

Federated Hermes International Leaders Fund

9/30/23

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

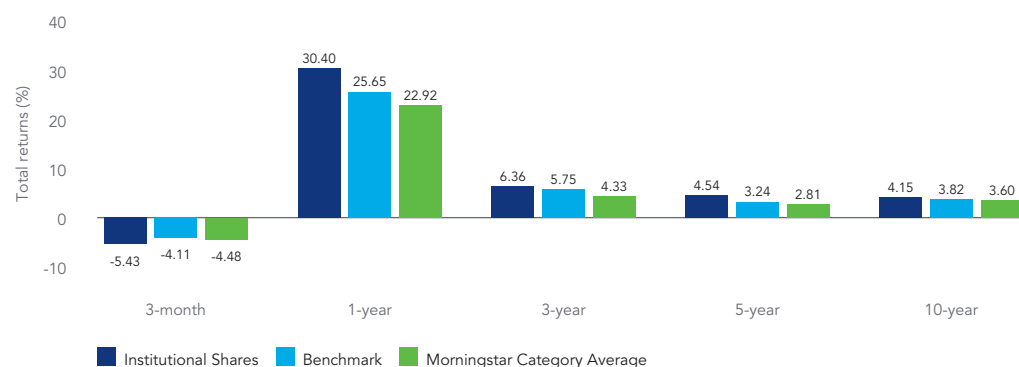
Fund description

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	-5.41	7.08	30.47	6.41	4.59	4.21	7.45	1.04	0.74
Institutional Shares	-5.43	7.04	30.40	6.36	4.54	4.15	7.41	1.12	0.79
A Shares (NAV)	-5.50	6.80	30.05	6.07	4.26	3.89	7.50	1.39	1.09
A Shares (MOP)	-10.70	0.93	22.89	4.09	3.09	3.30	7.26	1.39	1.09
Benchmark	-4.11	7.08	25.65	5.75	3.24	3.82	-	-	-



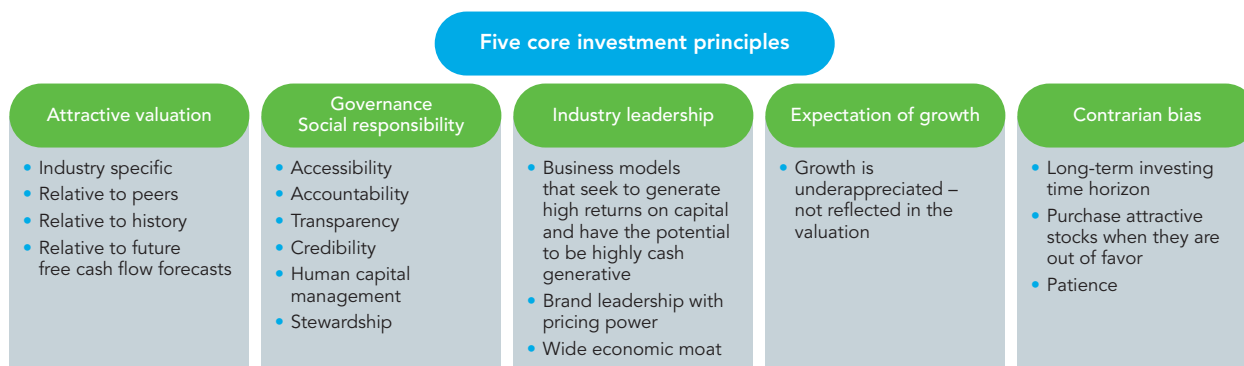
Calendar year total returns (%)

	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

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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 5/1/24 or the date of the fund's next effective prospectus.

Investment process



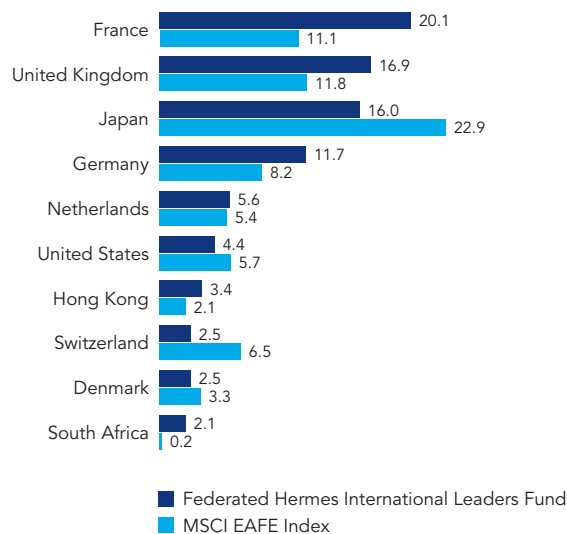
Portfolio statistics

Weighted median P/E (LTM)	14.5x
Weighted median P/E (NTM)	12.9x
Weighted median market cap	\$63.4 b
Weighted median price/book	2.1x
Number of securities	68

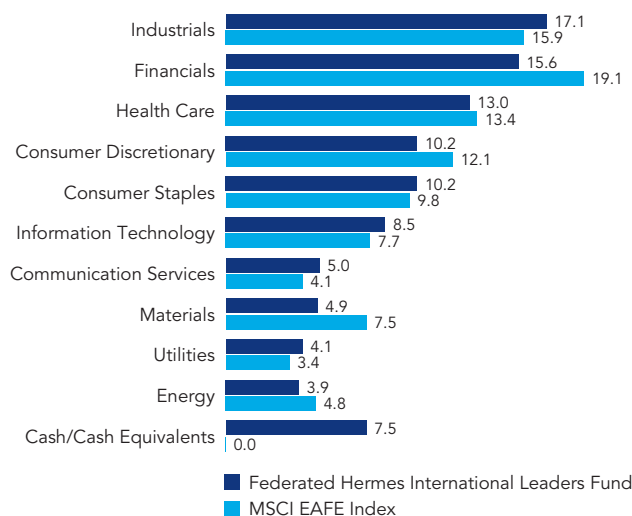
Top holdings (%)

AstraZeneca PLC <i>United Kingdom</i>	4.1
Deutsche Telekom AG <i>Germany</i>	2.9
Siemens AG <i>Germany</i>	2.8
Nestle S.A. <i>United States</i>	2.7
ASML Holding N.V. <i>Netherlands</i>	2.5
Novo Nordisk A/S <i>Denmark</i>	2.5
Prudential plc <i>Hong Kong</i>	2.5
Sanofi <i>France</i>	2.3
Unilever PLC <i>United Kingdom</i>	2.3
Rolls-Royce Holdings PLC <i>United Kingdom</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 9/30/23 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

- Inflation
- Central bank policy rate hikes
- OPEC production cut extension
- Ukraine invasion

Looking Back

Inflation continued to ease but remained at elevated levels globally. Central banks began setting expectations for an extended period of higher interest rates as elevated prices proved stubborn and began impacting consumer behaviors. Several central banks, including the U.S. Federal Reserve and Bank of England, held their target rate steady while others, including the European Central Bank, edged their rates higher. In the Eurozone, headline inflation showed some signs of easing coming in lower than expected at 4.3%, its lowest level in two years. Conversely, shelter and gasoline costs pushed U.S. inflation up 0.5% to 3.7% in August, although still significantly below last year's 8% level. We started seeing a growing divergence between central banks in developed and emerging markets with central banks in emerging markets embarking on an easing trajectory.

Wage pressures intensified as workers looked to offset ongoing inflationary pressures. Labor negotiations and union strikes such as those in Australia and the U.S. resulted in significant wage gains. A strike by the UAW in the U.S. threatened to bring auto production to a standstill as the two sides had yet to come to an agreement.

Performance

The Federated Hermes International Leaders Fund (A Shares at NAV) returned -5.50% for the quarter ending September 30, 2023. That compares to its benchmark, the MSCI EAFE Index, which returned -4.11% during the period. As a result, the fund underperformed the benchmark by -1.39%.

Performance contributors

- Stock selection in the Industrials, Health Care, Energy, Materials and Consumer Staples sectors
- Within Industrials, Rolls-Royce Holdings Plc. was the main contributor
- Mitsubishi Heavy Industries Ltd. within Industrials, and Novo Nordisk A/S within Health Care were also noteworthy contributors

Performance detractors

- Stock selection in the Consumer Discretionary, Information Technology, Financials, Utilities and Communication Services sectors
- In Consumer Discretionary, Entain Plc. was a key detractor
- Prudential Plc in Financials and ASML Holding NV in Information Technology were also key detractors

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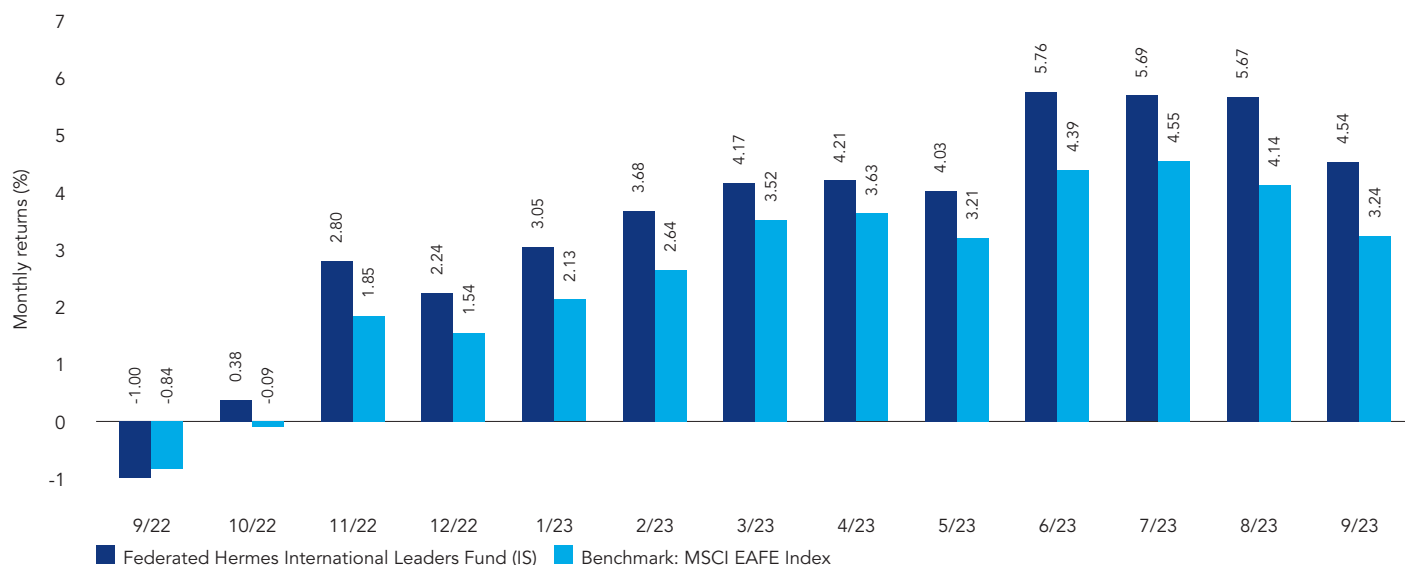
How we are positioned

Rising interest rates and better economic growth prospects in the U.S. supported by stimulus plans have propelled the U.S. dollar higher. A stronger dollar is a near-term headwind for developed and emerging equity markets. Higher inflation in both the U.K. and the Eurozone will keep pressure on respective central banks to keep rates higher, which will negatively impact economic growth. However, all is not dour in the international markets. Following a 12-month contraction, manufacturing seems to have bottomed as companies brought down inventories in anticipation of a potential recession. Equity valuations are also relatively low, pricing in lower economic growth and earnings expectations.

After a long time of maintaining a large underweight to Japan, the investment team is finding investment opportunities there. Japanese companies are finally adopting a Western style of governance policies and committing to focusing on shareholders' returns. They are increasing dividends, repurchasing shares, optimizing both assets and business mix, setting ROE and ROIC targets and responding to shareholder concerns. We are engaged in these discussions with management teams. Foreign investors are paying attention as highlighted by positive foreign inflows into the Japanese equity market. Back in September of 2022, we began adding Japanese equities to our portfolio. This has added to overall returns. With a full-time Japan specialist located in Tokyo, we believe we are in a good position to invest in high-quality companies that are trading below their intrinsic value.

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

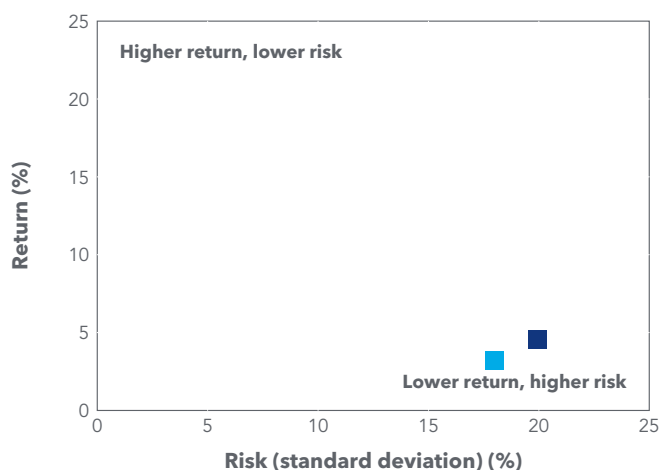
	3-year	5-year	7-year	10-year
Standard deviation	19.83	19.94	17.58	16.57
Alpha	0.55	1.38	1.14	0.31
Beta	1.06	1.08	1.08	1.07
R²	94.49	94.59	93.94	92.97

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. MSCI EAFE Index

See disclosure section for important definitions.

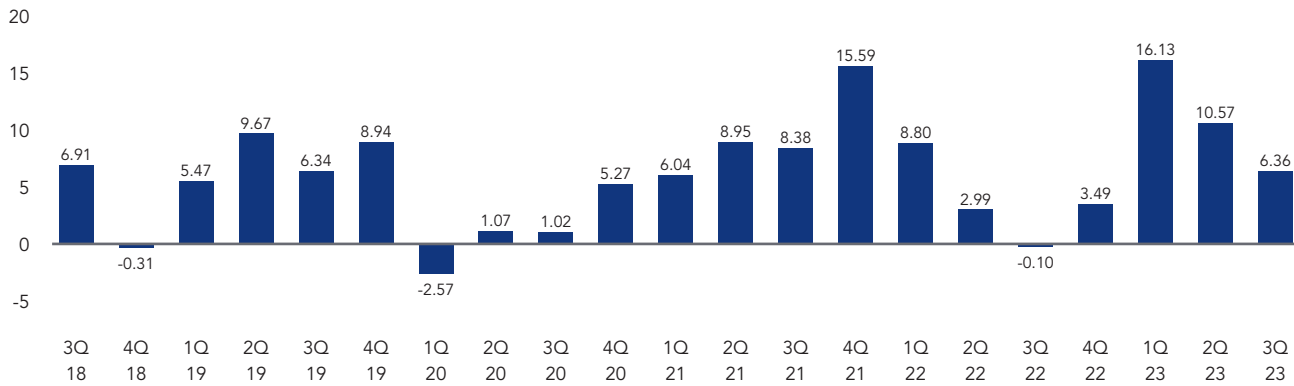
5-year risk/return



	Risk (%)	Return (%)
Federated Hermes International Leaders Fund (IS)	19.94	4.54
MSCI EAFE Index	17.99	3.24

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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	2	18	10	20
	Morningstar Category Rank	9 of 730 funds	104 of 679 funds	66 of 622 funds	75 of 409 funds
IS Shares	Morningstar Category % Rank	2	19	10	22
	Morningstar Category Rank	10 of 730 funds	108 of 679 funds	67 of 622 funds	83 of 409 funds
A Shares	Morningstar Category % Rank	3	20	12	36
	Morningstar Category Rank	15 of 730 funds	121 of 679 funds	79 of 622 funds	125 of 409 funds

Lipper International Large-Cap Core		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	1	22	12	9
	Lipper Classification Rank	1 of 275 funds	55 of 253 funds	27 of 240 funds	15 of 170 funds
IS Shares	Lipper Classification % Rank	1	23	12	11
	Lipper Classification Rank	2 of 275 funds	56 of 253 funds	28 of 240 funds	18 of 170 funds
A Shares	Lipper Classification % Rank	2	24	14	18
	Lipper Classification Rank	3 of 275 funds	60 of 253 funds	32 of 240 funds	29 of 170 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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