

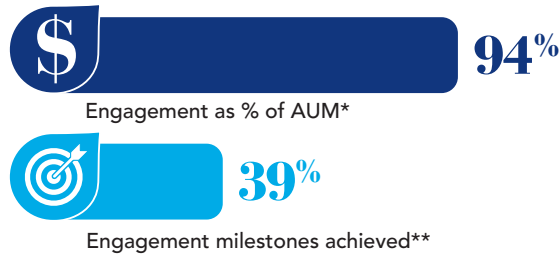
Federated Hermes SDG Engagement High Yield Credit Fund

Engagement report as of 6/30/22

The Federated Hermes SDG Engagement High Yield Credit Fund aims to deliver income and long-term capital appreciation alongside achieving a positive societal impact aligned to the Sustainable Development Goals (SDGs)—a universal set of goals, targets and indicators for global development.

The investment team relies on proprietary Environmental, Social and Governance (ESG) analytics, as well as the demonstrated expertise of our in-house team of ESG engagement specialists, EOS at Federated Hermes. Our dedicated engagers 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



257 Engagement objectives

351 Engagement interactions***

18 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>Climate change</p> <p>Global streaming service company Environmental</p> <ul style="list-style-type: none"> Published target to achieve net zero GHG emissions by the end of 2022. 	<p>Shareholder protection and rights</p> <p>Global packaging company Governance</p> <ul style="list-style-type: none"> Declassified its board structure commencing with the election of directors in 2023. 	<p>Board diversity</p> <p>Global life sciences company Governance</p> <ul style="list-style-type: none"> Improved board diversity with two recent appointments.
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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 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.

Federated Hermes SDG Engagement High Yield Credit Fund

Top holdings

(Total % of portfolio: 37.8%)

Company	Sector	EOS engagement	Environmental	Social & ethical	Governance	Strategy, risk & communication
U.S. Treasury Note .25% 03/15/2024	–	No	–	–	–	–
U.S. Treasury Note .25% 08/31/2025	–	No	–	–	–	–
Ardagh Packaging Finance PLC/Ardagh Holdings, Sr. Unsecd. Note, Series REGS, 4.75%, 07/15/2027	Materials	No	–	–	–	–
Volvo Car AB, Sr. Unsecd. Note, Series EMTN, 2%, 01/24/2025	Industrials	Yes	Climate change	Human rights	Executive remuneration	–
Ball Corp., Sr. Unsecd. Note, 2.875%, 08/15/2030	Materials	Yes	–	Human capital management	Shareholder protection and rights	Audit and Accounting
Crown European Holdings SA, Sr. Unsecd. Note, Series REGS, 2.875%, 02/01/2026	Materials	Yes	Climate change	Diversity	Executive remuneration	Business strategy
Seagate HDD Cayman, Sr. Unsecd. Note, 3.375%, 07/15/2031	Information Technology	Yes	–	–	Executive remuneration	–
Vmed O2 UK Financing I PLC, Sec. Fac. Bond, Series REGS, 4.5%, 07/15/2031	Communication Services	Yes	Climate change	–	Executive remuneration	–
Hanesbrands, Inc., Sr. Unsecd. Note, Series 144A, 4.875%, 05/15/2026	Consumer Discretionary	Yes	–	–	Executive remuneration	–
Iqvia, Inc., Sr. Unsecd. Note, Series REGS, 2.25%, 03/15/2029	Health Care	Yes	–	Diversity	Board diversity	Risk management

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. 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 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.

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

Mutual funds are subject to risks and fluctuate in value.

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

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

The Federated Hermes SDG Engagement High Yield Credit Fund's strategy is to target companies that the advisor or sub-advisor believes will contribute positive societal impact aligned to the SDGs. The fund may underperform funds that do not have such a strategy.

The SDGs are as follows: no poverty; zero hunger; good health and well-being; quality education; gender equality; clean water and sanitation; affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure; reduced inequalities; sustainable cities and communities; responsible consumption and production; climate action; life below water; life on land; peace, justice and strong institutions; and partnership for the goals.

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.

Federated Investment Management Company is the advisor of the fund and Hermes Investment Management Limited is the sub-advisor.