

Federated Hermes International Equity Fund

6/30/24

Fund facts

Performance inception date

8/1/97

Benchmark

MSCI ACWI ex USA Index

Morningstar category

Foreign Large Blend

Lipper classification

International Multi-Cap Growth

Fund assets

\$1.3 billion

Ticker symbols

R6 Shares - PEIRX

Institutional Shares - PIUIX

A Shares - PMIEX

C Shares - PIUCX

Key investment team

Martin Schulz

Calvin Zhang

Bernard R. Horn, Jr.

Sumanta Biswas, CFA

Bin Xiao, CFA

Jason Crawshaw

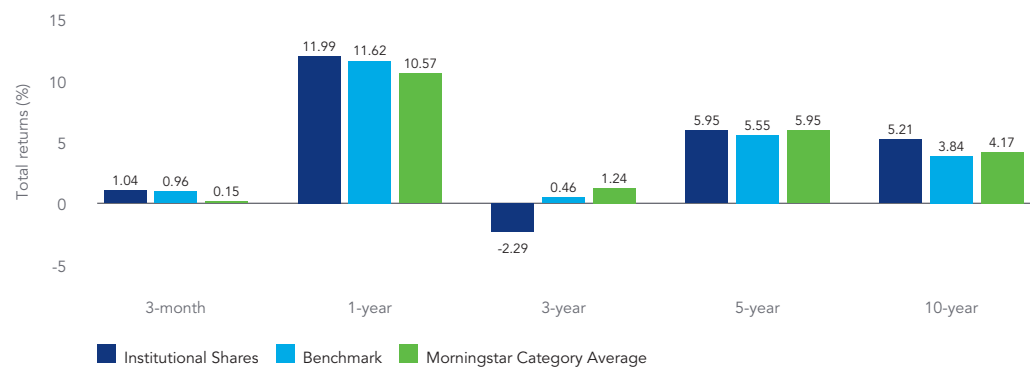
Fund description

The fund seeks long-term capital appreciation by investing primarily in equity securities that are tied to numerous countries throughout the world in both developed and emerging markets. Employing a top-down approach to country selection and a bottom-up security selection process, the fund may invest in companies of any capitalization, and its allocation is typically split between growth and value stocks.

Average annual total returns (%)

Performance shown is before tax.

	3-month	YTD	1-year	3-year	5-year	10-year	Since inception	Expense ratio*	
								Before waivers	After waivers
R6 Shares	1.08	6.61	12.08	-2.23	6.00	5.25	5.61	1.40	0.90
Institutional Shares	1.04	6.53	11.99	-2.29	5.95	5.21	5.60	1.48	0.94
A Shares (NAV)	1.01	6.43	11.72	-2.51	5.69	4.93	5.31	1.73	1.19
A Shares (MOP)	-4.54	0.56	5.57	-4.34	4.50	4.34	5.09	1.73	1.19
Benchmark	0.96	5.69	11.62	0.46	5.55	3.84	-	-	-



Calendar year total returns (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Institutional Shares	14.57	-22.38	8.03	21.78	22.53	-12.54	33.27	0.49	1.00	-5.12
Benchmark	15.62	-16.00	7.82	10.65	21.51	-14.20	27.19	4.50	-5.66	-3.87
Morningstar Category Average	16.25	-15.84	9.72	9.30	21.59	-14.59	25.12	0.79	-1.59	-4.98

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* 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 8/1/24 or the date of the fund's next effective prospectus.

Investment process – two distinct managers



Portfolio statistics

Weighted median P/E (NTM)	14.4x
Weighted median market cap	\$27.7 b
Weighted median price/book	2.6x
Number of securities	61

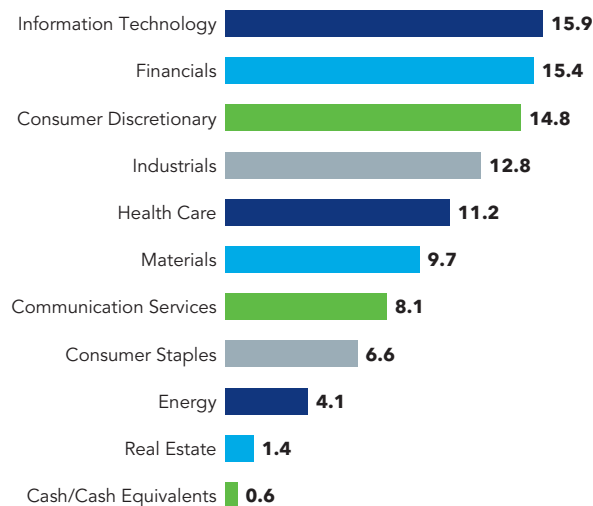
Top holdings (%)

Federated Hermes International Growth Fund <i>United States</i>	49.9
SK Hynix, Inc. <i>South Korea</i>	1.8
Muenchener Rueckversicherungs-Gesellschaft AG <i>Germany</i>	1.3
Kia Corp. <i>South Korea</i>	1.2
Lundin Mining Corp. <i>Chile</i>	1.2
Publicis Groupe <i>France</i>	1.2
Smurfit Kappa Group PLC <i>Ireland</i>	1.2
Compagnie Generale des Etablissements Michelin <i>France</i>	1.1
Samsung Electronics Co., Ltd. <i>South Korea</i>	1.1
Shinhan Financial Group Co. Ltd. <i>South Korea</i>	1.1
Total % of portfolio	61.1

Top country weightings (%)

Japan	15.1	China	3.4
United Kingdom	8.2	Netherlands	3.1
France	7.9	Sweden	2.9
South Korea	7.8	Taiwan	2.9
Canada	7.3	Italy	2.5
Germany	6.9	India	2.1
Switzerland	3.9	Denmark	2.1
Ireland	3.8	Brazil	1.8
Norway	3.7	Cash/Cash Equivalents	2.3

Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 6/30/24 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.

Highlights

- International stock markets underperformed relative to the U.S. as developed markets underperformed even as the emerging markets outperformed
- Volatility briefly spiked in April due to conflict between Iran and Israel but investor sentiment recovered in the absence of meaningful escalation with investors returning to the AI theme
- The U.S. dollar strengthened during the quarter
- Commodities were mixed as metals and natural gas prices gained while oil prices traded sideways
- Internationally, value outperformed growth
- The Federated Hermes International Equity Fund performed in line with its benchmark as the growth sleeve's outperformance offset the value sleeve's underperformance

Looking back

Iran's direct attack on Israel rekindled fears of escalating violence in the Middle East and initially drove higher oil prices and an increase in volatility. Fortunately, both the attack and Israel's subsequent countermeasure caused minimal damage. Markets broadly bounced back after the conflict appeared contained. Despite sticky U.S. inflation and growing expectations for higher-for-longer interest rates in the U.S., the AI theme continued to provide support. Globally, most central banks remained on hold in the quarter.

Overall, these trends led to the outperformance of tech and momentum while consumer discretionary fared the worst. In a reversal from the prior two quarters, emerging markets outperformed developing. Tech giant TSMC drove another strong quarter in Taiwan while Indian markets continued to benefit from persistent economic strength and foreign investment, recovering after initial disappointment from Prime Minister Modi's party winning fewer parliamentary seats. After four quarters of underperformance, China outperformed and rebounded from multiyear lows, even as a weak property market remained a headwind. Mexico underperformed due to a stronger than expected vote tally for the Morena party. Japan was the worst-performing market due to the rapidly weakening yen which drove the Japanese Ministry of Finance to intervene twice in its defense. France also lagged as investors fled from rising political risk due to President Macron calling for snap elections.

Performance

The Federated Hermes International Equity Fund returned 1.0% (Institutional Shares at NAV) for the quarter ending June 30, 2024. That compares to its benchmark, the MSCI ACWI ex USA index, which returned 1.0% during the period.

Performance contributors

- Positive country allocation effects came from overweights to Norway and Argentina along with an underweight to Mexico.
- Positive sector allocation effects came from overweights to Health Care and Information Technology along with an underweight to Consumer Staples.

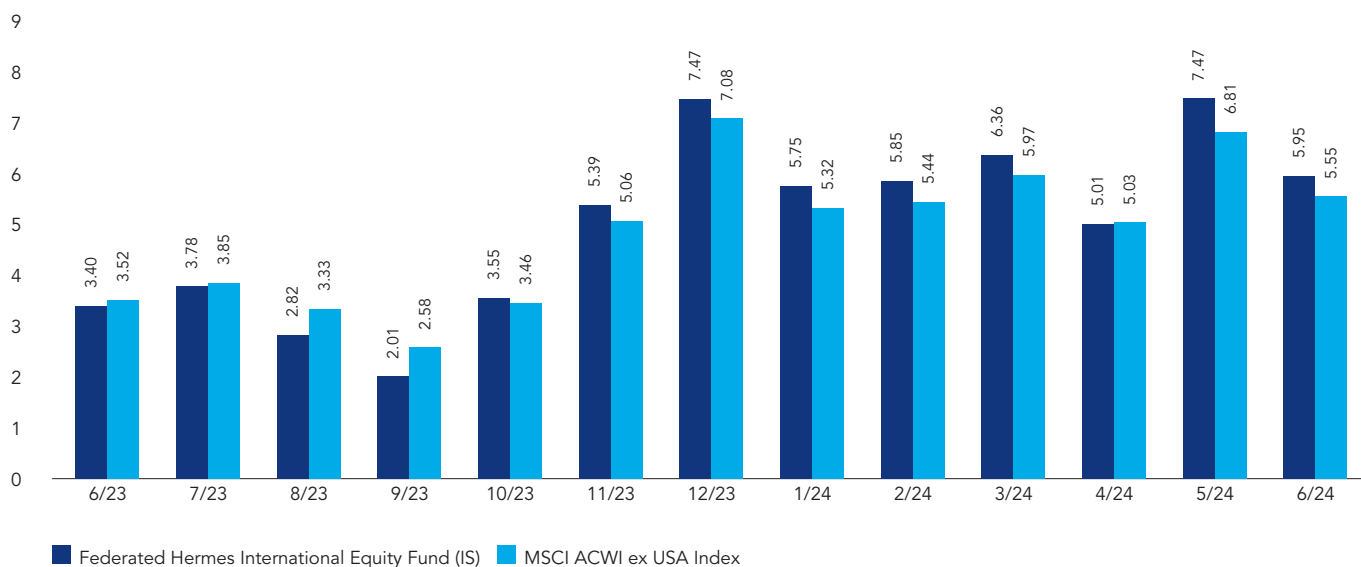
Performance detractors

- Negative country allocation effects came from an overweight to Ireland along with underweights to Taiwan and India
- Negative sector allocation effects came from overweights to Consumer Discretionary and Materials along with an underweight to Financials

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See disclosure section for important disclosures and definitions.

5-year rolling returns vs. MSCI ACWI ex USA Index (%)



Source: Morningstar, Inc. Performance for 5-year periods (1-month shift).

Returns are for Institutional Shares. Other classes of shares are available whose performance will vary due to different charges and expenses.

Risk statistics

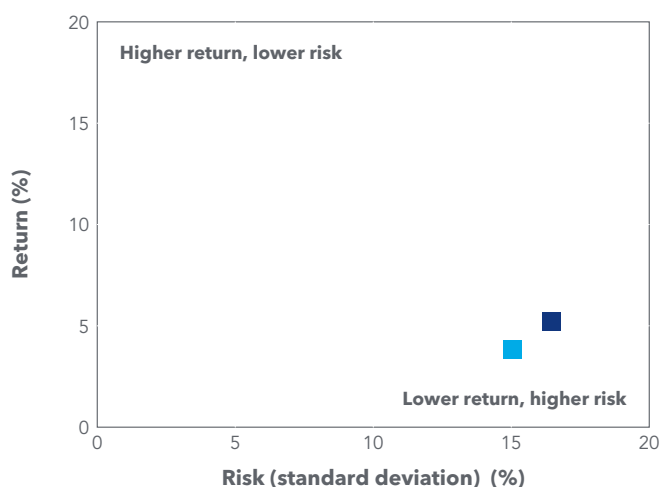
	3-year	5-year	7-year	10-year
Standard deviation	18.26	19.62	18.15	16.45
Beta	1.09	1.11	1.10	1.06
Correlation	0.98	0.98	0.97	0.97
Up capture ratio	106.33	112.25	109.46	107.30
Down capture ratio	118.23	112.97	107.27	101.49

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. MSCI ACWI ex USA Index

See disclosure section for important definitions.

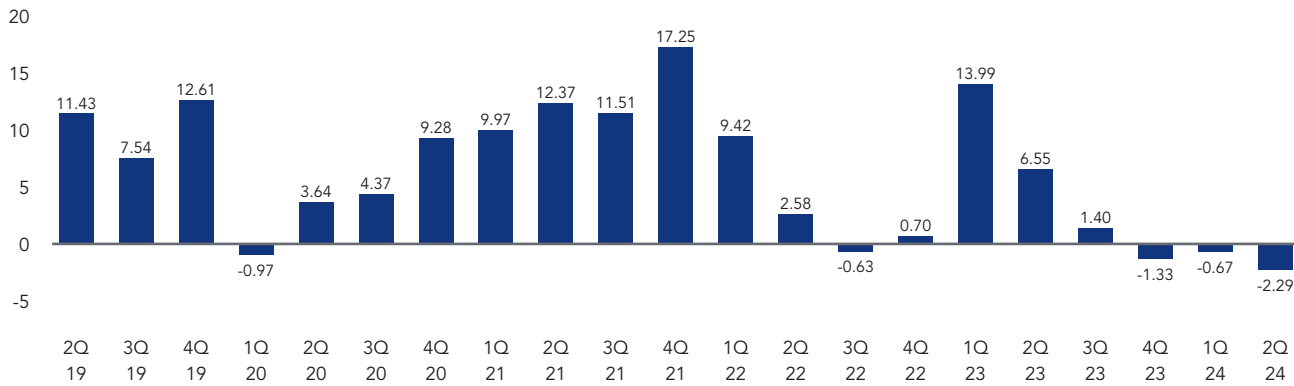
10-year risk/return



	Risk (%)	Return (%)
Federated Hermes International Equity Fund (IS)	16.45	5.21
MSCI ACWI ex USA Index	15.03	3.84

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3-year rolling returns - IS (%)



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Category rankings

Morningstar Foreign Large Blend Category		1-year	3-year	5-year	10-year
R6 Shares	Morningstar Category % Rank	26	94	52	-
	Morningstar Category Rank	204 of 734 funds	632 of 679 funds	343 of 639 funds	-
IS Shares	Morningstar Category % Rank	27	94	53	15
	Morningstar Category Rank	211 of 734 funds	636 of 679 funds	352 of 639 funds	56 of 421 funds
A Shares	Morningstar Category % Rank	30	95	60	18
	Morningstar Category Rank	236 of 734 funds	642 of 679 funds	406 of 639 funds	73 of 421 funds

Lipper International Multi-Cap Growth Funds		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	19	45	36	-
	Lipper Classification Rank	31 of 165 funds	72 of 159 funds	55 of 153 funds	-
IS Shares	Lipper Classification % Rank	22	47	38	25
	Lipper Classification Rank	35 of 165 funds	74 of 159 funds	57 of 153 funds	26 of 106 funds
A Shares	Lipper Classification % Rank	25	50	47	33
	Lipper Classification Rank	41 of 165 funds	79 of 159 funds	72 of 153 funds	35 of 106 funds

Past performance is no guarantee of future results. Rankings are based on total return and do not take sales charges into account.

Federated Hermes International Equity Fund

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 prospectus before investing.

The fund is the successor to the PNC International Equity Fund ("predecessor fund"), a portfolio of PNC Funds, pursuant to a reorganization involving the Fund and the predecessor fund on November 15, 2019. Prior to the date of the reorganization, the fund had no investment operations. Accordingly, the performance information, for periods prior to the reorganization is historical information for the predecessor fund. The predecessor fund was managed by the same portfolio management team as the fund, had an identical investment objective and substantially identical strategies, policies and restrictions.

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.

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.

Due to their relatively high valuations, growth stocks are typically more volatile than value stocks.

Value stocks tend to have higher dividends and thus have a higher income-related component in their total return than growth stocks. Value stocks also may lag growth stocks in performance at times, particularly in late stages of a market advance.

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

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.

Correlation is the degree to which one variable (here, the fund's returns) fluctuates relative to another (the returns of the fund's benchmark). Correlation ranges from 1.00, when two variables move identically in the same direction, to -1.00, when two variables move identically in the opposite direction.

Standard deviation is a historical measure of the variability of returns relative to the average annual return. A higher number indicates higher overall volatility.

Up capture ratio/down capture ratio 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.

Weighted median P/E (NTM—next 12 months) is a ratio comparing share price to earnings-per-share using estimated data for the next 12 months.

Weighted median market cap is the calculation representing the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock.

Weighted median price/book is a ratio comparing share price to book value or assets minus liabilities.

MSCI ACWI ex USA Index captures large- and mid-cap representation across 22 of 23 developed markets (DM) countries (excluding the U.S.) and 27 emerging markets (EM) countries. The index covers approximately 85% of the global equity opportunity set outside the U.S.

Indexes are unmanaged and cannot be invested in directly.

Ratings and rating agencies

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