

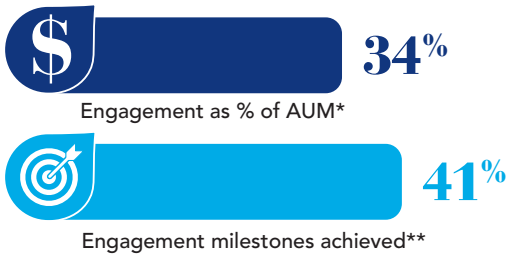
# Federated Hermes International Small-Mid Company Fund

## Engagement report as of 12/31/22

In its pursuit of long-term capital growth, the investment team uses Environmental, Social and Governance (ESG) considerations as part of the team's overall investment process, which involves rigorous, bottom-up fundamental due diligence. ESG analysis offers a complementary stream of information to identify opportunities and potential risks at the security level that may not be ordinarily uncovered with traditional fundamental analysis.

Given the limited coverage for small- and mid-sized emerging-market companies, the investment team relies on Federated Hermes' 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 engagement specialists meet regularly with companies to better understand their ESG profiles, which we believe can also help us assess 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



**44** Engagement objectives

**79** Engagement interactions\*\*\*

**14** 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

Integrated reporting	Diversity	Climate change
<p><b>Global biotechnology company</b> <b>Strategy, risk &amp; communication</b></p> <ul style="list-style-type: none"> <li>Established plan to improve ESG reporting.</li> </ul>	<p><b>Global tool manufacturer</b> <b>Social &amp; ethical</b></p> <ul style="list-style-type: none"> <li>Provided comprehensive disclosure on human capital management.</li> </ul>	<p><b>Global building materials company</b> <b>Environmental</b></p> <ul style="list-style-type: none"> <li>Established science-based medium-term target for reducing greenhouse gas emissions.</li> </ul>

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.

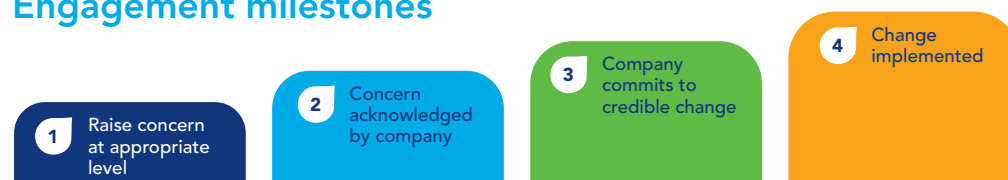
\*\*\*Trailing 12 months. Engagement interactions are tailored to specific companies and seek to assess the most material ESG risks and opportunities, through long-term, continuous dialogue at the board and senior executive level.

## Top holdings

(Total % of portfolio: 15.8%)

Company	Sector	EOS engagement	Environmental	Social & ethical	Governance	Strategy, risk & communication
<b>Manchester United PLC- CL A</b>	Communication Services	No	–	–	–	–
<b>Rheinmetall AG</b>	Industrials	No	–	–	–	–
<b>Tecan AG</b>	Health Care	No	–	–	–	–
<b>Tourmaline Oil Corp.</b>	Energy	Yes	–	Diversity	–	–
<b>Edenred</b>	Information Technology	No	–	–	–	–
<b>Cia de Distribucion Integral Logista Holdings SA</b>	Industrials	No	–	–	–	–
<b>IMI PLC</b>	Industrials	No	–	–	–	–
<b>CAE Inc.</b>	Industrials	Yes	–	–	Executive remuneration	–
<b>Grupo Aeroportuario del Pacifico SAB de CV</b>	Industrials	Yes	Climate change	–	Board diversity	–
<b>Orica Ltd.</b>	Materials	No	–	–	–	–

## 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.

Past performance is no guarantee of future results.

Mutual funds are subject to risks and fluctuate in value.

The fund may invest in small capitalization (or "smallcap") companies. Small-cap companies may have less liquid stock, a more volatile share price, unproven track records, a limited product or service base and limited access to capital. The above factors could make small-cap companies more likely to fail than larger companies and increase the volatility of the fund's portfolio, performance and price. Suitable securities of small-cap companies also can have limited availability and cause capacity constraints on investment strategies for funds that invest in them.

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

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.