federated Securities Corp
- Federated Investment Management Company

- Federated Investment Counselling
- Federated International Securities Corp
- Federated Equity Management Company of Pennsylvania
- Federated Global Investment Management Corp
- Federated MDTA LLC
- Federated International Management Limited (registered as an Exempt Reporting Advisers)

HIML along with HAIML, HGPE & Federated Hermes (UK) LLP are also authorized and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom.

Additionally, HIML is also affiliated with the following foreign advisers:

- HGPE Singapore Pte Limited which is licensed with the Monetary Authority of Singapore ("MAS").
- Federated International Management Limited & Hermes Fund Managers Ireland Limited ("HFML") which are authorized and regulated by the Central Bank of Ireland ("CBI").
- Federated Investors Canada ULC which is registered and regulated in Canada in the following provinces: Ontario, Quebec and Newfoundland.
- Federated Investors Australia Services Ltd which is authorized and regulated by the Australian Securities and Investments Commission.
- The following advisors: Federated Investors Asia Pacific PTY LTD and Hermes European Equities Limited ("HEEL") are operationally inactive and, in the case of HEEL, is in the process of being dissolved.

HIML provides portfolio management services to HFML range of funds. Additionally, HIML shares certain directors, officers and employees with other companies within Federated Hermes and all companies within Federated Hermes have common compliance policies and procedures.

To mitigate the conflicts that can arise from the relationships outlined above, HIML, as part of Federated Hermes, is operationally independent from all Federated entities ("Federated") and as such will be subject to its own trade allocation & aggregation, personal trading and side-by-side management policies.

Furthermore, Federated Hermes has adopted an information barrier policy designed to prevent free flow of confidential and material non-public information within the Federated Hermes Group and between itself and Federated. This is designed to enable staff within Federated Hermes to act in the best interest of their Clients.

## Item 11 – Code of Ethics

HIML and the wider Federated Hermes Group have adopted our parent (Federated Hermes Inc)'s Code of Business Conduct and Ethics which sets down requirements with regards to personal conflict of Interest, payments & gifts, outside business activities, confidentiality, insider trading and

fair dealing. Under the Code, all Access Persons of HIML have a duty to act in the best interests of its Clients and all potential conflicts and violations of the Code must be promptly reported to HIML's Chief Compliance Officer ('CCO'). The Code is designed to ensure that the personal securities transactions, activities and interests of the employees of HIML will not interfere with making and implementing investment decisions in the best interest of Clients. As such, it is HIML's expressed policy, as reflected in the Code, that no Access Person of HIML shall prefer his or her own interest to that of a Client or make personal investment decisions based on investment decisions made on behalf of Clients. All Access Persons at HIML must acknowledge the terms of the Code annually, or as amended.

Subject to satisfying applicable requirements set forth in the Code and Federated Hermes Personal Account Dealing policy, and applicable laws, Access Persons of HIML and its Hermes affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Clients.

Under the Code and the policy, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Clients. In addition, Federated Hermes Personal Account Dealing policy requires pre-clearance by Compliance of all non-exempt personal account transactions so that such transactions are consistent with policies and procedures set forth in the policy and the Code. Furthermore, personal trading by Access Persons is periodically monitored by Compliance to reasonably detect and prevent conflicts of interest between the personal interests of such Access Persons and the interests of Clients. To permit such periodic monitoring, all Access Persons are required to provide annual securities holding reports to Compliance relating to all securities held in, or transacted on behalf of, their personal accounts.

## Conflicts of interest

HIML has identified the following Conflicts of Interest:

- There could be a conflict where a member of staff or a related person deals in securities on his/her personal account that the firm buys or sells for Clients. To mitigate this, HIML has in place its own Personal Account Dealing policy in addition to adopting Federated Code of Business Conduct & Ethics which requires staff members to pre-clear transactions in their personal account and implement a monitoring test designed to detect front-running.
- There could be a conflict where either members of staff are offered lavish hospitality by prospects to secure deals or are offering similarly extravagant hospitality to prospects. To mitigate this, HIML has in place a Gifts & Hospitality policy and procedure designed to manage the risk by requiring disclosure and pre-clearance of gifts and hospitalities sent and received by staff.
- There could be a conflict between a member of staff's interests and HIML or its Clients' interests arising from that employee outside activities. HIML has put in place an Outside Business Interests policy and procedure in

addition to the Code of Business Conduct & Ethics, which require disclosure and pre-clearance before employees can take up any Outside Business Activity.

An existing or prospective Client may obtain a copy of the Code of Business Conduct and Ethics free of charge by contacting the Compliance team at [compliance@hermes-investment.com](mailto:compliance@hermes-investment.com).

## Item 12 – Brokerage Practices

### Broker-Dealers Selection Criteria

Depending on the terms of the Client's agreement with HIML, HIML is generally given authority to make the following determinations without obtaining Client consent before effecting transactions:

- Which securities are to be bought and sold;
- The total amount of the securities to be bought or sold;
- The broker or dealer through whom securities are to be bought or sold; and
- The commission rates or prices at which securities transactions for client accounts are effected.

HIML utilizes the central trading desk ("Central Trading") which operates under HIML but is a separate function to the fund management activities. HIML's investment professionals select all Client investments and submit trading requests to Central Trading. There may be instances where Central Trading uses the services of CF Global, who are a specialist execution provider dealing in local markets. However, Central Trading will retain oversight over and monitor the execution quality of CF Global trades.

HIML will usually transact with approved counterparties only.

The Counterparty Credit Risk Policy is established by the Risk team and sets out the framework to monitor and manage counterparty credit risk. HIML transacts with approved counterparties, however, where a client chooses to opt out of the Counterparty Credit Risk policy, requests transacting with counterparties that are not approved by HIML or wishes to specify its own counterparty lists and limits, such instructions take precedent over the Counterparty Credit Risk policy and may include prohibitions / permissions on dealing with certain counterparties. In such cases those instructions must be formally documented.

The Counterparty Credit Risk Group (CCRG), a sub-committee of the Portfolio Review Committee, is responsible for reviewing and discussing counterparty related topics, including reviewing and approving the Counterparty Credit Risk Policy, overseeing counterparty approval, setting credit limits as appropriate, and monitoring counterparty usage. The CCRG is chaired by a senior member of the Risk team and members include the Head of Trading, Counterparty Credit Analyst, and representatives from Operations, Investment Office, Credit and Legal. The CCRG meets quarterly and as and when necessary.

Federated Hermes counterparty approval takes into consideration the level of risk associated with the instrument's trading/settlement method and the approval is assigned at the counterparty's group level. The approval process is driven by requests from the Portfolio Manager or the Trading Desk and coordinated by the Counterparty Credit Analyst in the Risk team. Prior to the counterparty assessment process being initiated, each new approval requires signoffs from Head of Trading and Head of Investments.

An assessment of the counterparty's risk profile is undertaken commensurate to the level of trading risk.

As appropriate, the analysis may consider the following: external credit ratings, the company's financial condition, negative news, and any other relevant information, such as country, industry or business risk, potential guarantees by parent entity or holding company and the probability of government or systemic support.

Compliance undertake KYC and AML checks and sanction screen counterparties on a daily ongoing basis. Compliance Guideline Monitoring team code and monitor counterparty guidelines in the firm's order management system. The Legal department arranges the completion of the relevant legal documentation as necessary and Operations facilitate the setup of counterparty risk management controls such as collateral and margin.

Upon receipt of Legal and Compliance signoffs, and completion of the risk review, the Risk team will recommend rejection or approval of the counterparty and, when necessary, an appropriate credit limit. A list of approved counterparties is maintained.

Where a DVP (Delivery-versus-Payment) or ETD (Exchange Traded Derivative) broker is required for a singular transaction and no permanent relationship is envisaged, a one-off counterparty approval can be granted. A simplified assessment process will be followed, but it will include origination, check of the credit ratings, compliance checks and final sign-off.

### **Best Execution**

In seeking best execution of Client transactions, Central Trading considers a number of factors, including price; the execution capabilities required by the transactions; the characteristic of the financial instrument; the importance of speed, efficiency and confidentiality; the likelihood of settlement; the broker or dealer's apparent familiarity with sources from or to whom particular securities might be purchased or sold; the reputation and perceived soundness of the broker or dealer and any other relevant execution factor.

### **Commission Rates or Equivalents**

Central Trading will monitor the expenses incurred for effecting portfolio transactions to the extent consistent with Clients' interests and objectives. Although Central Trading generally seeks competitive commission rates, it will not

necessarily pay the lowest commission or commission equivalent. Commission rates paid for equities may vary depending on the asset class, market (by country), investment style, and type of transaction.

Commissions on exchange traded derivatives are paid to the clearing broker on trade date. They are split into a clearing commission that the clearing broker keeps and an execution commission that the clearing broker pays to the execution broker on receipt of a monthly invoice. Each contract has a different rate that is agreed by Central Trading on a transaction-by-transaction basis.

### **Research or other "Soft Dollar" benefits**

To comply with more stringent European Standards, HIML pays for all investment research and does not use soft dollars from dealing commission to pay for research.

### **Brokerage for Client Referrals**

HIML generally does not participate in any Commission Recapture or Directed Commission programs.

### **Directed Brokerage Accounts**

Where a client designates a broker-dealer, or broker-dealers, HIML and Central Trading may not be in a position where they can negotiate commission rates or spreads or obtain volume discounts and best price may not be achieved. Trades for a Client that has designated a broker or dealer may be placed at the end of batched trading activity for a particular security.

Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the Client receiving a price that is less favorable than the price obtained for the batched order. Under these circumstances, the direction by a Client of a broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Central Trading could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution. These potential results are particularly relevant if directed accounts are trading after large block trades, involve illiquid securities or occur in volatile markets.

Central Trading may execute trades in over-the-counter securities with market makers on a net basis in those securities. Unless, and even if, the designated broker is a market maker in such securities which Central Trading may purchase or sell on behalf of these accounts, Federated Hermes may be unable to obtain best execution on such transactions.

### **Trade Aggregation**

#### **Segregated Account:**

We may aggregate or "bunch" orders being placed for execution at the same time for the accounts of two or more Clients where we believe such aggregation is appropriate and in the best interest of Clients. This practice may enable HIML

and Central Trading to seek more favorable executions and net prices for the combined order. All orders placed for execution on an aggregated basis are subject to Federated Hermes' Trade Aggregation and Allocation policy and Procedures (the "Procedures"). The Procedures are designed to ensure that no Client or account will be favored over another. The Procedures are summarized as follows:

All Client orders are executed promptly by Central Trading, whose sole responsibility is to obtain best execution. Central Trading does not give unfair preference to any particular Client or any group of Clients.

The overall goal of these requirements is to treat each account fairly, with no inappropriate biases, while retaining tradable position sizes in each account.

The portfolio manager must determine that the purchase or sale of the particular security order is appropriate for the Client and consistent with the Client's investment objectives and with any investment guidelines or restrictions applicable to the Client's account. In determining to include a Client account in a bunched order, Central Trading considers the nature and size of the expected bunched order, and other factors appropriate under the circumstances.

Central Trading must reasonably believe that the bunched order is consistent with the overall duty to seek best execution and may benefit each Client participating in the aggregated order.

Generally, each Client that participates in a bunched order shares in commissions or other transaction costs on a pro rata basis. When a bunched order is partially filled, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial trade allocation process and that does not consistently advantage or disadvantage particular Clients or groups of Client accounts. However, adjustments to the allocation may be made to avoid de minimis allocations to Client accounts or to avoid deviations from pre-determined holding limits established for any account.

#### **Model Portfolio:**

HIML generally will communicate model changes to Overlay Managers as concurrently as practicable to commencing trading with respect to Clients managed on a discretionary basis, or otherwise in a fair and equitable manner designed to address potential conflicts of interest and protect client interests. Overlay Managers have discretion to accept or reject HIML's 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 HIML clients.

#### **Managed Account:**

Brokerage commissions in Managed Account Programs are generally determined by the designated broker/dealer and

included in the Managed Account Program fee. Transactions executed through other brokers/dealers would typically result in additional charges to the Client account. Thus, in a traditional Managed Account Program, given the wrapped fee, we generally are not in a position to negotiate commission rates with the brokers/dealers or to aggregate trades with other client accounts for execution purposes (except that we may aggregate trades for accounts within each separate Managed Account Program). If a Client transaction is not aggregated, the client may pay higher brokerage commissions, may receive a less favorable price, or incur other costs, which also may affect the performance of the Client's account.

In certain Managed Account Programs, the Sponsors or Platform Providers also may impose a separate fee if, in seeking best execution, HIML executes trades through a broker, dealer or other securities intermediary other than the Sponsor or Platform Provider (or their affiliated broker/dealer). In these cases, this additional fee may cause us to determine that better execution (in terms of price) may be obtained by executing the trade through the Sponsor or Platform Provider (or their affiliated broker/dealer).

There will be times when the same security is being purchased or sold concurrently for multiple client accounts or portfolios. In these situations, HIML 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 HIML 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, 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.

#### **Error Resolution**

HIML has adopted written policies and procedures that it believes are reasonably designed to identify and resolve errors made in the trade execution and management process ("Trade Errors"). HIML will evaluate any exception made in the process of managing or placing an order for, or executing a security transaction on behalf of, a Client account over which HIML has investment discretion to determine if it is a Trade Error. [Regarding Model Portfolio Management Services, HIML also evaluates any exception made in the process of providing a model recommendation to an Overlay Manager in a program to determine if it is a model delivery error (collectively, as applicable, with Trade Errors, "Errors").] Consistent with HIML's policies and procedures, and

obligations under applicable law, HIML strives to identify and resolve Errors promptly, document such Errors, take reasonable steps to seek to prevent the reoccurrence of such Errors and treat clients fairly in resolving such Errors. Where a single Error results in multiple transactions in a Client account, gains and losses on these transactions may be netted in evaluating the net impact of such an Error.

## Item 13 – Review of Accounts

### Account review

Holdings across Client accounts are reviewed continuously. The investment teams meet daily to discuss ongoing market events, as well as company and industry news. The investment teams also hold twice-weekly meetings to focus on their portfolio holdings and risk composition of their strategies. Performance on all accounts is monitored daily and formal performance reviews for the strategy including attribution analysis are typically conducted monthly. The entire portfolio management team is involved in reviewing Client accounts. Compliance performs daily investment restriction monitoring on a pre-trade and post trade basis. Client Guidelines are coded from the Client's Investment Management Agreement (IMA) or the fund prospectus prior to investment and subject to a four eyes coding and testing review.

### Client Reporting

The nature and frequency of reports to clients varies and will usually be determined by the specific requirements of each client. All our client reporting is delivered electronically via email with some reporting delivered via client portals or to distributor platforms (applies to our EU products only).

Typically, the types of reports we deliver are as follows:

- Performance Reports – Estimated and Finalized (Returns, Attribution and Contribution)
- Ex Ante and Ex Post Risk Reports
- Investment Reviews
- Strategy Newsletters
- Bespoke Client Fund/Portfolio Analysis Spreadsheets
- Commentaries
- ESG Risk Reports
- Voting & Engagement Reports
- MiFID II Costs & Charges Reports
- Average Daily Trading Reports
- Valuation Packs including:
  - Transaction statements
  - Asset and Holdings Reports
  - Income & Expenses Reports
  - Currency Breakdown Reports
  - Capital Change Reports

As part of HIML's Model Portfolio Management Services, HIML provides Overlay Managers with model portfolios and updates thereto, and other reports as set forth in its agreement with the Overlay Manager. Overlay Managers may incorporate such reports into the reports the Overlay Managers provide to their clients.

HIML may also provide quarterly performance or other reports to Managed Account Program Sponsors or Platform Providers as required by the Managed Account Program Sponsors or Platform Providers. The reporting requirements are usually stated in our agreement with the Managed Account Program Sponsor or Platform Provider. Managed Account Program Sponsors and Platform Providers can reasonably modify, duplicate or incorporate such reports into the reports that they provide to Managed Account Program participants.

## Item 14 – Client Referrals and Other Compensation

HIML may from time to time compensate, either directly or indirectly, either employees or third parties for Client referrals. Any such referral arrangements will comply with the relevant portions of the "cash solicitation" rule (Rule 206(4)-3). In particular, third-party referral arrangements will be pursuant to a written agreement between HIML and the solicitor and all required disclosures will be made.

Some of HIML's Clients may retain consulting firms to assist them in selecting investment managers. Some consulting firms provide services to both those who hire investment managers and to investment management firms. HIML may pay to attend conferences sponsored by consulting firms and/or purchase services from consulting firms where it believes those services will be useful in operating our investment management business. HIML's Clients and prospective Clients should be aware that consulting firms might have business relationships with investment management firms that they recommend to their Clients.

## Item 15 – Custody

It is HIML's policy not to accept custody of client funds or securities. We also have policies and procedures designed to prevent us from having inadvertent or deemed custody. From time to time, if custodians or other parties may mistakenly send us share certificates, dividend checks or other client assets; HIML has procedures that require such assets to be returned in a timely manner.

## Item 16 – Investment Discretion

HIML usually receives discretionary authority from the Client at the outset of a relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives, policies, guidelines and restrictions for the particular Client account.



In certain Managed Account Programs, HIML's investment discretion may be limited by policies, procedures and limitations imposed in connection with the Managed Account Programs by the program Sponsor, Platform Provider, custodian or other third parties involved with the administration and management of the Managed Account Program.

HIML's authority to trade securities may also be limited by tax, laws or regulation that require diversification of investments and favor the holding of investments once made.

Before accepting discretionary authority, HIML will discuss with the Client, its investment strategy for the Client to decide if it meets with their investment objective. Client's investment guidelines and restrictions must be provided to HIML in writing and are usually part of the IMA signed by the Client and HIML.

### **Item 17 – Voting Client Securities**

HIML believes that voting proxies is an important aspect of portfolio management as it represents an opportunity for shareholders to make their voices heard and to influence the direction of a company. HIML is committed to voting corporate proxies in the manner that it reasonably believes serves the best interest of its Clients. In accordance with Advisers Act Rule 206(4)-6, HIML has adopted a Proxy Voting and Procedures Policy ("Proxy Procedures") to vote proxies on behalf of each discretionary Client who has not retained voting authority to itself or delegated voting authority to a third party. With respect to Model Portfolio Management Services and Managed Account, HIML typically will not vote proxies. However, HIML may provide voting recommendations to Overlay Managers as part of the Model Portfolio Management Services or to Managed Account Program Sponsors or Platform Providers.

HIML is affiliated with HEOS, an entity dedicated to corporate governance and shareholder voting and will make use of it when carrying out its proxy voting responsibilities. HEOS and the Federated Hermes Group have adopted corporate governance standards applicable to proxy voting generally. As a Federated Hermes' affiliate, HIML's Proxy Procedures with respect to voting on specific issues are largely governed by this group-wide policy.

HIML considers the enhancement of the long-term value of the securities being voted as a primary factor in its voting decision. Generally, this will mean voting for proposals that HIML believes will (a) improve the management of a company, (b) increase the rights or preferences of the voted securities or (c) increase the chance that a premium offer would be made

for the company or for the voted securities. HIML will consider each proxy proposal on its merits and act in the best interest of its Clients.

HIML recognizes that under certain circumstances it may have a material conflict of interest in voting proxies on behalf of its Clients and in such instances, will consult with the Clients on the best course of action.

For each proxy, HIML maintains all related records as required by applicable law. A Client who delegates voting authority to HIML may obtain a copy of the Proxy Policy, or a copy of the specific voting record for his or her account(s), by contacting his/her client relationship manager at the firm. The Proxy Policy may be amended from time to time.

### **Item 18 – Financial Information**

HIML has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, has not been the subject of a bankruptcy proceeding and is not required to include a balance sheet as it does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

### **Item 19 – Requirement for State Registered Advisers**

HIML is not registered with any state securities authorities.

# ADV Part 2B Brochure Supplement

**150 Cheapside, London, EC2V 6ET, UK**  
**+44 (0) 20 7702 0888**

This brochure supplement provides information about HIML's supervised persons that supplements its part 2A brochure. You should have received a copy of that brochure. Please contact your client relationship manager if you did not receive HIML's brochure or if you have any questions about the contents of this supplement.

March 2021



## **Item 20 – Brochure Supplement for Hamish Galpin (Born 1966) – Head of Small & Mid Cap**

### **Section 1 – Educational Background and Business Experience**

Hamish is the Head of the Small & Mid Cap team, which he has led since its creation in 2007. He has been at the international business of Federated Hermes since 1995, when he joined as co-manager of the UK smaller companies' strategies; he served as lead manager from January 1997 to April 2010. Since the founding of the team, Hamish has gradually assumed a more global perspective, with oversight of the holdings across all of the team's strategies, and he is now lead manager of the Global Small Cap strategy. In December 2017, he launched the SDG Engagement Equity strategy and became lead portfolio manager in the process. He has a background in credit, having started his career in the energy and natural resources division of NatWest Bank, and later moving to Bankers Trust as a credit analyst covering European corporates. He has a BEng (Hons) in Civil Engineering from Nottingham University and is a former director of the Hermes Group (DB) pension scheme. Hamish also sits on the Governance Group that monitors the company's (DC) pension scheme.

### **Section 2 – Disciplinary History**

There are no legal or disciplinary events to disclose with respect to Mr. Galpin.

### **Section 3 – Other Business Activities**

Mr. Galpin is not engaged in any investment-related business outside of his role with Hermes Investment Management Limited.

### **Section 4 – Additional Compensation**

Mr. Galpin does not receive any economic benefit for providing advisory services from any person that is not a client of Hermes Investment Management Limited or its affiliated investment advisers.

### **Section 5 – Supervision**

Mr. Galpin is subject to supervision by the Head of Investment and is also subject to supervision by the Executive Committee.

## **Item 21 – Brochure Supplement for Gary Greenberg (Born 1953) – Head of Global Emerging Markets**

### **Section 1 – Educational Background and Business Experience**

Gary is Head of Global Emerging Markets and joined the international business of Federated Hermes in September 2010. Prior to this, he was managing partner at Silkstone Capital and Muse Capital, both London-based hedge funds he co-founded and managed in 2007 and 2002, respectively. From 1999 through 2002 he was executive director at Goldman Sachs in New York and London, where he co-headed the emerging markets product for GSAM and served on the global asset allocation and European stock selection committees. From 1998 to 1999 he was managing director at Van Eck Global in Hong Kong and New York, where he was the lead portfolio manager for international equities and ran the Hong Kong office. From 1994 through 1998 Gary was chief investment officer at Peregrine Asset Management in Hong Kong, managing and supervising global and regional equity, plus fixed income funds. In the early years of his career he was a principal of Wanger Asset Management in Chicago, where he co-founded and co-managed the Acorn International Fund, which grew to \$1.4bn under his tenure. Gary holds an MBA from Thunderbird School, a BA from Carleton College and is a CFA charterholder. In 2018, the Hermes Global Emerging Markets Fund was named best emerging markets fund for the third year in a row at the Investment Week Fund Manager of the Year Awards, best regional equity specialist within the emerging markets category at the FE Manager of the Year Awards, best emerging markets group by Citywire Switzerland and won the Portfolio Adviser Fund Awards for emerging markets. Gary was named best manager for emerging markets equity by Citywire UK in 2017.

### **Section 2 – Disciplinary History**

There are no legal or disciplinary events to disclose with respect to Mr. Greenberg.

### **Section 3 – Other Business Activities**

Mr. Greenberg is not engaged in any investment-related business outside of his role with Hermes Investment Management Limited.

### **Section 4 – Additional Compensation**

Mr. Greenberg does not receive any economic benefit for providing advisory services from any person that is not a client of Hermes Investment Management Limited or its affiliated investment advisers.

### **Section 5 – Supervision**

Mr. Greenberg is subject to supervision by the Head of Investment and the Executive Committee.

## Item 22 – Brochure Supplement for Geir Lode (Born 1963) –Head of Global Equities

### Section 1 – Educational Background and Business Experience

Geir joined the international business of Federated Hermes in May 2007 to establish the Global Equities strategy. Prior to this, he was Chairman of Bergen Yards in Bergen, Norway, where he was responsible for restructuring and focusing a holding company. Bergen Yards changed name to Bergen Group and was listed on the Oslo stock exchange in June 2007. Geir started his career in 1991 at Frank Russell, moving to Chancellor LGT and then Putnam Investments, where he was a senior vice president before returning to Norway in 2003. Geir studied Mechanical Engineering at the Norwegian Institute of Technology and earned an MBA at the Pacific Lutheran University, Washington. Geir has been on the board of 17 companies in four different countries.

### Section 2 – Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Lode.

### Section 3 – Other Business Activities

Mr. Lode is not engaged in any investment related business outside of his role with Hermes Investment Management Limited.

### Section 4 – Additional Compensation

Mr. Lode does not receive any economic benefit for providing advisory services from any person that is not a client of Hermes Investment Management Limited or its affiliated investment advisers.

### Section 5 – Supervision

Mr. Lode is subject to supervision by the Head of Investment and the Executive Committee.

## Item 23 – Brochure Supplement Fraser Lundie (Born 1980) – Head of Credit

### Section 1 – Educational Background and Business Experience

Fraser joined the international business of Federated Hermes in February 2010 and is Head of Credit and lead manager on the range of credit strategies. Prior to this, he was at Fortis Investments, where he was responsible for European high yield credit. Fraser graduated from the University of Aberdeen with an MA (Hons) in Economics; he earned an MSc in Investment Analysis from the University of Stirling and is a CFA charterholder. In 2017, Fraser joined the board of CFA UK, a member society of the CFA Institute. He was featured in the Financial News' '40 Under 40 Rising Stars of Asset Management', an editorial selection of the brightest up-and-coming men and women in the industry, and in 2015 Fraser was named as one of the top 10 star fund managers of tomorrow by the Daily Telegraph. In 2016, Citywire Americas named Fraser number one in their global high yield manager review, and Investment Europe and Investment Week both named the Hermes Multi Strategy Credit Fund (now Federated Hermes Multi Strategy Credit Fund since 2020) top global bond fund at their respective 2017 Fund Manager of the Year Awards.

### Section 2 – Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr Lundie.

### Section 3 – Other Business Activities

Mr Lundie is on the board of CFA UK.

### Section 4 – Additional Compensation

Mr Lundie does not receive any economic benefit for providing advisory services from any person that is not a client of Hermes Investment Management Limited or its affiliated investment advisers.

### Section 5 – Supervision

Mr Lundie is subject to supervision by the Head of Fixed Income and the Executive Committee.

## **Item 24 – Brochure Supplement for Jonathan Pines (Born 1971) – Head of Asia ex-Japan**

### **Section 1 – Educational Background and Business Experience**

Jonathan joined the international business of Federated Hermes in March 2009 as portfolio manager responsible for Asia ex-Japan within the Emerging Markets strategy. Jonathan has been lead portfolio manager for the Asia ex-Japan strategy since its launch at the start of 2010. Prior to joining, he was a fund manager at RAB Capital and an analyst at Orbis Investment Advisory in London. Jonathan grew up in South Africa, where he was a partner at PKF Johannesburg. He holds an MBA from Harvard Business School, is a CFA charterholder and a chartered accountant. Under Jonathan's management, the Asia ex-Japan strategy has been awarded Asian Investor's Asset Management Award for best Asia ex-Japan equity strategy for each of the last five years; Portfolio Adviser's Platinum Award for Asia Pacific ex-Japan Equity in 2017; Citywire Asia's Asia ex-Japan Group Award in 2016; and Investment Week's 2016 Fund Manager of the Year Award for Asian equity.

### **Section 2 – Disciplinary History**

There are no legal or disciplinary events to disclose with respect to Mr. Pines.

### **Section 3 – Other Business Activities**

Mr. Pines is not engaged in any investment-related business outside of his role with Hermes Investment Management Limited.

### **Section 4 – Additional Compensation**

Mr. Pines does not receive any economic benefit for providing advisory services from any person that is not a client of Hermes Investment Management Limited or its affiliated investment advisers.

### **Section 5 – Supervision**

Mr. Pines is subject to supervision by the Head of Investment and the Executive Committee.

## **Item 25 – Brochure Supplement for Mitchell Reznick (Born 1968) – Head of Credit Research & Sustainable Fixed Income**

### **Section 1 – Educational Background and Business Experience**

Mitch joined the international business of Federated Hermes in February 2010 as Head of Research on the Credit team before becoming Co-Head of Credit from 2012 to 2019. In 2019, in addition to his role of Head of Research, he became Head of Sustainable Fixed Income and co-manager of the SDG Engagement High Yield Fund. Prior to this he was Co-Head of Credit Research for the global credit team at Fortis Investments. Other roles at Fortis include portfolio manager of European high yield funds, based in London, and senior credit analyst, based in Paris. Before this he worked as an associate analyst in the leveraged finance group at Moody's Investors Service in New York. Mitch earned a Master's degree in International Affairs at Columbia University in New York City and a Bachelor's degree in History at Pitzer College, one of the Claremont Colleges in California. He is a CFA charterholder; Co-Chair of the Capital Markets Advisory Committee of the IFRS Foundation; founding member of the Executive Committee for the European Leveraged Finance Association; member of the Sovereign Working Group and the Credit Rating Advisory Committee for the PRI; member of the technical Working Group (Communications and Technology) for the US-based Sustainability Accounting Standards Board (SASB); a workstream member of the UK-China Green Finance Task Force; and sits on the Green Finance Advisory of the City of London.

### **Section 2 – Disciplinary History**

There are no legal or disciplinary events to disclose with respect to Mr. Reznick.

### **Section 3 – Other Business Activities**

Mr. Reznick is Co-Chair of the Capital Markets Advisory Committee of the IFRS Foundation; member of the Association for Financial Markets in Europe High Yield Investor Committee; member of the Sovereign Working Group and the Credit Rating Advisory Committee for the PRI; member of the technical Working Group (Communications and Technology) for the US-based Sustainability Accounting Standards Board (SASB); a workstream member of the UK-China Green Finance Task Force; and sits on the Green Finance Advisory of the City of London.

### **Section 4 – Additional Compensation**

Mr. Reznick does not receive any economic benefit for providing advisory services from any person that is not a client of Hermes Investment Management Limited or its affiliated investment advisers.

### **Section 5 – Supervision**

Mr. Reznick is subject to supervision by the Head of Fixed Income and the Executive Committee.

## Item 26 – Brochure Supplement for Mark Sherlock (Born 1976) – Head of US Equities

### Section 1 – Educational Background and Business Experience

Mark joined the US Equities team in February 2009 as co-manager of the US SMID Cap strategy and became lead manager in October 2013. He was appointed as Head of US Equities in October 2017 and became co-portfolio manager of the Impact Opportunities strategy in December 2019. Mark initially joined the international business of Federated Hermes in 2005 as an analyst and fund manager on the UK Focus Fund. Prior to this, he was an investment analyst at Rio Tinto Pension Fund, where he had responsibility for the small- and mid-cap portion of the portfolio. Mark qualified as a Chartered Accountant with PricewaterhouseCoopers in 2002. He has a degree in Politics from Durham University, is a CFA charterholder and a Fellow of ICAEW.

### Section 2 – Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Sherlock.

### Section 3 – Other Business Activities

Mr. Sherlock is not engaged in any investment-related business outside of his role with Hermes Investment Management Limited.

### Section 4 – Additional Compensation

Mr. Sherlock does not receive any economic benefit for providing advisory services from any person that is not a client of Hermes Investment Management Limited or its affiliated investment advisers.

### Section 5 – Supervision

Mr. Sherlock is subject to supervision by Head of Investment and the Executive Committee.

## Item 27 – Brochure Supplement for James Rutherford (Born 1965) – Head of European Equities

### Section 1 – Educational Background and Business Experience

James is Head of European Equities and lead portfolio manager of the European Alpha strategy. He is also co-portfolio manager for the Europe ex-UK, Eurozone, and Sustainable Europe strategies. He joined the international business of Federated Hermes in 2009 as Co-Head of Investment for Hermes Sourcecap, now European Equities at the international business of Federated Hermes. James began his career at Fidelity as a pan-European research analyst, initially specializing in areas such as property, transportation, autos and media. In 1995, he became a pan-European portfolio manager and co-managed the UK Recovery Trust, which was ranked first in its peer group during that period. James was ultimately responsible for a \$19bn portfolio of pan-European institutional funds, and he remained at Fidelity until 2006, when he co-founded Sourcecap with the aim of building a best-in-class investment boutique focused on excellence in European equity management. James graduated from the London School of Economics with a BSc in Theoretical Economics.

### Section 2 – Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Rutherford.

### Section 3 – Other Business Activities

Outside of his role with Hermes Investment Management Limited, Mr Rutherford is a trustee on a nondiscretionary basis for a charitable Family Trust Fund. In addition to the trustee role, Mr Rutherford is an unpaid Non-Executive Director of and shareholder in Pixelrights, a private UK technology company.

### Section 4 – Additional Compensation

Mr. Rutherford does not receive any economic benefit for providing advisory services from any person that is not a client of Hermes Investment Management Limited or its affiliated investment advisers.

### Section 5 – Supervision

As Head of European Equities, Mr. Rutherford is subject to supervision by Hermes Head of Investment and also by the Executive Committee.

## **Item 28 – Brochure Supplement for Martin Todd (Born 1981) – European Equities and Impact Opportunities**

### **Section 1 – Educational Background and Business Experience**

Martin joined the international business of Federated Hermes as a senior analyst on the European Equities team in March 2013 and is now lead portfolio manager of the Sustainable Europe strategy, and co-portfolio manager of the Federated Hermes European Alpha Fund, Federated Hermes Europe ex-UK Fund and the Impact Opportunities strategy. Prior to joining, he was an investment director at Scottish Widows Investment Partnership. Martin joined SWIP as a graduate and spent eight years there, primarily investing in UK equities, but also spells covering US and Japanese equity markets. Martin graduated from the University of St Andrews with an MA in Economics & Modern History and is a CFA charterholder. In 2015, Martin featured in Financial News's '40 Under 40 Rising Stars of Asset Management', an editorial selection of the brightest up-and-coming men and women in the industry.

### **Section 2 – Disciplinary History**

There are no legal or disciplinary events to disclose with respect to Mr. Todd.

### **Section 3 – Other Business Activities**

Mr. Todd is not engaged in any investment-related business outside of his roles with Hermes Investment Management Limited.

### **Section 4 – Additional Compensation**

Mr. Todd does not receive any economic benefit for providing advisory services from any person that is not a client of Hermes Investment Management Limited or its affiliated investment advisers.

### **Section 5 – Supervision**

Mr. Todd is subject to supervision by Mr. Rutherford, Head of European Equities.

## **Item 29 – Brochure Supplement for Chi Chan (Born 1973) – European Equities – Lead Manager of the Eurozone Strategy**

### **Section 1 – Educational Background and Business Experience**

Chi joined the international business of Federated Hermes as an analyst in 2009 and is now lead portfolio manager of the Eurozone strategy. Prior to this, in early 2004 he joined Execution Limited as a senior telecoms analyst with lead responsibility for companies with an aggregate market cap in excess of €200bn and established a reputation for interesting and commercial analysis. Previously he was at Credit Suisse First Boston, initially supporting the inception of the global value-based research group (the predecessor to HOLT) before being recruited internally to join the highly-rated pan-European telecom team. Chi started his career at the financial services practice of Ernst & Young, where he qualified as a Chartered Accountant after graduating from University of Manchester Institute of Science and Technology (UMIST) in 1997 with a BSc in Clothing Engineering and Management.

### **Section 2 – Disciplinary History**

There are no legal or disciplinary events to disclose with respect to Mr. Chan.

### **Section 3 – Other Business Activities**

Mr. Chan is not engaged in any investment-related business outside of his roles with Hermes Investment Management Limited.

### **Section 4 – Additional Compensation**

Mr. Chan does not receive any economic benefit for providing advisory services from any person that is not a client of Hermes Investment Management Limited or its affiliated investment advisers.

### **Section 5 – Supervision**

Mr. Chan is subject to supervision by Mr. Rutherford, Head of European Equities.

## **Item 30 – Brochure Supplement for Ingrid Kukuljan (Born 1975) – Head of Impact Investing**

### **Section 1 – Educational Background and Business Experience**

Ingrid joined the international business of Federated Hermes in February 2020 with over 22 years' experience in financial services. As Head of Impact Investing, she is responsible for the construction and management of the portfolios within the Impact Opportunities strategy. Her experience spans asset management as well as capital and private markets. She joins from PDM Capital where she was managing a thematic equity fund. Prior to this, she was at Jupiter Asset Management as Fund Management Director where she managed the EMEA portion of the Global Managed Fund and co-managed Jupiter's flagship emerging markets fund. She started her career in 1997 at Lazard & Co where, for six years, she was a generalist CEE and European equities analyst. Ingrid was included in Citywire's first ever global compilation of the 1,000 top fund managers in the world. Ingrid holds a degree in Italian and Business Studies from University College London, CISI Diploma in Investment Regulation & Compliance and is fluent in four languages.

### **Section 2 – Disciplinary History**

There are no legal or disciplinary events to disclose with respect to Ms. Kukuljan.

### **Section 3 – Other Business Activities**

Ms. Kukuljan is a Non-Executive Director of Fair4All Finance, founded with dormant asset money solely to create positive impact by promoting financial inclusion in UK. She is also an Investment Committee Board Member at GFS.

### **Section 4 – Additional Compensation**

Ms. Kukuljan does not receive any economic benefit for providing advisory services from any person that is not a client of Hermes Investment Management Limited or its affiliated investment advisers.

### **Section 5 – Supervision**

Ms. Kukuljan is subject to supervision by Head of Investment and the Executive Committee.

## **Item 31 – Brochure Supplement for Patrick Marshall (Born 1972) – Head of Private Debt and CLOs**

### **Section 1 – Educational Background and Business Experience**

Patrick joined the international business of Federated Hermes in June 2015 to launch and manage the Direct Lending strategy, which invests in senior loans to UK and European mid-market businesses. In this role, Patrick is responsible for the day-to-day management of the Direct Lending Funds and has ultimate authority on which transactions to put forward for investment by the funds, subject to Investment Committee approval. He was previously Head of Direct Lending in London at Tikehau Capital, and Partner at WCAS Fraser Sullivan Investment Management, where he established the firm's European loan business. Prior to that, Patrick managed loan portfolios in excess of \$4bn and \$10bn as Managing Director at the Lehman Brothers Estate and Head of European and Asian loan portfolio management and restructuring at Lehman Brothers respectively. He has a Bachelor of Commerce in Business Administration and French from the University of Edinburgh.

### **Section 2 – Disciplinary History**

There are no legal or disciplinary events to disclose with respect to Mr. Marshall.

### **Section 3 – Other Business Activities**

Mr. Marshall is not engaged in any investment-related business outside of his role with Hermes Investment Management Limited.

### **Section 4 – Additional Compensation**

Mr. Marshall does not receive any economic benefit for providing advisory services from any person that is not a client of Hermes Investment Management Limited or its affiliated investment advisers.

### **Section 5 – Supervision**

Mr. Marshall is subject to supervision by Head of Fixed Income & Multi-Asset and the Executive Committee.



## Item 32 – Brochure Supplement for Eoin Murray (Born 1967) – Head of Investment

### Section 1 – Educational Background and Business Experience

Eoin is Head of Investment and a member of the Executive Committee. Eoin also leads the Investment Office, which is responsible to clients for the investment teams' consistent delivery of responsible, risk-adjusted performance and adherence to the processes which earned them their 'kitemarks'.

Eoin joined the international business of Federated Hermes in January 2015 with almost 30 years' investment experience. Eoin joined from GSA Capital Partners, where he was a fund manager. Before this, he was Chief Investment Officer at Old Mutual from 2004 to 2008 and also held senior positions at Callanish Capital Partners LLP and Northern Trust Global Investments. He began his career as a graduate trainee at Manufacturers Hanover Trust (now JPMorgan Chase) and subsequently performed senior portfolio manager roles at Wells Fargo Nikko Investment Advisors (now BlackRock), PanAgora Asset Management and First Quadrant. Eoin earned an MA (Hons) in Economics and Law from the University of Edinburgh and an MBA from Warwick Business School.

Eoin is a Freeman of the City of London, a Liveryman of the Worshipful Company of Blacksmiths, Upper Warden member of the Guild of Investment Managers, and a Fellow of the RSA. He is a member of the Exmoor Search and Rescue team, a fully qualified Swift-water Rescue Technician, a Powerboat Rescue Operator and a Flood Water Incident Manager.

### Section 2 – Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Murray.

### Section 3 – Other Business Activities

Mr. Murray is a member of the committee of Guild of Investment Managers and of the Exmoor Search and Rescue Team.

### Section 4 – Additional Compensation

Mr. Murray does not receive any economic benefit for providing advisory services from any person that is not a client of Hermes Investment Management Limited or its affiliated investment advisers.

### Section 5 – Supervision

As Head of Investment, Mr. Murray is subject to supervision by the Chief Executive Officer and ultimately the Board of Hermes Fund Managers Limited.

## Item 33 – Brochure Supplement for Andrew Jackson (Born 1970) – Head of Fixed Income & Multi Asset

### Section 1 – Educational Background and Business Experience

Andrew joined the international business of Federated Hermes in April 2017 as Head of Fixed Income. He is responsible for leading the strategic development of the Credit and Direct Lending investment teams and developing a multi-asset credit offering capable of accessing all areas of the global credit markets for pension funds and other long-term institutional investors. In December 2020, he assumed additional responsibility as the Head of Multi Asset to coordinate and oversee the expansion of Federated Hermes' multi-asset offering and capabilities.

Andrew joined from Cairn Capital, where he was Chief Investment Officer. In this role, Andrew was responsible for the development of the asset management business, which included designing new products and managing the investment teams, including strategy, portfolio management and research. He has managed assets across the spectrum of global credit and fixed income. He was previously vice president within the European credit structuring team at Bank of America and has held roles with Fitch Ratings and PricewaterhouseCoopers. Andrew holds a BSc degree in Mathematics & Theoretical Physics from Kings College London.

### Section 2 – Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Jackson.

### Section 3 – Other Business Activities

Mr. Jackson is not engaged in any investment-related business outside of his role with Hermes Investment Management Limited.

### Section 4 – Additional Compensation

Mr. Jackson does not receive any economic benefit for providing advisory services from any person that is not a client of Hermes Investment Management Limited or its affiliated investment advisers.

### Section 5 – Supervision

Mr. Jackson is subject to supervision by the Chief Executive Officer and ultimately by the Board of Hermes Fund Managers Limited.





## 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 to contribute to positive outcomes that benefit the wider world.

All activities previously carried out by Hermes now form the international business of Federated Hermes. Our brand has evolved, but we still offer the same distinct investment propositions and pioneering responsible investment and stewardship services for which we are renowned – in addition to important new strategies from the entire group.

## Our investment and stewardship capabilities:

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

For more information, visit [www.hermes-investment.com](http://www.hermes-investment.com) or connect with us on social media:



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Federated Hermes refers to the international business of Federated Hermes ("Federated Hermes"). The main entities operating under Federated Hermes are: Hermes Investment Management Limited ("HIML"); Hermes Fund Managers Ireland Limited ("HFM Ireland"); Hermes Alternative Investment Management Limited ("HAIML"); Hermes Real Estate Investment Management Limited ("HREIML"); Hermes Equity Ownership Limited ("EOS"); Hermes Stewardship North America Inc. ("HSNA"); Hermes GPE LLP ("Hermes GPE"); Hermes GPE (USA) Inc. ("Hermes GPE USA") and Hermes GPE (Singapore) Pte. Limited ("HGPE Singapore").  
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