

Federated Hermes International Leaders Fund

9/30/24

Fund facts

Performance inception date

9/30/98

Benchmark

MSCI EAFE Index

Morningstar category

Foreign Large Blend

Lipper classification

International Large-Cap Core

Fund assets

\$1.3 billion

Ticker symbols

R6 Shares - FGRSX

Institutional Shares - FGFLX

A Shares - FGFAF

C Shares - FGFCX

R Shares - FGFRX

Key investment team

Richard Winkowski, Jr.

Dariusz Czoch, CFA

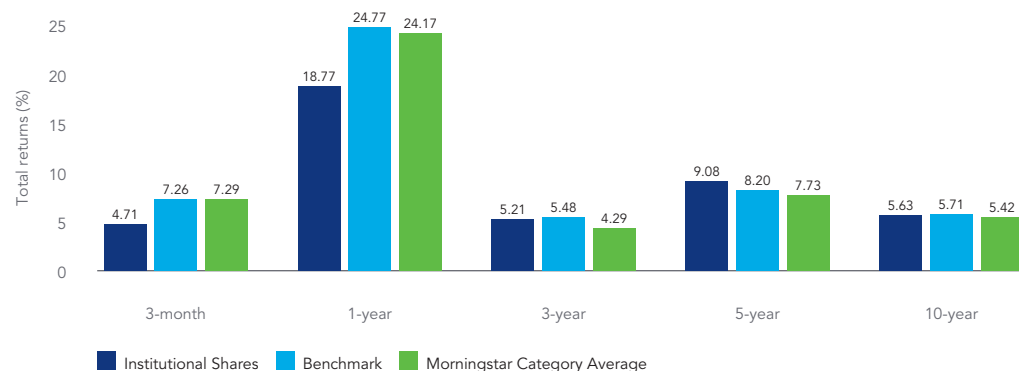
Fund description

The fund seeks to provide long-term capital growth by investing primarily in developed-market stocks of high-quality, foreign companies that appear to be trading below their intrinsic value. Its high-conviction portfolio typically consists of 55 to 80 companies.

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	4.72	8.38	18.80	5.26	9.13	5.69	7.87	0.92	0.74
Institutional Shares	4.71	8.34	18.77	5.21	9.08	5.63	7.83	1.00	0.79
A Shares (NAV)	4.64	8.10	18.42	4.92	8.79	5.35	7.90	1.27	1.09
A Shares (MOP)	-1.11	2.15	11.91	2.96	7.56	4.76	7.67	1.27	1.09
Benchmark	7.26	12.99	24.77	5.48	8.20	5.71	-	-	-



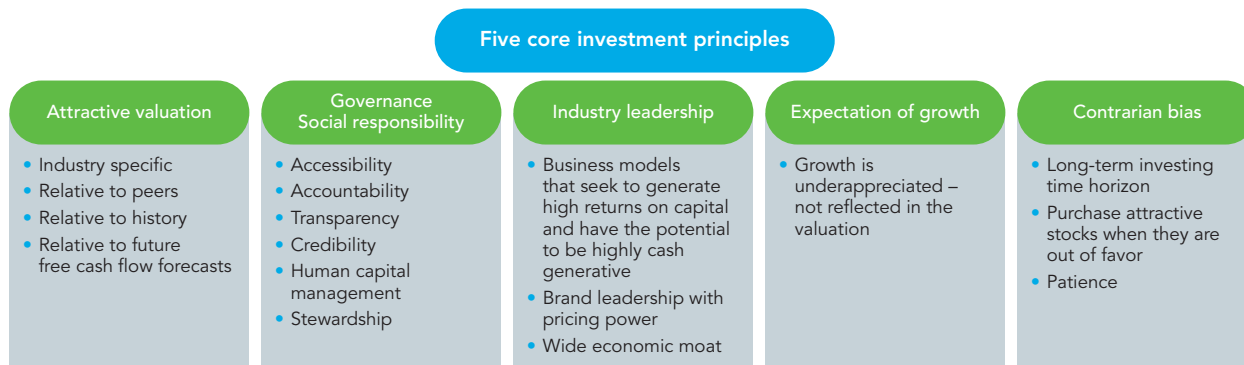
Calendar year total returns (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Institutional Shares	17.35	-8.83	5.02	15.77	27.02	-20.66	28.30	-2.68	-1.94	-4.20
Benchmark	18.24	-14.45	11.26	7.82	22.01	-13.79	25.03	1.00	-0.81	-4.90
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 2/1/25 or the date of the fund's next effective prospectus.

Investment process



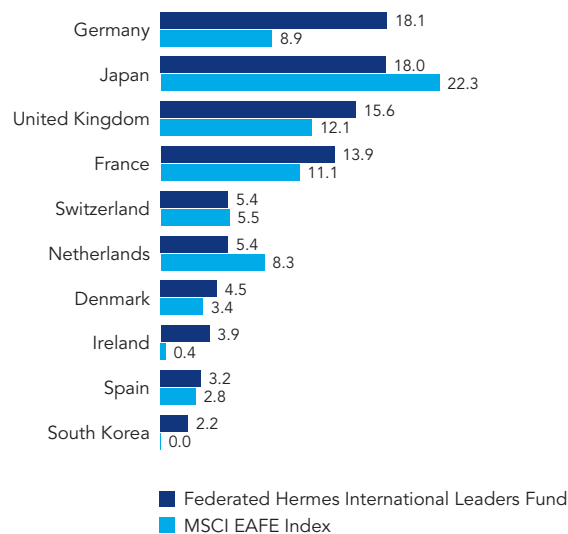
Portfolio statistics

Weighted median P/E (LTM)	23.4x
Weighted median P/E (NTM)	15.8x
Weighted median market cap	\$76.7 b
Weighted median price/book	2.3x
Number of securities	76

Top holdings (%)

Siemens AG <i>Germany</i>	3.9
AstraZeneca PLC <i>United Kingdom</i>	3.3
National Grid-SP PLC <i>United Kingdom</i>	2.8
Novo Nordisk A/S <i>Denmark</i>	2.8
Sanofi <i>France</i>	2.8
ASML Holding N.V. <i>Netherlands</i>	2.7
Deutsche Telekom AG Class REG <i>Germany</i>	2.4
Sony Group Corp. <i>Japan</i>	2.4
Keyence Corp. <i>Japan</i>	2.3
Kerry Group PLC <i>Ireland</i>	2.2
Total % of portfolio	27.6

Top country weightings (%)



Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 9/30/24 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

- Central Bank Policies
- Elections
- Inflation
- Conflicts in Ukraine and Middle East

Looking Back

Global economic activity showed signs of slowing as manufacturing and services softened across most major economies. Gold reached an all-time high driven by central bank purchases and the onset of the rate cutting cycle with major central banks easing policy rates. Energy prices moved lower led by crude which fell nearly -14% on concerns that supply growth is set to exceed demand growth. OPEC's announcement to delay previously scheduled production increases until December supported these concerns. Elections in the UK and France led to new governments and in Japan a new PM was announced.

Manufacturing weakness persisted across Europe, particularly in Germany where new orders, backlogs and employment fell. In France, manufacturing continued to contract despite modest improvements in orders and employment. French services activity, which surged during the Paris Olympics, contracted in a widely expected payback. US production remained tepid, as did new orders leading to the sixth consecutive month of manufacturing contracting.

Central banks continued to evaluate policy rates as they sought to balance inflation, employment levels with economic growth. After more than four years at its highest level in two decades, the US Federal Reserve lowered its policy rate by half a percentage point. The aggressive move followed earlier cuts by several central banks including the Bank of England and European Central Bank. The People's Bank of China also took easing measures including cuts to its policy rate and reserve requirements to help spur growth and revive the housing market.

The expectation of rate hikes along with increased volatility in the yen led to an unwinding of the carry trade. As the attractiveness of the carry trade began to collapse, the Bank of Japan raised its rate 0.25% as it started the process of unwinding its stimulus program. This was the second hike this year with the 0.25% rate marking the highest level since 2008. Inflation continued to move higher with the August reading indicating the fourth consecutive monthly increase.

Performance

The Federated Hermes International Leaders Fund (Institutional Shares at NAV) returned 4.71% for the quarter ending September 30, 2024. That compares to its benchmark, the MSCI EAFE Index, that return 7.26% during the period. As a result, the fund underperformed the benchmark by -2.55%.

Performance contributors

- Stock selection within Industrials, Communication Services, Utilities, Materials, and Consumer Discretionary contributed to gains
- Within Industrials, IHI Corporation, DSV A/S, and Siemens AG were the main contributors
- Within Communication Services, Cellnex Telekom SA and Deutsche Telekom AG were noteworthy contributors
- Within Utilities, National Grid Plc was the main contributor
- DSM-Firmenich AG was the largest contributor in Materials

Performance detractors

- Stock selection within Financials, Information Technology, Consumer Staples, Health Care, and the Fund's underweight to Real Estate detracted
- Within Financials, Edenred SA was the main detractor
- Within Information Technology, Samsung Electronics Co., Ltd., STMicroelectronics NV and ASML Holding NV were the largest detractors
- Within Consumer Staples, Shiseido was the largest detractor
- Within Health Care, Novo Nordisk and AstraZeneca detracted

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How we are positioned

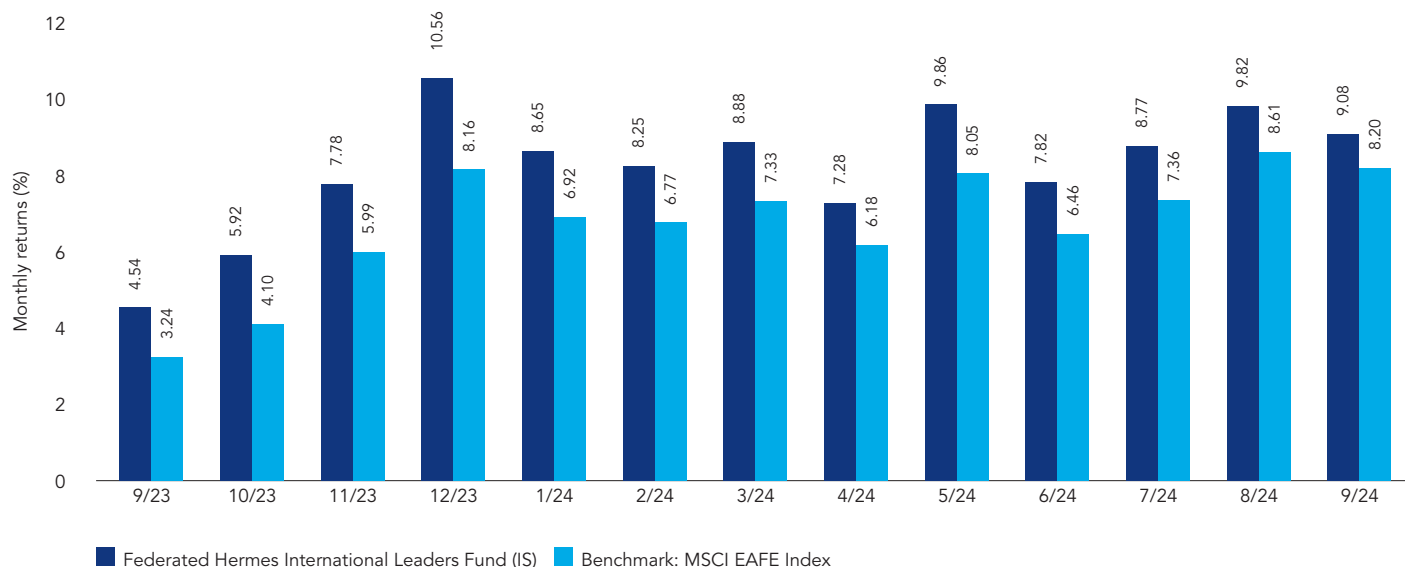
In the near term, the US presidential election will be a major influence on sentiment as investors try to assess which candidate will win the election and the resulting impact on economic policies and industries. In the past, following US presidential elections, on average, equity markets in the UK and Japan outperform US equity markets during the 3-month post-election period. Both regions have stable economic outlooks, attractive equity valuations and interesting investment opportunities.

We are also paying close attention to the US dollar. After the Federal Reserve lowered rates in September and entered its rate-cutting cycle the dollar began to weaken. The dollar has been strong over the last decade which has been a headwind for US investors' overseas holdings. We see the dollar entering a period of weakness which should favor international equities, especially emerging market equities.

The portfolio continues to be positioned to take advantage of a cyclical recovery, particularly in Europe and China.

See disclosure section for important disclosures and definitions.

5-year rolling returns vs. MSCI EAFE 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

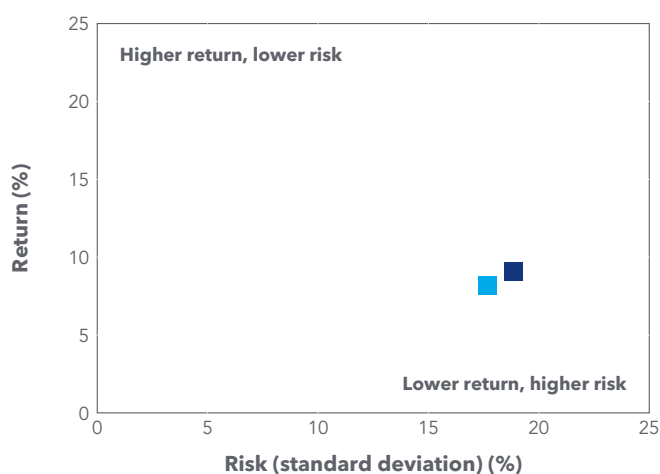
	3-year	5-year	7-year	10-year
Standard deviation	18.41	18.87	18.00	16.77
Alpha	-0.17	0.75	-0.36	-0.16
Beta	1.05	1.04	1.07	1.07
R²	92.68	94.13	94.21	93.03

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. MSCI EAFE Index

See disclosure section for important definitions.

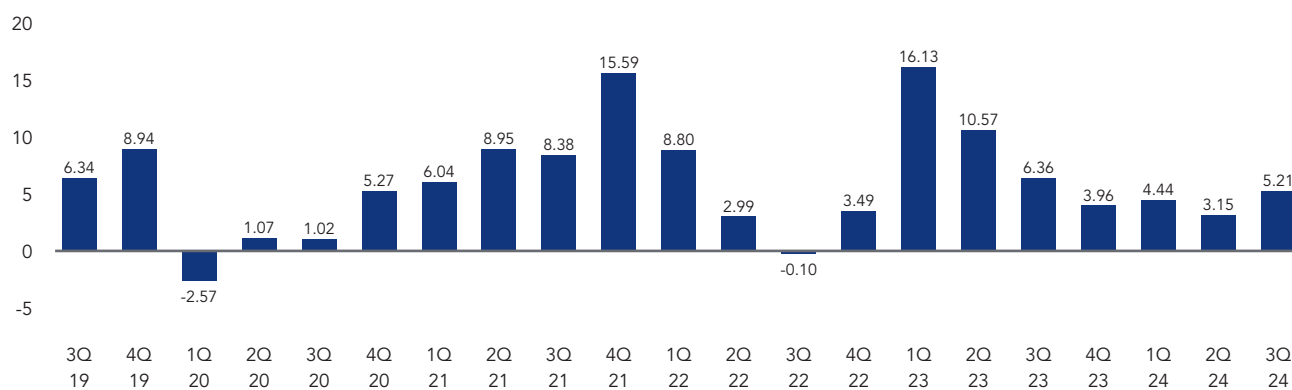
5-year risk/return



	Risk (%)	Return (%)
■ Federated Hermes International Leaders Fund (IS)	18.87	9.08
■ MSCI EAFE Index	17.66	8.20

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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	93	34	16	42
	Morningstar Category Rank	657 of 717 funds	196 of 667 funds	105 of 629 funds	154 of 422 funds
IS Shares	Morningstar Category % Rank	93	34	17	45
	Morningstar Category Rank	658 of 717 funds	200 of 667 funds	110 of 629 funds	161 of 422 funds
A Shares	Morningstar Category % Rank	95	42	24	55
	Morningstar Category Rank	675 of 717 funds	238 of 667 funds	148 of 629 funds	220 of 422 funds

Lipper International Large-Cap Core		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	93	33	20	30
	Lipper Classification Rank	259 of 280 funds	83 of 255 funds	46 of 237 funds	48 of 159 funds
IS Shares	Lipper Classification % Rank	93	34	20	33
	Lipper Classification Rank	260 of 280 funds	85 of 255 funds	47 of 237 funds	52 of 159 funds
A Shares	Lipper Classification % Rank	95	43	26	45
	Lipper Classification Rank	266 of 280 funds	108 of 255 funds	60 of 237 funds	71 of 159 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 Leaders 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'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 8, 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 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.

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.

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

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 P/E (LTM—latest 12 months) is a ratio comparing share price to earnings per share using data from the previous 12 months.

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

MSCI EAFE Index is an equity index which captures large- and mid-cap representation across developed markets countries around the world, excluding the US and Canada. 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

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