

Federated Hermes Emerging Markets Equity Fund

Engagement report as of 6/30/22

The investment team uses Environmental, Social and Governance (ESG) considerations as part of the team’s overall investment process, which combines top-down and bottom-up research. ESG analysis offers a complementary stream of information to identify opportunities and potential risks at the country and security levels that may not be ordinarily uncovered with traditional fundamental analysis.

The team relies on proprietary ESG analytics as well as insights from active engagement with the 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



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

Percentage of AUM* engaged by theme



43 Engagement objectives

77 Engagement interactions***

7 Engagement specialists

Engagement objectives are specific, measurable changes defined at the company level 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

<p>Board diversity</p> <p>Multinational insurance company Governance</p> <ul style="list-style-type: none"> Improved board gender diversity with appointment of additional female director. 	<p>Risk management</p> <p>Global E-commerce company Strategy, risk & communication</p> <ul style="list-style-type: none"> Acknowledged the need to respect digital rights regarding artificial intelligence. 	<p>Succession planning</p> <p>Multinational conglomerate Governance</p> <ul style="list-style-type: none"> Developed a plan for board refreshment.
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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 as a percent of assets under management (AUM) is the percent of the fund’s AUM engaged, out of the fund’s engageable assets. The following securities that are not engageable are excluded from this calculation: U.S. Treasury securities, derivative contracts, sovereign bonds, third-party pooled vehicles, and U.S. government-operated repurchase facilities.

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: 33.8%)

Company	Sector	EOS engagement	Environmental	Social & ethical	Governance	Strategy, risk & communication
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	No	–	–	–	–
Tencent Holdings Ltd.	Communication Services	Yes	–	Human capital management	Board diversity	–
Alibaba Group Holding Limited	Consumer Discretionary	Yes	Climate change	Human rights	Shareholder protection and rights	Risk management
Samsung Electronics Co., Ltd.	Information Technology	Yes	Climate change	Human rights	Board independence	Integrated reporting
Meituan	Consumer Discretionary	Yes	–	–	Board diversity	–
Reliance Industries Ltd.- Demat	Energy	Yes	–	–	Board refreshment	–
Ganfeng Lithium Co., Ltd.	Materials	No	–	–	–	–
Yunnan Energy New Material Co., Ltd.	Materials	No	–	–	–	–
Zijin Mining Group Co., Ltd.	Materials	Yes	Pollution and waste management	Human rights	–	–
Varun Beverages Limited	Consumer Staples	Yes	Water	Human rights	Executive remuneration	–

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.

The fund is the successor to the PNC Emerging Markets Equity Fund ("predecessor fund"), a portfolio of PNC Funds, pursuant to a reorganization involving the fund and the predecessor fund on November 15th, 2019. Prior to the date of the reorganization, the fund had no investment operations. Accordingly, the performance information, for periods prior to the reorganization is historical information for the predecessor fund. The predecessor fund was managed by the same portfolio management team as the fund, had an identical investment objective and substantially identical strategies, policies, and restrictions.

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 6/30/22 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.

Past performance is no guarantee of future results.

Mutual funds are subject to risks and fluctuate in value.

Prices of emerging-market and frontier-market securities can be significantly more volatile than the prices of securities in developed countries, and currency risk and political risks are accentuated in emerging markets.

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

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.