





A holistic portfolio solution for investors seeking positive ESG outcomes

Using a selection of actively managed, ESG-focused Federated Hermes funds, PMC has constructed a set of strategic, asset allocated portfolios designed to help align your investments with positive ESG outcomes.

What Exactly Is Impact Investing?

Impact investing goes by many names, and you may have run into many of them depending on which investment strategy is being discussed, but fundamentally, all of these names describe the same thing: Impact investing is an investment approach intent on generating positive environmental, social, and/or governance (ESG) outcomes alongside a financial return. These strategies generally pursue two goals:



Protecting and enhancing long-term value by addressing environmental or social risks – or by investing in solutions to environmental or social challenges.



Protecting, enhancing, or otherwise positively impacting the long-term health of the environment or society through expressing environmental or social values.

Approaches To Impact Investing

We categorize investment approaches on a spectrum from minimizing negative impact to maximizing positive impact:

MINIMIZE NEGATIVE IMPACT



Values Alignment

Align your investors' portfolios with their values by minimizing exposure to individual companies or entire industries whose business practices conflict with the investors' personal convictions.



ESGIntegration

Create a more resilient portfolio by reducing exposure to companies or industries with poor environmental, social, and governance characteristics and increasing exposure to companies promoting ESG change or poised to benefit from new ESG opportunities.



Thematic Impact

Allow investors to use their capital to target specific environment and/ or social change through a focused portfolio allocation; provides an investable alternative to pure philanthropic giving.

For more information, go to investpmc.com.

Envestnet | PMC

MAXIMIZE

POSITIVE IMPACT

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Envestnet | PMC - Leaders In Impact Investing

At Envestnet | PMC, Financial Wellness means more than just meeting your financial goals – it's also about reflecting on the impact you want your wealth to have on the world. As investors seek positive environmental and social impact alongside competitive financial return, impact investing has accelerated into the mainstream. By supporting the \$33.3B of ESG & Impact investing assets on the Envestnet platform, including the \$343M managed by our own portfolio management team, we are the backbone of one of the largest and most innovative marketplaces for solutions that align your portfolio with your values.¹

5 Essentials of Impact Investing

Envestnet provides expertise across five key areas of impact:



Research

Rigorous and disciplined due diligence uncovers impact managers



Overlay

Application of impact screens to client portfolios



Portfolio Solutions

Portfolios built on forward-looking capital markets assumptions and asset allocation methodology



Reporting

Innovative quarterly reports describe a strategy's quantitative and qualitative performance



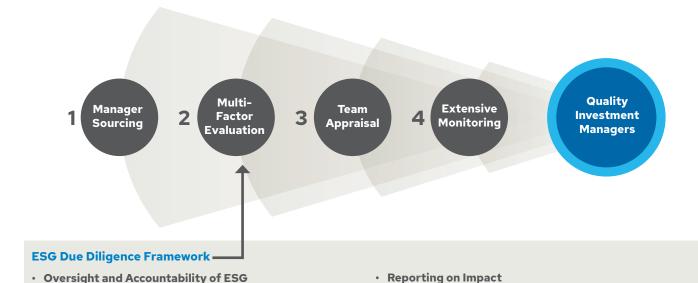
Practice Management

Thought leadership and educational resources

Qualitative Research Process

Envestnet | PMC's research team identifies best-in-class ESG focused third-party investment strategies. Each strategy adheres to our traditional due diligence rigor, and also meets a higher level of ESG criteria.

It is through this ESG due diligence process that we identified Federated Hermes as a strong partner, with extensive experience in ESG integration and stewardship.



1. As of June 30, 2021

ESG Integration in the Investment Process

Active Ownership on ESG Issues

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Federated Hermes - Pioneering Work In Responsibility And Engagement

Federated Hermes is guided by the conviction that responsible investing is the best way to create long-term wealth. They provide specialized capabilities across equity, fixed income, and private markets, in addition to multi-asset strategies and proven liquidity-management solutions. Through their world-leading stewardship services, Federated Hermes engages companies on strategic and sustainability concerns to promote investors' long-term performance and fiduciary interests. Their goals are to help individuals invest and retire better, to help clients achieve better risk-adjusted returns, and to contribute to positive outcomes in the wider world.

1983

Hermes investment Management set up to manage BT and Post Office pension funds 2005

First regional corporate governance principles

2010

Hermes signs UK Stewardship Code 2015

Hermes signs UK Stewardship Code 2018

Federated Investors acquires 60% stake in Hermes Investment Management 2020

Federated Hermes rebrand



















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2004 EOS established 2006

Hermes leads drafting in UNPRI and becomes founding signatory 2013

First Remuneration Principles published 2018

Lead / co-lead of the most compnaies in the Climate Action 100+ inititive 2019

EOS 15 year anniversary

EOS At Federated Hermes

Stewardship & Engagement

EOS

- · EOS established in 2004
- Heritage of responsible ownership activities since the 1990s
- Pioneered responsible investment and corporate governance advisory services globally
- · Market-leading in the field of stewardship and the benefits of shareholder engagement
- Engagement model often cited as a best practice example as to how asset managers should engage actively with the companies in which they invest*

Services	Public Equity	Corporate Bonds	Private Equity
Intelligent Voting	•		
Corporate Engagement	•	•	•
Public Policy Engagement	•	•	•
UN PRI	•	•	•

\$1.3 trillion assets under advice

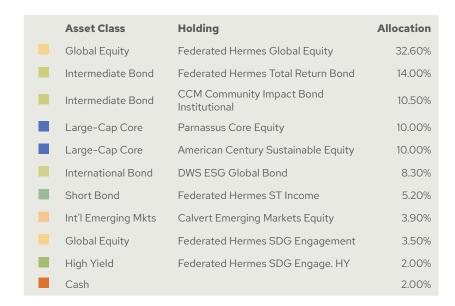
As of December 31, 2020

^{*}Source: BofA Merrill Lynch US Equity & US Quant Strategy based on 2018 Institutional Factor Survey

All-in-one impact investing solutions

Allocation of Moderate Portfolio





Total Cost of Portfolios*

Capital Preservation	Conservative	Conservative Growth	Moderate	Moderate Growth	Growth	Aggressive
0.67	0.70	0.73	0.75	0.77	0.79	0.81

^{*}Total cost equals weighted sleeve level manager fees plus weighted average net expense ratio and does not include advisory fees, which the advisor may add.

For More Information

Search for "Federated Hermes PMC" within the Research Center to learn more about the portfolios.

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Investments in smaller companies carry greater risk than is customarily associated with larger companies for various reasons such as volatility of earnings and prospects, higher failure rates, and limited markets, product lines or financial resources. Investing overseas involves special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets. Income (bond) funds are subject to interest rate risk which is the risk that debt securities in a fund's portfolio will decline in value because of increases in market interest rates.

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Diversification does not guarantee a profit or guarantee protection against losses.

Advisors should always conduct their own research and due diligence on investment products and the product managers prior to offering or making a recommendation to a client.

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