

Federated Hermes Strategic Value Dividend Fund



A buying opportunity?

The Federated Hermes Strategic Value Dividend Fund has sought to deliver a high and rising dividend yield since its 2005 inception.

We believe today's valuations make the fund's income opportunity particularly attractive.

An opportunity for income at an attractive valuation

- The graph below shows that the fund's forward P/E is historically low relative to the S&P 500®
- Current levels indicate the potential for mean reversion, as valuations may rise closer to typical historical levels

Forward price-to-earnings ratio vs. S&P 500®



Weekly data from inception 3/30/05 to 3/28/25. Sources: FactSet Research Systems, S&P Global Ratings, Federated Hermes, Inc.

The dark blue line shows the fund's forward P/E minus the S&P 500's® forward P/E. The straight light blue line shows the average difference over the full period: -2.59.

Reversion to the mean is a theory which suggests that valuations can revert to a long-term level. Hence, if there is a large jump up or down, valuations may return or revert eventually to the level they were prior.

Past performance is no guarantee of future results.

Value proposition

- The fund invests in companies that have a history of sustaining and growing dividend payments
- Average dividend yield since 2005 inception: 4.80%¹
- A history of lower volatility versus the S&P 500®
- Current holders of the fund can seek to benefit from its income stream at an attractive valuation by reinvesting dividends

See page 2 for total return and yield information.

Past performance is no guarantee of future results.

Not FDIC Insured • May Lose Value • No Bank Guarantee

Average annual total returns (%) as of 3/31/25

	1-year	3-year	5-year	10-year	Since inception 3/30/05	30-day dist. yield	30-day yield	Expense ratio*	
								Before waivers	After waivers
IS Shares	18.46	6.86	13.95	7.79	7.57	3.64	3.38	0.93	0.81
A Shares (NAV)	18.12	6.58	13.63	7.51	7.29	3.44	3.14	1.17	1.06
A Shares (MOP)	11.71	4.60	12.36	6.91	6.99	3.25	2.97	1.17	1.06

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 charge of 5.5% for A 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 1/1/26 or the date of the fund's next effective prospectus.**

30-day yield (also known as "SEC yield") is a compounded and annualized figure calculated according to a formula set by the SEC. The formula requires use of a specific methodology for calculating dividends and interest earned, and expenses accrued, during the period, and reflects the maximum offering price per fund share. The standardized computation is designed to facilitate yield comparisons among different funds. In the absence of temporary expense waivers or reimbursements, the 30-day yield would have been 3.09% for A Shares at net asset value (NAV), 2.92% for A Shares at maximum offering price (MOP) and 3.33% for Institutional Shares as of 3/31/25.

The 30-day distribution yield reflects actual distributions made to shareholders. It is calculated by dividing the monthly annualized dividend by the average 30-day offering price.

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

A word about risk

Mutual funds are subject to risks and fluctuate in value.

Diversification does not assure a profit nor protect against a loss.

The value of equity securities in the fund's portfolio will fluctuate and, as a result, the fund's share price may decline. Equity securities may decline in value because of an increase in interest rates or changes in the stock market.

Mid-cap companies often have narrower markets and limited managerial and financial resources compared to larger and more established companies.

Large-cap companies may have fewer opportunities to expand the market for their products or services, may focus their competitive efforts on maintaining or expanding their market share, and may be less capable of responding quickly to competitive challenges. The above factors could result in the share price of large-cap companies lagging the overall stock market or growth in the general economy, and, as a result, could have a negative effect on the fund's portfolio, performance and share price.

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.

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

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.

Definitions

¹ Average dividend yield since inception in 2005 represents the average of the fund's dividend yield at the end of each quarter beginning the first full quarter (6/30/05) after the fund's 3/30/05 inception and ending 3/31/25 (80 periods in total). Weighted average dividend yield is the prospective dividend yield for each security averaged based on the percentages of the securities in the portfolio. Prospective dividend yield is calculated by taking the most recent declared dividend payment multiplied by the number of dividend payments typically made during the year for each holding divided by the current share price for each security.

Price-to-earnings ratio (P/E ratio) is a valuation ratio of a company's current share price compared to its per-share earnings. The P/E ratio helps investors determine the market value of a stock as compared to the company's earnings. A low P/E ratio might indicate that a stock that has the potential for significant growth is undervalued. P/E ratios are only one indicator of a company's financial well-being.

Forward price-to-earnings (Forward P/E) is a version of the P/E that uses forecasted earnings for the P/E calculation. The earnings used in this formula are just an estimate and not as reliable as current or historical earnings data. Forward P/E (NTM - next twelve months) is calculated by FactSet using their standardized method. In calculating P/E, FactSet aggregates the position values and recurrent earnings and calculates P/E using these aggregated values in order to account for size and reduce the impact of outliers and negative values.

S&P 500® is an unmanaged capitalization-weighted index of 500 stocks designated to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Indexes are unmanaged and cannot be invested in directly.

This material must be preceded or accompanied by a [prospectus](#).