

Federated Hermes International Leaders Fund

3/31/24

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

\$1.3 billion

Ticker symbols

R6 Shares - FGRSX

Institutional Shares - FGFLX

A Shares - FGFAQ

C Shares - FGFCX

R Shares - FGFRX

Key investment team

Richard Winkowski, Jr.

Dariusz Czoch, CFA

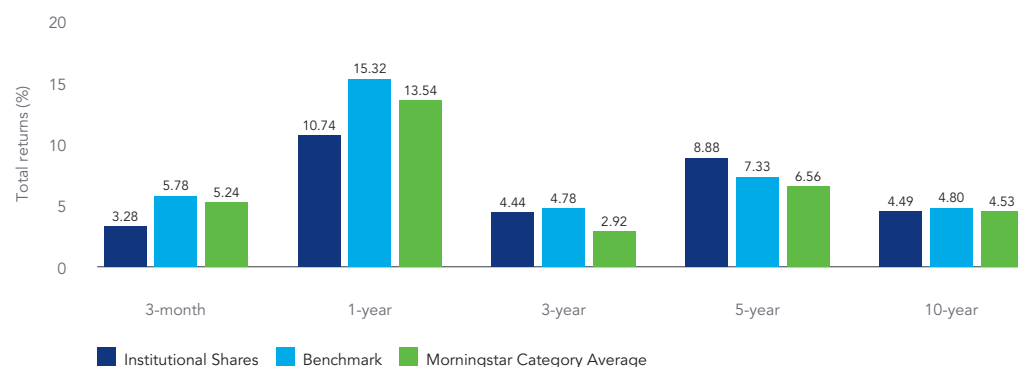
Fund description

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	3.28	3.28	10.76	4.49	8.93	4.55	7.82	0.92	0.74
Institutional Shares	3.28	3.28	10.74	4.44	8.88	4.49	7.79	1.00	0.79
A Shares (NAV)	3.20	3.20	10.41	4.16	8.60	4.22	7.87	1.27	1.09
A Shares (MOP)	-2.48	-2.48	4.34	2.22	7.37	3.63	7.63	1.27	1.09
Benchmark	5.78	5.78	15.32	4.78	7.33	4.80	-	-	-



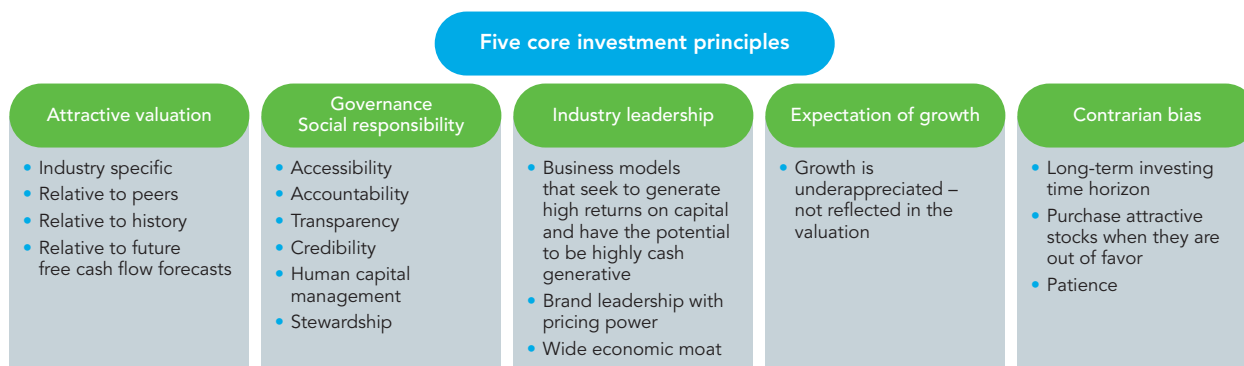
Calendar year total returns (%)

	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



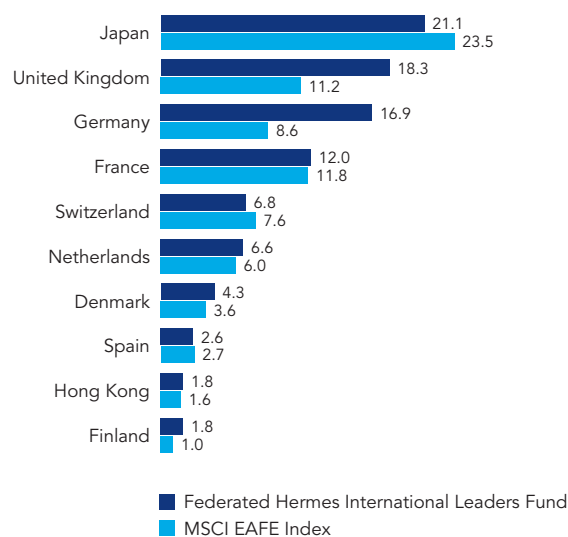
Portfolio statistics

Weighted median P/E (LTM)	21.1x
Weighted median P/E (NTM)	16.8x
Weighted median market cap	\$51.0 b
Weighted median price/book	2.4x
Number of securities	79

Top holdings (%)

AstraZeneca PLC <i>United Kingdom</i>	3.8
Siemens AG <i>Germany</i>	3.0
Novo Nordisk A/S <i>Denmark</i>	2.9
ASML Holding N.V. <i>Netherlands</i>	2.5
Sanofi <i>France</i>	2.5
Keyence Corp. <i>Japan</i>	2.2
Rolls-Royce Holdings PLC <i>United Kingdom</i>	2.2
Sony Group Corp. <i>Japan</i>	2.2
Ishikawajima-Harima Heavy Industries Co., Ltd. <i>Japan</i>	1.9
Rheinmetall AG <i>Germany</i>	1.9
Total % of portfolio	25.1

Top country weightings (%)



Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 3/31/24 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

Geopolitical uncertainty persisted, driven by the ongoing conflicts in Ukraine and the Middle East. With no resolutions in sight, fear of escalation coupled with rising energy demand and slowing supply growth pushed the price of crude oil to a six-month high. However, warm weather and ample LNG storage across Europe held natural gas prices in check, leading to lower power prices.

Inflation continued to trend lower although the path to rate normalization remained uncertain as inflation persisted above target. In the U.S., manufacturing expanded in March for the first time in 16 months driven by new order growth. Lean inventories and improving demand for products and services kept upward pressure on prices. Across Europe, moderating food prices helped ease inflation to 2.6% in February, still above the ECB's 2% target. PMI data revealed that manufacturing in Germany and France remained contractionary. In the U.K., inflation fell to 3.4% in February, its lowest level in over two years, driven by weaker core inflation. Manufacturing strengthened on inventory restocking and new orders.

Economic data out of China was mixed. Factory activity was better than expected as exports ticked higher in January and February. New orders rebounded for the first time in a year; however, housing concerns lingered for both builders and lenders.

In a sign of confidence that economic conditions and inflation expectations had improved, the Bank of Japan announced a rate hike for the first time in 17 years, thus ending its negative interest rate policy. The BOJ also announced the end of its yield curve control and exchange-traded fund purchase programs. Despite the policy reversal, the yen continued to weaken, falling briefly to a 34-year low.

Performance

The Federated Hermes International Leaders Fund (Institutional Shares at NAV) returned 3.28% for the quarter ending March 31, 2024. That compares to its benchmark, the MSCI EAFE Index, which returned 5.78% during the period. As a result, the fund underperformed the benchmark by -2.50%.

Performance contributors

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

Performance detractors

- Stock selection within Consumer Discretionary, Information Technology, Financials, Utilities, and Communication Services
- Within Utilities, RWE AG was a main detractor
- Within Consumer Discretionary, Entain PLC, Sony Group Corporation, and Forvia SE were key detractors
- Within Information Technology, Soitec SA, Infineon Technologies AG, and STMicroelectronics NV were detractors
- Prudential PLC and AIA Group Ltd. in Financials were also key detractors

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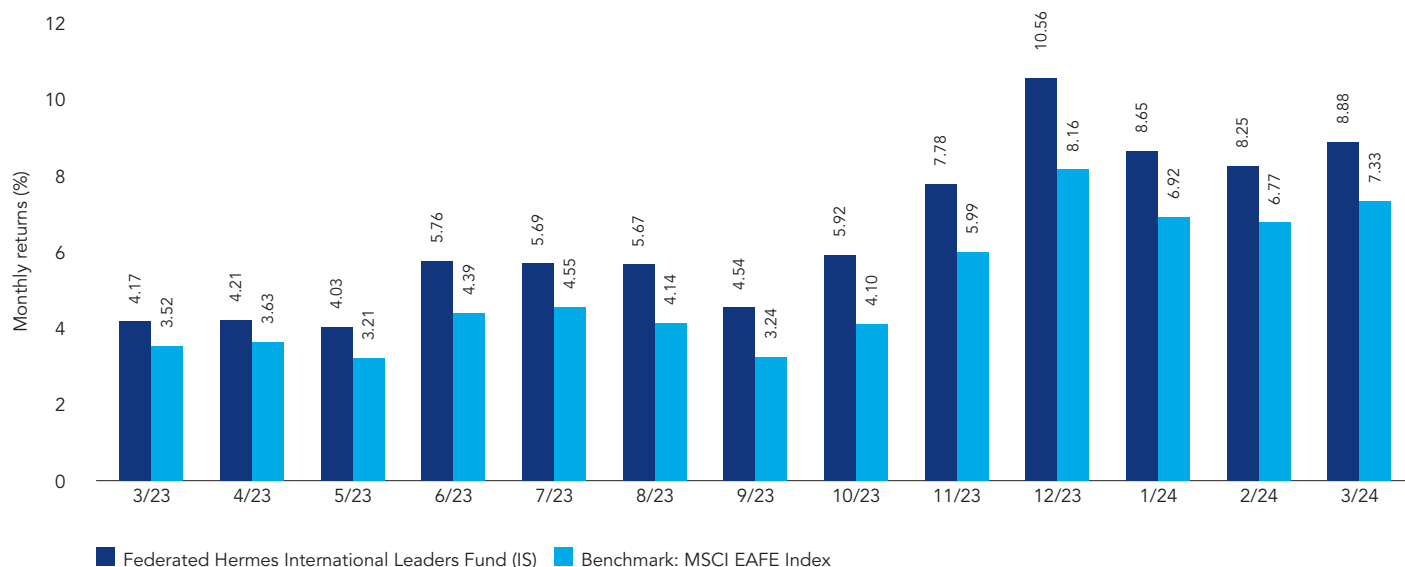
How we are positioned

Overall, we have a neutral-to-constructive outlook on international economies as manufacturing is bottoming, Chinese consumer confidence remains fragile, and the prolonged bottoming of European economies and heightened geopolitical tensions exert downward pressure on global GDP growth. However, with unemployment rates near historical lows in most developed economies and a growing prosperous middle class in emerging economies, we view the global consumer as bolstering economic growth potential. Tourism in Europe and Japan remains robust, and we expect more activity from Chinese tourists this summer.

The portfolio is positioned to take advantage of three themes: 1) Inventory de-stocking, where the cycle is coming to an end. As businesses around the world prepared for a recession that has not materialized, they reduced inventories in anticipation of lower demand. Now, these businesses are simultaneously facing tailwinds from increasing demand and inventory re-stocking. 2) Semiconductors – we believe that the semiconductor cycle is bottoming and will continue to benefit from AI and a data center arms race. 3) Increases in defense spending – in response to geopolitical tensions at the highest levels in decades, more and more countries are increasing their defense spending. We expect defense budgets to continue to rise in Europe, Japan, and many other countries for years to come.

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

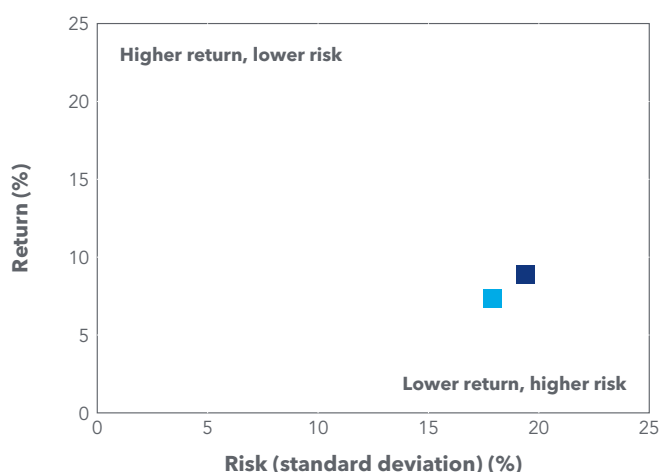
	3-year	5-year	7-year	10-year
Standard deviation	18.42	19.39	17.96	16.75
Alpha	-0.25	1.37	0.13	-0.33
Beta	1.05	1.05	1.07	1.07
R²	92.83	94.14	93.96	92.82

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. MSCI EAFE Index

See disclosure section for important definitions.

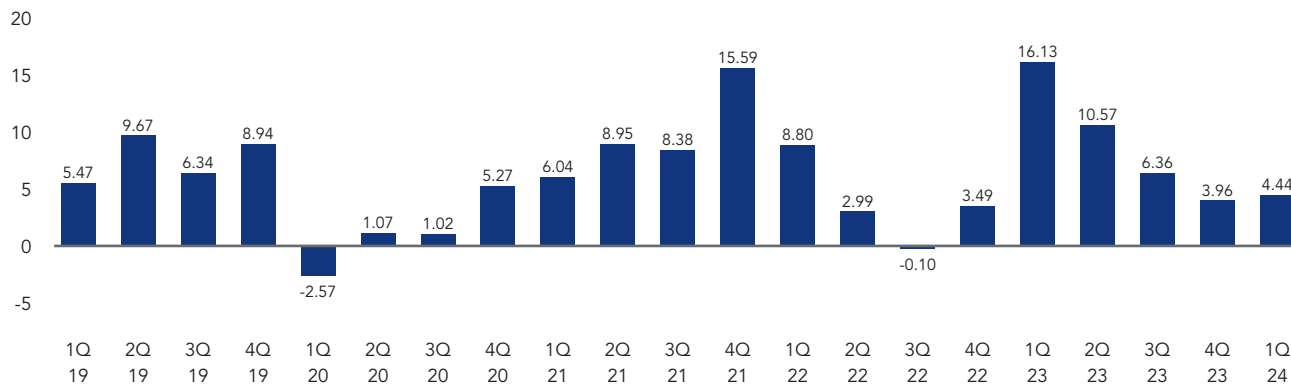
5-year risk/return



	Risk (%)	Return (%)
■ Federated Hermes International Leaders Fund (IS)	19.39	8.88
■ MSCI EAFE Index	17.92	7.33

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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	80	27	8	50
	Morningstar Category Rank	569 of 748 funds	154 of 696 funds	57 of 646 funds	192 of 425 funds
IS Shares	Morningstar Category % Rank	81	28	8	51
	Morningstar Category Rank	574 of 748 funds	161 of 696 funds	60 of 646 funds	198 of 425 funds
A Shares	Morningstar Category % Rank	83	33	11	66
	Morningstar Category Rank	596 of 748 funds	191 of 696 funds	73 of 646 funds	264 of 425 funds

Lipper International Large-Cap Core		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	84	33	10	32
	Lipper Classification Rank	197 of 235 funds	69 of 212 funds	19 of 191 funds	42 of 132 funds
IS Shares	Lipper Classification % Rank	84	34	11	34
	Lipper Classification Rank	198 of 235 funds	72 of 212 funds	20 of 191 funds	45 of 132 funds
A Shares	Lipper Classification % Rank	85	41	13	55
	Lipper Classification Rank	199 of 235 funds	86 of 212 funds	24 of 191 funds	72 of 132 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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