

Federated Hermes Total Return Bond Fund

3/31/26

Fund facts

Performance inception date

R6 Shares	10/1/96
Institutional Shares	10/1/96
A Shares	8/16/01

Benchmark 1

Bloomberg US Aggregate Bond Index

Benchmark 2

Bloomberg US Universal Index

Morningstar category

Intermediate Core-Plus Bond

Lipper classification

Core Bond Funds

Fund assets

\$15.2 billion

Ticker symbols

R6 Shares - FTRLX
Institutional Shares - FTRBX
Service Shares - FTRFX
A Shares - TLRCX
C Shares - TLRCX
R Shares - FTRKX

Key investment team

Donald Ellenberger
Jerome Conner, CFA
Chengjun (Chris) Wu, CFA
Liam O'Connell, CFA
Kathryn Glass, CFA
Ihab Salib
Anthony Venturino, CFA
Christopher McGinley

Yields (%)

30-day yield (R6)	4.45
30-day yield (IS)	4.44
30-day yield (A)	3.71

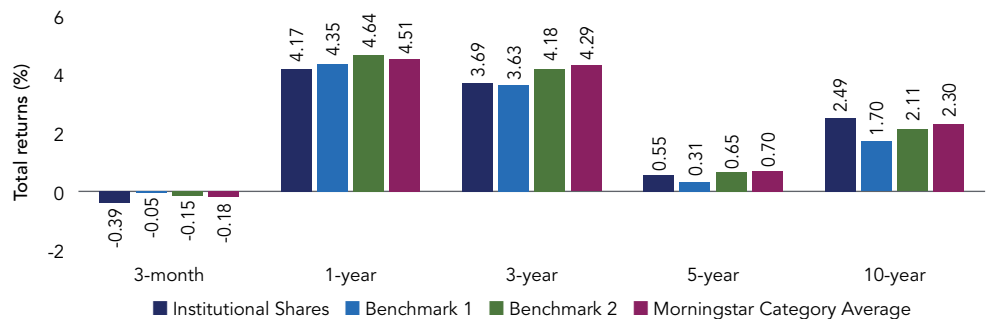
Fund description

A core, multisector fund that 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 both developed and emerging international sectors (including trade finance and bank loan, with a sub-investment grade allocation limited to 25%).

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	-0.29	-0.29	4.29	3.70	0.56	2.50	4.31	0.40	0.38
Institutional Shares	-0.39	-0.39	4.17	3.69	0.55	2.49	4.69	0.45	0.39
A Shares (NAV)	-0.53	-0.53	3.60	3.13	0.00	1.93	3.47	0.97	0.94
A Shares (MOP)	-4.99	-4.99	-1.09	1.57	-0.91	1.46	3.28	0.97	0.94
Benchmark 1	-0.05	-0.05	4.35	3.63	0.31	1.70	-	-	-
Benchmark 2	-0.15	-0.15	4.64	4.18	0.65	2.11	-	-	-



Calendar year total returns (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Institutional Shares	7.29	2.00	5.17	-12.49	0.18	9.58	9.73	-0.86	4.40	4.96
Benchmark 1	7.30	1.25	5.53	-13.01	-1.54	7.51	8.72	0.01	3.54	2.65
Benchmark 2	7.58	2.04	6.17	-12.99	-1.10	7.58	9.29	-0.26	4.09	3.91
Morningstar Category Average	7.33	2.37	6.22	-13.27	-0.67	8.06	8.94	-0.61	4.27	3.86

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 4.5% 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.

Investment approach

Core Plus, Intermediate Bond Fund

- A disciplined approach to core 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 25%

Consistent, repeatable investment process

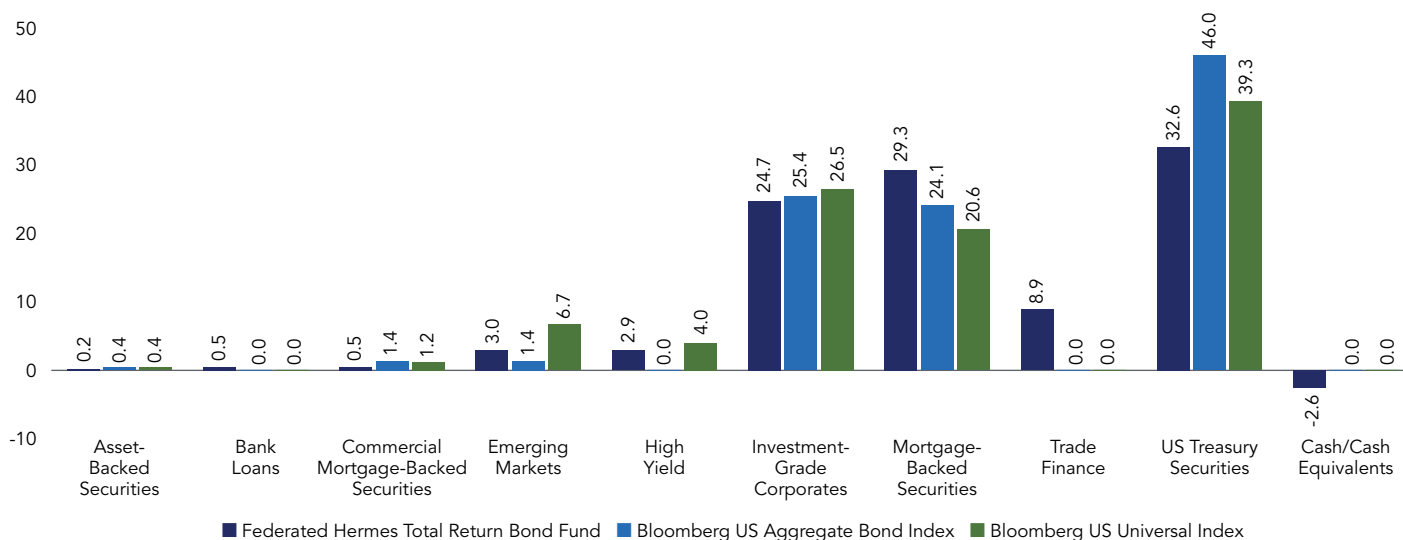
- Combines top-down decision making with bottom-up security selection to build diversified, risk-managed portfolios
- Key decision teams known as “alpha pods” seek diversified, uncorrelated alpha sources across various market environments
- Positioning set across five factors: sector allocation, security 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 29 years of experience and have worked at Federated Hermes for an average of 21 years

As of 3/31/26

Sector weightings (%)



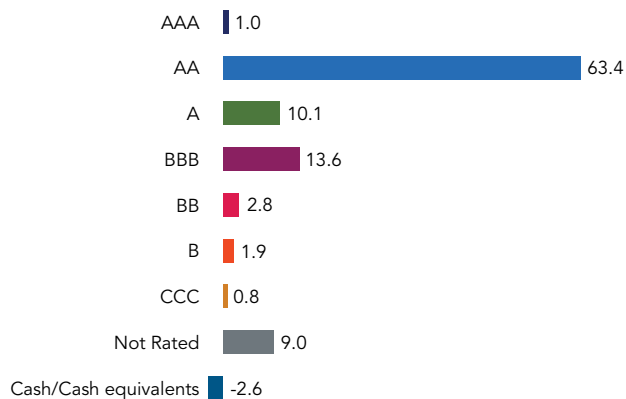
Portfolio statistics

Weighted average effective maturity	9.0 yrs.
Weighted average effective duration	6.0 yrs.
Weighted average coupon	4.47%
Weighted average yield to maturity	5.09%
Weighted average bond price	\$96.25

Top holdings (%)

Mortgage Core Fund	20.8
Project and Trade Finance Core Fund	9.2
U.S. Treasury Note, 4.000% due 11/15/35	6.8
U.S. Treasury Note, 4.125% due 10/31/31	4.9
High Yield Bond Core Fund	2.8
Emerging Markets Core Fund	2.5
U.S. Treasury Bond, 4.250% due 2/15/54	2.5
U.S. Treasury Bond, 4.125% due 8/15/53	2.3
U.S. Treasury Note, 3.750% due 8/31/31	1.7
U.S. Treasury Note, 4.250% due 11/15/34	1.5
Total % of portfolio	55.0

Quality breakdown¹ (%)



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

- R6 shares returned -0.29% in the quarter, compared to -0.05% for the Bloomberg US Aggregate Bond Index (BAB)
- Helping performance vs. the BAB were an allocation to trade finance loans and a small underweight to investment-grade (IG) corporate bonds
- Detracting from returns were a yield curve steepening bias and small allocations to out-of-index high yield (HY), emerging markets (EM) bonds, and bank loans
- To begin the second quarter, the fund's duration is slightly longer than the BAB and laddered across the yield curve. The fund's allocation to IG corporate bonds is slightly less than the BAB. The fund has 21% in residential mortgage-backed security (MBS) pass-throughs and continues to hold small allocations to EM and HY bonds. The fund has 9% in trade finance loans and 9% in collateralized mortgage obligation (CMO) floating rate securities. The fund holds 33% in Treasuries

Looking back

The market started the first quarter with a positive outlook, expecting solid gross domestic product (GDP) growth thanks to the productivity-enhancing benefits of artificial intelligence, fiscal stimulus from the One Big Beautiful Bill, healthy corporate earnings, and monetary policy easing in the form of more cuts in the federal funds rate. But in March, the Iran war upset the market's complacency, sending interest rates higher as rising oil prices increased inflation worries, and sending credit spreads moderately wider as higher gasoline prices were expected to cut into consumer and business spending, depressing economic growth. The potential destructive impact of artificial intelligence on industries such as software firms, as well as concerns over the massive amount of debt being issued by hyperscalers to build AI data centers, also negatively impacted the risk markets. By quarter end, 2-year Treasury yields had risen to 3.79%, up from 3.47% to start the year, while 10-year Treasury yields had risen to 4.32% from 4.17%. The BAB posted its first negative return, albeit small, since the fourth quarter of 2024.

During the first quarter, the best performing sectors of the bond market were the securitized sectors: trade finance loans, commercial MBS, residential MBS pass-throughs, and asset-backed securities. Most other sectors of the bond market posted negative excess returns relative to similar duration Treasuries. In declining order of excess return these included IG corporate bonds, high-yield bonds, EM bonds, and bank loans. The latter were particularly hard-hit by exposure to software firms threatened with displacement by AI. Drilling down into sub-sectors of the bond market, financials underperformed utilities and industrials, while Fannie Mae and Freddie Mac mortgage-backed securities (MBS) underperformed Ginnie Mae MBS.

Performance

Federated Hermes Total Return Bond Fund R6 shares posted a total return net of fees of -0.29% for the quarter. This compares to a return of -0.05% for the BAB. 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 BAB.

Performance contributors

- Trade finance loans
- Underweight to IG corporate bonds

Performance detractors

- Yield curve steepening bias
- Small allocations to high yield, EM, and bank loans

Performance data 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.

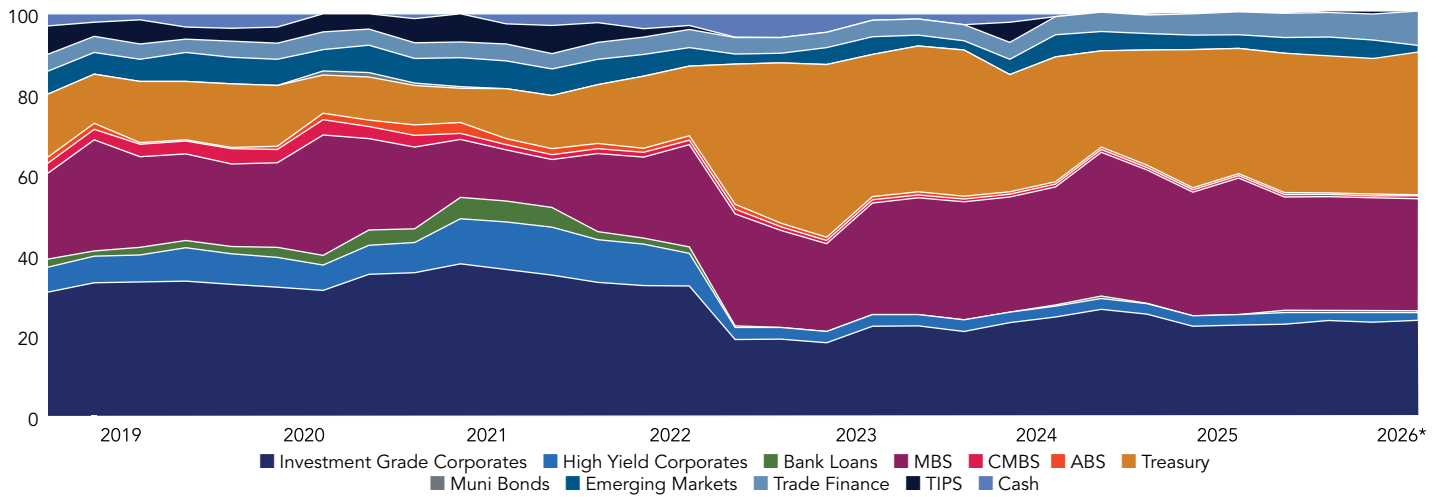
How we are positioned

The fund remains cautious on the richest sectors of the bond market. High-yield bonds represented just 2.8% of the fund, while EM bonds were cut to 1.8% from 2.5%. IG corporate bonds increased from 24% to 25% but remain slightly underweight vs. the BAB. Commercial MBS remained less than 1% of the fund. The fund had 21% in MBS pass-throughs, primarily issued by government agencies and thus with minimal credit risk. The fund holds 9% in government agency CMO floaters, which yield close to 4.5% and also have minimal credit risk and little interest rate risk. Trade finance loans were increased from 7% to 9% of the fund. Trade finance loans continued to perform as expected despite the war in the Middle East, returning 1.36% in the first quarter. The fund eliminated the 2% Treasury Inflation-Protected Securities (TIPS) position due to concerns that an extended period of high oil prices would shift the market's attention from oil's inflationary impact to oil's negative impact on spending. A 1% position in bank loans was reduced to 0.5%. Finally, in terms of sector allocation, 33% of the fund was invested in Treasury securities.

The fund's overall duration started the quarter equal to the BAB, then moved to 102.5% of BAB duration after rates rose in March. The fund took off the yield curve steepening bias and moved back to a neutral, or laddered, position on the yield curve as the stagflationary impact of a sustained elevated level of oil prices could result in a flatter yield curve. The fund had little non-dollar exposure at year-end.

The fund employed derivatives to both hedge risks and to express duration, yield curve, sector, and currency investment themes during the quarter. Derivatives are used when they are less expensive or more efficient than physical securities to express investment themes generated by Federated Hermes Alpha Pod process.

Historical sector weightings (%)



* As of 3/31/26

Risk statistics

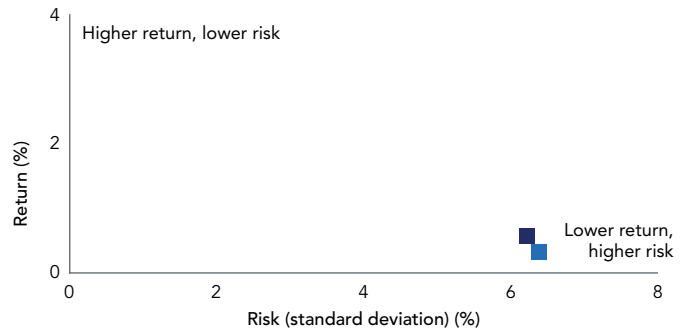
	3-year	5-year	7-year	10-year
Standard deviation	5.64	6.22	5.75	5.03
Alpha	0.06	0.14	0.60	0.75
Beta	1.00	0.97	0.97	0.96
Up capture ratio	100.17	97.90	103.64	103.79
Down capture ratio	99.30	95.04	95.27	91.29
Sharpe ratio	-0.20	-0.47	-0.11	0.02

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

Fund vs. Bloomberg US Aggregate Bond Index

See disclosure section for important definitions.

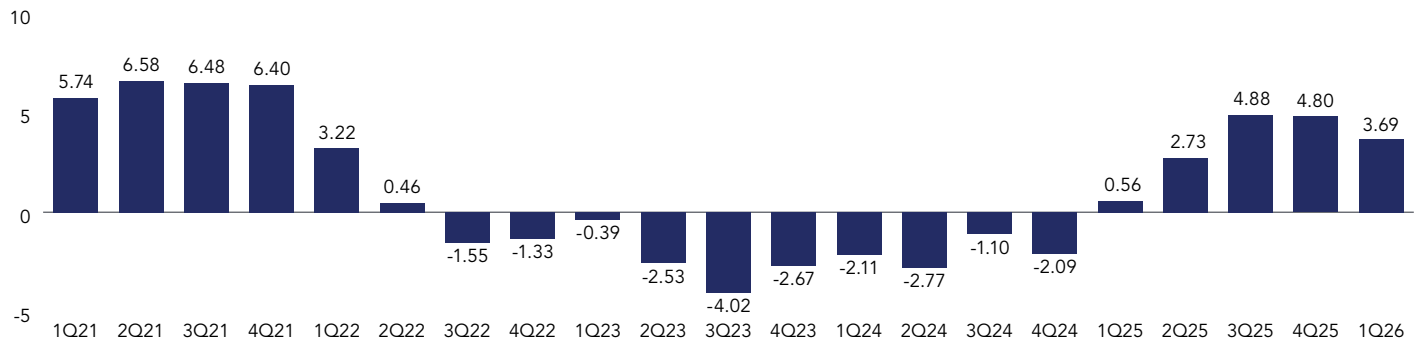
5-year risk/return



	Risk (%)	Return (%)
Federated Hermes Total Return Bond Fund (IS)	6.22	0.55
Bloomberg US Aggregate Bond Index	6.39	0.31

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 Intermediate Core-Plus Bond Category		1-year	3-year	5-year	10-year
R6 Shares	Morningstar Category % Rank	65	82	59	33
	Morningstar Category Rank	325 of 539 funds	374 of 496 funds	226 of 455 funds	102 of 355 funds
IS Shares	Morningstar Category % Rank	72	83	60	33
	Morningstar Category Rank	371 of 539 funds	380 of 496 funds	229 of 455 funds	103 of 355 funds
A Shares	Morningstar Category % Rank	92	94	84	72
	Morningstar Category Rank	483 of 539 funds	446 of 496 funds	352 of 455 funds	242 of 355 funds
Lipper Core Bond Funds		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	54	50	24	9
	Lipper Classification Rank	263 of 495 funds	239 of 477 funds	101 of 430 funds	30 of 343 funds
IS Shares	Lipper Classification % Rank	64	51	25	10
	Lipper Classification Rank	313 of 495 funds	242 of 477 funds	106 of 430 funds	31 of 343 funds
A Shares	Lipper Classification % Rank	92	88	75	42
	Lipper Classification Rank	453 of 495 funds	418 of 477 funds	320 of 430 funds	142 of 343 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 Total Return Bond Fund

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 3.69% at maximum offering price for A Shares, 4.44% for R6 Shares, and 4.39% for Institutional Shares.

The fund's R6 Shares commenced operations on April 17, 2015. 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 reflect the expenses of the R6 Shares for each year for which the expenses of the R6 Shares would have exceeded the actual expenses paid by the 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.

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.

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.

Bank loan instruments carry increased levels of credit and default risk and are generally less liquid than government and investment-grade bonds.

Investments in trade finance-related instruments may entail credit, liquidity, currency, and market risks in addition to other risks, such as the risk of investing in foreign securities and emerging market securities.

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 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.

Bloomberg US Universal Index represents the union of the US Aggregate Index, US Corporate High-Yield, Investment Grade 144A Index, Eurodollar Index, US Emerging Markets Index and the non-ERISA eligible portion of the CMBS Index. The index covers USD denominated, taxable bonds that are rated either investment grade or below investment grade.

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.