

Federated Hermes Strategic Value Dividend Fund

3/31/25

Fund facts

Performance inception date
3/30/05

Benchmark
S&P 500®

Morningstar category
Large Value

Lipper classification
Equity Income Funds

Fund assets
\$8.5 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)	3.41
30-day yield (IS)	3.38
30-day yield (A)	2.97
12-month yield (R6)	3.51
12-month yield (IS)	3.49
12-month yield (A)	3.28

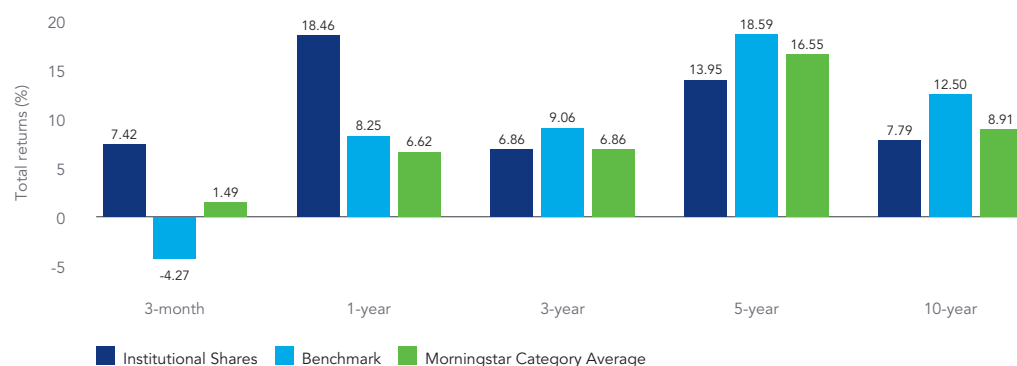
Fund description

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	7.24	7.24	18.48	6.88	13.97	7.79	7.40	0.85	0.79
Institutional Shares	7.42	7.42	18.46	6.86	13.95	7.79	7.57	0.93	0.81
A Shares (NAV)	7.23	7.23	18.12	6.58	13.63	7.51	7.29	1.17	1.06
A Shares (MOP)	1.36	1.36	11.71	4.60	12.36	6.91	6.99	1.17	1.06
Benchmark	-4.27	-4.27	8.25	9.06	18.59	12.50	—	—	—



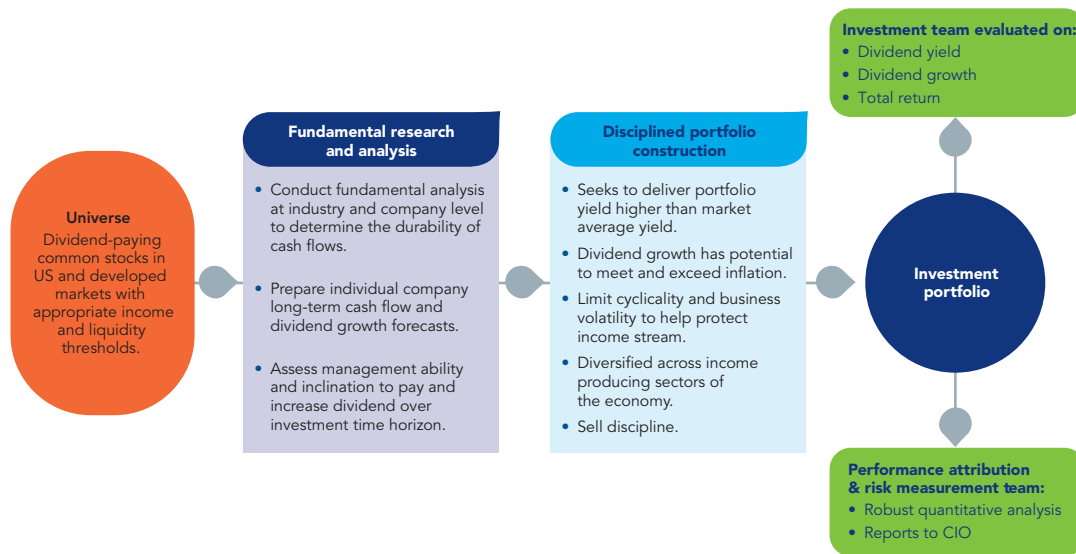
Calendar year total returns (%)

	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



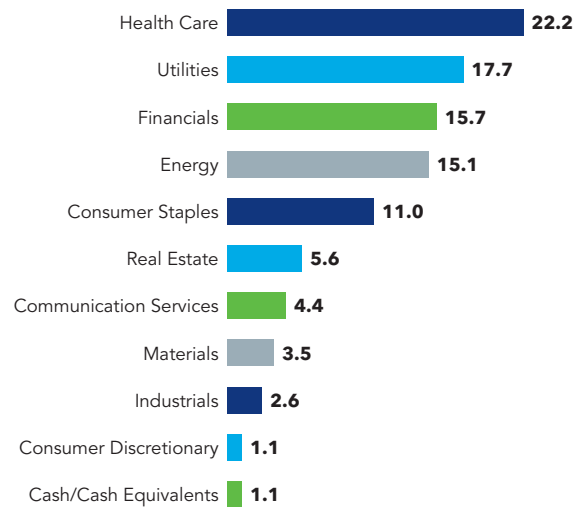
Portfolio statistics

Weighted median P/E (NTM)	15.2x
Median 3-year average payout ratio	68.94
Weighted average EPS growth next 5 years	7.53
Weighted median market cap	\$100.9 b
Weighted median price/book	2.0x
Number of securities	45
Foreign securities	22.11%
Annual portfolio turnover	35.48%

Top holdings (%)

Sanofi	3.9
TotalEnergies SE	3.7
Philip Morris International Inc.	3.5
Amgen Inc.	3.4
Bristol-Myers Squibb Company	3.3
Chevron Corp.	3.2
Enbridge Inc.	3.2
Gilead Sciences, Inc.	3.1
Johnson & Johnson	3.1
Verizon Communications Inc.	3.1
Total % of portfolio	33.5

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.

Key fund characteristics

- The Federated Hermes Strategic Value Dividend Fund had a 30-day SEC yield of 2.97% (A shares at MOP) and a gross weighted average dividend yield of 4.12% at quarter end.
- The Fund had 13 companies announce dividend increases in Q1, most notable courtesy of Allianz SE, Total Energies, PPL Corp., Prologis, Coca-Cola and PepsiCo which increased their dividend payments by 11.6%, 7.6%, 5.8%, 5.2%, 5.2% and 5.0%, respectively. There were no dividend cuts in the quarter.
- Concerns over US economic growth, major US policy changes and a notable selloff in the Information Technology sector weighed on the broad market's performance in the quarter.

Looking back

The Fund remained focused on its core goal of delivering high dividend income as it ended the quarter with a 30-day SEC yield of 2.97% (A shares at MOP) and a gross weighted average dividend yield of 4.12%. This is more than 3 times the yield of the S&P 500 at 1.36%. For the 12-month period, 38 companies in the Fund raised their dividends. In May 2024, National Grid announced a 30% dilutive stock issuance, partly offset with proceeds from the associated rights issuance valued at 7%, and a 5.6% dividend increase. Netted together, it is anticipated that National Grid's dividend per share will be diluted by approximately 15-17%.

The impact of tariffs and softer than expected US economic data weighed on both corporate and consumer sentiment in the quarter. A notable rotation occurred in the first quarter as investors sold mega-cap growth names and moved into defensive positions. The Magnificent Seven (Mag 7), which drove market performance higher in 2023 and most of 2024, posted negative total returns thus far in 2025 dragging the S&P 500 lower. As a result, the combined Mag 7 detracted -477 bps from the S&P 500's total performance YTD. Consumer Discretionary and Information Technology were the notable laggards while the defensive, dividend-friendly sectors, such as Energy, Health Care, Consumer Staples and Utilities outperformed. Characteristics conducive to the strategy, high quality, high yield, and low beta outperformed in the month, and the Fund performed as expected.

Performance

The Federated Hermes Strategic Value Dividend Fund outperformed the S&P 500 (IS shares at NAV) due to investor preference for defensive, high yield, high-quality investments.

Performance contributors

- Health Care was an outperformer in the index and the Fund benefited accordingly with its 22.3% weight led by Gilead Sciences and Amgen which both benefited from strong Q4 earnings.
- Utilities was another outperformer in the index and the Fund's 17.8% weight added positively to performance, as defensive stocks outperformed, led by American Electric Power, WEC Energy Group and Duke Energy Corp.
- Energy was the top-performing sector in the index and the Fund benefited accordingly with its 15.1% weight, driven by Total Energies and Chevron Corp, which both generated notable double digit returns.

Performance detractors

- Weakness was noted in the Fund's Financial sector led by regional banks U.S. Bancorp and PNC Financial Services.
- Individual names that detracted from performance included Diageo plc and Target Corporation.

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

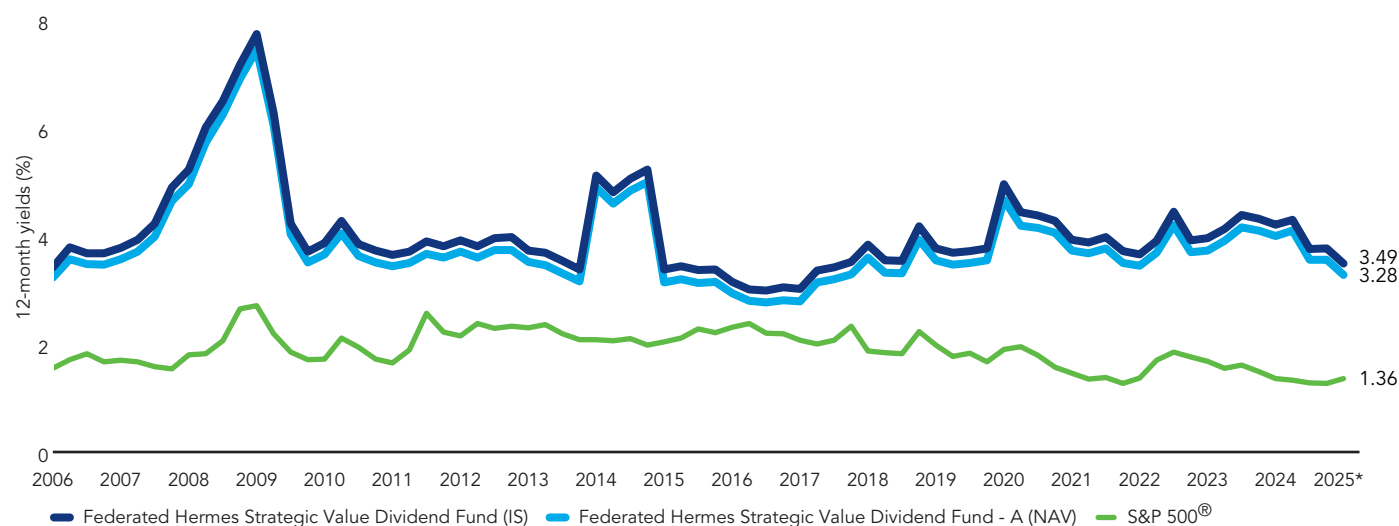
March was a difficult month, with US equities entering a 10% correction from their all-time highs set in February. Uncertainty was the word of the moment, as investors awaited the unveiling of President Trump's "Liberation Day" tariff plans. Within the S&P 500, Energy, Utilities and Health Care outperformed most, while Consumer Discretionary, Information Technology and Communication Services fared worst. The FTSE 100, Euro Stoxx 50 and the Nikkei all declined, while the MSCI ACWI ex-USA and the Shanghai Composite were flat on the month. Tariffs, economic growth and consumer sentiment were among the worries occupying investors' attention this month. Bond yields inched higher but remained well below their January highs. Mortgage rates declined modestly in March. The US dollar index fell to its lowest level since the autumn. Oil prices edged modestly higher, while gold continued to rise to all-time highs.

Other dividend increases for the quarter include Chevron (+4.9%), First Energy (+4.7%), Sanofi (+4.3%), TC Energy Corp (3.3%), Gilead Sciences (2.6%), Best Buy (1.1%) and United Parcel Services (+0.6%). 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 3/31/25

Risk statistics

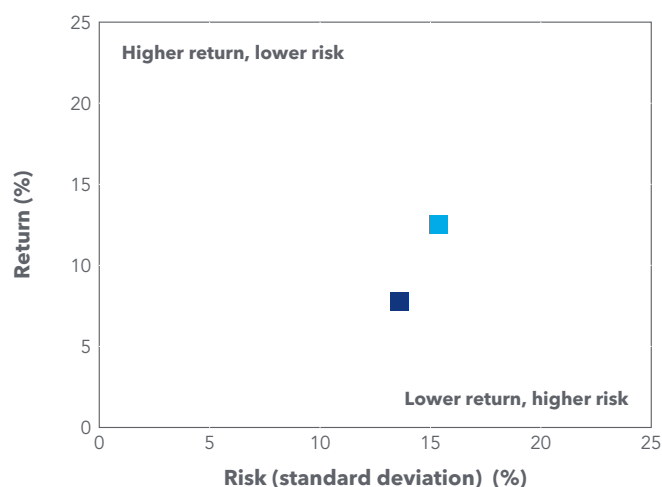
	3-year	5-year	7-year	10-year
Standard deviation	15.14	14.21	14.88	13.62
Beta	0.61	0.60	0.67	0.66
Correlation	0.70	0.71	0.77	0.75
Up capture ratio	66.46	66.16	65.47	65.50
Down capture ratio	63.51	57.13	68.80	68.01
Sharpe ratio	0.14	0.76	0.36	0.42

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. S&P 500®

See disclosure section for important definitions.

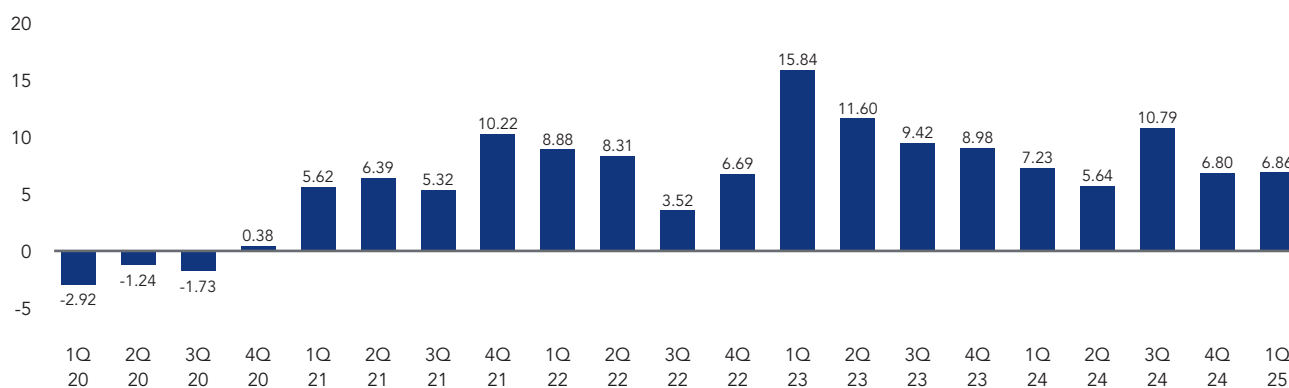
10-year risk/return



	Risk (%)	Return (%)
■ Federated Hermes Strategic Value Dividend Fund (IS)	13.62	7.79
■ S&P 500®	15.38	12.50

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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	1	53	86	–
	Morningstar Category Rank	2 of 1,158 funds	564 of 1,092 funds	886 of 1,030 funds	–
IS Shares	Morningstar Category % Rank	1	53	86	82
	Morningstar Category Rank	3 of 1,158 funds	570 of 1,092 funds	888 of 1,030 funds	647 of 808 funds
A Shares	Morningstar Category % Rank	1	59	88	86
	Morningstar Category Rank	4 of 1,158 funds	638 of 1,092 funds	911 of 1,030 funds	686 of 808 funds

Lipper Equity Income Funds		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	1	41	76	–
	Lipper Classification Rank	2 of 478 funds	178 of 442 funds	314 of 415 funds	–
IS Shares	Lipper Classification % Rank	1	41	76	74
	Lipper Classification Rank	3 of 478 funds	180 of 442 funds	315 of 415 funds	239 of 324 funds
A Shares	Lipper Classification % Rank	1	47	79	78
	Lipper Classification Rank	4 of 478 funds	207 of 442 funds	325 of 415 funds	253 of 324 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 2.92% at maximum offering price for A Shares, 3.36% for R6 Shares, and 3.33% 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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