Federated Hermes Short-Intermediate Total Return Bond Fund

12/31/25

Fund facts

Performance inception date

R6 Shares	1/31/14
Institutional Shares	9/2/05
A Shares	1/31/14

Benchmark

Bloomberg 1-5 Year US Government/ Credit Index

Morningstar category

Short-Term Bond

Lipper classification

Short Investment Grade Debt Funds

Fund assets

$625.6 million

Ticker symbols

R6 Shares - SRBRX
Institutional Shares - FGCIX
Service Shares - FGCSX
A Shares - FGCAX

Key investment team

John Gentry, CFA
Chengjun (Chris) Wu, CFA
Robert Matthews, CFA
Todd Abraham, CFA
Kathryn Glass, CFA
Ihab Salib
Anthony Venturino, CFA
Christopher McGinley

Yields (%)

30-day yield (R6)	3.80
30-day yield (IS)	3.79
30-day yield (A)	3.50

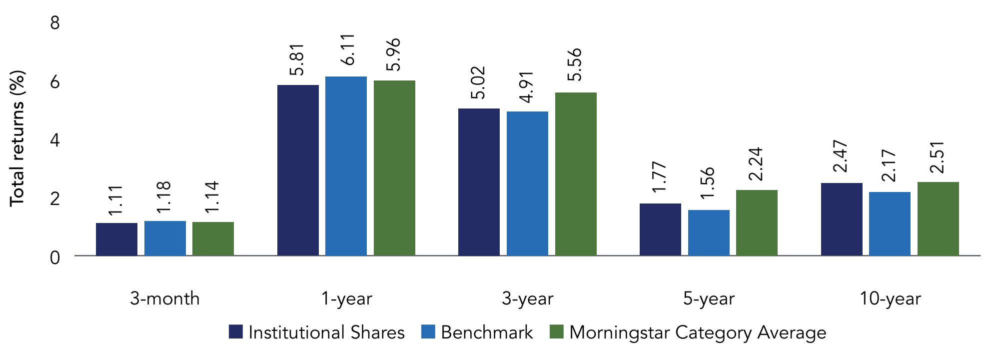
Fund description

The fund seeks to maintain a dollar-weighted average effective portfolio duration of 1.5 to 3.5 years and pursues total return by investing in a broad mix of bond sectors that management believes will benefit from changes in economic and market conditions. US government and investment-grade corporate bonds predominate, with limits on exposure to domestic high-yield and international emerging-market sectors.

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	1.12	5.82	5.82	5.03	1.78	2.42	2.07	0.47	0.37
Institutional Shares	1.11	5.81	5.81	5.02	1.77	2.47	3.32	0.51	0.38
A Shares (NAV)	1.15	5.65	5.65	4.76	1.52	2.21	1.99	0.76	0.63
A Shares (MOP)	0.17	4.61	4.61	4.41	1.31	2.11	1.90	0.76	0.63
Benchmark	1.18	6.11	6.11	4.91	1.56	2.17	–	–	–



Calendar year total returns (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Institutional Shares	5.81	4.10	5.17	-5.47	-0.28	4.89	5.19	0.81	1.70	3.31
Benchmark	6.11	3.76	4.89	-5.50	-0.97	4.71	5.01	1.38	1.27	1.56
Morningstar Category Average	5.96	5.07	5.73	-5.22	0.05	3.81	4.72	0.92	1.73	2.08

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 1% 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 11/1/26 or the date of the fund's next effective prospectus.**

Federated Hermes

Investment approach

Core, Intermediate-term Bond Fund

- A disciplined approach to short-term fixed income with a conservative, investment-grade risk profile
- Invests primarily in US government, mortgage-backed and investment-grade corporate fixed income with modest exposure to sectors such as high yield and emerging markets debt
- May invest in below investment-grade securities up to 35%. Typically up to 15%

Consistent, repeatable investment process

- Combines top-down decision making with bottom-up security selection to build diversified, risk-managed portfolios
- Key decision teams known as "Alpha Pods" seek diversified, uncorrelated alpha sources across various market environments
- Positioning set across five factors: sector allocation, security selection, duration management, yield curve strategy and currency management

Tenured team with long-term results

- Team-based approach focused by sector to extract value from each step of the process
- Federated Hermes' fixed-income philosophy and process has a more than 55-year heritage
- The fixed-income management team averages 28 years of experience and have worked at Federated Hermes for an average of 20 years

As of 12/31/25.

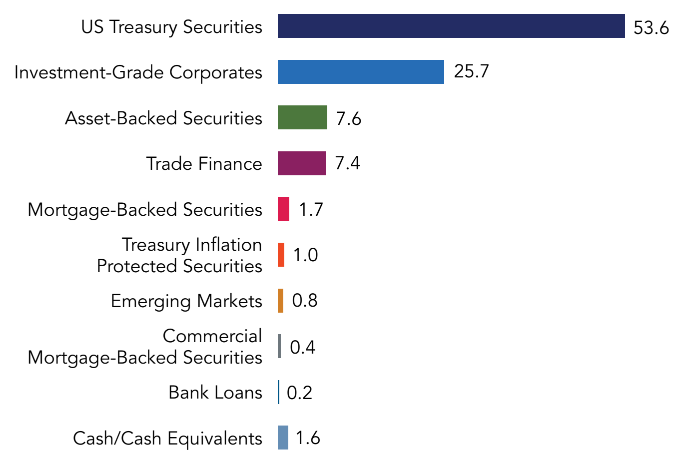
Portfolio statistics

Weighted average effective maturity	2.9 yrs.
Weighted average effective duration	2.5 yrs.
Weighted average coupon	4.32%
Weighted average yield to maturity	4.05%
Weighted average bond price	$100.69

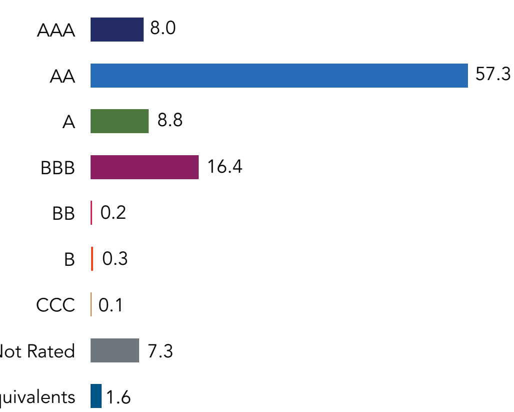
Top holdings (%)

U.S. Treasury Note, 4.000% due 3/31/30	8.7
Project and Trade Finance Core Fund	7.6
U.S. Treasury Note, 4.000% due 2/28/30	5.3
U.S. Treasury Note, 4.125% due 9/30/27	5.2
U.S. Treasury Note, 3.750% due 12/31/28	4.8
U.S. Treasury Note, 3.500% due 1/31/28	4.2
U.S. Treasury Note, 3.750% due 4/15/28	3.9
U.S. Treasury Note, 4.375% due 8/31/28	3.3
U.S. Treasury Note, 3.625% due 9/30/30	2.4
U.S. Treasury Note, 4.000% due 6/30/28	1.6
Total % of portfolio	47.0

Sector weightings (%)



Quality breakdown[1] (%)



Quality breakdown does not apply to Equity or Cash/Cash Equivalents.

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

- In the fourth quarter, the fund's institutional shares returned 1.11% vs. 1.18% for the Bloomberg 1-5 Year Government/Credit Index. Year-to-date, the fund returned 5.81% to 6.11% for the benchmark index
- Sector allocation was the key driver of performance during the quarter, with contributions from allocations to trade finance, emerging markets debt (EM), and mortgage-backed securities (MBS)
- To start 2026, the fund's duration is slightly short its benchmark and its yield curve exposure is slightly underweight the front-end of its benchmark, with allocations to securitized products, trade finance and EM debt

Looking back

During the fourth quarter, lower Treasury yields and good corporate earnings helped markets shrug off uncertainty to post solid results. The federal government shutdown postponed data releases, but the picture that emerged was one of steady labor markets and somewhat sticky inflation. The economy grew 4.3% in the fourth quarter, paced by higher personal consumption and strong corporate profits, while activity measures indicated a somewhat slower, but still firm pace. Market-implied inflation averaged in the 2.3% to 2.4% range all year, somewhat below actual inflation reports but consistent with the Federal Reserve's (Fed) view for 2026. The Fed projects the unemployment rate to fall to 4.4% in 2026, down from 4.6% now. The Fed did cut its federal funds rate twice in the fourth quarter, but its projections indicated only one cut in each of the next two years. Diverging Fed member views of the future rate path will doubtless be a key story for 2026, as Chair Powell's term ends in May. The economy remains resilient, paced by massive artificial intelligence spending, solid corporate fundamentals, and tax policy changes.

Front-end US Treasury yields followed the federal funds rate lower, while ongoing inflation and deficit spending worries helped anchor longer-maturity yields. The 10-year US Treasury yield traded between 3.95% and 4.19% in the quarter, ending at 4.17%, while the 2-year note yield fell 14 basis points and the 30-year bond yield actually rose 11 basis points. The Bloomberg US Aggregate Bond Index (BAB) had a total return of 1.10%, with all sectors posting positive total returns and all sectors with positive duration-adjusted returns, except credit, which had a -0.02% excess return. Unusually, EM debt and MBS were the two best-performing sectors. Gold and silver both set record high prices in the quarter, while crude oil and gasoline fell, and bitcoin plummeted over 20%.

Performance

Federated Hermes Short-Intermediate Total Return Bond Fund Institutional Shares returned 1.11% at net asset value (NAV) for the fourth quarter of 2025, while the fund's benchmark, the Bloomberg 1-5 Year Government/Credit Index, had a total return of 1.18%. The fund's total return for the period also reflected actual cash flows, transaction costs and other expenses that were not reflected in the total return of the benchmark index.

Performance contributors

- Allocations to trade finance, EM, and MBS
- Small contribution from security selection in technology and communications

Performance detractors

- Duration averaging just below neutral detracted very slightly from performance, as front-end yields fell in the quarter
- Yield curve positioning detracted slightly, as yields at the very short end of the curve fell most

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.

How we are positioned

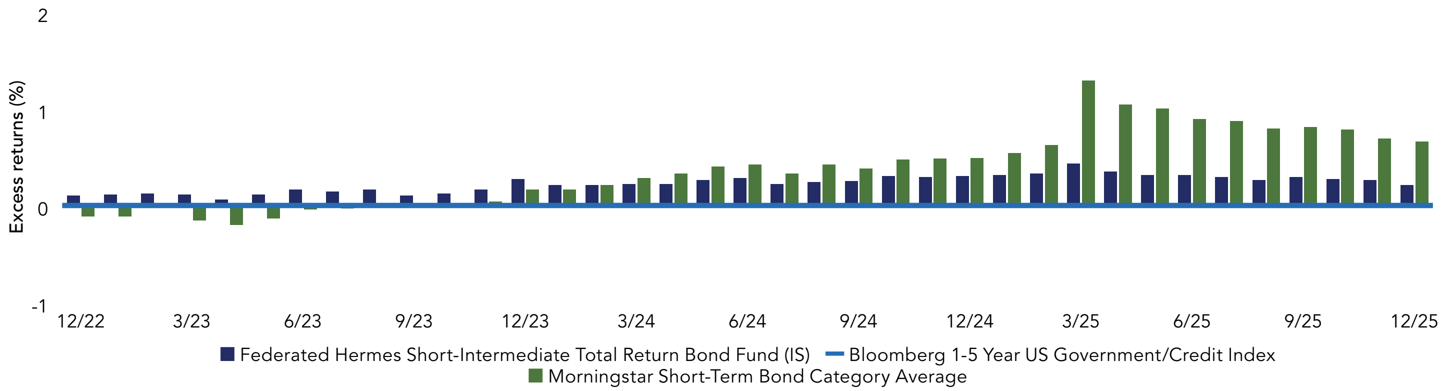
The fund starts the first quarter of 2026 with duration slightly short its benchmark and yield curve exposure slightly underweight the front-end of the curve. During the fourth quarter, the fund increased exposure to investment-grade corporates and Treasury Inflation-Protected Securities (TIPS), while reducing nominal Treasury and asset-backed security exposure.

The fund employed derivatives to express duration, yield curve, sector, and currency investment themes during the quarter. The fund continues to incorporate into its security selection process sustainable investing practices that focus on environmental, social, and governance issues.

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.

See disclosure section for important disclosures and definitions.

5-year rolling excess performance vs. Bloomberg 1-5 Year US Government/Credit Index



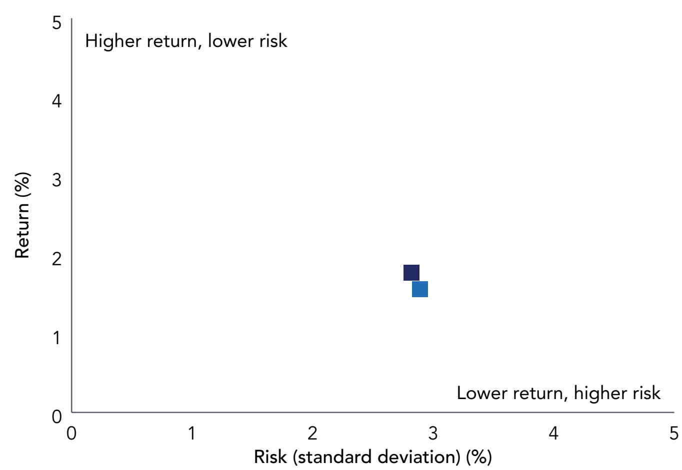
Source: Morningstar, Inc. Performance represents 5-year periods (1-month shift).
Returns are for Institutional Shares. Other classes of shares are available whose performance will vary due to different charges and expenses.

Risk statistics

	3-year	5-year	7-year	10-year
Standard deviation	2.55	2.82	2.54	2.27
Alpha	0.10	0.13	0.19	0.29
Beta	0.96	0.96	0.96	0.95
Up capture ratio	97.96	97.75	98.81	100.38
Down capture ratio	87.35	90.39	89.36	86.17
Sharpe ratio	0.01	-0.56	-0.04	0.08

Sources: Federated Hermes, Inc., Morningstar, Inc.
Fund vs. Bloomberg 1-5 Year US Government/Credit Index
See disclosure section for important definitions.

5-year risk/return



	Risk (%)	Return (%)
Federated Hermes Short-Intermediate Total Return Bond Fund (IS)	2.82	1.77
Bloomberg 1-5 Year US Government/Credit Index	2.89	1.56

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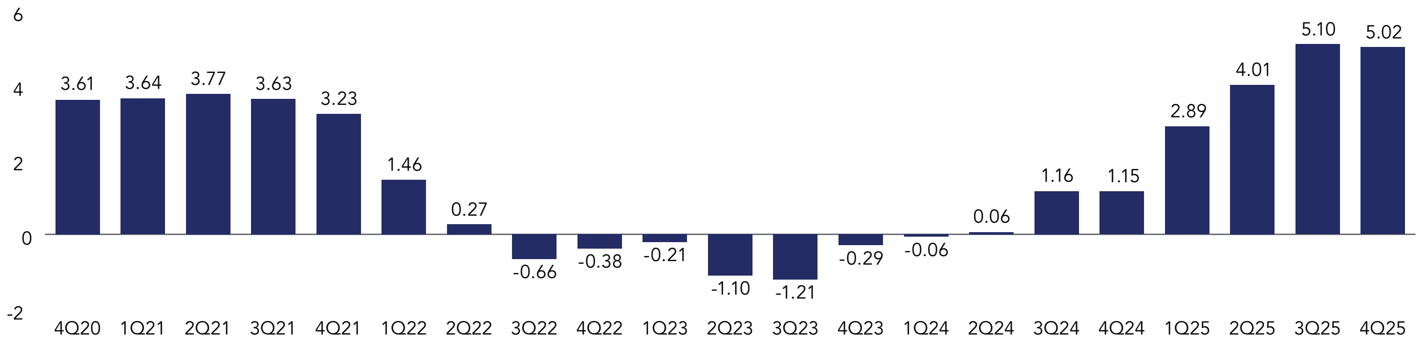
3-year rolling returns - IS (%)



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Category rankings

Morningstar Short-Term Bond Category		1-year	3-year	5-year	10-year
R6 Shares	Morningstar Category % Rank	56	76	74	53
	Morningstar Category Rank	279 of 553 funds	367 of 533 funds	340 of 501 funds	176 of 385 funds
IS Shares	Morningstar Category % Rank	57	76	74	49
	Morningstar Category Rank	283 of 553 funds	369 of 533 funds	343 of 501 funds	166 of 385 funds
A Shares	Morningstar Category % Rank	66	87	84	70
	Morningstar Category Rank	336 of 553 funds	431 of 533 funds	401 of 501 funds	235 of 385 funds

Lipper Short Investment Grade Debt Funds		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	42	78	82	54
	Lipper Classification Rank	157 of 376 funds	273 of 353 funds	270 of 330 funds	137 of 254 funds
IS Shares	Lipper Classification % Rank	43	78	83	50
	Lipper Classification Rank	161 of 376 funds	276 of 353 funds	274 of 330 funds	127 of 254 funds
A Shares	Lipper Classification % Rank	54	89	93	70
	Lipper Classification Rank	200 of 376 funds	315 of 353 funds	306 of 330 funds	178 of 254 funds

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

[1] The ratings referred to in the quality breakdown are provided by S&P Global Ratings, Moody's, and Fitch. The allocation of ratings presented aligns with the methodology of the Bloomberg index. Bloomberg employs the middle rating from S&P Global Ratings, Moody's, and Fitch to determine a security's credit classification, essentially following a "two out- of-three" rule. In cases where only two agencies rate a security, the more conservative (lower) rating is utilized. If only one agency rates a security, that single rating is used. Additionally, certain securities may not have a credit rating from any of the agencies, and they are categorized as "not rated." For clarity, credit ratings of A or better are indicative of high credit quality, while BBB represents good credit quality and the lowest tier of investment grade. Ratings of BB and below are assigned to lower-rated securities, often referred to as "junk bonds," and credit ratings of CCC or below indicate a high level of default risk. This breakdown doesn't consider the impact of credit derivatives in the 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 3.39% at maximum offering price for A Shares, 3.71% for R6 Shares, and 3.67% for Institutional Shares.

A word about risk

Mutual funds are subject to risks and fluctuate in value.

High-yield, lower-rated securities generally entail greater market, credit/default and liquidity risks, and may be more volatile than investment-grade securities.

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.

Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.

The value of some mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates, and although the securities are generally supported by some form of government or private insurance, there is no assurance that private guarantors or insurers will meet their obligations.

Definitions

Alpha shows how much or how little return is generated, given the risk a portfolio takes. A portfolio with an alpha greater than 0 has earned more than expected given its beta—meaning the portfolio has generated excess return without increasing risk. A portfolio with a negative alpha is producing a lower return than would be expected given its risk.

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.

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 bond price is the weighted average of all individual bond prices within a portfolio.

Weighted average coupon is the weighted average interest payment of all individual debt securities within a portfolio.

Weighted average effective duration (sometimes called "option-adjusted duration") is a measure of a security's price sensitivity to changes in interest rates calculated using a model that recognizes that the probability of a bond being called or remaining outstanding until maturity may vary if market interest rates change, and that makes adjustments based on a bond's embedded options (e.g., call rights, or in the case of a mortgage-backed security, the probability that homeowners will prepay their mortgages), if any, based on the probability that the options will be exercised. A fund's weighted average effective duration will equal the market value weighted average of each bond's effective duration in the fund's portfolio. As with any model, several assumptions are made so the weighted average effective duration of a fund in the Federated Hermes family of funds may not be comparable to other funds outside of the Federated Hermes family of funds. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

Weighted average effective maturity is the average time to maturity of debt securities held in the fund.

Weighted average yield to maturity is used to determine the rate of return an investor would receive if a long-term, interest-bearing investment, such as a bond, is held to its maturity date. It takes into account purchase price, redemption value, time to maturity, coupon yield and the time between interest payments.

Bloomberg 1-5 Year US Government/Credit Index is a broad-based benchmark that measures the non-securitized component of the US Aggregate Index. It includes investment grade, US dollar-denominated, fixed-rate Treasuries, government-related and corporate securities that have a remaining maturity of greater than or equal to one year and less than five years.

Bloomberg US Aggregate Bond Index is an unmanaged index composed of securities from the Bloomberg Government/Corporate Bond Index, the Mortgage-Backed Securities Index and the Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indices are rebalanced monthly by market capitalization.

Indexes are unmanaged and cannot be invested in directly.

Ratings and rating agencies

Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is less than three years old, the category is based on the life of the fund. Past performance is no guarantee of future results.

G42142-28 (1/26)
Federated Securities Corp., Distributor

This must be preceded or accompanied by a prospectus.