

# Federated Hermes International Leaders Fund



## Providing U.S. investors access to leading international franchises

IS Shares: FGFLX | A Shares: FGFAF | R6 Shares: FGRSX

## Brands you use every day can be a key allocation in your portfolio

Provides easy access to 55-80 large cap, developed market companies that generate revenues worldwide

Invests in industry leaders with products or services essential to everyday life

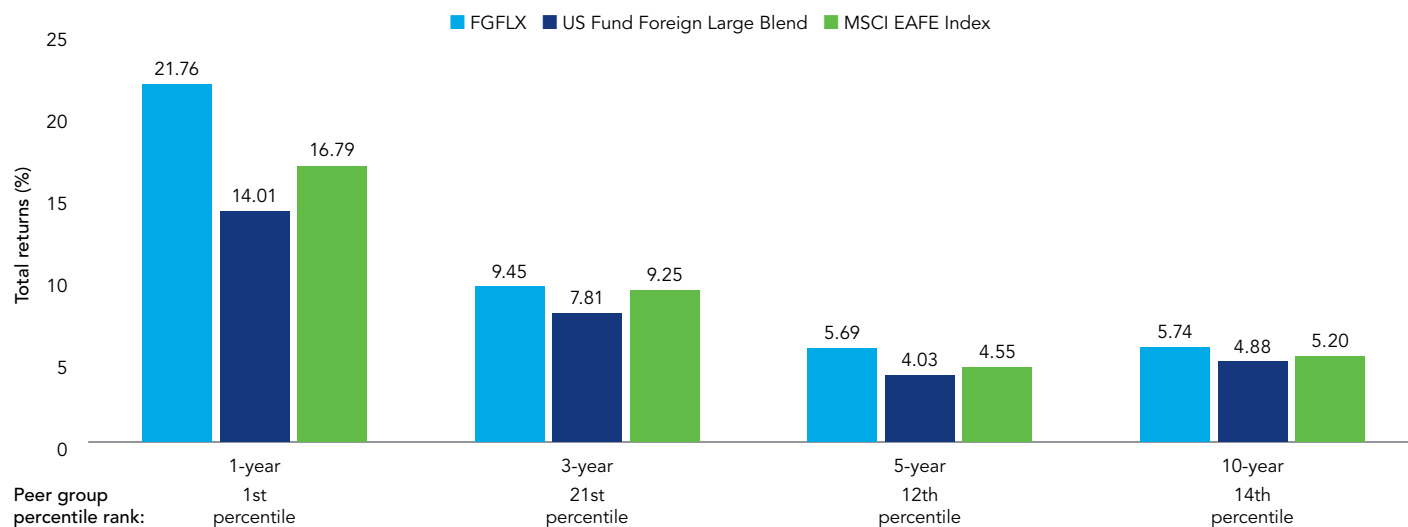
### Top 10 holdings

Company	Known for	Headquarters	% of portfolio
<b>AstraZeneca PLC</b>	Developing pharmaceuticals & vaccines	United Kingdom	3.9
<b>Siemens AG</b>	Technology focused on industrial, digital, transport & healthcare innovation	Germany	3.1
<b>Prudential PLC</b>	Insurance & financial services	United Kingdom	2.6
<b>Deutsche Telekom AG</b>	T-Mobile; largest telecom provider in Europe	Germany	2.4
<b>Teleperformance SE</b>	Serving global businesses advanced analytics, artificial intelligence & more	France	2.4
<b>Nestle SA</b>	Cheerios, KitKat, DiGiorno & other global brands	Switzerland	2.4
<b>Entain PLC</b>	International sports betting and gambling	United Kingdom	2.2
<b>Novo Nordisk A/S</b>	Treatments for diabetes, obesity, and rare blood & endocrine diseases	Denmark	2.2
<b>Imperial Brands PLC</b>	Davidoff, Montecristo & more tobacco brands	United Kingdom	2.2
<b>Anglo American PLC</b>	The world's largest producer of platinum; mining	South Africa	2.1

As of 6/30/23.

## FGFLX has a history of outperforming peers and the benchmark

Top quartile performance vs. current Morningstar category as of 7/31/23



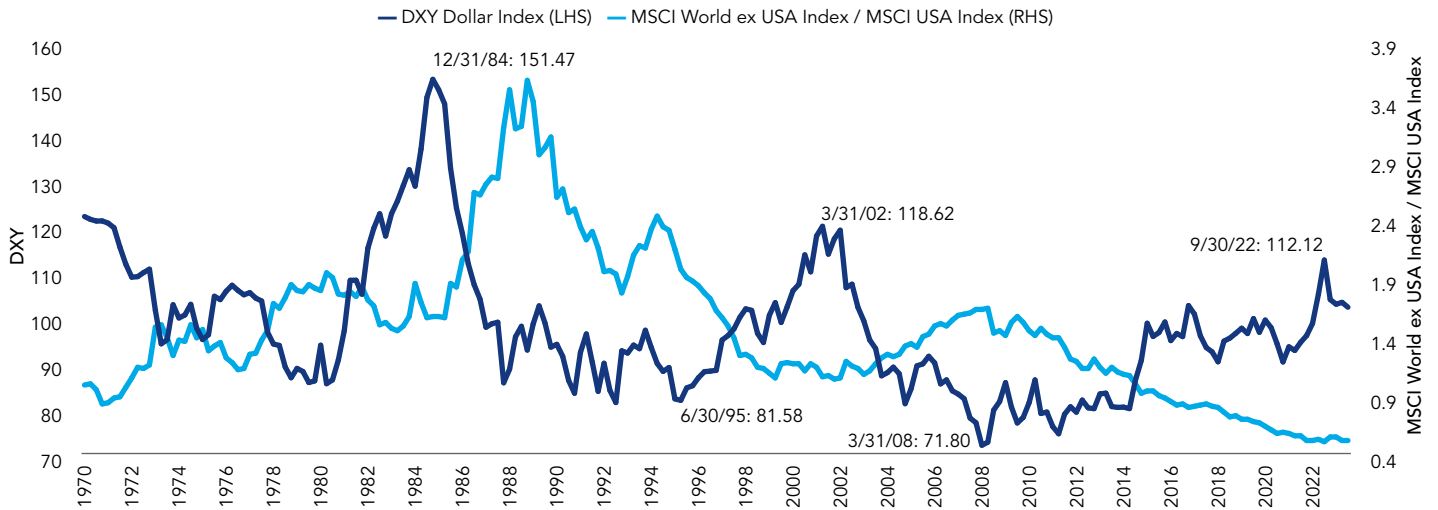
US Fund Foreign Large Blend category peer group performance and percentile uses current Morningstar category as of 7/31/23. Source: Morningstar, Inc. Rankings are based on total return and do not consider sales charges. See page 3 for all standard return information and expense ratios. Returns are for 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://www.federatedhermes.com/us).**

Not FDIC Insured • May Lose Value • No Bank Guarantee

## The opportunity in international equities now

### U.S. dollar weakening

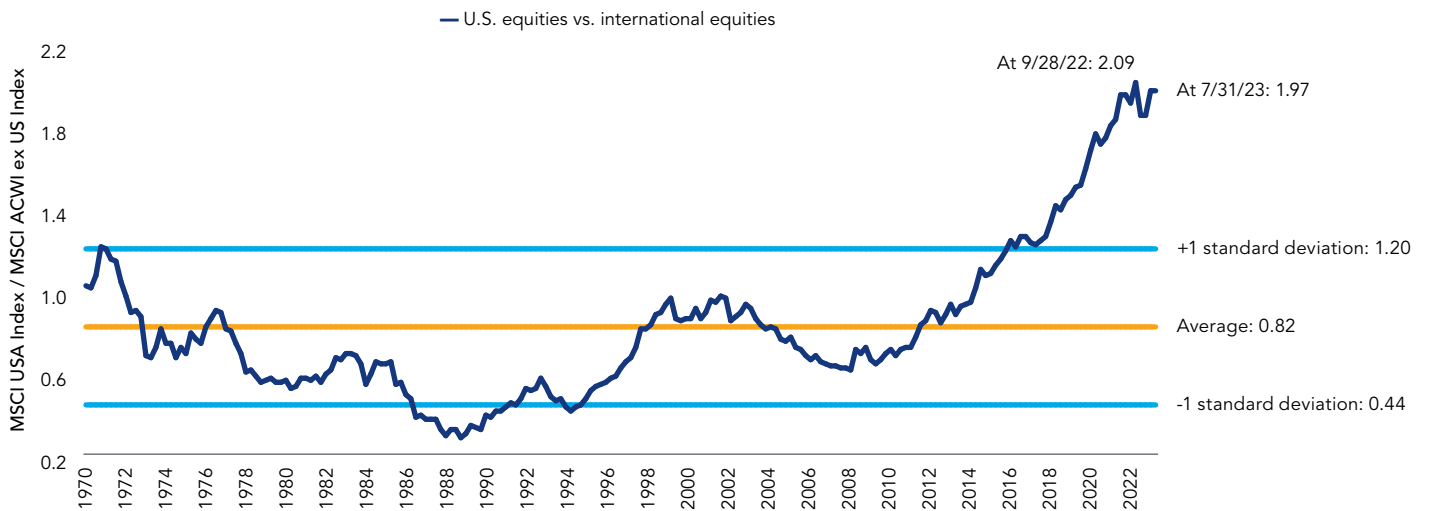
A weaker dollar is historically correlated to international outperforming U.S. equities



As of 7/31/23. Sources: FactSet, MSCI. Illustration provided for discussion purposes only. Does not represent fund investments or performance.

### Valuations are attractive

Outsized U.S. outperformance has led to a historically high price differential, as shown below. P/E ratios and P/B ratios indicate there may be more room for valuation expansion overseas



As of 7/31/23. Sources: FactSet, MSCI. Illustration provided for discussion purposes only. Does not represent fund investments or performance.

**International equities offer a wider opportunity set**, including many of the world's best-known brands

- Fund holdings as of 6/30/23 include Sony, Unilever, Subaru and the companies that own Cartier and Dom Perignon, for example<sup>1</sup>

**Access to innovation** outside the U.S.

- Over 530,000 patent applications filed in 2021 originated in foreign developed nations. Fund holdings among the world's top innovators include Samsung and Siemens<sup>2</sup>

**Diversification** from the FAANGM<sup>3</sup> concentration and U.S. bias common in equity portfolios, country-specific risks such as currencies and domestic political events, and macroeconomic effects such as inflation

- Fund diversified across 17 nations as of 6/30/23

**Enhanced long-term return potential** in an overall equity portfolio, an international allocation can increase sources of potential return

- Reach out to your relationship specialist or call [1-888-400-7838](tel:1-888-400-7838) to schedule an allocation analysis

## FGFLX has a history of delivering competitive risk-adjusted returns

### Risk/reward

	3-year			5-year			10-year		
	FGFLX	US Fund Foreign Large Blend	MSCI EAFE Index	FGFLX	US Fund Foreign Large Blend	MSCI EAFE Index	FGFLX	US Fund Foreign Large Blend	MSCI EAFE Index
<b>Alpha</b>	0.02	-1.16	0.00	1.11	-0.75	0.00	0.38	-0.53	0.00
<b>Beta</b>	1.05	0.96	1.00	1.08	0.99	1.00	1.08	0.97	1.00
<b>R2</b>	94.08	98.19	100.00	94.41	98.34	100.00	92.99	97.88	100.00
<b>Sharpe ratio (geo)</b>	0.39	0.33	0.41	0.20	0.11	0.15	0.27	0.23	0.27
<b>Standard deviation</b>	19.63	17.66	18.16	19.82	17.83	17.84	16.73	14.64	14.93

As of 7/31/23. Source: Federated Hermes, Morningstar, Inc. Performance shown for the Morningstar US Fund Foreign Large Blend category average.

### Total returns (%) as of 6/30/23

	Ticker symbol	Cumulative		Annualized			Since inception 9/30/98	Expense Ratio*	
		3-month	1-year	3-year	5-year	10-year		Before Waivers	After Waivers
<b>Institutional Class</b>	FGFLX	3.43	24.37	10.57	5.76	6.37	7.74	1.12	0.79
<b>R6 Class</b>	FGRSX	3.43	24.44	10.63	5.82	6.43	7.77	1.04	0.74
<b>A Class (NAV)</b>	FGFAX	3.35	24.01	10.29	5.48	6.10	7.83	1.39	1.09
<b>A Class (MOP)</b>	FGFAX	-2.34	17.17	8.23	4.29	5.50	7.58	1.39	1.09
<b>MSCI EAFE Index</b>	-	2.95	18.77	8.93	4.39	5.41	-	-	-

**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://www.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 5/1/24 or the date of the fund's next effective prospectus.**

The fund's Institutional Shares commenced operations on June 21, 2010. For the period prior to the commencement of operations for 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 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 R6 Shares commenced operations on August 5, 2013. For the period prior to the commencement of operations of the R6 Shares, the R6 Shares performance information shown is for the A Shares. The performance of the A Shares has not been adjusted to reflect the expenses of the fund's 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 reflect the absence of sales charges and to remove any voluntary waiver of fund expenses related to the A Shares that may have occurred during the period prior to the commencement of operations of the R6 Shares.

## Tenured investment team

- \$2.4b international assets under management at 6/30/23
- Team led by Portfolio Managers Richard Winkowski, Head of International Equity Team, who has been with the fund since inception, and Dariusz Czoch, CFA
- 7 sector analysts and 1 country analyst (Japan)
- 21 years average investment experience

## Investment process demonstrated since 1998

- Our bottom-up, fundamental security selection process looks for:
  - Leading franchises in each industry
  - Brand names, strong balance sheets and pricing power
  - Attractive valuations, typically trading at a discount (at least 30%) to intrinsic value
- Team conducts 200 to 250 meetings with management teams across the world per year

### Key fund statistics as of 6/30/23

- Number of holdings: 68
- Weighted median market cap: \$45.1b
- Fund size: \$1.2b
- Overall Morningstar Rating™:★ ★ ★ ★ ★
- Portfolio by region (%)\*\*
  - Europe: 46.8
  - Japan 16.6
  - UK: 16.5
  - Asia/Pacific/North America: 12.3
  - EM: 2.1

\*Morningstar rating is as of 6/30/23 and is based on risk adjusted total return for Institutional Shares and A Shares out of 678 Funds in Foreign Large Blend Category. The overall rating is derived from a weighted average of the fund's three-, five-, and ten-year average annual returns, as applicable.

\*\*Total does not sum to 100 due to cash.

<sup>1</sup> As of 6/30/23, these companies comprised the following percentages of the fund: Sony: 1.4%; Unilever: 1.6; Subaru: 1.4%; Cie Financiere Richemont SA (Cartier): 1.1%; LVMH Moet Hennessy Louis Vuitton SA (Dom Perignon): 0.5%.

<sup>2</sup> In 2021 Siemens was the world's top applicant of electrical machinery, apparatus and energy patents and Shell the top applicant of civil engineering patents. Siemens and Shell were 3.1% and 1.8% of the portfolio as of 6/30/23. World Intellectual Property Organization (WIPO) (2022). Global Innovation Index 2022: What is the future of innovation-driven growth?; World Intellectual Property Indicators 2022. Geneva. WIPO.

<sup>3</sup> Facebook, Apple, Amazon, Netflix, Google, Microsoft.

**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 prospectus before investing.**

## A word about risk

Mutual funds are subject to risks and fluctuate in value.

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

## Definitions

**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.

**Beta** measures a portfolio's volatility relative to the market. A beta greater than 1.00 suggests the portfolio has historically been more volatile than the market as measured by the fund's benchmark. A beta less than 1.00 suggests the portfolio has historically had less volatility relative to the market.

**R-squared** indicates what percentage of a portfolio's movement in performance is explained by movement in performance of the market. R-squared ranges from 0 to 100, and a score of 100 suggests that all movements of a portfolio's performance are completely explained by movements in the market as measured by the fund's benchmark.

**Sharpe ratio** (geo) 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 historical measure of the variability of returns relative to the average annual return. A higher number indicates higher overall volatility.

**The holdings percentages** are based on net assets at the close of business on the date indicated 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.

**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.

**MSCI EAFE Index** is an equity index which captures large- and mid-cap representation across developed markets countries around the world, excluding the U.S. and Canada. The index covers approximately 85% 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 US market. With 625 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the US.

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. ©2023 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 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 openended 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 Leaders Fund was rated against the following numbers of U.S. domiciled Foreign Large Blend 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 6/30/23, the fund's A Shares received 4, 4 and 4 stars and the fund's Institutional Shares received 4, 4 and 4 stars, and was rated among 678, 616 and 409 funds, respectively.