

Federated Hermes Strategic Value Dividend Fund

12/31/24

Fund facts

Performance inception date
3/30/05

Benchmark
S&P 500®

Morningstar category
Large Value

Lipper classification
Equity Income Funds

Fund assets
\$7.9 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)	3.69
30-day yield (IS)	3.67
30-day yield (A)	3.23
12-month yield (R6)	3.78
12-month yield (IS)	3.77
12-month yield (A)	3.56

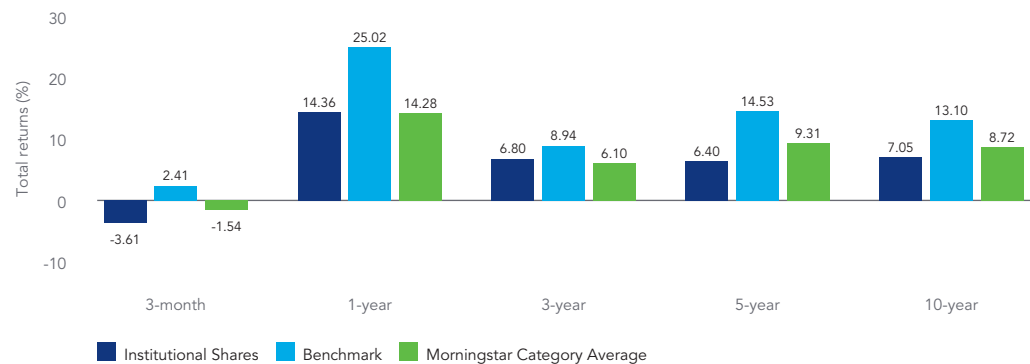
Fund description

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	-3.45	14.57	14.57	6.88	6.42	7.07	7.12	0.85	0.79
Institutional Shares	-3.61	14.36	14.36	6.80	6.40	7.05	7.27	0.93	0.81
A Shares (NAV)	-3.70	14.19	14.19	6.52	6.14	6.79	7.00	1.17	1.06
A Shares (MOP)	-8.93	7.83	7.83	4.54	4.95	6.19	6.70	1.17	1.06
Benchmark	2.41	25.02	25.02	8.94	14.53	13.10	-	-	-



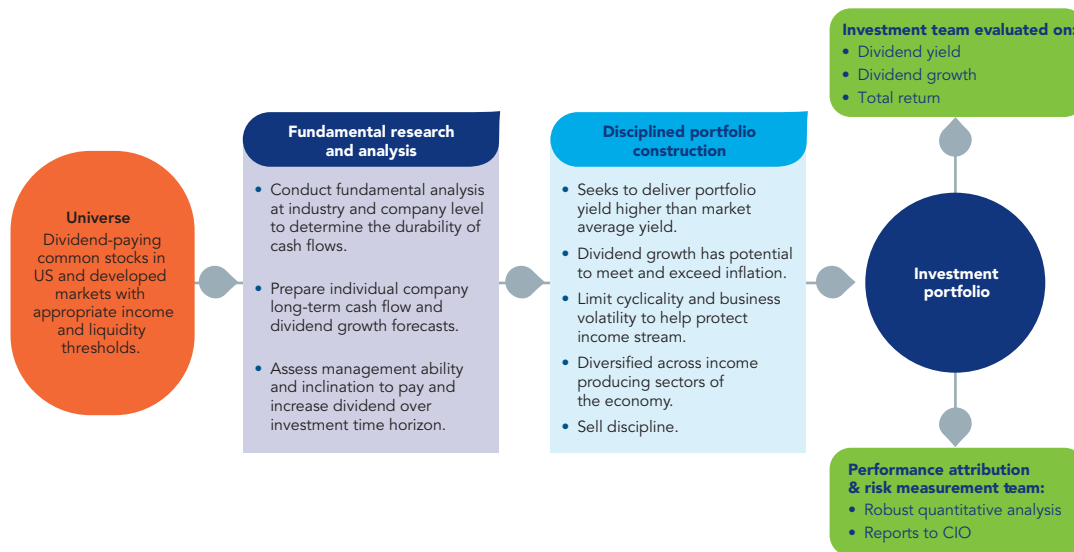
Calendar year total returns (%)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Institutional Shares	14.36	-1.81	8.48	21.52	-7.87	19.60	-8.21	15.14	10.39	3.87
Benchmark	25.02	26.29	-18.11	28.71	18.40	31.49	-4.39	21.82	11.95	1.37
Morningstar Category Average	14.28	11.63	-5.90	26.22	2.91	25.04	-8.53	15.94	14.81	-4.05

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

Investment process



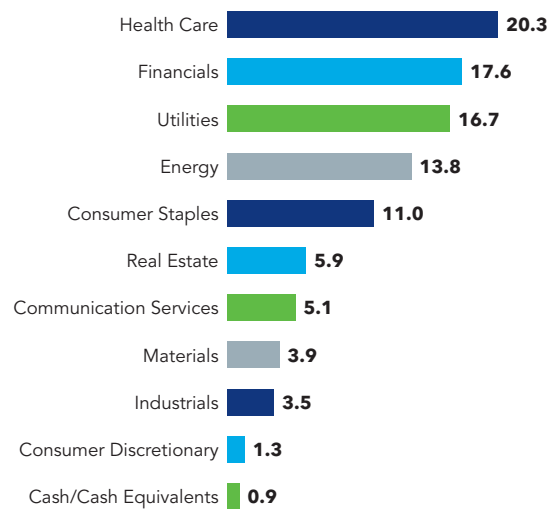
Portfolio statistics

Weighted median P/E (NTM)	13.1x
Median 3-year average payout ratio	64.81
Weighted average EPS growth next 5 years	6.23
Weighted median market cap	\$92.4 b
Weighted median price/book	1.9x
Number of securities	44
Foreign securities	21.44%
Annual portfolio turnover	35.24%

Top holdings (%)

Gilead Sciences, Inc.	3.9
Bristol-Myers Squibb Company	3.8
Verizon Communications Inc.	3.6
Truist Financial Corp.	3.5
U.S. Bancorp	3.5
Enbridge Inc.	3.3
TotalEnergies SE	3.1
Chevron Corp.	3.0
Sanofi	3.0
TC Energy Corp.	3.0
Total % of portfolio	33.7

Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 12/31/24 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.

Key fund characteristics

- The Federated Hermes Strategic Value Dividend Fund had a 30-day SEC yield of 3.23% (A shares at MOP) and a gross weighted average dividend yield of 4.35% at quarter end.
- The fund had 13 companies announce dividend increases in Q4, most notable courtesy of Canadian Imperial Bank of Commerce, WEC Energy Group, Entergy Group, Amgen, AbbVie and American Electric Power which increased their dividend payments by 7.8%, 6.9%, 6.2%, 5.8%, 5.8% and 5.7%, respectively. There were no dividend cuts in the quarter.
- The broad market reached new highs in the fourth quarter following the US presidential election as investors were encouraged by the possibility of lower taxes and less regulation. The AI theme and resilient economic growth also helped to propel the market higher.

Looking back

The fund remained focused on its core goals of delivering high dividend income as it ended the month with a 30-day SEC yield of 3.23% (A shares at MOP) and a gross weighted average dividend yield of 4.35%. This is more than three times the yield of the S&P 500 at 1.28%. For the 12-month period, 38 companies in the fund raised their dividends. TC Energy completed a spinoff, and National Grid announced a dilutive stock issuance.

The broad market's performance in the fourth quarter was dominated by investor optimism surrounding the expectation for rate cuts, economic strength and the AI theme. As expected in a risk-on market, high yield, low beta and high quality underperformed. The total return contribution derived from five mega-cap names, Tesla, Nvidia, Amazon, Broadcom and Apple with a combined weight of 22.78%, exceeded the total return of the full S&P 500. To further highlight the narrow AI market outperformance, one AI name, Tesla, with a 2.3% weight, accounted for 31% of the total return of the S&P 500. The fund had no exposure to these top performers as they either do not pay a dividend or pay a dividend notably lower than the Fund's minimum threshold. The fund remained focused on its main objectives and will not alter its focus based on near-term market performance trends.

Performance

The Federated Hermes Strategic Value Dividend Fund underperformed the S&P 500 due to bias against defensive, high quality, high-yielding investments.

Performance contributors

- The fund provided a notable and competitive yield which has historically provided a hedge against inflation.
- Financials were a top performer in the index and the fund benefited accordingly with its 17.7% weight as US banks are viewed as beneficiaries of a second Trump term. Top performers include Morgan Stanley and Huntington Bancshares.
- Individual names that contributed positively to performance include Entergy Corporation, Gilead Sciences, Bristol Myers and TC Energy Corp.

Performance detractors

- The fund's international exposure was an area of weakness, as international securities underperformed US securities in the quarter. Weak performance was noted in Sanofi, TotalEnergies, National Grid and BCE Inc.
- Weakness was also noted in the fund's Materials sector, as rate sensitive sectors like Materials were pressured by rising rates. LyondellBasell was a noted laggard.
- Consumer Staples was another area of weakness, as defensive sectors were out of favor in the quarter. Beverages led the decline as Coca-Cola, PepsiCo, Inc. and Diageo plc were the weakest performers.

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.

Market review

US stocks fell in December, giving up a piece of the year's otherwise-stellar gains, as the S&P 500 closed 2025 below 5,900. Within the S&P 500, Communication Services, Consumer Discretionary and Information Technology outperformed the most, while Real Estate, Energy and Materials were hardest hit. London's FTSE and the MSCI All Country World ex-USA index fell in December, while the Euro Stoxx 50 and the Nikkei rose.

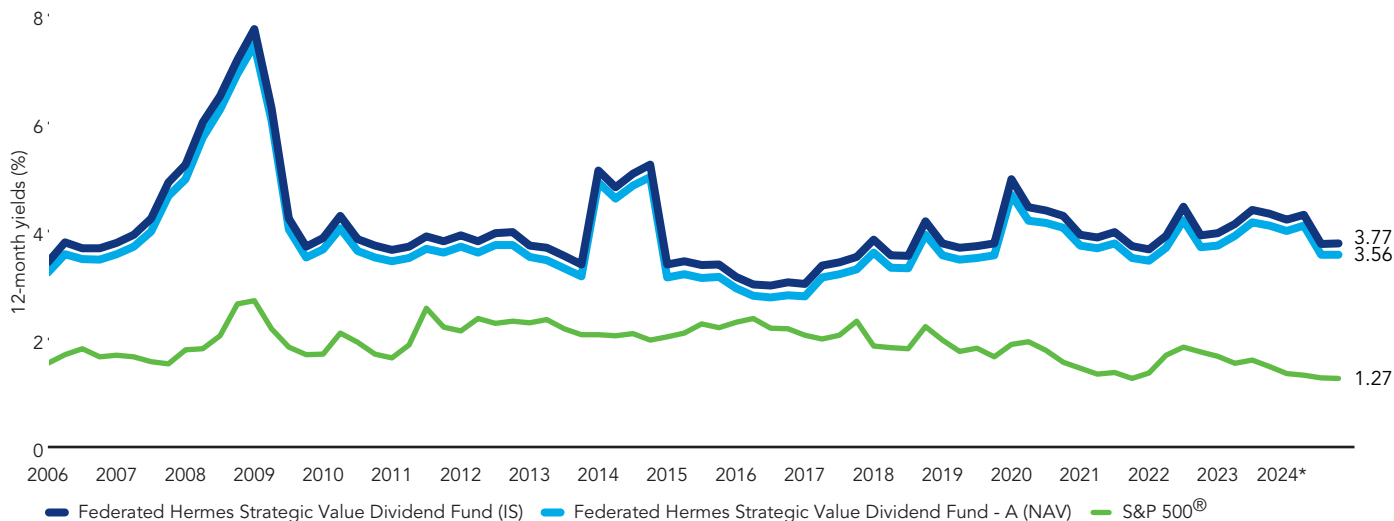
Bond prices fell on the month, with 10-year Treasury yields rising to close the month above the 4.5% level. Mortgage rates moved a bit higher, with 30-year loans rising over the month to just under 7%. Oil prices inched higher in December, and gold prices continued to edge lower. Small business optimism jumped to its highest level since June 2021, bringing 34 months of subpar readings to a close. At its December meeting, the Federal Reserve trimmed back its rate-cut expectations for 2025.

Other dividend increases for the quarter include Kimco Realty Corporation (4.2%), Evergy, Inc. (3.9%), Bristol Myers (+3.3%), Enbridge (+3.0%), Bank of Montreal (+2.6%), Pfizer (+2.4%) and Amcor (2.0%). There were no dividend cuts during the quarter.

Upon completion of a spinoff of its liquids business, TC Energy Corp. and the newly formed South Bow Corp's initial combined dividends will be equivalent to TC Energy's annual dividend immediately prior to the completion of the spinoff, with the expected dividend split being 14% for South Bow and 86% for TC Energy.

See disclosure section for important disclosures and definitions.

The fund delivered higher yield



Source: Federated Hermes

Yields for other classes will vary.

* As of 12/31/24

Risk statistics

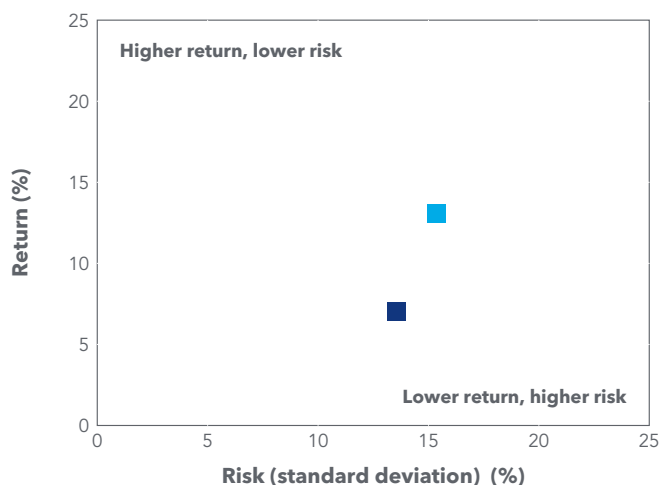
	3-year	5-year	7-year	10-year
Standard deviation	15.11	16.44	15.08	13.56
Beta	0.59	0.71	0.69	0.67
Correlation	0.67	0.78	0.78	0.75
Up capture ratio	65.08	65.14	63.22	64.07
Down capture ratio	61.59	79.59	77.43	72.15
Sharpe ratio	0.16	0.22	0.22	0.38

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. S&P 500®

See disclosure section for important definitions.

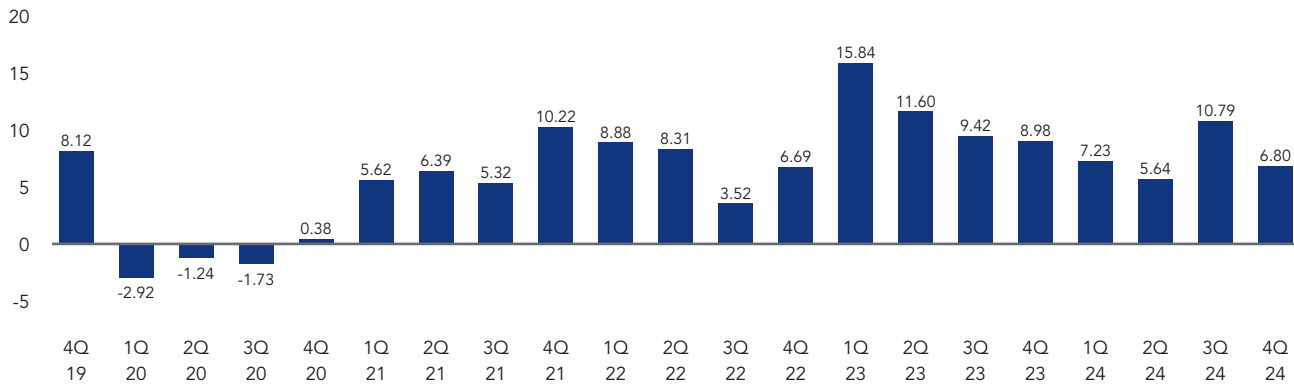
10-year risk/return



	Risk (%)	Return (%)
■ Federated Hermes Strategic Value Dividend Fund (IS)	13.56	7.05
■ S&P 500®	15.36	13.10

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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	48	38	90	-
	Morningstar Category Rank	563 of 1,170 funds	405 of 1,095 funds	948 of 1,036 funds	-
IS Shares	Morningstar Category % Rank	51	41	91	89
	Morningstar Category Rank	593 of 1,170 funds	425 of 1,095 funds	950 of 1,036 funds	720 of 808 funds
A Shares	Morningstar Category % Rank	54	46	93	93
	Morningstar Category Rank	619 of 1,170 funds	489 of 1,095 funds	965 of 1,036 funds	748 of 808 funds

Lipper Equity Income Funds		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	47	26	87	-
	Lipper Classification Rank	215 of 464 funds	110 of 427 funds	352 of 405 funds	-
IS Shares	Lipper Classification % Rank	48	28	88	82
	Lipper Classification Rank	221 of 464 funds	119 of 427 funds	354 of 405 funds	252 of 307 funds
A Shares	Lipper Classification % Rank	49	33	90	85
	Lipper Classification Rank	227 of 464 funds	139 of 427 funds	364 of 405 funds	261 of 307 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 3.18% at maximum offering price for A Shares, 3.64% for R6 Shares, and 3.62% 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.

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.

Mid-cap companies often have narrower markets and limited managerial and financial resources compared to larger and more established companies.

Large-cap companies may have fewer opportunities to expand the market for their products or services, may focus their competitive efforts on maintaining or expanding their market share, and may be less capable of responding quickly to competitive challenges. The above factors could result in the share price of large-cap companies lagging the overall stock market or growth in the general economy, and, as a result, could have a negative effect on the fund's portfolio, performance and share price.

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

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® 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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