

# FEDERATED MDTA LLC

## (INCLUDING ITS MDT ADVISERS DIVISION)

March 15, 2022

### ITEM 2. MATERIAL CHANGES

As required by SEC rules, through this summary, Federated MDTA LLC 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 15, 2021. We encourage you to use this summary to determine whether to review our amended brochure, dated March 15, 2022 (Updated Brochure), in its entirety or to contact Federated MDTA LLC with questions about the changes.

You may contact us at 1-800-341-7400 (select option 4) 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](http://www.adviserinfo.sec.gov)."

**Item 5 Section A.1 ("Fees and Compensation - Our Advisory Fees - Advisory Fee Information for Separate Accounts, Managed Accounts, and Model Portfolio Management Services"):** The subsection "Our Basic Fee Schedules" has been revised to reflect the updated basic fee schedules. Accordingly, the subsection has been restated as follows:

#### **Our Basic Fee Schedules --**

##### **Separate Accounts**

Federated MDTA LLC's basic fee schedules for Separate Accounts are as follows:

##### **MDT - All Cap Core; Balanced; Large Cap Growth; Large Cap Value:**

55 basis points - first \$25 million in assets under management (AUM)  
45 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

##### **MDT - Micro Cap:**

100 basis points on all assets under management

##### **MDT - Mid Cap Growth:**

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

##### **MDT - Small Cap Core; Small Cap Growth; Small Cap Value:**

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

## **Managed Accounts and Model Portfolio Management Services**

Federated MDTA LLC's basic fee schedules for Managed Accounts and Model Portfolio Management Services are as follows:

### **MDT - All Cap Core; Balanced; Large Cap Growth; Large Cap Value:**

70 basis points - first \$5 million in assets under management (AUM)  
60 basis points - over \$5 million to \$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

### **MDT - Tax Aware/All Cap Core:**

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

### **MDT - Mid Cap Growth:**

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

### **MDT - Small Cap Core; Small Cap Growth; Small Cap Value:**

85 basis points - first \$5 million in assets under management (AUM)  
80 basis points - over \$5 million to \$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

**Item 5 Section A.2 ("Fees and Compensation - Our Advisory Fees - Advisory Fee Information for Pooled Investment Vehicles, Proprietary Accounts and Subadvised Accounts"): This section has been revised to reflect the updated fee ranges for Investment Companies and Pooled Investment Vehicles. Accordingly, the section has been restated as follows:**

This section sets forth information regarding Federated MDTA LLC's fees for Investment Companies, Pooled Investment Vehicles, Proprietary Accounts and Subadvised Accounts. We charge asset-based fees, which are determined as a percentage of AUM or average net assets. We also may charge performance-based fees. Managing accounts for performance-based fees creates various conflicts of interest for us and our employees and supervised persons. (Please refer to "Performance-Based Fees and Side by Side Management" in Item 6 of this brochure for a discussion of these conflicts of interest.)

## **Investment Companies**

Federated MDTA LLC's fees for providing Investment Supervisory Services to Investment Companies generally are based upon the client's average net assets. When our fee is negotiated, it may vary based on discussions with the Board of Directors/Trustees of an Investment Company, and is specified in our investment management agreement for the Investment Company. Our fees currently range from 0.70% to 0.80%. Our investment management agreements may provide for "breakpoints" at which the percentage charged is reduced if the client's average net assets exceed a specified amount. We also may agree to or voluntarily limit or reimburse our fees to maintain an Investment Company's general expenses at a specified percentage of average net assets.

Our fees are payable as provided in our investment management agreements, and typically are paid daily. We do not require any Investment Company to prepay investment advisory fees (therefore, our fees are not refundable).

### **Pooled Investment Vehicles**

Federated MDTA LLC's fees for providing Investment Supervisory Services to Pooled Investment Vehicles may be consistent with the basic fee information and terms discussed above but also may vary depending upon the type of Pooled Investment Vehicle and the scope of services being provided. The asset-based fees currently generally range from 0.40% to 0.50%. We also may receive a performance-based fee that is calculated as a percentage of excess performance above certain levels as discussed in the Pooled Investment Vehicle's governing documents. We do not require any Pooled Investment Vehicles to prepay investment advisory fees (therefore, our fees are not refundable).

In the case of either U.S. or non-U.S. Pooled Investment Vehicles, when Federated MDTA LLC's fee is negotiated, it may vary based on discussions with the governing bodies or managers of such Pooled Investment Vehicles and is specified in our investment management or other agreements for the Pooled Investment Vehicles.

### **Proprietary Accounts**

When Federated MDTA LLC provides Investment Supervisory Services with respect to Proprietary Accounts, we may not charge an advisory fee. If we charge an advisory fee, our fees generally are consistent with the basic fee information and terms discussed above for the type of investment product that constitutes the Proprietary Account (*e.g.*, Separate Accounts, Managed Accounts, Investment Companies or other Pooled Investment Vehicles). This includes regarding whether our fees may be charged in advance and are refundable. Our fees, however, may vary (and could be lower or higher) depending upon the investment strategy or style, types of investment securities and number of portfolios or accounts for which services are provided, the purpose for which the Proprietary Account is established and maintained and other relevant factors.

### **Subadvised Accounts**

When Federated MDTA LLC provides Investment Supervisory Services as a sub-adviser or in another capacity to Other Advisers, our fees generally are consistent with the basic fee information and terms discussed above for the type of client (*e.g.*, Separate Accounts, Managed Accounts, Investment Companies or other Pooled Investment Vehicles). This includes regarding whether our fees may be charged in advance and are refundable. Our fees may be payable monthly or quarterly. When our fee is negotiated, it may vary based on discussions with an Other Adviser or the governing bodies or managers of the client.

**Item 5 Section E ("Fees and Compensation - Sales Compensation"):** This section has been revised to describe the impacts of amended Rule 206(4)-1 on our contractual arrangements with Federated Securities Corp. and Federated International Securities Corp. Accordingly, the section has been restated as follows:

Federated Securities Corp. and Federated International Securities Corp. are affiliates of Federated MDTA LLC. Federated Securities Corp. serves as distributor of the Federated Hermes family of Investment Companies (*i.e.*, mutual funds and ETFs), and Private Investment Companies. Federated Securities Corp. is a registered broker/dealer, municipal securities dealer, and investment adviser. Federated International Securities Corp. is a registered broker/dealer and investment adviser. Federated Securities Corp. and Federated International Securities Corp. receive distribution-related fees for services relating to the sale of shares of Federated Hermes mutual funds and ETFs. Some of their employee-representatives also receive compensation based on the sale of mutual fund and ETF shares.

Federated Securities Corp. also:

- May provide services to banks, financial institutions or Other Advisers in connection with Federated Securities Corp. locating purchasers for assets held in pooled investment vehicles for which such entities serve as trustees;
- Sells units of certain collective investment trust(s)/fund(s) for which (i) Federated Investors Trust Company, an affiliate of Federated MDTA LLC, serves as trustee and (ii) an entity unaffiliated with the Federated Advisory Companies, including Federated MDTA LLC, serves as trustee;

- Sells shares of certain private funds for which Federated MDTA LLC, or another Advisory Company may serve as trustee, managing member or investment adviser; and
- Engages in certain sales-related activities relating to certain local government investment pools.

Federated Securities Corp. receives, and its employee-representatives may receive, compensation for these placement agent, sales-related, and other activities.

Federated International Securities Corp. also:

- May sell units of certain collective investment trust(s)/fund(s) for which Federated Investors Trust Company, an affiliate of Federated International Securities Corp., serves as trustee; and
- May sell shares of certain private funds for which other Advisory Companies serve as trustee, managing member or investment adviser.

Federated International Securities Corp. may receive, and its employee-representatives may receive, compensation for these, placement agent, sales-related, and other activities.

Employee-representatives of Federated Securities Corp. and Federated International Securities Corp. also serve as sales people for the investment services and products sponsored by Federated Hermes and investment advisory services offered by Federated MDTA LLC 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 MDTA LLC and certain other Advisory Companies and, in certain cases, 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 MDTA LLC and other Federated Advisory Companies.

Federated Securities Corp.'s and Federated International Securities Corp.'s services, and their employee-representatives' services, are provided to Federated MDTA LLC, and certain other Advisory Companies, pursuant to one or more written agreements with Federated MDTA LLC, and the other relevant Advisory Companies, entered into pursuant to SEC Rule 206(4)-3 under the Advisers Act. These written agreements:

- Describe the solicitation activities to be engaged in by Federated Securities Corp.'s and Federated International Securities Corp.'s employee-representatives on behalf of Federated MDTA LLC and the other relevant Advisory Companies;
- Describe the compensation to be received for such services;
- Require that Federated Securities Corp.'s, Federated International Securities Corp.'s and their employee-representatives' status as employee-representatives, be disclosed to the client or potential client of Federated MDTA LLC or the other relevant Advisory Companies at the time of the solicitation or referral; and
- Require that the affiliation between Federated Securities Corp., Federated International Securities Corp. and their employee-representatives, and Federated MDTA LLC, or the other relevant Advisory Companies, be disclosed to the client or potential client of Federated MDTA LLC or the other relevant Advisory Companies at the time of the solicitation or referral.

Pursuant to applicable SEC guidance, these written agreements also require that Federated Securities Corp.'s or Federated International Securities Corp.'s relevant regulatory history, if any, be disclosed to clients and potential clients of Federated MDTA LLC and the other relevant Advisory Companies. As permitted by applicable SEC guidance, this disclosure may be provided to clients or potential clients by including it in our brochure (or the brochures of the other relevant Advisory Companies) or by including it in a separate document.

On December 22, 2020, the SEC adopted amendments to Rule 206(4)-1 that, among other changes, will replace SEC Rule 206(4)-3 upon the November 4, 2022 compliance date. On or before the compliance date, Federated Securities Corp.'s and Federated International Securities Corp.'s services provided to Federated MDTA LLC and certain other Advisory Companies pursuant to the written agreements described above will change to conform with amended Rule 206(4)-1. These written agreements will be amended to, among other things, enable Federated MDTA LLC to develop a reasonable basis for believing that communications to clients and potential clients of Federated MDTA LLC comply with the requirements of amended Rule 206(4)-1, including that they contain certain disclosures required by the Rule

regarding the promoter's status as a client, compensation paid to the promoter, and any material conflicts associated with the promoter's activities on behalf of Federated MDTA LLC.

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 Federated International Securities Corp. for performing such solicitation and other functions.

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 are discretionary and may be based on a number of factors, including mutual fund, ETF, and/or 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'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.

Even though Federated Securities Corp.'s or Federated International Securities Corp.'s employee-representatives are not employees of Federated MDTA LLC or the other Advisory Companies for which Federated Securities Corp.'s or Federated International Securities Corp.'s employee-representatives serve as sales people, Federated Securities Corp., Federated International Securities Corp. and their employee-representatives, are supervised persons of Federated MDTA LLC and such other Federated Advisory Companies. They also are deemed to be "persons associated with" us and such other Federated Advisory Companies. Federated Securities Corp.'s and Federated International Securities Corp.'s employee-representatives also are registered as investment adviser representatives of Federated MDTA LLC and such other Federated Advisory Companies, as and to the extent required under applicable law. Federated Securities Corp., Federated International Securities Corp. and their employee-representatives are subject to the supervision and control of Federated MDTA LLC and such other Federated Advisory Companies. As such, they are subject to the compliance programs of Federated MDTA LLC and such other Federated Advisory Companies when soliciting clients or potential clients for them or providing advice on their behalf.

Federated MDTA LLC does not receive commissions or other compensation for the sale of investment products. Since we do not receive commissions, we do not charge our investment advisory fees in addition to commissions or markups. Under appropriate circumstances, we may advise our clients to invest assets in certain Investment Companies, including no-load funds, Private Investment Companies, or Pooled Investment Vehicles advised by us or other Advisory Companies or distributed by Federated Securities Corp. (Affiliated Investment Vehicles). Federated MDTA LLC, or our affiliated companies (including Federated Securities Corp. and Federated International Securities Corp.), may receive investment advisory, administrative, distribution or other fees and compensation from such Affiliated Investment Vehicles.

The practices discussed above create actual and potential conflicts of interest because Federated Securities Corp., Federated International Securities Corp., their employee-representatives, and Federated MDTA LLC (or other Advisory Companies) have an incentive to recommend investment services or products based on the compensation received rather than a client's needs. (Please refer to "Performance-Based Fees and Side by Side Management" in Item 6 of this brochure for a discussion of these conflicts of interest.)

Clients always have the option to purchase investment products that Federated Securities Corp., Federated International Securities Corp., their employee-representatives, or Federated MDTA LLC (or any of our affiliates) recommend, or to preclude investment in any investment product (including Affiliated Investment Vehicles). If a client desires to preclude investment in a particular investment product, the client should impose a restriction on the client's account by instructing us in writing. (Please refer to "Investment Discretion" in Item 16 of this brochure for further information.) Clients also have the option to purchase any investment products through any broker/dealer or other securities intermediary that is not affiliated with Federated MDTA LLC.

**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 revised to describe the conflicts that may arise to the extent that certain Advisory Companies that manage private equity investments come into possession of material non-public information regarding such issuers. Accordingly, the section has been restated as follows:

Actual or potential conflicts of interest could arise to the extent that Federated MDTA LLC, or our affiliates (*e.g.*, the other Advisory Companies and 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 EOS such that personnel of the Federated Advisory Companies, the Hermes Advisory Companies, and EOS are generally precluded from sharing investment-related information, including MNPI, across the barriers, except when the Hermes Advisory Companies act in a subadvisory capacity for clients of the Federated Advisory Companies (or vice versa). For example, investment teams trading on behalf of the Federated Advisory Companies are prohibited from participating with EOS with respect to engagement with issuers in which those investment teams have a short position. 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 EOS share internally-generated research that does not contain MNPI or information regarding non-public holdings or trading for client accounts. In addition, certain Advisory Companies manage portfolios of private equity investments, and in connection with conducting assessments of and/or holding control positions in such issuers, may come into possession of MNPI with respect to the issuers and potentially other issuers with which they have material business connections. To the extent that the Federated Advisory Companies elect not to maintain information barriers to compartmentalize such MNPI, Federated MDTA LLC and/or the other Federated Advisory Companies may be inhibited from investing in or selling positions held in such issuers. 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 MDTA LLC 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 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, 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 EOS”):** This section has been updated to clarify that any proxy voting research or recommendations provided by EOS are subject to the Federated Advisory Companies’ Proxy Voting Policy. Accordingly, the section has been restated as follows:

Actual or potential conflicts of interest may arise to the extent that the Federated Advisory Companies engage 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 EOS to provide stewardship services, 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 EOS stewardship services ultimately to seek to increase the value of positions held in the Federated Advisory Companies’ client accounts, and any proxy voting research or recommendations provided by EOS as an integral part of its stewardship services will be subject to the Federated Advisory Companies’ Proxy Voting Policy.

(Please refer to “Voting Client Securities” in Item 17 of this brochure for additional information.) To the extent that the Federated Advisory Companies determine that advocacy by 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 EOS clients to influence or control the management or policies of an issuer, it is also possible that certain stewardship services entered into by EOS may be viewed as joint action by EOS and/or its clients, including the Federated Advisory Companies, which could impose certain reporting and other requirements under applicable securities laws. EOS and the Federated Advisory Companies seek to mitigate this potential conflict of interest through policies that provide that the Federated Advisory Companies generally will not direct EOS with respect to the companies with which it engages or specific positions that inform its engagement. EOS also maintains policies and procedures related to client engagement and voting that are intended, in part, to limit the reporting obligations of 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 minimum account size requirements. Accordingly, the section has been restated as follows:**

Federated MDTA LLC 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 \$5 million for Micro Cap Accounts, \$10 million for Small Cap Accounts and \$25 million for all other strategies. Generally, the minimum size account acceptable for a Managed Account Program client ranges between \$100,000 and \$250,000, depending upon the particular Managed Account Program.

Federated MDTA LLC’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 MDTA LLC 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 MDTA LLC also may be restricted by the securities laws of jurisdictions outside of the U.S. from managing the assets of certain clients located in such jurisdictions.

**Item 8 Section A (“Methods of Analysis, Investment Strategies and Risk of Loss - Basic Information”): This section has been revised to reflect that we may invest a client’s assets in derivative contracts and hybrid instruments. Accordingly, the section has been restated as follows:**

Federated MDTA LLC employs fundamental analysis and uses bottom-up stock selection with a disciplined quantitative process. The process selects stocks based on fundamental variables, controls risk through diversification constraints, and controls turnover by taking into account the impact of trading costs. Quantitative models examine multiple economic and market factors using large data sets. The results generated by quantitative analysis may be different than expected and may negatively affect investment performance for a variety of reasons. For example, human judgment plays a role in building, utilizing, testing and modifying the financial algorithms and formulas used in these models. Additionally, the data, which is typically supplied by third parties, can be imprecise or become stale due to new events or changing circumstances. Market performance can be affected by non-quantitative factors (for example, investor fear or over-reaction or other emotional considerations) that are not easily integrated into quantitative analysis. There may also be

technical issues with the construction and implementation of quantitative models (for example, software or other technology malfunctions, or programming inaccuracies). (Please refer to “Our Advisory Services” in Item 4 of this brochure for further information regarding our quantitative investment process.)

Federated MDTA LLC provides our advisory services consistent with:

- The terms of the relevant investment management agreement(s) applicable to the management of a client’s assets;
- Any information provided to us regarding a client’s investment objectives or guidelines, or a client’s financial condition;
- Any reasonable investment restrictions imposed by a client;
- The investment objectives, strategies, policies and limitations of clients provided to us; and/or
- Our knowledge of restrictions imposed under applicable law on the management of a client’s assets.

Subject to the considerations identified in the above bullet points, we may recommend, invest and reinvest a client’s assets in a variety of securities and other investments and we may take into consideration certain environmental, social, and governance characteristics. These securities and other investments may include, among other securities or other investments permitted under client investment guidelines:

- Equity securities;
- Derivative contracts and hybrid instruments (including, for example, (1) for duration and/or volatility management, (2) for performance enhancement through the purchase of options, or (3) for offsetting changes in securities value caused by currency movement by use of currency hedges);
- Foreign securities;
- Repurchase agreements;
- Reverse repurchase agreements;
- Mutual fund shares (including shares of Investment Companies, Private Investment Companies and Pooled Investment Vehicles advised or sub-advised by Federated MDTA LLC or other Advisory Companies and distributed by Federated Securities Corp.); and/or
- ETFs.

We primarily provide advice with respect to equity, rather than fixed income or money market, investment strategies. Equity securities (which are discussed in more detail below) represent a share of an issuer’s earnings and assets, after the issuer pays its liabilities. Client investment objectives, guidelines and restrictions/limitations also may permit firm or standby commitments to purchase securities on delayed delivery transactions, and asset segregation may be required by client investment guidelines or applicable law. Money market securities are short-term, liquid, high-quality securities that are eligible for investment by money market Investment Companies under SEC Rule 2a-7 under the Investment Company Act. If we manage an investment account or product pursuant to a balanced or other investment strategy that permits investments in fixed income or money market securities, we generally engage another investment adviser (which may be another affiliated Federated Advisory Company) to act as sub-adviser with respect to the fixed income or money market component of the investment strategy. Fixed income securities pay interest, dividends or distributions at a specified rate. In these cases, clients should refer to any brochure for the applicable sub-adviser for further information on fixed income or money market securities and the risks related to investing in those types of investments.

While we primarily provide advice with respect to equity investment strategies, we do not recommend primarily a particular type of security, and our advice is not limited to the above list of securities and other investments. For example, in addition to the investments in the securities and other investments identified above, other investment techniques that Federated MDTA LLC may employ include long term purchases, short term purchases, trading, short sales, and margin transactions. We also may effect certain other types of investment-related transactions involving a client’s assets, such as securities lending. In addition, we may invest in securities of companies which are subject to legal or other restrictions on transfer or for which no liquid market exists (*e.g.*, private placements). The market prices, if any, of such investments may be more volatile and it may be impossible to sell such securities when desired or to realize their fair value in the event of a sale.



**Item 8 Section A (“Methods of Analysis, Investment Strategies and Risk of Loss - Basic Information”): The subsection “Derivative Contracts and Hybrid Instruments” has been added to describe derivative contracts and hybrid instruments and the risks associated with investing in such instruments. Accordingly, the subsection is as follows:**

### **Derivative Contracts and Hybrid Instruments**

Derivative contracts are financial instruments that require payments based upon changes in the values of designated securities, commodities, currencies, indices, or other assets or instruments including other derivative contracts, (each a Reference Instrument and, collectively, Reference Instruments). Each party to a derivative contract is referred to as a counterparty. Some derivative contracts require payments relating to an actual, future trade involving the Reference Instrument. These types of derivatives are frequently referred to as “physically settled” derivatives. Other derivative contracts require payments relating to the income or returns from, or changes in the market value of, a Reference Instrument. These types of derivatives are known as “cash settled” derivatives, since they require cash payments in lieu of delivery of the Reference Instrument.

Many derivative contracts are traded on securities or commodities exchanges. In this case, the exchange sets all the terms of the contract except for the price. Investors make payments due under their contracts through the exchange. Most exchanges require investors to maintain margin accounts through their brokers to cover their potential obligations to the exchange. Parties to the contract make (or collect) daily payments to the margin accounts to reflect losses (or gains) in the value of their contracts. This protects investors against potential defaults by the counterparty. Trading contracts on an exchange also allows investors to close out their contracts by entering into offsetting contracts.

Federated MDTA LLC may also trade derivative contracts over-the-counter (OTC) in transactions negotiated directly between a client account and the counterparty. OTC contracts do not necessarily have standard terms, so they may be less liquid and more difficult to close out than exchange-traded contracts. In addition, OTC contracts with more specialized terms may be more difficult to value than exchange-traded contracts, especially in times of financial stress.

The market for swaps and other OTC derivatives was largely unregulated prior to the enactment of federal legislation known as the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act). The Commodity Futures Trading Commission (the CFTC) and the SEC have released final rules implementing many of the statutory requirements of the Dodd-Frank Act, although additional guidance and phase-in periods may be proposed by both the CFTC and the SEC. Ongoing changes to the regulation of the derivatives markets and potential changes in the regulation of OTC derivative instruments could limit an account’s ability to pursue its investment strategies. The extent of these changes is not yet fully known and their impact cannot be predicted.

Regulations enacted by the CFTC under the Dodd-Frank Act require the clearing of certain swap contracts through a clearing house or central counterparty (CCP). Central clearing is presently required only for certain interest rate and credit default swaps; and the CFTC may impose a mandatory central clearing requirement for additional derivative instruments over time. To clear a swap through the CCP, a contract will be submitted to, and margin will be posted with, a futures commission merchant (FCM) that is a clearing house member. A swap may be entered with a financial institution other than the FCM and arrange for the contract to be transferred to the FCM for clearing, or enter into the contract with the FCM itself. If a transaction must be centrally cleared, the CFTC’s regulations also generally require that the swap be executed on a registered exchange or through a market facility that is known as a swap execution facility (SEF). CCPs, SEFs, and FCMs are all subject to regulatory oversight by the CFTC. In addition, many derivative market participants are now regulated as swap dealers and are subject to certain minimum capital and margin requirements and business conduct standards. The SEC has adopted similar regulatory requirements for security-based swap dealers.

Payment obligations arising in connection with derivative contracts are frequently required to be secured with collateral (in the case of OTC contracts) or margin (in the case of exchange-traded contracts). The CFTC and prudential regulators’ variation and initial margin requirements for uncleared swaps increase the amount of margin necessary to conduct uncleared swap transactions and limit the types of assets that can be used as collateral for such transactions. These margin requirements may affect the ability of a client account to use swap agreements to implement its investment strategies and may substantially increase regulatory and compliance costs. The variation margin requirements are now effective and the initial margin requirements are being phased-in through September 1, 2022, based on the average daily aggregate notional amount of covered swaps between swap dealers and swap entities. These requirements could further

adversely affect Federated MDTA LLC's ability to enter into swaps in the OTC market or could cause the termination of new or existing swap agreements at an inopportune time. To the extent necessary to meet such margin or collateral requirements, we may purchase U.S. Treasury and/or government agency securities for an account.

As of August 19, 2022, Rule 18f-4 under the Investment Company Act (the "Derivatives Rule") will require that an Investment Company that is not a Limited Derivatives User (as defined below) adopt and/or implement: (i) value-at-risk limitations ("VAR") in lieu of asset segregation requirements; (ii) a written derivatives risk management program; (iii) new oversight responsibilities for the board of directors/trustees, and (iv) new reporting and recordkeeping requirements. In the event that an Investment Company's derivative exposure is 10% or less of its net assets, excluding certain currency and interest rate hedging transactions, it can elect to be classified as a limited derivatives user ("Limited Derivatives User") under the Derivatives Rule, in which case the Investment Company would not be subject to the full requirements of the Derivatives Rule. Limited Derivatives Users are excepted from VAR testing, implementing a derivatives risk management program, and oversight and reporting requirements for the board of directors/trustees mandated by the Derivatives Rule. However, a Limited Derivatives User is still required to implement written compliance policies and procedures reasonably designed to manage an Investment Company's derivatives risks.

We may invest in a derivative contract if an account is permitted to own, invest in, or otherwise have economic exposure to the Reference Instrument. Depending on how an account permits use of derivative contracts and the relationships between the market value of a derivative contract and the Reference Instrument, derivative contracts may increase or decrease the account's exposure to the risks of the Reference Instrument, and may also expose the fund to liquidity and leverage risks. An account may not be required to own a Reference Instrument in order to buy or sell a derivative contract relating to that Reference Instrument. We also may trade, for example, in the following specific types and/or combinations of derivative contracts to the extent permitted for a client account: futures contracts (including interest rate futures, index futures, security futures, currency futures and currency forward contracts), option contracts (including put options and call options), and swap contracts (including interest rate swaps, caps and floors, total return swaps, credit default swaps, currency swaps, volatility swaps and total return swaps).

Hybrid instruments combine elements of two different kinds of securities or financial instruments (such as a derivative contract). Frequently, the value of a hybrid instrument is determined by reference to changes in the value of a Reference Instrument (that is a designated security, commodity, currency, index, or other asset or instrument including a derivative contract). To the extent permitted for a client account, we may use hybrid instruments in connection with permissible investment activities. Hybrid instruments can take on many forms including, for example, the following forms. First, a common form of a hybrid instrument combines elements of a derivative contract with those of another security (typically a fixed income security). In this case all or a portion of the interest or principal payable on a hybrid security is determined by reference to changes in the price of a Reference Instrument. Second, a hybrid instrument may also combine elements of a fixed income security and an equity security. Third, hybrid instruments may include convertible securities with conversion terms related to a Reference Instrument. Depending on the type and terms of the hybrid instrument, its risks may reflect a combination of the risks of investing in the Reference Instrument with the risks of investing in other securities, currencies, and derivative contracts. Thus, an investment in a hybrid instrument may entail significant risks in addition to those associated with traditional investments or the Reference Instrument. Hybrid instruments are also potentially more volatile than traditional securities or the Reference Instrument. Moreover, depending on the structure of the particular hybrid, it may expose the account to leverage risks or carry liquidity risks. Types of hybrid instruments include, for example, credit linked notes and equity linked notes.

A client account's exposure to derivative contracts and hybrid instruments (either directly or through an investment in an Investment Company or Private Investment Company) involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. First, changes in the value of the derivative contracts and hybrid instruments in which an account may be invested may not be correlated with changes in the value of the underlying Reference Instruments or, if they are correlated, may move in the opposite direction than originally anticipated. Second, while some strategies involving derivatives may reduce the risk of loss, they may also reduce potential gains or, in some cases, result in losses by offsetting favorable price movements in portfolio holdings. Third, there is a risk that derivative contracts and hybrid instruments may be erroneously priced or improperly valued and, as a result, a client's account may need to make increased cash payments to the counterparty. Fourth, exposure to derivative contracts and hybrid instruments may have tax consequences to a client's account (and, in the case of an Investment Company or Private Investment Company, its interest holders or shareholders). Fifth, a common provision in OTC derivative contracts permits the counterparty to terminate any such contract between it and an account, if the value of an account's total net assets declines below a specified level over a given time period. Factors that may

contribute to such a decline (which usually must be substantial) include significant redemptions and/or a marked decrease in the market value of the account's investments. Any such termination of OTC derivative contracts may adversely affect an account (for example, by increasing losses and/or costs, and/or preventing a full implementation of investment strategies). Sixth, regulations adopted by prudential regulators require certain banks to include in a range of financial contracts, including derivative contracts, terms delaying or restricting a counterparty's default, termination or rights in the event a bank, or its affiliate, becomes subject to certain types of insolvency proceedings. Seventh, a derivative contract may be used to benefit from a decline in the value of a Reference Instrument. If the value of the Reference Instrument declines during the term of the contract, an account makes a profit on the difference (less any payments the account is required to pay under the terms of the contract). Any such strategy involves risk. There is no assurance that the Reference Instrument will decline in value during the term of the contract and make a profit for an account. The Reference Instrument may instead appreciate in value creating a loss for the account. Finally, derivative contracts and hybrid instruments may also involve other risks, such as stock market, interest rate, credit, currency, liquidity and leverage risks.

**Item 8 Section A ("Methods of Analysis, Investment Strategies and Risk of Loss - Basic Information"):** The subsection "Shares of Investment Companies, Private Investment Companies and Other Pooled Investment Vehicles (including ETFs)" has been revised to clarify that we may invest client account assets in securities of other Investment Companies, Private Investment Companies, or other Pooled Investment Vehicles for investment reasons consistent with a client account's investment objective and investment strategies. Accordingly, the subsection has been restated as follows:

**Shares of Investment Companies, Private Investment Companies and Other Pooled Investment Vehicles (including ETFs)**

To the extent permitted, we may invest client account assets in securities of other Investment Companies, Private Investment Companies or other Pooled Investment Vehicles, including the securities of Affiliated Investment Vehicles. These investments also may include preferred shares of a closed-end Investment Company that are eligible for purchase by money market mutual funds. These investments may be made as an efficient means of implementing investment strategies, managing uninvested cash, and/or other investment reasons consistent with a client account's investment objective and investment strategies. These other Investment Companies, Private Investment Companies or other Pooled Investment Vehicles are managed independently of a client's account and incur additional fees and/or expenses which would, therefore, be borne indirectly by the client's account in connection with any such investment. These investments are subject to the same risks as the underlying Investment Company, Private Investment Company or Pooled Investment Vehicle.

To the extent permitted, we may invest client assets in ETFs as an efficient means of carrying out its investment strategies. As with traditional mutual funds, ETFs charge asset-based fees. ETFs are traded on stock exchanges or on the over-the-counter market. ETFs generally do not charge initial sales charges or redemption fees and investors typically pay only customary brokerage fees to buy and sell ETF shares. An investment in an ETF generally presents the same primary risks as an investment in a conventional fund (*i.e.*, one that is not exchange-traded) that has the same investment objectives, strategies, and policies. The price of an ETF can fluctuate up or down, and a client account could lose money investing in an ETF if the prices of the securities owned by the ETF go down. In addition, ETFs may be subject to the following risks that do not apply to conventional funds:

- The market price of an ETF's shares may trade above or below their net asset value;
- An active trading market for an ETF's shares may not develop or be maintained; or
- Trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

**Item 8 Section A ("Methods of Analysis, Investment Strategies and Risk of Loss - Basic Information"):** The subsection "Asset Segregation" has been updated to reflect the impacts of new Rule 18f-4 on our use of derivative contracts. Accordingly, the subsection has been restated as follows:

Derivative contracts are financial instruments that require payments based upon changes in the values of designated securities, commodities, currencies, indices, or other assets or instruments including other derivative contracts, (each a Reference Instrument and, collectively, Reference Instruments). Each party to a derivative contract is referred to as a

counterparty. Some derivative contracts require payments relating to an actual, future trade involving the Reference Instrument. These types of derivatives are frequently referred to as “physically settled” derivatives. Other derivative contracts require payments relating to the income or returns from, or changes in the market value of, a Reference Instrument. These types of derivatives are known as “cash settled” derivatives, since they require cash payments in lieu of delivery of the Reference Instrument.

Many derivative contracts are traded on securities or commodities exchanges. In this case, the exchange sets all the terms of the contract except for the price. Investors make payments due under their contracts through the exchange. Most exchanges require investors to maintain margin accounts through their brokers to cover their potential obligations to the exchange. Parties to the contract make (or collect) daily payments to the margin accounts to reflect losses (or gains) in the value of their contracts. This protects investors against potential defaults by the counterparty. Trading contracts on an exchange also allows investors to close out their contracts by entering into offsetting contracts.

Federated MDTA LLC may also trade derivative contracts over-the-counter (OTC) in transactions negotiated directly between a client account and the counterparty. OTC contracts do not necessarily have standard terms, so they may be less liquid and more difficult to close out than exchange-traded contracts. In addition, OTC contracts with more specialized terms may be more difficult to value than exchange-traded contracts, especially in times of financial stress.

The market for swaps and other OTC derivatives was largely unregulated prior to the enactment of federal legislation known as the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act). The Commodity Futures Trading Commission (the CFTC) and the SEC have released final rules implementing many of the statutory requirements of the Dodd-Frank Act, although additional guidance and phase-in periods may be proposed by both the CFTC and the SEC. Ongoing changes to the regulation of the derivatives markets and potential changes in the regulation of OTC derivative instruments could limit an account’s ability to pursue its investment strategies. The extent of these changes is not yet fully known and their impact cannot be predicted.

Regulations enacted by the CFTC under the Dodd-Frank Act require the clearing of certain swap contracts through a clearing house or central counterparty (CCP). Central clearing is presently required only for certain interest rate and credit default swaps; and the CFTC may impose a mandatory central clearing requirement for additional derivative instruments over time. To clear a swap through the CCP, a contract will be submitted to, and margin will be posted with, a futures commission merchant (FCM) that is a clearing house member. A swap may be entered with a financial institution other than the FCM and arrange for the contract to be transferred to the FCM for clearing, or enter into the contract with the FCM itself. If a transaction must be centrally cleared, the CFTC’s regulations also generally require that the swap be executed on a registered exchange or through a market facility that is known as a swap execution facility (SEF). CCPs, SEFs, and FCMs are all subject to regulatory oversight by the CFTC. In addition, many derivative market participants are now regulated as swap dealers and are subject to certain minimum capital and margin requirements and business conduct standards. The SEC has adopted similar regulatory requirements for security-based swap dealers.

Payment obligations arising in connection with derivative contracts are frequently required to be secured with collateral (in the case of OTC contracts) or margin (in the case of exchange-traded contracts). The CFTC and prudential regulators’ variation and initial margin requirements for uncleared swaps increase the amount of margin necessary to conduct uncleared swap transactions and limit the types of assets that can be used as collateral for such transactions. These margin requirements may affect the ability of a client account to use swap agreements to implement its investment strategies and may substantially increase regulatory and compliance costs. The variation margin requirements are now effective and the initial margin requirements are being phased-in through September 1, 2022, based on the average daily aggregate notional amount of covered swaps between swap dealers and swap entities. These requirements could further adversely affect Federated MDTA LLC’s ability to enter into swaps in the OTC market or could cause the termination of new or existing swap agreements at an inopportune time. To the extent necessary to meet such margin or collateral requirements, we may purchase U.S. Treasury and/or government agency securities for an account.

As of August 19, 2022, Rule 18f-4 under the Investment Company Act (the “Derivatives Rule”) will require that an Investment Company that is not a Limited Derivatives User (as defined below) adopt and/or implement: (i) value-at-risk limitations (“VAR”) in lieu of asset segregation requirements; (ii) a written derivatives risk management program; (iii) new oversight responsibilities for the board of directors/trustees, and (iv) new reporting and recordkeeping requirements. In the event that an Investment Company’s derivative exposure is 10% or less of its net assets, excluding certain currency and interest rate hedging transactions, it can elect to be classified as a limited derivatives user (“Limited Derivatives User”) under the Derivatives Rule, in which case the Investment Company would not be subject to the full

requirements of the Derivatives Rule. Limited Derivatives Users are excepted from VAR testing, implementing a derivatives risk management program, and oversight and reporting requirements for the board of directors/trustees mandated by the Derivatives Rule. However, a Limited Derivatives User is still required to implement written compliance policies and procedures reasonably designed to manage an Investment Company's derivatives risks.

We may invest in a derivative contract if an account is permitted to own, invest in, or otherwise have economic exposure to the Reference Instrument. Depending on how an account permits use of derivative contracts and the relationships between the market value of a derivative contract and the Reference Instrument, derivative contracts may increase or decrease the account's exposure to the risks of the Reference Instrument, and may also expose the fund to liquidity and leverage risks. An account may not be required to own a Reference Instrument in order to buy or sell a derivative contract relating to that Reference Instrument. We also may trade, for example, in the following specific types and/or combinations of derivative contracts to the extent permitted for a client account: futures contracts (including interest rate futures, index futures, security futures, currency futures and currency forward contracts), option contracts (including put options and call options), and swap contracts (including interest rate swaps, caps and floors, total return swaps, credit default swaps, currency swaps, volatility swaps and total return swaps).

Hybrid instruments combine elements of two different kinds of securities or financial instruments (such as a derivative contract). Frequently, the value of a hybrid instrument is determined by reference to changes in the value of a Reference Instrument (that is a designated security, commodity, currency, index, or other asset or instrument including a derivative contract). To the extent permitted for a client account, we may use hybrid instruments in connection with permissible investment activities. Hybrid instruments can take on many forms including, for example, the following forms. First, a common form of a hybrid instrument combines elements of a derivative contract with those of another security (typically a fixed income security). In this case all or a portion of the interest or principal payable on a hybrid security is determined by reference to changes in the price of a Reference Instrument. Second, a hybrid instrument may also combine elements of a fixed income security and an equity security. Third, hybrid instruments may include convertible securities with conversion terms related to a Reference Instrument. Depending on the type and terms of the hybrid instrument, its risks may reflect a combination of the risks of investing in the Reference Instrument with the risks of investing in other securities, currencies, and derivative contracts. Thus, an investment in a hybrid instrument may entail significant risks in addition to those associated with traditional investments or the Reference Instrument. Hybrid instruments are also potentially more volatile than traditional securities or the Reference Instrument. Moreover, depending on the structure of the particular hybrid, it may expose the account to leverage risks or carry liquidity risks. Types of hybrid instruments include, for example, credit linked notes and equity linked notes.

A client account's exposure to derivative contracts and hybrid instruments (either directly or through an investment in an Investment Company or Private Investment Company) involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. First, changes in the value of the derivative contracts and hybrid instruments in which an account may be invested may not be correlated with changes in the value of the underlying Reference Instruments or, if they are correlated, may move in the opposite direction than originally anticipated. Second, while some strategies involving derivatives may reduce the risk of loss, they may also reduce potential gains or, in some cases, result in losses by offsetting favorable price movements in portfolio holdings. Third, there is a risk that derivative contracts and hybrid instruments may be erroneously priced or improperly valued and, as a result, a client's account may need to make increased cash payments to the counterparty. Fourth, exposure to derivative contracts and hybrid instruments may have tax consequences to a client's account (and, in the case of an Investment Company or Private Investment Company, its interest holders or shareholders). Fifth, a common provision in OTC derivative contracts permits the counterparty to terminate any such contract between it and an account, if the value of an account's total net assets declines below a specified level over a given time period. Factors that may contribute to such a decline (which usually must be substantial) include significant redemptions and/or a marked decrease in the market value of the account's investments. Any such termination of OTC derivative contracts may adversely affect an account (for example, by increasing losses and/or costs, and/or preventing a full implementation of investment strategies). Sixth, regulations adopted by prudential regulators require certain banks to include in a range of financial contracts, including derivative contracts, terms delaying or restricting a counterparty's default, termination or rights in the event a bank, or its affiliate, becomes subject to certain types of insolvency proceedings. Seventh, a derivative contract may be used to benefit from a decline in the value of a Reference Instrument. If the value of the Reference Instrument declines during the term of the contract, an account makes a profit on the difference (less any payments the account is required to pay under the terms of the contract). Any such strategy involves risk. There is no assurance that the Reference Instrument will decline in value during the term of the contract and make a profit for an account. The Reference Instrument may instead appreciate in value creating a loss for the account. Finally, derivative

contracts and hybrid instruments may also involve other risks, such as stock market, interest rate, credit, currency, liquidity and leverage risks.

**Item 8 Section A (“Methods of Analysis, Investment Strategies and Risk of Loss - Basic Information”):** The subsection “LIBOR” has been revised to reflect the current status of the transition of market participants away from the LIBOR reference rate. Accordingly, the subsection has been restated as follows:

## **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 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. LIBOR has historically been 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. The ICE Benchmark Administration Limited, the administrator of LIBOR, ceased publishing most LIBOR tenors, including some USD LIBOR tenors, on December 31, 2021, and will cease publishing the remaining and most liquid USD LIBOR tenors no later than June 30, 2023. Regulators have encouraged the development of and transition to the use of alternative reference or benchmark rates. While the transition process away from LIBOR has become increasingly well-defined in advance of the anticipated discontinuation of LIBOR, the impact on certain debt securities, derivatives and other financial instruments remains uncertain. Further, the process for amending existing contracts or instruments to transition away from LIBOR remains unclear in the absence of global consensus.

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. However, neither the effect of the transition process nor the viability of such measures is known. To facilitate the transition of legacy derivatives contracts referencing LIBOR, the International Swaps and Derivatives Association, Inc. launched a protocol to incorporate fallback provisions. However, there are obstacles to converting certain longer term securities and transactions to a new benchmark or benchmarks. For example, certain proposed replacement rates to LIBOR, such as the Secured Overnight Financing Rate (“SOFR”), which is a broad measure of secured overnight U.S. Treasury repo rates, or the Bloomberg Short-Term Bank Yield Index (“BSBY”), a proprietary series of credit sensitive reference rates that incorporate bank credit spreads, are materially different from LIBOR, and changes in the applicable spread for financial instruments transitioning away from LIBOR will need to be made to accommodate the differences. In addition, regulators in foreign jurisdictions have proposed alternative replacement rates. Furthermore, the risks associated with the expected discontinuation of LIBOR and transition to alternative rates may be exacerbated if an orderly transition to an alternative reference rate is not completed in a timely manner.

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, and these effects could be experienced until the permanent cessation of the majority of USD LIBOR rates in 2023. 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.

**Item 8 Section A (“Methods of Analysis, Investment Strategies and Risk of Loss - Basic Information”):** The subsection “Cybersecurity and Operational Risk” has been revised to describe in greater detail the types and scope of certain cyber events and the increased risk of such events in light of the COVID-19 pandemic. Accordingly, the subsection has been restated as follows:

## Cybersecurity and Operational Risk

Like Other Advisers and business enterprises, Federated MDTA LLC's business relies on the security and reliability of information and communications technology, systems and networks. Federated MDTA LLC uses digital technology, including, for example, networked systems, email and the Internet, as well as mobile devices and "cloud"-based service offerings, to conduct business operations and engage clients, customers, employees, products, accounts, shareholders, and relevant service providers, among others. Federated MDTA LLC, as well as certain service providers, also generate, compile and process information for purposes of preparing and making filings or reports to governmental agencies, or providing reports or statements to customers, and a cybersecurity attack or incident that impacts that information, or the generation and filing processes, may prevent required regulatory filings and reports from being made, or reports or statements from being delivered, or cause the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). Cyber incidents involving Federated MDTA LLC's, or its products' or service providers', regulators or exchanges to which confidential, personally identifiable or other information is reported or filed also may result in unauthorized disclosure or compromise of, or access to, such information. The use of the Internet and other electronic media and technology exposes Federated MDTA LLC, its clients, and its service providers, and their respective operations, to potential risks from cybersecurity attacks or incidents (collectively, "cyber-events"). The work-from-home environment necessitated by the COVID-19 pandemic has increased the risk of cyber incidents given the increase in cyber-attack surface stemming from the use of personal devices and non-office or personal technology.

Cyber-events can result from intentional (or deliberate) attacks or unintentional events by insiders (*e.g.*, employees) or third parties, including cybercriminals, competitors, nation-states and "hacktivists," among others. Cyber-events can include, for example, phishing, credential harvesting or use of stolen access credentials, unauthorized access to systems, networks or devices (such as, for example, through "hacking" activity), structured query language attacks, infection from or spread of malware, ransomware, computer viruses or other malicious software code, corruption of data, exfiltration of data to malicious sites, the dark web or other locations or threat actors, and attacks (including, but not limited to, denial of service attacks on websites) which shut down, disable, slow, impair or otherwise disrupt operations, business processes, technology, connectivity or website or internet access, functionality or performance. Like Other Advisers and business enterprises, Federated MDTA LLC and its service providers have experienced, and will continue to experience, cyber-events on a daily basis. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Cyber-events can also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on the service providers' systems or websites rendering them unavailable to intended users or via "ransomware" that renders the systems inoperable until appropriate actions are taken. To date, cyber-events have not had a material adverse effect on the Adviser's business, results of operation, financial condition and/or cash flows.

Cyber-events can affect, potentially in a material way, Federated MDTA LLC's relationships with its clients, customers, employees, products, accounts, shareholders and relevant service providers. Any cyber-event could adversely impact Federated MDTA LLC and its clients and service providers and cause Federated MDTA LLC to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, damage to employee perceptions of the company, and additional compliance costs associated with corrective measures and credit monitoring for impacted individuals. A cyber-event can cause Federated MDTA LLC, or its service providers, to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, generate or make filings or deliver reports or statements, or other disruptions to operations), and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also can result in theft, unauthorized monitoring and failures in the physical infrastructure or operating systems that support Federated MDTA LLC and its service providers. Federated MDTA LLC may incur additional, incremental costs to prevent and mitigate the risks of such cyber-events or incidents in the future. Federated MDTA LLC and its relevant affiliates have established practices and systems reasonably designed to seek to reduce the risks associated with cyber-events. Federated MDTA LLC employs various measures aimed at mitigating cybersecurity risk, including, among others, use of firewalls, system segmentation, system monitoring, virus scanning, periodic penetration testing, employee phishing training, and an employee cybersecurity awareness campaign. Among other service provider management efforts, Federated MDTA LLC also conducts due diligence on key service providers relating to cybersecurity. The Federated Advisory Companies have established a committee to oversee Federated MDTA LLC's information security and data governance efforts and updates on cyber-events and risks are reviewed with relevant committees, as well as Federated MDTA LLC's parent company's Boards of Directors (or a committee thereof), on a periodic (generally quarterly) basis (and more frequently when circumstances warrant) as part of risk management oversight responsibilities. However, there is no guarantee that the efforts of Federated MDTA LLC or its affiliates, or other service providers, will succeed, either entirely or partially,

as there are limits on Federated MDTA LLC's ability to prevent, detect or mitigate cyber-events. Among other reasons, the cybersecurity landscape is constantly evolving, the nature of malicious cyber-events is becoming increasingly sophisticated. Federated MDTA LLC, and its relevant affiliates, cannot control the cybersecurity practices and systems of issuers or third-party service providers.

Federated MDTA LLC can be exposed to operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of Federated MDTA LLC's service providers, counterparties, or other third parties, failed or inadequate processes and technology or system failures. In addition, other disruptive events, including (but not limited to) natural disasters and public health crises (such as COVID-19), can adversely affect Federated MDTA LLC's ability to conduct business, in particular if Federated MDTA LLC's employees or the employees of service providers are unable or unwilling to perform their responsibilities as a result of any such event. Even if Federated MDTA LLC's employees and the employees of service providers are able to work remotely, those remote work arrangements could result in Federated MDTA LLC's business operations being less efficient than under normal circumstances, could lead to delays in the processing of transactions, and could increase the risk of cyber-events.

**Item 10 Section C.2 ("Other Financial Industry Activities and Affiliations - Relationships with Certain Related Persons - Other Investment Advisers"): The subsection "Foreign Advisers" has been revised to reflect the current status of our non-U.S. adviser affiliates. Accordingly, the subsection has been restated as follows:**

Foreign Advisers

Federated Hermes (UK) LLP, Federated Investors Australia Services Ltd., Federated Hermes Japan Ltd., and Hermes GPE (Singapore) Pte. Limited.

Hermes Alternative Investment Management LTD and Hermes Fund Managers Ireland Limited have each filed as exempt reporting advisers with the SEC. Although registered with the SEC, Federated Hermes (UK) LLP, Hermes GPE LLP, and Hermes Investment Management LTD each have a principal place of business outside of the U.S. As of March 1, 2016, Federated Investors Australia Services Ltd. is operationally inactive.

(Please refer to "Performance-Based Fees and Side by Side Management" in Item 6 of this brochure for a discussion of conflicts of interest that arise as a result of these relationships.)

**Item 12 Section A.3.b ("Brokerage Practices - Selection Criteria for Broker/Dealers - Directed Brokerage - Managed Account Programs"): Disclosure has been added in this section to clarify that we may execute transactions with other broker/dealers not affiliated with a Managed Account Program to the extent necessary to obtain the desired security. Accordingly, the section has been restated as follows:**

Certain Managed Account Programs do not expressly direct the use of a particular broker/dealer, but are structured in such a way (in terms of fees and other factors) that transactions are typically executed through the Program Sponsor or other broker/dealers affiliated with the programs, consistent with the duty to seek best execution. In certain circumstances, Federated MDTA LLC and other Federated Advisory Companies will execute transactions with other broker/dealers in pursuit of best execution or, to the extent necessary, to obtain the desired security.

As discussed in more detail under "Fees and Compensation" in Item 5 of this brochure, clients participating in Managed Account Programs generally pay a single fee or fees to cover investment management, custody and brokerage commissions for transactions effected through the Sponsor or other broker/dealer identified with the specific Managed Account Program. 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 broker/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 broker/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). However, to the extent permitted by the Managed Account Program and consistent with the policies discussed under the heading "Selection Criteria for Broker/Dealers" in Item 12 of this brochure, Federated MDTA LLC will execute transactions with other broker/dealers in pursuit of best execution, which transactions may be aggregated with trades for other client accounts. For example, among other instances where we can trade away, we may execute time-sensitive orders with other broker/dealers consistent with our obligation to seek best execution; these broker/dealers may or may not waive or reduce commission costs in exchange for high trade volumes.



In addition, in lieu of purchasing or selling ADRs, we may exchange ADRs for local shares or local shares for ADRs directly with an ADR's Sponsor. Although such exchanges typically do not incur commissions, they may incur certain other fees or administrative costs. As a result of these transactions, Managed Account Program clients typically bear additional brokerage expenses in addition to the single fee associated with such programs. Federated MDTA LLC will typically execute transactions in fixed income securities with other broker/dealers; the extent to which Federated MDTA LLC will execute transactions in other types of securities with other broker/dealers will vary over time and by account.

Similar to Separate Accounts, Managed Account clients (either directly or through the Managed Account Program Sponsor or Platform Provider) may also expressly limit Federated MDTA LLC's discretionary authority, including directing us to use a particular broker/dealer to execute portfolio transactions. In such a case, we may not be in a position to negotiate commission rates or spreads or obtain volume discounts, and such transactions may not be aggregated with orders for the same securities of other accounts managed by Federated MDTA LLC. (Please refer to "Separate Accounts and Other Investment Advisory Services" in this section for further information on the consequences of directing brokerage/trading.)

**Item 12 Section B. ("Brokerage Practices - Trade Aggregation and Allocation Policy"):** This section has been revised to clarify trade aggregation information made available under our Allocation Policies. Accordingly, the section has been restated as follows:

Federated MDTA LLC has adopted written policies (Allocation Policies) for the allocation of securities transactions among our clients. The Allocation Policies are premised on Federated MDTA LLC's general practice of aggregating the transactions executed on behalf of our clients and clients of the other Federated Advisory Companies. We may, but are not obligated to, aggregate transactions. The type of client account or investment product (*e.g.*, direct Separate Account versus Managed Accounts), client transactions, client instructions (*e.g.*, directed brokerage/trading), the investment strategies applicable to client accounts, system capabilities and constraints, and other factors may result in transactions for certain client accounts not being aggregated. 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. (Please refer to "Other Conflicts of Interest Relating to Certain Investment and Brokerage Practices" in Item 6 of this brochure for a further discussion of factors that may result in trades not being aggregated, including the trade rotation process for discretionary Managed Accounts and non-discretionary Model Portfolio Management Services, and related conflicts of interest and how they are addressed.)

To the extent that Federated MDTA LLC aggregates client transactions, the Allocation Policies state that Federated MDTA LLC and the other Federated Advisory Companies must do so in a manner:

- Consistent with the duty to seek best execution of client orders;
- That treats all clients fairly; and
- That does not systematically disadvantage any client.

The Allocation Policies expressly prohibit consideration of compensation or other benefits received by Federated MDTA LLC or the other Federated Advisory Companies in allocating transactions among clients.

The Allocation Policies set forth procedures for allocating primary and secondary market transactions among clients. The Allocation Policies also provide investment management personnel with guidelines for allocating securities among portfolios with common investment objectives. In some cases, the Allocation Policies may adversely affect the price paid or received by a client or amount of securities purchased or sold by a client. However, we believe that coordination and the ability to participate in volume transactions generally benefits clients.

Federated MDTA LLC periodically reviews the aggregate allocation of our clients' transactions among broker/dealers and the aggregate amount of commissions paid and/or other trade cost information, including relevant market data. Compliance personnel review the Allocation Policies annually with senior trading and investment management personnel.

There will be no aggregation or allocation of trades between the Federated Advisory Companies and the Hermes Advisory Companies.

**Item 15 (“Custody”): This section has been revised to reflect that we do not have custody of client funds or securities, except in arrangements where we have the authority to deduct our advisory fees from client accounts. Accordingly, the section has been restated as follows:**

Under SEC Rule 206(4)-2 under the Advisers Act, Federated MDTA LLC is deemed to have custody of client funds because, in certain cases, we have arrangements that authorize us to have our advisory fees deducted from client accounts. (Please refer to “Fees and Compensation” in Item 5 of this brochure for further information regarding these fee arrangements.) Generally, in these instances, we will annually distribute audited financial statements prepared in accordance with U.S. GAAP to all limited partners, members, or other beneficial owners pursuant to Rule 206(4)-2(b)(4) (the “Audit Exception”). To the extent that we cannot rely on the Audit Exception for such clients (*e.g.*, for clients for whom audited financials are not prepared according to U.S. GAAP), a surprise examination will be conducted annually to verify the existence of assets in the account.

To address potential conflicts of interest, and other possible client concerns with these arrangements, we have policies and procedures in place which we believe are reasonably designed to seek to ensure that the amount of assets under management on which our fees are billed is accurate and that our fees are consistent with the terms of our investment management agreements with our clients. For example, we either have segregated the responsibilities of employees responsible for invoicing and collecting our fees or our auditing department periodically reviews our practices. We also periodically test on a sample basis our fee calculations to confirm their accuracy. Except for these fee deduction arrangements, neither we, nor any related person, hold, directly or indirectly, funds or securities of Federated MDTA LLC’s clients or have any authority to obtain possession of them in connection with the advisory services that Federated MDTA LLC provides to our clients.

We generally do not open accounts for our clients with qualified custodians. Clients generally are responsible for opening their own accounts directly with a qualified custodian or through an intermediary, such as a Managed Account Program Sponsor, Platform Provider or Overlay Manager. Qualified custodians include banks, savings associations, registered broker/dealers, registered futures commission merchants, and foreign financial institutions that customarily hold financial assets for their customers on a segregated basis. For Investment Company (*i.e.*, mutual fund) shares, the Investment Company’s transfer agent is considered the custodian.

Clients will receive account statements from the broker/dealer, bank or other qualified custodian for their accounts and clients should carefully review those statements. If you also receive an account report from us, we urge you to compare the account statement that you receive from the qualified custodian with any report you receive from us.

**Item 17 (“Voting Client Securities”): This section has been revised to reflect that proxy voting services are provided by a centralized Proxy Voting Team and overseen by a centralized Proxy Voting Committee. Accordingly, the section has been restated as follows:**

Certain client accounts to which we provide discretionary investment advisory services have delegated authority to vote proxies to Federated MDTA LLC. The scope of this 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, Federated MDTA LLC may provide voting recommendations to such clients or Managed Account Program Sponsors, Platform Providers and Overlay Managers.

The Federated Advisory Companies, which includes Federated MDTA LLC, have collectively adopted proxy voting policies and procedures (the “Proxy Voting Policy”) that are reasonably designed to cast proxy votes in favor of management proposals and shareholder proposals that we believe will enhance the long-term value of the securities being voted in a manner that is consistent with the client’s investment objectives. Proxy voting services are provided by a centralized team of dedicated Federated Hermes employees without sales responsibilities (the “Proxy Voting Team”). The Federated Advisory Companies have formed an oversight committee (the “Proxy Voting Committee”) made up of senior investment management professionals. The Proxy Voting Committee reviews and approves amendments to the Proxy Voting Policy and grants to the Proxy Voting Team authority to cast votes according to the Proxy Voting Policy.

Federated MDTA LLC does not charge a separate fee for proxy voting services.

The Proxy Voting Team may consider certain proxy voting research and recommendations integral to the stewardship, engagement, and research services provided by EOS. However, the Proxy Voting Committee does not grant proxy voting authority to EOS and considers such research and recommendations among many factors it deems relevant to making proxy voting decisions to enhance the long-term value of the securities being voted.

The Proxy Voting Team generally votes consistently on the same matter when securities of an issuer are held by multiple client portfolios. However, they may vote differently if a particular client's investment objectives differ from those of other clients or if a client explicitly instructs Federated MDTA LLC 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 MDTA LLC votes with respect to a particular ballot question. 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 MDTA LLC will endeavor to vote in accordance with any such written instructions that are timely communicated to Federated MDTA LLC and received by us reasonably in advance of the time that we submit our votes.

Conflicts of interest arise from time to time between the interests of the Federated Advisory Companies and the interests of our clients. The Proxy Voting Policy includes procedures to address situations where a proxy matter may present a potential conflict between the interests of the client and those of the Federated Advisory Companies and/or their affiliates. If such potential conflicts of interest do arise, the Proxy Voting Team will analyze and document them and ultimately vote the relevant proxies in what the Proxy Voting Committee believes to be the best long-term economic interests of the clients. The Proxy Voting Committee is responsible for monitoring and reporting with respect to such potential 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 distribution service 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. The client may still ask us questions regarding particular ballot questions by sending us a request in writing at the address specified below. We will endeavor to respond to requests in a timely manner, but there is no guarantee that a response will be received by the client prior to the voting deadline.

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 Management Administration-Proxy Voting Services  
c/o Federated Hermes Inc.  
1001 Liberty Avenue  
Pittsburgh, PA 15222