

# In Need of Dividends?

## Federated Hermes Strategic Value Dividend Fund

As of 9/30/20

### Access to income with growth potential

Federated Hermes Strategic Value Dividend Fund offers investors a portfolio of dividend-paying companies with strong dividend growth potential.

### Notable highlights

- Federated Hermes Strategic Value Dividend Fund provided a gross weighted average dividend yield of 5.15% at month-end.
- September 2020 trailing twelve months: 25 companies within the portfolio raised their dividends. Four companies within the portfolio cut their dividends.

### Consecutive annual dividend payments

Of the 41 stocks in the portfolio:

- 90% have paid consecutive annual dividends for the past 20 years.
- 85% have paid consecutive annual dividends for the past 30 years.
- 63% have done so for the past 50 years.
- 24% have incredibly done so for the past 100 years.

### Consecutive annual dividend increases.

Of the 41 stocks in the portfolio:

- 61% have increased dividends each year for the past 10 years.
- 29% have increased dividends each year for the past 20 years.
- 20% have increased dividends each year for the past 30 years.
- 7% have commendably increased dividends each year for the past 50 years.

Holding	Prospective dividend yield	Dividends paid consecutively since	Consecutive years of dividend increases	TTM* dividend change date	TTM* dividend % change	S&P credit rating
<b>Communication Services 16.48%</b>						
<b>AT&amp;T, Inc.</b>	7.30	1893	36	Dec-19	2.0%	BBB
<b>BCE, Inc.</b>	5.13	1949	12	Feb-20	5.0%	BBB+
<b>Verizon Communications</b>	4.22	1893	14	Sep-20	2.0%	BBB+
<b>Vodafone Group PLC</b>	7.95	1990	0	–	–	BBB
<b>Consumer Discretionary 0.53%</b>						
<b>Genuine Parts Co.</b>	3.32	1948	64	–	–	-1
<b>Consumer Staples 16.28%</b>						
<b>British American Tobacco PLC</b>	7.58	1998	23	Feb-20	3.6%	BBB+
<b>Coca-Cola Co.</b>	3.32	1920	58	Feb-20	2.5%	A+
<b>General Mills, Inc.</b>	3.31	1899	1	–	–	BBB
<b>PepsiCo, Inc.</b>	2.95	1952	48	Feb-20	7.1%	A+
<b>Philip Morris International Inc.</b>	6.40	1928	12	Sep-20	2.6%	A
<b>Unilever PLC</b>	3.19	1949	39	–	–	A+
<b>Energy 10.99%</b>						
<b>Chevron Corp.</b>	7.17	1912	3	Jan-20	8.4%	AA
<b>Enbridge Inc.</b>	7.08	1953	23	Dec-19	9.8%	BBB+
<b>Exxon Mobil Corp.</b>	10.14	1911	37	–	–	AA
<b>TC Energy Corporation</b>	4.93	1985	21	Feb-20	8.0%	BBB+
<b>Financials 8.67%</b>						
<b>Canadian Imperial Bank of Commerce</b>	4.99	1868	10	Feb-20	1.4%	A+
<b>JPMorgan Chase &amp; Co.</b>	3.74	1972	9	–	–	A-
<b>KeyCorp</b>	6.20	1980	9	–	–	BBB+
<b>PNC Financial Services Group</b>	4.19	1979	9	–	–	A-
<b>Regions Financial Corp.</b>	5.38	1984	7	–	–	BBB+
<b>Health Care 19.42%</b>						
<b>AbbVie Inc.</b>	5.39	1924	6	Nov-19	10.3%	BBB+
<b>Amgen Inc.</b>	2.52	2011	8	Dec-19	10.3%	A-
<b>Bristol-Myers Squibb Co.</b>	2.99	1933	13	–	–	A+
<b>Gilead Sciences, Inc.</b>	4.30	2015	5	Feb-20	7.9%	A
<b>GlaxoSmithKline PLC</b>	5.51	1889	0	–	–	A
<b>Merck &amp; Co., Inc.</b>	2.94	1932	9	–	–	AA-
<b>Pfizer, Inc.</b>	4.14	1938	10	Dec-19	5.6%	AA-
<b>Industrials 3.49%</b>						
<b>3M Company</b>	3.67	1916	62	–	–	A+
<b>United Parcel Service, Inc.</b>	2.42	1970	11	Feb-20	5.2%	A-
<b>Information Technology 5.93%</b>						
<b>Broadcom, Inc.</b>	3.57	2010	10	–	–	BBB-
<b>Cisco Systems, Inc.</b>	3.66	2011	9	Feb-20	2.9%	AA-
<b>International Business Machines Corp.</b>	5.36	1916	25	Apr-20	0.6%	A
<b>Texas Instruments, Inc.</b>	2.86	1962	17	–	–	A+

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\* TTM represents trailing twelve months.

<sup>1</sup>No corporate bond issuance.

September 2020 TTM\*: Five companies had dividend changes prior to the sale in the trailing twelve months. On 10/14/19, Omega Healthcare Investors increased its dividend by 1.5%. On 1/23/20, Kimberly-Clark Corp. increased its dividend by 3.9%. On 4/23/20, Invesco Ltd. cut its dividend by 50.0%. On 5/6/20, Welltower, Inc. cut its dividend by 29.9%. On 8/4/20, BP PLC cut its dividend by 50.0%.

**Past performance is no guarantee of future results. For current fund performance, visit [FederatedInvestors.com](https://www.federatedinvestors.com).**

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## Federated Hermes Strategic Value Dividend Fund

Holding	Prospective dividend yield	Dividends paid consecutively since	Consecutive years of dividend increases	TTM* dividend change date	TTM* dividend % change	S&P credit rating
<b>Real Estate 0.85%</b>						
<b>National Retail Properties, Inc.</b>	5.23	1985	31	Jul-20	1.0%	BBB+
<b>Utilities 15.77%</b>						
<b>Dominion Energy, Inc.<sup>2</sup></b>	3.16	1925	11	Jul-20	-33.5%	BBB+
<b>Duke Energy Corp.</b>	4.36	1926	13	Jul-20	2.1%	A-
<b>Eversource Inc</b>	3.97	1980	14	–	–	A-
<b>National Grid PLC</b>	5.46	1996	6	Nov-19	2.6%	A-
<b>PPL Corp.</b>	6.10	1946	9	Feb-20	0.6%	A-
<b>Public Service Enterprises Group, Inc.</b>	3.57	1978	9	–	–	BBB+
<b>Southern Co.</b>	4.72	1948	19	Apr-20	3.2%	A-

Sources: Bloomberg, FactSet and company websites of current holdings.

Information as of 9/30/20. The fund is a managed portfolio and holdings are subject to change.

Credit ratings do not protect against market risk.

\* TTM represents trailing twelve months.

<sup>2</sup>Pending completion of the company's sale of midstream assets, Dominion Energy's dividend will be rebased to reflect the earnings impact of the divestiture and the related cancellation of the Atlantic Coast pipeline project.

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### Average annual total returns (%) as of 9/30/20

	Ticker symbol	3-month	1-year	5-year	10-year	Since inception (3/30/05)	30-day yield	Expense ratio**	
								Before waivers	After waivers
<b>R6 Shares</b>	SVALX	1.22	-12.09	4.34	7.73	5.76	4.50	0.86	0.79
<b>Institutional Shares</b>	SVAIX	1.22	-12.11	4.34	7.80	5.98	4.48	0.93	0.81
<b>A Shares (NAV)</b>	SVAAX	1.16	-12.40	4.06	7.54	5.70	4.22	1.18	1.06
<b>A Shares (MOP)</b>	SVAAX	-4.43	-17.28	2.89	6.93	5.32	3.98	1.18	1.06

**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 5.5% 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 1/1/21 or the date of the fund's next effective prospectus.

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 3.98% at maximum offering price and 4.09% at net asset value for A Shares, 4.41% for R6 Shares and 4.34% for Institutional Shares.

The fund's R6 Shares commenced operations on June 30, 2016. 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 remove any voluntary waiver of fund expenses related to the fund's Institutional Shares that may have occurred during the periods prior to the commencement of operations of the fund's R6 Shares.

**There are no guarantees that dividend-paying stocks will continue to pay dividends. In addition, dividend-paying stocks may not experience the same capital appreciation potential as non-dividend-paying stocks.**

As of June 29, 2020, the fund was renamed Federated Hermes Strategic Value Dividend Fund.

Prospective dividend yield is the annualized current payment divided by the current share price.

The ratings provided are sourced from securities ratings agency Standard and Poor's (S&P). S&P makes the following credit rating classifications: 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. A modifier of 1 or + indicates that the obligation ranks in the higher end of its rating category and a modifier of 3 or - indicates a ranking in the lower end of the category.

International investing involves special risks including currency risk, increased volatility, political risks and differences in auditing and other financial standards.

Because the fund may allocate relatively more assets to certain industry sectors than others, the fund's performance may be more susceptible to any developments which affect those sectors emphasized by the fund.

**This material must be preceded or accompanied by a prospectus.**