

Federated Hermes International Leaders Fund

12/31/23

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

\$1.2 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

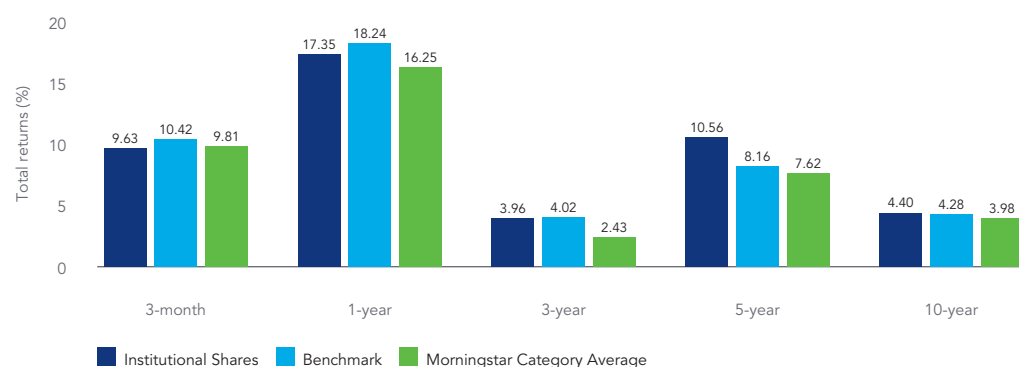
Fund description

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	9.62	17.38	17.38	4.01	10.62	4.45	7.77	1.04	0.74
Institutional Shares	9.63	17.35	17.35	3.96	10.56	4.40	7.73	1.12	0.79
A Shares (NAV)	9.55	16.99	16.99	3.69	10.27	4.12	7.81	1.39	1.09
A Shares (MOP)	3.53	10.57	10.57	1.75	9.03	3.54	7.57	1.39	1.09
Benchmark	10.42	18.24	18.24	4.02	8.16	4.28	-	-	-



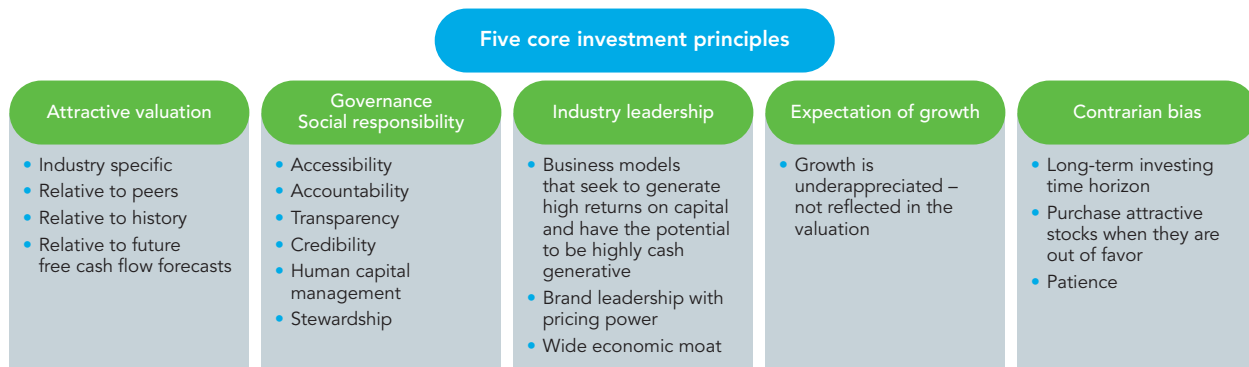
Calendar year total returns (%)

	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

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. 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



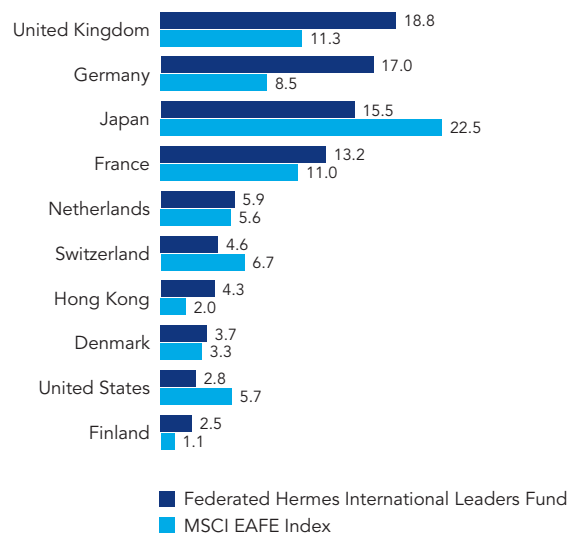
Portfolio statistics

Weighted median P/E (LTM)	16.9x
Weighted median P/E (NTM)	15.7x
Weighted median market cap	\$49.6 b
Weighted median price/book	2.2x
Number of securities	77

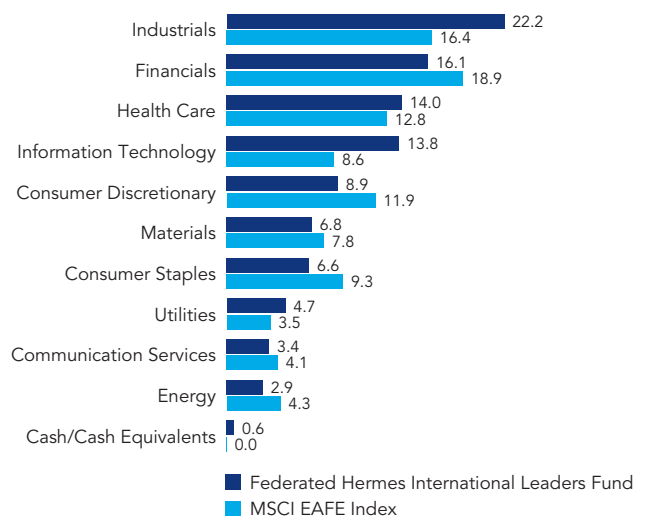
Top holdings (%)

AstraZeneca PLC <i>United Kingdom</i>	4.0
Siemens AG <i>Germany</i>	3.1
ASML Holding N.V. <i>Netherlands</i>	2.9
Keyence Corp. <i>Japan</i>	2.8
Prudential plc <i>Hong Kong</i>	2.5
Novo Nordisk A/S <i>Denmark</i>	2.4
RWE AG <i>Germany</i>	2.4
Anglo American PLC <i>South Africa</i>	2.3
Entain plc <i>United Kingdom</i>	2.2
Sanofi <i>France</i>	2.2
Total % of portfolio	26.8

Top country weightings (%)



Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 12/31/23 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

- Inflation
- Central bank divergence
- OPEC production cut extension
- Wars in Israel and Ukraine

Looking Back

Globally, economic activity showed signs of cooling while economic circumstances reflected mixed conditions. Inflation continued its trend lower; however, it remained above central banks' target levels, driven by food and shelter. Geopolitics continued to cast a shadow over global markets. The war in Ukraine reached an impasse while tensions across the Middle East flared following an attack by Hamas on Israel. Energy prices weakened following concerns that supply growth would outpace demand. OPEC+ responded with an extension of its earlier announced production cuts into 2024, helping stabilize prices. Major developed market central banks left their policy rates unchanged, while emerging market central banks continued their easing trajectory. Manufacturing activity ticked higher on demand improvement but remained in contraction territory.

Recession fears carried over from the previous quarter in the E.U. and U.K. following weakness in manufacturing and services as small and broad-based improvements were overshadowed by fragile economic conditions. Despite recent improvements, the E.U.'s manufacturing contracted for the 18th straight month with Germany's manufacturing sector particularly weak on a downturn in global demand. A lack of new orders in France led to the fastest pace of manufacturing job cuts since May 2020. German inflation did moderate, while French inflation moved higher following a decrease in government support targeting households. In the U.K., new orders and weak retail sales prompted tax cuts and an increase in the national living wage. China's fiscal stimulus momentum continued to disappoint. While infrastructure construction activity increased, the service sector contracted for the second straight month in December on soft domestic consumer demand.

The yen remained close to its recent lows versus the dollar as the Bank of Japan left its negative interest rate unchanged, while further relaxing its yield curve control policy.

Consumer prices rose in the quarter, pressuring employers to boost wages in a tight labor market.

Performance

The Federated Hermes International Leaders Fund (A Shares at NAV) returned 9.55% for the quarter ending December 31, 2023. That compares to its benchmark, the MSCI EAFE Index, which returned 10.42% during the period. As a result, the fund underperformed the benchmark by -0.87%.

Performance contributors

- Stock selection in the Information Technology, Communication Services, Health Care, Consumer Discretionary, Energy and Utilities sectors
- Within Information Technology, Aixtron SE and Keyence Corp. were the main contributors
- Deutsche Telekom AG within Communication Services and Swedish Orphan Biovitrum AB within Health Care were also noteworthy contributors
- Within Industrials, Siemens AG and Rolls-Royce Holdings PLC were also top contributors

Performance detractors

- Stock selection in the Materials, Financials, Industrials and Consumer Staples sectors
- Within Materials, Anglo American PLC was the key detractor
- Barclays PLC in Financials, Alstom SA and CAE Inc. in Industrials 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.

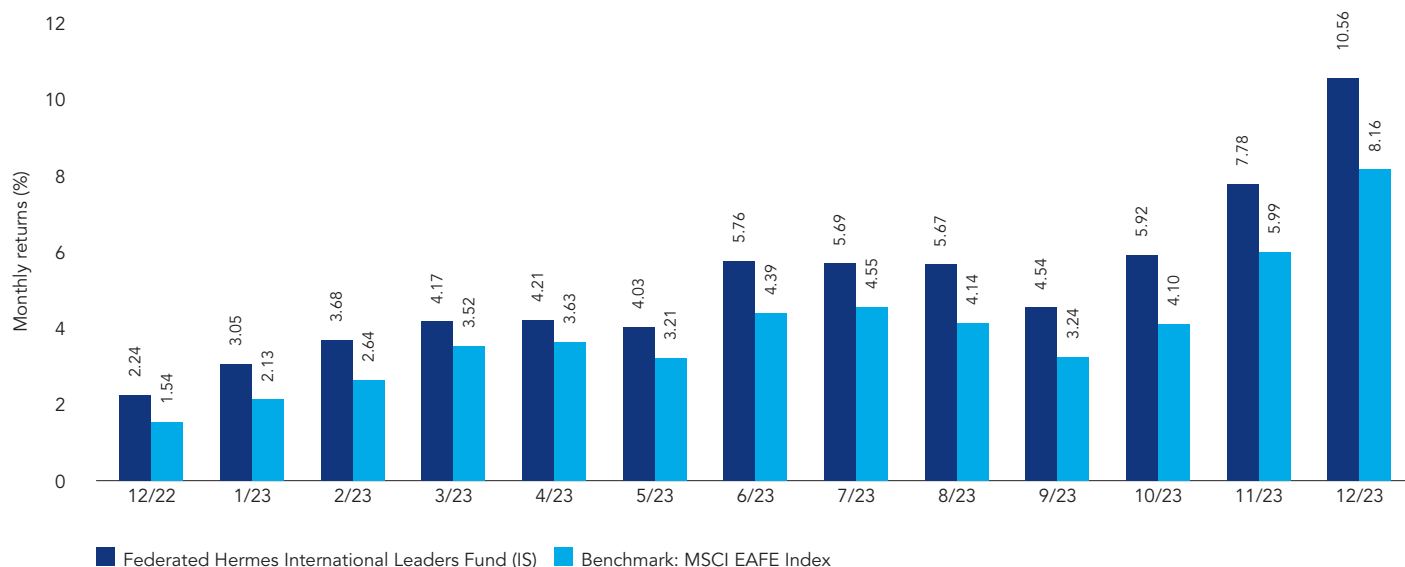
How we are positioned

On the macro front, we expect 2024's developed market economic growth to be tepid, with annual GDP estimates ranging from around 1.7% in Japan to -0.3% in the U.K. Emerging market estimates are higher with India at 7.1%, China at 4.4%, and Mexico at 3.3%. Inflation in advanced economies is tracking back toward targets with average price gains expected at 2.6%, down from the 4.8% pace in 2023. Emerging markets are more varied with some countries experiencing double-digit inflation while China flirts with deflation at the same time. Overall, we expect a tepid macro environment in 2024 as manufacturing starts to recover, demand stays stable and rates moderate. Geopolitics will continue to dampen investor sentiment with the war in Ukraine grinding on, a simmering Middle East conflict and a potentially contentious U.S. presidential election.

We continue to seek attractive investment opportunities in developed international markets. Inventory de-stocking is nearing its end after an 18-month decline, benefiting early cyclical companies in the Industrials and Materials sectors. The U.S. Federal Reserve pivot may favor cyclical stocks. With some industries, such as luxury goods, looking optically expensive, we spent the fourth quarter of 2023 repositioning the portfolio by adding to names in Industrials, Materials and Information Technology while selling names that reached their valuation targets. Lastly, the improving broader environment in Japan, supported by recovering tourism, corporate governance reforms and above-trend growth, has led to attractive investment opportunities.

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.

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

Risk statistics

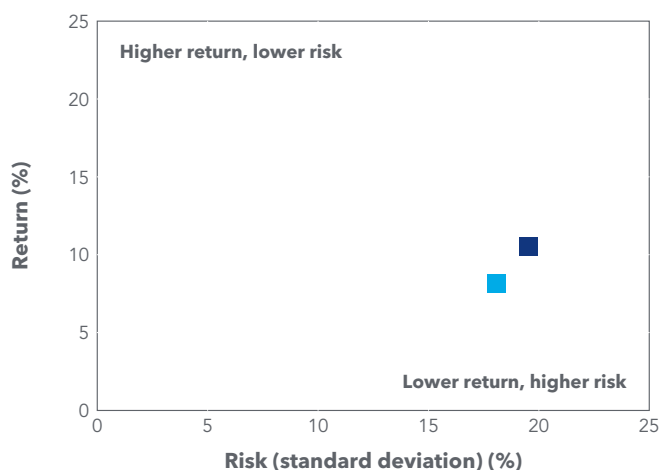
	3-year	5-year	7-year	10-year
Standard deviation	18.33	19.54	17.96	16.86
Alpha	0.04	2.08	0.58	0.10
Beta	1.05	1.05	1.07	1.07
R²	93.28	94.60	94.19	93.10

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. MSCI EAFE Index

See disclosure section for important definitions.

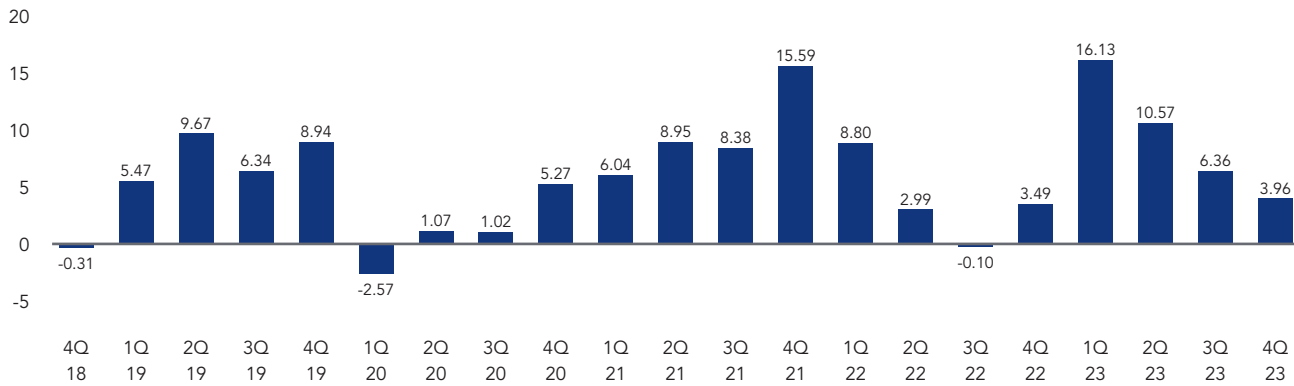
5-year risk/return



	Risk (%)	Return (%)
Federated Hermes International Leaders Fund (IS)	19.54	10.56
MSCI EAFE Index	18.08	8.16

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	42	26	5	27
	Morningstar Category Rank	257 of 744 funds	154 of 698 funds	32 of 642 funds	99 of 421 funds
IS Shares	Morningstar Category % Rank	42	28	5	31
	Morningstar Category Rank	261 of 744 funds	162 of 698 funds	37 of 642 funds	110 of 421 funds
A Shares	Morningstar Category % Rank	50	34	6	48
	Morningstar Category Rank	310 of 744 funds	194 of 698 funds	45 of 642 funds	170 of 421 funds

Lipper International Large-Cap Core		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	44	30	7	12
	Lipper Classification Rank	123 of 282 funds	78 of 266 funds	16 of 245 funds	19 of 173 funds
IS Shares	Lipper Classification % Rank	45	32	8	14
	Lipper Classification Rank	125 of 282 funds	84 of 266 funds	18 of 245 funds	23 of 173 funds
A Shares	Lipper Classification % Rank	53	42	9	26
	Lipper Classification Rank	148 of 282 funds	109 of 266 funds	21 of 245 funds	44 of 173 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 2024© 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. ©2024 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.