

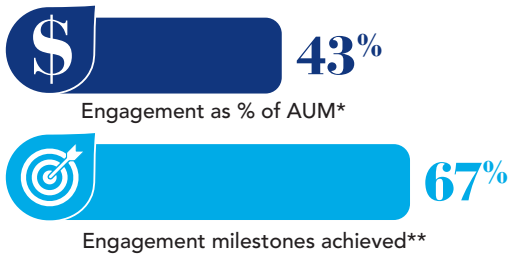
Federated Hermes Institutional High Yield Bond Fund

Engagement report as of 12/31/22

Used alongside our intensive, research-driven, fundamental analysis, Federated Hermes' high-yield team's framework for Environmental, Social and Governance (ESG) integration provides a complementary stream of information to identify risks and opportunities that translate to the potential for strong long-term performance.

The team relies on proprietary ESG analytics as well as active engagement with companies represented in the fund by EOS at Federated Hermes, our global team of ESG engagement specialists. Our dedicated engagement specialists meet regularly with companies to help them improve their ESG profiles, which we believe can also improve an investment's risk-return potential.

Engagement coverage and progress



Percentage of AUM* engaged by theme



The progress percentage achieved will change constantly and never be 100%. Typically, we expect to see between 35% and 65%.

100 Engagement objectives

171 Engagement interactions***

17 Engagement specialists

Engagement objectives are specific, measurable changes defined at the company that are designed to improve ESG performance. We may have multiple engagements with a company at any one time. Objectives are regularly reviewed until they are completed and are tracked using milestones. Objectives may be discontinued if the objective is no longer relevant, or because the engagement is no longer feasible or material.

Engagement outcomes

Climate change	Climate change	Diversity
<p>Global packaging company</p> <p>Environmental</p> <ul style="list-style-type: none"> Published a science-based emissions target and a renewables target. 	<p>U.S. utility company</p> <p>Environmental</p> <ul style="list-style-type: none"> Published first The Task Force on Climate-Related Financial Disclosures (TCFD) aligned climate report. 	<p>Global life sciences company</p> <p>Social & ethical</p> <ul style="list-style-type: none"> Published data on diversity and inclusion efforts.

The above case studies are shown to demonstrate engagement. EOS at Federated Hermes does not make any investment recommendations, and this information is not an offer to buy or sell securities or financial instruments.

For illustrative purposes only.

*Engagement numbers represent the percentage of the fund's engageable securities. These numbers do not include U.S. Treasury securities, derivative contracts, sovereign bonds, or third-party pooled vehicles.

The fund may invest in affiliated funds and, where applicable, the engagement numbers reflect exposure to the underlying securities held by the affiliated funds, with the engagements for those funds are included within the overall percentages. However, the engagement objectives and engagement interactions totals do not include numbers related to investments in affiliated money market funds.

**Engagement milestones achieved is the percentage of EOS engagements whose objectives moved forward by at least one milestone over the trailing 12 months.

***Trailing 12 months. Engagement interactions are tailored to specific companies and seek to assess the most material ESG risks and opportunities, through long-term, continuous dialogue at the board and senior executive level.

Top holdings

(Total % of portfolio: 14.9%)

Company	Sector	EOS engagement	Environmental	Social & ethical	Governance	Strategy, risk & communication
Ford Motor Co.	Consumer Discretionary	Yes	Climate change	Human capital management	Executive remuneration	Risk management
Charter Communications, Inc.	Communication Services	Yes	–	–	Board diversity	–
Hub International Ltd.	Financials	Yes	–	Diversity	–	–
CSC Holdings LLC	Industrials	No	–	–	–	–
TransDigm, Inc.	Industrials	Yes	Climate change	–	Board diversity	Integrated reporting
Tenet Healthcare Corp.	Health Care	Yes	–	Human capital management	Executive remuneration	Integrated reporting
Ardagh Group SA	Materials	Yes	Climate change	–	–	–
Panther BF Aggregator 2 LP	Consumer Discretionary	Yes	Climate change	–	–	Integrated reporting
Allied Universal Holdco LLC	Industrials	Yes	–	Human capital management	–	–
Antero Midstream Partners LP	Energy	Yes	Climate change	–	Board diversity	–

Engagement milestones



Engagement themes and objectives include but are not limited to:

- Environmental**
Climate change, natural resource stewardship, pollution waste and circular economy
- Social & ethical**
Human and labor rights, human capital management, conduct, culture and ethics
- Governance**
Board effectiveness, executive remuneration, shareholder protection and rights
- Strategy, risk & communication**
Corporate reporting, risk management, business purpose and strategy

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](https://www.federatedinvestors.com). Please carefully read the summary prospectus or prospectus before investing.

Terminology such as “ESG integrated”, “sustainable” or “impact”, among other terms, is not uniformly defined across the industry. Investment managers may understand and apply ESG factors in different ways, and that the role those factors play in investment decisions also varies. Therefore, we recommend investors understand the role of ESG factors in a strategy to ensure that approach is consistent with their investment objectives. Like any aspect of investment analysis, there is no guarantee that an investment strategy that considers ESG factors will result in performance better than or equal to products that do not consider such factors. Investing and making buy and sell decisions that emphasize ESG factors carries the risk that, under certain market conditions, the fund or strategy may underperform those that do not incorporate such factors explicitly into the decision-making process. The application of ESG criteria may affect exposure to certain sectors or securities and may impact relative investment performance depending on whether such sectors or securities are generally in or out of favor in the market.

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.

There is no guarantee that any investment approach will be successful.

Past performance is no guarantee of future results.

Mutual funds are subject to risks and fluctuate in value.

Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.

High-yield, lower-rated securities generally entail greater market, credit/default and liquidity risks and may be more volatile than investment-grade securities.

Holdings are high-yield debt securities.

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.