

Orlando's Outlook: Volatility Rains in 2022

Presented by

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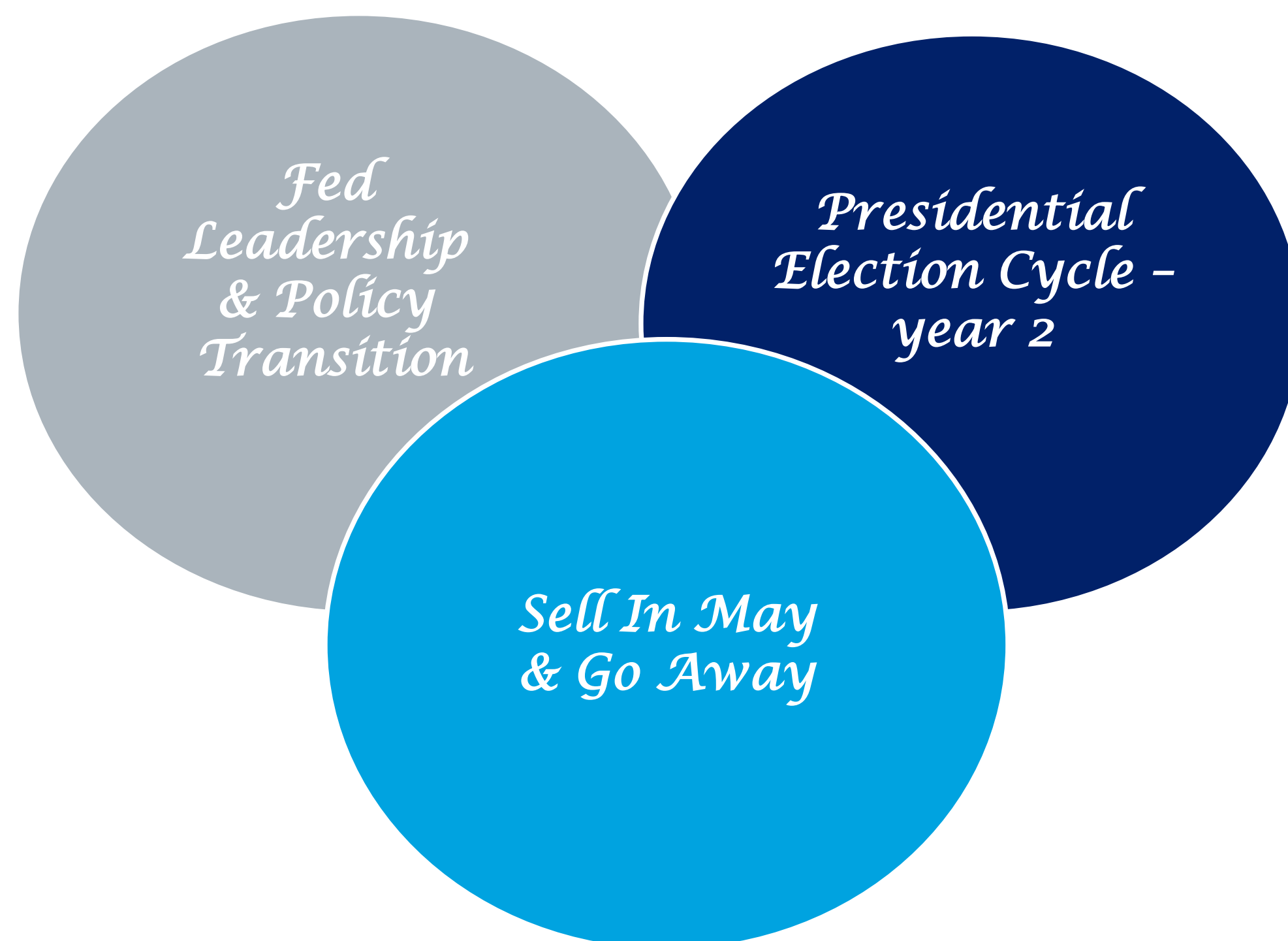
October 2022

Federated Advisory Services Company

Headwinds leading to increased market volatility in 2022



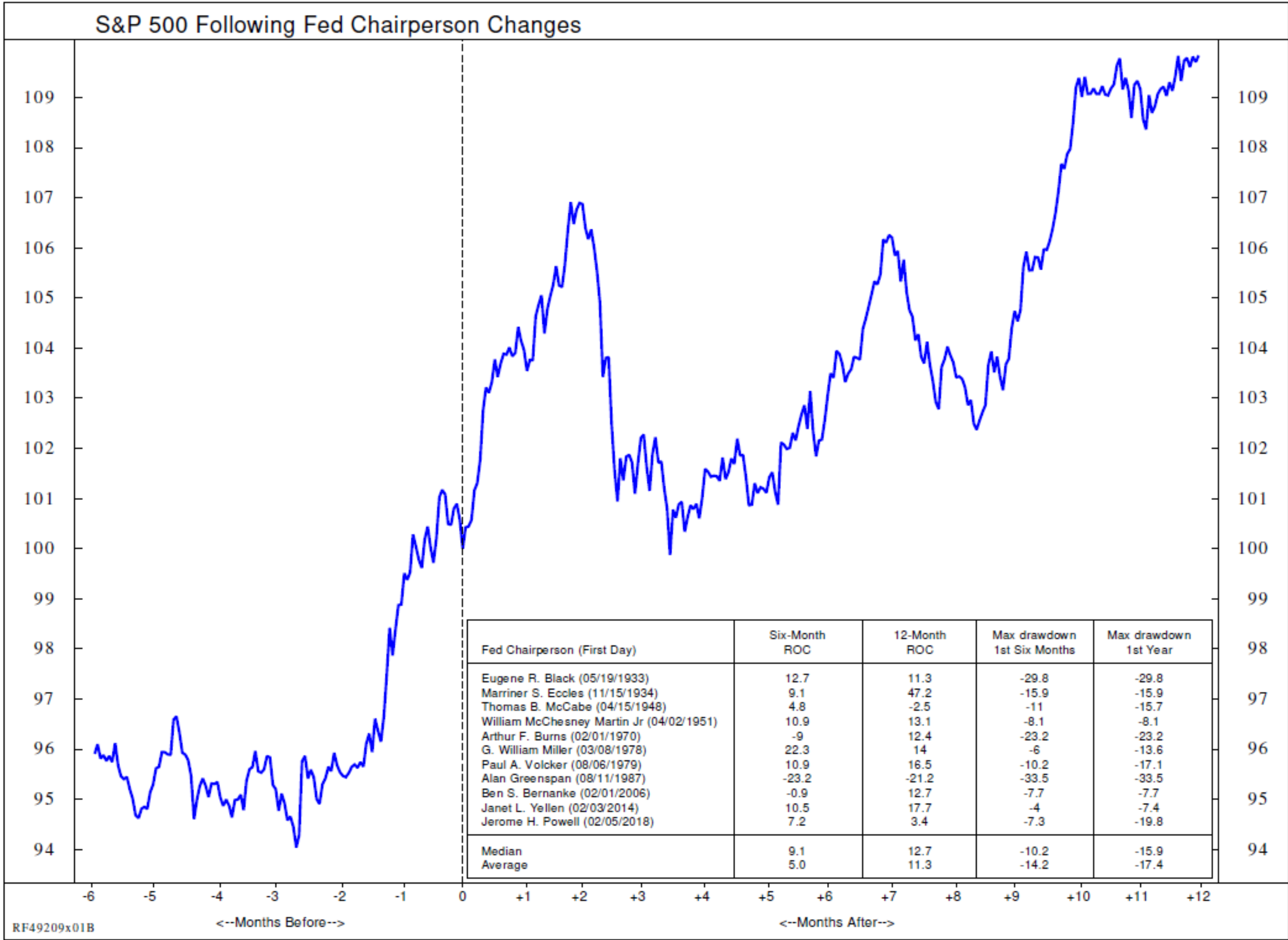
Confluence of seasonal risks has heightened volatility



Conclusion:

While equity fundamentals still matter most of all, remain vigilant for greater choppiness in the stock market.

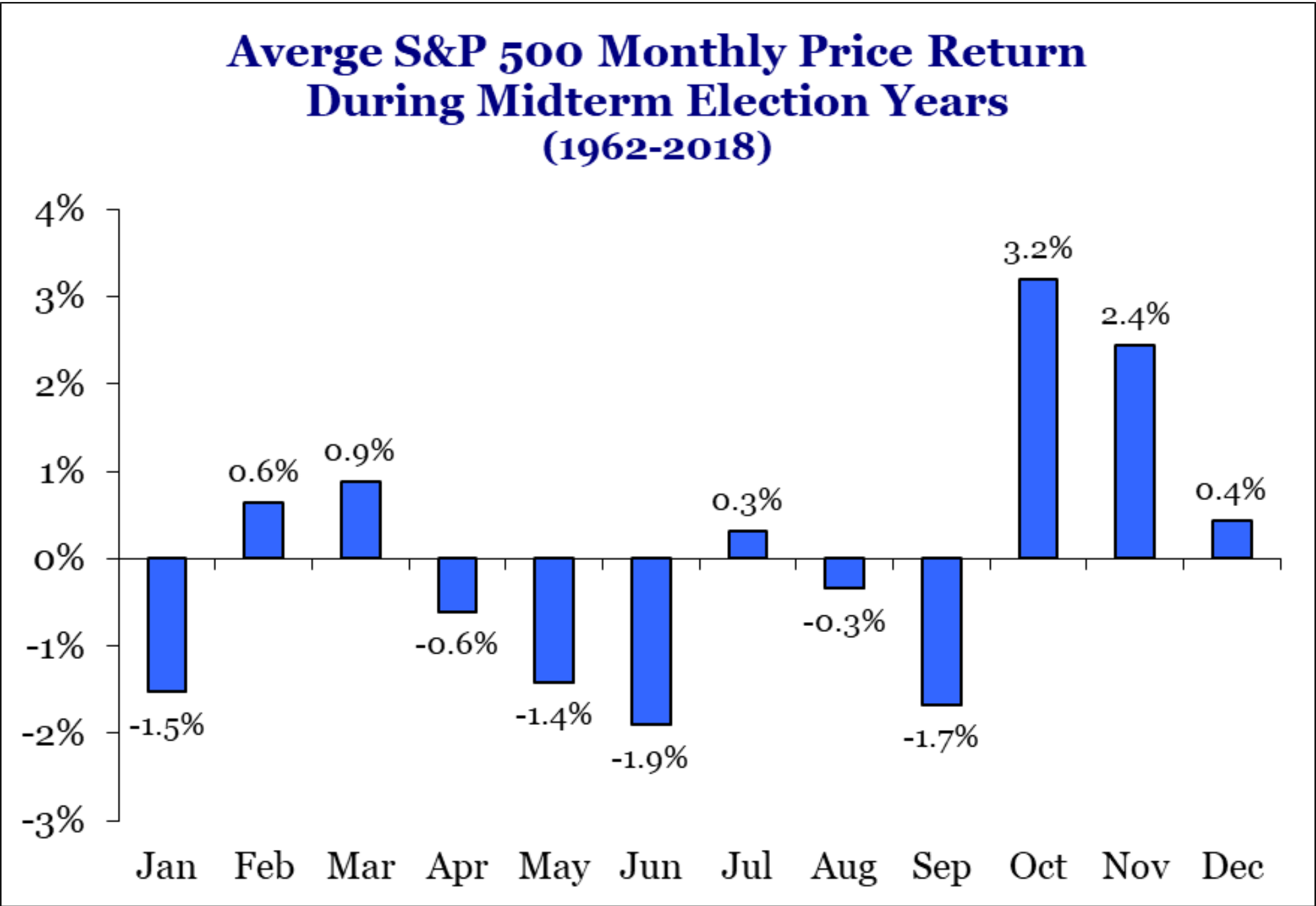
Increased equity-market volatility during Fed leadership transitions



Source: Ned Davis Research as of January 31, 2022.

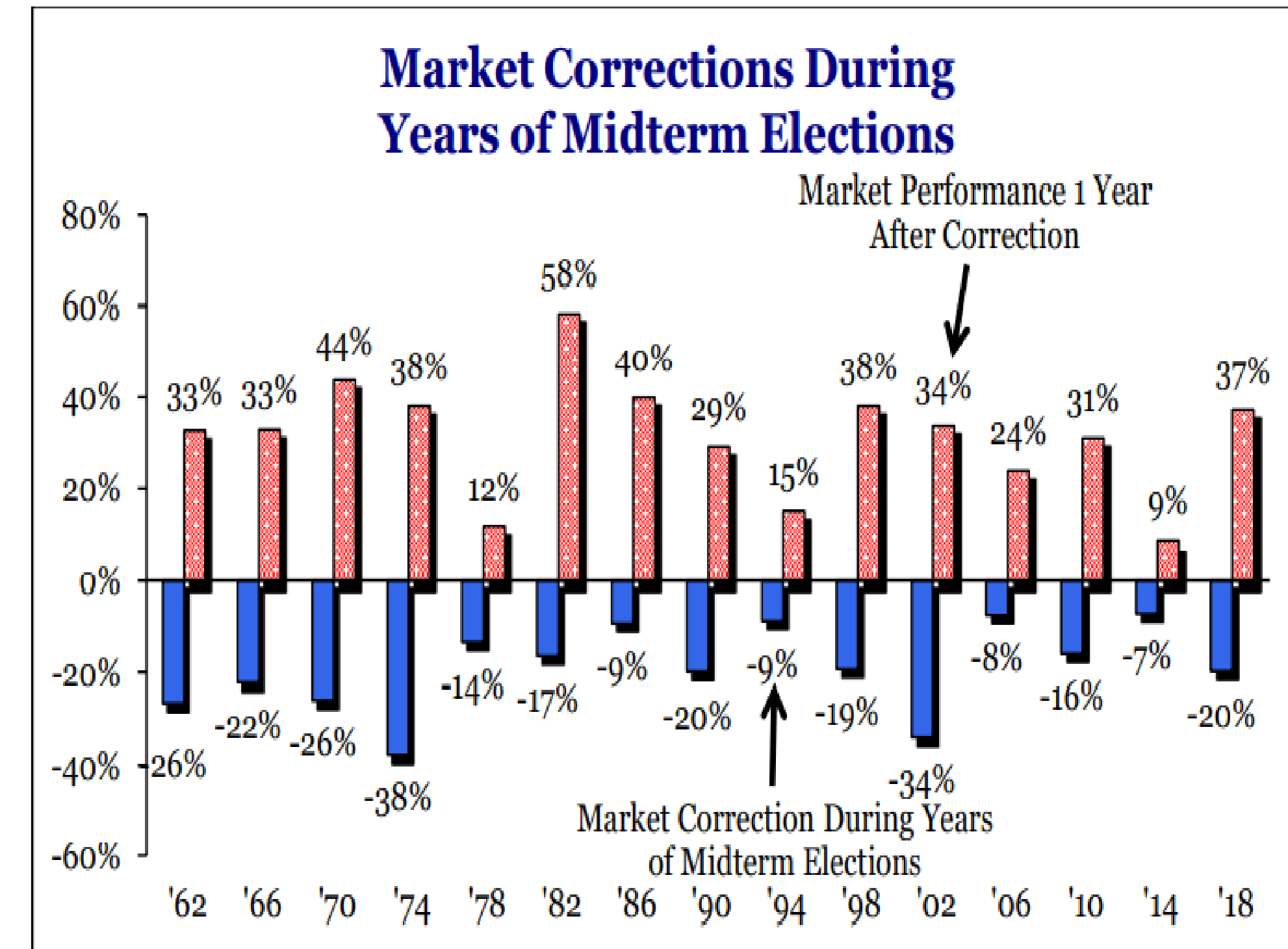
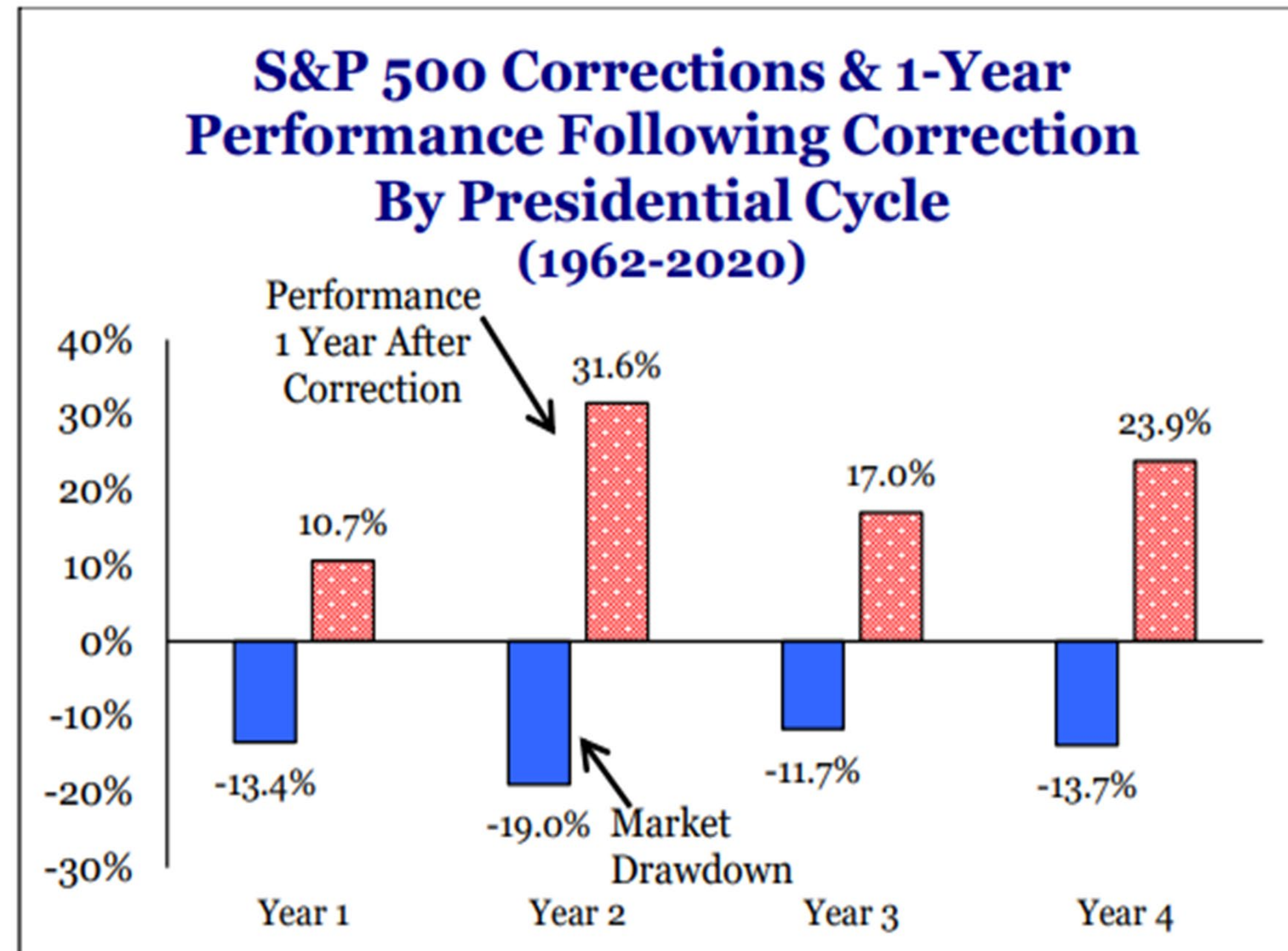
Presidential election cycle downside risk elevates during year two

S&P 500 Returns In The Presidential Cycle Data: 12/31/44 - 12/31/2021					
Year Of Presidential Cycle	Average S&P 500 Price Return Since 1945				
	Q1	Q2	Q3	Q4	Year
Year 1	0.2%	2.8%	1.2%	4.2%	9.2%
Year 2	1.1%	-1.8%	-0.6%	6.4%	5.0%
Year 3	7.0%	4.6%	0.6%	3.4%	15.9%
Year 4	0.1%	3.3%	0.9%	2.3%	6.9%
All Years	2.0%	2.2%	0.5%	4.0%	9.2%

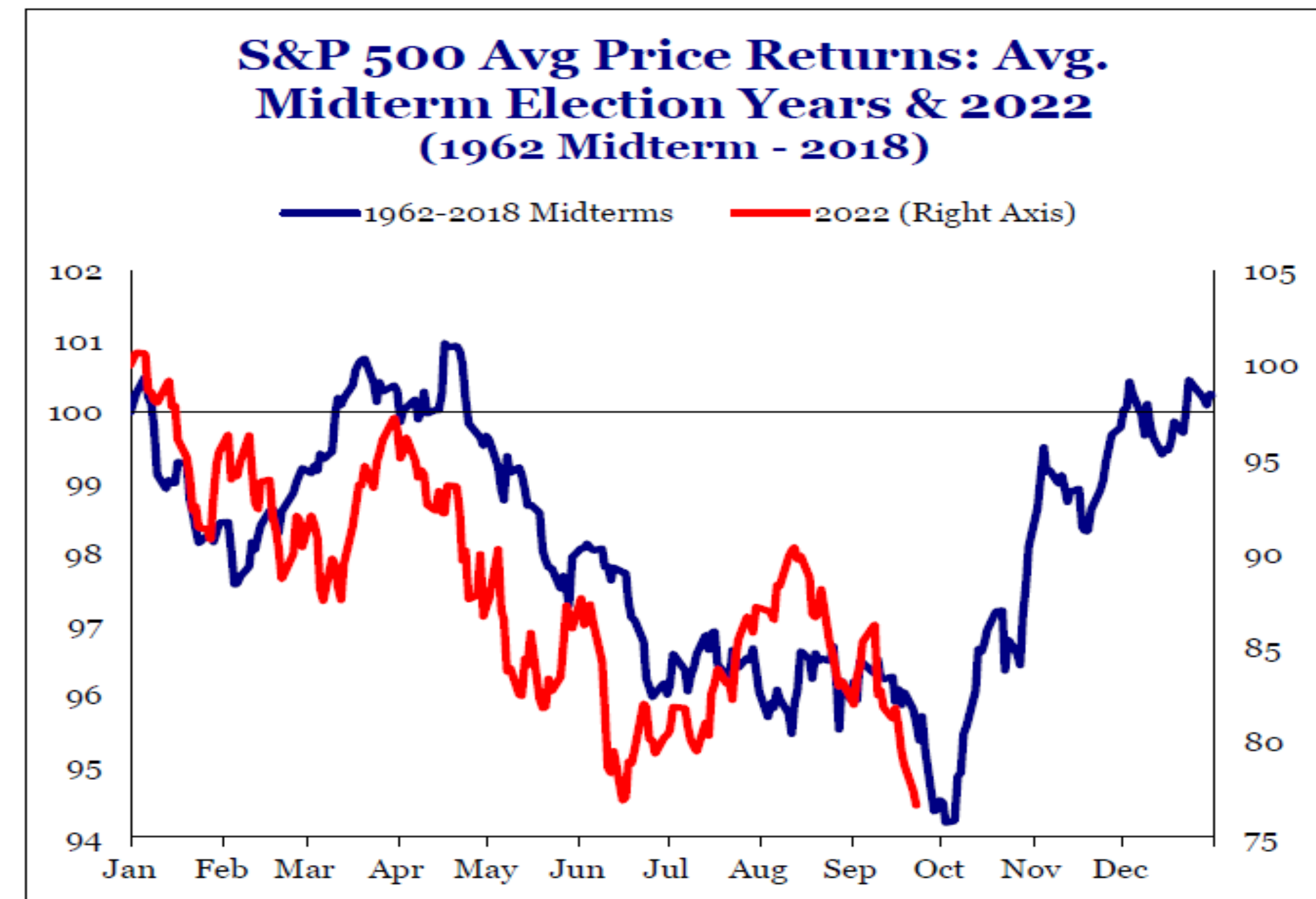
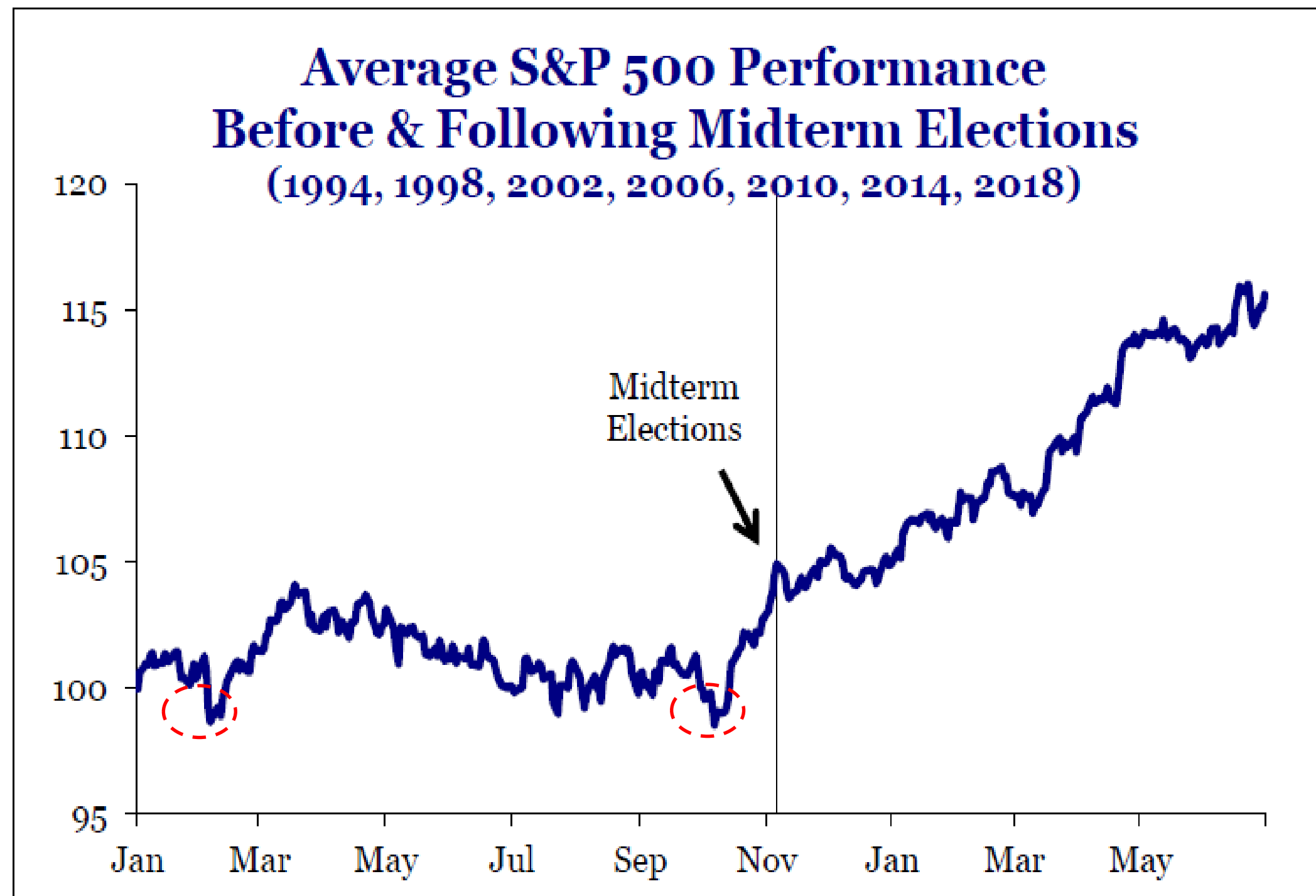


Source: Strategas as of January 20, 2022. Past performance is no guarantee of future results.

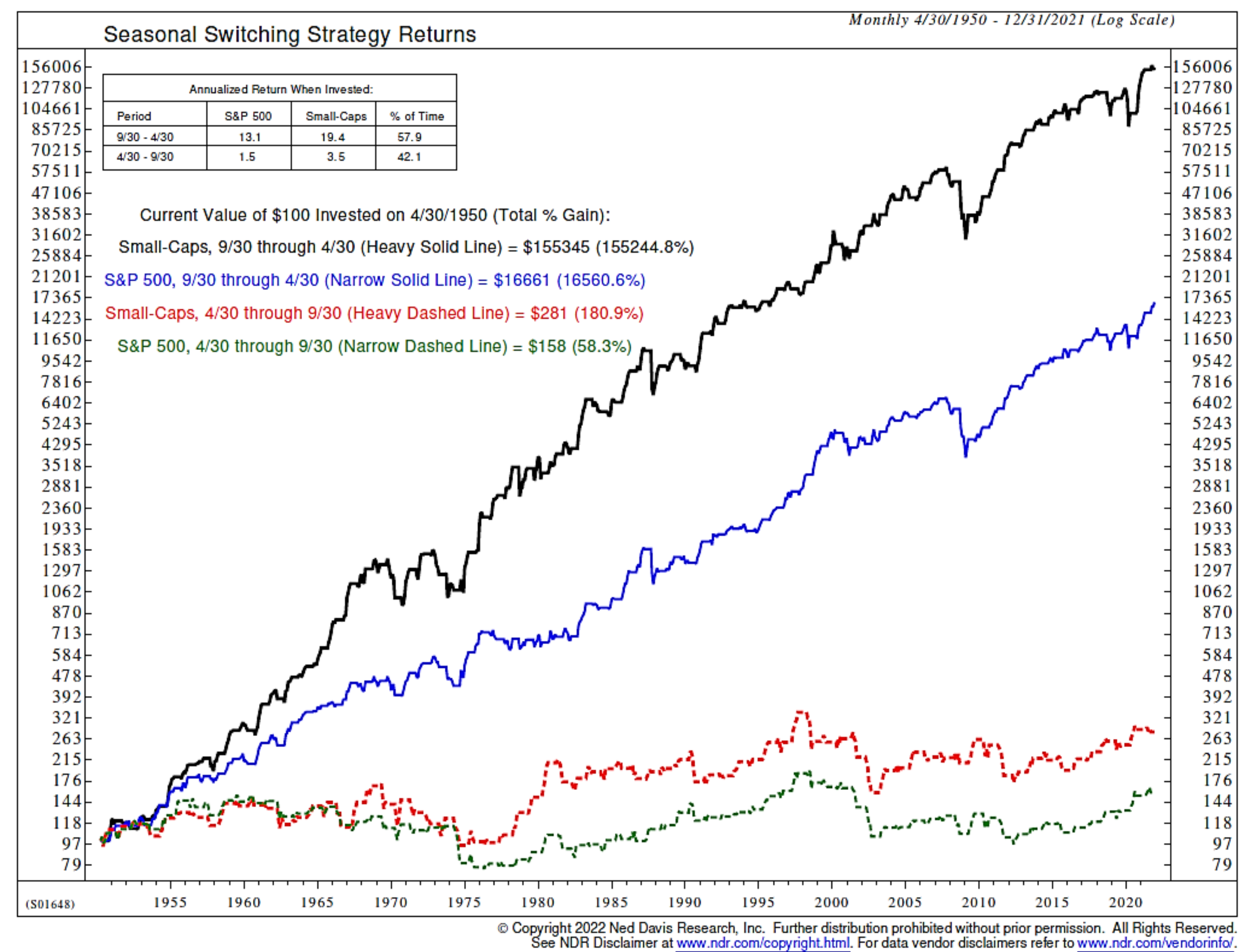
Average mid-term election year maximum drawdown is 19% for the S&P 500, followed by 31% rally in the following year



Average midterm election year correction is a buying opportunity



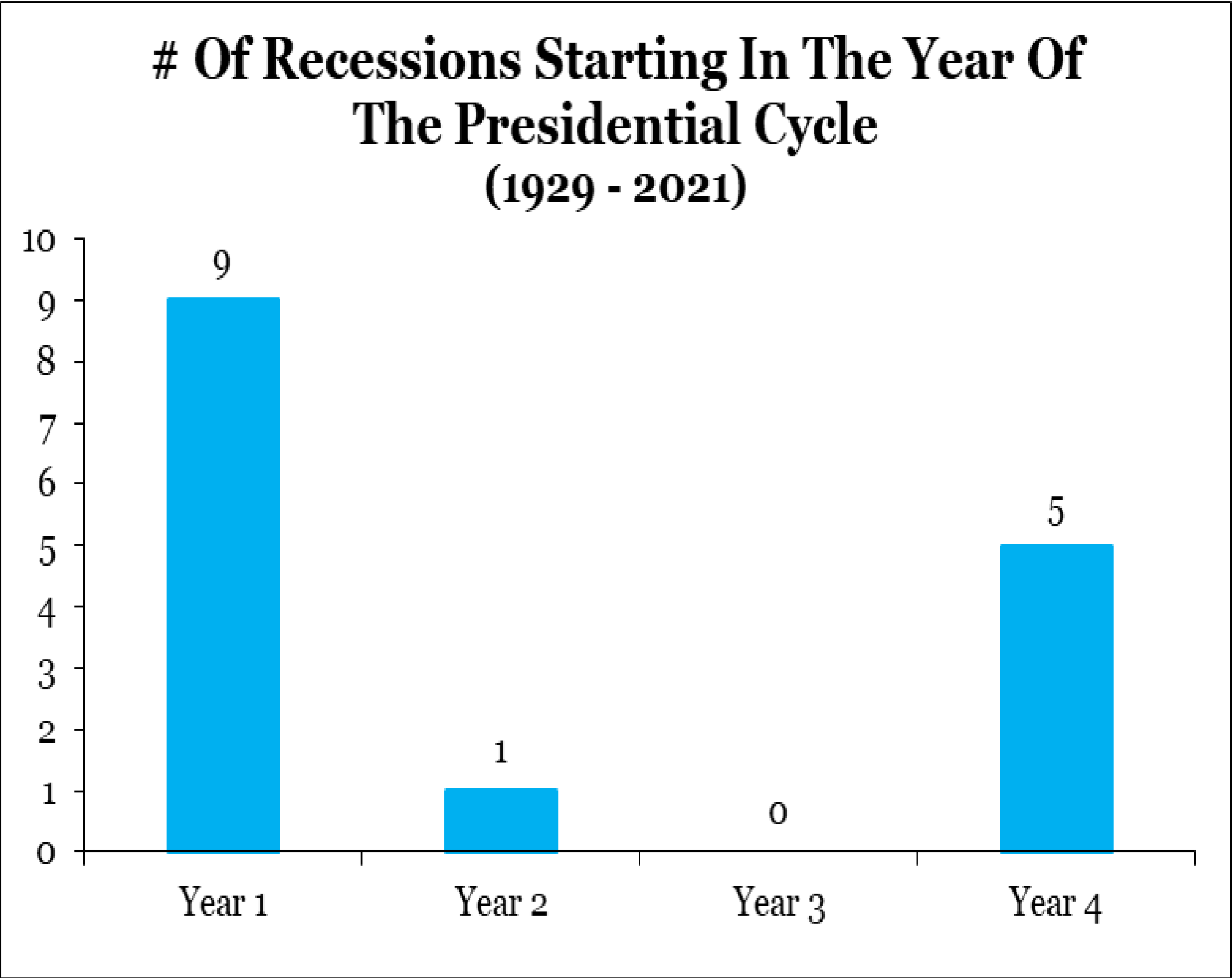
The Halloween indicator -- sell in May & go away



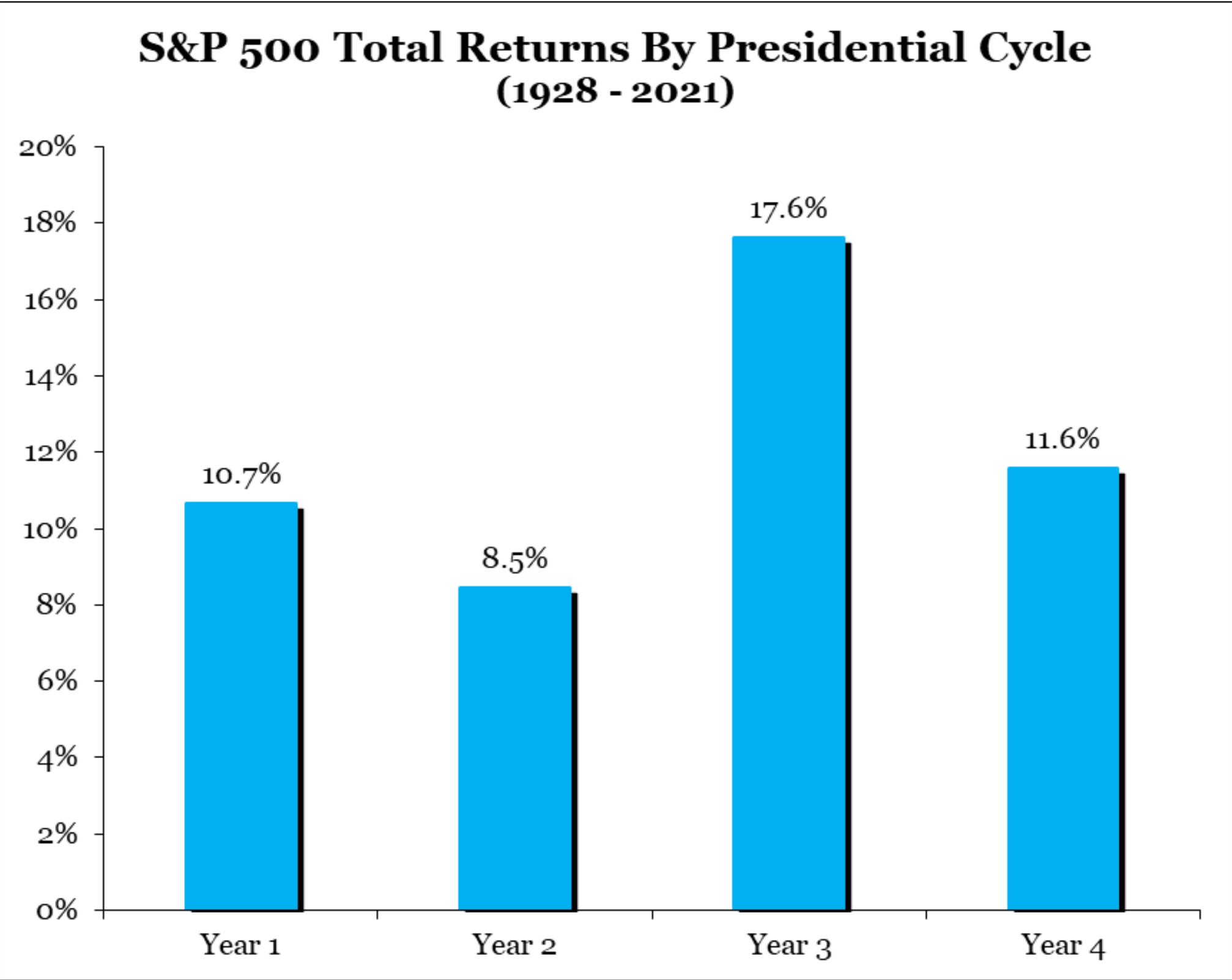
Average Rolling Six-Month S&P 500 Price Performances 12/31/1945-12/31/2021		
Average		
Period	Price Change	Freq. Of Advance
Jan.-Jun.	4.3%	68%
Feb.-Jul.	4.1%	71%
Mar.-Aug.	4.4%	71%
Apr.-Sept.	2.7%	64%
May-Oct.	1.7%	66%
Jun.-Nov.	2.9%	67%
Jul.-Dec.	4.4%	70%
Aug.-Jan.	4.2%	68%
Sep.-Feb.	4.3%	67%
Oct.-Mar.	6.2%	68%
Nov.-Apr.	6.8%	76%
Dec.-May.	5.5%	71%
Averages	4.3%	69%

Source: Ned Davis Research as of January 28, 2022. Small Caps is referring to Ibbotson Small Company Total Return Index (left). Strategas Research Partners as of January 25, 2022 (right).
Past performance is no guarantee of future results.

Political cycles are important for the economy and stocks:



*Financial Crisis/Great Recession considered Jan 2008 (Year 4) start.



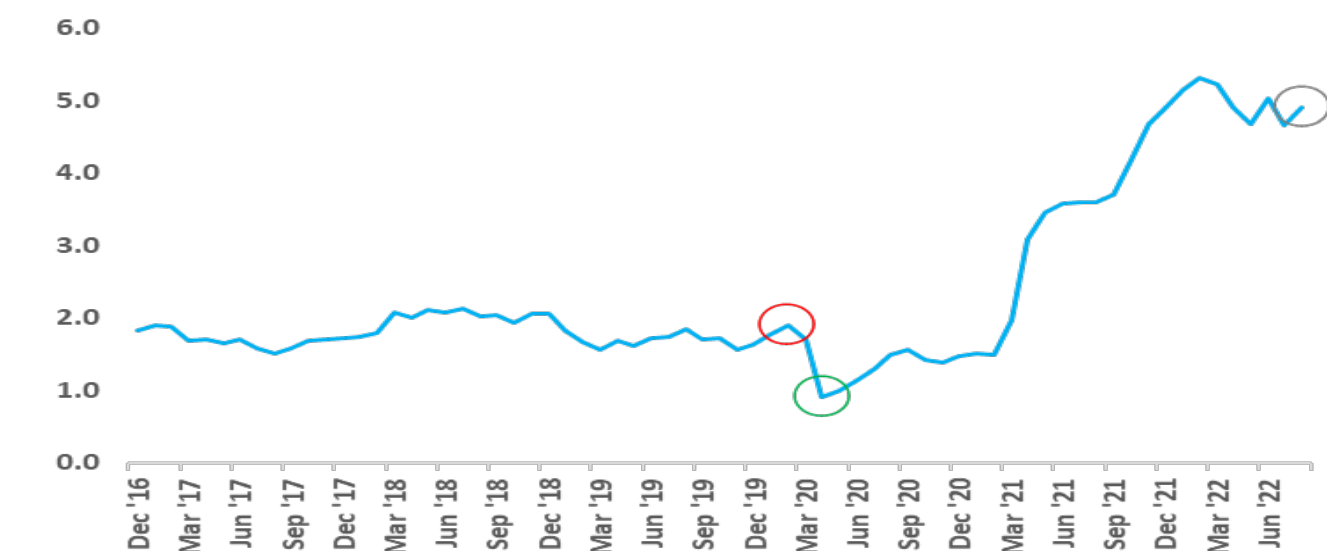
Source: Strategas Research Partners as of September 28, 2022. Past performance is no guarantee of future results.

Inflation peaking at a 41-year high

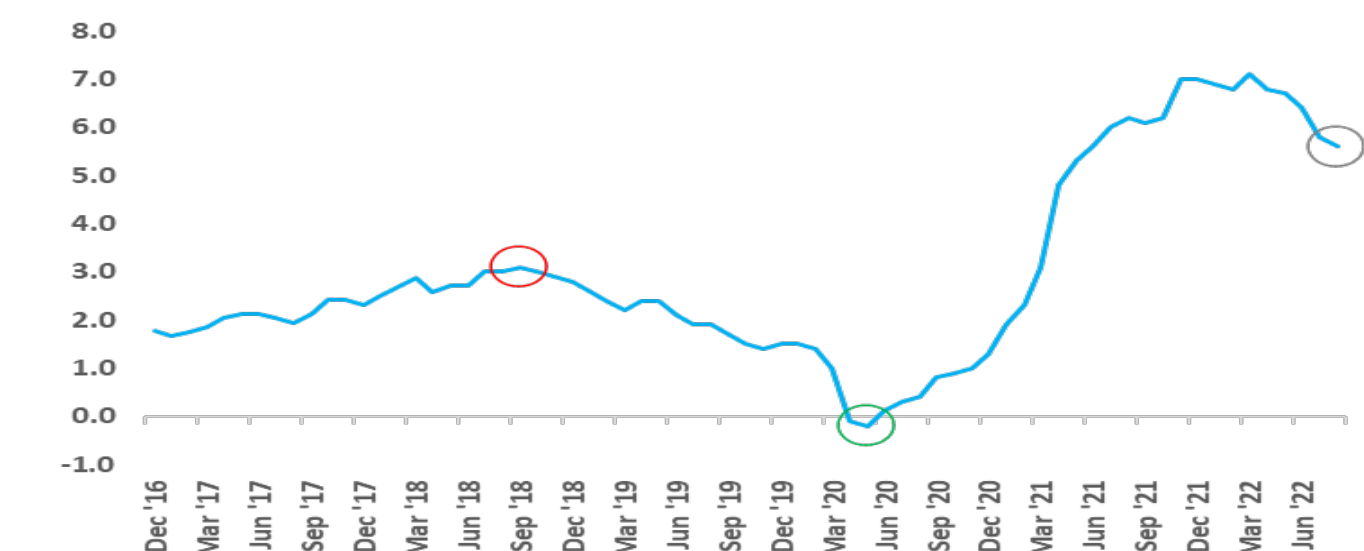
“Procedural Base Effects” are done

- **Personal Consumption Expenditure (PCE) Index** – Nominal PCE rose by 6.8% year-over-year (y/y) in June 2022, a 40-year high. But August eased to 6.2%. Core PCE, the Fed’s preferred measure of inflation, peaked at 1.9% y/y in February 2020, bottomed at 0.9% in April 2020, and has since more than quadrupled to 5.3% in February 2022, a 39-year high. Core inflation has eased to 4.9% in August.
- **Producer Price Index (PPI)** – Nominal PPI rose by 11.5% y/y in March 2022, a record 10-year high. Inflation has eased to 8.7% in August. Core wholesale PPI inflation hit a pre-pandemic peak at 1.6% y/y in January 2020, troughed at (0.20%) in May 2020, and has since surged to a seven-year high of 7.1% in March 2022. Core inflation has since eased to 5.6% in August.
- **Consumer Price Index (CPI)** – Nominal CPI rose by 9.1% y/y in June 2022, a 41-year high. But August eased to 8.3%. Core retail CPI inflation peaked at 2.4% y/y in February 2020, troughed at 1.2% in June 2020, and soared to 6.5% in March 2022, a 40-year high. Core inflation has eased to 6.3% in August.
- The spread between Core CPI and Core PCE is typically about 0.5%.
- Over the past 40 years, Core PCE has averaged 2.4% within a range of 6.6% to 0.6%.
- **The Fed’s objective was to boost employment, particularly for low-wage employees, by keeping interest rates lower for longer to run the economy hotter for longer.**

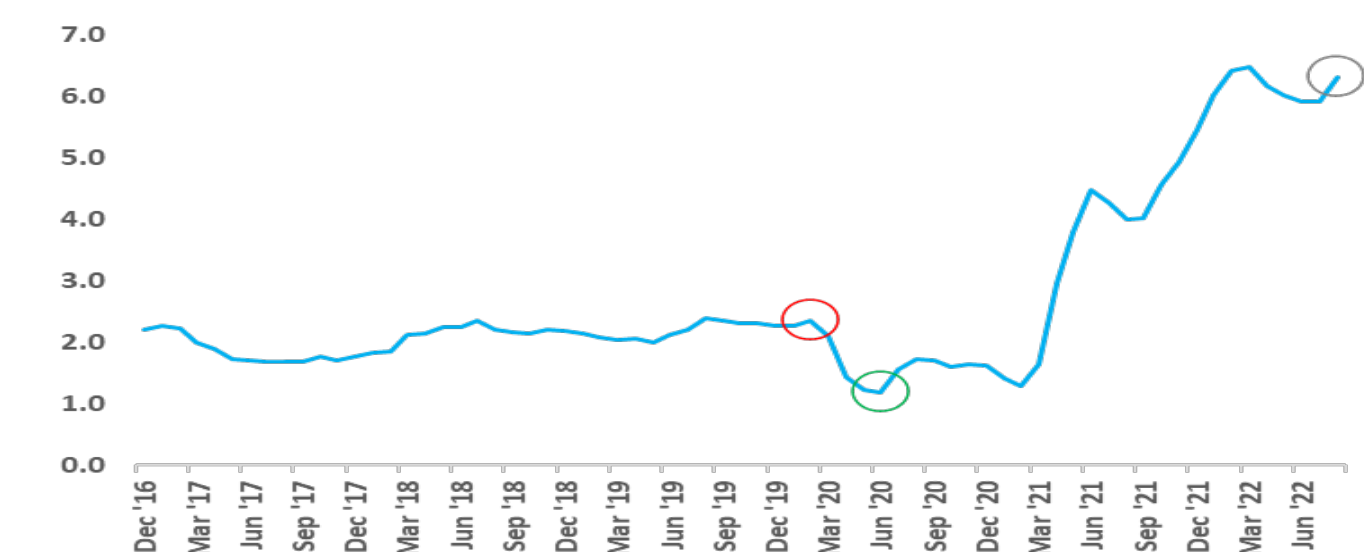
US Core Personal Consumption Expenditure Index (PCE)
Year-over-Year



US Core Producer Price Index (PPI)
Year-over-Year



US Core Consumer Price Index (CPI)
Year-over-Year



Source: Bureau of Labor Statistics as of September 16, 2022 (bottom), Bureau of Labor Statistics and Bloomberg as of September 16, 2022 (middle), Bureau of Economic Analysis and Bloomberg as of September 30, 2022 (top).

Tug of war between “Transitory” vs. “Sustainable” inflation is over

But commodity prices may have peaked recently and are starting to decline

Agricultural



Corn up 108% over the last 2 years but has declined by 26% over the last 2 months.



Wheat up 140% over the last 2 years but has declined by 39% over the last 2 months.



Soybeans up 89% over the last 2 years but has declined by 18% over the last 2 months.

Note: Supplemental Nutrition Assistance Program (SNAP) benefits increased by 30% y/y in October 2021.

Materials



Copper up 143% over the last 2 years but has declined by 33% over the last 4 months.



Steel up 307% over the last 2 years but has declined by 35% over the last 3 months.



Lumber up 580% over the last 2 years but has declined by 59% over the last 4 months.

Note: Housing prices rose by a record 21.2% y/y through April 2022, creating the worst affordability index since 2008.

Energy



Natural gas up 600% over the last 2 years but has declined by 22% over the last month.



Crude oil (WTI) up 288% over the last 21 months but has declined by 33% over the last 3 months.



Gasoline up 138% over the last 21 months but has declined by 25% over the last 3 months.

Note: Policy changes in Washington have impacted the global supply and demand balance in energy.

Wages

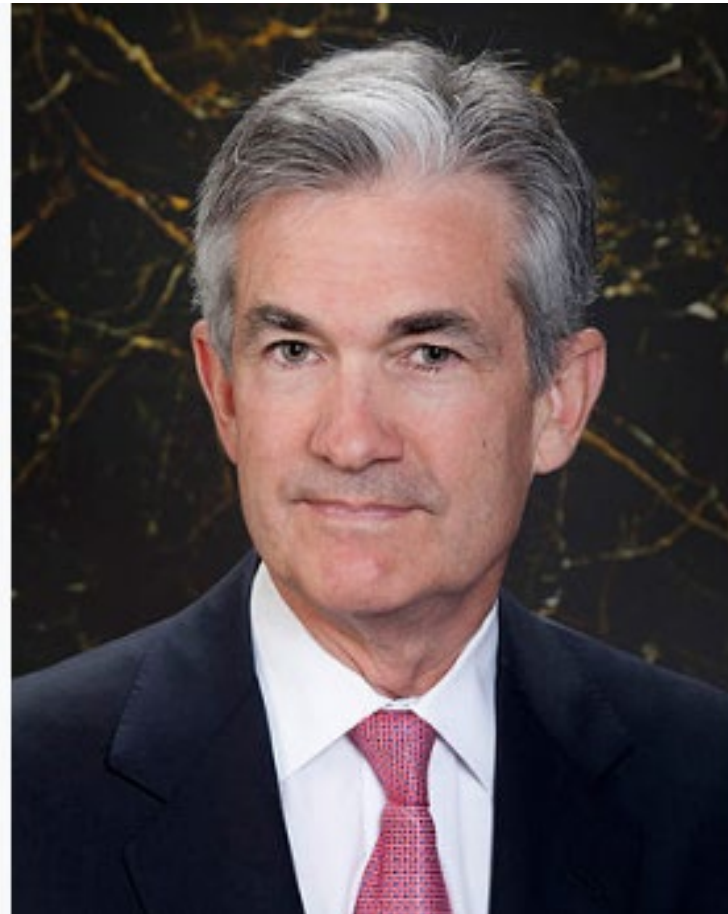


Average hourly earnings have risen by 5.2% on a year/year annualized basis for the last 12 months through August 2022, just off a 2-year high of 5.6% in March.

Note: Historically, whenever wage growth has exceeded 4%, the economy has rolled over into a recession.

Biden remakes the Fed

Fed Chair



Jerome Powell, J.D.

Vice Chair



Dr. Lael Brainard, Ph.D.

- ◆ Powell reappointed to 2nd term as Fed Chair
- ◆ Brainard promoted to Vice Chair
- ◆ Three open slots on the Board of Governors (BOG):
 - Richard Clarida
 - Randal Quarles
 - Judy Shelton
- ◆ Biden had three picks left to remake the seven-member BOG:

• Dr. Roger Ferguson, Ph.D.	• Dr. William Spriggs, Ph.D.
• Dr. Raphael Bostic, Ph.D.	• Dr. Karen Dynan, Ph.D.
• Dr. Seth Carpenter, Ph.D.	• Dr. Cecilia Rouse, Ph.D.
X • <i>Sarah Bloom-Raskin, J.D.</i>	• <i>Dr. Lisa Cook, Ph.D.</i>
• Dr. Janet Yellen, Ph.D.	• Dr. Mary Daly, Ph.D.
• Richard Cordray, J.D.	• Dr. Valerie Wilson, Ph.D.
• <i>Dr. Philip Jefferson, Ph.D.</i>	• <i>Michael Barr, J.D.</i>
- ◆ Biden has embraced a new third Fed mandate: the traditional Phillips Curve trade off between price stability and full employment, and broader economic participation for lower-income cohorts.

Current structure of the Supreme Court of the United States

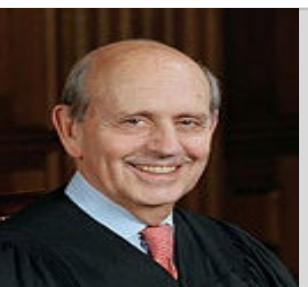
Liberal



Elena Kagan
Age 61
11 Years on Bench



Sonia Sotomayer
Age 67
12 Years on Bench



Stephen Breyer*
Age 83
27 Years on Bench



Justice Designate
Ketanji Brown Jackson
Age 51



Swing



John Roberts
Age 67
16 Years on Bench

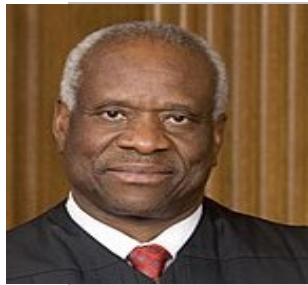


Brett Kavanaugh
Age 56
3 Years on Bench

Conservative



Samuel Alito
Age 71
16 Years on Bench



Clarence Thomas
Age 73
30 Years on Bench



Neil Gorsuch
Age 54
4 Years on Bench



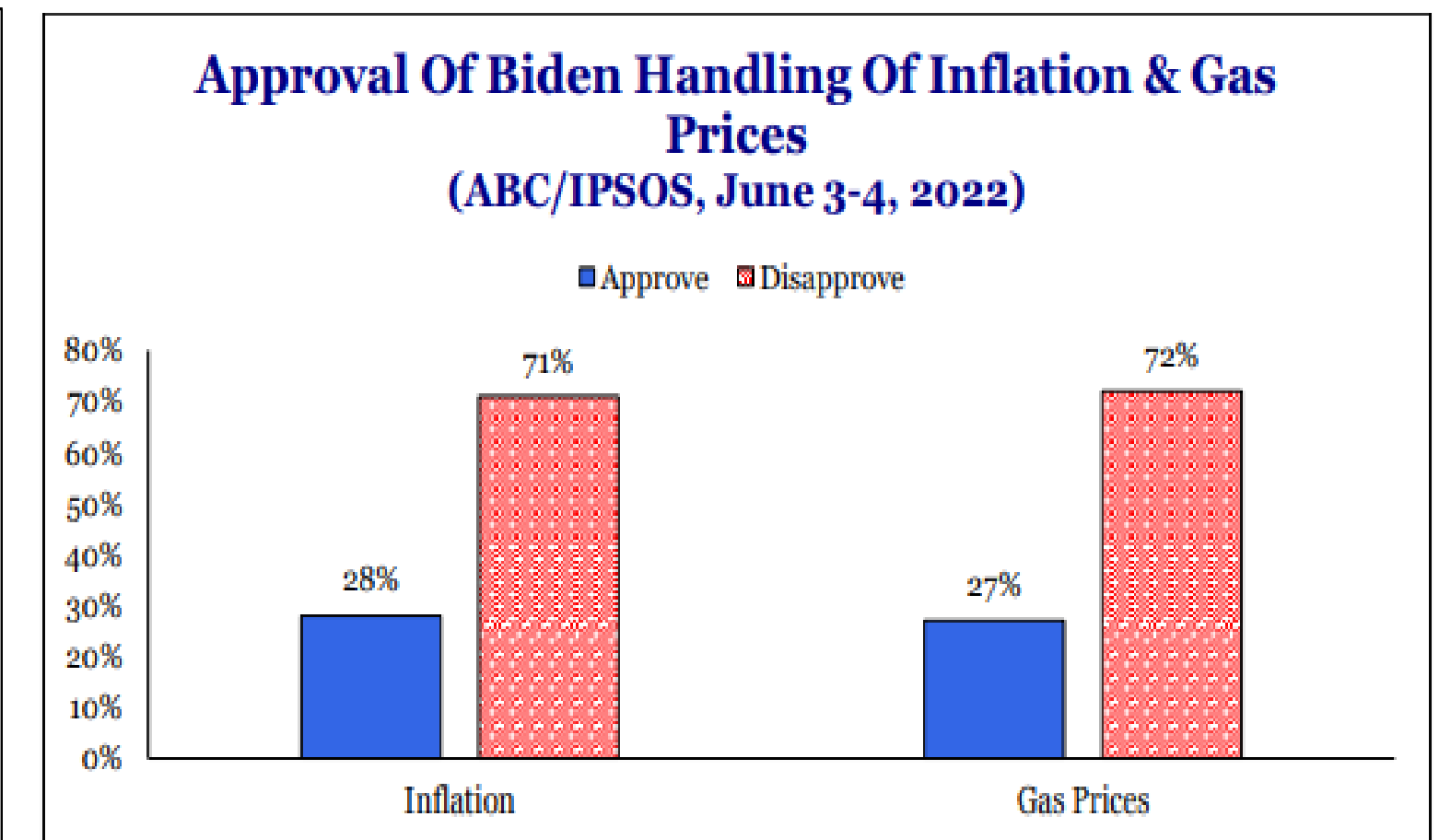
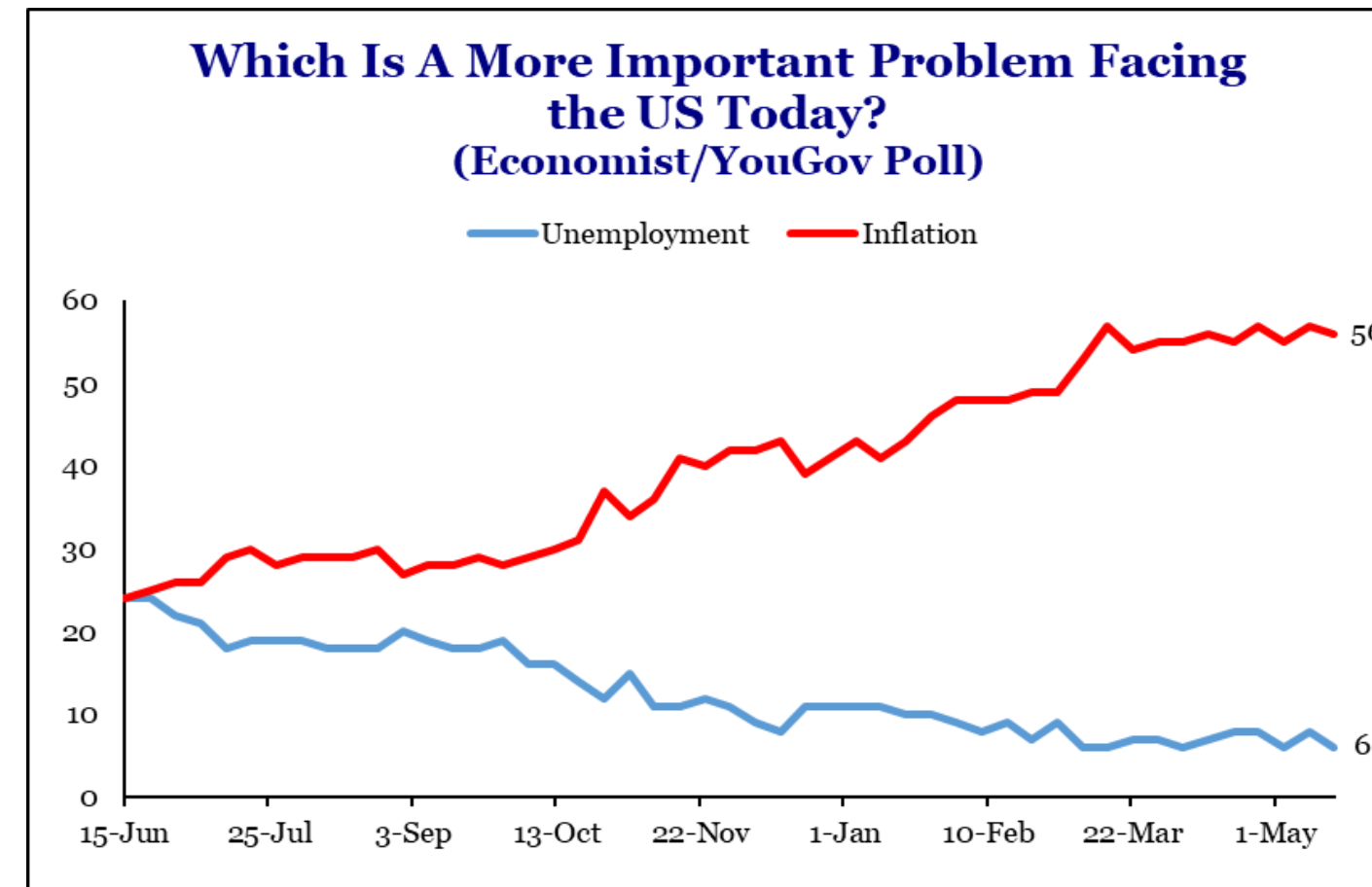
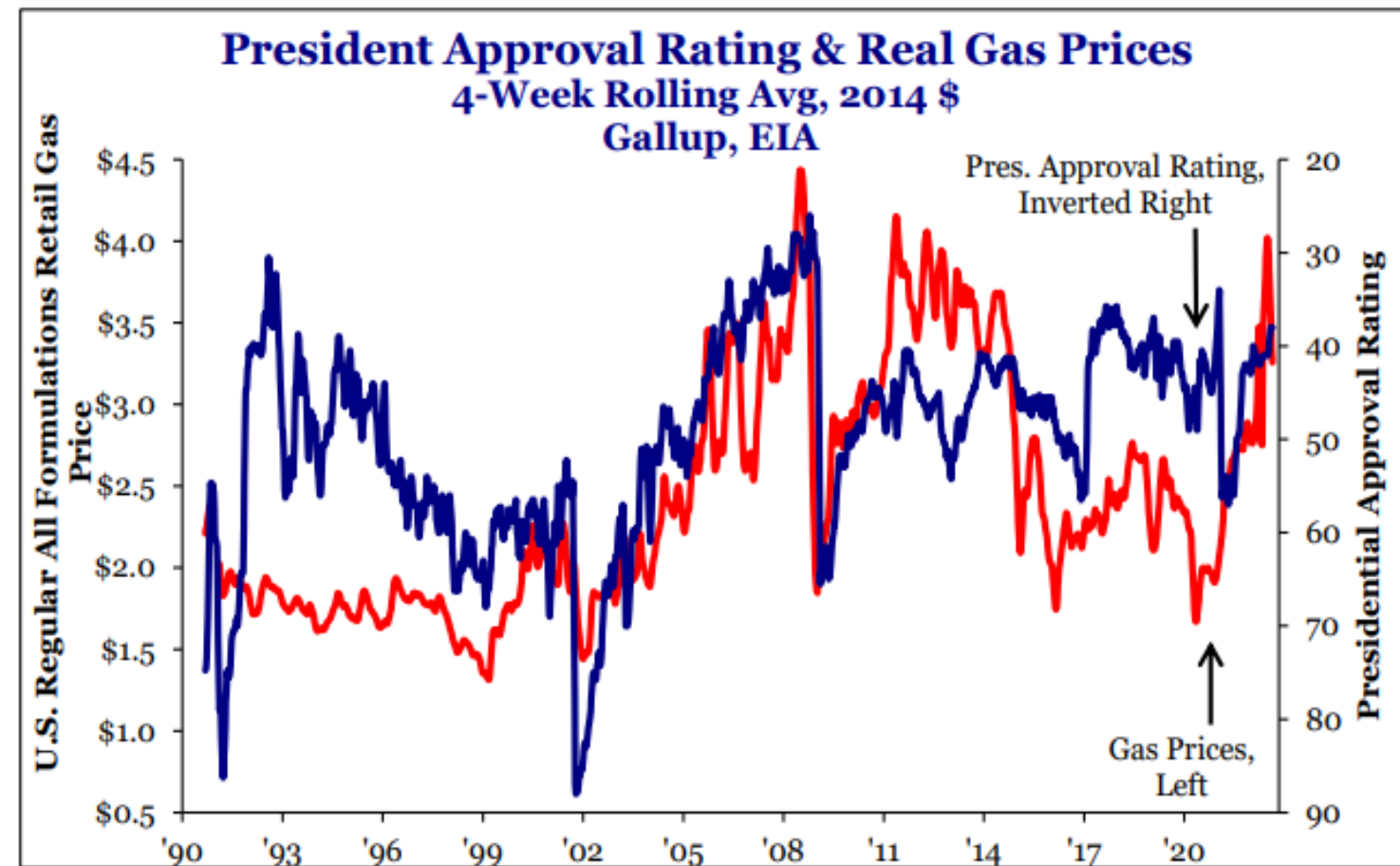
Amy Coney Barrett
Age 50
1 Year on the Bench

- Justice Breyer - the senior liberal on the Supreme Court has retired, which gave President Biden his 1st Supreme Court confirmation.
- The Supreme Court has a 6-3 conservative majority; the replacement will not alter that dynamic.
- DC Circuit Judge Ketanji Brown Jackson was nominated and confirmed to the Supreme Court w/ 53 votes (all Dems + 3 GOP).

Will the D's fulfill their promise to introduce term limits and "Stack the Court?"

*Retired from his seat on the bench.
Gray shaded boxes indicate oldest sitting justices by age.

Inflation and the price of gasoline are major drivers of the presidential approval rating



Energy/GDP Leverage Rule of Thumb:

Every 1 cent change in the retail price of gasoline @ pumps = an inverse change of \$1.18 billion in consumer spending

Daily nat'l avg. reg. unleaded gasoline price (Nov. 22, 2020) -- \$2.11/gal (trough)

Daily nat'l avg. reg. unleaded gasoline price (June 13, 2022) -- \$5.02/gal (peak)

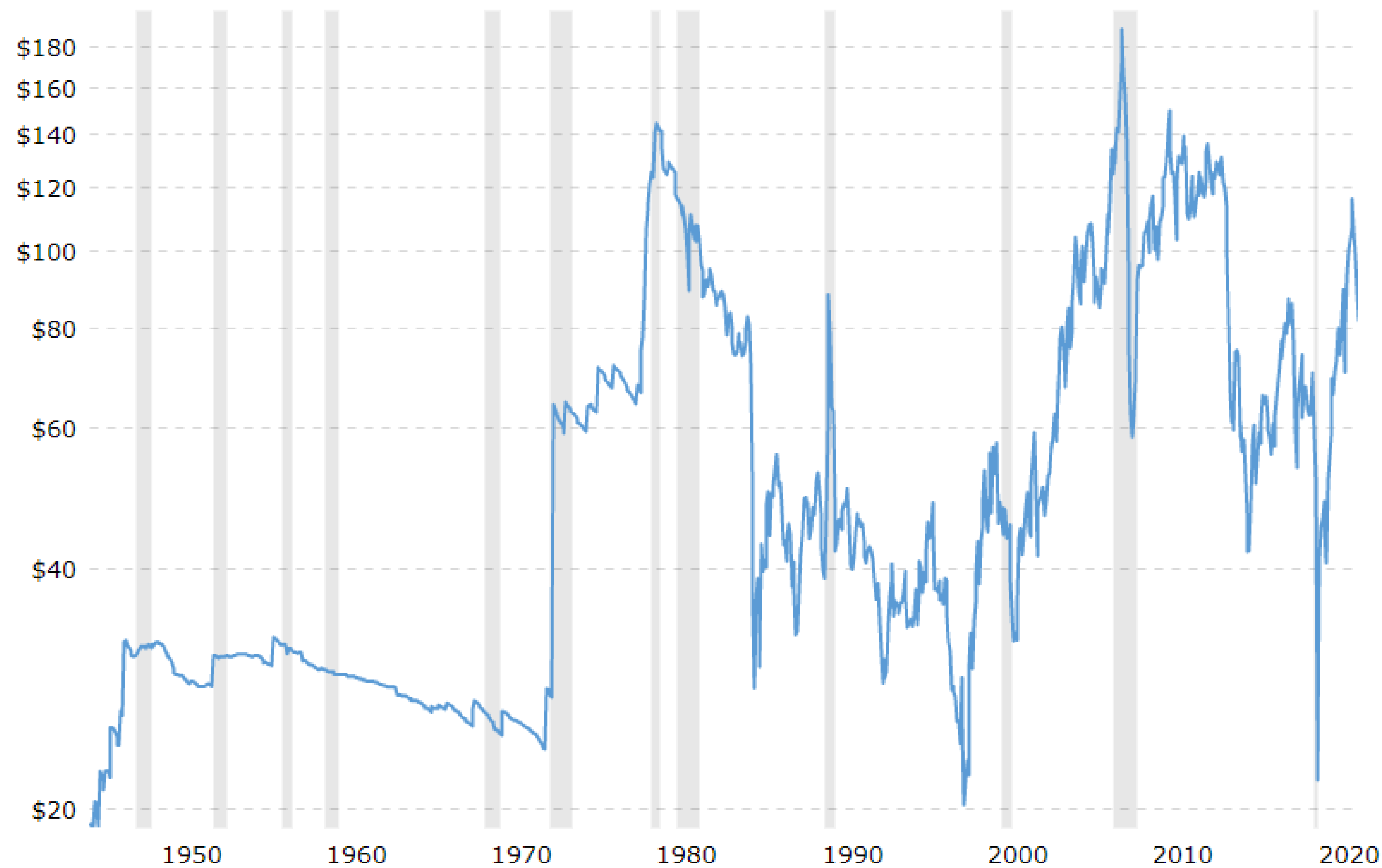
Delta – 138% increase \$2.91/gal

291 X \$1.18 billion = \$343.4 billion reduction in consumer discretionary spending

Divided by \$19.7 trillion (2Q22 Chained \$ GDP in U.S.) = 1.74% reduction in consumer spending

Divided by 70% (% of GDP for which consumer spending accounts) = 2.49% reduction in overall GDP annualized

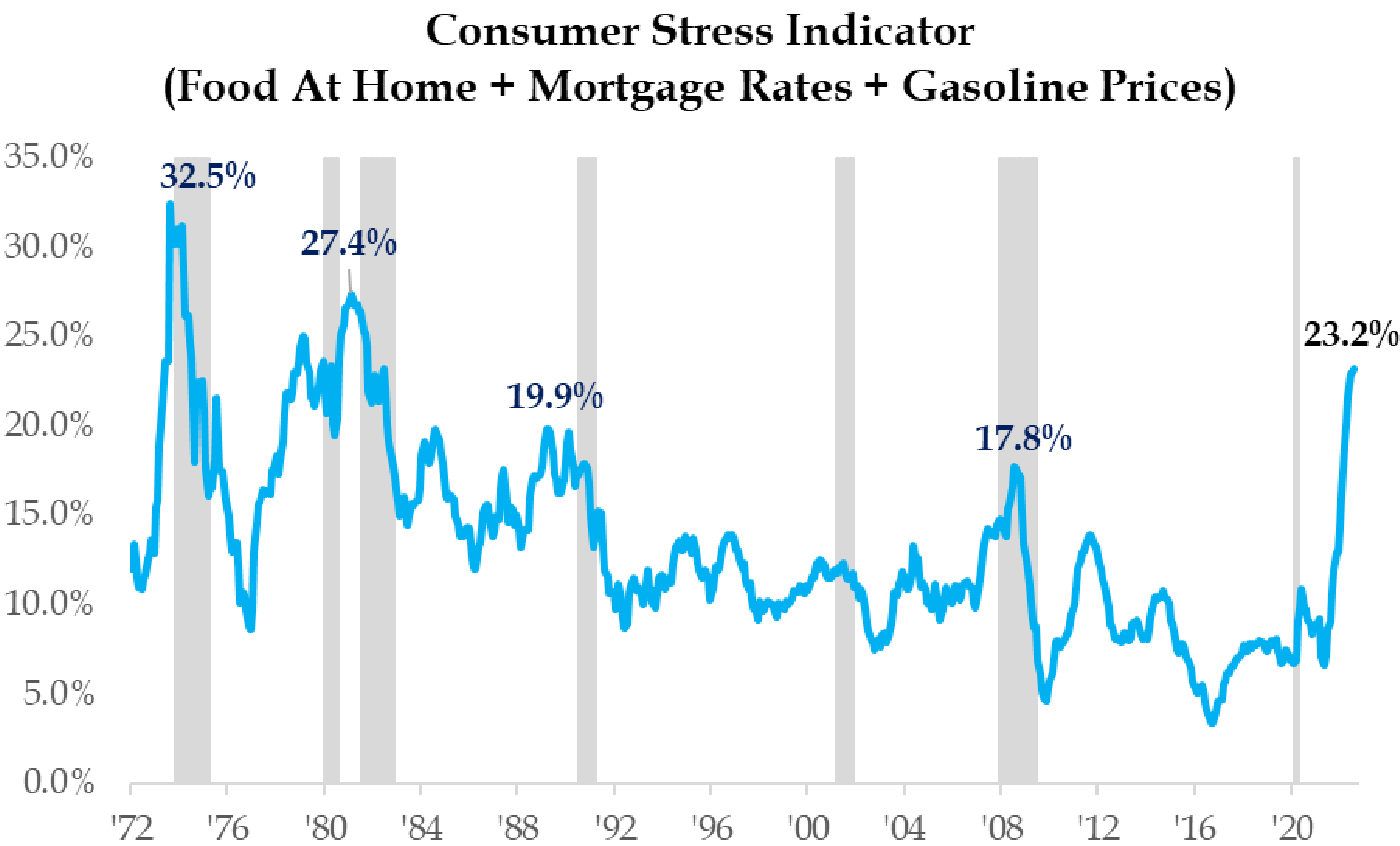
Strong historical correlation between oil price spikes and subsequent recessions



Note: Shaded areas indicate recessions.
Source: Macrotrends.net as of September 29, 2022.

Consumer Stress Indicator

Consumers are feeling the strain of rising costs

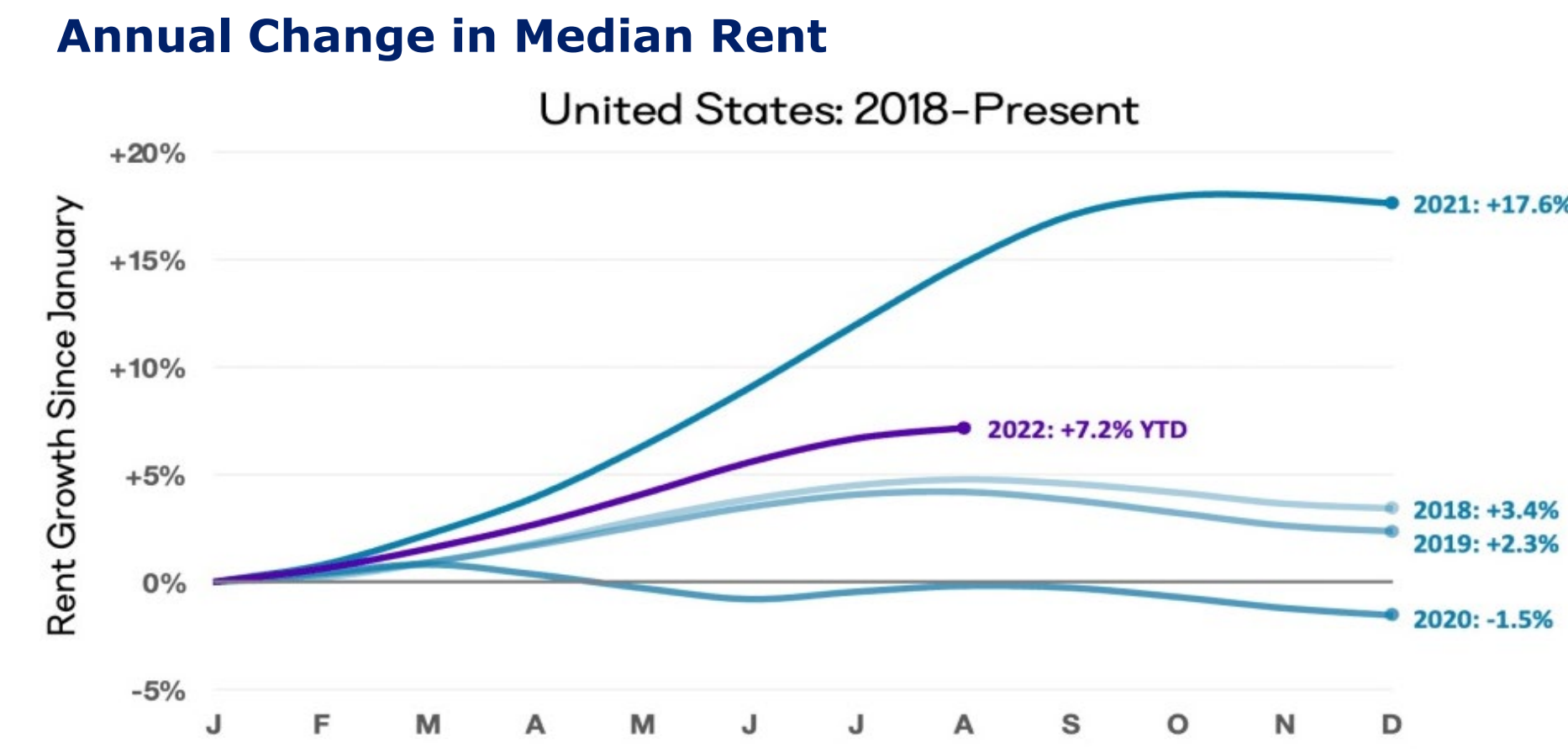
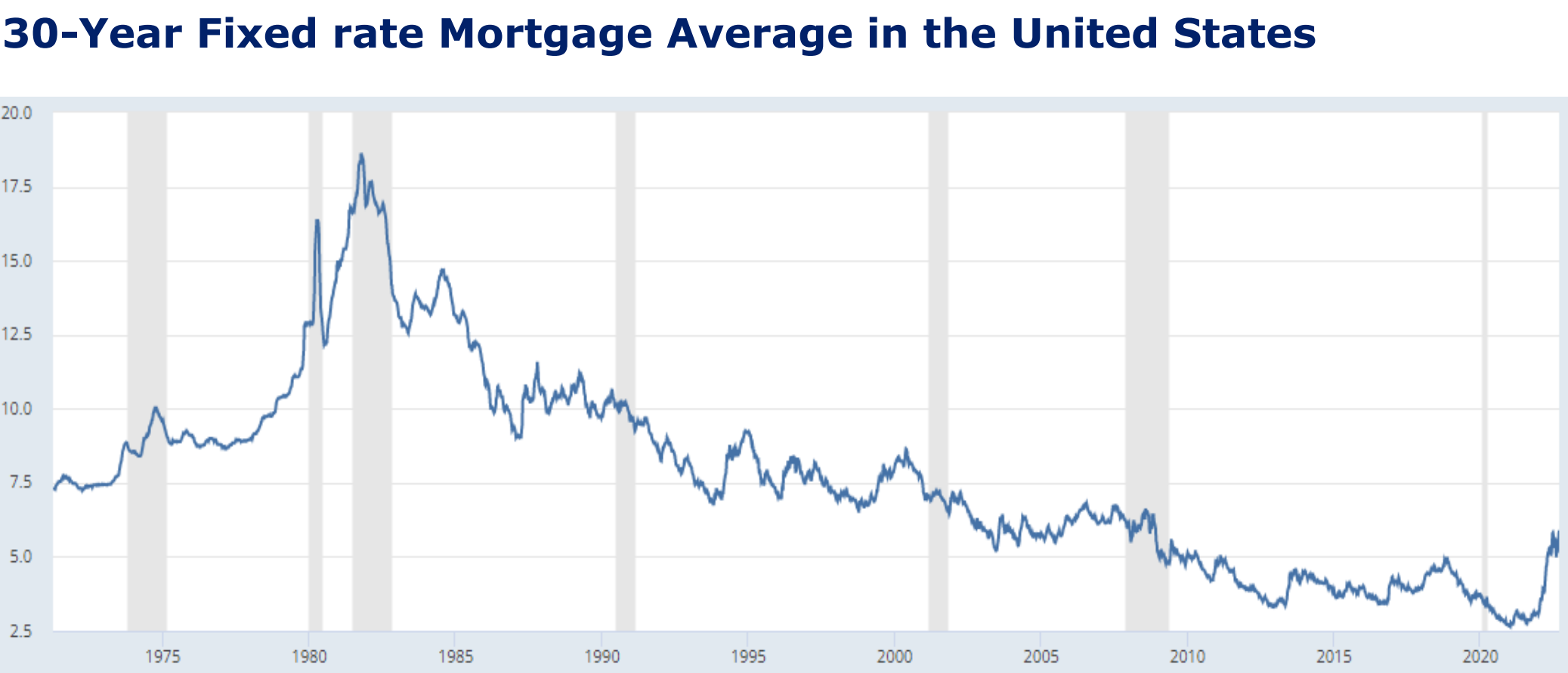
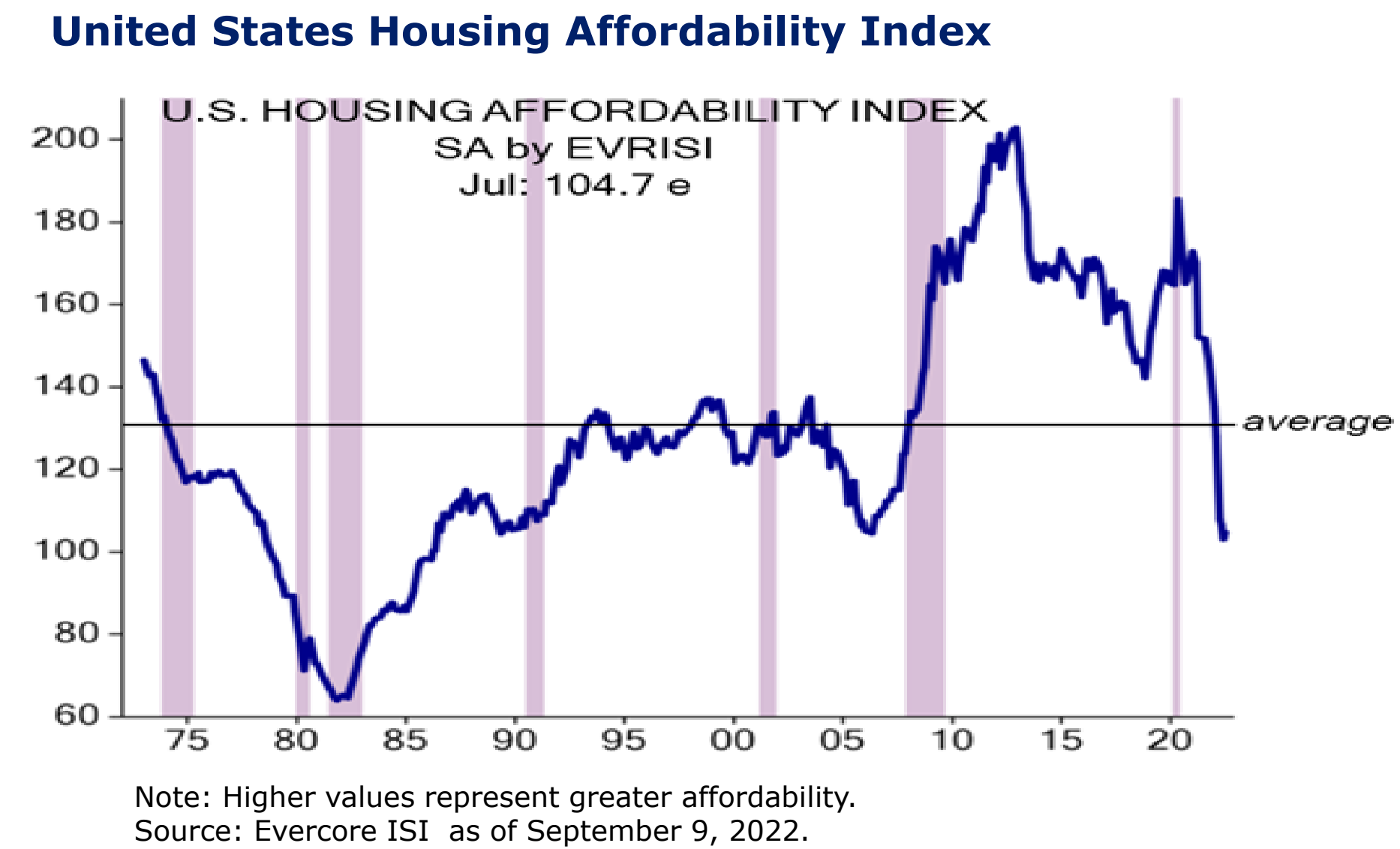
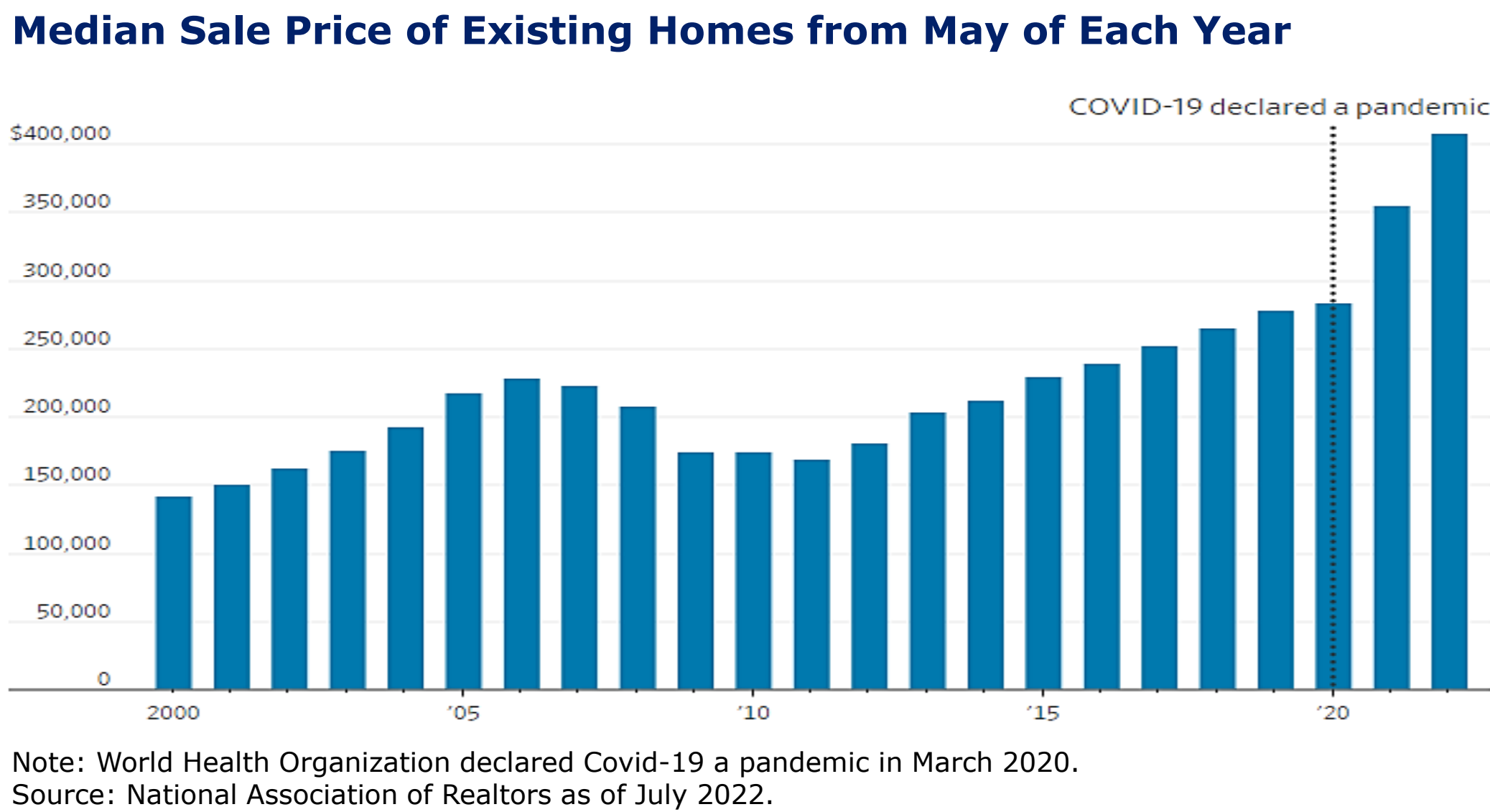


Historically readings at the current levels have only come down after the economy dipped into a recession.

Shaded areas indicate recessions.
Source: Strategas Research Partners as of September 30, 2022.

Housing Affordability Plummetts

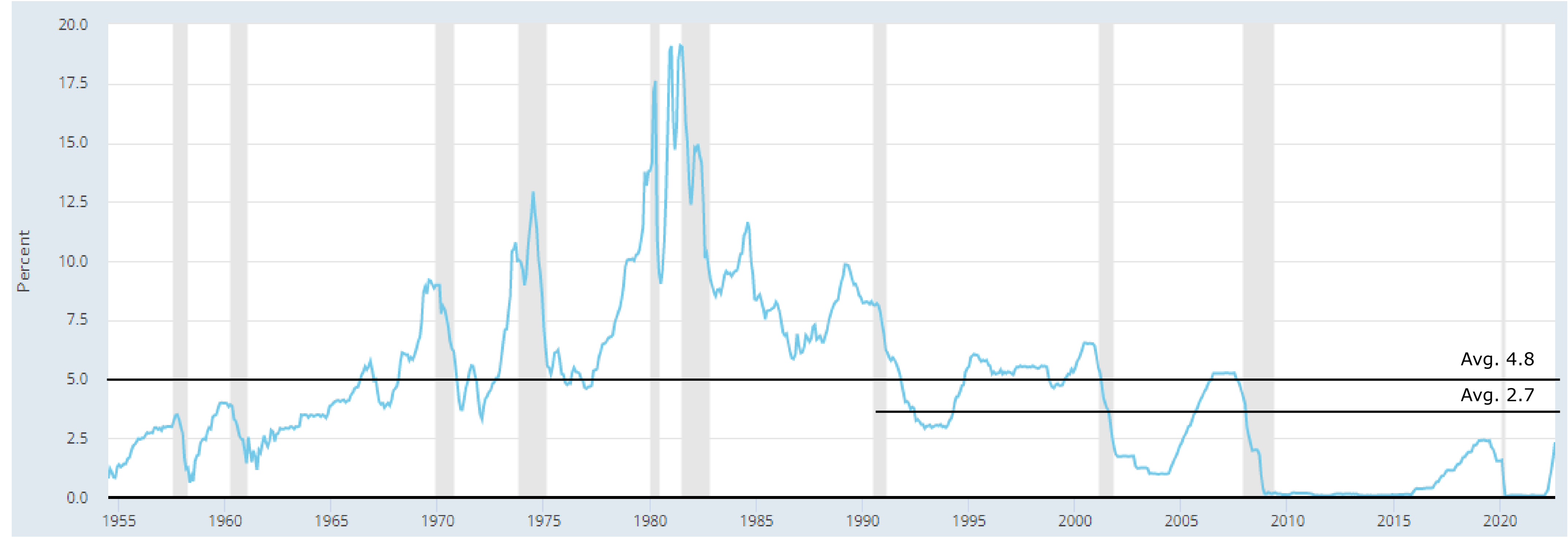
May was the most expensive month since 2006 to buy a home



Shaded areas indicate recessions. Past performance is no guarantee of future results.

Fed's first hike typically precedes next recession by several years

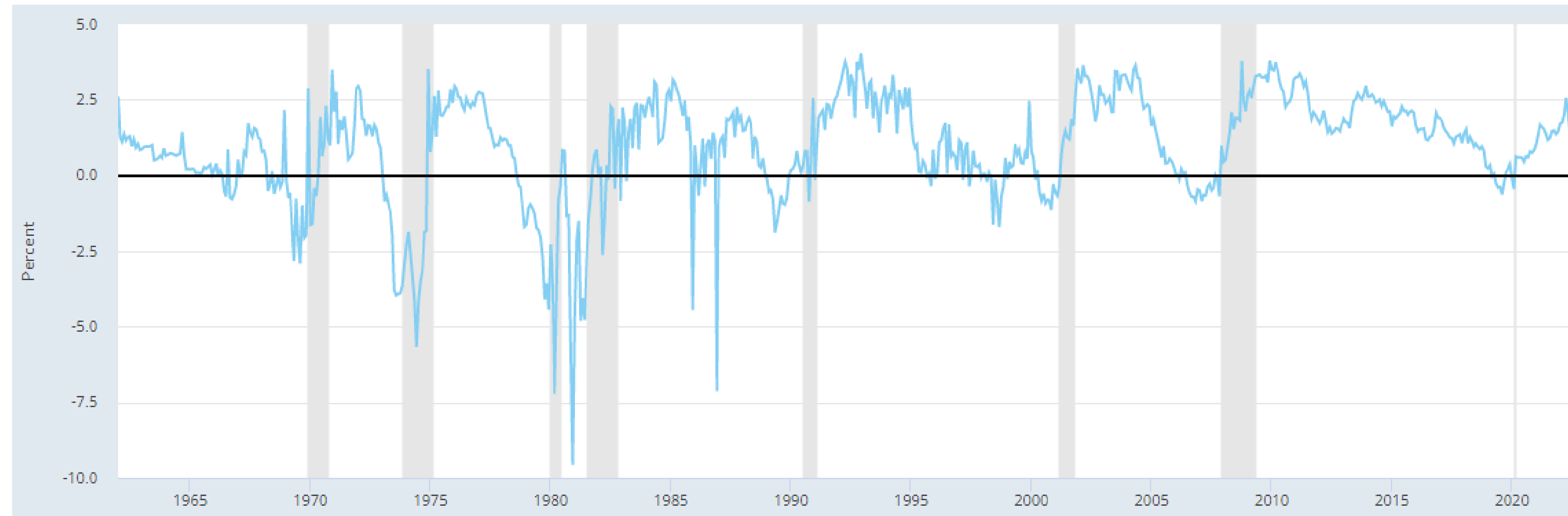
Fed Funds Rate: 3.25%



Note: Shaded areas indicate recessions. Fed Funds Rate refers to the upper band.
Source: FRED Economic Data as of September 30, 2022.

Inverted Yield Curve Typically Forecasts Recessions by 1-2 Years

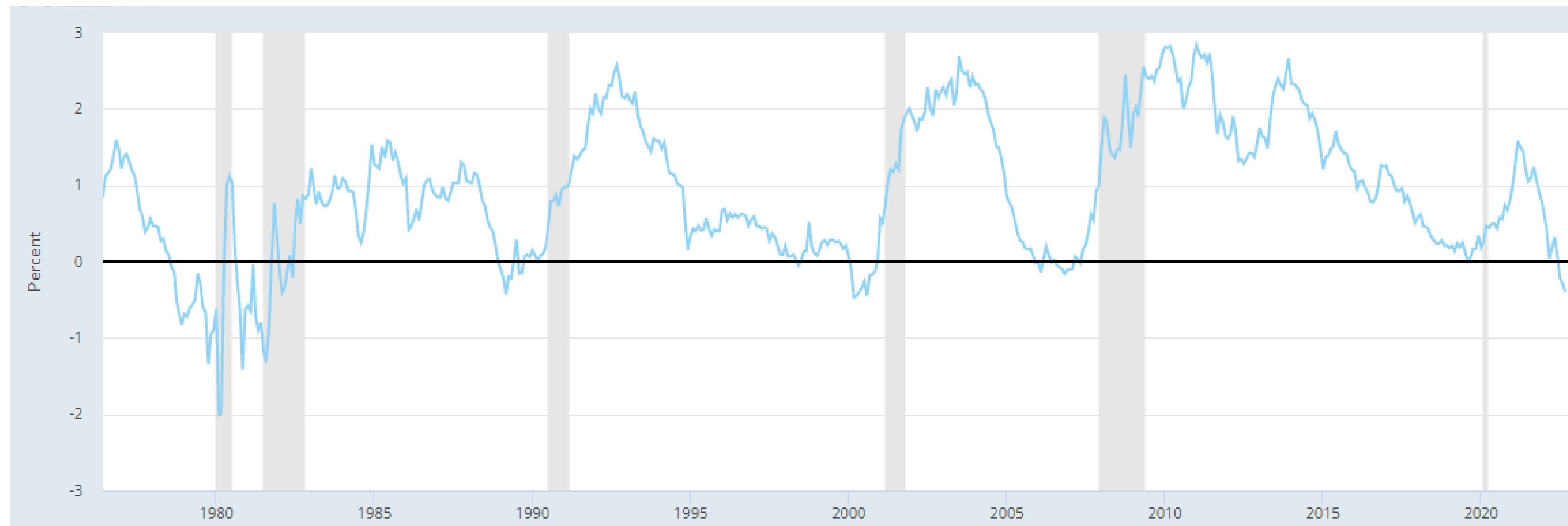
10-Year Treasury Constant Maturity Minus Federal Funds Rate



10's: 3.75%
-FF: 3.25%
YC: +0.50%

Historical 2/10 spread an excellent precursor for impending recession

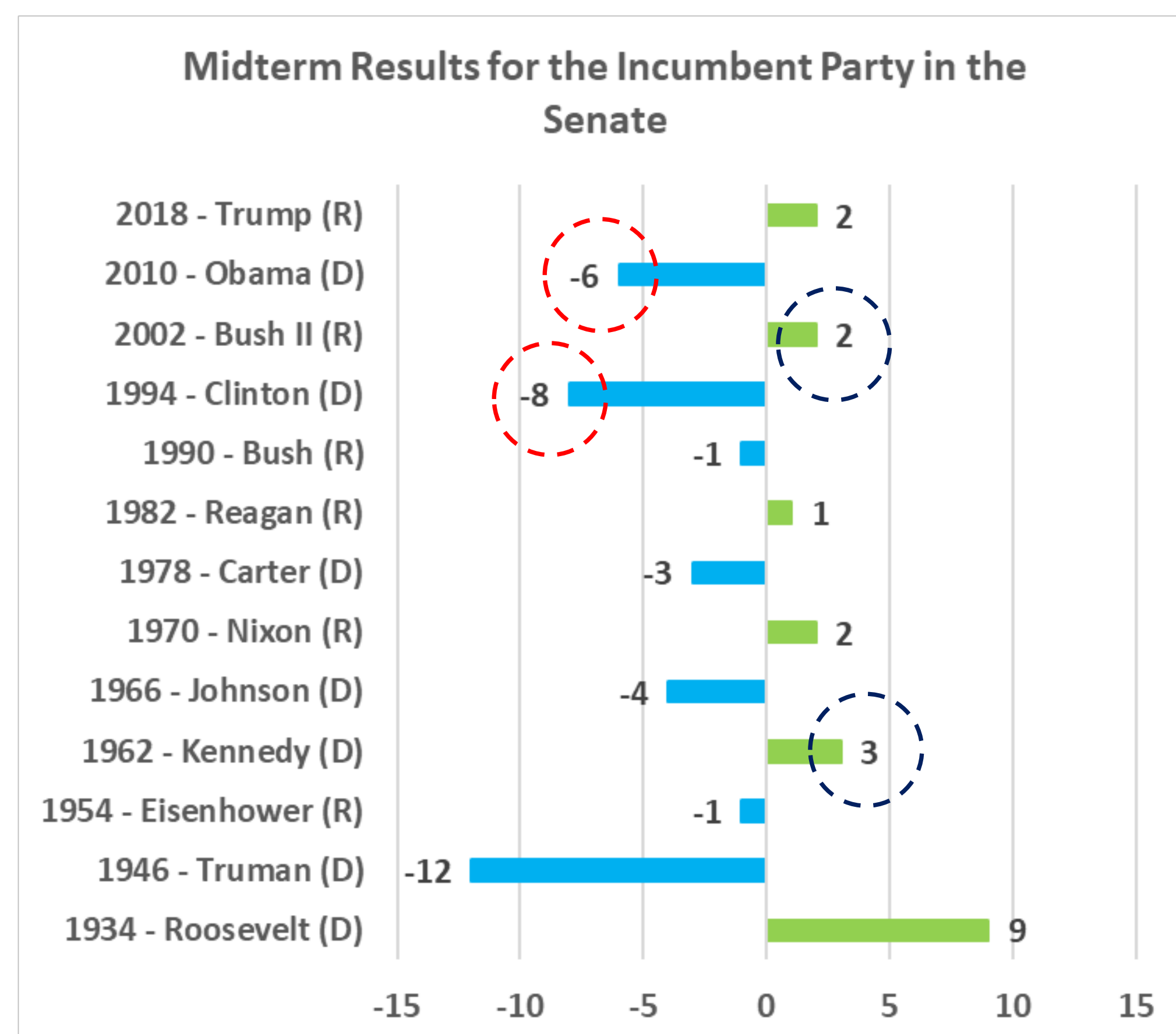
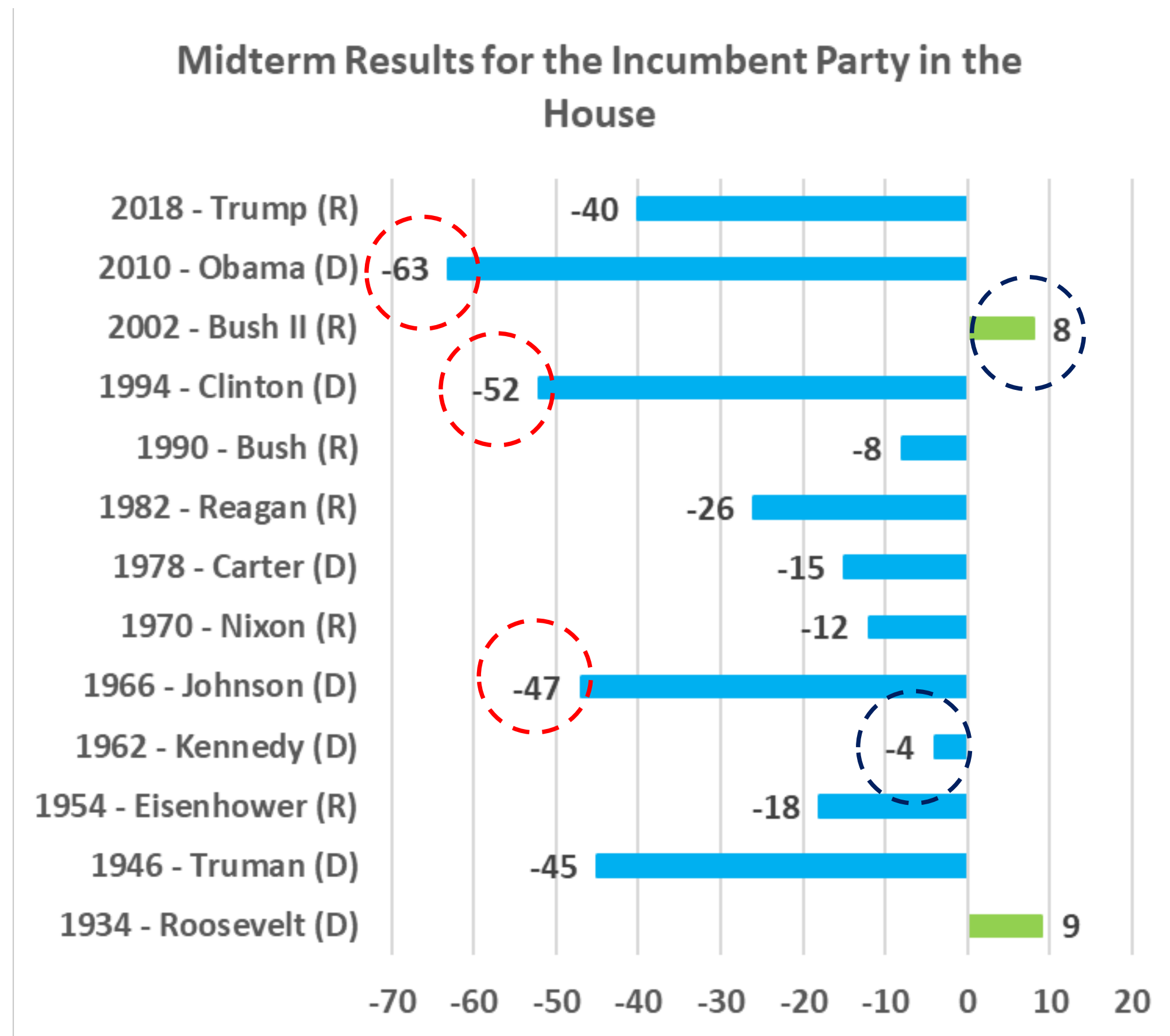
10-Year Treasury Constant Maturity Minus 2-Year Treasury Constant Maturity



Note: Shaded areas indicate recessions.
Source: FRED Economic Data as of September 30, 2022.

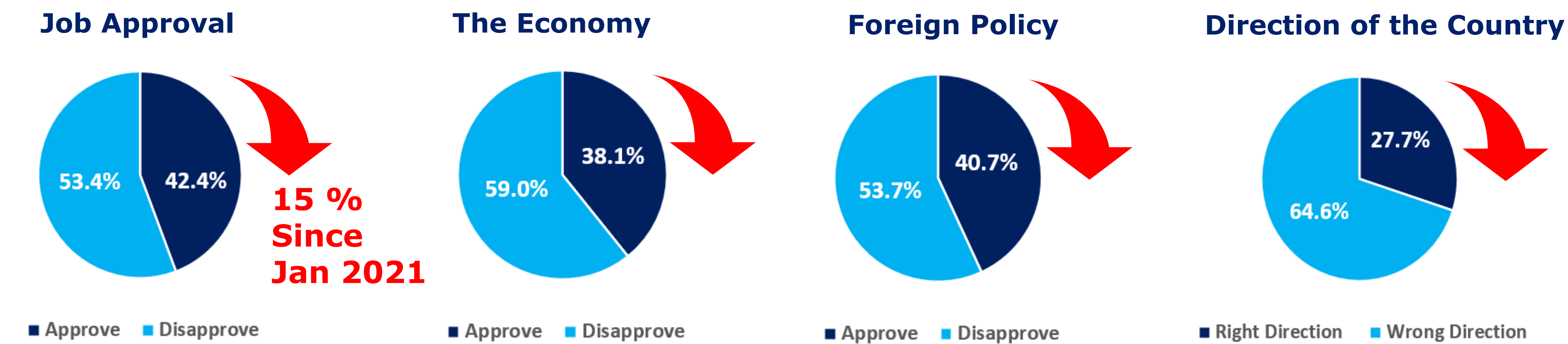
Congress could potentially flip in 2022

In the post-war era, the White House historically loses an average of 27 House seats and 2 Senate seats in the first midterm election. Democratic presidents lose an average of 38 House seats and 5 Senate seats.

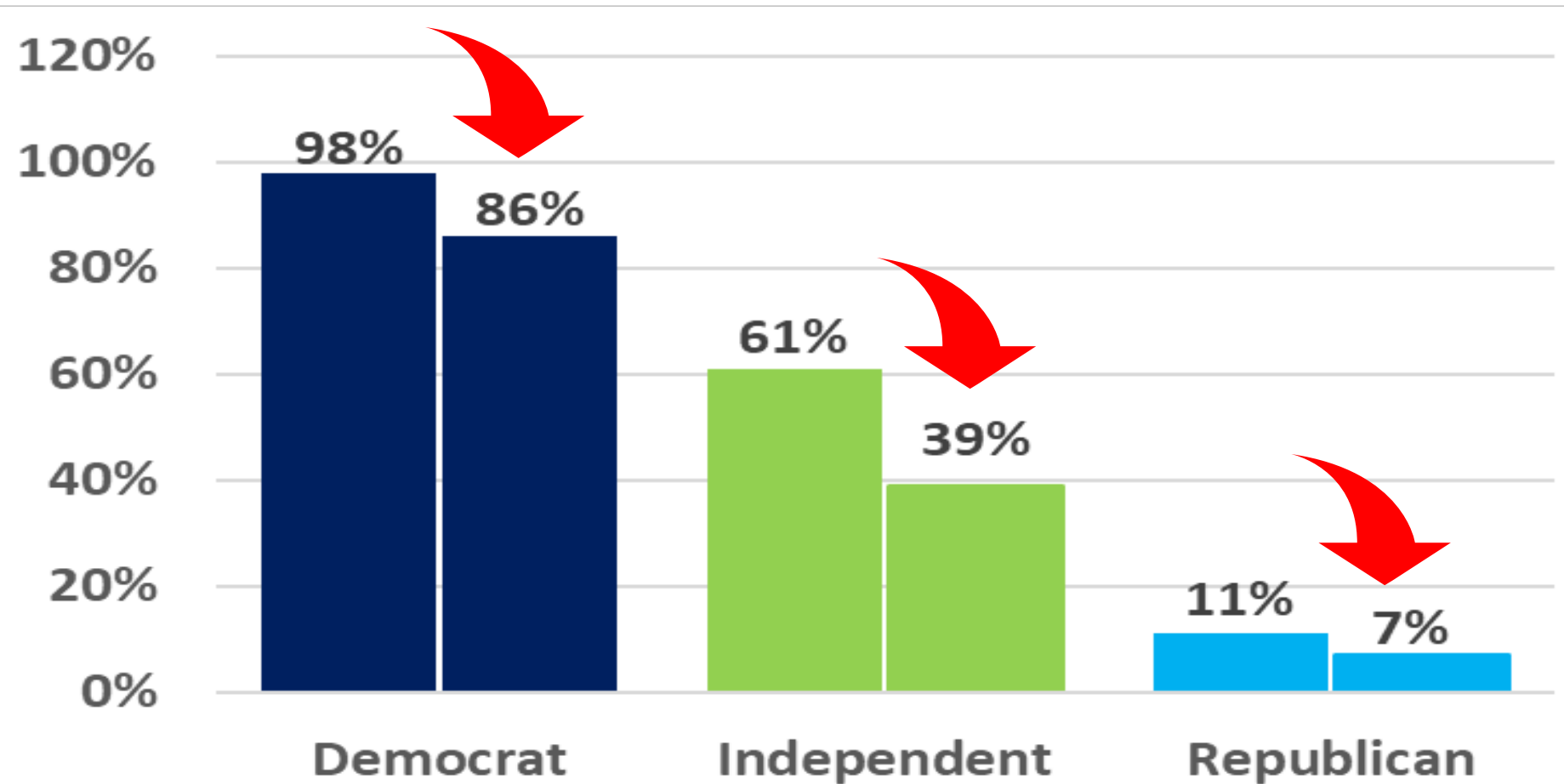


NOTE: 33 Democratic members of Congress have already announced they are not seeking re-election, leaving those seats open for 2022.

President Biden's current approval ratings



Party Breakdown of Biden's Approval Ratings



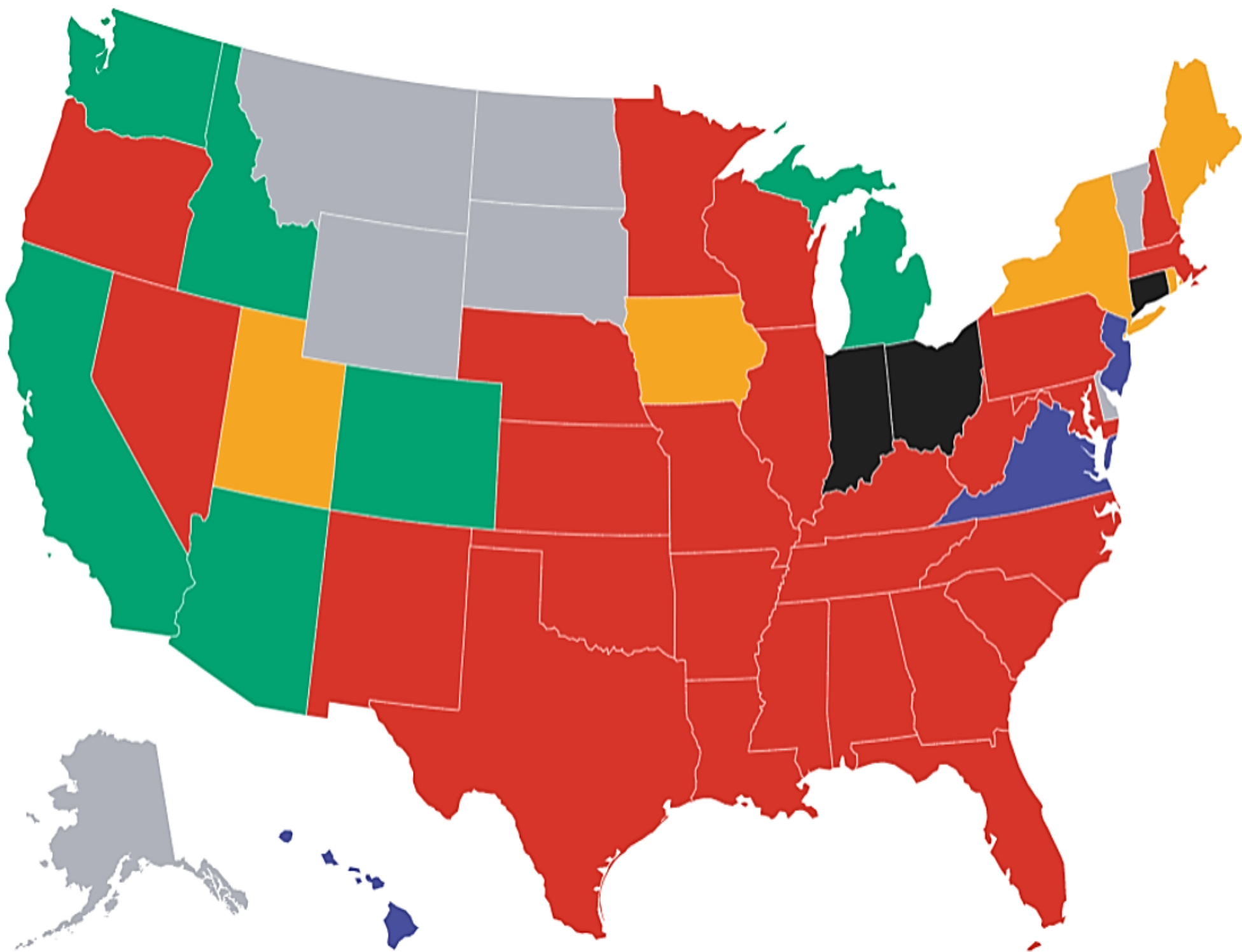
Recent Gallup polling has found that Independent party approval of President Biden has plunged **22 points** since he took office.

Sources: Gallup as of September 20, 2022. RealClearPolitics as of September 29, 2022.

Congressional redistricting from the 2020 decennial census favors Republicans, but subsequent Democratic gerrymandering blunts their net gain

Most states let legislators draw congressional districts

In 26 states, the **legislature draws the boundaries on its own**. In five states, the **legislature creates the districts with advice from a non-political commission**. Six others have an **independent commission do the redistricting**. In three states, the **legislature draws the boundaries, but a commission takes over if lawmakers can't agree**. Three states give the power to **a commission composed of politicians or political appointees**. Seven states **have just one congressional district**, so they have no congressional redistricting.



Population migration from high-tax to low- or no-tax states over the past decade:

- Californians migrating to Nevada and Arizona
- Illinois residents moving to Texas
- New York, New Jersey, Connecticut and Massachusetts residents moving to Tennessee, North Carolina, South Carolina and Florida

Republicans gained six net seats – less than the 10-15 net-seat gain that had been expected – in the House of Representatives in the 2022 midterm elections, due exclusively to the Census and the subsequent Congressional redistricting of its 435 seats.

Gains		Losses	
Texas (Republican)	+2	California (Democrat)	-1
Florida (Republican)	+1	Illinois (Democrat)	-1
Montana (Republican)	+1	New York (Democrat)	-1
North Carolina (Republican)	+1	Michigan (Democrat)	-1
Colorado (Democrat)	+1	Pennsylvania (Democrat)	-1
Oregon (Democrat)	+1	Ohio (Republican)	-1
		West Virginia (Republican)	-1

But President Biden signed an executive order in January 2021, undoing President Trump's order to keep undocumented immigrants from being included in the state-by-state Census tallies. This resulted in a population shift of an estimated 3 million people (1% of 331 million U.S. residents) from Republican to Democratic states, which prevented an additional six seats from shifting from Democratic states to Republican states.

The Democrats state-by-state gerrymandering process has resulted in an estimated net pickup of 4-5 seats.

Note: Some states use different procedures for drawing state legislative district boundaries.
Map: The Conversation, CC-BY-ND Source: Robin Best and Steve Lem
Source: The Conversation.com as of November 24, 2020 and Federated Hermes as of April 2022.

Is Manchin the linchpin?

Moderate bi-partisan Senate coalition keeps legislation in the middle



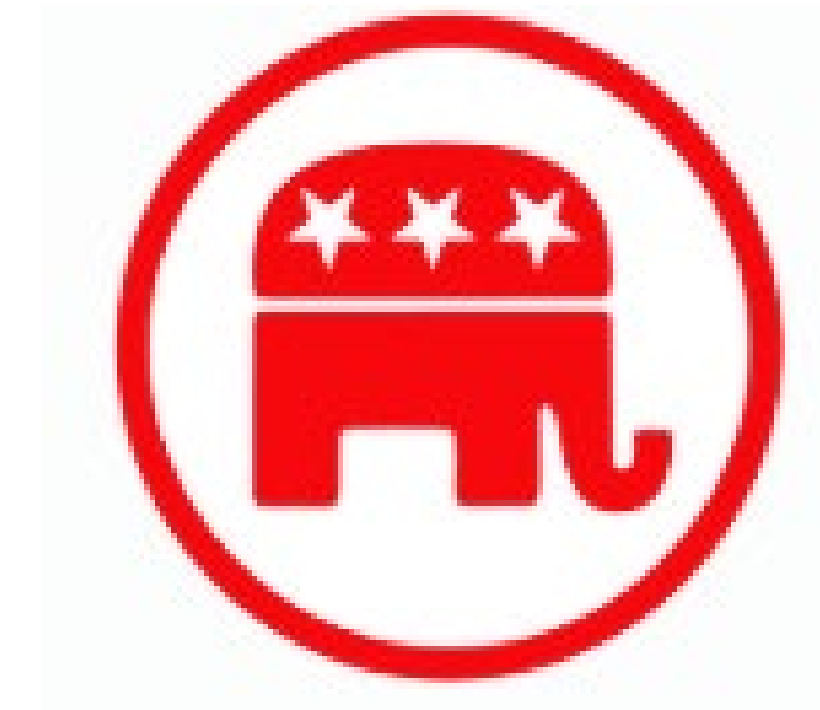
Joe Manchin III
(D) West Virginia



Krysten Sinema
(D) Arizona



Jon Tester
(D) Montana



Susan Collins
(R) Maine



Lisa Murkowski
(R) Alaska



Mitt Romney
(R) Utah

Democrats could establish an outright Senate lead in the 2022 mid-term election, but demographics favor Republicans in 2024

Current Senate: **50 Republicans** – **50 Democrats**

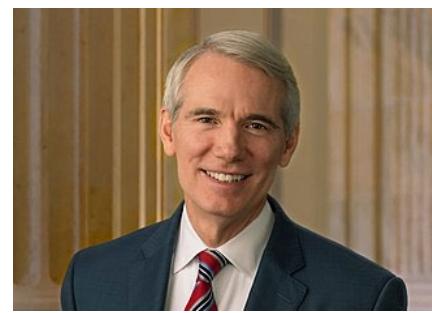
► In the **November 2022** midterms, **35 seats** are up for election:

Republicans defending **21 seats**, but **Democrats** only defending **14 seats**.

Republican Senate retirements for 2022 already announced:



Senator (PA)
Pat Toomey



Senator (OH)
Rob Portman



Senator (NC)
Richard Burr



Senator (AL)
Richard Shelby



Senator (MO)
Roy Blunt



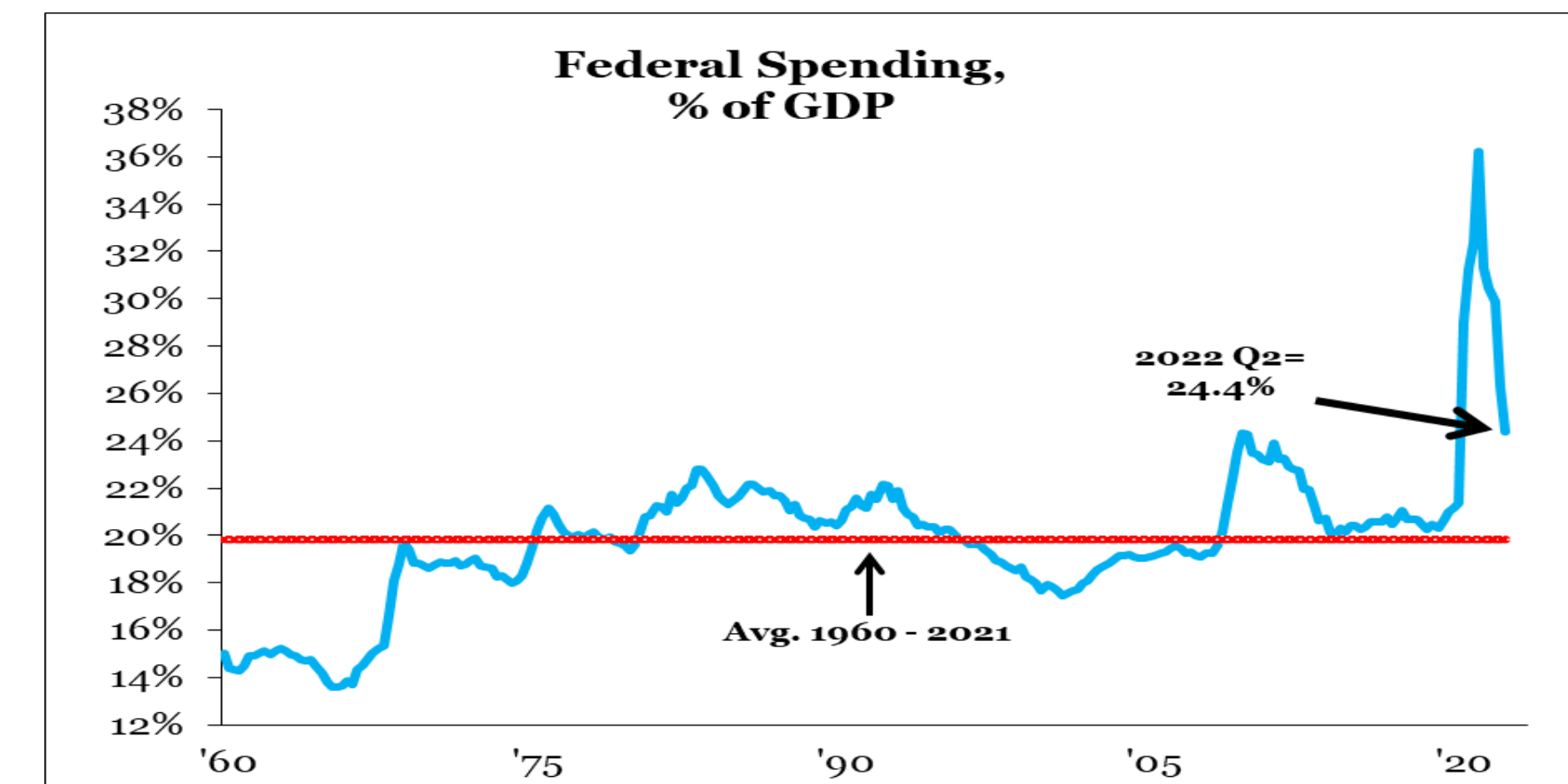
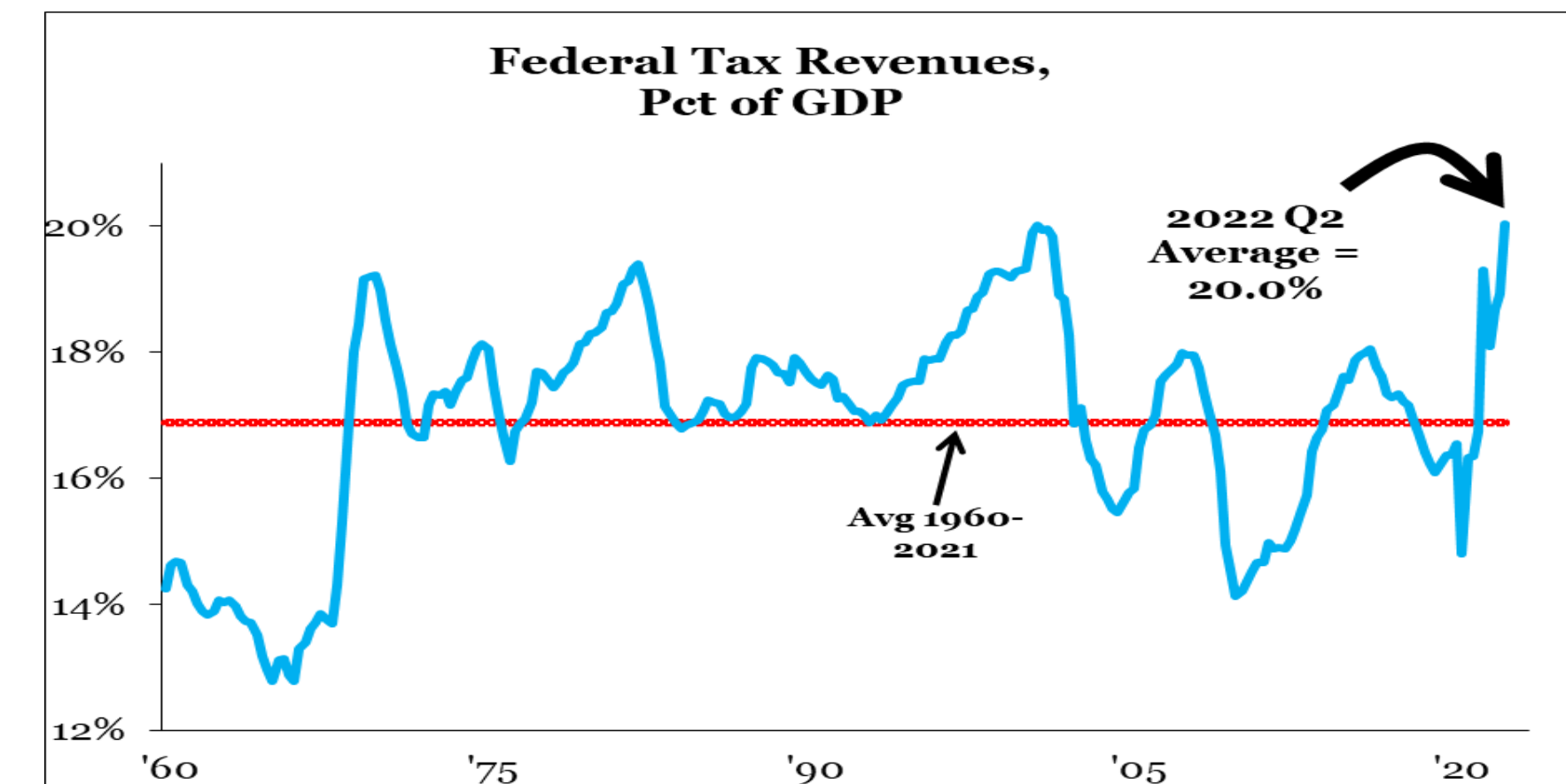
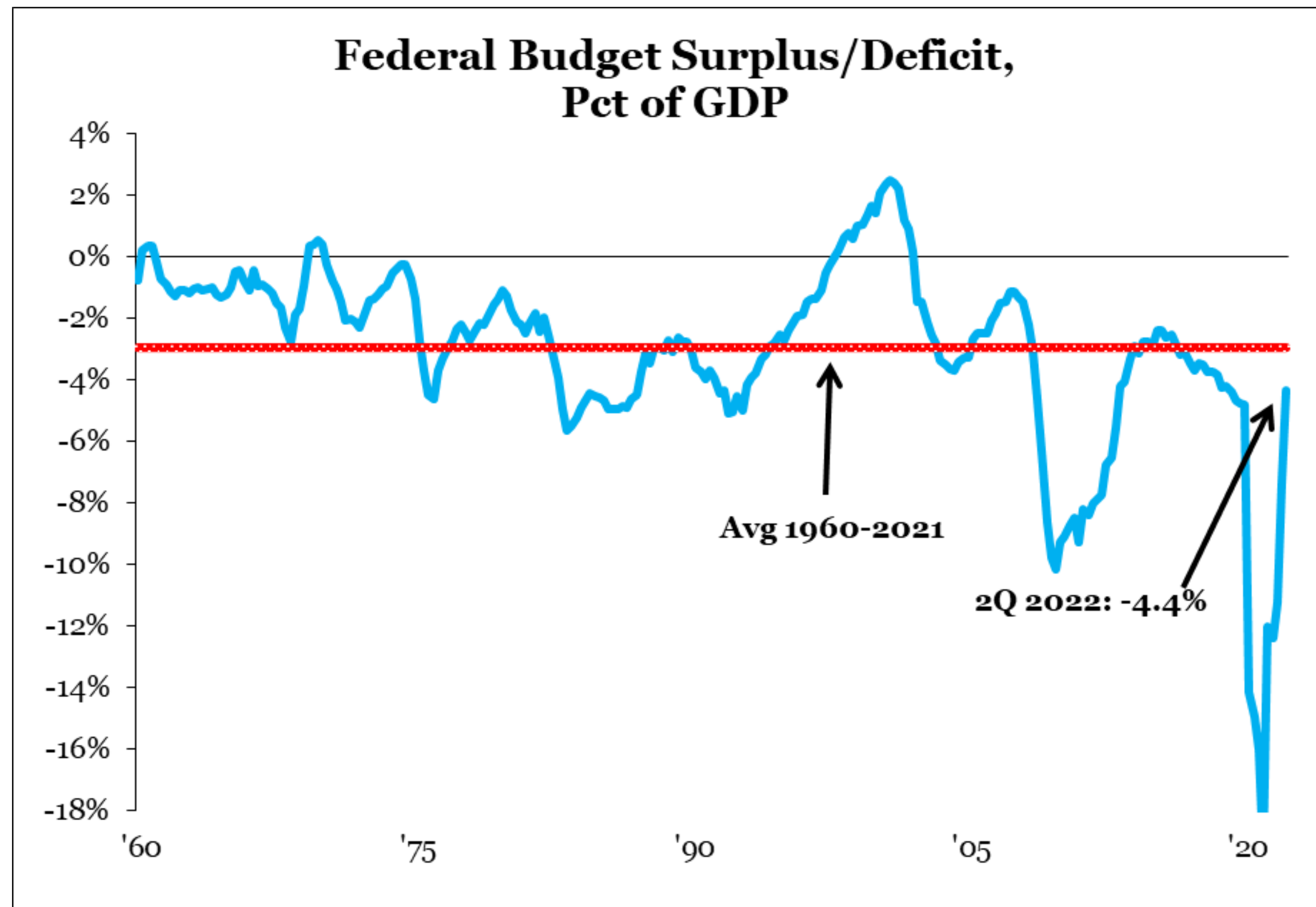
Conclusion: it is much easier for the Democrats to win and re-claim an open seat than an incumbent seat.

► In the **November 2024** presidential election, **33 seats** are up for election:

Republicans defending only **10 seats**, but **Democrats** defending **23 seats**.

We have a spending problem, not a tax problem

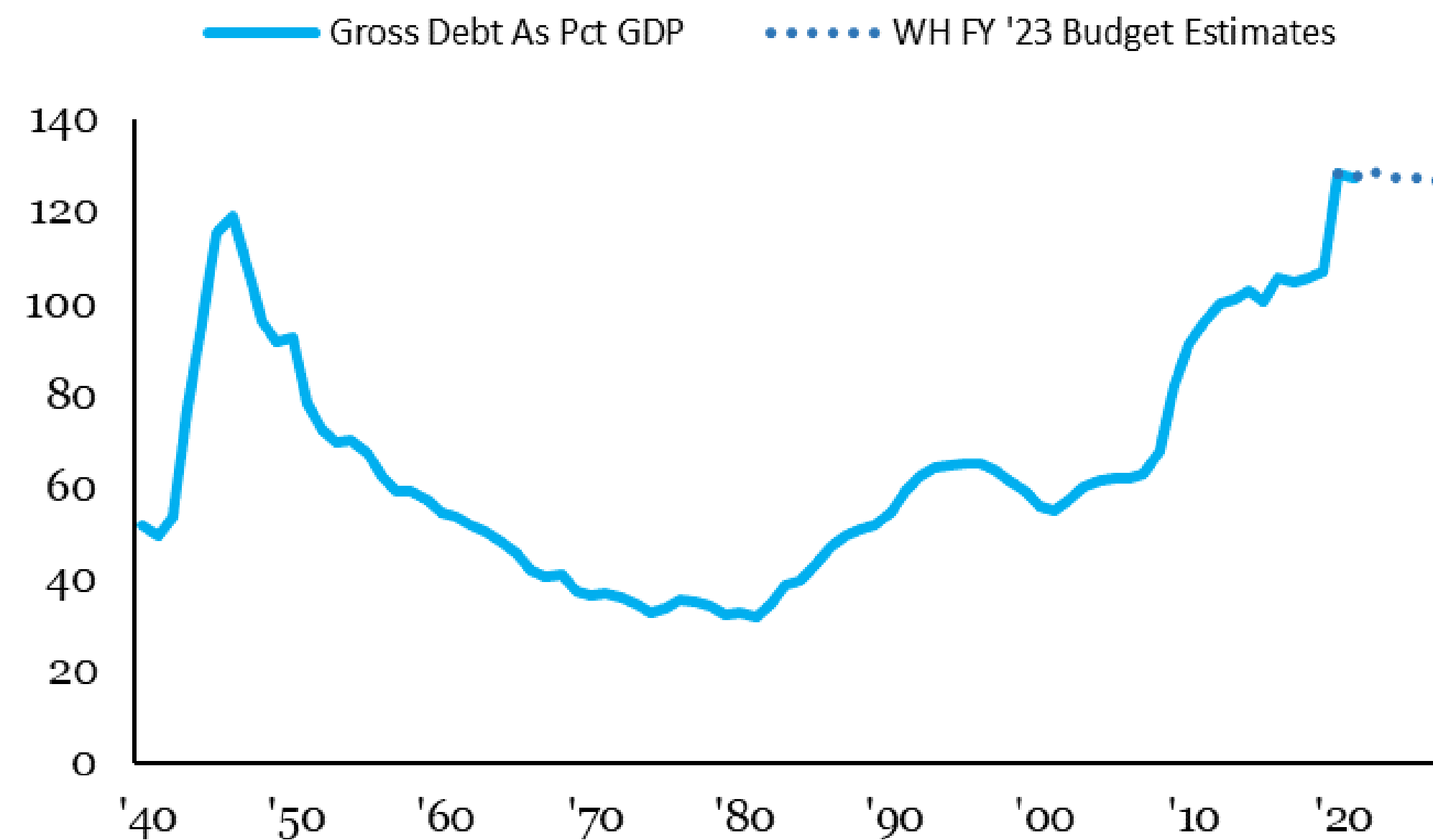
Fiscal deficit driven by excessive spending, not a lack of tax revenues



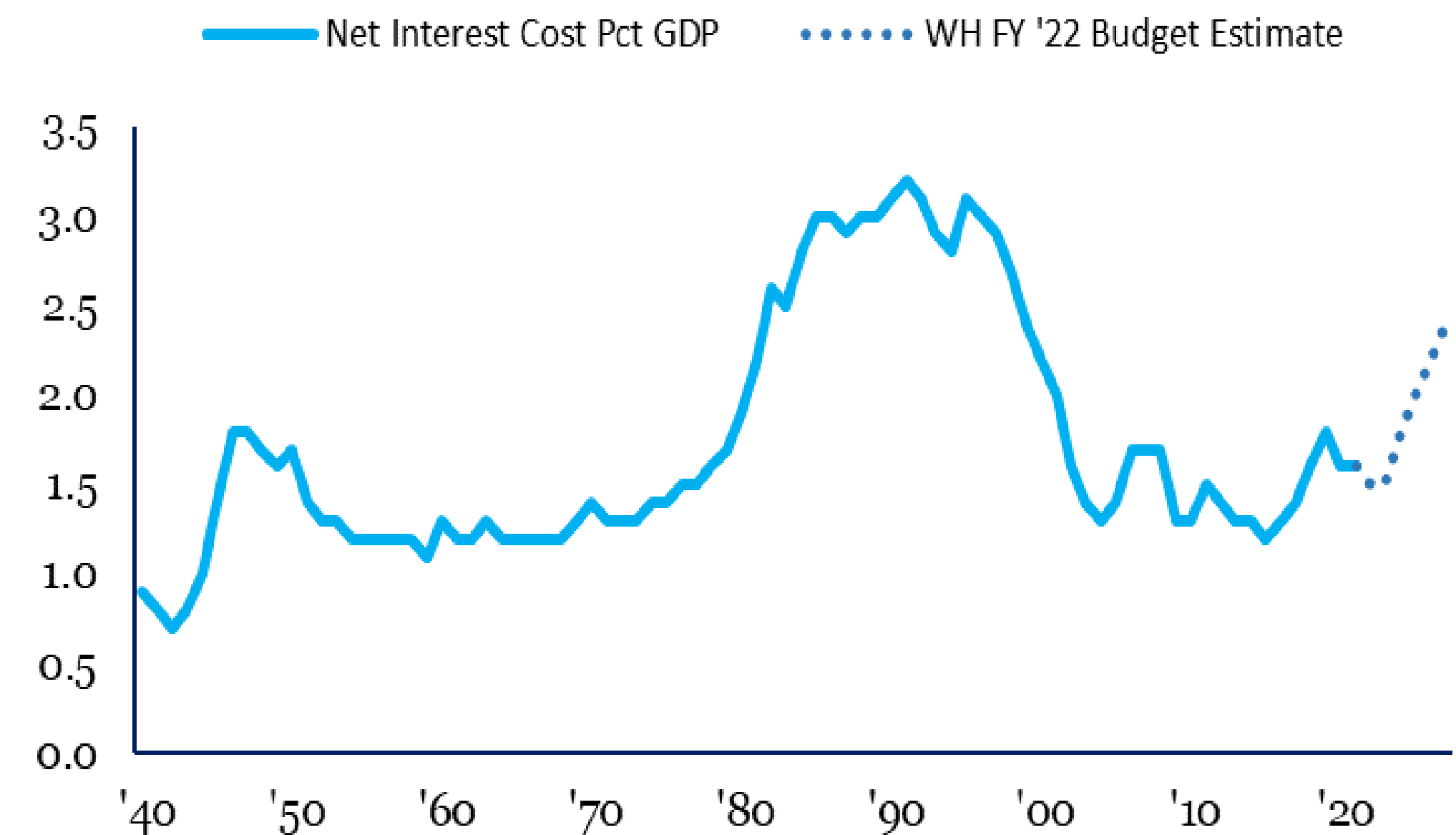
The total federal debt is a growing problem

While debt levels have risen sharply, low rates mean that the interest burden has fallen dramatically

Total Federal Debt To GDP

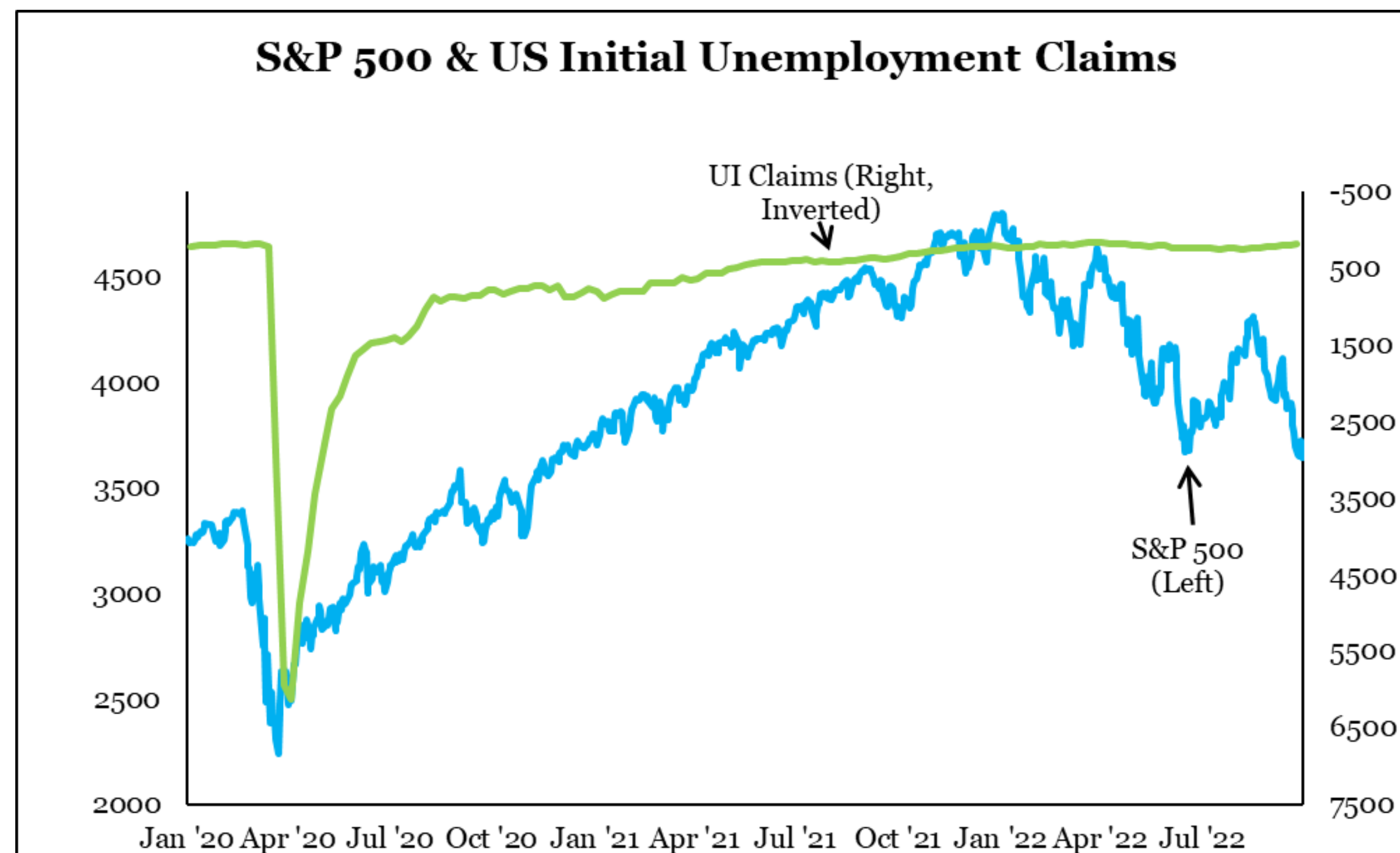


Interest Expense as a % of GDP

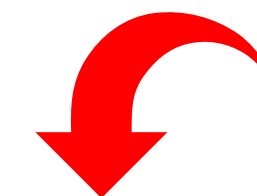


Public Federal Debt (7/28/22)	\$23.9 trillion
Federal Reserve Balance Sheet (7/20/22)	\$8.9 trillion
Total Federal Debt (7/28/22)	\$32.8 trillion
Chained \$ GDP (2Q22)	\$19.7 trillion
Total Debt/GDP Ratio	166%

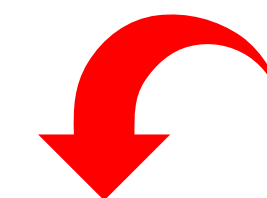
U.S. Labor market & stocks are linked



S&P 500 up 120%
(intraday price only to
recent peak)



Initial Weekly Jobless Claims
down 97% (to recent trough)



S&P 500 down 25% from
January 4th to September 29,
2022.



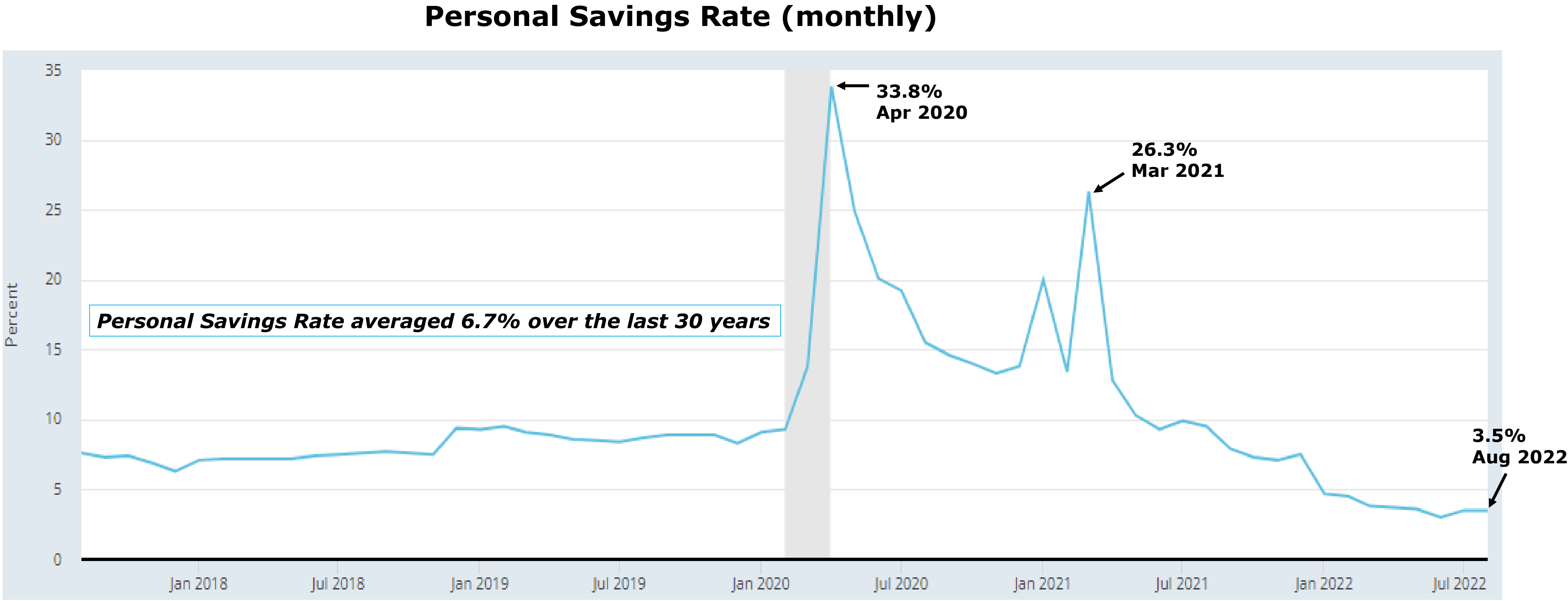
Initial Weekly Jobless Claims
up 57% from March 19th to
July 16th, 2022.

K-shaped recovery in labor market improving sharply

A large, bold, blue letter 'K' is centered within a white square box. The letter is stylized with a thick vertical stem and a diagonal leg that curves slightly at the bottom.

- Pre-pandemic unemployment (for those over 25 years of age with less than a high school diploma) was 5.8% in February 2020. It soared to a cycle peak of 21.2% in April 2020 and has since declined to 4.3% in February 2022. But it rose to 6.2% in August 2022.
- Pre-pandemic unemployment (U-3) for the overall economy was 3.5% in February 2020, a half-century low. It soared to a cycle peak of 14.8% in April 2020 and has since declined to 3.5% in July 2022. But it rose to 3.7% in August 2022.
- Pre-pandemic unemployment (for those over 25 years of age with a bachelor's degree or higher) was 1.9% in February 2020. It soared to a cycle peak of 8.4% in April 2020 and has since declined to 1.9% in August 2022.

Savings surge has normalized



Note: Shaded areas indicate recessions.
Source: FRED Economic Data as of September 30, 2022.

GDP: Unprecedented V-shaped recovery

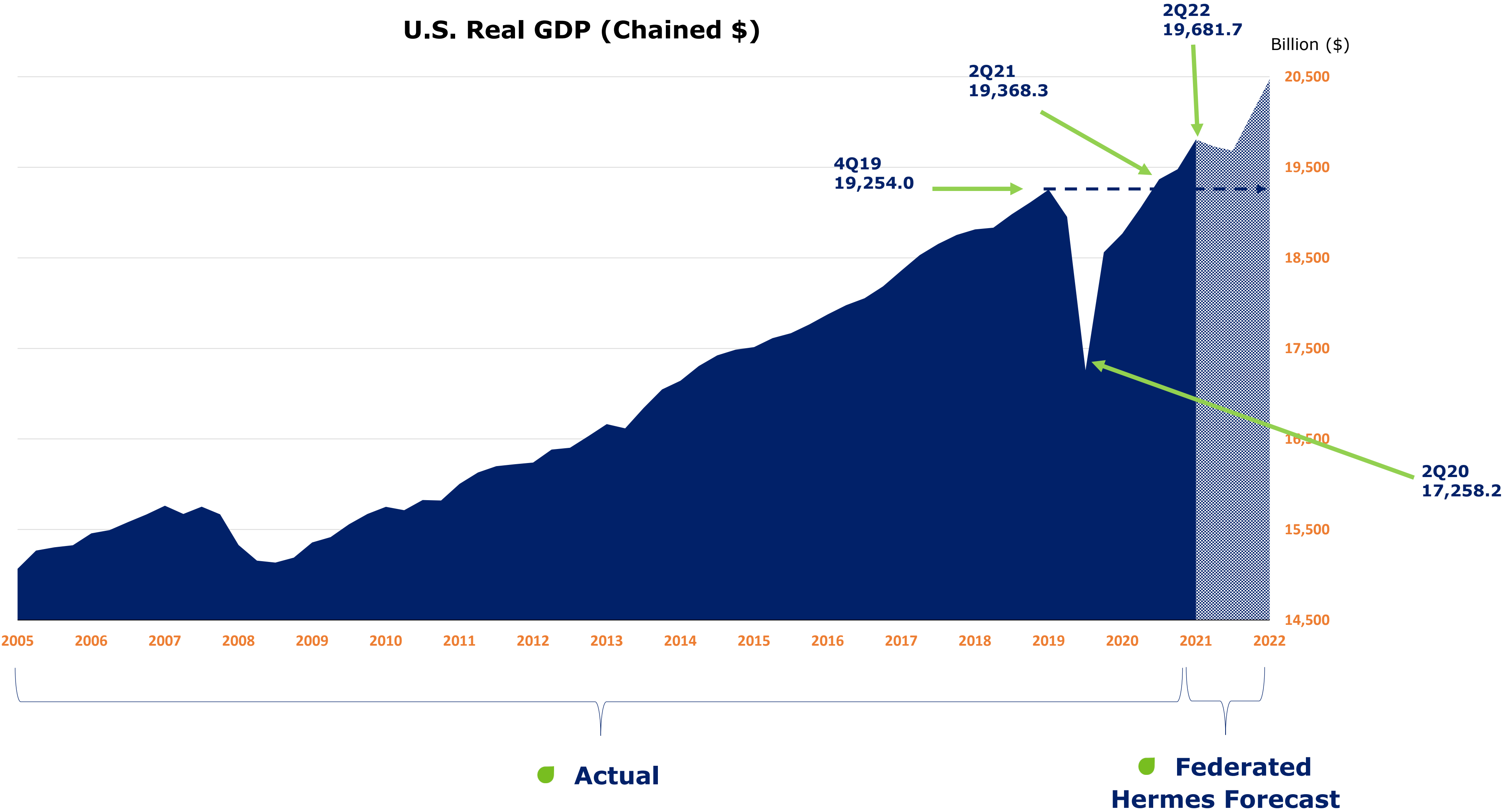
Views are as of September 30, 2022

	1Q	2Q	3Q	4Q	FY
2007	1.2	2.6	2.4	2.5	2.0
2008	(1.6)	2.3	(2.1)	(8.5)	(0.1)
2009	(4.6)*	(0.7)*	1.5	4.3	(2.6)
2010	2.0	3.9	3.1	2.1	2.7
2011	(1.0)	2.7	(0.2)	4.6	1.5
2012	3.3	1.8	0.7	0.4	2.3
2013	3.5	0.6	3.2	2.9	1.8
2014	(1.4)	5.2	4.7	1.8	2.3
2015	3.3	2.3	1.3	0.6	2.7
2016	2.4	1.2	2.4	2.0	1.7
2017	1.7	2.0	3.4	4.1	2.2
2018	2.8	2.8	2.9	0.7	2.9
2019	2.2	2.7	3.6	1.8	2.3
2020	(4.6)	(29.9)**	35.3	3.9	(2.8)
2021	6.3A	7.0A	2.7A	7.0A	5.9A
2022	(1.6)A	(0.6)A	0.6E	0.1E	1.5E
2023	(0.7)E	(0.9)E	0.5E	0.5E	(0.2)E

Note: *Great Recession ended June 2009. **Pandemic Recession ended April 2020.
Source: The Commerce Department as of September 2022 and includes benchmark revisions recently made.

The recovery is complete: GDP output gap fully closed in 2Q21

The V-shaped recovery has transitioned to a new economic expansion



Source: Bloomberg & Federated Hermes. As of August 1, 2022.

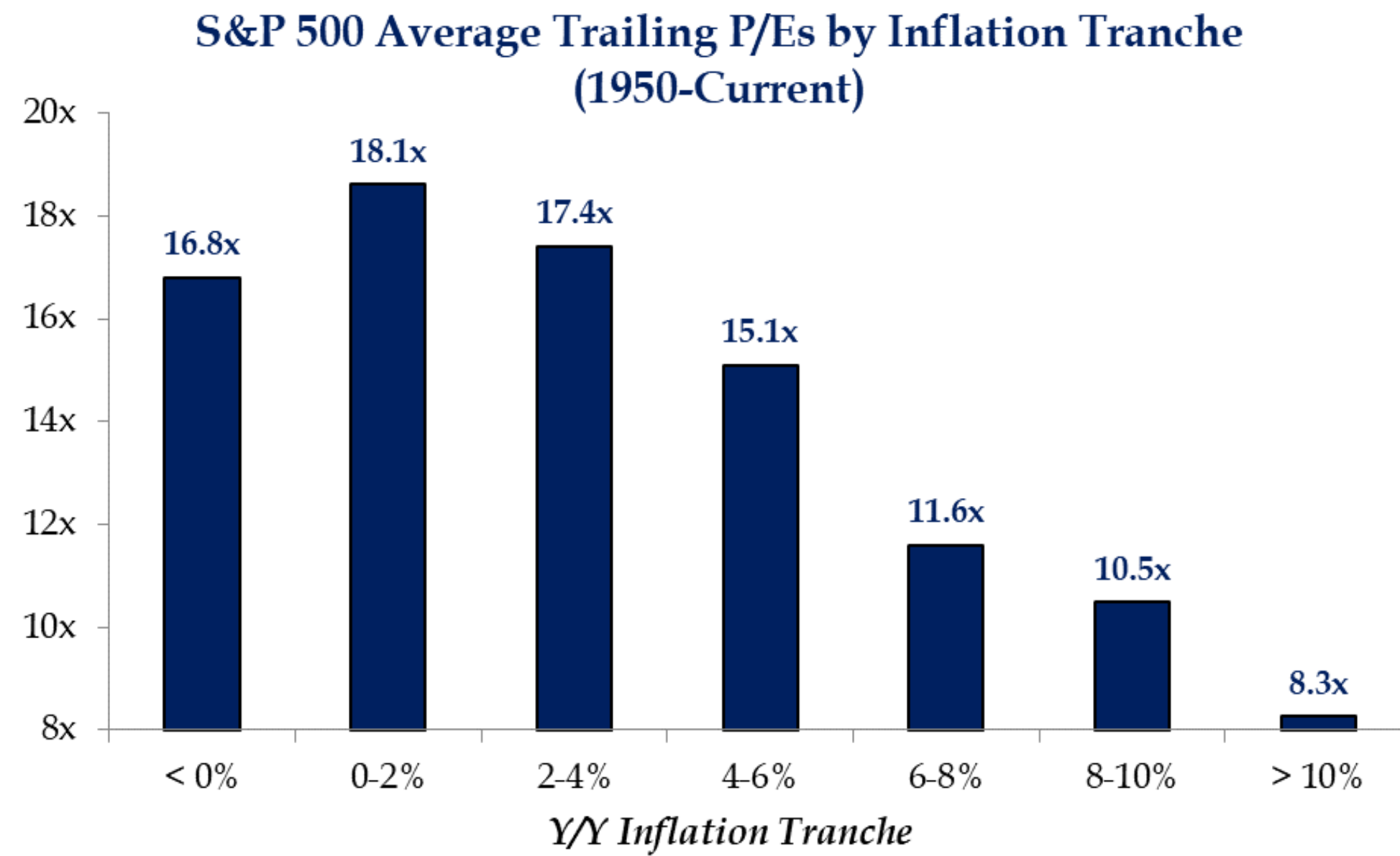
Federated Hermes forecast

Views are as of September 30, 2022

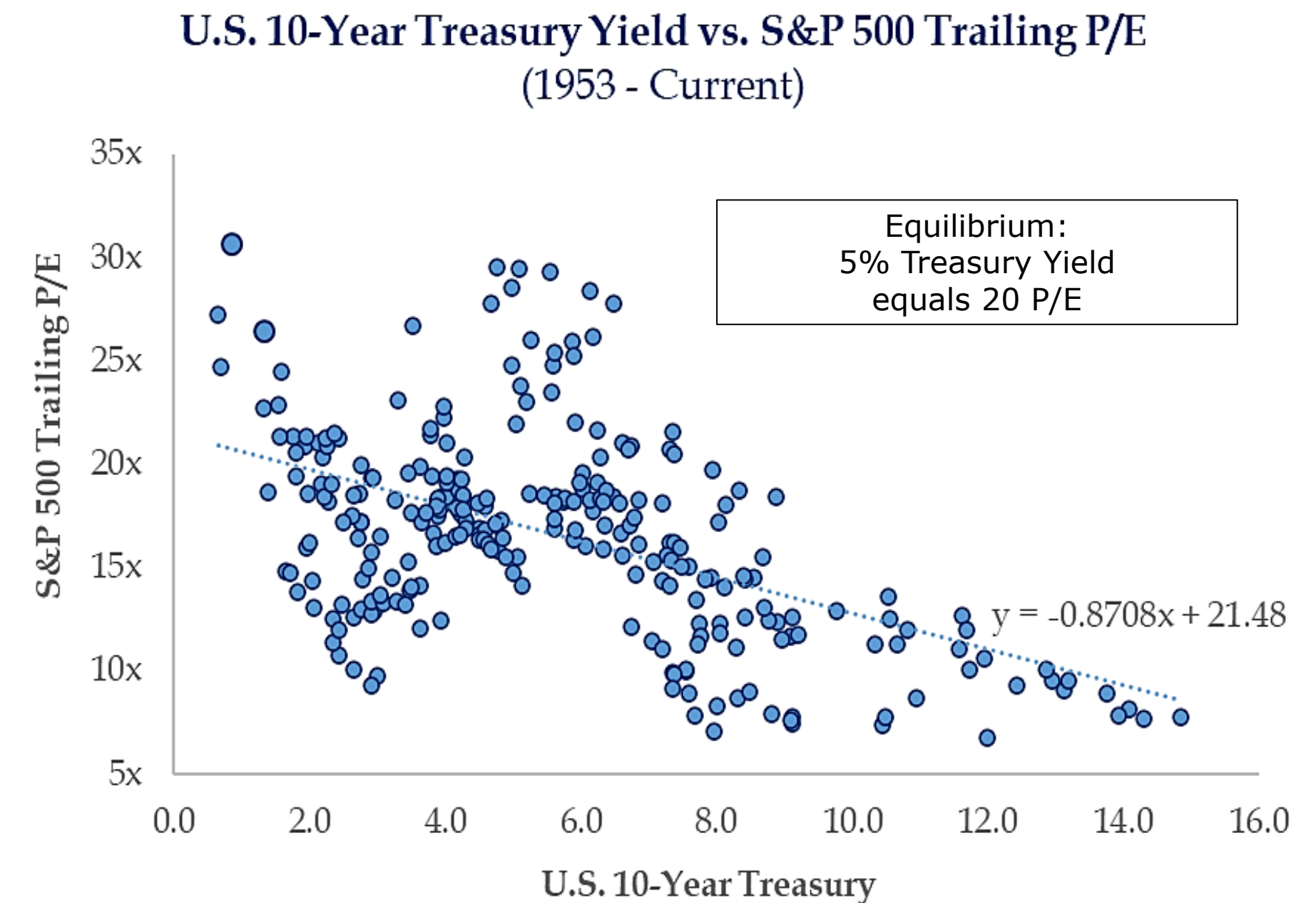
	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Real GDP	1.70%	2.30%	3.00%	2.20%	(3.50)%	5.70%	1.50%	(0.20)%	N/A
Core CPI	2.20%	1.80%	2.20%	2.30%	1.60%	5.50%	5.40%	3.90%	3.00%
Core PCE	1.80%	1.60%	2.00%	1.60%	1.50%	4.90%	4.80%	3.30%	2.50%
Benchmark 10yr Treasury Yield	2.50%	2.40%	2.68%	1.92%	0.92%	1.51%	4.00%	3.25%	3.00%
Fed Funds Rate (upper band)	0.75%	1.50%	2.50%	1.75%	0.25%	0.25%	4.50%	5.00%	4.00%
S&P 500 EPS	\$119	\$133	\$163	\$167	\$137	\$210	\$220	\$230	\$250
Target Forward P/E	16.8x	16.4x	15.0x	23.6x	19.3x	20.7x	17.0x	16.0x	N/A
S&P 500 Target Price	2,239	2,674	2,507	3,231	3,756	4,766	3,900	4,000	N/A

PCE = Personal Consumption Expenditures. 2016, 2017, 2018, 2019, 2020 and 2021 are actual.
Views are as of the date indicated and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security or sector.
Source: Federated Hermes and the Commerce Department.

“Rule of 20” and “Fed Model” suggest that rising inflation and interest rates could compress P/E’s



When yields are below average, rising rates tend to drive valuations higher



Federated Hermes investment focus

Views are as of September 30, 2022

Recommended % Allocation

- Equity – 1% Underweight
- Bonds – 7% Underweight
- Cash – 7% Overweight
- Fixed Income Duration – 100%

Recommended Sector Allocation

Overweight	Neutral	Underweight
<ul style="list-style-type: none">• Energy• Health Care• Staples• Utilities	<ul style="list-style-type: none">• Industrials• REITs• Financials• Materials	<ul style="list-style-type: none">• Comm. Services• Discretionary• Technology

Asset Allocation Matrix

Equities

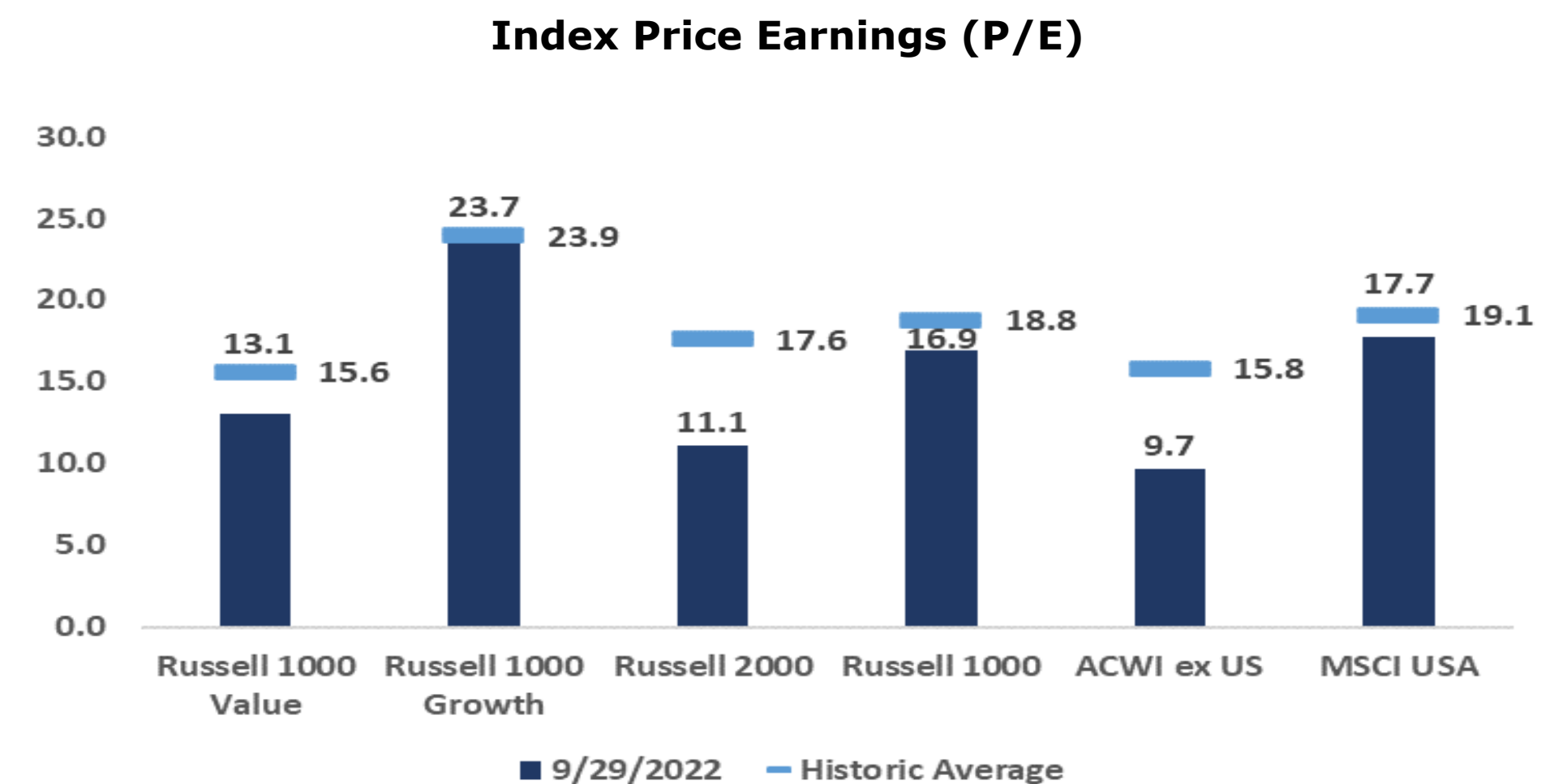
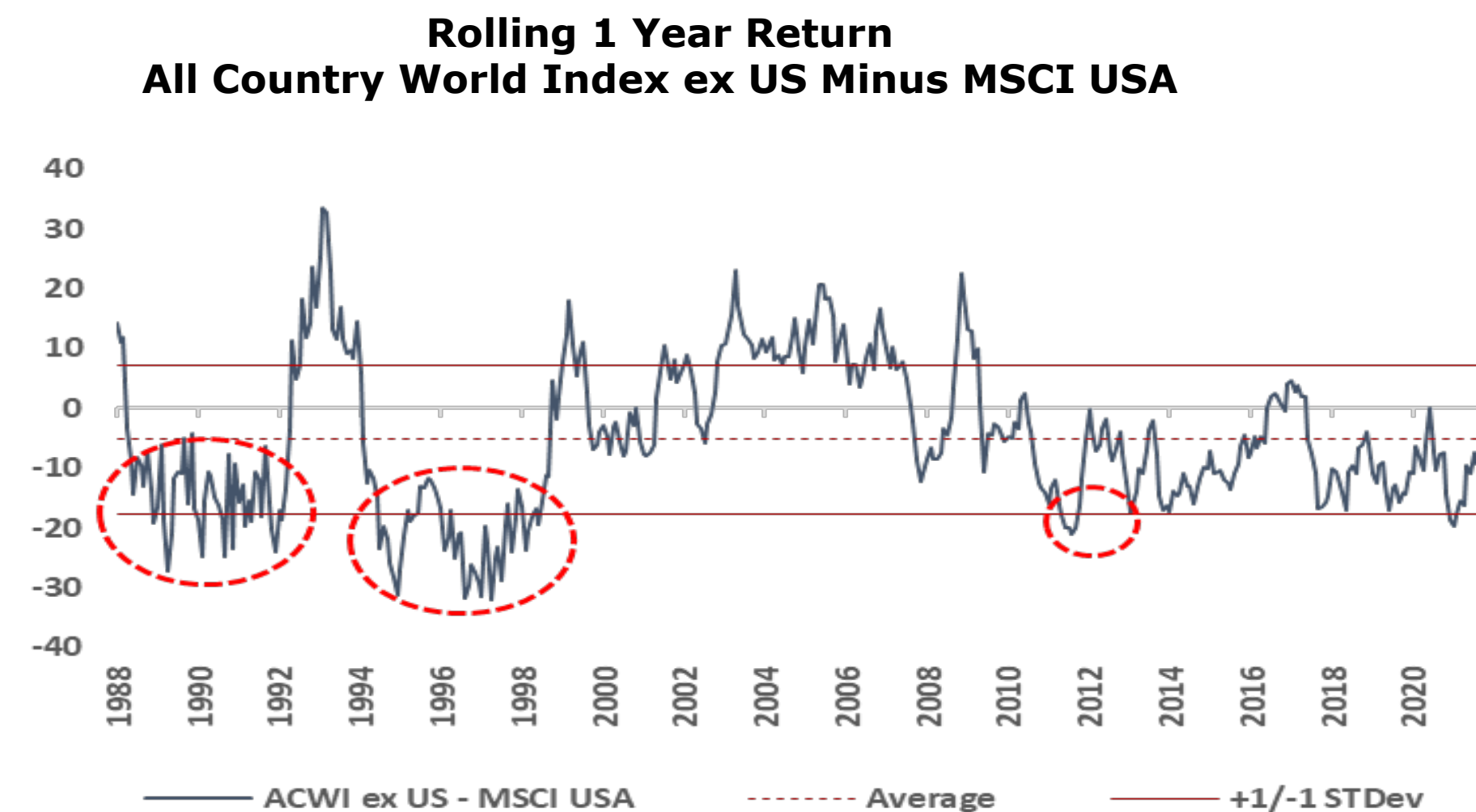
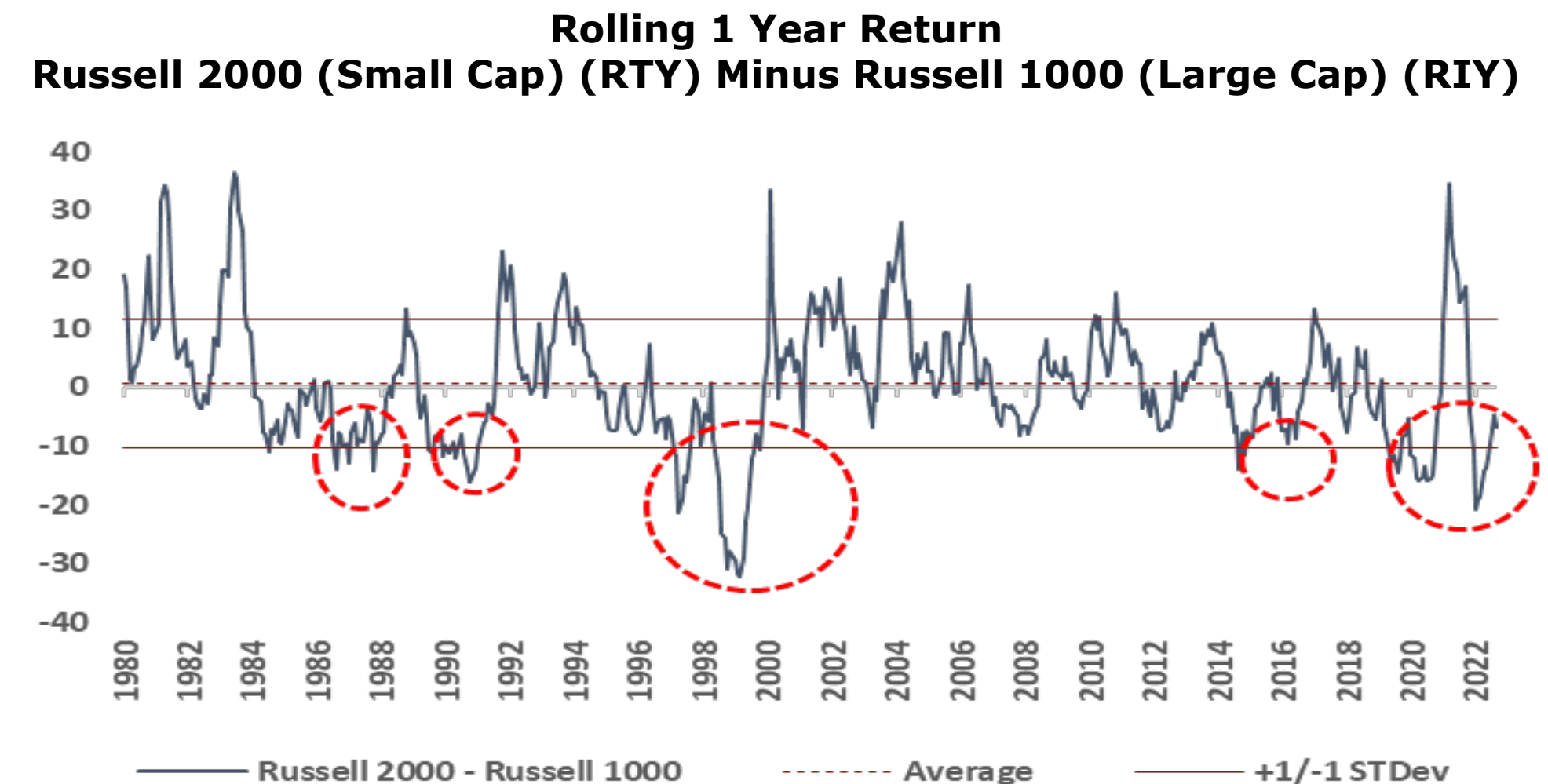
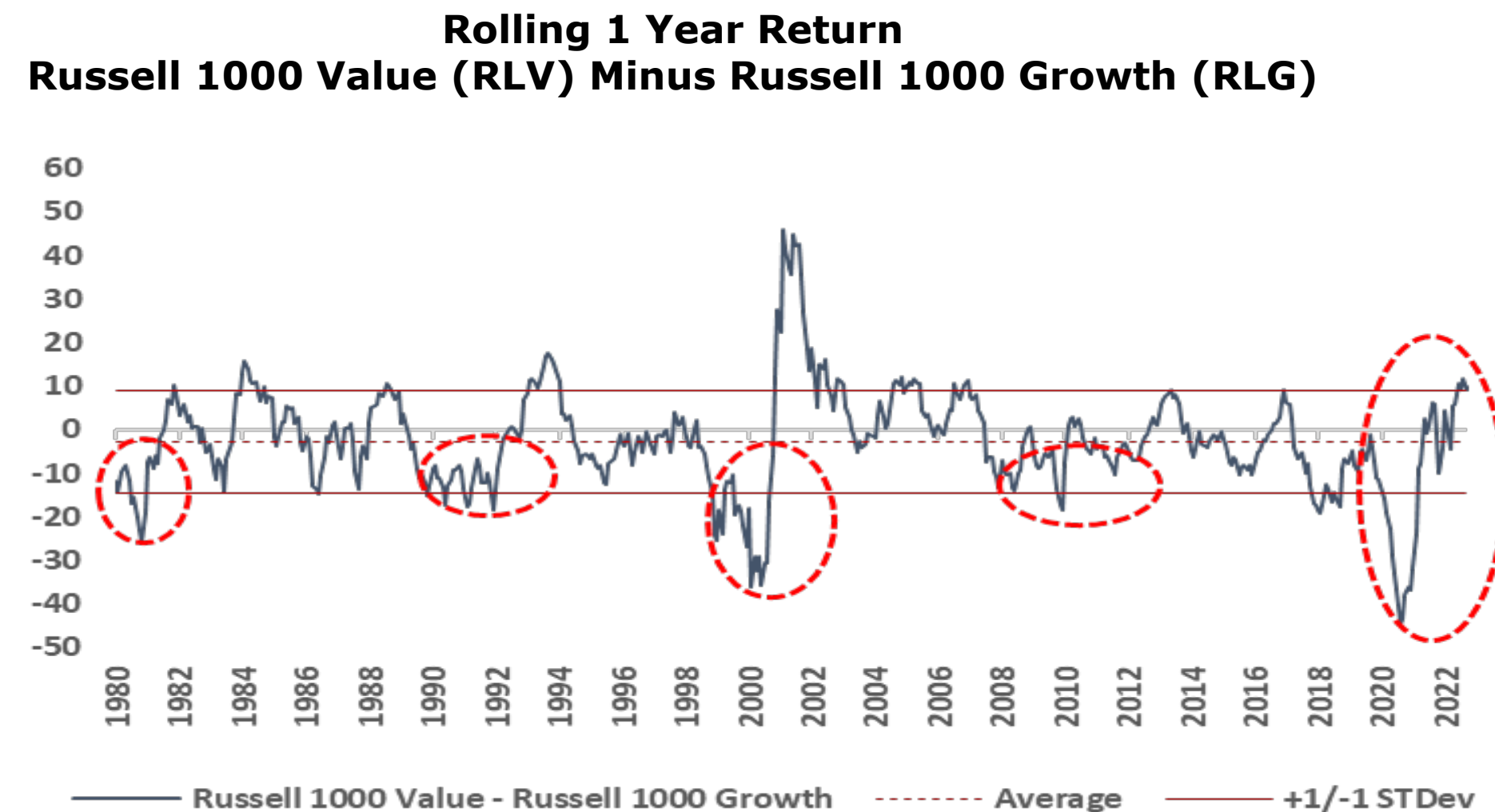
Overweight	Neutral	Underweight
<ul style="list-style-type: none">• U.S. Small Cap Value• U.S. Large Cap Value	<ul style="list-style-type: none">• Emerging Markets• International Developed• International Small-Mid Cap	<ul style="list-style-type: none">• U.S. Large Cap Growth• U.S. Small Cap Growth

Bonds

Overweight	Neutral	Underweight
<ul style="list-style-type: none">• Agencies• Treasuries	<ul style="list-style-type: none">• MBS• Muni's• TIPs	<ul style="list-style-type: none">• CMBS• Emerging Markets• High Yield• IG Corporates• International Developed

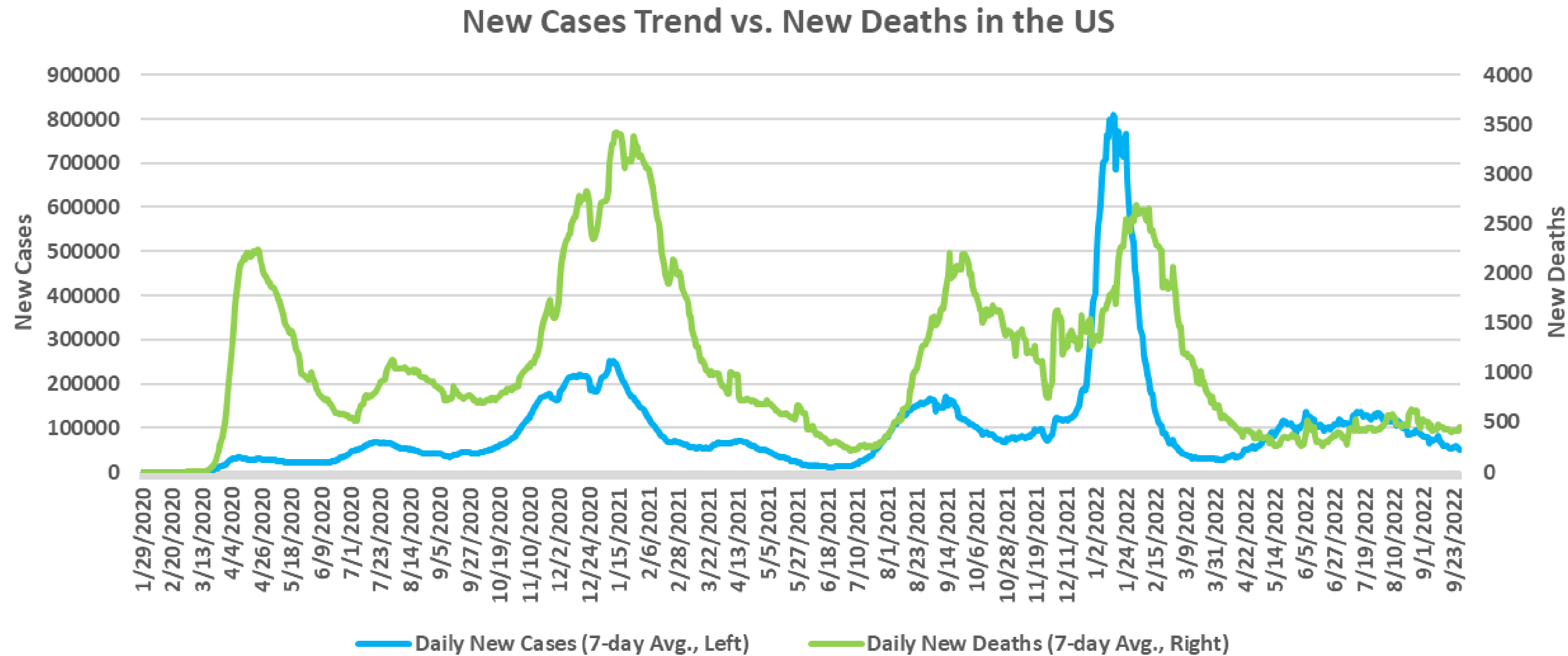
The information and data contained herein are provided solely for informational purposes. Accordingly, this communications does not represent specific investment advice and should not be construed as an investment recommendation.

Overweight Domestic Large and Small Cap Value and International



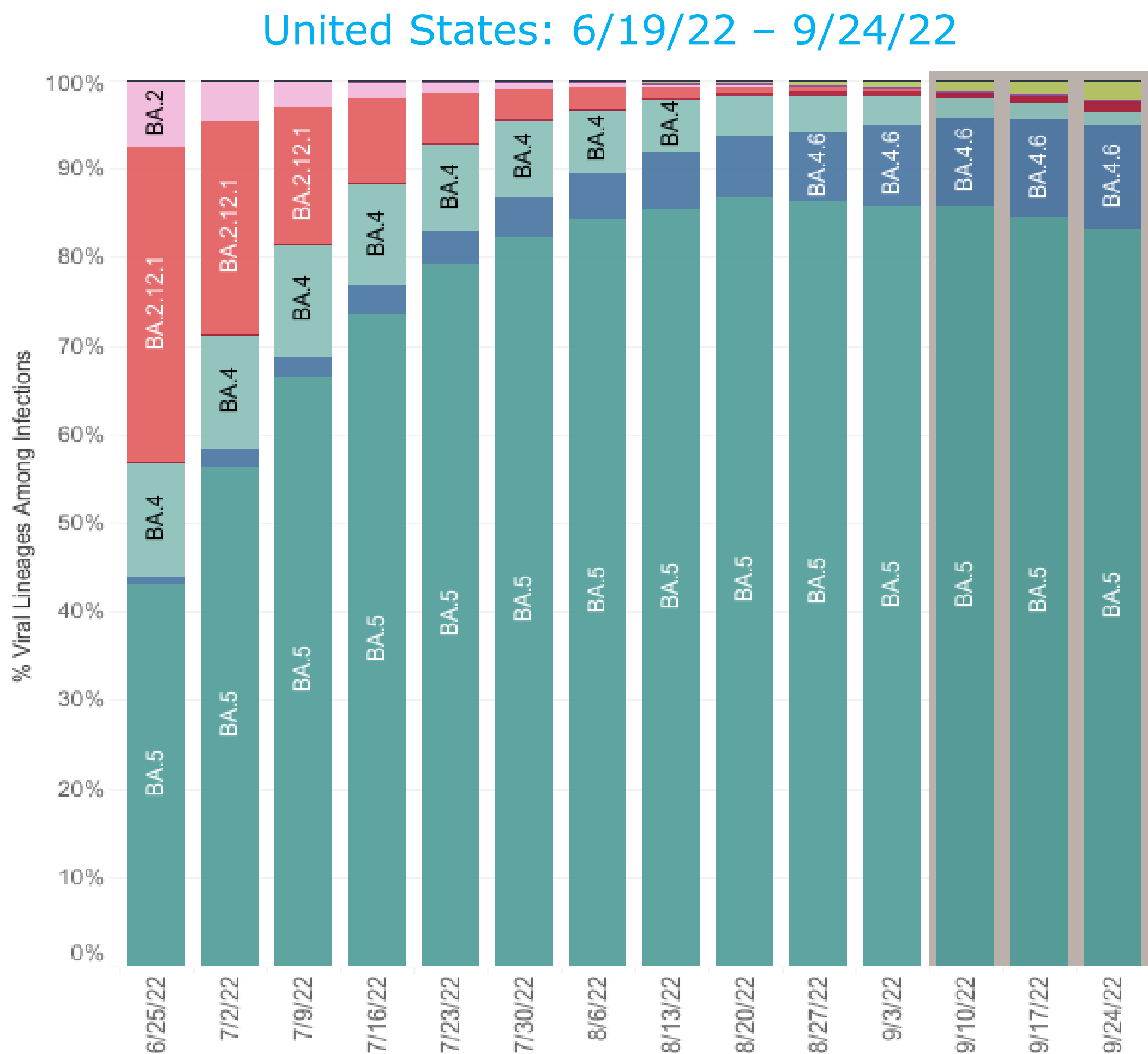
NOTE: P/E adjusted to include only positive earnings.

Omicron's "Sixth-Wave" surge of COVID-19 is stable



COVID-19 Omicron variant is now dominant in the United States

Estimated proportions of the Omicron variant in the United States



United States: 9/18/22 – 9/24/22

WHO label	Lineage #	US Class	%Total	95%PI	
Omicron	BA.5	VOC	83.1%	81.3-84.7%	
	BA.4.6	VOC	11.9%	10.6-13.4%	
	BF.7	VOC	2.3%	1.7-3.0%	
	BA.4	VOC	1.4%	1.3-1.5%	
	BA.2.75	VOC	1.4%	0.9-2.0%	
	BA.2.12.1	VOC	0.0%	0.0-0.0%	
	BA.2	VOC	0.0%	0.0-0.0%	
	B.1.1.529	VOC	0.0%	0.0-0.0%	
	BA.1.1	VOC	0.0%	0.0-0.0%	
Delta	B.1.617.2	VBM	0.0%	0.0-0.0%	
Other	Other*		0.0%	0.0-0.0%	

* Enumerated lineages are US VOC and lineages circulating above 1% nationally in at least one week period. "Other" represents the aggregation of lineages which are circulating <1% nationally during all weeks displayed.

** These data include Nowcast estimates, which are modeled projections that may differ from weighted estimates generated at later dates

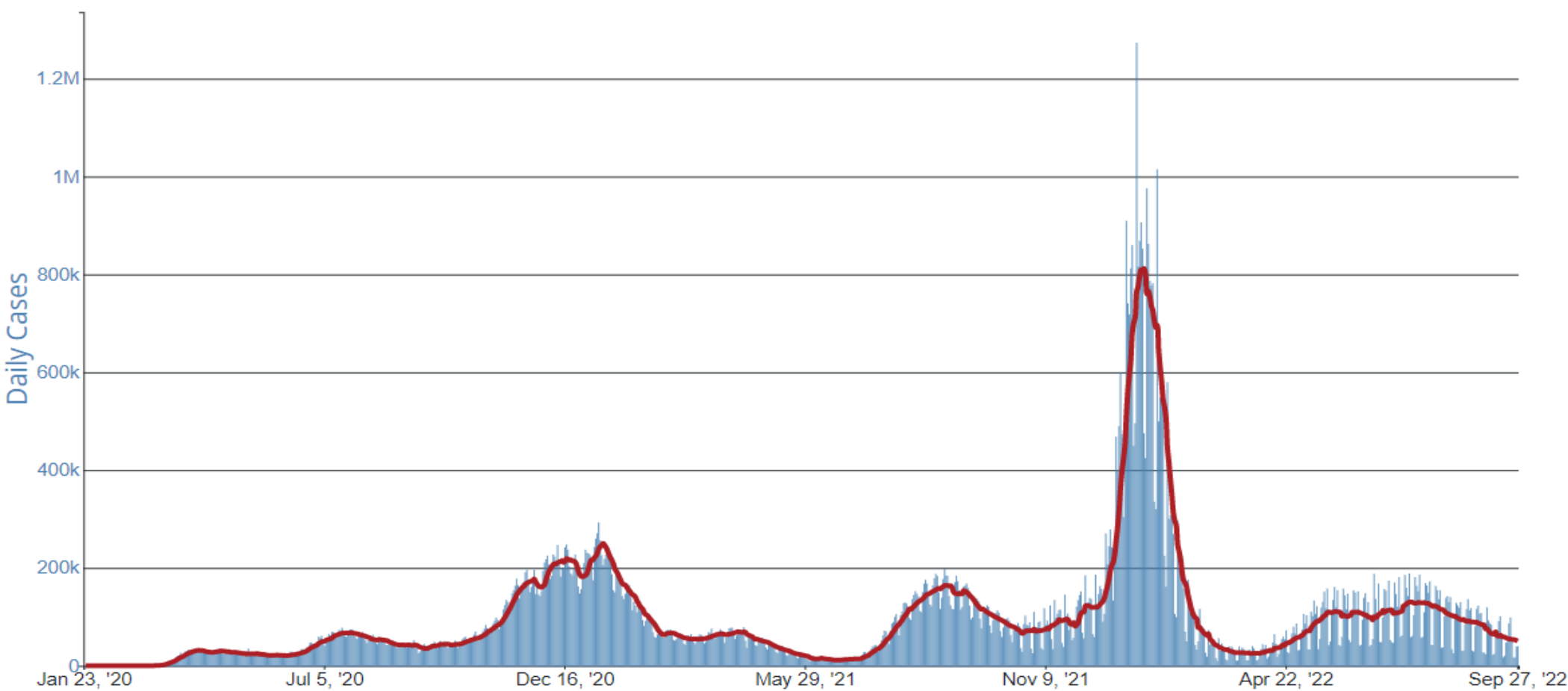
AY.1-AY.133 and their sublineages are aggregated with B.1.617.2. BA.1, BA.3 and their sublineages (except BA.1.1 and its sublineages) are aggregated with B.1.1.529. Except BA.2.12.1, BA.2.75 and their sublineages, BA.2 sublineages are aggregated with BA.2. Except BA.4.6, sublineages of BA.4 are aggregated to BA.4. Except BF.7, sublineages of BA.5 are aggregated to BA.5. Sublineages of BA.1.1 and BA.2.75 are aggregated to the parental BA.1.1 and BA.2.75 respectively. Previously, BA.2.75 was aggregated with BA.2, and BF.7 was aggregated with BA.5.

VOC refers to Variant of Concern.
The table presents point estimates and associated 95% confidence intervals for the weighted proportions of the most common SARS-CoV-2 lineages per selected 2-week interval at the national-level or selected HHS region.
Source: CDC COVID data tracking as of September 29, 2022.

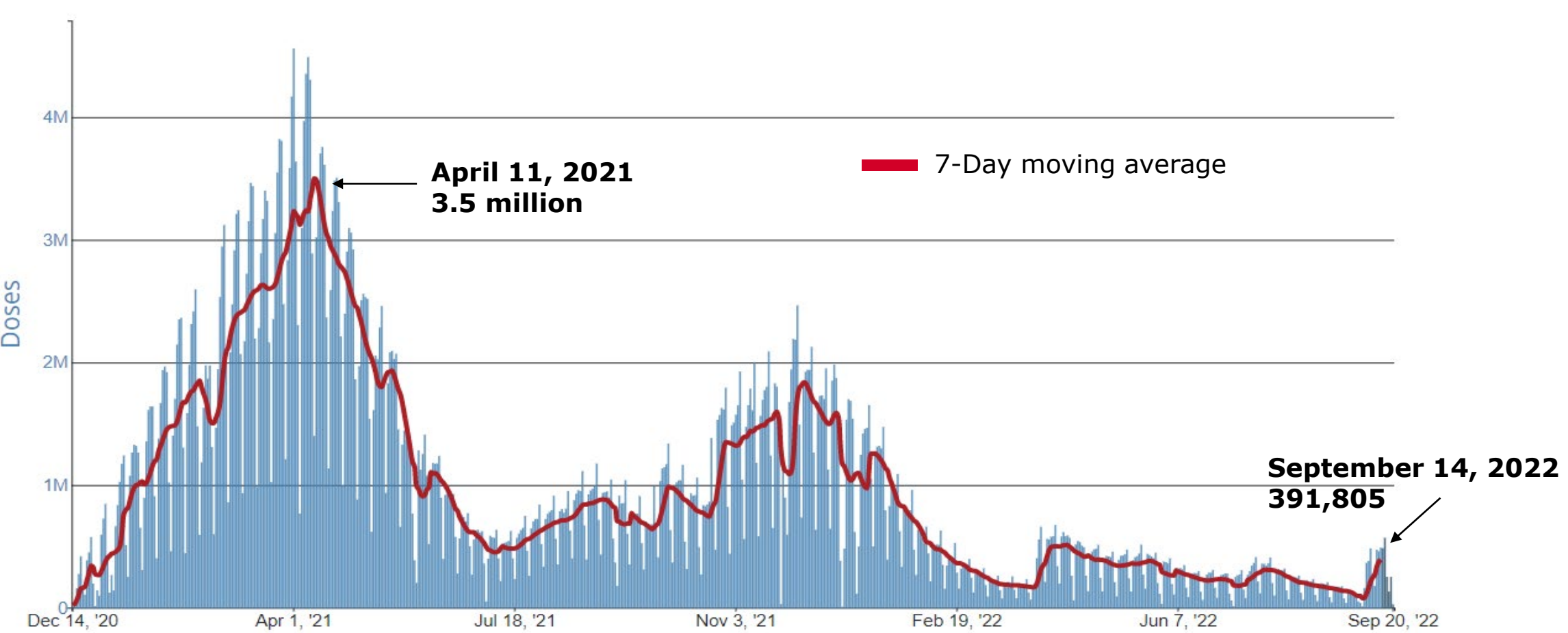
Record COVID-19 levels vs. the start of vaccinations

Vaccination is happening, but it must go faster to counter record cases, hospitalizations & deaths

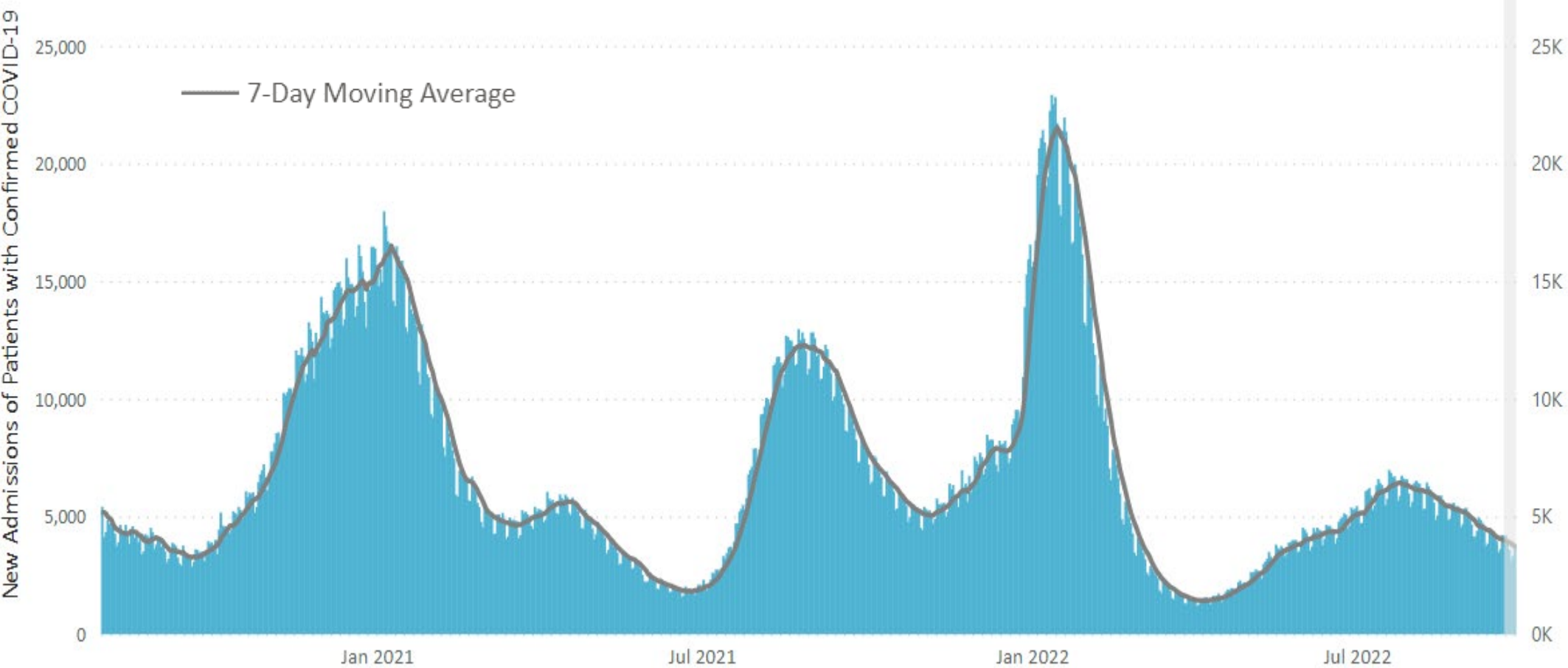
Daily Trends in COVID-19 Cases in the United States Reported to CDC



Daily Vaccine Doses Administered in the United States Reported to CDC



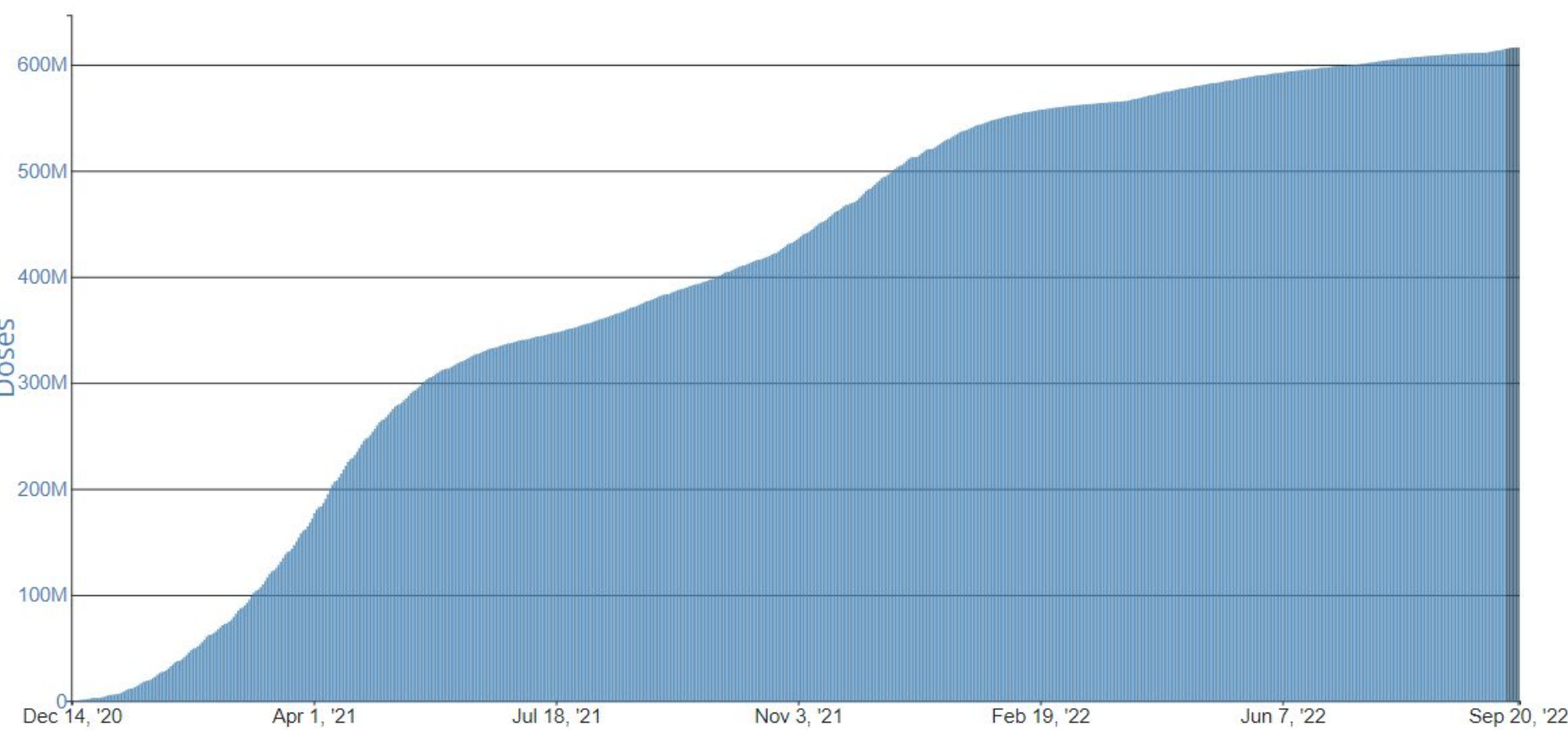
Daily Trends in Number of New COVID-19 Hospitalizations in the US



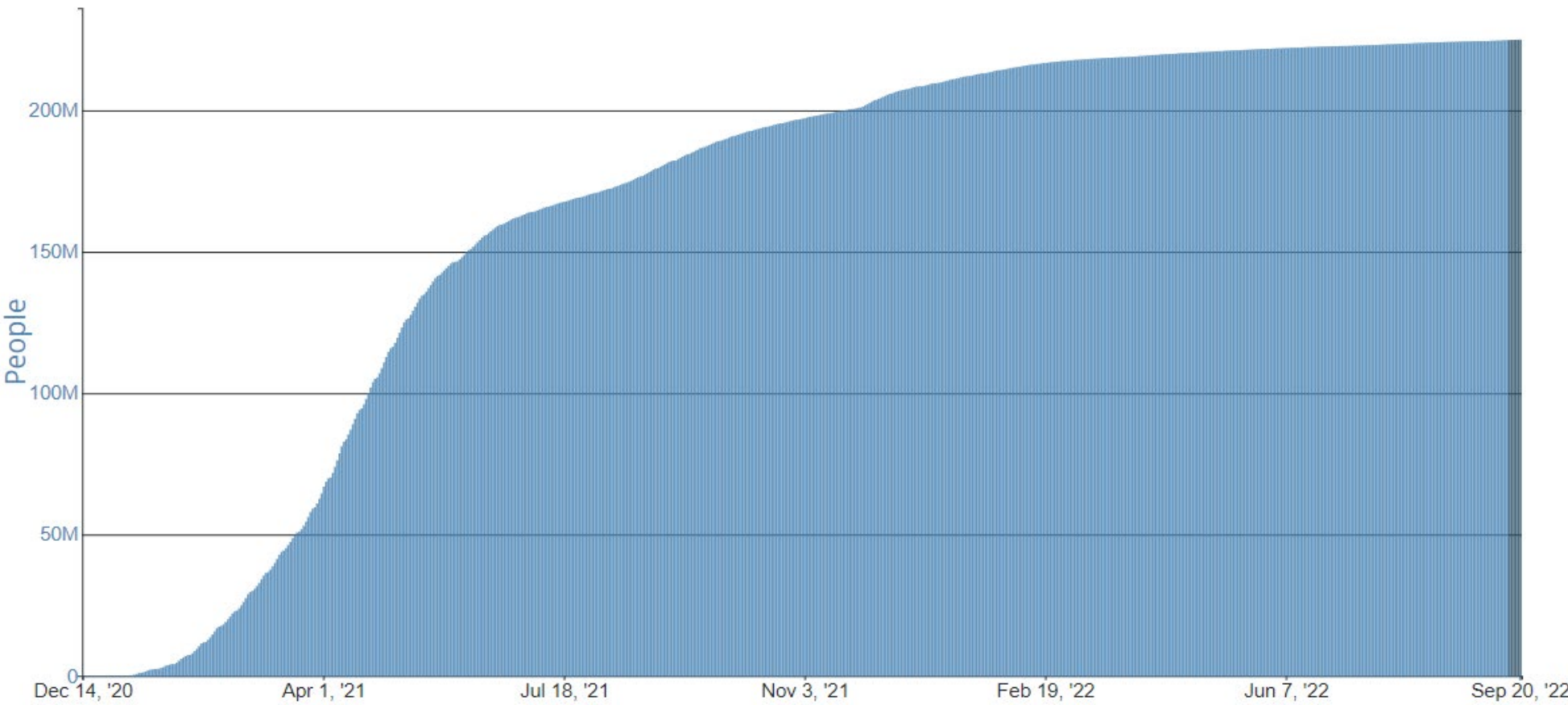
Source: The CDC website COVID Data Tracker Weekly Review as of September 29, 2022.

68% of the total United States population is fully vaccinated

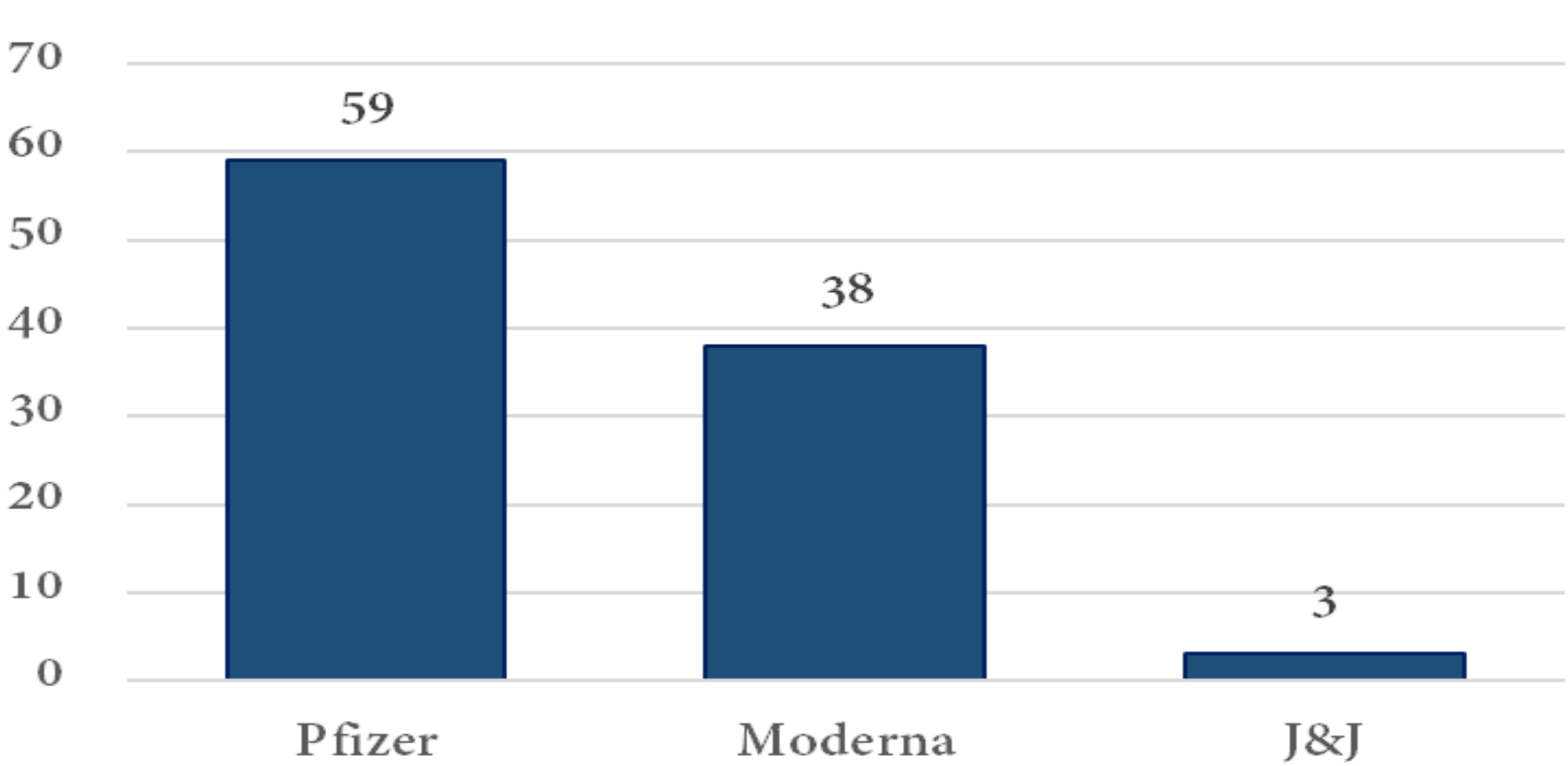
Cumulative Count of Total Doses Administered and Reported to CDC
Total as of September 20, 2022: 616,172,307



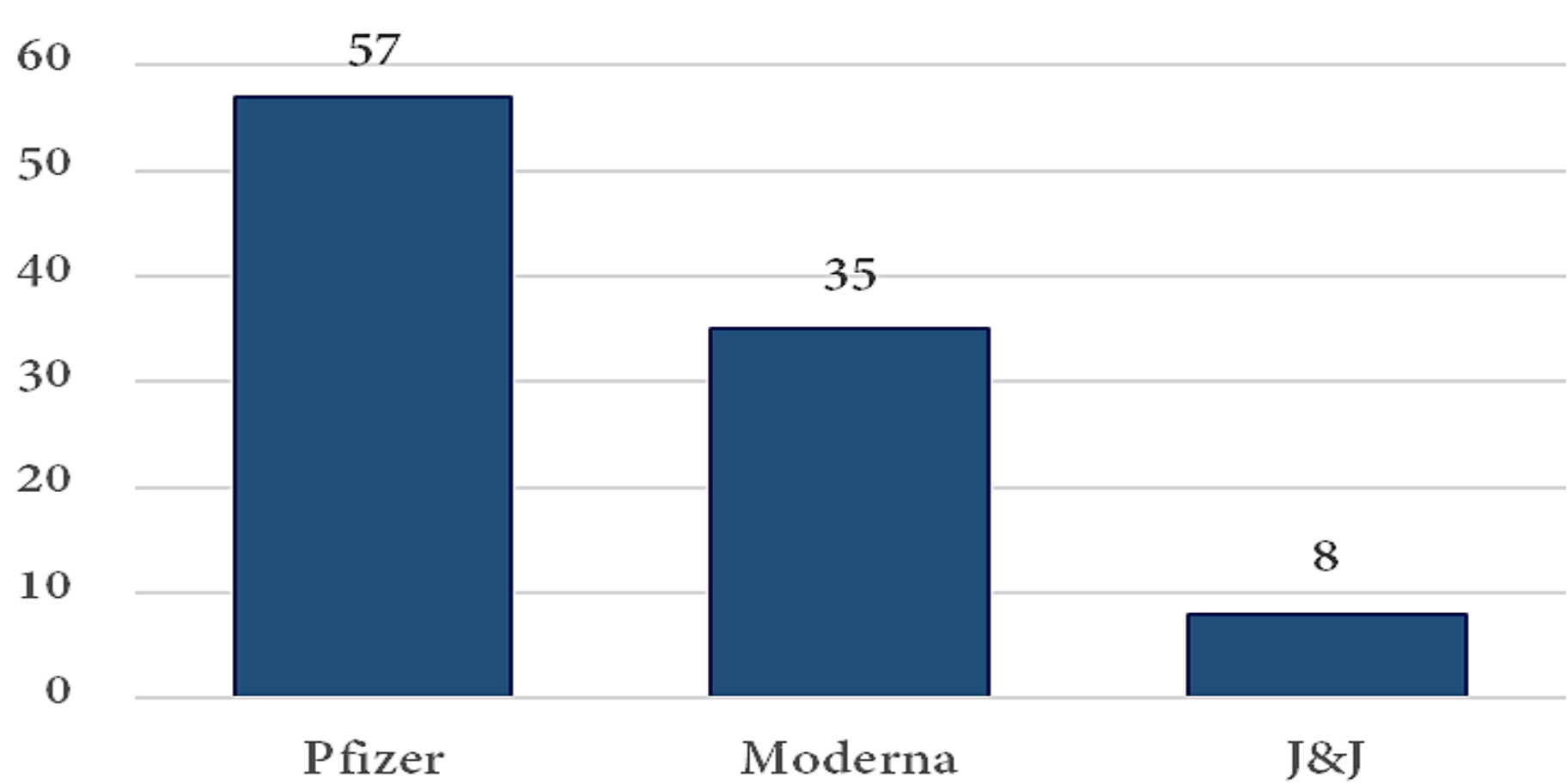
Cumulative Count of Fully Vaccinated People Reported to CDC
Total as of September 20, 2022: 224,980,931



Percentage of Total Doses Administered by Vaccine Type



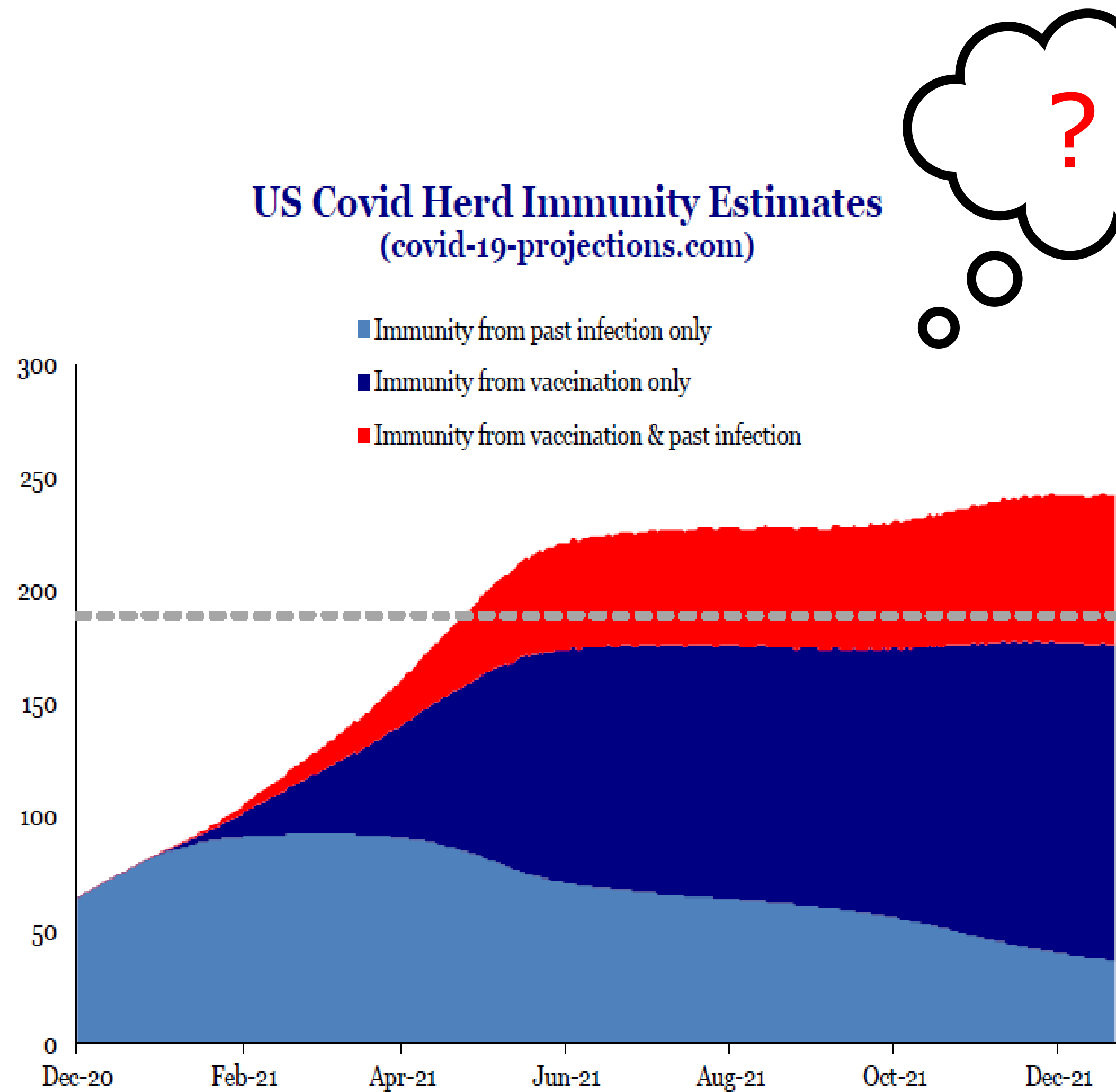
Percentage of Fully Vaccinated People by Vaccine Type



Source: The CDC website COVID Data Tracker Weekly Review as of September 29, 2022.

Does adult herd immunity matter anymore in the US?

Covid-19 expected to shift from pandemic to endemic disease



PANDEMIC

The World Health Organization (WHO) declares a pandemic when a disease's growth is exponential. This means growth rate skyrockets, and each day cases grow more than the day prior.

In being declared a pandemic, the virus has nothing to do with virology, population immunity, or disease severity. It means a virus covers a wide area, affecting several countries and populations.

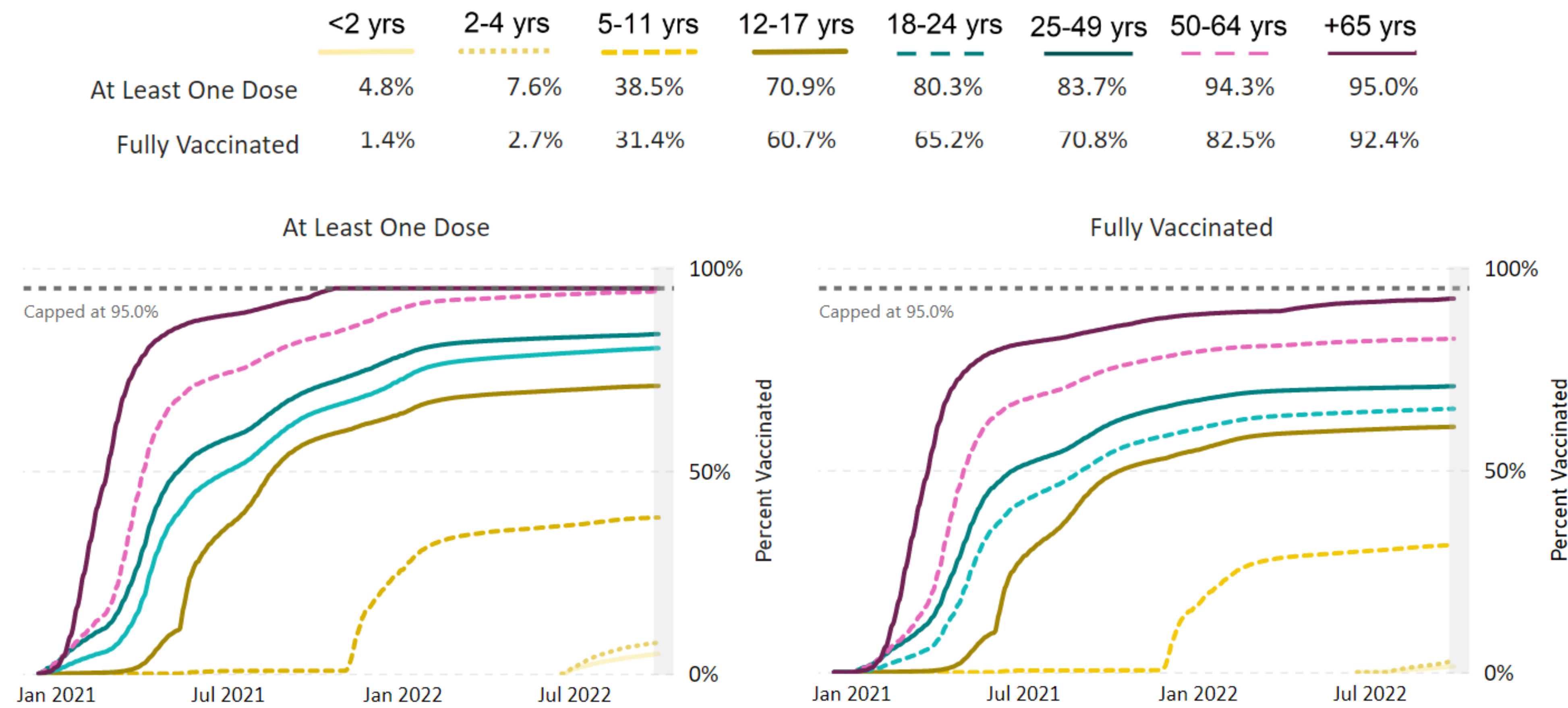


ENDEMIC

An endemic is a disease outbreak that is consistently present but limited to a particular region, making the disease spread and rates predictable.

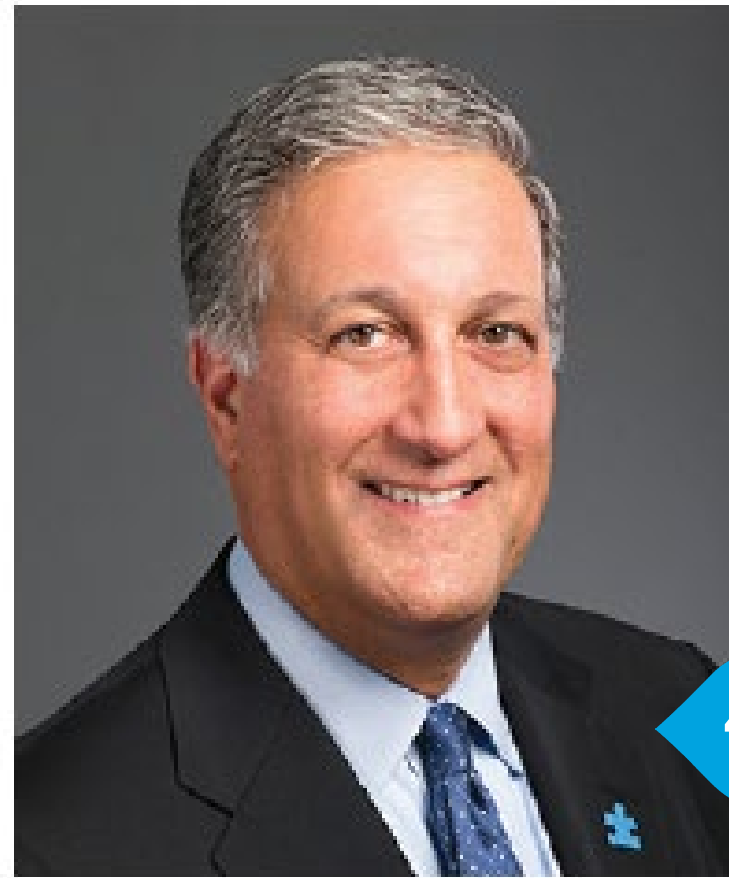
United States Vaccination Snapshot

Percentage of people in each age range that received the COVID-19 vaccine



People receiving at least one dose; total count represents the total number of people who received at least one dose of COVID-19 vaccine. People fully vaccinated; total count represents the number of people who have received a dose of a single-shot COVID-19 vaccine or the second dose in a 2-dose COVID-19 vaccine series. Due to the time between vaccine administration and when reported to CDC, vaccinations administered during the last 5 days may not yet be reported. This reporting lag is represented by the gray, shaded box.

Biography



Philip Orlando, CFA

Chief Equity Market Strategist

Head of Client Portfolio Management

Senior Vice President

42 Years of Industry Experience

Phil Orlando is Federated Hermes' chief equity strategist and the head of the Client Portfolio Management team. He joined Federated in 2003 and, with more than 40 years of industry experience, Phil is responsible for the formulation of Federated Hermes' views on the economy, the financial markets and the firm's positioning strategies.

He serves as the chairman of both the Macro Economic Policy and the PRISM Asset Allocation committees. As the head of the Client Portfolio Management team, Phil is responsible for bringing extensive macroeconomic, investment strategy and product knowledge directly to clients in collaboration with the sales team.

Throughout his career, Phil has been recognized for his ability to accurately synthesize the interrelationship among highly complex financial, economic and political market developments, and translate them into easily understandable concepts. He is a popular keynote speaker, addressing many national investment conferences.

For more than 25 years, Phil has been a regular contributor to the financial media, including CNBC, Bloomberg, Fox Business News, Reuters, The Wall Street Journal and The New York Times, among many other media outlets.

Phil received his bachelor's degree and MBA from New York University. He is a CFA® charterholder.

Phil is married and has three children. While he spends much of his time off with his family, he is also very active in charity work. He is on the Board of Directors of two Westchester-based charities that work with special-needs children: The Foundation for Empowering Citizens with Autism (FECA) and Extraordinary Ventures New York (EVNY). He is also an advisory-board member of the Cancer Support Team (CST).

Interested In Hearing More?

Visit **federatedinvestors.com/PhilOrlando** to sign up for email updates, watch YouTube videos, connect on LinkedIn and more.



Eye on the Economy

Throughout his more than 40-year investing career, Chief Equity Market Strategist and Head of Client Portfolio Management Phil Orlando has held a close watch on the economy and plays a lead role in formulating the company's opinions on the securities markets. His candid views have made him a regular, trusted source for advisors, investors and several leading news organizations, including CNBC, Reuters, Bloomberg, Wall Street Journal, The New York Times and FOX Business. He also chairs Federated Hermes' Macro Economic Policy Committee and heads the client portfolio management team.

Like to keep an eye on his insights? Here are three ways:

1. **Attend his quarterly webcasts**
Focused on timely market trends and topics.
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2. **Read his weekly market views**
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3. **Connect with him on [LinkedIn](#) and [Twitter](#)**