

Federated Hermes Strategic Value Dividend Fund

12/31/25

Fund facts

Performance inception date

3/30/05

Benchmark

S&P 500®

Morningstar category

Large Value

Lipper classification

Equity Income Funds

Fund assets

\$8.8 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) 3.46

30-day yield (IS) 3.45

30-day yield (A) 3.02

12-month yield (R6) 3.45

12-month yield (IS) 3.44

12-month yield (A) 3.23

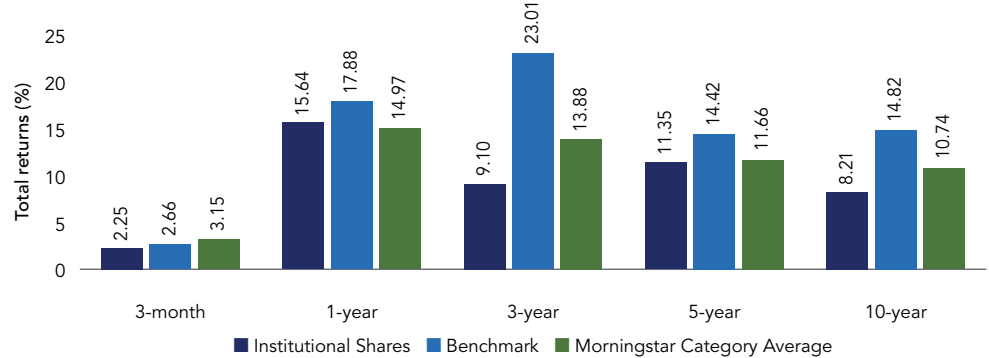
Fund description

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	2.41	15.65	15.65	9.18	11.41	8.24	7.51	0.84	0.79
Institutional Shares	2.25	15.64	15.64	9.10	11.35	8.21	7.66	0.92	0.81
A Shares (NAV)	2.20	15.29	15.29	8.84	11.08	7.95	7.39	1.16	1.06
A Shares (MOP)	-3.47	8.98	8.98	6.78	9.84	7.34	7.10	1.16	1.06
Benchmark	2.66	17.88	17.88	23.01	14.42	14.82	-	-	-



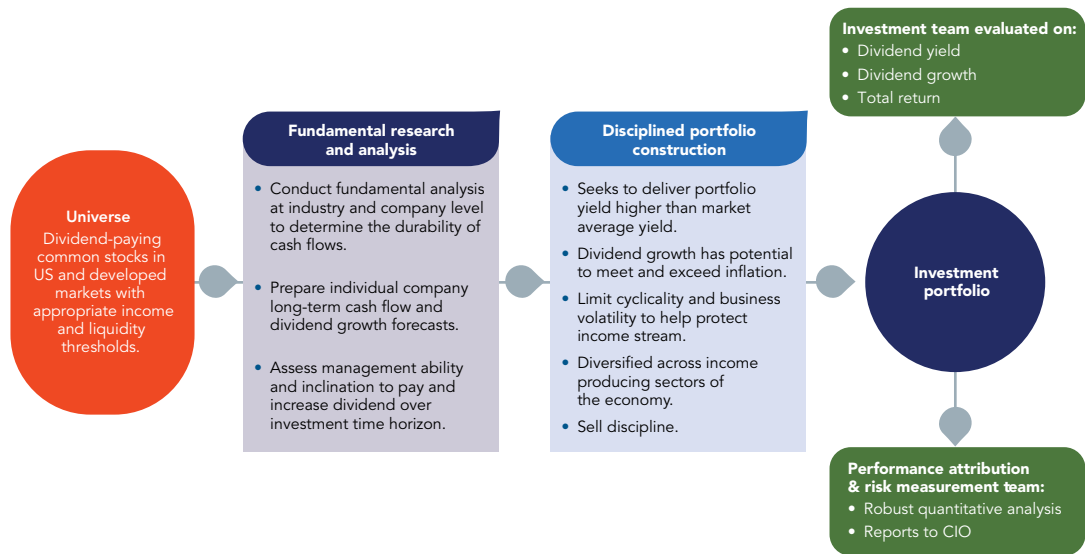
Calendar year total returns (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Institutional Shares	15.64	14.36	-1.81	8.48	21.52	-7.87	19.60	-8.21	15.14	10.39
Benchmark	17.88	25.02	26.29	-18.11	28.71	18.40	31.49	-4.39	21.82	11.95
Morningstar Category Average	14.97	14.28	11.63	-5.90	26.22	2.91	25.04	-8.53	15.94	14.81

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 1/1/27 or the date of the fund's next effective prospectus.

Investment process



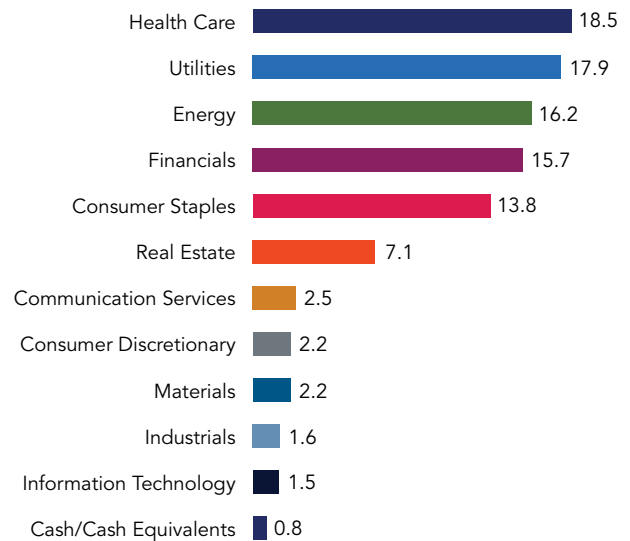
Portfolio statistics

Weighted median P/E (NTM)	14.7x
Median 3-year average payout ratio	67.06
Weighted average EPS growth next 5 years	6.91
Weighted median market cap	\$98.8 b
Weighted median price/book	1.9x
Number of securities	45
Foreign securities	24.77%
Annual portfolio turnover	34.73%

Top holdings (%)

U.S. Bancorp	4.0
TotalEnergies SE	3.9
PNC Financial Services Group, Inc.	3.8
British American Tobacco PLC	3.6
ProLogis, Inc.	3.6
Truist Financial Corp.	3.5
Exxon Mobil Corporation	3.4
National Grid plc	3.4
Enbridge Inc.	3.3
Sanofi	3.0
Total % of portfolio	35.5

Sector weightings (%)



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

- The Fund had a 30-day SEC yield of 3.02% (A shares at MOP) and a gross-weighted average dividend yield of 4.15% at quarter end
- The Fund had 10 companies announce dividend increases in Q4. The most meaningful increases came from WEC Energy Group, Amgen Inc., AbbVie Inc, Kimco Realty Corporation and ExxonMobil, which increased their dividend payments by 6.7%, 5.9%, 5.5%, 4.0% and 4.0%, respectively; there were no dividend cuts in the quarter
- The quarter opened with the broad market reaching new highs, supported by continued Aldriven momentum, before moderating as investors shifted between riskon and riskoff postures. Sentiment weakened on concerns that AI enthusiasm had stretched valuations, alongside the longest US government shutdown in history and consumer confidence near record lows

Looking back

The Fund remained aligned with its goals of delivering high dividend income, ending the quarter with a 30-day SEC yield of 3.02% (A shares at MOP) and a gross-weighted average dividend yield of 4.15%, more than three times the yield of the S&P 500 (1.16%). Over the trailing 12 months, 36 companies in the Fund raised their dividends, totaling 37 increases. There were no dividend cuts in the quarter.

The quarter began with the market reaching new highs on Aldriven momentum and later moderated as investors alternated between riskon and riskoff postures amid valuation concerns and softer sentiment. Within the index, REITs, Utilities, and Consumer Staples were among the weakestperforming sectors, while Health Care and Communication Services led gains. Factor performance was mixed, with highyield and lowbeta stocks outperforming, but lowerquality stocks leading higherquality stocks. Against this backdrop, the Fund captured approximately 85% of the total performance of the S&P 500.

Performance

The Strategic Value Dividend Fund, reflecting its defensive tilt, modestly underperformed (IS shares at NAV) the S&P 500.

Performance contributors

- Health Care was the topcontributing sector, with Amgen, GlaxoSmithKline, and Johnson & Johnson each posting doubledigit returns
- International exposure contributed positively, as the MSCI World ex USA outperformed the S&P 500, indicating US equities lagged international markets
- Financials added positively to performance, led by U.S. Bancorp and Truist Financial supported by solid Q3 earnings

Performance detractors

- Consumer Discretionary was an area of weakness as both holdings, Best Buy and Genuine Parts Company, declined as they continued to face headwinds from subdued consumer spending
- Communication Services was an area of weakness as sole holding, Verizon Communications, faced nearterm competitive pressures within the wireless market
- Utilities were the secondworst performer in the index; the Fund's 17.9% weight in the sector weighed on returns as defensive sectors underperformed during the period

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](https://www.federatedhermes.com/us).

Market review

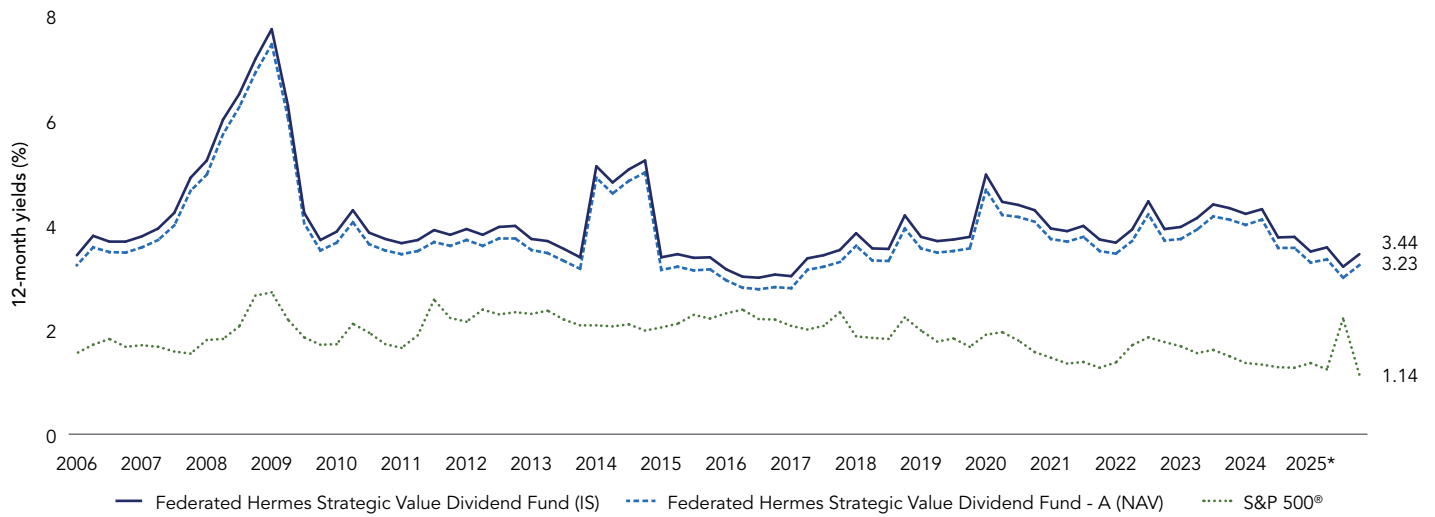
The S&P 500 closed marginally lower in the month of December as markets ended a positive but tumultuous year on a quiet note. Within the S&P 500, Financials, Materials and Industrials led outperformers, while Utilities, Real Estate and Consumer Staples lagged the most. The FTSE, Nikkei, Euro Stoxx 50, MSCI ACWI ex USA and Shanghai Composite all posted gains on the month.

The Federal Reserve (Fed) chose to cut rates by 25 basis points in December, holding to the view that unemployment poses a greater risk to the economy than inflation. Although the US federal government shutdown ended in November, the central bank had to make its decision amidst a paucity of data. The Bank of Japan raised rates in a bid to prevent inflation from getting out of control in the country. Precious metals rallied, with gold and, especially, silver showing positive returns. Oil prices declined in December. Yields on 10-year Treasuries rose in December, but 30-year mortgage rates edged lower.

Other dividend increases for the quarter include Realty Income (2.9%), Enbridge (2.9%), Bank of Montreal (2.5%), American Electric Power (2.2%), and Amcor PLC (2.0%). This was the second increase in the TTM for Bank of Montreal, for a cumulative increase of 5.2%. There were no dividend cuts during the quarter.

See disclosure section for important disclosures and definitions.

The fund delivered higher yield



Source: Federated Hermes, Inc.
 Yields for other classes will vary.
 * As of 12/31/25

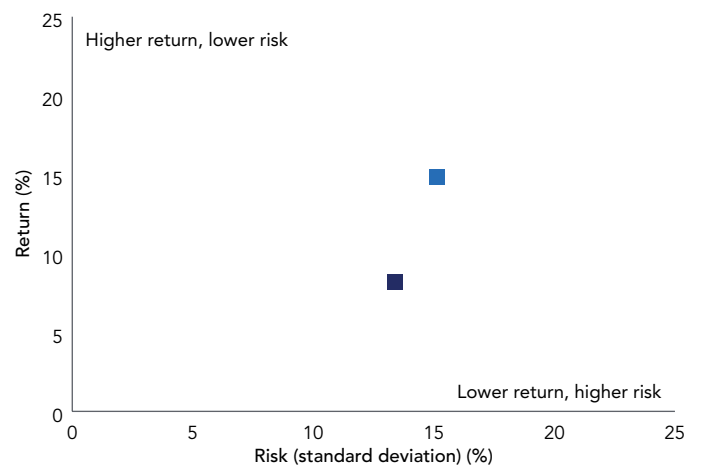
Risk statistics

	3-year	5-year	7-year	10-year
Standard deviation	12.06	13.33	14.65	13.37
Beta	0.56	0.57	0.67	0.64
Correlation	0.56	0.64	0.75	0.72
Up capture ratio	53.41	68.00	64.29	63.10
Down capture ratio	81.75	59.11	72.83	70.03
Sharpe ratio	0.32	0.58	0.44	0.43

Sources: Federated Hermes, Inc., Morningstar, Inc.
 Fund vs. S&P 500®

See disclosure section for important definitions.

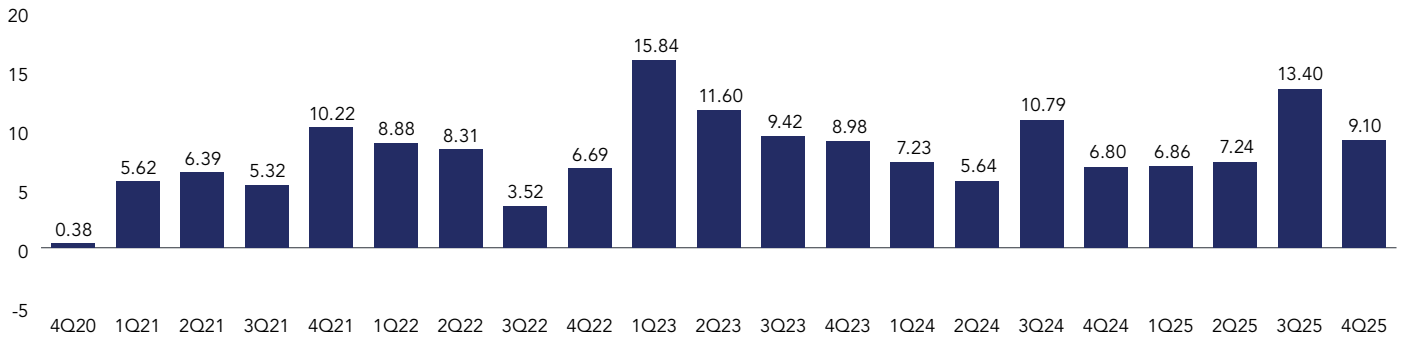
10-year risk/return



	Risk (%)	Return (%)
■ Federated Hermes Strategic Value Dividend Fund (IS)	13.37	8.21
■ S&P 500®	15.12	14.82

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.

3-year rolling returns - IS (%)



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.

Category rankings

Morningstar Large Value Category		1-year	3-year	5-year	10-year
R6 Shares	Morningstar Category % Rank	48	92	57	–
	Morningstar Category Rank	532 of 1,107 funds	980 of 1,059 funds	569 of 995 funds	–
IS Shares	Morningstar Category % Rank	48	92	59	96
	Morningstar Category Rank	533 of 1,107 funds	986 of 1,059 funds	584 of 995 funds	798 of 832 funds
A Shares	Morningstar Category % Rank	52	93	65	97
	Morningstar Category Rank	586 of 1,107 funds	997 of 1,059 funds	643 of 995 funds	805 of 832 funds
Lipper Equity Income Funds		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	36	86	39	–
	Lipper Classification Rank	167 of 464 funds	369 of 432 funds	154 of 404 funds	–
IS Shares	Lipper Classification % Rank	37	87	41	86
	Lipper Classification Rank	168 of 464 funds	375 of 432 funds	163 of 404 funds	286 of 332 funds
A Shares	Lipper Classification % Rank	41	88	49	89
	Lipper Classification Rank	188 of 464 funds	381 of 432 funds	195 of 404 funds	295 of 332 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, 3.42% for R6 Shares, and 3.34% 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

Lipper Categories: Data Source: Lipper, A Reuters Company. Copyright 2026© Reuters. All rights reserved. Any copying, republication or redistribution of Lipper content, including by caching, framing or similar means, is expressly prohibited without the prior written consent of Lipper. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

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. ©2026 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.