

# Federated Hermes High Income Bond Fund, Inc.



Nasdaq symbol — R6: FHBRX | IS: FHISX | A: FHIIX | B: FHBBX | C: FHICX

12/31/22

## Product highlights

- Pursues a high level of current income.
- Invests in below-investment-grade securities, providing exposure to the higher-yielding, lower-rated, corporate bond market.
- Offers the potential for attractive relative total returns in economic recoveries through ratings upgrades or improved performance of issuing companies.
- Provides portfolio diversification; historically, high-yield bond performance has not been correlated to other types of bonds.
- Features a track record of more than 40 years; consistent management since 1987.

## Morningstar category

High Yield Bond

## Benchmark

Bloomberg US Corporate High Yield 2% Issuer Capped Index

## Key investment team

Mark Durbiano, CFA  
Steven Wagner

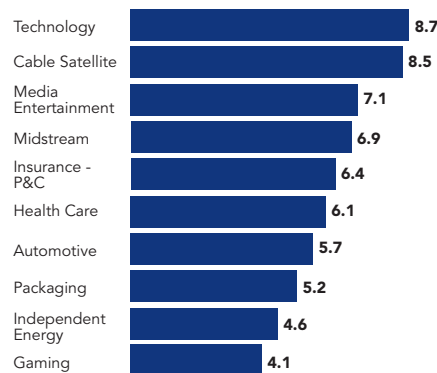
## Fund statistics

Portfolio assets	\$469.9 m
Number of securities	504
Dividends	Paid monthly
Weighted average effective maturity	5.2 years
Weighted average duration to worst	4.1 years
Weighted average bond price	\$87.25

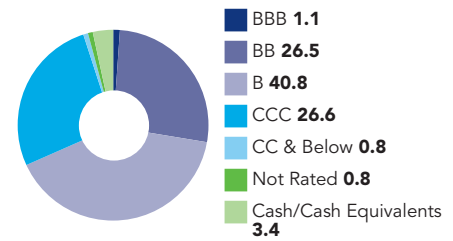
## Top holdings (%)

Ford Motor Co.	2.4
Charter Communications, Inc.	2.0
Hub International Ltd.	1.9
CSC Holdings LLC	1.7
TransDigm, Inc.	1.6
1011778 BC Unltd. Liability Co./	1.1
New Red Finance, Inc.	
Allied Universal Holdco LLC	1.1
Antero Midstream Partners LP	1.1
Panther BF Aggregator 2 LP	1.1
Tenet Healthcare Corp.	1.1

## Top 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	11/30/77	3.99	-11.51	-0.42	1.90	3.52	7.66	0.68	0.64
IS	11/30/77	3.99	-11.53	-0.48	1.89	3.50	7.65	0.75	0.65
A	11/30/77	3.92	-11.73	-0.72	1.64	3.36	7.63	1.00	0.90
B	9/28/94	3.72	-12.50	-1.51	0.79	2.70	5.63	1.78	1.78
C	5/1/93	3.72	-12.49	-1.49	0.82	2.72	5.62	1.76	1.74
<b>Benchmark</b>		4.17	-11.18	0.03	2.30	4.03	-	-	-
<b>Maximum offering price</b>									
A	11/30/77	-0.72	-15.74	-2.25	0.70	2.89	7.52	1.00	0.90
B	9/28/94	-1.78	-17.09	-2.68	0.47	2.70	5.63	1.78	1.78
C	5/1/93	2.72	-13.32	-1.49	0.82	2.72	5.62	1.76	1.74

## Calendar year total returns (%)

A Shares/NAV

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
NAV	-11.73	4.69	5.89	14.35	-3.06	6.53	14.31	-3.28	2.14	6.69
Benchmark	-11.18	5.26	7.05	14.32	-2.08	7.50	17.13	-4.43	2.46	7.44

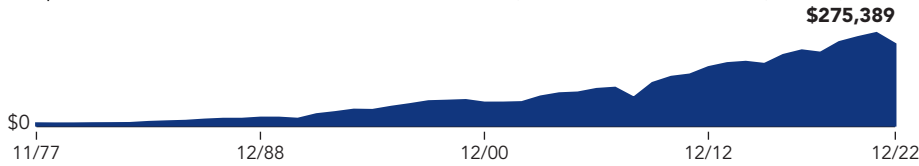
Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. 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 charge of 4.5% for A Shares, and the maximum contingent deferred sales charges of 5.5% for B Shares and 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 its affiliates. The voluntary waivers and/or reimbursements, if applicable, are in effect up to but not including the later of 6/1/23 or the date of the fund's next effective prospectus.

# Federated Hermes High Income Bond Fund, Inc.

## Growth over time

If you had invested \$10,000 in A Shares on 11/30/77 (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 and R6 Shares commenced operations on January 27, 2017. For the period prior to the commencement of operations of the Institutional Shares and 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 Institutional Shares and R6 Shares since the Institutional Shares and 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.

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).

### 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. Holdings are high-yield debt securities.

**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 4.5% maximum 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 duration to worst** is the approximate percentage change in a bond's price given a 1% change in its yield-to-maturity or its yield-to-call, whichever is lower. Duration-to-Worst is the same as Macaulay's duration except the predetermined set of principal and interest cash flows are based on either the final maturity date, or a call date within the bond's call schedule, whichever would result in the lowest yield to the investor – i.e., the Yield-to-Worst.

**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 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.

*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.*

### 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 ratings agencies that provided the ratings are Standard and Poor's, Moody's and Fitch. When ratings vary, the lowest 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.