

Federated Hermes Muni and Stock Advantage Fund

Nasdaq symbol — IS: FMUIX | A: FMUAX | C: FMUCX | F: FMUFX

3/31/24

Product highlights

- Pursues tax-advantaged monthly income, with a secondary objective of capital appreciation.
- A diversified portfolio of tax-exempt municipal bonds and dividend-paying stocks that are intended to qualify for tax-advantaged treatment.
- Low correlation between the fund's equity and muni securities may help to reduce portfolio volatility.

Morningstar category

Moderately Conservative Allocation

Benchmark

40% Russell 1000[®] Value Index/60% S&P Municipal Bond Index

Key investment team

R.J. Gallo, CFA
 Stephen Gutch, CFA
 Steven Chiavarone, CFA
 Ann Ferentino, CFA
 Michael Jura

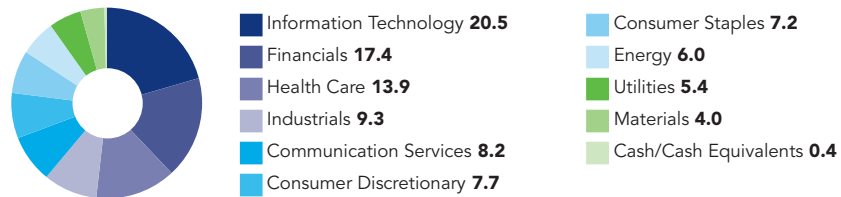
Overall Morningstar Rating™

A Shares
★★★★

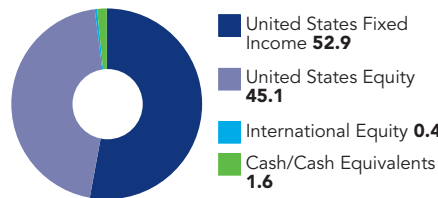
Institutional Shares
★★★★

Rating is based on risk adjusted total return for A Shares and Institutional Shares out of 441 Funds in Moderately Conservative Allocation Category as of 3/31/24. The overall rating is derived from a weighted average of the fund's three-, five-, and ten-year average annual returns, as applicable.

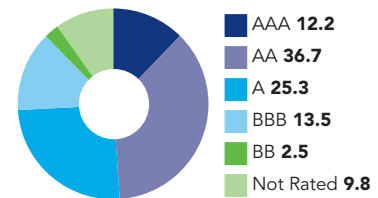
Sector weightings (%) — equity



Portfolio composition (%)



Quality breakdown (%) **



Fund statistics

Portfolio assets	\$1.4 b
Dividends Paid monthly	
Foreign securities	0.4%
Portfolio beta (Rolling 3 yr performance attribution vs S&P 500 [®] index)	0.53
Equity	
Weighted average P/E (NTM)	22.4x
Weighted average market cap	\$577.0 b
Number of equity securities	101
Fixed Income	
Weighted average effective maturity	9.8 Yrs.
Weighted average stated maturity	19.3 Yrs.
Weighted average effective duration	8.3 Yrs.
Weighted average modified duration	6.7 Yrs.
Number of fixed-income securities	289

Top holdings (%)

Equity	
Microsoft Corp.	2.3
Alphabet Inc.	1.8
Apple Inc.	1.6
Amazon.com, Inc.	1.1
Eli Lilly & Company	1.1
JPMorgan Chase & Co.	1.1
Fixed Income	
Puerto Rico Sales Tax Financing Corp., Restructured Sales Tax Bonds (Series 2019A), 5.000%, 07/01/2058	1.2
Buckeye Tobacco Settlement Financing Authority, OH, Tobacco Settlement Asset-Backed Refunding Bonds (Series 2020B-2 Class 2), 5.000%, 06/01/2055	0.6
New York City, NY, UT GO Bonds (Series 2018B-1), 5.000%, 10/1/2039	0.6
Tampa, FL, (Tampa, FL Water and Wastewater Systems), Water and Wastewater Revenue Bonds (Series 2022A), 5.000%, 10/01/2047	0.6
Tobacco Settlement Financing Corp., NJ, Tobacco Settlement Asset-Backed Subordinate Refunding Bonds (Series 2018B), 5.000%, 06/01/2046	0.6
Virginia College Building Authority, Revenue Bonds (Series 2018A), 5.000%, 09/01/2031	0.6

Federated Hermes Muni and Stock Advantage Fund

Average annual total returns (%)

Performance shown is before tax.

NAV	Performance inception	Cumulative 3-month	1-year	3-year	5-year	10-year	Since inception	Expense ratio*	
								Before waivers	After waivers
IS	9/26/03	4.08	11.82	3.03	5.72	5.01	5.49	0.83	0.75
A	9/26/03	4.09	11.53	2.77	5.45	4.75	5.51	1.08	1.00
C	9/26/03	3.90	10.79	2.03	4.68	4.12	5.18	1.83	1.75
F	5/31/07	4.09	11.62	2.77	5.45	4.75	4.61	1.08	1.00
Benchmark		3.49	9.95	3.25	5.40	5.45	-	-	-
Maximum offering price									
A	9/26/03	-1.66	5.38	0.84	4.26	4.16	5.22	1.08	1.00
C	9/26/03	2.90	9.79	2.03	4.68	4.12	5.18	1.83	1.75
F	5/31/07	2.06	9.54	2.11	5.24	4.64	4.54	1.08	1.00

Calendar year total returns (%)

Institutional Shares/NAV

	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015
NAV	4.08	10.17	-10.52	10.66	8.67	13.57	-5.08	11.36	6.49	-0.64
Benchmark	3.49	8.29	-7.54	10.80	4.95	14.90	-2.36	8.41	7.33	0.62

Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, and for after-tax returns, contact us or visit FederatedHermes.com/us. Maximum offering price figures reflect the maximum sales charges of 5.5% for A Shares and 1% for F Shares, and the maximum contingent deferred sales charges of 1% for C Shares and 1% for F Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

* The fund's expense ratio is from the most recent prospectus. The expense ratio may reflect voluntary fee waivers and/or expense reimbursements determined by the fund's Advisor and its affiliates. The voluntary waivers and/or reimbursements, if applicable, are in effect up to but not including the later of 1/1/25 or the date of the fund's next effective prospectus.

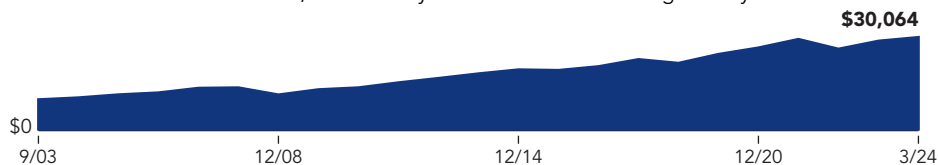
After tax average annual total returns (%)

	Net asset value					Maximum offering price				
	Cumulative 3-month	1-year	5-year	10-year	Since inception	Cumulative 3-month	1-year	5-year	10-year	Since inception
Return after taxes on distributions										
IS	3.89	11.45	5.32	4.50	5.09	-	-	-	-	-
A	3.92	11.20	5.09	4.28	5.12	-1.82	5.07	3.90	3.69	4.84
C	3.81	10.59	4.40	3.72	4.81	2.81	9.59	4.40	3.72	4.81
F	3.92	11.29	5.09	4.28	4.19	1.89	9.21	4.87	4.17	4.13
Return after taxes on distributions and sale of fund shares										
IS	2.41	7.79	4.76	4.20	4.82	-	-	-	-	-
A	2.42	7.55	4.52	3.96	4.83	-0.99	3.87	3.57	3.48	4.57
C	2.31	6.92	3.83	3.40	4.52	1.71	6.33	3.83	3.40	4.52
F	2.42	7.60	4.52	3.97	3.97	1.22	6.37	4.35	3.88	3.92

Federated Hermes Muni and Stock Advantage Fund

Growth over time

If you had invested \$10,000 in A Shares on 9/30/03 (month end of the fund's performance inception) and reinvested all distributions, here's how your account would have grown by 3/31/24.



For information on taxable equivalent yields, visit FederatedHermes.com/us, "Products" section.

As indicated in its name, Federated Hermes Muni and Stock Advantage Fund invests in both municipal (muni) securities and equity securities (stock) as described in the fund's prospectus. Thus, the fund is not entirely a "tax-exempt" or "municipal" fund, and a portion of the income derived from the fund's portfolio (or dividend distributions) will be subject to federal income tax and most distributions will be subject to applicable state and local personal income tax.

The fund's Institutional Shares commenced operations on December 29, 2010. For the period prior to the commencement of operations of the Institutional Shares, the performance information shown is for the fund's A Shares. The performance of the A Shares has not been adjusted to reflect the expenses of the Institutional Shares, since the Institutional Shares have a lower expense ratio than the expense ratio of the A Shares. The performance of the A Shares has been adjusted to reflect the absence of sales charges and adjusted to remove any voluntary waiver of fund expenses related to the A Shares during the period prior to the commencement of operations of the Institutional Shares.

A word about risk

Mutual funds are subject to risks and fluctuate in value.

High-yield, lower-rated securities generally entail greater market, credit/default and liquidity risks, and may be more volatile than investment-grade securities.

Fund income may be subject to state and local taxes. Although this fund pursues tax-advantaged income and seeks to invest primarily in securities whose interest is not subject to the federal alternative minimum tax, there are no assurances that it will achieve these goals.

International investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

There are no guarantees that dividend-paying stocks will continue to pay dividends. In addition, dividend-paying stocks may not experience the same capital appreciation potential as non-dividend-paying stocks.

Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.

The tax laws set specific dollar thresholds for each filing status above which the 20% qualified dividend income rate applies. Consult your personal tax advisor regarding your situation.

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a summary prospectus or prospectus containing this and other information, contact us or visit FederatedHermes.com/us. Please carefully read the summary prospectus or the prospectus before investing.

Past performance is no guarantee of future results.

Definitions

The holdings percentages are based on net assets at the close of business on 3/31/24 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes. Because this is a managed portfolio, the investment mix will change.

Total return represents the change in value of an investment after reinvesting all income and capital gains. Total return would have been lower in the absence of temporary expense waivers or reimbursements.

Growth over time performance is for the fund's A Shares. Figures do not reflect the 5.5% maximum sales charge. The fund offers additional share classes whose performance will vary due to differences in charges and expenses.

Weighted average effective maturity is the average time to maturity of debt securities held in the fund.

Weighted average stated maturity is the stated term or maturity of each portfolio security, multiplied by each such security's market value, divided by the total market value of the fund. The stated term or maturity of a portfolio security is the period remaining until such security's stated maturity date, determined without taking into account the ability of a security to be called at the option of the issuer and by taking into account the ability to put the security at the option of the holder.

Federated Hermes Muni and Stock Advantage Fund

Weighted average effective duration (sometimes called "Option-Adjusted Duration") is a measure of a security's price sensitivity to changes in interest rates calculated using a model that recognizes that the probability of a bond being called or remaining outstanding until maturity may vary if market interest rates change, and that makes adjustments based on a bond's embedded options (e.g., call rights, or in the case of a mortgage-backed security, the probability that homeowners will prepay their mortgages), if any, based on the probability that the options will be exercised. A fund's weighted average effective duration will equal the market value weighted average of each bond's effective duration in the fund's portfolio. As with any model, several assumptions are made so the weighted average effective duration of a fund in the Federated Hermes family of funds may not be comparable to other funds outside of the Federated Hermes family of funds. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

Weighted average modified duration (sometimes called "Weighted Average Duration" or "Duration to Worst") is a measure of a security's price sensitivity to changes in interest rates calculated by assuming that a callable bond will be redeemed on the appropriate call date if the bond is priced to a call date or at maturity if priced to maturity. A fund's weighted average duration will equal the market value weighted average of each bond's weighted average duration in the fund's portfolio. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

Beta analyzes the market risk of a fund by showing how responsive the fund is to the market. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse in down markets. Usually the higher betas represent riskier investments.

Weighted average market capitalization is calculated as the average market capitalization of the stocks within the portfolio, weighted by the amount of each stock owned.

Weighted average P/E (NTM - next twelve months) is an average comparing share price to earnings per share with values greater than 75 are capped at 75 and excludes negatives.

After-tax returns are calculated using a standard set of assumptions. Actual after-tax returns depend on each investor's personal tax situation, and are likely to differ from those shown. The stated returns assume the highest historical federal income and capital gains tax rates, but do not reflect the effect of any applicable state and local taxes. Return after taxes on distributions assumes a continued investment in the fund and shows the effect of taxes on fund distributions. Return after taxes on distribution and sale of fund shares assumes all shares were redeemed at the end of each measurement period, and shows the effect of any taxable gain (or offsetting loss) on redemption, as well as the effects of taxes on fund distributions. After-tax returns are not relevant to investors holding shares through tax-deferred programs, such as IRA, 401(k) plans. The after-tax average annual total returns are based on the 37% tax bracket and include the 3.8% tax on net investment income for the municipal portion. Federal tax rates used in the taxable equivalent yields calculations are based on the 37% tax.

Russell 1000[®] Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000[®] index companies with lower price-to-book ratios and lower expected growth values. The R1000V is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The Russell 1000[®] Value Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

S&P Municipal Bond Index is a broad, comprehensive, market value-weighted index that are exempt from U.S. federal income taxes or subject to the alternative minimum tax (AMT). Eligibility criteria for inclusion include, but are not limited to: the bond issuer must be a state or local government or a state or local government entity where interest on the bond is exempt from U.S. federal income taxes or subject to the AMT; the bond must be held by a mutual fund for which Standard & Poor's Securities Evaluations, Inc. provides prices; it must be denominated in U.S. dollars and have a minimum par amount of \$2 million; and the bond must have a minimum term to maturity and/or call date greater than or equal to one calendar month. It is rebalanced monthly.

Indexes are unmanaged and cannot be invested in directly.

Ratings and rating agencies

Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is less than three years old, the category is based on the life of the fund. ©2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take sales charges into account. Federated Hermes Muni and Stock Advantage Fund was rated against the following numbers of U.S.-domiciled Moderately Conservative Allocation funds over the following time periods. Ratings are for A and Institutional Shares; other classes may have different performance characteristics. For the 3-, 5- and 10-year periods ended 3/31/24, the fund's A Shares received 4, 4 and 4 stars and the fund's Institutional Shares received 4, 4 and 4 stars, and was rated among 441, 409 and 297 funds, respectively. Past performance is no guarantee of future results.

** The ratings agencies that provided the ratings are S&P Global Ratings, Moody's and Fitch. When ratings vary, the highest rating is used. Credit ratings of A or better are considered to be high credit quality; credit ratings of BBB are good credit quality and the lowest category of investment grade; credit ratings BB and below are lower-rated securities ("junk bonds"); and credit ratings of CCC or below have high default risk. The credit quality breakdown does not give effect to the impact of any credit derivative investments made by the fund.