

# Federated Hermes Corporate Bond Fund

Nasdaq symbol — R6: FDBLX | IS: FDBIX | A: FDBAX | B: FDBBX | C: FDBCX | F: ISHIX

6/30/20

## Product highlights

- Pursues current income consistent with preservation of capital.
- Invests primarily in investment-grade corporate bonds; may also invest up to 35% in high-yield, lower-rated bonds.
- Serves as a core corporate bond holding.
- Features a long track record of providing a monthly income stream throughout economic cycles.

## Morningstar category

Corporate Bond

### Benchmark 1

Bloomberg Barclays U.S. Credit Index

### Benchmark 2

75% Bloomberg Barclays U.S. Credit Index/25%  
Bloomberg Barclays U.S. Corporate High Yield 2%  
Issuer Capped Index

## Key investment team

Brian Ruffner  
Bryan Dingle, CFA®  
Mark Durbiano, CFA®  
Steven Wagner  
Christopher McGinley

## Yields

30-day yield - R6	2.63%
30-day yield - IS	2.60%
30-day yield - A	2.25%
30-day yield - B	1.53%
30-day yield - C	1.55%
30-day yield - F	2.34%

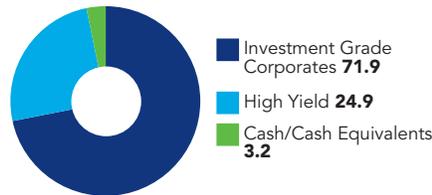
## Fund statistics

Portfolio assets	\$1.5 b
Number of securities	467
Dividends	Paid monthly
Weighted average effective maturity	9.3 years
Weighted average effective duration	7.0 years
Weighted average bond price	\$108.74

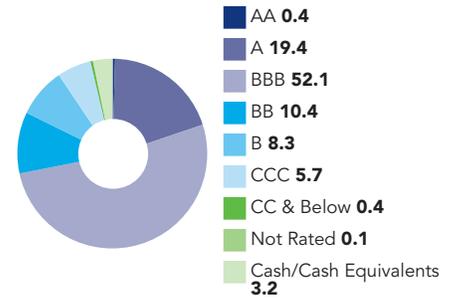
## Top holdings (%)

Bank of America Corp., 2.328% due 10/01/21	0.6
JPMorgan Chase & Co., 3.875% due 9/10/24	0.6
Morgan Stanley, 3.772% due 1/24/29	0.6
Anheuser-Busch InBev Worldwide, Inc., 4.600% due 4/15/48	0.5
CCO Safari II LLC, 4.908% due 7/23/25	0.5
DH Europe Finance II S.a.r.l., 2.600% due 11/15/29	0.5
GE Capital International, 4.418% due 11/15/35	0.5
JPMorgan Chase & Co., 3.509% due 1/23/29	0.5
Kerry Group Financial Services, 3.200% due 4/09/23	0.5
Verizon Communications, Inc., 4.125% due 8/15/46	0.5

## Sector weightings (%)



## Quality breakdown (%) \*\*



## Average annual total returns (%)

Performance shown is before tax.

NAV	Performance inception	Cumulative 3-month	1-year	3-year	5-year	10-year	Since inception	Expense ratio*	
								Before waivers	After waivers
R6	6/28/95	9.27	7.45	5.45	5.39	5.47	6.05	0.66	0.59
IS	6/28/95	9.16	7.32	5.41	5.41	5.59	6.11	0.75	0.61
A	6/28/95	9.22	7.17	5.14	5.18	5.37	6.00	1.00	0.86
B	6/28/95	8.92	6.21	4.29	4.29	4.68	5.74	1.78	1.73
C	6/28/95	8.94	6.26	4.29	4.32	4.52	5.68	1.74	1.70
F	5/20/87	9.13	7.10	5.17	5.15	5.35	7.00	0.97	0.86
Benchmark 1		8.22	9.07	6.14	5.54	5.24	-	-	-
Benchmark 2		8.70	6.79	5.46	5.39	5.62	-	-	-

## Maximum offering price

NAV	Performance inception	Cumulative 3-month	1-year	3-year	5-year	10-year	Since inception	Before waivers	After waivers
A	6/28/95	4.31	2.34	3.53	4.23	4.89	5.81	1.00	0.86
B	6/28/95	3.42	0.71	3.05	3.95	4.68	5.74	1.78	1.73
C	6/28/95	7.94	5.26	4.29	4.32	4.52	5.68	1.74	1.70
F	5/20/87	7.06	4.99	4.53	4.95	5.24	6.97	0.97	0.86

## Calendar year total returns (%)

F Shares/NAV

	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011
NAV	3.04	13.85	-2.95	6.62	8.24	-1.98	5.76	0.79	10.22	6.01
Benchmark 1	4.82	13.80	-2.11	6.18	5.63	-0.77	7.53	-2.01	9.37	8.35
Benchmark 2	2.63	13.96	-2.08	6.51	8.43	-1.66	6.25	0.28	10.95	7.55

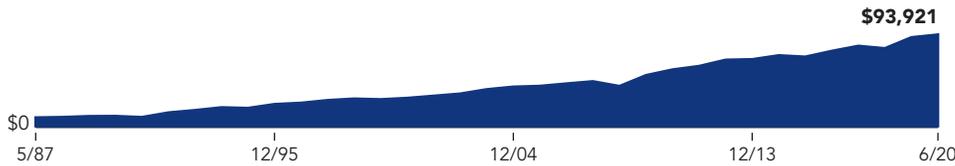
Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, and for after-tax returns, contact us or visit [FederatedInvestors.com](http://FederatedInvestors.com). Maximum offering price figures reflect the maximum sales charges of 4.5% for A Shares and 1% for F Shares, and the maximum contingent deferred sales charges of 5.5% for B Shares, 1% for C Shares and 1% for F Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

\* 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 2/1/21 or the date of the fund's next effective prospectus.

# Federated Hermes Corporate Bond Fund

## Growth over time

If you had invested \$10,000 in F Shares on 5/31/87 (month end of the fund's performance inception) and reinvested all distributions, here's how your account would have grown by 6/30/20.



As of June 29, 2020, the Federated Bond Fund was renamed as the Federated Hermes Corporate Bond Fund.

The fund's Institutional Shares commenced operations on January 28, 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 applicable to 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 adjusted 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.

The fund's R6 Shares commenced operations on September 30, 2016. For the period prior to the commencement of operations of the R6 Shares, the performance information shown is for A Shares. The performance of the A Shares has not been adjusted to reflect the expenses applicable to the R6 since the R6 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 adjusted to remove any voluntary waiver of the fund's expenses related to the A Shares that may have occurred during the period prior to the commencement of operations of the R6 Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

The B Shares of this Federated Hermes fund are closed to new investors and new investments from existing shareholders (excluding reinvestment of dividends and capital gains and exchanges from B Shares of other Federated Hermes Funds).

The fund may invest in Federated Hermes Portfolios that are not available to the public and provide for more effective diversification than is available through the purchase of individual securities. Where applicable, the fund holdings reflect exposure to underlying securities held by the portfolios.

### 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.

### Definitions

**The holdings percentages** are based on net assets at the close of business on 6/30/20 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.

**Total return** represents the change in value of an investment after reinvesting all income and capital gains. Total return would have been lower in the absence of temporary expense waivers or reimbursements.

**30-day yield** (also known as "SEC yield") 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 2.57% for R6 Shares, 2.48% for Institutional Shares, 2.14% for A Shares, 1.48% for B Shares, 1.50% for C Shares, and 2.24% for F Shares.

**Growth over time** performance is for the fund's F Shares. Figures do not reflect the 1% maximum sales charge and 1% maximum contingent deferred sales charge. The fund offers additional share classes whose performance will vary due to differences in charges and expenses.

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

**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 bond price** - Morningstar generates this figure from the portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the manager favors bonds selling at prices above or below face value (discount or premium securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

*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 [FederatedInvestors.com](http://FederatedInvestors.com). Please carefully read the summary prospectus or the prospectus before investing.*

*Past performance is no guarantee of future results.*

**Bloomberg Barclays U.S. Credit Index** is composed of all publicly issued, fixed-rate, nonconvertible, investment-grade corporate debt. Issues are rated at least Baa by Moody's Investors Service or BBB by Standard & Poor's, if unrated by Moody's. Collateralized Mortgage Obligations (CMOs) are not included. Total return comprises price appreciation/depreciation and income as a percentage of the original investment.

**Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index** is an issuer-constrained version of the flagship U.S. Corporate High Yield Index, which measures the USD-denominated, high yield, fixed-rate corporate bond market. The index follows the same rules as the uncapped version, but limits the exposure of each issuer to 2% of the total market value and redistributes any excess market value index wide on a pro rata basis. The index was created in 2002, with history backfilled to January 1, 1993.

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. ©2020 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.

\*\* The ratings agencies that provided the ratings are Standard and Poor's, Moody's and Fitch. When ratings vary, the highest rating is used. Credit ratings of A or better are considered to be high credit quality; credit ratings of BBB are good credit quality and the lowest category of investment grade; credit ratings BB and below are lower-rated securities ("junk bonds"); and credit ratings of CCC or below have high default risk. The credit quality breakdown does not give effect to the impact of any credit derivative investments made by the fund.