

Federated Hermes Total Return Bond Fund



December 31, 2023

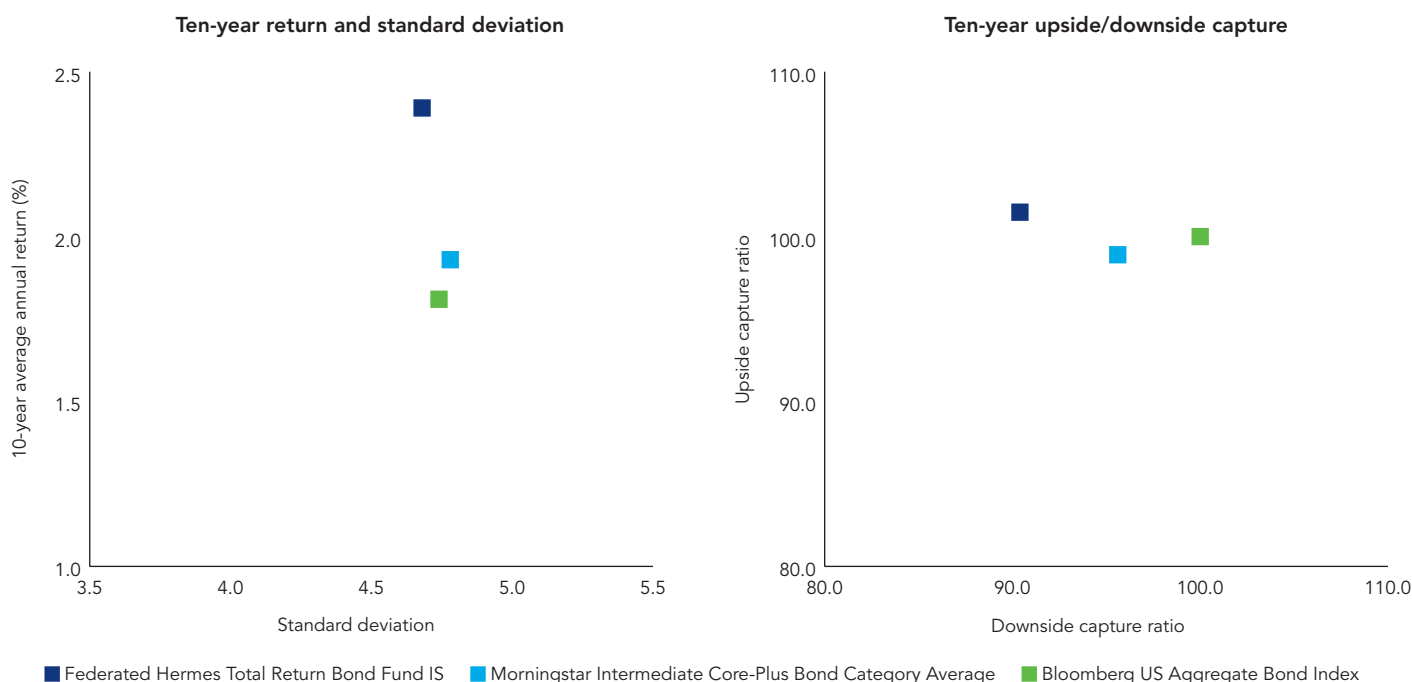
Investment case

Ticker—IS: FTRBX | A: TLRAX

Diversify portfolio risk with a flexible core-plus approach

A history of outperformance and competitive upside/downside capture

In the last 3-, 5- and 10-year periods, the Federated Hermes Total Return Bond Fund produced competitive performance vs. the Bloomberg US Aggregate Bond Index and the Morningstar Intermediate Core-Plus Bond Category Average.



As of 12/31/23

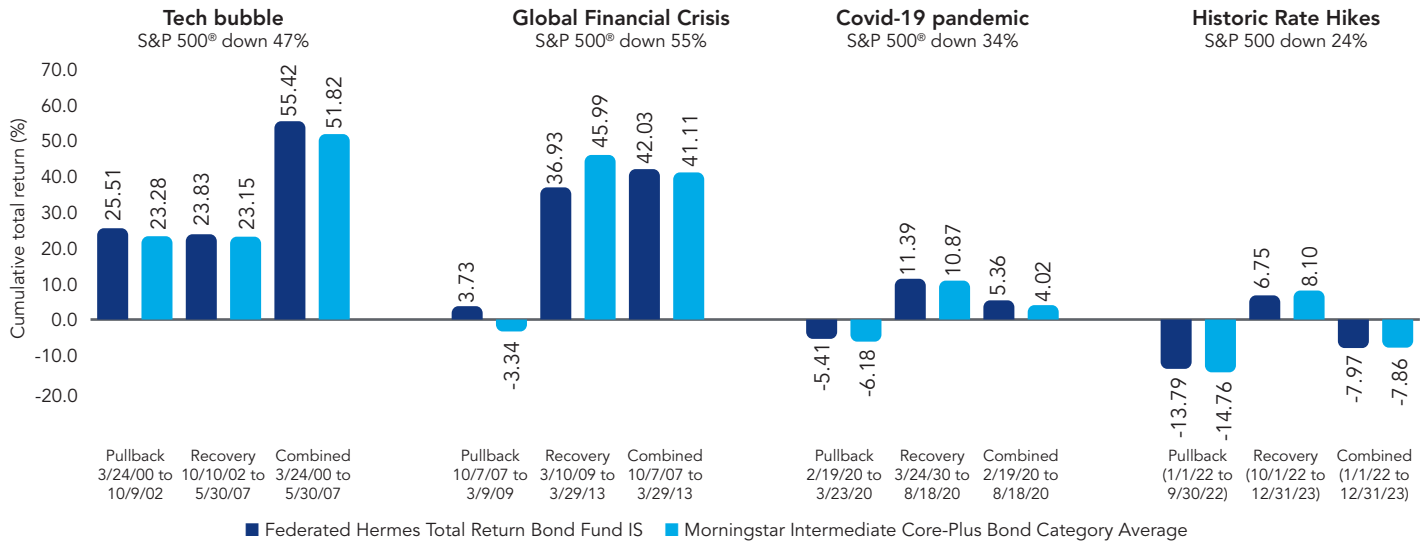
	3-year				5-year				10-year			
	Std Dev	Return	Up capture	Down capture	Std Dev	Return	Up capture	Down capture	Std Dev	Return	Up capture	Down capture
Federated Hermes Total Return Bond Fund IS	6.87	-2.67	95.99	91.46	6.11	2.08	106.26	94.10	4.68	2.39	101.48	90.40
Morningstar Intermediate Core-Plus Bond Category	6.97	-2.99	95.57	93.56	6.30	1.48	104.27	99.86	4.78	1.93	98.90	95.61
Bloomberg US Aggregate Bond Index	7.14	-3.31	100.00	100.00	6.11	1.10	100.00	100.00	4.74	1.81	100.00	100.00

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.

See page 3 for standard fund performance.

Has delivered over volatile market conditions

The fund has the ability to dynamically shift sector, duration, yield curve and currency positioning in changing market conditions based on guidance from our independent macro committees. The strategy has shown resilience during historic periods of stress, and benefited during periods of recovery and growth.



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This is for a selected time period. Results for other time periods would have varied.

Sources: Federated Hermes and Morningstar, Inc. The fund has outperformed its category average in all periods since inception in which the S&P 500® Index dropped 20% or more. Pullback scenarios are based on the date the S&P 500® Index reached a pre-drawdown peak. Recovery scenarios are based on the date the index returned to its pre-drawdown peak. S&P 500® Index down period returns are for the combined time periods.

Performance above is for the IS Shares. Performance for other classes of shares and time periods will vary.

Income opportunities beyond the Aggregate bond index

The fund allocates beyond the typical sectors and concentrations in the Bloomberg US Aggregate Index to enhance income potential and manage risk. The range of sector allocations below illustrate our active approach.

Federated Hermes Total Return Bond Fund sector allocation history as of 12/31/23



Average annual total returns (%) as of 12/31/23

Performance shown is before tax.

	Cumulative 3-month	1-year	3-year	5-year	10-year	Expense Ratio ¹	
						Before waivers	After waivers
Institutional Shares	6.60	5.17	-2.67	2.08	2.39	0.47	0.39
A (NAV) Shares	6.46	4.59	-3.20	1.53	1.83	1.00	0.94
A (MOP) Shares	1.64	-0.15	-4.69	-0.60	1.36	1.00	0.94
Bloomberg US Aggregate Bond Index	6.82	5.53	-3.31	1.10	1.81	-	-
Bloomberg US Universal Index	6.83	6.17	-2.97	1.44	2.08	-	-
Morningstar Intermediate Core-Plus Bond category	6.77	6.22	-2.99	1.48	1.93	-	-

As of 12/31/23

Fund	30-day	30-day distribution yield	30-day unsubsidized
FTRBX	4.42%	4.05%	4.35%
TLRAX	3.88%	3.49%	3.84%

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The portfolio managers

Key investment team



Donald Ellenberger
Senior Vice President
Senior Portfolio Manager
Head of Multi-Sector
Strategies Group
Chairman of Yield Curve Committee

Investment experience: 37 years



Jerome Conner, CFA
Vice President
Senior Portfolio Manager
Senior Investment Analyst

Investment experience: 27 years



R.J. Gallo, CFA
Senior Vice President
Senior Portfolio Manager
Head of Municipal Bond
Investment Group
Head of Duration Committee

Investment experience: 29 years



Chengjun (Chris) Wu, CFA
Vice President
Senior Portfolio Manager

Investment experience: 18 years

Investment process highlights

Our team combines top-down decision-making with bottom-up security selection to build a diversified, risk-managed portfolio. The fund seeks uncorrelated sources of alpha across the five components of total return in fixed income: sector allocation, security selection, duration management, yield curve and currency management. With the goal of evaluating all the risks and opportunities of fixed-income securities, we include Environmental, Social and Governance (ESG) considerations in our security selection. We enhance our rigorous credit analysis by incorporating proprietary insights from EOS at Federated Hermes Limited, our corporate engagement division, and through a combination of sector-specific scoring systems.

¹ **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 2/1/25 or the date of the fund's next effective prospectus.**

Past performance is no guarantee of future results.

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.

A word about risk

ESG factors may be considered in the investment analysis process in a manner that is complementary to and enhances the fundamental research and analysis process. Certain ESG factors may help identify business and operational risks or opportunities and add a contextual dimension to the overall evaluation of a security. 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.

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 value of some mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates, and although the securities are generally supported by some form of government or private insurance, there is no assurance that private guarantors or insurers will meet their obligations.

International investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards. Prices of emerging market and frontier market securities can be significantly more volatile than the prices of securities in developed countries, and currency risk and political risks are accentuated in emerging markets.

Diversification does not assure a profit nor protect against loss.

The fund is a managed portfolio and holdings are subject to change.

Alpha measures the excess returns of a fund relative to the return of a benchmark index.

Duration is a measure of a security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

Yield Curve is a graph showing the comparative yields of securities in a particular class according to maturity. Securities on the long end of the yield curve have longer maturities.

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. For an indefinite period of time, the investment advisor is waiving all or part of its fee and, in addition, may reimburse the fund for some of its expenses. Otherwise, the yield would have been 4.35% for Institutional Shares and 3.84% for A Shares and total returns also would be lower.

30-day distribution yield is calculated by taking an average of the past 30 days' daily yields.

Bloomberg US Aggregate Bond Index: An unmanaged index composed of securities from the Bloomberg Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indices are rebalanced monthly by market capitalization.

Bloomberg US Universal Index: An index that represents the union of the US Aggregate Index, US Corporate High-Yield, Investment-Grade 144A Index, Eurodollar Index, USD Emerging Markets Index and the non-eligible portion of the Index. The index covers-denominated, taxable bonds that are rated either investment grade or below investment grade.

S&P 500® Index: 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.

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.

Upside/Downside Capture is a measure of how well a manager was able to replicate or improve on periods of positive benchmark returns and how badly the manager was affected by periods of negative benchmark returns. The up-market capture ratio is a measure of a manager's performance in up markets relative to the index during the same period. For example, a ratio value of 115 indicates that the manager has outperformed the market index by 15% in periods when the index has risen. The down-market capture ratio is the direct opposite of the up-market capture ratio, gauging performance of the manager relative to the index in down markets. A ratio value of 80 would indicate the manager had declined on 80% as much as the declining overall market, indicating relative outperformance.

This must be preceded or accompanied by a current prospectus.