

Federated Hermes SDG Engagement High Yield Credit Fund

Nasdaq symbol — R6: FHHRX | IS: FHHIX

12/31/23

Product highlights

- Pursues current income and long-term capital appreciation alongside positive societal impact.
- Invests primarily in diversified portfolio of high yield fixed-income securities issued by U.S. or foreign businesses (including emerging market debt securities).
- Committed to responsible investment practices through investment that is aligned with the Sustainable Development Goals (SDGs).

Morningstar category

High Yield Bond

Benchmark

ICE BofA Global High Yield Index Constrained — USD Hedged

Key investment team

Mitch Reznick, CFA
Fraser Lundie, CFA
Nachu Chockalingam, CFA

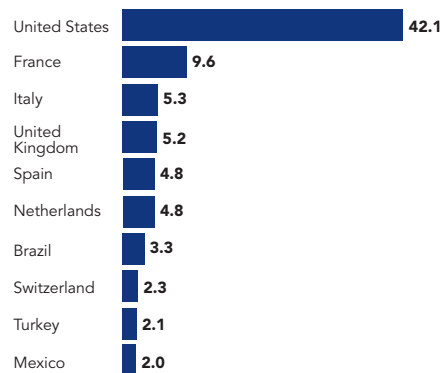
Fund statistics

Portfolio assets	\$79.6 m
Number of securities	215
Dividends	Paid monthly
Weighted average effective maturity	8.98 years
Weighted average effective duration	3.46 years
Weighted average bond price	\$96.54
Option adjusted spread (bps)	252.48
Duration times spread (%)	1.00
Spread duration	4.52

Top holdings (%)

U.S. Treasury Bill 05/30/2024, <i>United States</i>	9.7
U.S. Treasury Note 2.25% 04/30/2024, <i>United States</i>	6.8
U.S. Treasury Note .25% 03/15/2024, <i>United States</i>	6.2
United Kingdom, Government, Unsecd. Note, 1%, 04/22/2024, <i>United Kingdom</i>	4.6
Telefonica Europe BV, Jr. Sub. Note, 05/12/2072, <i>Spain</i>	1.1
TerraForm Power Operating, Sr. Unsecd. Note, Series 144A, 4.75%, 01/15/2030, <i>United States</i>	1.1
Iqvia, Inc., Sr. Unsecd. Note, Series REGS, 2.25%, 03/15/2029, <i>United States</i>	1.0
At&t Inc., Jr. Sub. Note, Series B, 05/01/2072, <i>United States</i>	0.9
Energias de Portugal SA, Jr. Sub. Note, Series NC8, 1.875%, 03/14/2082, <i>Portugal</i>	0.9
LorcaTelecom Bondco, Term Loan - 1st Lien, Series REGS, 4%, 09/18/2027, <i>Spain</i>	0.9

Top country weightings (%)

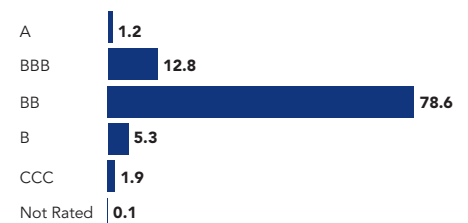


"European Union" represents the Markit Itraxx Europe Crossover credit default index.

Top sector weightings (%)



Quality breakdown (%)**



Totals may not add up to 100% due to rounding.

Average annual total returns (%)

Performance shown is before tax.

NAV	Performance inception	Cumulative 3-month	1-year	3-year	Expense ratio*		
					Since inception	Before waivers	After waivers
R6	9/26/19	7.79	11.73	0.75	3.09	1.37	0.57
IS	9/26/19	7.67	11.43	0.70	3.05	1.43	0.62
Benchmark		6.68	12.97	1.04	-	-	-

Calendar year total returns (%)

Institutional Shares/NAV

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
NAV	11.43	-10.67	2.59	7.13	-	-	-	-	-	-
Benchmark	12.97	-11.38	3.04	6.47	-	-	-	-	-	-

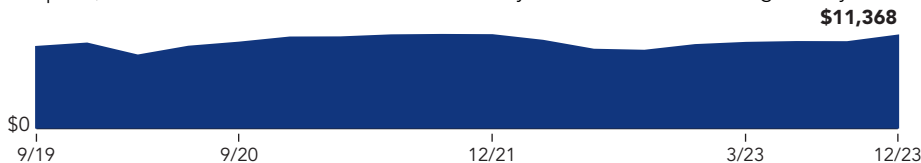
Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, and for after-tax returns, contact us or visit FederatedHermes.com/us.

* 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 11/1/24 or the date of the fund's next effective prospectus.

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Growth over time

If you had invested \$10,000 in Institutional Shares on 9/30/19 (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. Please carefully read the summary prospectus or the prospectus before investing.

Past performance is no guarantee of future results.

Federated Investment Management Company is the advisor of the fund and Hermes Investment Management Limited is the sub advisor.

The fund's R6 Shares commenced operations on June 11, 2021. For the period prior to the commencement of operations of the R6 Shares, the performance information shown is for the fund's Institutional Shares. The performance of the Institutional Shares has not been adjusted to reflect the expenses applicable to the R6 Shares. The performance for the R6 class would be substantially similar to that of the Institutional class over the same period because the classes are invested in the same portfolio of securities and would differ only to the extent the classes do not have the same expenses.

A word about risk

Terminology such as "ESG integrated", "sustainable" or "impact", among other terms, is not uniformly defined across the industry. Investment managers may understand and apply ESG factors in different ways, and that the role those factors play in investment decisions also varies. Therefore, we recommend investors understand the role of ESG factors in a strategy to ensure that approach is consistent with their investment objectives. Like any aspect of investment analysis, there is no guarantee that an investment strategy that considers ESG factors will result in performance better than or equal to products that do not consider such factors. Investing and making buy and sell decisions that emphasize ESG factors carries the risk that, under certain market conditions, the fund or strategy may underperform those that do not incorporate such factors explicitly into the decision-making process. The application of ESG criteria may affect exposure to certain sectors or securities and may impact relative investment performance depending on whether such sectors or securities are generally in or out of favor in the market.

The fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional instruments.

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.

The Federated Hermes SDG Engagement High Yield Credit Fund's strategy is to target companies that the adviser or sub-adviser believes will contribute positive societal impact aligned to the

SDGs. The fund may underperform funds that do not have such a strategy.

The SDGs are as follows: no poverty; zero hunger; good health and well-being; quality education; gender equality; clean water and sanitation; affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure; reduced inequalities; sustainable cities and communities; responsible consumption and production; climate action; life below water; life on land; peace, justice and strong institutions; and partnership for the goals.

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

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. Holdings are high-yield debt securities.

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 Institutional Shares. The fund offers an additional share class 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 bond price - Morningstar generates this figure from the portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the manager favors bonds selling at prices above or below face value (discount or premium securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

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.

ICE BofA Global High Yield Index Constrained-USD Hedged tracks the performance of below-investment grade corporate debt denominated in US dollars, Canadian dollars, pounds and euros that are publicly issued in the major US or Eurobond markets. The weighting of index constituents is limited to a maximum 2%.

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 ratings agencies that provided the ratings are Standard and Poor's, Moody's and Fitch. When ratings vary, the lowest 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.