

Federated Hermes Strategic Value Dividend Fund

3/31/26

Fund facts

Performance inception date

3/30/05

Benchmark

S&P 500®

Morningstar category

Large Value

Lipper classification

Equity Income Funds

Fund assets

\$9.4 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)	3.29
30-day yield (IS)	3.28
30-day yield (A)	2.86
12-month yield (R6)	3.21
12-month yield (IS)	3.19
12-month yield (A)	2.99

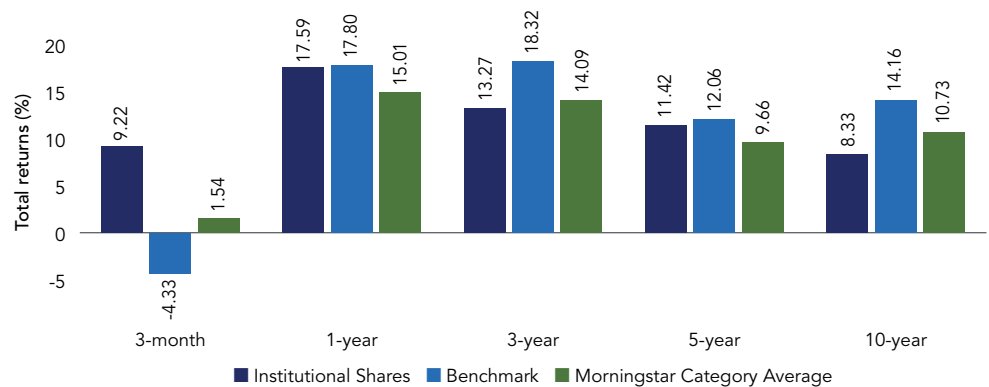
Fund description

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	9.06	9.06	17.61	13.29	11.44	8.35	7.86	0.84	0.79
Institutional Shares	9.22	9.22	17.59	13.27	11.42	8.33	8.02	0.92	0.81
A Shares (NAV)	9.07	9.07	17.27	12.97	11.12	8.06	7.74	1.16	1.06
A Shares (MOP)	3.06	3.06	10.88	10.83	9.89	7.45	7.46	1.16	1.06
Benchmark	-4.33	-4.33	17.80	18.32	12.06	14.16	-	-	-



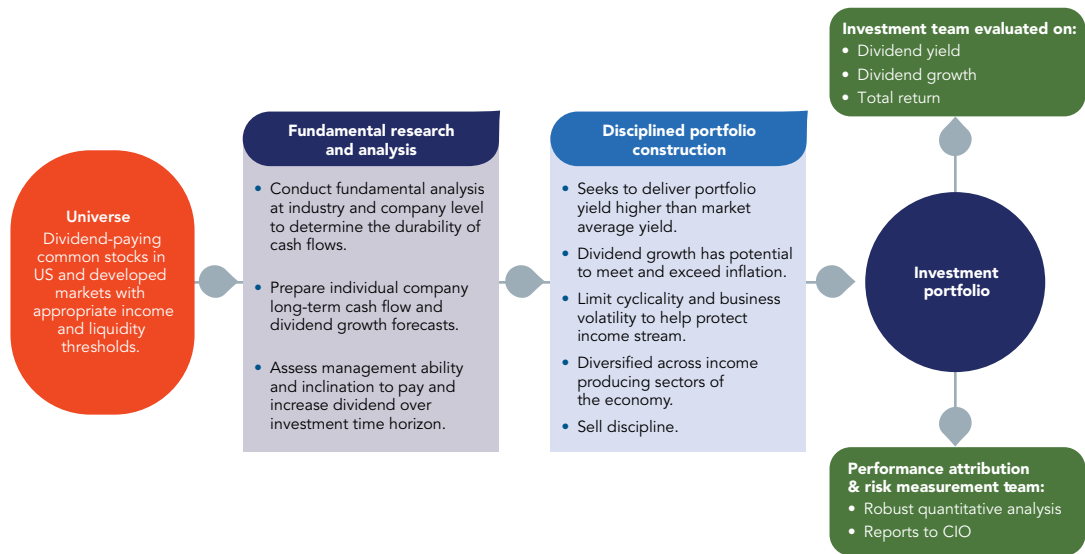
Calendar year total returns (%)

	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



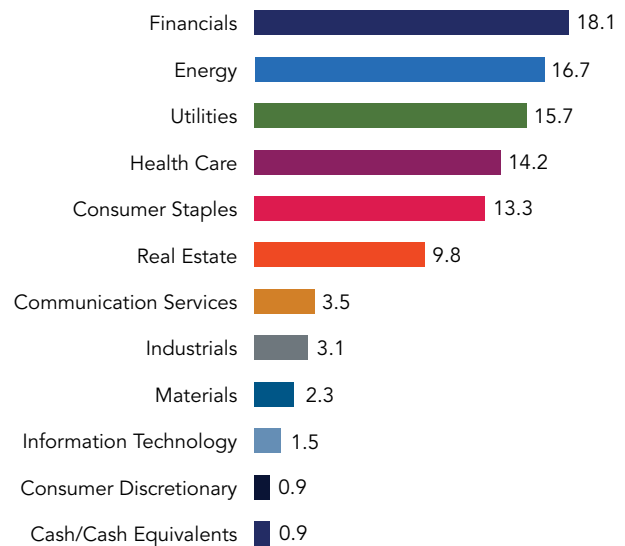
Portfolio statistics

Weighted median P/E (NTM)	15.8x
Median 3-year average payout ratio	70.11
Weighted average EPS growth next 5 years	7.79
Weighted median market cap	\$101.9 b
Weighted median price/book	2.1x
Number of securities	45
Foreign securities	24.97%
Annual portfolio turnover	47.81%

Top holdings (%)

TotalEnergies SE	5.1
Chevron Corp.	4.1
British American Tobacco PLC	3.8
PNC Financial Services Group, Inc.	3.6
Sanofi	3.6
U.S. Bancorp	3.6
Enbridge Inc.	3.5
Verizon Communications Inc.	3.5
Paychex, Inc.	3.1
Truist Financial Corp.	3.1
Total % of portfolio	37.0

Sector weightings (%)



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

- The Strategic Value Dividend Fund had a 30-day SEC yield of 2.84% (A shares at MOP) and a gross weighted average dividend yield of 4.08% at quarter end
- Seventeen companies announced dividend increases in Q1 with no dividend cuts. The most meaningful increases came from Allianz (+11.0%), Prologis (+5.9%), American Tower Corporation (+5.3%), Sanofi (+5.1%), PPL Corporation (+4.6%), and First Energy (+4.5%)*
- The first quarter experienced elevated market volatility amid renewed concerns about AI-driven disruption, persistent upward pressure on oil prices, and intensifying geopolitical risks

Looking back

The Fund remained aligned with its objectives of delivering high dividend income, ending the quarter with a 30-day SEC yield of 2.84% (A shares at MOP) and gross weighted average dividend yield of 4.08%, more than three times the yield of the S&P 500 (1.22%). Over the trailing 12 months, 39 companies in the Fund raised their dividends, totaling 41 increases. There were no dividend cuts in the quarter.

The first quarter saw heightened volatility as markets grappled with renewed concerns over AI-driven disruption, steadily rising oil prices, and escalating geopolitical risks. A notable shift toward defensive positioning emerged, with investors moving away from mega-cap technology stocks. Energy, Materials, Utilities, and Consumer Staples led performance during the quarter, while Financials, Consumer Discretionary, Information Technology, and Communication Services lagged. The “Magnificent Seven” alone reduced the S&P 500’s total return by 384 basis points, with all seven stocks posting negative returns. In this risk-off backdrop, high-yielding and low-beta equities outperformed, an environment that tends to advantage our Strategic Value strategy, and Fund results were consistent with this pattern.

Performance

The Strategic Value Dividend (IS shares at NAV) Fund outperformed the S&P 500 during the quarter, benefiting from increased investor demand for highyield, lowbeta investments amid market uncertainty.

Performance contributors

- The Energy sector delivered strong performance during the quarter, supported by rising oil prices amid escalating geopolitical tensions involving Iran. TotalEnergies SE was the leading contributor within the sector
- International exposure was a meaningful contributor, as improving earnings and economic data drove a rally in international equities, helping to offset Alrelated volatility and tariff uncertainty. TotalEnergies SE was also a key driver of international outperformance
- Utilities also contributed positively, benefiting from datacenterdriven demand growth, a rotation toward defensive assets, and easing interstrate conditions. FirstEnergy was the topperforming Utilities holding

Performance detractors

- Industrials represented the weakestperforming sector, reflecting continued pressure on the portfolio’s sole holding, Paychex Inc., amid a persistently “lowhire, lowfire” US labor market
- Financials underperformed during the quarter, pressured by narrowing net interest margins, a subdued housing market, and ongoing legal challenges. Allianz was the weakest contributor among the portfolio’s financial holdings, as shares declined following weaker-than-expected fourth-quarter results and guidance
- Materials also detracted from performance, as the portfolio’s sole holding, Amcor PLC, faced shortterm pressure from declining volumes, elevated oil prices, and rising rawmaterial costs stemming from attacks on Middle East energy infrastructure

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

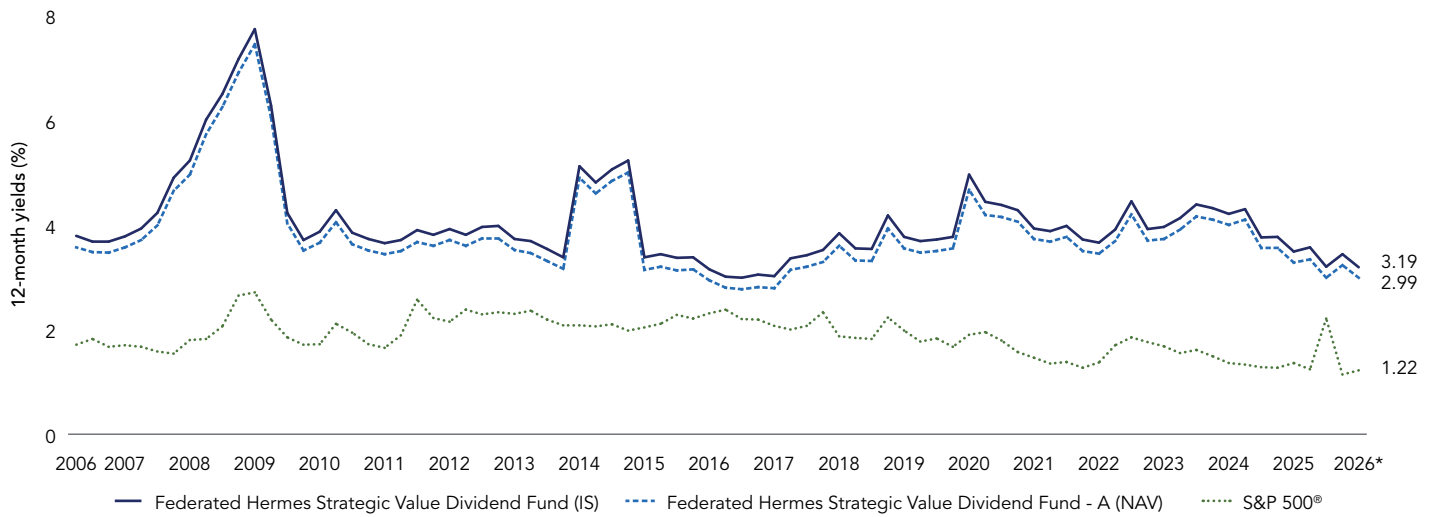
In March, global markets struggled due to the war in Iran, with the closure of the Strait of Hormuz bringing the supply of oil, natural gas, and many other commodities under pressure. The upward spike in the price of oil caused hope of further rate cuts to decline. Within the S&P 500, Energy, Utilities, and Financials led outperformers while Industrials, Health Care, and Consumer Staples lagged. The S&P 500, FTSE 100, Nikkei, Euro Stoxx 50, MSCI ACWI ex-USA, and Shanghai Composite were all down on the month.

The VIX volatility index rose on the month, but it has not yet reached the heights seen a year ago after the “Liberation Day” tariffs were announced. Bond yields rose in March, as did mortgage rates, while the US dollar index increased. Oil prices spiked in March, but gold declined.

* Other dividend increases for the quarter include Chevron (+4.1%),PepsiCo (+4.0%), CME Group (+4.0%), Xcel Energy (+3.9%), Coca-Cola company (+3.9%), TC Energy Corp (+3.2%), Genuine Parts Company (3.2%), Verizon Communications (+2.5%), Realty Income (+2.2%), British American Tobacco (+2.0%), and Kimberly Clark Corporation (+1.6%). This was the second increase in the last year for Verizon Communication for a cumulative increase of 4.4%. 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 3/31/26

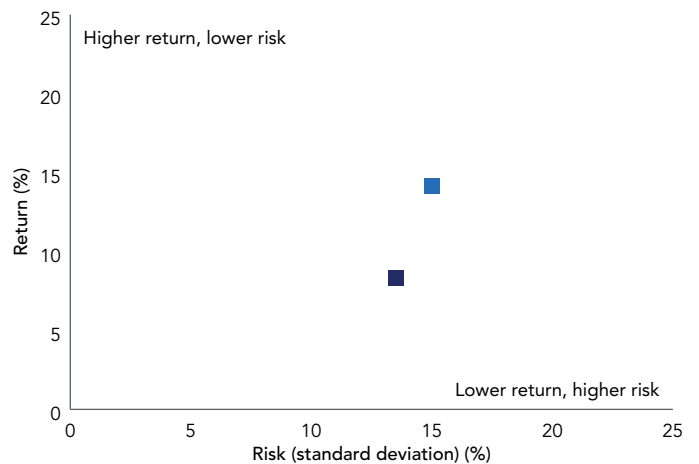
Risk statistics

	3-year	5-year	7-year	10-year
Standard deviation	12.49	13.50	14.86	13.51
Beta	0.52	0.55	0.66	0.65
Correlation	0.50	0.62	0.73	0.72
Up capture ratio	64.17	68.35	65.44	64.31
Down capture ratio	48.71	51.37	66.83	69.01
Sharpe ratio	0.64	0.56	0.42	0.43

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

See disclosure section for important definitions.

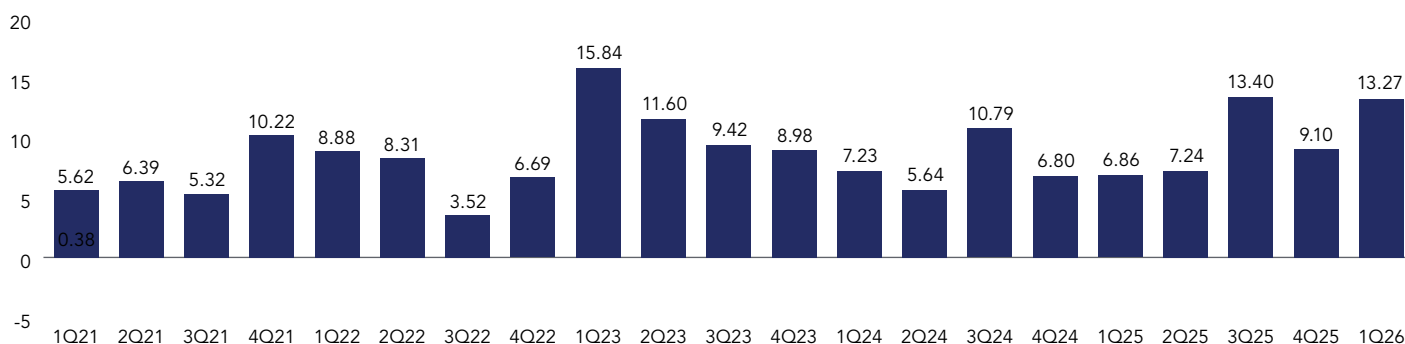
10-year risk/return



	Risk (%)	Return (%)
■ Federated Hermes Strategic Value Dividend Fund (IS)	13.51	8.33
■ S&P 500®	15.02	14.16

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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	29	62	14	-
	Morningstar Category Rank	273 of 1,090 funds	612 of 1,048 funds	115 of 983 funds	-
IS Shares	Morningstar Category % Rank	29	62	15	95
	Morningstar Category Rank	275 of 1,090 funds	615 of 1,048 funds	122 of 983 funds	777 of 823 funds
A Shares	Morningstar Category % Rank	31	66	21	96
	Morningstar Category Rank	306 of 1,090 funds	658 of 1,048 funds	175 of 983 funds	790 of 823 funds
Lipper Equity Income Funds		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	25	49	9	-
	Lipper Classification Rank	115 of 462 funds	208 of 430 funds	35 of 404 funds	-
IS Shares	Lipper Classification % Rank	26	49	10	83
	Lipper Classification Rank	116 of 462 funds	209 of 430 funds	37 of 404 funds	274 of 330 funds
A Shares	Lipper Classification % Rank	29	55	13	87
	Lipper Classification Rank	132 of 462 funds	237 of 430 funds	50 of 404 funds	286 of 330 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 2.78% at maximum offering price for A Shares, 3.26% for R6 Shares, and 3.19% 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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