

Federated Hermes International Small-Mid Company Fund

12/31/25

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

\$420.0 million

Ticker symbols

Institutional Shares - ISCI9

A Shares - ISCA9

C Shares - ISCC9

Key investment team

Dariusz Czoch, CFA

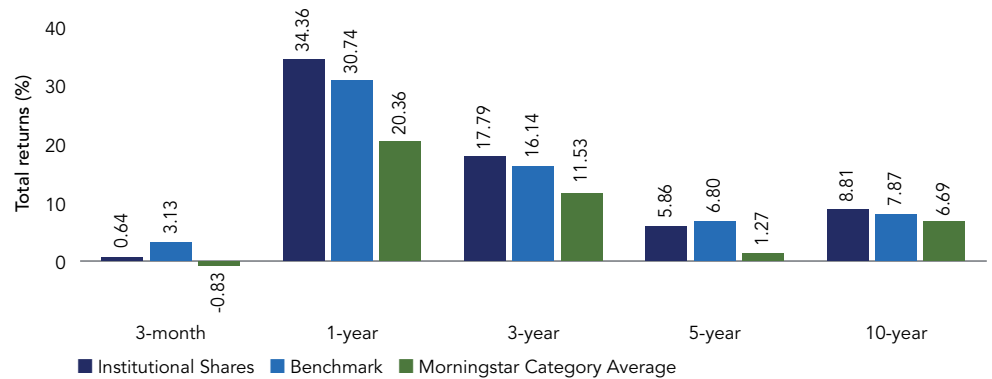
Fund description

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
Institutional Shares	0.64	34.36	34.36	17.79	5.86	8.81	9.45	1.30	0.99
A Shares (NAV)	0.59	34.02	34.02	17.51	5.60	8.57	9.39	1.55	1.24
A Shares (MOP)	-4.95	26.64	26.64	15.31	4.41	7.95	9.18	1.55	1.24
Benchmark	3.13	30.74	30.74	16.14	6.80	7.87	–	–	–



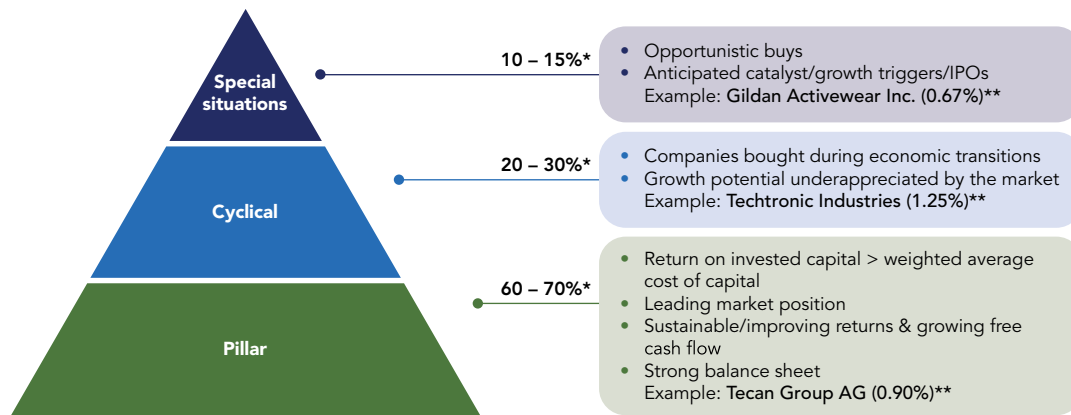
Calendar year total returns (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Institutional Shares	34.36	7.79	12.84	-23.42	6.23	31.48	32.03	-18.70	34.95	-8.10
Benchmark	30.74	3.49	15.79	-19.49	10.16	12.01	22.36	-17.06	30.35	3.57
Morningstar Category Average	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. 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 2/1/26 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)	18.1x
Weighted median market cap	\$9.3 b
Weighted median price/book	3.1x
Number of securities	151

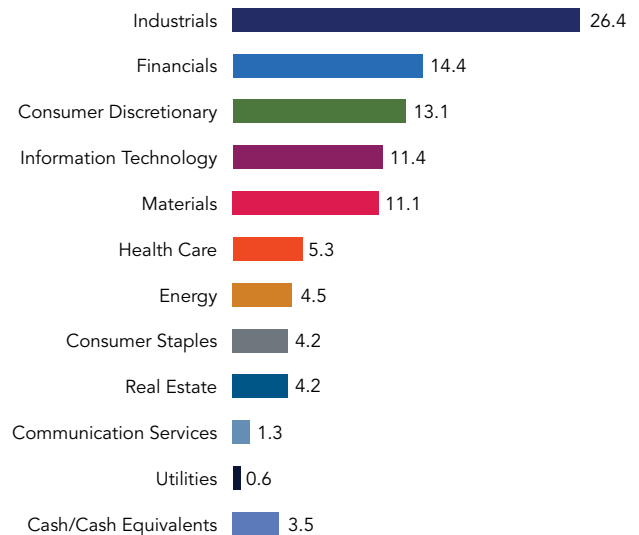
Top holdings (%)

Lundin Mining Corp. <i>Chile</i>	1.7
Almirall SA <i>Spain</i>	1.4
Cameco Corp. <i>Canada</i>	1.2
Alamos Gold Inc. <i>Canada</i>	1.2
Bank of Ireland Group PLC <i>Ireland</i>	1.2
Kawasaki Heavy Industries <i>Japan</i>	1.2
Metso Corporation <i>Finland</i>	1.1
Rentokil Initial plc <i>United Kingdom</i>	1.0
Dollarama, Inc. <i>Canada</i>	1.0
Rohm Company Limited <i>Japan</i>	1.0
Total % of portfolio	12.0

Top country weightings (%)

Japan	19.3	Switzerland	2.5
United Kingdom	12.7	Poland	2.1
Germany	9.8	Sweden	1.8
Canada	9.1	Chile	1.7
Italy	6.2	Denmark	1.6
Spain	3.9	Austria	1.5
Netherlands	3.3	South Korea	1.2
Australia	3.1	South Africa	1.2
France	2.8	Cash/Cash Equivalents	3.5

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 12/31/25 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.

Highlights

- US government shutdown
- Interest rate cuts
- Inflation
- Conflicts in Middle East and Ukraine

Looking back

Global economic conditions continued to soften, with key indicators pointing to a moderation in growth. Crude oil prices moved lower on concerns of oversupply, reinforced by OPEC's decision to pause previously planned production hikes.

Geopolitics continued to add to regional uncertainty, including the ongoing conflict in Ukraine and the presence of US naval vessels outside of Venezuela.

Across major economies, industrial activity was mixed. Germany's manufacturing sector declined to a ten-month low in December, underscoring persistent weakness in European output. Conversely, France recorded its best manufacturing reading in over three years on stronger exports, signaling a divergence within the euro area.

In Asia, despite ongoing weakness in exports to the US, China achieved a record trade surplus exceeding \$1 trillion, highlighting structural resilience in its exports. In Japan, Sanae Takaichi was elected prime minister after campaigning on consumer relief measures to address inflation and wage stagnation.

In the US, consumer sentiment weakened amid widespread affordability challenges. The recent government shutdown, driven by disputes over health-care subsidies, added to short-term uncertainty and disrupted federal operations. Against this backdrop, the

Federal Reserve cut interest rates twice, moving toward a more accommodative policy to support growth and financial stability.

Monetary easing extended to the Bank of England which cut its interest rate in December following a decline in consumer price index (CPI) to 3.4%, slightly below expectations. However, this improvement in inflation was offset by rising unemployment, which reached 5.1%, its highest level in nearly five years.

Performance

The Federated Hermes International Small-Mid Company Fund (IS Shares at NAV) returned 0.64% for the quarter ending December 31, 2025. That compares to its benchmark, the MSCI ACWI ex USA SMID Cap Index, which returned 3.13% during the period. As a result, the fund underperformed the benchmark by 2.49%.

Performance contributors

- Stock selection within Health Care, Financials, Consumer Discretionary, Materials and Consumer Staples contributed positively
- Lundin Mining Corporation was a top contributor within Materials
- Within Industrials, Metso Corporation was a top contributor
- Within Healthcare, argenx SE and Swedish Orphan Biovitrum AB were top contributors
- Within Financials, Bank of Ireland Group Plc, Vienna Insurance Group AG and Powszechny Zakład Ubezpieczeń Spolka Akcyjna were top contributors
- Within Consumer Discretionary, Aritzia, Inc. and Dollarama Inc. were top contributors

Performance detractors

- Stock selection within Industrials, Information Technology and Communication Services contributed negatively
- Within Industrials, RENK Group AG, Rheinmetall AG, BayCurrent, Inc, and Hanwha Aerospace Co., Ltd. contributed negatively
- MGM China Holdings was a negative contributor within Consumer Discretionary
- Within Information Technology, VusionGroup, Wisetech Global Ltd., NICE Ltd., Innoscripta AG, and Technology One Limited contributed negatively
- Within Communication Services, Baltics Classifieds Group Plc contributed negatively

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How we are positioned

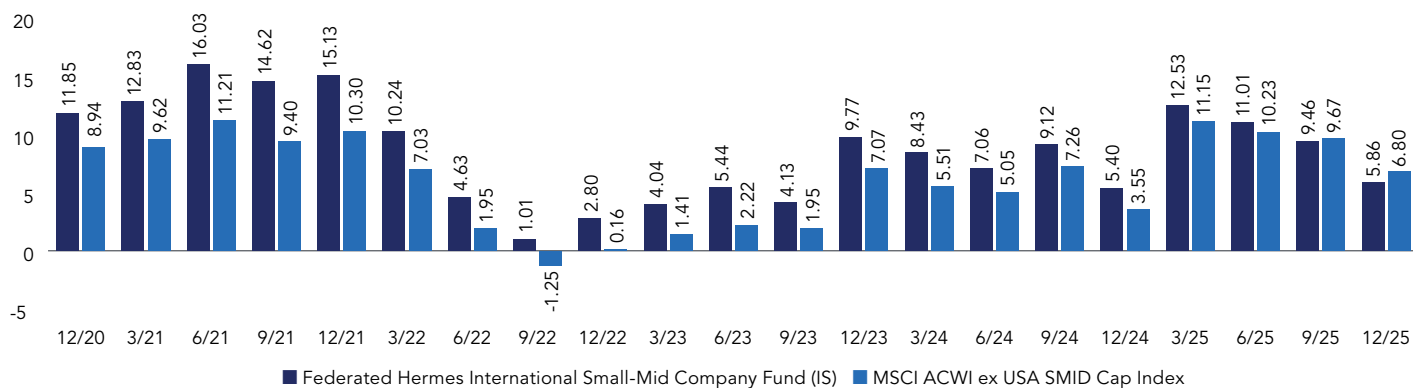
As we look ahead to 2026, international equities continue to offer a compelling opportunity for global investors. Performance has been resilient, and with valuations still meaningfully more attractive than in the US, the asset class enters the year with a favorable risk-reward profile. Earnings growth expectations for 2026 are broadly in line with the US, yet starting from a lower base, creating room for positive surprises as global demand firms.

We expect the US dollar to continue to weaken. At the same time, fading tariff uncertainty, along with the possibility of outright tariff reductions, should help stabilize supply chains and reduce corporate cost inflation. The macro backdrop is improving as well, with GDP growth expectations rising across key regions, led by strengthening recoveries in Germany and Spain.

Overall, we remain constructive on international equities, supported by attractive valuations, improving fundamentals, and a more favorable policy and currency environment. We believe that the fund is well diversified and seeks 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

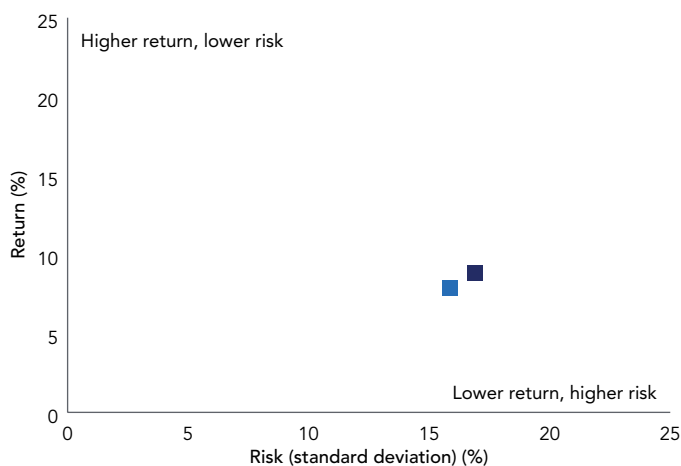
	3-year	5-year	7-year	10-year
Standard deviation	13.26	16.44	18.24	16.89
Beta	1.02	1.08	1.01	1.01
Correlation	0.94	0.95	0.96	0.95
Up capture ratio	108.69	111.32	113.77	107.21
Down capture ratio	107.21	120.66	105.09	105.00

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

Fund vs. MSCI ACWI ex USA SMID Cap Index

See disclosure section for important definitions.

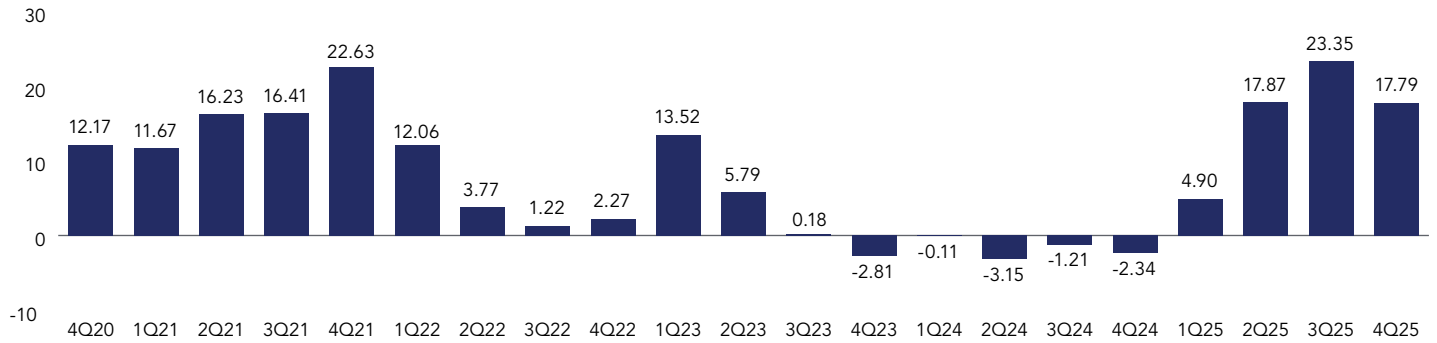
10-year risk/return



	Risk (%)	Return (%)
Federated Hermes International Small-Mid Company Fund (IS)	16.89	8.81
MSCI ACWI ex USA SMID Cap Index	15.87	7.87

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3-year rolling returns - IS (%)



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Category rankings

Morningstar Foreign Small/Mid Growth Category		1-year	3-year	5-year	10-year
IS Shares	Morningstar Category % Rank	10	4	6	14
	Morningstar Category Rank	13 of 116 funds	5 of 112 funds	5 of 96 funds	8 of 81 funds
A Shares	Morningstar Category % Rank	11	7	9	16
	Morningstar Category Rank	14 of 116 funds	8 of 112 funds	7 of 96 funds	10 of 81 funds
Lipper International Small/Mid-Cap Growth		1-year	3-year	5-year	10-year
IS Shares	Lipper Classification % Rank	12	4	11	11
	Lipper Classification Rank	15 of 129 funds	4 of 125 funds	12 of 111 funds	10 of 95 funds
A Shares	Lipper Classification % Rank	13	4	13	14
	Lipper Classification Rank	16 of 129 funds	5 of 125 funds	14 of 111 funds	13 of 95 funds

Past performance is no guarantee of future results. Rankings are based on total return and do not take sales charges into account.

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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