

# Federated Hermes Strategic Value Dividend Fund



## Is now a good entry point?

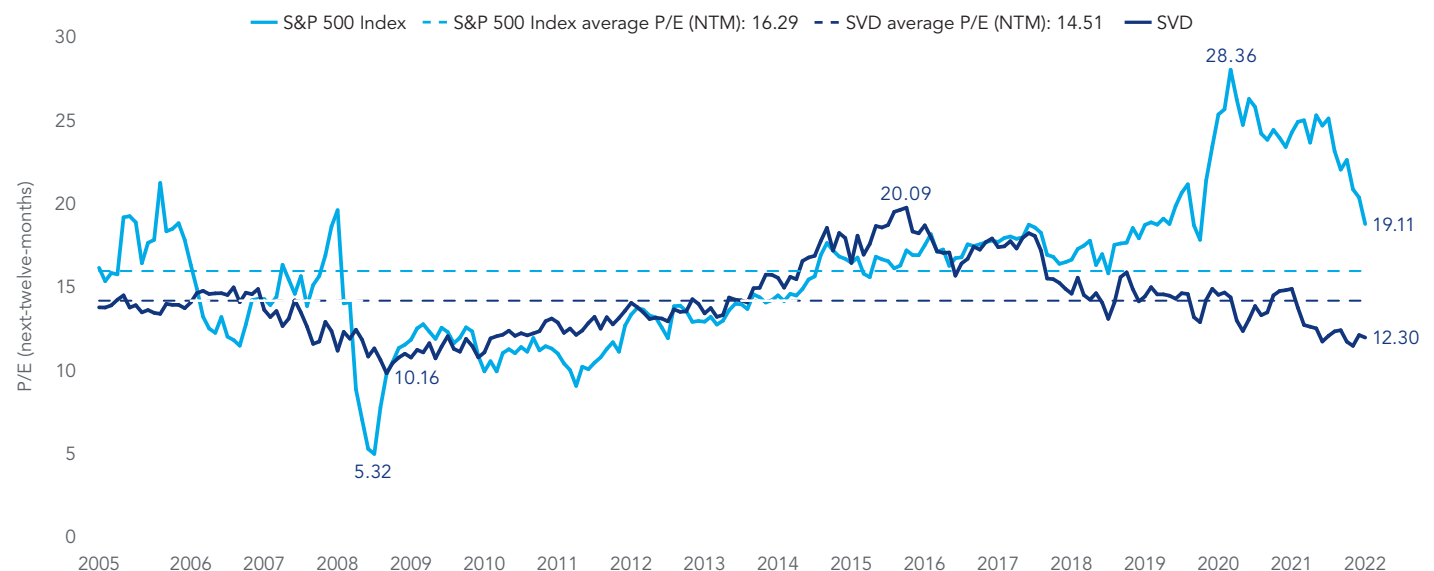
Investors today are challenged by market volatility, inflation and rising rates. Federated Hermes Strategic Value Dividend Fund (SVD) seeks to deliver outcomes that may help to address these challenges: high dividend income, dividend growth and lower volatility than the broad market.

**We believe current valuations make SVD particularly attractive**

### Historically attractive valuation

- SVD's forward P/E is currently -2.21 lower than its long-term average.
- The S&P 500 Index's forward P/E is currently +2.82 higher than its long-term average.
- SVD's forward P/E is also historically low relative to the S&P 500 Index. The average valuation difference between SVD and the S&P 500 was -1.78 from 3/30/05 to 6/30/22. Currently, the difference is -6.81.
- Current levels indicate the potential for mean reversion, as valuations may rise closer to typical historical levels. Now may be a buying opportunity.

### Forward price-to-earnings ratio (NTM)



Monthly data from inception 3/30/05 to 6/30/22. Sources: FactSet Research Systems, Standard & Poors, Federated Hermes.

**Past performance is no guarantee of future results.**

### The bottom line

- SVD invests in companies that have a history of sustaining and growing dividend payments.
- Average dividend yield since 2005 inception: 4.83%.
- SVD has a history of lower volatility versus the S&P 500 Index.

See page 2 for total return and yield information.

**Past performance is no guarantee of future results.**

Not FDIC Insured • May Lose Value • No Bank Guarantee

## Average annual total returns (%) as of 6/30/22

	1-year	3-year	5-year	10-year	Since inception 3/30/05	30-day dist. yield	30-day yield	Expense ratio*	
								Before waivers	After waivers
<b>IS Shares</b>	11.79	8.31	6.44	8.93	7.44	3.81	3.71	0.94	0.81
<b>A Shares (NAV)</b>	11.60	8.03	6.17	8.66	7.16	3.60	3.44	1.18	1.06
<b>A Shares (MOP)</b>	5.39	6.00	4.99	8.05	6.81	3.40	3.25	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.

\*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 1/1/23 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 3.13% at maximum offering price, 3.32% at net asset value for A Shares and 3.59% for Institutional Shares as of 6/30/22.

The 30-day distribution yield reflects actual distributions made to shareholders. It is calculated by dividing the monthly annualized dividend by the average 30-day offering price.

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

Average dividend yield since inception in 2005 represents the average of SVD's dividend yield at the end of each quarter beginning the first full quarter (6/30/05) after the fund's 3/30/05 inception and ending 6/30/22 (69 periods in total). The dividend yield represents the average yield of the underlying securities within the portfolio. The average yield is a gross weighted average calculated by assigning a weight to each of the underlying securities in the portfolio based upon the portion of total assets of the portfolio each underlying security represents.

**Price-to-earnings ratio (P/E ratio)** is a valuation ratio of a company's current share price compared to its per-share earnings. The P/E ratio helps investors determine the market value of a stock as compared to the company's earnings. A low P/E ratio might indicate that a stock that has the potential for significant growth is undervalued. P/E ratios are only one indicator of a company's financial well-being.

**Forward price-to-earnings (Forward P/E)** is a version of the P/E that uses forecasted earnings for the P/E calculation. The earnings used in this formula are just an estimate and not as reliable as current or historical earnings data. Forward P/E (NTM - next twelve months) is calculated by FactSet using their standardized method. In calculating P/E, FactSet aggregates the position values and recurrent earnings and calculates P/E using these aggregated values in order to account for size and reduce the impact of outliers and negative values.

**S&P 500 Index:** 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 investments cannot be made in an index.

Mutual funds are subject to risks and fluctuate in value.

The fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional instruments. 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.

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.**