

Federated Hermes International Leaders Fund

6/30/23

Fund facts

Performance inception date

9/30/98

Benchmark

MSCI EAFE Index

Morningstar category

Foreign Large Blend

Lipper classification

International Large-Cp Core Fds

Fund assets

\$1.2 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

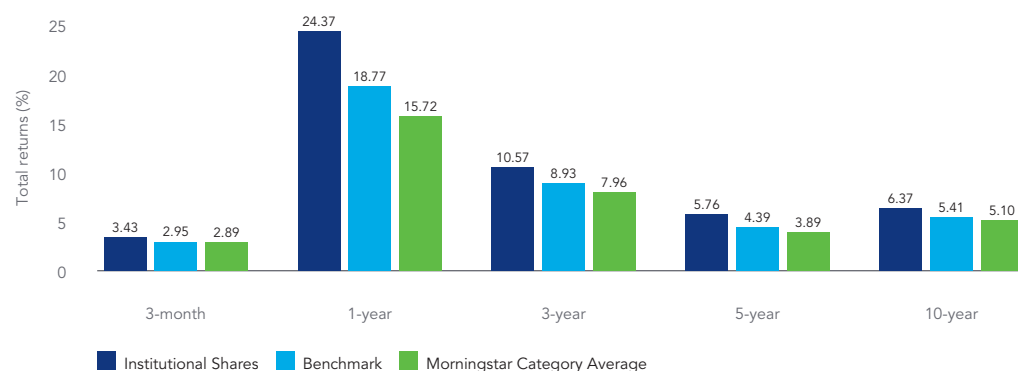
Fund description

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 50 to 100 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	3.43	13.21	24.44	10.63	5.82	6.43	7.77	1.04	0.74
Institutional Shares	3.43	13.19	24.37	10.57	5.76	6.37	7.74	1.12	0.79
A Shares (NAV)	3.35	13.01	24.01	10.29	5.48	6.10	7.83	1.39	1.09
A Shares (MOP)	-2.34	6.80	17.17	8.23	4.29	5.50	7.58	1.39	1.09
Benchmark	2.95	11.67	18.77	8.93	4.39	5.41	-	-	-



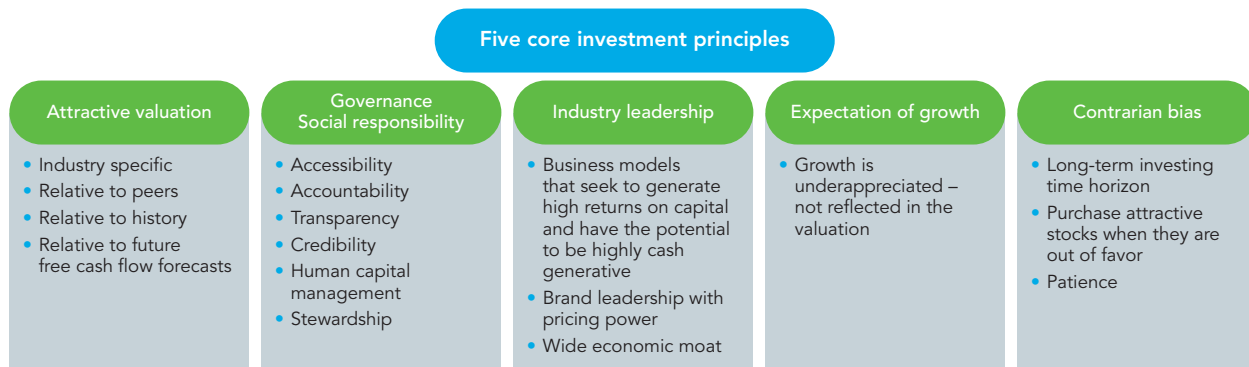
Calendar year total returns (%)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Institutional Shares	-8.83	5.02	15.77	27.02	-20.66	28.30	-2.68	-1.94	-4.20	27.44
Benchmark	-14.45	11.26	7.82	22.01	-13.79	25.03	1.00	-0.81	-4.90	22.78
Morningstar Category Average	-15.84	9.72	9.30	21.59	-14.59	25.12	0.79	-1.59	-4.98	19.44

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.

Investment process



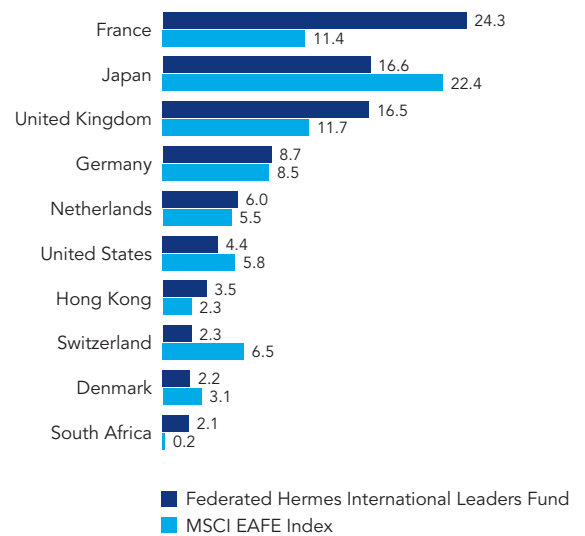
Portfolio statistics

Weighted median P/E (LTM)	19.1x
Weighted median P/E (NTM)	14.5x
Weighted median market cap	\$45.1 b
Weighted median price/book	2.2x
Number of securities	68

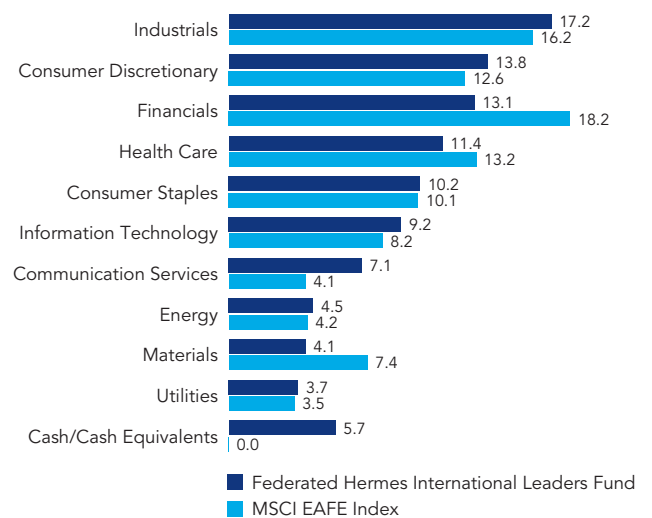
Top holdings (%)

AstraZeneca PLC <i>United Kingdom</i>	3.9
Siemens AG <i>Germany</i>	3.1
Prudential plc <i>Hong Kong</i>	2.6
Deutsche Telekom AG <i>Germany</i>	2.4
Nestle S.A. <i>United States</i>	2.4
Teleperformance SE <i>France</i>	2.4
Entain plc <i>United Kingdom</i>	2.2
Imperial Brands PLC <i>United Kingdom</i>	2.2
Novo Nordisk A/S <i>Denmark</i>	2.2
Anglo American PLC <i>South Africa</i>	2.1
Total % of portfolio	25.5

Top country weightings (%)



Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 6/30/23 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.

Highlights

- Banking sector stress
- Inflation
- Central bank policy rate hikes
- Ukraine invasion
- OPEC production cuts

Looking Back

Global economic data was mixed with Germany slipping into a mild recession while the U.S. and Japan experienced growth. Though headline inflation numbers remained elevated, they eased off their peak. Eurozone inflation fell to 5.5%, a 17-month low, and in the U.S., inflation declined to 4.0%, its lowest level since March 2021. Weaker commodity prices helped ease cost pressures as did falling power prices across the U.S. and Europe, down more than 50% versus a year ago.

Central banks faced the dilemma of either hiking interest rates to further bring down inflation or pausing to allow the effects of recent hikes to work through the financial system. During the quarter, the BoE raised its benchmark rate to 5.0%, its highest level since 2008, while the ECB raised its rate to 4.0%. The U.S. raised its rate to 5.25% before deciding to pause at its June meeting, though another hike is expected in July. The rapid rate hikes and tighter credit conditions continued to stress the banking system as solvency concerns persisted.

Despite expectations for crude oil demand to outpace supply by the end of the year, the price for a barrel of oil weakened on fears that a recession would weigh on demand. OPEC responded with two production cuts, one in April and the second set for July, to balance the market and squeeze out short sellers. However, prices remained range-bound, settling near an 18-month low. Following a warm winter and weaker demand from slower manufacturing, natural gas storage across Europe remains well above historical levels ahead of the heating season.

China's reopening struggled to gain momentum with industrial production and retail sales coming in below expectations. Beijing cut its seven-day repo rate to 1.9% from 2.0% amid softer economic conditions and weaker-than-expected inflation. Additional measures aimed at lowering borrowing costs promoted speculation that additional stimulus would follow. At the same time, equity markets started to discount the idea that China will use more measured actions in lieu of a "bazooka-like" stimulus.

The war in Ukraine continued without a resolution. A brief coup by Wagner Group in June quickly ended but emphasized how volatile the situation remains.

Performance

The Federated International Leaders Fund (A Shares at NAV) returned 3.35% for the quarter ending June 30, 2023. That compares to its benchmark, the MSCI EAFE Index, which returned 2.95% during the period. As a result, the fund outperformed the benchmark by 0.40%.

Performance contributors

- Stock selection in the Consumer Discretionary, Health Care, Communication Services, Energy, Information Technology and Utilities sectors
- Within Consumer Discretionary, Accor SA was the main contributor
- Terumo Corporation within Health Care and Oriental Land in Consumer Discretionary were also noteworthy contributors

Performance detractors

- Stock selection in the Industrials, Consumer Staples, Materials and Financials sectors
- In Consumer Staples, Anheuser-Busch InBev SA/NV was a key detractor
- Teleperformance SA in Industrials and Anglo-American plc in Materials were also key detractors

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.

How we are positioned

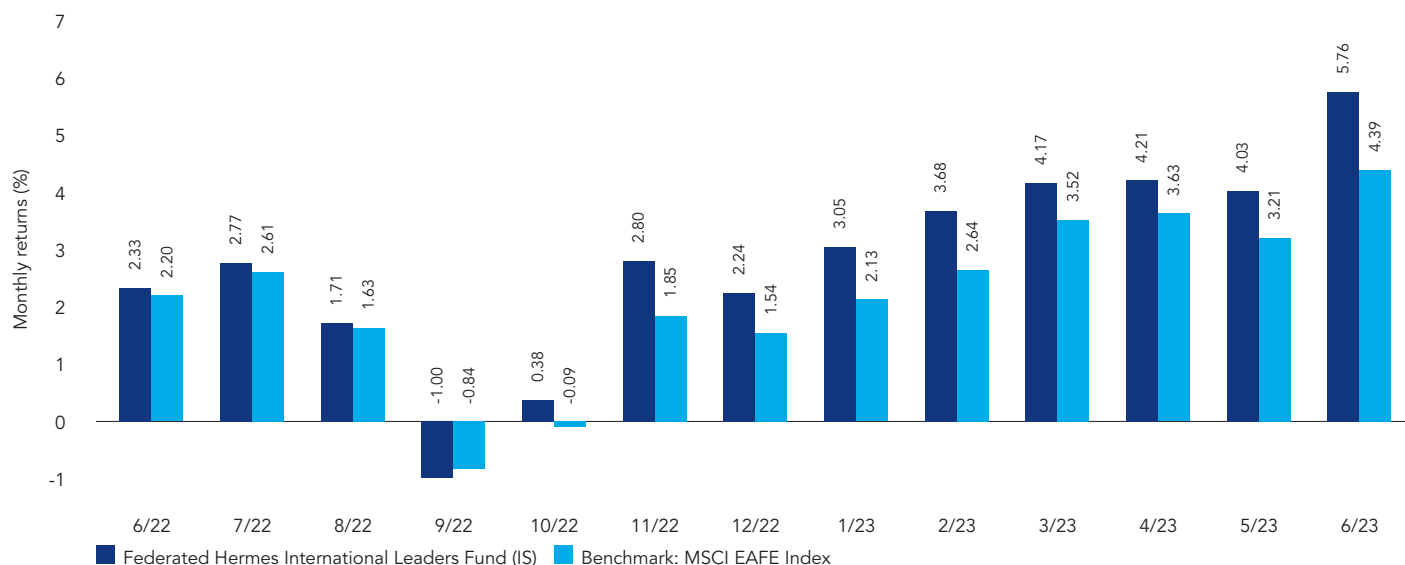
Elevated inflation in the G-7 economies, slower global growth as higher interest rates dampen demand and continuing geopolitical tensions will cap growth rates around the world in international equity markets. The ECB and the BoE are committed to maintaining their rate hike cycles as inflation in Europe and in the U.K. remains well above targeted levels. Manufacturing will remain weak as global demand slows. The consumer continues to be the bright spot as unemployment rates remain stubbornly low and savings rates persist at elevated levels. Amongst developed countries, Japan looks attractive with an economy supported by domestic demand, China's reopening and an equity market with attractive valuations, resilient earnings, and a renewed commitment from Japanese boards to improve shareholder returns.

Emerging markets are facing headwinds from a slower post-Covid economic recovery in China and continued political tensions between the U.S. and China. Taiwan, South Korea, and other Asian equity markets will see below-trend growth as exports decline due to slowing growth in the developed world. India, Mexico and Brazil are seeing increases in foreign investments as companies look to "de-risk" their exposure to China. The fund maintains indirect exposure to emerging markets through numerous positions in global franchise leaders.

Our base case scenario remains a rocky landing for the global economy, but we do acknowledge that more leading indicators are pointing toward a possible shallow recession over the next 12 months.

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) from 7/1/17 - 6/30/22.

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

Timeframe based on current management style of Federated Hermes International Leaders Fund.

Risk statistics

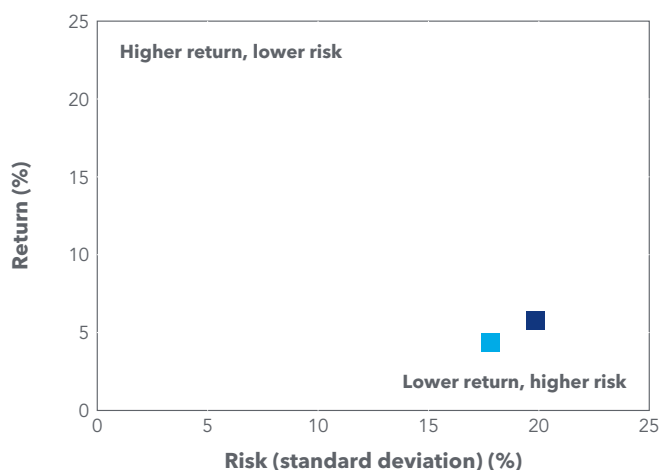
	3-year	5-year	7-year	10-year
Standard deviation	19.80	19.83	17.51	16.91
Alpha	1.32	1.33	1.47	0.74
Beta	1.06	1.08	1.08	1.09
R²	93.50	94.49	93.82	92.91

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. MSCI EAFE Index

See disclosure section for important definitions.

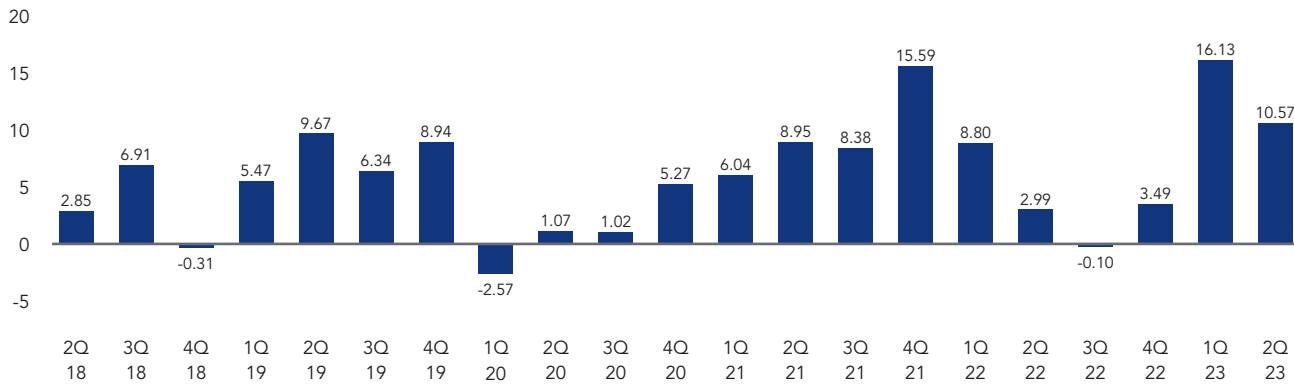
5-year risk/return



	Risk (%)	Return (%)
■ Federated Hermes International Leaders Fund (IS)	19.83	5.76
■ MSCI EAFE Index	17.82	4.39

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).

3-year rolling returns - IS (%)



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.

Category rankings

Morningstar Foreign Large Blend Category		1-year	3-year	5-year	10-year
R6 Shares	Morningstar Category % Rank	1	9	10	-
	Morningstar Category Rank	5 of 730 funds	57 of 678 funds	67 of 616 funds	-
IS Shares	Morningstar Category % Rank	1	9	11	9
	Morningstar Category Rank	7 of 730 funds	59 of 678 funds	70 of 616 funds	25 of 409 funds
A Shares	Morningstar Category % Rank	2	12	13	12
	Morningstar Category Rank	10 of 730 funds	73 of 678 funds	80 of 616 funds	42 of 409 funds

Lipper International Large-Cp Core Fds		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	1	19	17	-
	Lipper Classification Rank	1 of 173 funds	29 of 160 funds	23 of 142 funds	-
IS Shares	Lipper Classification % Rank	2	20	18	5
	Lipper Classification Rank	3 of 173 funds	31 of 160 funds	25 of 142 funds	4 of 98 funds
A Shares	Lipper Classification % Rank	4	22	20	8
	Lipper Classification Rank	6 of 173 funds	34 of 160 funds	28 of 142 funds	7 of 98 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

Lipper Categories: Data Source: Lipper, A Reuters Company. Copyright 2023© Reuters. All rights reserved. Any copying, republication or redistribution of Lipper content, including by caching, framing or similar means, is expressly prohibited without the prior written consent of Lipper. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

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.