

# Federated Hermes International Leaders Fund

3/31/25

## 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 - FGFAX

C Shares - FGFCX

R Shares - FGFRX

### Key investment team

Richard Winkowski, Jr.

Dariusz Czocho, CFA

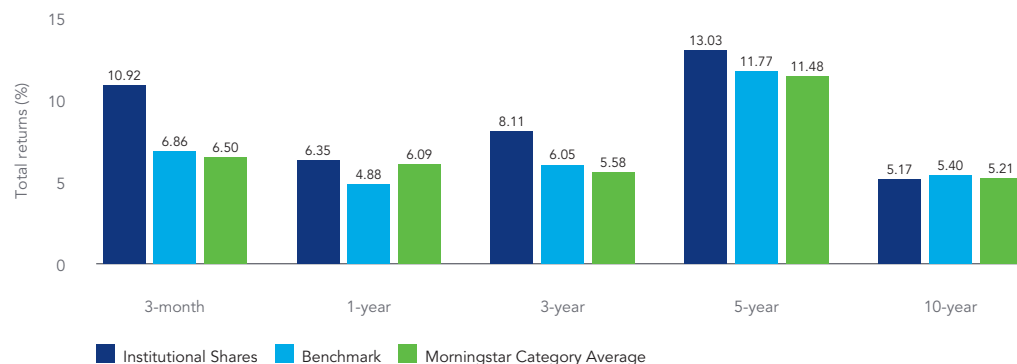
## Fund description

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
<b>R6 Shares</b>	10.94	10.94	6.44	8.17	13.09	5.23	7.77	0.88	0.74
<b>Institutional Shares</b>	10.92	10.92	6.35	8.11	13.03	5.17	7.73	0.96	0.79
<b>A Shares (NAV)</b>	10.84	10.84	6.04	7.81	12.72	4.89	7.80	1.23	1.09
<b>A Shares (MOP)</b>	4.73	4.73	0.21	5.80	11.46	4.30	7.57	1.23	1.09
<b>Benchmark</b>	6.86	6.86	4.88	6.05	11.77	5.40	—	—	—



## Calendar year total returns (%)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Institutional Shares</b>	-0.98	17.35	-8.83	5.02	15.77	27.02	-20.66	28.30	-2.68	-1.94
<b>Benchmark</b>	3.82	18.24	-14.45	11.26	7.82	22.01	-13.79	25.03	1.00	-0.81
<b>Morningstar Category Average</b>	4.85	16.25	-15.84	9.72	9.30	21.59	-14.59	25.12	0.79	-1.59

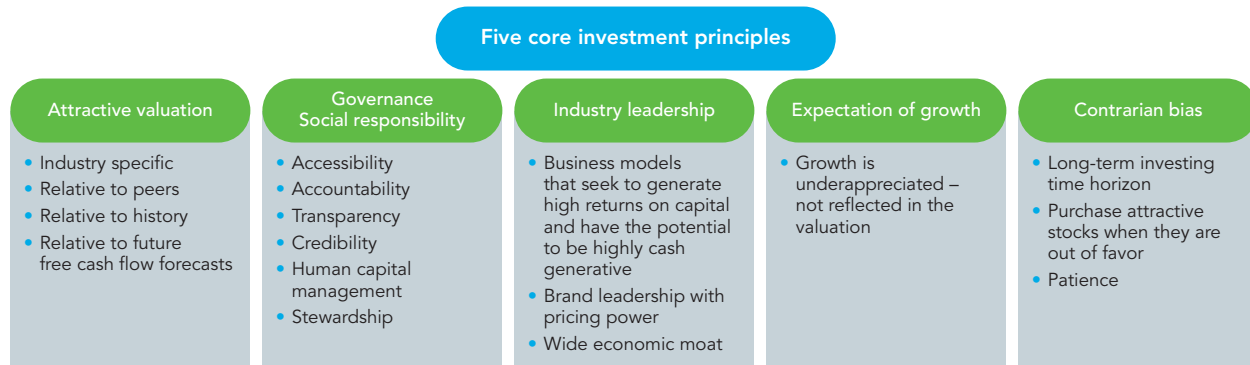
Performance quoted represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, and for after-tax returns, contact us or visit [FederatedHermes.com/us](https://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. Total returns for periods of less than one year are cumulative.

\* 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 2/1/26 or the date of the fund's next effective prospectus.

Not FDIC Insured • May Lose Value • No Bank Guarantee

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Hermes**

## Investment process



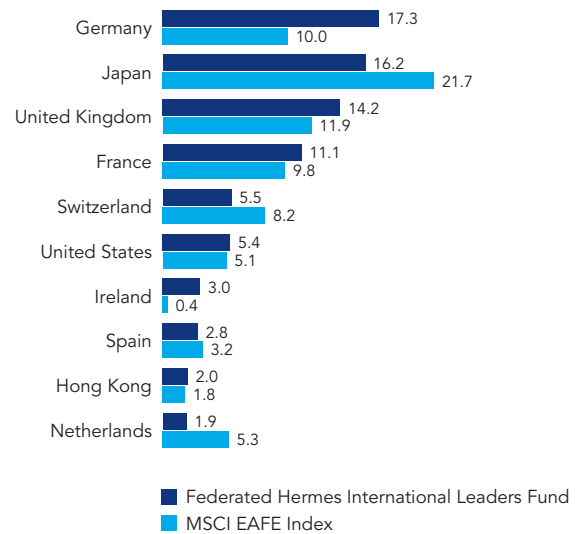
## Portfolio statistics

Weighted median P/E (LTM)	17.7x
Weighted median P/E (NTM)	14.3x
Weighted median market cap	\$86.4 b
Weighted median price/book	2.0x
Number of securities	80

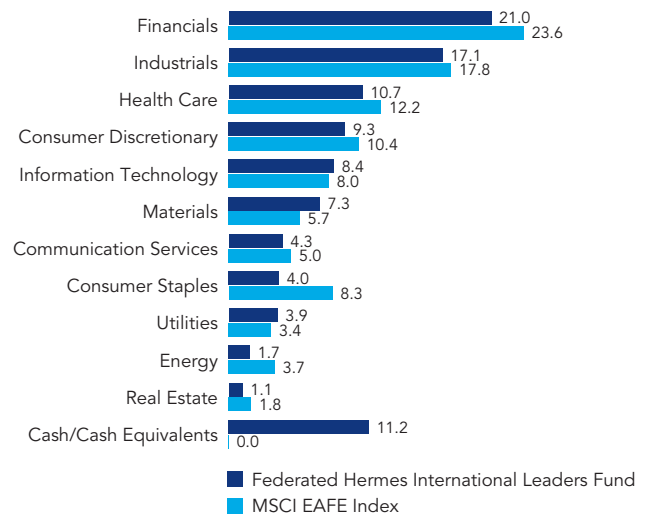
## Top holdings (%)

AstraZeneca PLC <i>United Kingdom</i>	2.9
Siemens Aktiengesellschaft <i>Germany</i>	2.9
Deutsche Telekom AG <i>Germany</i>	2.7
Sanofi <i>United States</i>	2.5
Kerry Group plc <i>Ireland</i>	2.1
Sony Group Corp. <i>Japan</i>	2.0
HSBC Holdings PLC <i>United Kingdom</i>	1.9
Keyence Corporation <i>Japan</i>	1.8
Mitsubishi Ufj Financial Group, Inc. <i>Japan</i>	1.8
BNP Paribas <i>France</i>	1.7
Total % of portfolio	22.3

## Top country weightings (%)



## Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 3/31/25 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

- Government transitions
- Trade policies
- Inflation
- Conflicts in Ukraine and the Middle East
- Defense spending

## Looking Back

Global economic growth continued, though concerns of softening emerged as changes in economic policies further increased geopolitical tensions. Spending on national security surged globally in response to ongoing tensions and security concerns in Ukraine, the Middle East and Asia. Pushback from the US on low spending levels also helped encourage allies to raise their budgets. Notable budget increases were seen in the UK, Germany, France, Japan and others.

In the US, the second Trump administration took office and immediately began fulfilling campaign promises. Tariffs, both proposed and enacted, targeted trade imbalances with key trading partners such as China, Mexico, Canada and the EU. The uncertainty surrounding the tariffs and their potential impacts on growth and inflation weighed on consumer and business sentiment.

In Europe, changes in economic policies targeted budgetary concerns. Germany's newly elected conservative government looked to reinvigorate growth through fiscal spending, driven by changes to defense and energy policies. Industrial production showed signs of improving; however, tariffs threatened further progress. In France, Prime Minister Francois Bayrou survived a no-confidence vote ahead of parliament's budget adoption which targets a reduction in public debt through savings and tax increases.

In Japan, wage growth accelerated, driven by a tighter labor market and government policies targeting wage growth. Inflation pressures continued to lead the Bank of Japan to reconsider the timing of its next rate hike.

## Performance

The Federated Hermes International Leaders Fund (IS Shares at NAV) returned 10.92% for the quarter ending March 31, 2025. That compares to its benchmark, the MSCI EAFE Index, which returned 6.86% during the period. As a result, the fund outperformed the benchmark by 4.06%.

### Performance contributors

- Stock selection within Financials, Industrials, Consumer Discretionary, Communication Services, Utilities and Real Estate contributed positively
- Within Financials, Banco Santander SA, Commerzbank AG and Prudential plc were the main contributors
- Within Industrials, Rheinmetall AG, Thales SA and Siemens Aktiengesellschaft were noteworthy contributors
- In Consumer Discretionary, Alibaba Group Holding Ltd was the main contributor
- In Communication Services, Deutsche Telekom AG was the key contributor

### Performance detractors

- Stock selection within Materials, Information Technology, Health Care and Consumer Staples detracted
- Within Materials, Smurfit Westrock plc, DSM-Firmenich AG, and CRH were the main detractors
- In Information Technology, Taiwan Semiconductor Manufacturing Co. and Capgemini SE were the largest detractors
- Within Health Care, Merck KG and Hoya Corp. were the 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. Other share classes may have experienced different returns than the share class presented. To view performance current to the most recent month-end, and for after-tax returns, contact us or visit [FederatedHermes.com/us](https://FederatedHermes.com/us).*

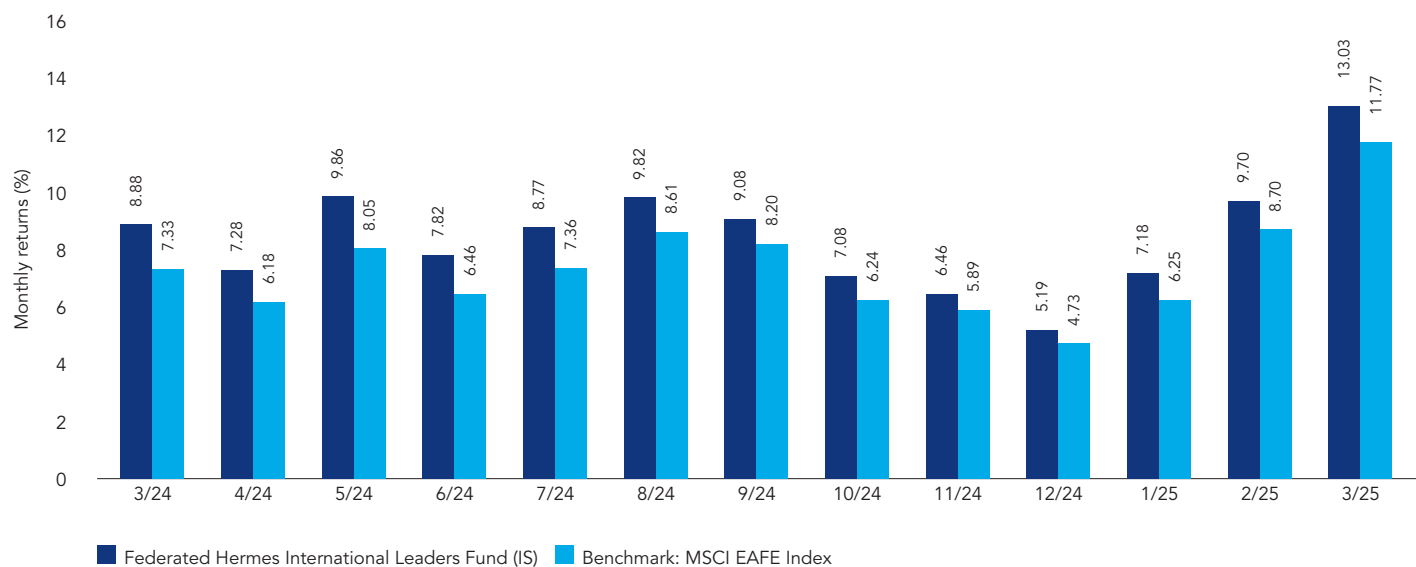
## How we are positioned

After an extended period being out of favor, international equity markets are starting to look more attractive to investors. European countries, led by Germany, are committing to using both monetary and fiscal stimulus to support economic growth. Manufacturing is recovering and China seems to be turning the corner, which should provide incremental tailwinds to the European economies.

The threat of a global trade war in response to US tariff policies will be a headwind to growth for most economies; however, defense, energy, electrification and digitalization will continue to be structural tailwinds benefiting European economies. We view international equities as attractively valued on a relative basis.

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

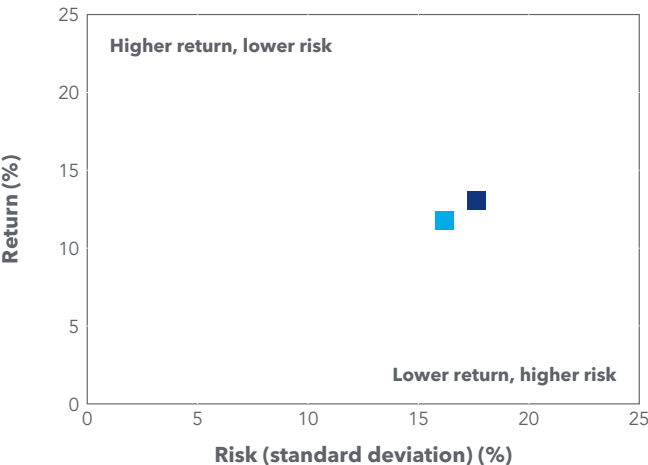
	3-year	5-year	7-year	10-year
Standard deviation	18.12	17.65	18.14	16.85
Alpha	2.00	0.82	0.06	-0.27
Beta	1.05	1.06	1.08	1.07
R <sup>2</sup>	94.56	93.42	94.12	93.27

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. MSCI EAFE Index

See disclosure section for important definitions.

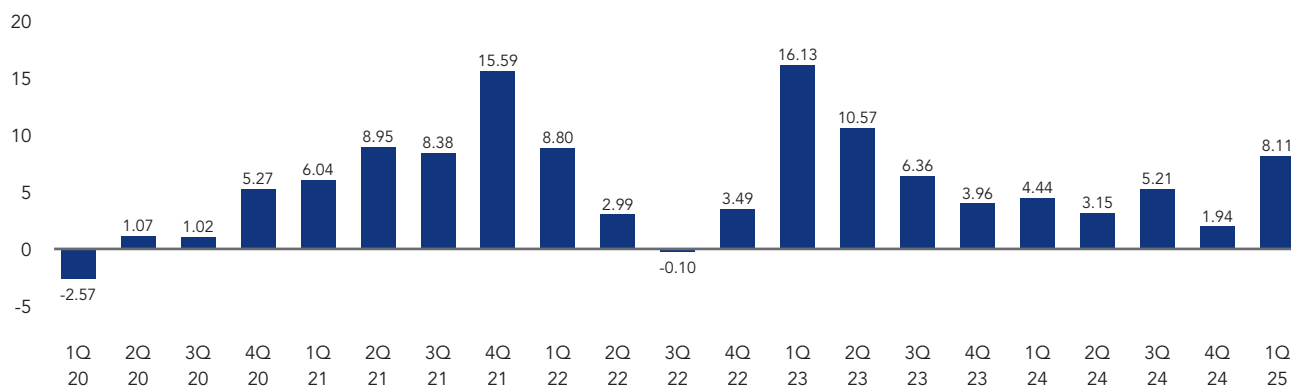
### 5-year risk/return



	Risk (%)	Return (%)
Federated Hermes International Leaders Fund (IS)	17.65	13.03
MSCI EAFE Index	16.16	11.77

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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
<b>R6 Shares</b>	Morningstar Category % Rank	40	8	20	54
	Morningstar Category Rank	276 of 692 funds	51 of 651 funds	117 of 615 funds	206 of 425 funds
<b>IS Shares</b>	Morningstar Category % Rank	42	10	20	56
	Morningstar Category Rank	287 of 692 funds	60 of 651 funds	123 of 615 funds	217 of 425 funds
<b>A Shares</b>	Morningstar Category % Rank	49	11	23	69
	Morningstar Category Rank	332 of 692 funds	71 of 651 funds	140 of 615 funds	277 of 425 funds

Lipper International Large-Cap Core		1-year	3-year	5-year	10-year
<b>R6 Shares</b>	Lipper Classification % Rank	38	13	21	45
	Lipper Classification Rank	108 of 288 funds	33 of 269 funds	52 of 255 funds	79 of 175 funds
<b>IS Shares</b>	Lipper Classification % Rank	39	15	22	47
	Lipper Classification Rank	110 of 288 funds	38 of 269 funds	56 of 255 funds	82 of 175 funds
<b>A Shares</b>	Lipper Classification % Rank	41	16	27	63
	Lipper Classification Rank	116 of 288 funds	42 of 269 funds	67 of 255 funds	110 of 175 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](https://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.

Diversification does not assure a profit nor protect against a loss.

The value of equity securities in the fund's portfolio will fluctuate and, as a result, the fund's share price may decline. Equity securities may decline in value because of an increase in interest rates or changes in the stock market.

Prices of emerging 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.

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

**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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