

# Federated Hermes International Small-Mid Company Fund

3/31/26

## Fund facts

### Performance inception date

2/28/96

### Benchmark

MSCI ACWI ex USA SMID Cap Index

### Morningstar category

Foreign Small/Mid Growth

### Lipper classification

International Small/Mid-Cap Growth

### Fund assets

\$474.6 million

### Ticker symbols

Institutional Shares - ISCI9

A Shares - ISCA9

C Shares - ISCC9

### Key investment team

Dariusz Czoch, CFA

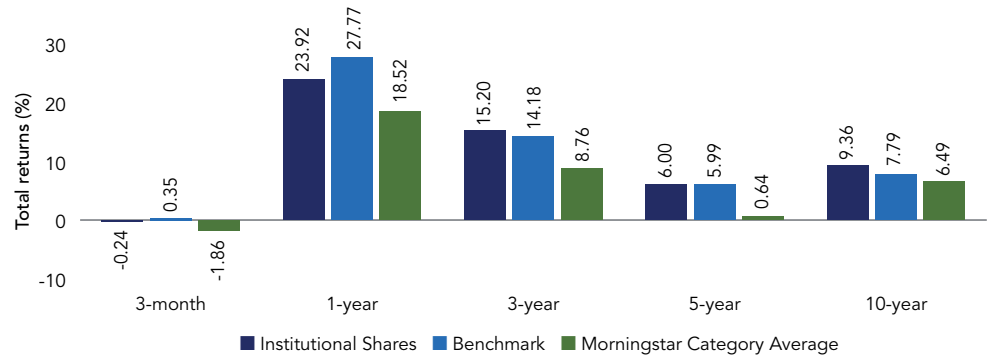
## Fund description

The fund pursues long-term capital growth by investing in foreign small- or mid-cap companies, focusing on those with specialized products, technologies or services with solid growth potential. Offers strong international diversification with approximately 100–150 holdings across more than 20 developed and emerging-market countries.

## 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
<b>Institutional Shares</b>	-0.24	-0.24	23.92	15.20	6.00	9.36	9.36	1.26	0.99
<b>A Shares (NAV)</b>	-0.29	-0.29	23.62	14.92	5.74	9.11	9.30	1.51	1.24
<b>A Shares (MOP)</b>	-5.78	-5.78	16.82	12.77	4.55	8.50	9.10	1.51	1.24
<b>Benchmark</b>	0.35	0.35	27.77	14.18	5.99	7.79	–	–	–



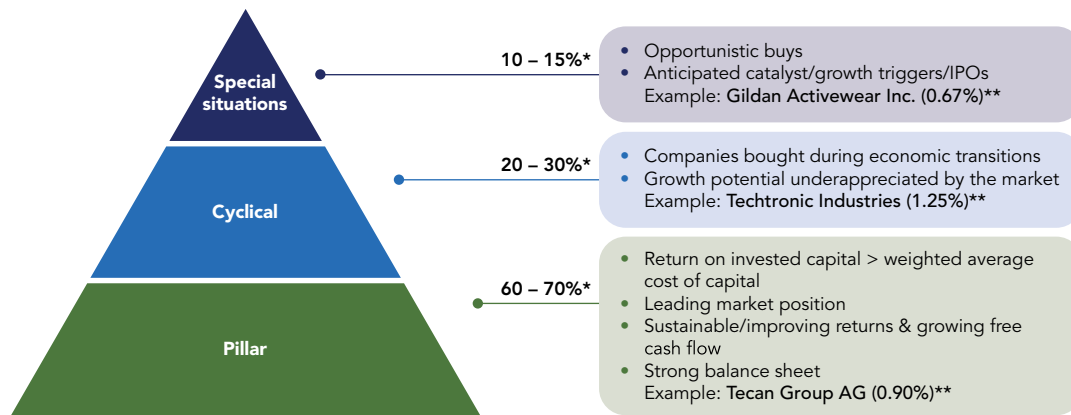
## Calendar year total returns (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Institutional Shares</b>	34.36	7.79	12.84	-23.42	6.23	31.48	32.03	-18.70	34.95	-8.10
<b>Benchmark</b>	30.74	3.49	15.79	-19.49	10.16	12.01	22.36	-17.06	30.35	3.57
<b>Morningstar Category Average</b>	20.36	1.39	12.63	-30.17	8.79	28.40	27.78	-18.34	36.19	-2.98

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](http://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 2/1/27 or the date of the fund's next effective prospectus.

## Portfolio construction process



\* Approximate percentage of total portfolio

\*\* Percentage of portfolio

## Portfolio statistics

Weighted median P/E (NTM)	17.3x
Weighted median market cap	\$9.0 b
Weighted median price/book	2.9x
Number of securities	152

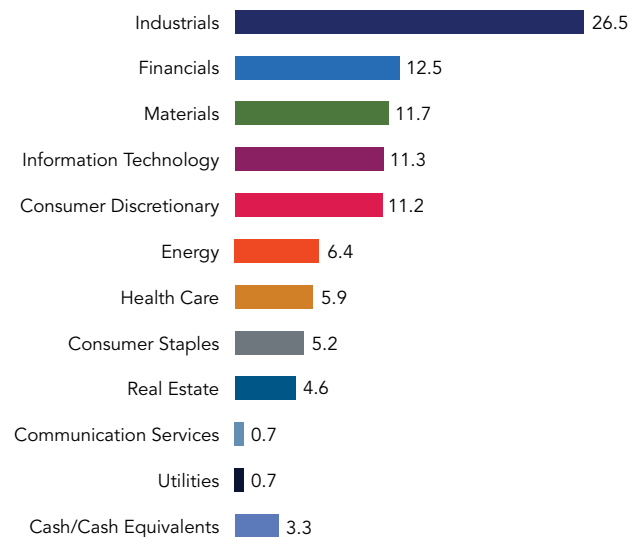
## Top holdings (%)

Kawasaki Heavy Industries, Ltd. <i>Japan</i>	1.6
Alamos Gold Inc. <i>Canada</i>	1.4
ROHM Company Ltd. <i>Japan</i>	1.3
Almirall SA <i>Spain</i>	1.2
Lundin Mining Corp. <i>Chile</i>	1.2
Gaztransport et Technigaz <i>France</i>	1.2
Hanwha Techwin Co., Ltd. <i>South Korea</i>	1.2
Swedish Orphan Biovitrum AB <i>Sweden</i>	1.1
Subsea 7 SA <i>Norway</i>	1.1
TechnipFMC PLC <i>United Kingdom</i>	1.1
Total % of portfolio	12.4

## Top country weightings (%)

Japan	21.5	Denmark	2.0
United Kingdom	10.8	United States	2.0
Canada	8.3	France	2.0
Germany	6.8	Norway	1.9
Italy	5.3	Poland	1.9
Spain	4.6	Finland	1.7
Netherlands	4.0	Sweden	1.7
Switzerland	3.0	Australia	1.6
South Korea	2.3	Cash/Cash Equivalents	3.3

## Sector weightings (%)



Totals may not add up to 100% due to rounding.

Portfolio composition is based on net assets at the close of business on 3/31/26 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

- Conflicts in Middle East and Ukraine
- Energy costs
- Inflation
- Rising yields

## Looking back

Geopolitical uncertainty intensified through early 2026, driven by escalating conflict in the Middle East and ongoing trade tensions. Both financial and commodity markets responded, with oil prices surging and bond yields repricing higher across developed markets. European natural gas prices climbed quickly following supply disruptions out of the Middle East. The largest impacts from higher commodity prices were felt in Asia, which is the largest consumer of oil and gas from the Middle East. Japan, South Korea and Australia drew on their emergency reserves to mitigate the impacts while smaller countries faced shortages and implemented curbs to deal with higher prices.

Inflation remained moderate across Europe and the US, although central banks stayed cautious and ready to act as higher energy prices started to feed through. Germany saw consumer prices rise 2.8% in March reaching the highest level in a year. French inflation also rose, reaching 1.9%, the fastest pace since August 2024. In the United States, inflation moderated toward target, but higher energy prices and rising inflation expectations complicated the Federal Reserve's easing outlook.

China's economic signals indicated that momentum was improving. Industrial production reflected rebounding exports. Retail sales also surged higher by 2.8% through February while fixed asset investments expanded following a weak 2025. Persistent stress in the housing market and some manufacturing overcapacity continued to weigh on confidence despite overall improving headline data.

In Japan, the Bank of Japan closely monitored continued yen weakness. After four years of inflation remaining above the Bank of Japan's 2% target, inflation showed signs of slowing. However, officials remained cautious of any inflationary risks from the Iran tensions. The labor market remained tight, supporting wage growth.

## Performance

The Federated Hermes International Small-Mid Company Fund (IS Shares at NAV) returned -0.24% for the quarter ending March 31, 2026. That compares to its benchmark, the MSCI ACWI ex USA SMID Cap Index, which returned 0.35% during the period. As a result, the fund underperformed the benchmark by 0.59%.

### Performance contributors

- Stock selection within Industrials, Energy and Utilities contributed positively
- Within Industrials, Kawasaki Heavy Industries Ltd., Hitachi Energy India Limited, LIG Nex1 Co., Ltd. and Hanwha Aerospace Co., Ltd were top contributors
- Within Energy, TechnipFMC plc, Subsea 7 S.A. and Gaztransport & Technigaz SA were top contributors
- Within Health Care, Swedish Orphan Biovitrum AB was a top contributor
- ROHM Company Limited was a positive contributor within Information Technology

### Performance detractors

- Stock selection within Information Technology, Financials and Consumer Discretionary contributed negatively
- Within Information Technology, Vusion, Nemetschek SE and Sage Group plc contributed negatively
- Within Financials, FinecoBank SpA, Banco Comercial Portugues S.A. contributed negatively
- Within Consumer Discretionary, Aisin Corporation, Dollarama Inc., and Brunello Cucinelli S.p.A contributed negatively
- CTS Eventim AG & Co. KGaA was a negative contributor within Communication Services

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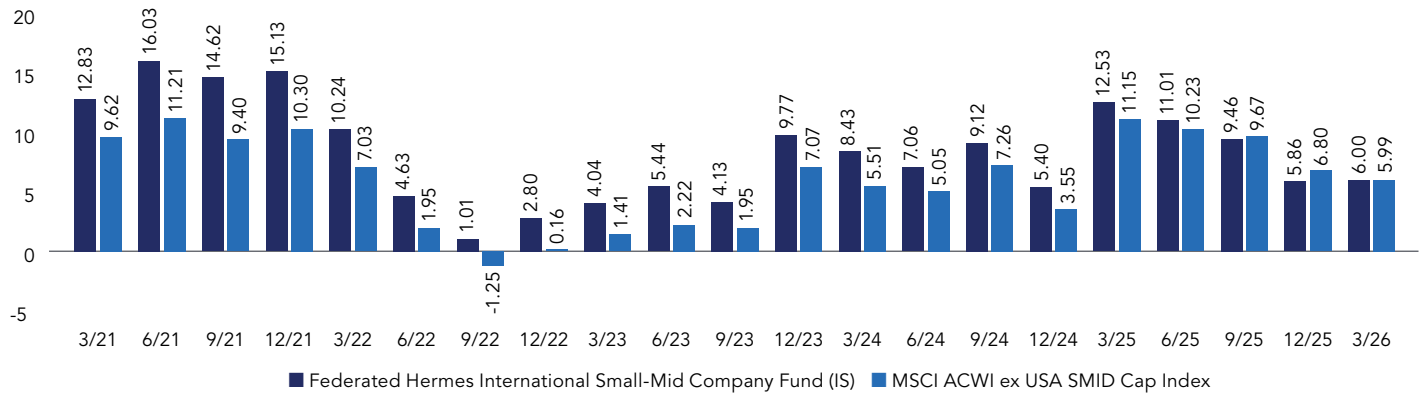
## How we are positioned

Looking ahead to 2026, the conflict involving Iran and its implications for global oil markets remain an important driver of international equity performance and economic outlooks. A sustained period of elevated oil and natural gas prices would pose a headwind to global growth, reinforcing the importance of balance sheet strength and active management.

Despite this backdrop, we continue to view international equities as an attractive opportunity amid rising global complexity. We expect investor flows to gradually diversify away from the US as they seek to hedge uncertainty around US growth prospects and policy outcomes. We believe the fund is diversified and positioned to capture opportunities globally, specifically in defense, automation, digitalization, electrification, the rebuilding of infrastructures and AI.

*See disclosure section for important disclosures and definitions.*

### 5-year rolling returns vs. MSCI ACWI ex USA SMID Cap Index (%)



Source: Morningstar, Inc. Performance for 5-year periods (3-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

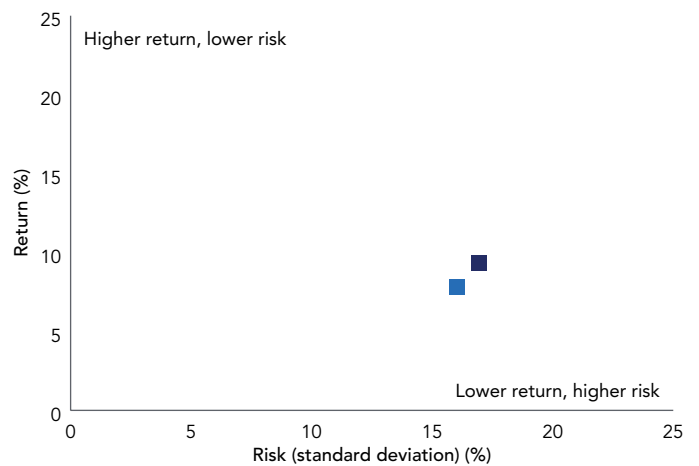
	3-year	5-year	7-year	10-year
<b>Standard deviation</b>	14.25	17.27	18.55	16.93
<b>Beta</b>	0.97	1.06	1.00	1.01
<b>Correlation</b>	0.94	0.96	0.96	0.95
<b>Up capture ratio</b>	105.02	112.15	110.92	108.72
<b>Down capture ratio</b>	103.10	115.33	104.05	103.87

Sources: Federated Hermes, Inc., Morningstar, Inc.

Fund vs. MSCI ACWI ex USA SMID Cap Index

**See disclosure section for important definitions.**

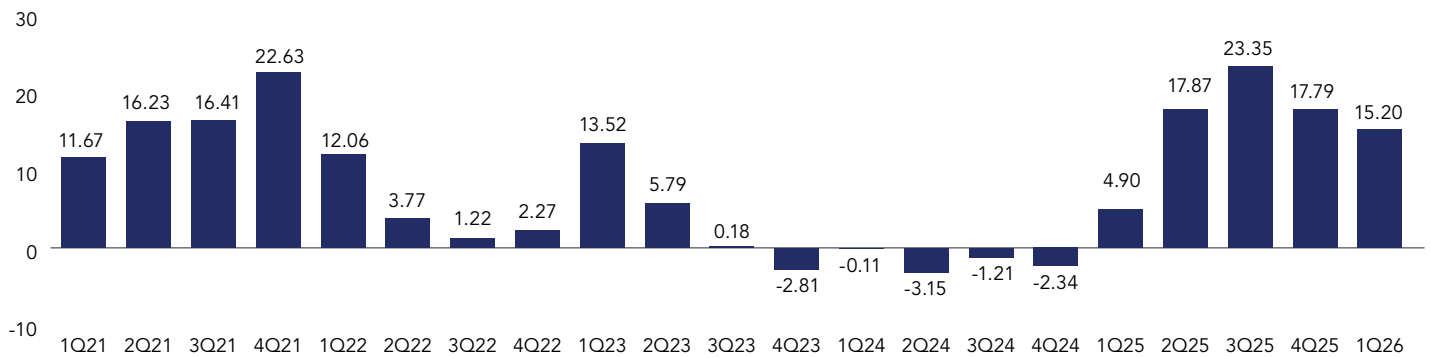
### 10-year risk/return



	Risk (%)	Return (%)
■ Federated Hermes International Small-Mid Company Fund (IS)	16.93	9.36
■ MSCI ACWI ex USA SMID Cap Index	16.03	7.79

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### 3-year rolling returns - IS (%)



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### Category rankings

<b>Morningstar Foreign Small/Mid Growth Category</b>		1-year	3-year	5-year	10-year
<b>IS Shares</b>	Morningstar Category % Rank	31	8	6	2
	Morningstar Category Rank	35 of 112 funds	8 of 108 funds	5 of 97 funds	2 of 83 funds
<b>A Shares</b>	Morningstar Category % Rank	32	9	7	3
	Morningstar Category Rank	36 of 112 funds	9 of 108 funds	6 of 97 funds	3 of 83 funds
<b>Lipper International Small/Mid-Cap Growth</b>		1-year	3-year	5-year	10-year
<b>IS Shares</b>	Lipper Classification % Rank	28	7	8	4
	Lipper Classification Rank	36 of 129 funds	8 of 125 funds	8 of 112 funds	3 of 97 funds
<b>A Shares</b>	Lipper Classification % Rank	29	8	11	5
	Lipper Classification Rank	37 of 129 funds	10 of 125 funds	12 of 112 funds	4 of 97 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 Small-Mid Company 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](https://www.federatedhermes.com/us). Please carefully read the summary prospectus or prospectus before investing.**

The fund's Institutional Shares commenced operations on March 31, 2008. For the period prior to the commencement of operations of 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 fund expenses related to the A Shares that may have occurred prior to commencement of operations of the Institutional Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

### 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.

Prices of emerging market and frontier market securities can be significantly more volatile than the prices of securities in developed countries, and currency risk and political risks are accentuated in emerging markets.

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.

Diversification does not assure a profit nor protect against 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.

Because the fund may allocate relatively more assets to certain industry sectors than others, the fund's performance may be more susceptible to any developments which affect those sectors emphasized by the Fund.

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

Small-cap companies may have less liquid stock, a more volatile share price, unproven track records, a limited product or service base and limited access to capital. The above factors could make small-cap companies more likely to fail than larger companies and increase the volatility of the fund's portfolio, performance and price. Suitable securities of small-cap companies also can have limited availability and cause capacity constraints on investment strategies for funds that invest in them.

Investing in IPOs involves special risks such as limited liquidity and increased volatility.

### 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.

**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 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.

**MSCI ACWI ex USA SMID Cap Index** captures mid- and small-cap representation across Developed Market countries (excluding the US) and Emerging Markets countries. The index covers approximately 28% 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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