

Federated Hermes Strategic Value Dividend Fund

12/31/23

Fund facts

Performance inception date

3/30/05

Benchmark

S&P 500® Index

Morningstar category

Large Value

Lipper classification

Equity Income Funds

Fund assets

\$8.2 billion

Ticker symbols

R6 Shares - SVALX

Institutional Shares - SVAIX

A Shares - SVAAX

C Shares - SVACX

Key investment team

Daniel Peris, Ph.D., CFA

Deborah Bickerstaff

Jared Hoff

Michael Tucker

Yields (%)

30-day yield (R6)	4.13
30-day yield (IS)	4.11
30-day yield (A)	3.65
12-month yield (R6)	4.34
12-month yield (IS)	4.32
12-month yield (A)	4.10

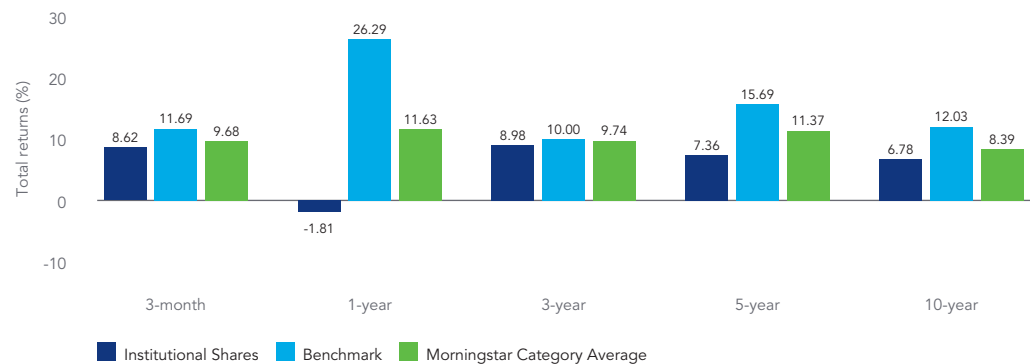
Fund description

The fund pursues income and long-term capital appreciation by investing primarily in high-dividend-paying stocks with dividend growth potential. It seeks to provide a substantially higher yield than the broad market.

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	8.62	-1.79	-1.79	9.01	7.38	6.77	6.73	0.86	0.79
Institutional Shares	8.62	-1.81	-1.81	8.98	7.36	6.78	6.91	0.94	0.81
A Shares (NAV)	8.62	-2.07	-2.07	8.71	7.10	6.51	6.63	1.18	1.06
A Shares (MOP)	2.73	-7.51	-7.51	6.69	5.90	5.91	6.31	1.18	1.06
Benchmark	11.69	26.29	26.29	10.00	15.69	12.03	-	-	-



Calendar year total returns (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Institutional Shares	-1.81	8.48	21.52	-7.87	19.60	-8.21	15.14	10.39	3.87	11.54
Benchmark	26.29	-18.11	28.71	18.40	31.49	-4.39	21.82	11.95	1.37	13.68
Morningstar Category Average	11.63	-5.90	26.22	2.91	25.04	-8.53	15.94	14.81	-4.05	10.21

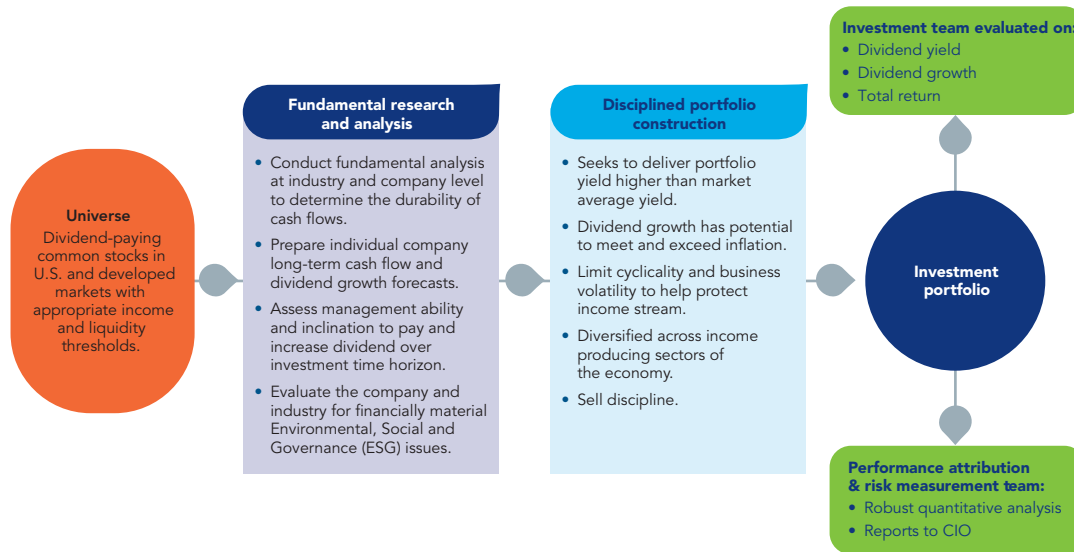
Performance quoted represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. 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. 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 1/1/25 or the date of the fund's next effective prospectus.



Not FDIC Insured • May Lose Value • No Bank Guarantee

Investment process



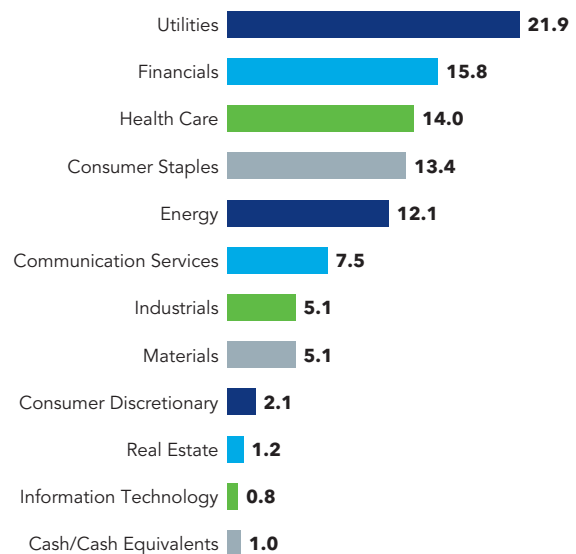
Portfolio statistics

Weighted median P/E (NTM)	14.1x
Median 3-year average payout ratio	63.58
Weighted average EPS growth next 5 years	5.01
Weighted median market cap	\$65.3 b
Weighted median price/book	1.7x
Number of securities	46
Foreign securities	22.39%
Annual portfolio turnover	34.43%

Top holdings (%)

Philip Morris International Inc.	4.6
Duke Energy Corporation	3.9
TotalEnergies SE	3.9
Verizon Communications Inc.	3.6
LyondellBasell Industries N.V.	3.5
Amgen Inc.	3.4
U.S. Bancorp	3.2
Enbridge Inc.	3.0
Southern Company	3.0
Truist Financial Corp.	3.0
Total % of portfolio	35.1

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.

Key fund characteristics

- The Federated Hermes Strategic Value Dividend Fund provided a 30-day SEC yield of 3.65% (A shares at MOP) and a gross weighted average dividend yield of 4.81% at quarter end
- The fund had 11 companies announce dividend increases in the fourth quarter, most notably National Grid, American Electric Power, Amgen and Entergy, with increases of 10.5%, 6.0%, 5.6% and 5.6%, respectively
- The fourth quarter was dominated by a broad market rally, as concerns regarding recession and inflation abated, fueling the market's momentum

Looking back

The fund remained focused on its core goals of delivering high dividend income from high quality assets as it ended the quarter with a 30-day SEC yield of 3.65% (A shares at MOP) and a gross weighted average dividend yield of 4.81%. This exceeded not only the S&P 500 Index's 1.49% yield but also the 10-year U.S. Treasury note at 3.88%. For the 12-month period, 37 companies in the fund raised their dividends, accounting for 38 increases overall.

Investor sentiment turned positive in November and continued through year-end as inflation pressures eased and optimism increased on hopes that rate hikes were paused. With the exception of Energy, all sectors posted positive performance in the S&P 500 Index, but the defensive sectors lagged the overall index as Consumer Staples, Health Care and Utilities posted returns of 5.54%, 6.41% and 8.46%, respectively. Energy was the weakest performer as it returned -6.94% on falling oil prices. While this was a short-term headwind for our defensive high dividend strategy, the fund still captured 77% of the broad market's performance at a lower level of risk. The fund will remain focused on its main objectives and will not alter its focus based on near-term market preferences.

Performance

The fund underperformed the S&P 500 Index, as defensive, high yield investments were out of favor.

Performance contributors

- The Financials sector provided the portfolio's highest contribution to total return during the quarter, driven by U.S. Bancorp, Truist Financial Corporation, PNC Financial Services and Canadian Imperial Bank.
- The Utilities sector was another notable contributor to performance. Top performers include Duke Energy, National Grid, Southern Company and PPL Corporation.
- The fund's 11% exposure to Canada provided a noteworthy positive contribution, driven by Canadian Imperial Bank and TC Energy.
- Communication Services was another bright spot in the fund, providing a notable positive contribution, led by Verizon Communications.

Performance detractors

- High-yielding and low-beta equities were out of favor in the period, creating a relative performance headwind for high-yield, low-beta, defensive, dividend-paying stocks.
- Information Technology was the only sector with a negative total return during the quarter, driven by small declines in Cisco Systems and Corning Inc.

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How we are positioned

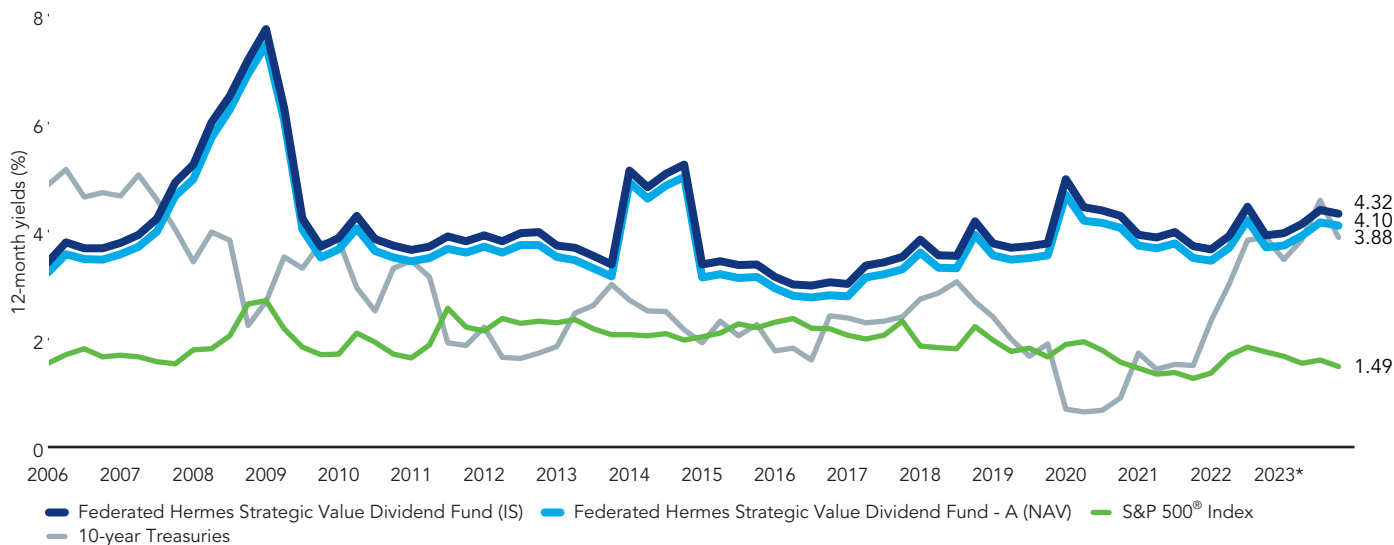
Stocks rallied to end the year, showing a strong seasonal effect as equity markets historically tend to outperform in December, although low trading volume led to heightened volatility in the final trading days of the month. The positive month helped major equity indexes extend their fourth-quarter gains. For the month and quarter, respectively, the S&P rose 4.4% and 11.2%, the Dow 4.8% and 12.5%, and the Nasdaq 5.5% and 13.6%. Stocks overseas mirrored the performance, with the MSCI World ex USA up a respective 5.4% and 10.1% for December and Q4, and the MSCI All Country World ex USA up 4.9% and 9.4%.

In the U.S., investor expectations of easing monetary conditions fueled equity market gains throughout the quarter into December. Midway through the month, the Federal Reserve held the pause button on interest rates and signaled that central bank officials expect three separate 25 basis point rate cuts to take place in 2024 in an attempt to engineer a soft landing. Bullish economic data seemed to back up the narrative that the Fed is conquering inflation as U.S. personal consumption expenditures growth continued to slow on a year-over-year basis. After topping 5% early in the fourth quarter, the yield on the U.S. 10-year Treasury steadily marched downward, ending the year at 3.88%.

Abroad, the Fed's progress on inflation and its decision to suspend interest rate hikes helped power equity market gains. The U.S. dollar edged lower, driving up the dollar value of international securities. Investors remained cautious, however, in light of heightened geopolitical risks amid escalating conflicts in Ukraine and Israel.

See disclosure section for important disclosures and definitions.

The fund delivered higher yield



Source: Federated Hermes

Yields for other classes will vary.

* As of 12/31/23

Risk statistics

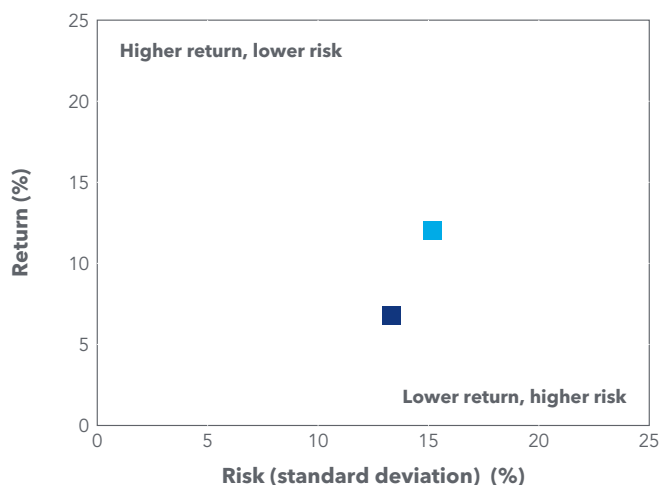
	3-year	5-year	7-year	10-year
Standard deviation	15.00	16.04	14.51	13.32
Beta	0.63	0.71	0.69	0.68
Correlation	0.73	0.81	0.80	0.77
Up capture ratio	68.57	63.43	62.52	66.07
Down capture ratio	59.99	75.47	75.15	73.25
Sharpe ratio	0.42	0.33	0.28	0.40

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. S&P 500[®] Index

See disclosure section for important definitions.

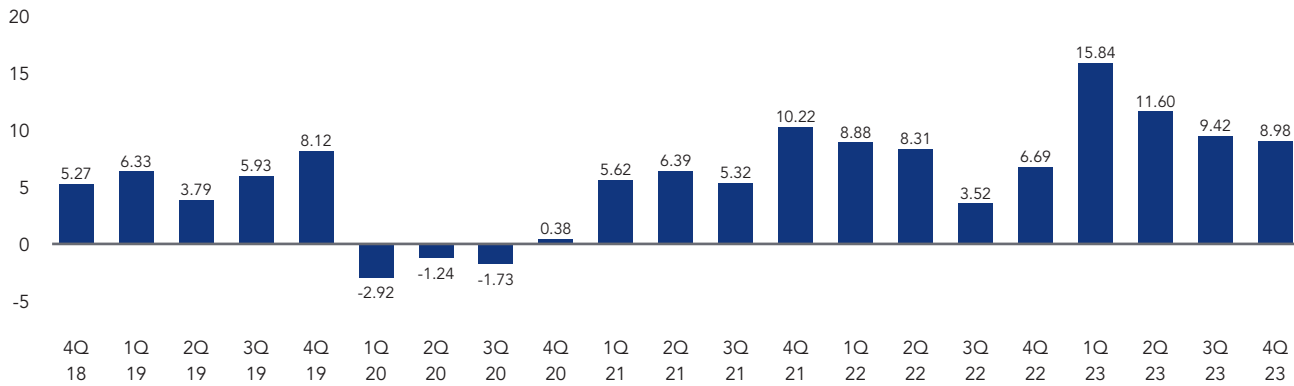
10-year risk/return



	Risk (%)	Return (%)
Federated Hermes Strategic Value Dividend Fund (IS)	13.32	6.78
S&P 500 [®] Index	15.19	12.03

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3-year rolling returns - IS (%)



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Category rankings

Morningstar Large Value Category		1-year	3-year	5-year	10-year
R6 Shares	Morningstar Category % Rank	99	65	96	-
	Morningstar Category Rank	1,204 of 1,217 funds	717 of 1,131 funds	1,042 of 1,075 funds	-
IS Shares	Morningstar Category % Rank	99	65	96	89
	Morningstar Category Rank	1,205 of 1,217 funds	725 of 1,131 funds	1,043 of 1,075 funds	732 of 821 funds
A Shares	Morningstar Category % Rank	99	72	97	93
	Morningstar Category Rank	1,208 of 1,217 funds	789 of 1,131 funds	1,050 of 1,075 funds	764 of 821 funds

Lipper Equity Income Funds		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	99	47	92	-
	Lipper Classification Rank	542 of 551 funds	243 of 522 funds	458 of 502 funds	-
IS Shares	Lipper Classification % Rank	99	48	92	85
	Lipper Classification Rank	543 of 551 funds	247 of 522 funds	459 of 502 funds	318 of 378 funds
A Shares	Lipper Classification % Rank	100	55	93	88
	Lipper Classification Rank	544 of 551 funds	283 of 522 funds	463 of 502 funds	330 of 378 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 Strategic Value Dividend Fund

30-day yield (also known as "SEC yield") for A Shares is a compounded and annualized figure calculated according to a formula set by the SEC. The formula requires use of a specific methodology for calculating dividends and interest earned, and expenses accrued, during the period, and reflects the maximum offering price per fund share. The standardized computation is designed to facilitate yield comparisons among different funds. In the absence of temporary expense waivers or reimbursements, the 30-day yield would have been 3.52% at maximum offering price for A Shares, 4.06% for R6 Shares, and 3.98% for Institutional Shares.

The 12-month yield is the sum of a fund's total trailing 12-month interest and dividend payments divided by the last month's ending share price (NAV) plus any capital gains distributed over the same period.

The fund's R6 Shares commenced operations on June 29, 2016. For the period prior to the commencement of operations of the R6 Shares, the performance information shown is for the fund's Institutional Shares adjusted to remove any voluntary waiver of fund expenses related to the fund's Institutional Shares that may have occurred during the periods prior to the commencement of operations of the fund's R6 Shares.

A word about risk

Mutual funds are subject to risks and fluctuate in value.

There are no guarantees that dividend-paying stocks will continue to pay dividends. In addition, dividend-paying stocks may not experience the same capital appreciation potential as non-dividend-paying stocks.

International investing involves special risks, including currency risk, increased volatility, political risks and differences in auditing and other financial standards.

ESG factors may be considered in the investment analysis process in a manner that is complementary to and enhances the fundamental research and analysis process. Certain ESG factors may help identify business and operational risks or opportunities and add a contextual dimension to the overall evaluation of a security. Like any aspect of investment analysis, there is no guarantee that an investment strategy that considers ESG factors will result in performance better than or equal to products that do not consider such factors.

Definitions

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.

Correlation is the degree to which one variable (here, the fund's returns) fluctuates relative to another (the returns of the fund's benchmark). Correlation ranges from 1.00, when two variables move identically in the same direction, to -1.00, when two variables move identically in the opposite direction.

Median 3-year average payout ratio is the proportion of earnings paid out as dividends to shareholders, typically expressed as a percentage.

Sharpe ratio is calculated by dividing a fund's annualized excess return by the fund's annualized standard deviation. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

Standard deviation is a historical measure of the variability of returns relative to the average annual return. A higher number indicates higher overall volatility.

Up capture ratio/down capture ratio is a measure of how well a manager was able to replicate or improve on periods of positive benchmark returns and how badly the manager was affected by periods of negative benchmark returns. The up-market capture ratio is a measure of a manager's performance in up markets relative to the index during the same period. For example, a ratio value of 115 indicates that the manager has outperformed the market index by 15% in periods when the index has risen. The down-market capture ratio is the direct opposite of

the up-market capture ratio, gauging performance of the manager relative to the index in down markets. A ratio value of 80 would indicate the manager had declined on 80% as much as the declining overall market, indicating relative outperformance.

Weighted average dividend yield is the prospective dividend yield for each security averaged based on the percentages of the securities in the portfolio. Prospective dividend yield is calculated by taking the most recent declared dividend payment multiplied by the number of dividend payments typically made during the year for each holding divided by the current share price for each security.

Weighted average EPS growth next 5 years is the weighted average annual growth rate of fiscal year earnings-per-share for the next five years for a given corporation.

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 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 price/book is a ratio comparing share price to book value or assets minus liabilities.

S&P 500® Index is an unmanaged capitalization-weighted index of 500 stocks designated to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Indexes are unmanaged and cannot be invested in directly.

Ratings and rating agencies

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