

Federated Hermes Corporate Bond Fund

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

12/31/22

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 US Credit Index

Benchmark 2

75% Bloomberg US Credit Index/25% Bloomberg US Corporate High Yield 2% Issuer Capped Index

Key investment team

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

Fund statistics

Portfolio assets \$989.6 m
Number of securities 411
Dividends Paid monthly
Weighted average effective maturity 9.8 years
Weighted average effective duration 6.0 years
Weighted average bond price \$89.39

Top holdings (%)

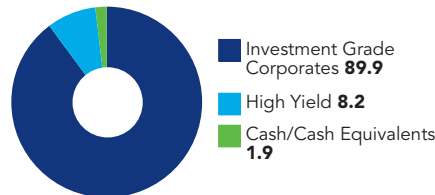
Bank of New York Mellon, 3.992% due 6/13/28 0.7
Goldman Sachs Group, Inc., 3.814% due 4/23/29 0.7
JPMorgan Chase & Co., 3.509% due 1/23/29 0.7
JPMorgan Chase & Co., 3.875% due 9/10/24 0.7
Morgan Stanley, 3.772% due 1/24/29 0.7
NextEra Energy Capital, 3.550% due 5/01/27 0.7
Wells Fargo & Co., 3.908% due 4/25/26 0.7
Anheuser-Busch InBev Worldwide, Inc., 4.600% due 4/15/48 0.6
CCO Safari II LLC, 4.908% due 7/23/25 0.6
DH Europe Finance II S.a.r.l., 2.600% due 11/15/29 0.6

Overall Morningstar Rating™

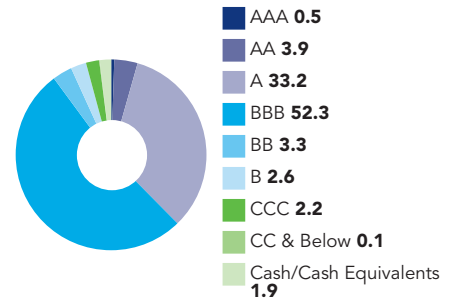


Rating is based on risk adjusted total return for F Shares, A Shares, and Institutional Shares out of 193 Funds in Corporate Bond Category. The overall rating is derived from a weighted average of the fund's three-, five-, and ten-year average annual returns, as applicable.

Sector weightings (%)



Quality breakdown (%) **



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

Average annual total returns (%)

Performance shown is before tax.

NAV	Performance inception	Cumulative 3-month	Performance					Expense ratio*		
			1-year	3-year	5-year	10-year	Since inception	Before waivers	After waivers	
R6	6/28/95	3.32	-14.31	-2.16	0.79	2.34	5.11	0.64	0.59	
IS	6/28/95	3.32	-14.35	-2.18	0.77	2.40	5.16	0.73	0.61	
A	6/28/95	3.13	-14.67	-2.44	0.51	2.17	5.04	0.98	0.86	
B	6/28/95	3.01	-15.29	-3.25	-0.32	1.50	4.81	1.77	1.73	
C	6/28/95	3.02	-15.27	-3.22	-0.29	1.51	4.81	1.73	1.70	
F	5/20/87	3.09	-14.63	-2.45	0.51	2.15	6.18	0.95	0.86	
Benchmark 1		3.44	-15.26	-2.86	0.42	1.82	-	-	-	
Benchmark 2		3.64	-14.21	-2.10	0.92	2.39	-	-	-	
Maximum offering price										
A	6/28/95	-1.52	-18.52	-3.92	-0.41	1.70	4.87	0.98	0.86	
B	6/28/95	-2.49	-19.83	-4.47	-0.67	1.50	4.81	1.77	1.73	
C	6/28/95	2.02	-16.09	-3.22	-0.29	1.51	4.81	1.73	1.70	
F	5/20/87	1.07	-16.31	-3.08	0.32	2.04	6.15	0.95	0.86	

Calendar year total returns (%)

F Shares/NAV

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
NAV	-14.63	-0.08	8.83	13.85	-2.95	6.62	8.24	-1.98	5.76	0.79
Benchmark 1	-15.26	-1.08	9.35	13.80	-2.11	6.18	5.63	-0.77	7.53	-2.01
Benchmark 2	-14.21	0.48	8.83	13.96	-2.08	6.51	8.43	-1.66	6.25	0.28

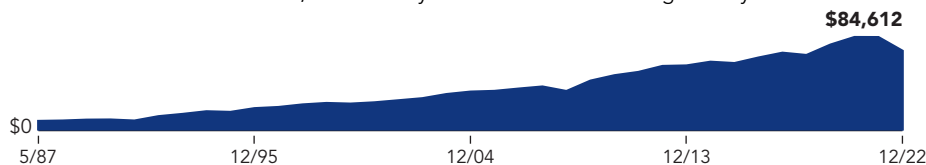
Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, and for after-tax returns, contact us or visit FederatedInvestors.com. 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 2/1/23 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 12/31/22.



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 12/31/22 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.

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.

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. Please carefully read the summary prospectus or the prospectus before investing.

Past performance is no guarantee of future results.

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.

Bloomberg US 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 US 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.

Federated Hermes Corporate Bond Fund

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. ©2023 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 Morningstar Rating™ for funds, or “star rating”, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take sales charges into account. Federated Hermes Corporate Bond Fund was rated against the following numbers of U.S.-domiciled Corporate Bond funds over the following time periods. Ratings are for A, F and Institutional Shares; other classes may have different performance characteristics. For the 3-, 5- and 10-year periods ended 12/31/22, the fund’s A Shares received 3, 3 and 4 stars, the fund’s F Shares received 3, 3 and 4 stars and the fund’s Institutional Shares received 4, 4 and 5 stars, and was rated among 193, 170 and 99 funds, respectively. 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.

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Corporate