

# Federated Hermes Global Allocation Fund



Nasdaq symbol — R6: FSBLX | IS: SBFIX | A: FSTBX | C: FSBCX | R: FSBKX

12/31/23

## Product highlights

- Pursues relative safety of capital, with the possibility of long-term growth of capital and income. Consideration is also given to current income.
- Invests in a mix of asset classes including a globally diverse range of equity, fixed-income and currency instruments that provide targeted region, country, sector, style and size exposures.
- Under normal circumstances, at least 40% of the fund's investments are in countries outside the U.S., allowing investment managers to capture diversified opportunities for outperformance internationally.
- The asset mix will change based upon the team's view of economic and market conditions. The portfolio is continually reviewed taking into account macro considerations such as liquidity, volatility, interest rates, inflation, individual country impacts and economic events along with factors such as risk, return and correlations among holdings.

## Morningstar category

Global Allocation

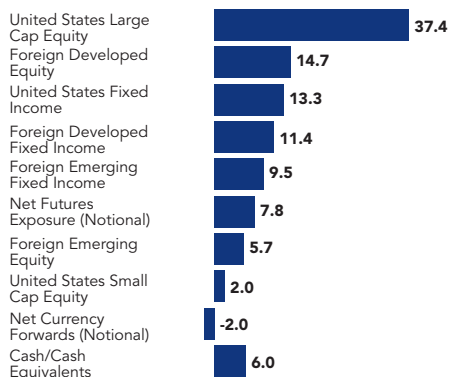
## Benchmark

60% MSCI All Country World Index/40%  
Bloomberg Global Aggregate Index

## Key investment team

Timothy Goodger, Ph.D.  
John Sherman, CFA  
Steven Chiavarone, CFA  
Ihab Salib  
Chengjun Chris Wu, CFA  
Qun Liu, CFA

## Portfolio allocation (%)



Futures require no cash outlays; thus the notional value is reported.

## Top holdings (%)

### Equity

Apple Inc.	2.5
Microsoft Corp.	2.4
Amazon.com, Inc.	1.2
NVIDIA Corporation	1.1
S&P500 EMINI FUT Mar24	0.8

### Fixed Income

Emerging Markets Core Fund	9.5
Mortgage Core Fund	6.2
Project and Trade Finance Core Fund	1.4
High Yield Bond Core Fund	0.7
Government of Japan, 1.300% due 6/20/35	0.6

## Fund statistics

Portfolio assets	\$285.9 m
Dividends	Paid quarterly
Return (3-yr.) - IS	0.99
Return (3-yr.) - Benchmark	1.25
Return (3-yr.) - Morningstar	2.41
Standard deviation (3-yr.) - IS	12.11
Standard deviation (3-yr.) - Benchmark	12.85
Standard deviation (3-yr.) - Morningstar	12.54
Sharpe ratio (3-yr.) - IS	-0.06
Sharpe ratio (3-yr.) - Benchmark	-0.03
Sharpe ratio (3-yr.) - Morningstar	0.05
Upside capture	95.38
Downside capture	96.62
Portfolio beta (S&P 500® index vs. raw trailing 3yr beta)	0.68

### Equity

Weighted median P/E (LTM)	22.2x
Weighted median P/E (NTM)	18.1x
Weighted median market cap	\$71.4 b
Weighted median price/book	4.8x
Number of equity securities	1,165

### Fixed Income

Weighted average effective maturity	8.8 Yrs.
Weighted average effective duration	6.2 Yrs.
Number of fixed-income securities	238

Multi-asset

# Federated Hermes Global Allocation 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
R6	12/31/68	9.37	11.51	1.01	6.59	4.25	7.08	1.06	0.85
IS	12/31/68	9.35	11.53	0.99	6.57	4.32	7.01	1.13	0.87
A	12/31/68	9.28	11.23	0.71	6.26	4.02	7.04	1.39	1.16
C	4/19/93	9.11	10.34	-0.08	5.44	3.39	5.85	2.15	1.96
R	12/31/68	9.19	10.74	0.28	5.81	3.58	6.55	1.83	1.59
<b>Benchmark</b>		9.88	15.43	1.25	7.01	5.05	-	-	-
<b>Maximum offering price</b>									
A	12/31/68	3.26	5.11	-1.18	5.07	3.43	6.92	1.39	1.16
C	4/19/93	8.11	9.34	-0.08	5.44	3.39	5.85	2.15	1.96

## Calendar year total returns (%)

Institutional Shares/NAV

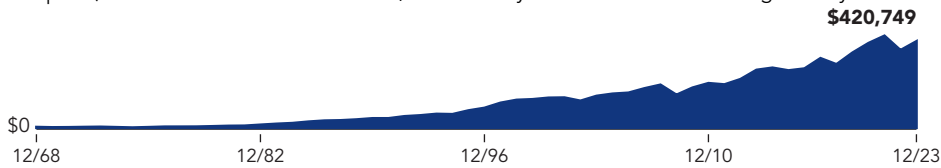
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
NAV	11.53	-15.19	8.91	12.85	18.22	-8.33	17.35	3.55	-4.15	4.03
Benchmark	15.43	-17.33	8.78	14.05	18.55	-6.00	17.09	5.69	-2.47	2.78

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](https://FederatedHermes.com/us). Maximum offering price figures reflect the maximum sales charge of 5.5% for A Shares, and the maximum contingent deferred sales charge of 1% for C 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 2/1/24 or the date of the fund's next effective prospectus.

## Growth over time

If you had invested \$10,000 in A Shares on 12/31/68 (month end of the fund's performance inception) and reinvested all distributions, here's how your account would have grown by 12/31/23.



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](https://FederatedHermes.com/us). Please carefully read the summary prospectus or the prospectus before investing.

Past performance is no guarantee of future results.

## Federated Hermes Global Allocation Fund

The performance information shown for periods prior to September 5, 2008 reflects historical performance data for Federated Stock and Bond Fund, Inc. (the "Predecessor Fund") prior to its reorganization into Federated Asset Allocation Fund (formerly, Federated Stock and Bond Fund) on September 5, 2008. The fund is the successor to the Predecessor Fund pursuant to the reorganization.

The fund's Institutional Shares commenced operations on June 12, 2009. 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 absence of sales charges and to remove any voluntary waiver of the fund's expenses related to the A Shares that may have occurred during the period prior to the commencement of operations of the Institutional Shares.

The fund's R Shares commenced operations on April 7, 2003. For the period prior to the commencement of operations of the R Shares, the performance information shown is for the fund's A Shares, adjusted to reflect the expenses of the R Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

The fund's R6 Shares commenced operations on June 29, 2016. For the period prior to the commencement of operations of the R6 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 applicable to the R6 Shares since the R6 Shares have a lower expense ratio than the expense ratio of the A Shares. The performance of the A Shares has been adjusted to remove any voluntary waiver of fund expenses related to the A Shares that may have occurred during the periods prior to the commencement of operations of the R6 class and to reflect the differences in sales loads and charges imposed on the purchase and redemption of the fund's A and R6 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.

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

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

The fund may make short sales of securities, which involves unlimited risk including the possibility that losses may exceed the original amount invested.

### Definitions

**The holdings percentages** are based on net assets at the close of business on 12/31/23 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.

**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.

**Sharpe ratio** is calculated by dividing a fund's annualized excess return by the fund's annualized standard deviation. The higher the Sharpe Ratio, the better the fund's historical risk adjusted performance.

**Standard deviation** is a statistical measurement of dispersion about an average which depicts how widely the returns varied over a certain period of time. The higher the standard deviation, the greater the volatility.

**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 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 median P/E (LTM - latest twelve months)** is a ratio comparing share price to earnings per share using data from the previous twelve months.

**Weighted median P/E (NTM - next twelve months)** in calculating this, individual holdings with values greater than 60 are capped at 60 in accordance with Morningstar's methodology for calculating "weighted Median P/E."

**Weighted median market capitalization** is the calculation represented by the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock.

**Weighted median price/book** is a ratio comparing share price to book value or assets minus liabilities.

**Up capture** is the percentage of gains captured when fund benchmark is up.

**Down capture** is the percentage of losses captured when fund benchmark is down.

**MSCI All Country World Index** captures large- and mid-cap representation across 23 developed markets countries and 23 emerging markets countries. The index covers approximately 85% of the global investable equity opportunity set.

**Bloomberg Global Aggregate Index** is a measure of global investment grade debt from twenty-four different local currency markets. This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from both developed and emerging markets issuers.

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.

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Multi-asset

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