

Federated Hermes Prudent Bear Fund



Nasdaq symbol — IS: PBRIX | A: BEARX | C: PBRCX

12/31/22

Product highlights

- Pursues capital appreciation.
- Seeks to help investors benefit from a declining U.S. stock market through the convenience of an actively managed bear fund.
- Employs strategic short selling supported by an intensive security-by-security research process.
- Long positions in stocks that the portfolio management team feels are undervalued.
- Historically negative correlation with major U.S. and international equity markets; low correlation with other markets.
- Seeks to limit losses in bull markets through defined risk-management strategies.

Morningstar category

Trading--Inverse Equity

Benchmark

S&P 500® Index

Key investment team

Dana Meissner, CFA, FRM, CAIA
P. Ryan Bend, CFA, CPA, CAIA
Chad Hudson, CFA

Fund statistics

Portfolio assets \$566.9 m
Dividends Paid annually
Portfolio beta (Source: Bloomberg) -1.02
1 Year versus S&P 500®

Portfolio allocation (%)

Long Equities	8.6
Short Sector/Market Indexes (Non-S&P 500®)	-3.2
**Delta Adjusted Put Option Exposure	-3.5
Short Equities	-5.3
Short (S&P 500®)	-100.9

**The change in the value of an option for each dollar change in the market price of the underlying asset.

Sector weightings (%)

	Short***	Long
Communication Services	7.1	5.6
Consumer Discretionary	10.0	8.1
Consumer Staples	7.2	10.6
Energy	5.2	5.3
Financials	12.0	11.8
Health Care	15.5	20.6
Industrials	9.0	6.7
Information Technology	24.9	15.4
Materials	3.0	5.8
Real Estate	2.9	2.9
Utilities	3.3	6.9

***Includes sector weightings for Index Products.

Totals may not add up to 100.0% due to rounding.

Average annual total returns (%)

Performance shown is before tax.

NAV	Perf. inception	Cum. 3-month	1-year	3-year	5-year	10-year	Since inception	Expense ratio*		
								Before waivers	After waivers	Net expenses ¹
IS	12/28/95	-6.93	17.99	-11.38	-12.03	-13.71	-7.00	2.49	2.46	1.57
A	12/28/95	-6.91	17.78	-11.56	-12.23	-13.90	-6.96	2.73	2.69	1.82
C	2/8/99	-7.11	16.89	-12.22	-12.89	-14.40	-5.53	3.50	3.46	2.57
Benchmark		7.56	-18.11	7.66	9.42	12.56	-	-	-	-
Maximum offering price										
A	12/28/95	-12.03	11.31	-13.21	-13.22	-14.38	-7.16	2.73	2.69	1.82
C	2/8/99	-8.04	15.89	-12.22	-12.89	-14.40	-5.53	3.50	3.46	2.57

Calendar year total returns (%)

A Shares/NAV

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
NAV	17.78	-23.78	-22.95	-19.96	-5.96	-15.76	-13.41	-4.46	-15.15	-27.27
Benchmark	-18.11	28.71	18.40	31.49	-4.39	21.82	11.95	1.37	13.68	32.38

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 charge of 5.5% for A Shares, and the maximum contingent deferred sales charge of 1% for C Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

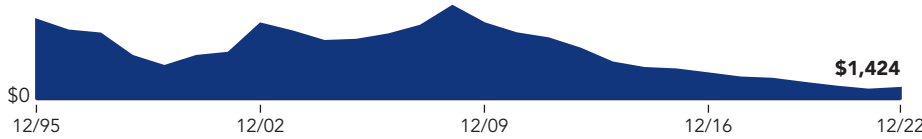
* The fund's expense ratio is from the most recent prospectus. The expense ratio may reflect voluntary fee waivers and/or expense reimbursements determined by the fund's Advisor and/or its affiliates. The voluntary waivers and/or reimbursements, if applicable, are in effect up to but not including the later of 12/1/23 or the date of the fund's next effective prospectus. The expense ratio includes Dividends and Other Expenses Related to Short Sales. See the Net Expenses column for expenses if Dividends and Other Expenses Related to Short Sales were excluded.

¹ Excluding Short Sale Expenses.

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Growth over time

If you had invested \$10,000 in A Shares on 12/31/95 (month end of the fund's performance inception) and reinvested all distributions, here's what your account would have been worth as of 12/31/22.



Federated Hermes Prudent Bear Fund is the successor to Prudent Bear Fund, pursuant to a reorganization that took place on December 5, 2008. Prior to that date, Federated Prudent Bear Fund had no investment operations. Accordingly, performance information shown for periods prior to December 5, 2008, is historical information for the former No Load Shares but has been adjusted to reflect the maximum sales charges and expenses applicable to the fund's A and C Shares and to remove any voluntary waiver of expenses related to the No Load Shares that may have occurred prior to commencement of operations of the Institutional Shares. The performance information of the predecessor Prudent Bear Fund has not been adjusted to reflect the expense ratio of the Institutional Shares since the Institutional Shares are estimated to have a lower expense ratio than the expense ratio of the predecessor Prudent Bear Fund's No Load Shares.

A word about risk

Mutual funds are subject to risks and fluctuate in value.

Federated Hermes Prudent Bear Fund regularly makes short sales of securities, which involves unlimited risk including the possibility that losses may exceed the original amount invested. The fund may also use options and future contracts, which have risks associated with unlimited losses of the underlying holdings due to unanticipated market movements and failure to correctly predict the direction of securities prices, interest rates and currency exchange rates. However, a mutual fund investor's risk is limited to one's amount of investment in a mutual fund. Such securities may be difficult to sell without experiencing delays or additional costs. Please see the prospectus for further details. Considering the increased risks, the fund may not be suitable for all investors.

Diversification does not assure a profit nor protect against loss.

Definitions

The portfolio composition 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 A Shares. Figures do not reflect the 5.5% maximum sales charge. The fund offers additional share classes whose performance will vary due to differences in charges and expenses.

Beta analyzes the market risk of a fund by showing how responsive the fund is to the market. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse in down markets. Usually the higher betas represent riskier investments.

S&P 500® Index 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.

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.

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.