

Federated Hermes International Leaders Fund

6/30/24

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

\$1.4 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

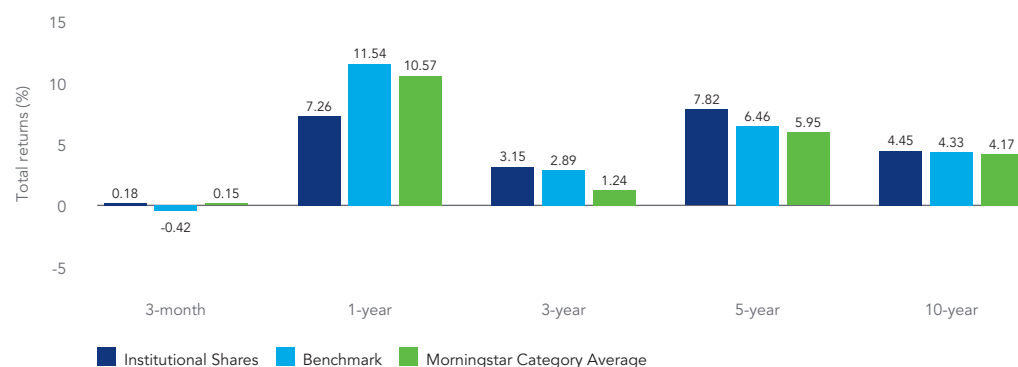
Fund description

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	0.21	3.50	7.31	3.20	7.88	4.51	7.75	0.92	0.74
Institutional Shares	0.18	3.47	7.26	3.15	7.82	4.45	7.72	1.00	0.79
A Shares (NAV)	0.10	3.30	6.95	2.86	7.54	4.18	7.79	1.27	1.09
A Shares (MOP)	-5.41	-2.38	1.06	0.94	6.33	3.59	7.56	1.27	1.09
Benchmark	-0.42	5.34	11.54	2.89	6.46	4.33	-	-	-



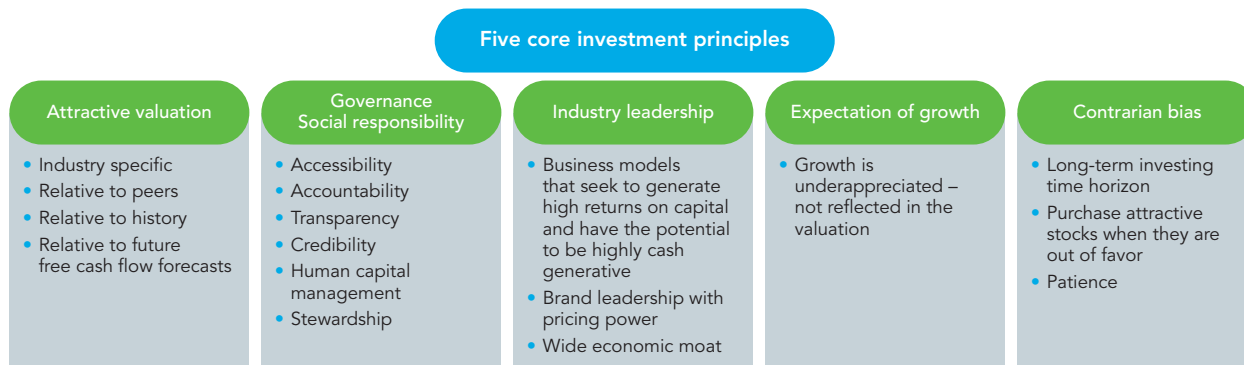
Calendar year total returns (%)

	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



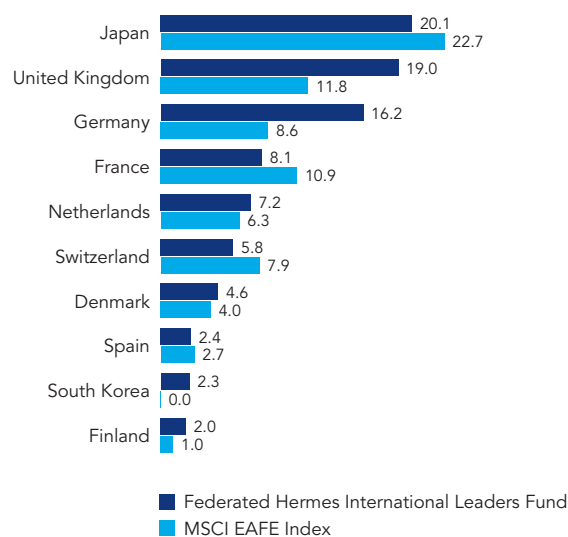
Portfolio statistics

Weighted median P/E (LTM)	24.7x
Weighted median P/E (NTM)	16.2x
Weighted median market cap	\$48.6 b
Weighted median price/book	2.3x
Number of securities	73

Top holdings (%)

AstraZeneca PLC <i>United Kingdom</i>	3.5
Siemens AG <i>Germany</i>	3.5
Novo Nordisk A/S <i>Denmark</i>	3.2
ASML Holding N.V. <i>Netherlands</i>	2.7
Sanofi <i>France</i>	2.3
Keyence Corp. <i>Japan</i>	2.2
National Grid-SP PLC <i>United Kingdom</i>	2.2
Rolls-Royce Holdings PLC <i>United Kingdom</i>	2.2
HSBC Holdings PLC <i>United Kingdom</i>	2.1
Sony Group Corp. <i>Japan</i>	2.1
Total % of portfolio	26.0

Top country weightings (%)



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

- Inflation
- Wars in Israel and Ukraine
- Crude oil rally
- Manufacturing improving

Looking Back

Inflationary pressures showed signs of easing across much of the globe although some pockets remained at elevated levels. With inflation retreating, major central banks, including the ECB, began cutting policy rates. In the U.S., inflation abated more slowly than anticipated, leading to a reduction in forecasted 2024 Federal Reserve rate cuts from three to just one. In the U.K., May's 2% CPI reading left the BoE poised to cut rates at its next meeting. The BoJ remains the only major central bank in a position to raise rates in conjunction with escaping three decades of deflation. However, its hesitancy to hike has driven the yen to its lowest level versus the U.S. dollar since 1986.

As political risks rose across Europe, the uncertainty surrounding future economic, social and immigration policies set in. In the UK, Prime Minister Rishi Sunak called for snap elections amid concerns of dwindling support. At June's EU Parliamentary elections, President Emmanuel Macron of France and Chancellor Olaf Scholz of Germany suffered bitter defeats from far-right parties. In response, President Macron unexpectedly called for a snap election which resulted in an embarrassing defeat for his party.

Global economic data was mixed during the quarter. The U.S. consumer continued to be a bright spot in defiance of all pressures and uncertainties. In Germany, soft manufacturing was offset by a robust services sector supported by falling energy prices. In France, election uncertainty led to a decline in new orders, though domestic consumption, while tepid, remained positive as Paris has been preparing for the upcoming Olympics.

Buoyed by the weak yen, manufacturing in Japan expanded for first time since May of 2023. CPI ex-Food rose 2.5%, its 26th consecutive month above the BoJ's 2% target. Labor shortages helped nominal wages rise by 2.3% although real wages have continued to lag. Retail sales and household outlays showed some improvement, but domestic demand remained subdued.

In China, manufacturing unexpectedly declined although foreign demand held firm as exporters saw orders increase for the fifth straight month. Rising political and trade tensions between China, the U.S. and the E.U. are expected to linger for the foreseeable future.

Performance

The Federated Hermes International Leaders Fund (IS Shares at NAV) returned 0.18% for the quarter ending June 30, 2024. That compares favorably to its benchmark, the MSCI EAFE Index, that return -0.42% during the period. As a result, the fund outperformed the benchmark by 0.60%.

Performance contributors

- Stock selection within Materials, Health Care and Industrials contributed to gains
- Within Materials, Anglo American PLC was the main contributor
- Within Health Care, AstraZeneca PLC and Novo Nordisk A/S were noteworthy contributors
- Within Industrials, Hitachi Ltd., Rolls Royce-Holdings PLC, Mitsubishi Heavy Industries, Ltd. and IHI Corporation and were noteworthy contributors

Performance detractors

- Stock selection within Financials and Consumer Discretionary detracted
- Within Financials, Edenred SA was the main detractor
- Within Consumer Discretionary, SSP Group PLC and Porsche AG were key detractors.

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How we are positioned

As we move into the second half of the year, we are starting to see some green shoots in developed and emerging economies, though clouded by elevated geopolitical tensions. The ongoing conflicts in Ukraine and Gaza, along with elections across Europe and the U.S., have the potential to elevate market volatility.

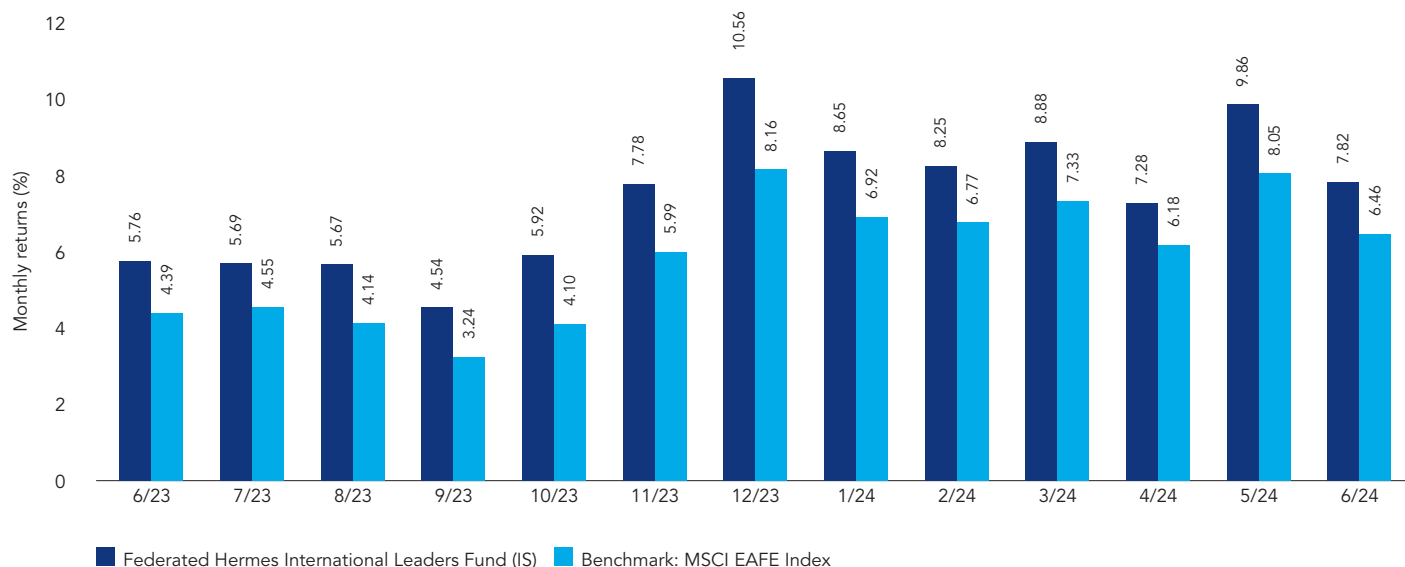
The European economy is set to recover as manufacturing improves, monetary policy becomes more accommodative, unemployment rates stay low and real wages rise above inflation. China's outlook remains mixed as positive export data is being offset by weak consumer confidence and a depressed real estate sector.

We take a more constructive view toward European equities believing that they have turned the corner. In particular we find U.K. equities trading at attractive valuations with more muted political risks. However, we see a risk to the emerging markets from ongoing stronger for longer dollar as the Fed continues to lag major central banks.

The portfolio continues to be positioned to take advantage of four themes: inventory de-stocking and subsequent re-stocking, cyclical recovery particularly in Europe and China, semiconductors and AI and increases in defense spending around the world.

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

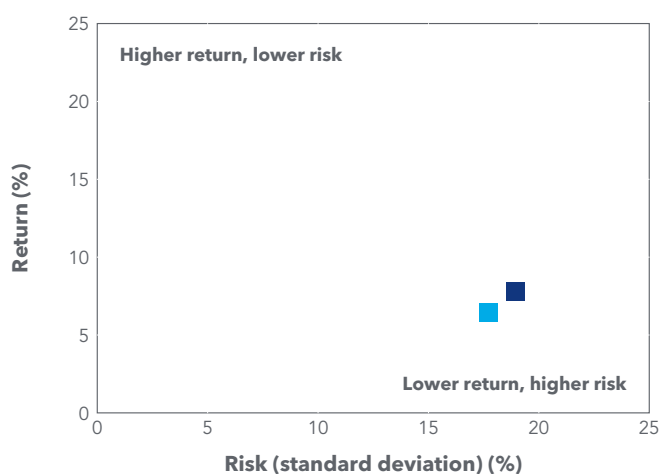
	3-year	5-year	7-year	10-year
Standard deviation	18.50	18.93	18.04	16.84
Alpha	0.45	1.26	0.13	0.11
Beta	1.05	1.04	1.08	1.07
R²	93.03	94.34	94.19	93.08

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. MSCI EAFE Index

See disclosure section for important definitions.

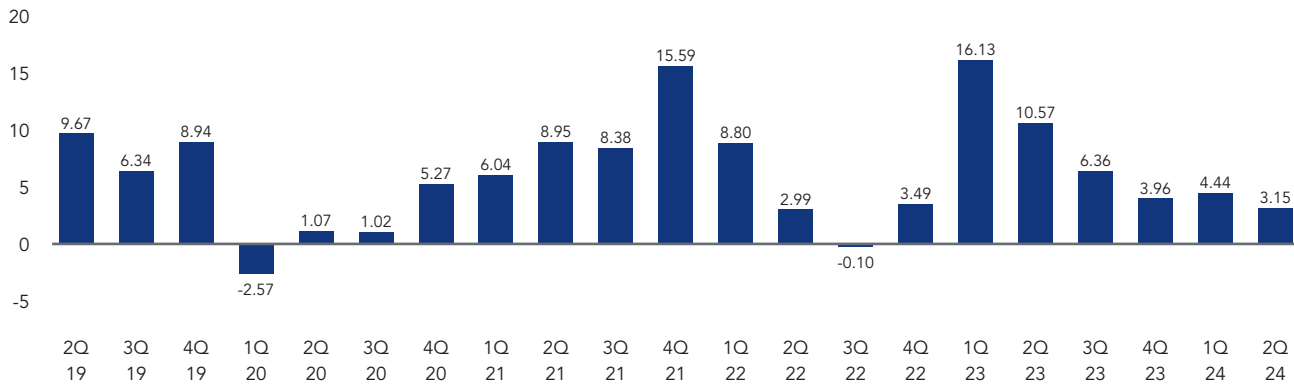
5-year risk/return



	Risk (%)	Return (%)
■ Federated Hermes International Leaders Fund (IS)	18.93	7.82
■ MSCI EAFE Index	17.71	6.46

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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	84	15	10	31
	Morningstar Category Rank	602 of 734 funds	95 of 679 funds	72 of 639 funds	118 of 421 funds
IS Shares	Morningstar Category % Rank	84	15	10	34
	Morningstar Category Rank	604 of 734 funds	96 of 679 funds	75 of 639 funds	136 of 421 funds
A Shares	Morningstar Category % Rank	86	25	15	48
	Morningstar Category Rank	628 of 734 funds	141 of 679 funds	100 of 639 funds	186 of 421 funds

Lipper International Large-Cap Core		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	83	17	12	15
	Lipper Classification Rank	201 of 243 funds	35 of 217 funds	24 of 200 funds	20 of 138 funds
IS Shares	Lipper Classification % Rank	83	17	13	18
	Lipper Classification Rank	202 of 243 funds	36 of 217 funds	25 of 200 funds	25 of 138 funds
A Shares	Lipper Classification % Rank	85	28	19	31
	Lipper Classification Rank	205 of 243 funds	60 of 217 funds	37 of 200 funds	42 of 138 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 U.S. 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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