

# Investing in international businesses primed for growth

## Federated Hermes International Small-Mid Company Fund

IS Shares: ISCIX | A Shares: ISCAAX | C Shares: ISCCX

### Gain exposure to an overlooked asset class

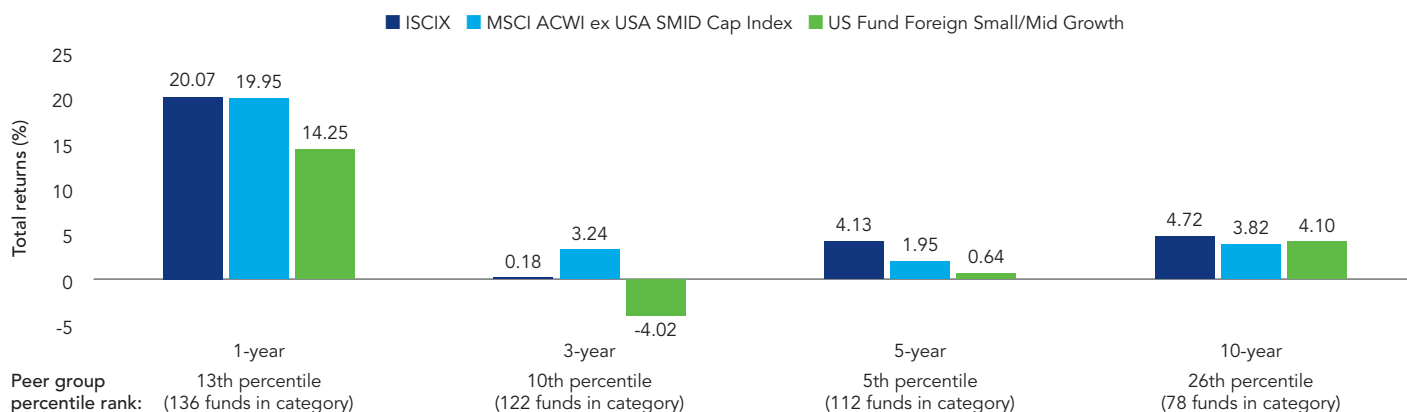
- Offers access to an investment universe of more than 5,000 international small- and mid-cap (“SMID-cap”) stocks
- Pursues the most promising 100-150 high-quality SMID-cap companies, diversified across core/pillar, cyclical and special situation stocks
- Seeks stocks trading below their intrinsic value with growth potential

#### Top 10 holdings

Company	Overview	Country	% of portfolio
<b>CAE Inc.</b>	Manufacturer of simulation technologies and training devices	Canada	1.3
<b>Cameco Corp.</b>	One of the world’s largest uranium producers	Canada	1.2
<b>Rheinmetall AG</b>	Leading European automotive manufacturer and defense contractor	Germany	1.2
<b>Cia de Distribucion Integral Logista Holdings SA</b>	Consumer goods distributor with delivery points across S. Europe	Spain	1.1
<b>CTS Eventim AG</b>	Leading international provider of ticketing services and live entertainment	Germany	1.1
<b>Fomento Economico Mexicano, S.A.B. de C.V. (FEMSA)</b>	Operates the world’s largest independent Coca-Cola bottler & the largest Mexican convenience store	Mexico	1.1
<b>TechnipFMC PLC</b>	Develops innovative technologies for the traditional and renewable energy industry	U.K.	1.1
<b>Tourmaline Oil Corp.</b>	Largest natural gas producer in Canada	Canada	1.1
<b>Dollarama, Inc.</b>	Dominates value-retail space in Canada with over 1,500 stores nationwide	Canada	1.0
<b>Rolls-Royce Holdings PLC</b>	Multinational aerospace and defense company designing cutting-edge engine technology	U.K.	1.0

As of 9/30/23.

### ISCIX has historically produced attractive returns vs. peers and the benchmark

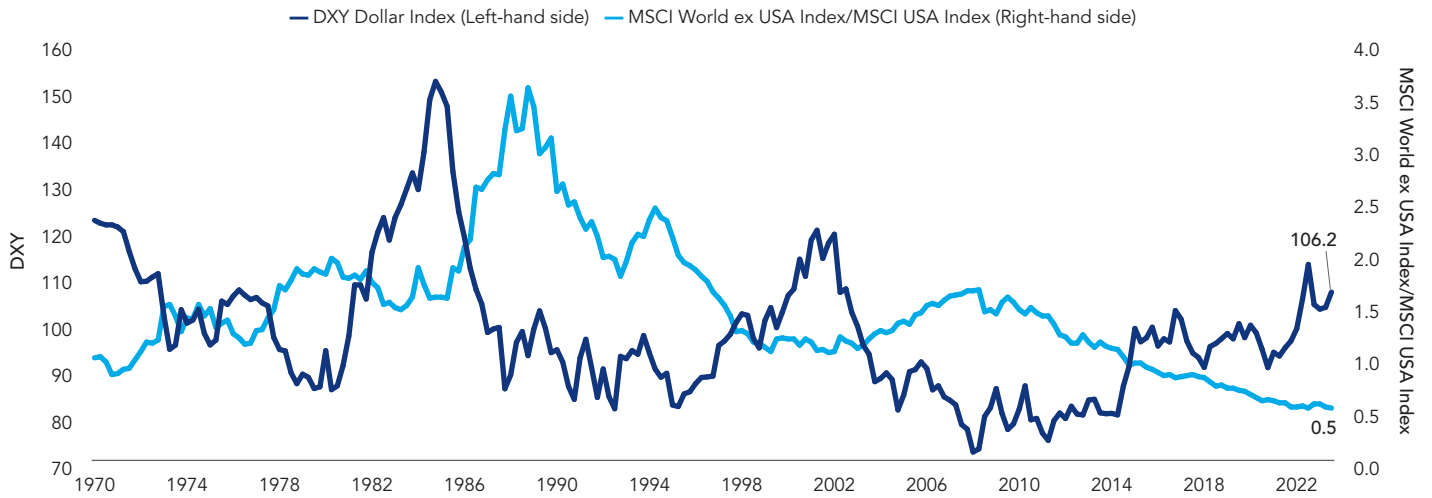


As of 9/30/23. The Morningstar Category for Federated Hermes International Small-Mid Company Fund is Foreign Small/Mid Growth. US Fund Foreign Small/Mid Growth Category peer group performance and percentile uses current Morningstar Category as of 9/30/23. Source: Morningstar, Inc. Rankings are based on total return and do not consider sales charges. See following page for all standard return information and expense ratios. Returns are for Institutional Shares. Other classes of shares are available whose performance will vary due to different charges and expenses. Returns for periods longer than one year are annualized.

**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).**

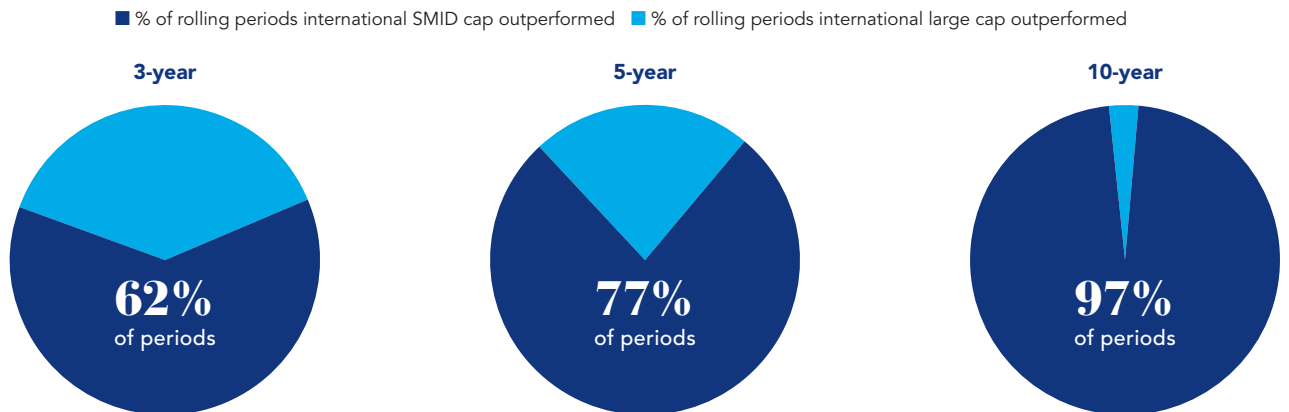
## Why international SMID now?

Despite short-term appreciation, we believe the U.S. dollar has peaked, providing a tailwind for international equities. Historically, a weaker dollar has been associated with international equity outperformance.



As of 9/30/23. Sources: FactSet, MSCI. Illustration provided for discussion purposes only. Does not represent fund investments or performance.

## International SMID caps have a history of outperforming large caps



Data from 5/31/94 (common index inception) to 9/30/23. Chart shows the percentage of periods that the MSCI ACWI ex USA SMID Cap Index (international SMID cap) outperformed the MSCI ACWI ex USA Large Cap Index (international large cap) using 3-, 5- and 10-year annualized return periods, rolling monthly. International SMID cap outperformed international large cap in 196/317 rolling periods (3-year), 224/293 rolling periods (5-year) and 225/233 rolling periods (10-year). Sources: Morningstar, Inc. Federated Hermes analysis. **Past performance is no guarantee of future results.** Illustration provided for discussion purposes only. Does not represent fund investments or performance.

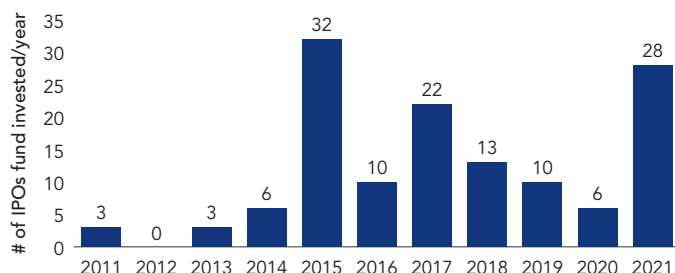
## Why Federated Hermes International SMID Company Fund?

### Managed by experienced international experts

- 11 investment professionals
- 20+ years average investment experience, nine languages spoken across team

### Offers access to the international IPO market

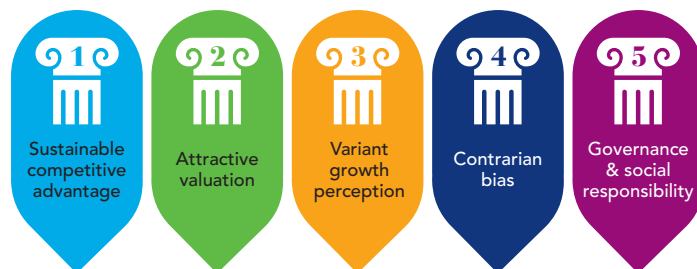
- Initial public offerings (IPOs) provide capital to early growth stage companies
- IPOs can help diversify a core equity portfolio and can offer a longer runway for potential outperformance



As of 9/30/23. Federated Hermes analysis.

### A history of generating alpha through disciplined stock selection

- More than 75% of excess return attributed to stock selection<sup>2</sup>
- Five investment pillars drive stock selection



### Key fund statistics as of 9/30/23

- Number of portfolio holdings: 129
- Portfolio assets: \$199.8 million
- Weighted median market cap: \$7.6 billion
- Overall Morningstar Rating<sup>TM</sup>:<sup>1</sup> ★★★★★
- 93.1% active share

<sup>1</sup> Rating is based on risk adjusted total return for A Shares and Institutional Shares out of 122 Funds in Foreign Small/Mid Growth Category as of 9/30/23. The overall rating is derived from a weighted average of the fund's three-, five-, and ten-year average annual returns, as applicable.

<sup>2</sup> As of 12/31/22. Based on 5-year excess return for IS Shares vs. MSCI ACWI ex USA SMID Cap Index.

## A record of long-term outperformance

Average annual total returns (%) as of 9/30/23

	Ticker symbol	Cumulative 3-month	1-year	3-year	5-year	10-year	Since inception 2/28/96	Expense ratio*	
								Before waivers	After waivers
<b>IS Shares</b>	ISCIX	-5.24	20.07	0.18	4.13	4.72	8.47	1.40	0.99
<b>A (NAV)</b>	ISCAX	-5.27	19.77	-0.06	3.89	4.49	8.42	1.65	1.24
<b>A (MOP)</b>	ISCAX	-10.49	13.20	-1.92	2.72	3.90	8.20	1.65	1.24
<b>C (NAV)</b>	ISCCX	-5.50	18.87	-0.81	3.09	3.83	8.19	2.40	1.99
<b>C (MOP)</b>	ISCCX	-6.44	17.87	-0.81	3.09	3.83	8.19	2.40	1.99
<b>MSCI ACWI ex USA SMID Cap Index</b>	-	-1.98	19.95	3.24	1.95	3.82	5.29	-	-

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.

The fund's Institutional Shares commenced operations on March 31, 2008. 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 to remove any voluntary waiver of fund expenses related to the A Shares that may have occurred prior to commencement of operations of the Institutional Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

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**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.**

The holdings percentages are based on net assets at the close of business on 9/30/23 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.

## A word about risk

Mutual funds are subject to risks and fluctuate in value.

The fund may invest in small capitalization (or "small-cap") companies. Small-cap companies may have less liquid stock, a more volatile share price, unproven track records, a limited product or service base and limited access to capital. The above factors could make small-cap companies more likely to fail than larger companies and increase the volatility of the fund's portfolio, performance and price. Suitable securities of small-cap companies also can have limited availability and cause capacity constraints on investment strategies for funds that invest in them.

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.

Investing in IPOs involves special risks such as limited liquidity and increased volatility.

## Definitions

**Active share:** Is a measure of the percentage of stock holdings in a portfolio that differ from the benchmark index.

**Alpha:** Shows how much or how little return is generated, given the risk a portfolio takes. A portfolio with an alpha greater than 0 has earned more than expected given its beta — meaning the portfolio has generated excess return without increasing risk. A portfolio with a negative alpha is producing a lower return than would be expected given its risk.

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

**MSCI ACWI ex USA SMID Cap Index:** Captures mid- and small-cap representation across 22 of 23 developed market (DM) countries (excluding the U.S.) and 24 emerging market (EM) countries. The index covers approximately 28% of the free float-adjusted market capitalization in each country.

**MSCI ACWI Large Cap Index:** Captures large-cap representation across 23 DM and 24 EM countries. The index covers about 70% of the free float-adjusted market capitalization in each country.

**MSCI USA Index:** Is designed to measure the performance of the large- and mid-cap segments of the U.S. market. The index covers approximately 85% of the free float-adjusted market capitalization in the U.S.

**MSCI World ex USA Index:** Captures large- and mid-cap representation across 22 of 23 DM countries (excluding the U.S.). The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Indexes are unmanaged and cannot be invested in directly.

## Ratings and rating agencies

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 International Small-Mid Company Fund was rated against the following numbers of U.S.-domiciled Foreign Small/Mid Growth 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 9/30/23, the fund's A Shares received 4, 5 and 3 stars and the fund's Institutional Shares received 4, 5 and 4 stars, and was rated among 122, 112 and 78 funds, respectively. Past performance is no guarantee of future results.