

Federated Hermes Inflation Protected Securities Fund



Investment case

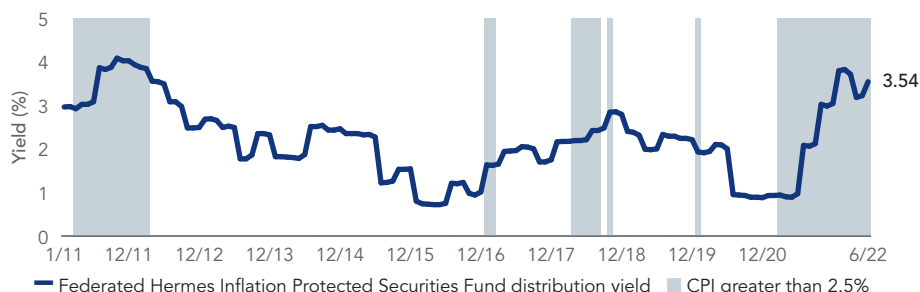
June 30, 2022

Ticker — IS: RRFIX | A: RRFAX | R6: FIPRX

Consistent, inflation-adjusted income

The Federated Hermes Inflation Protected Securities Fund has provided a consistent source of income during periods of low and elevated inflation by investing primarily in Treasury Inflation Protected Securities (TIPS)—whose interest payments adjust to the Consumer Price Index (CPI)—and allocating selectively to other bond sectors.

Fund yield has risen with inflation



Sources: Federated Hermes; Bureau of Labor Statistics. Yield is the 30-day distribution yield for the Federated Hermes Inflation Protected Fund Institutional Share Class, January 2011 through June 30, 2022.

Competitive returns during inflationary periods

The fund has outperformed its Morningstar peer group in 6 out of 10 periods of elevated inflation (>2.5%).

| Periods at or above 2.5% CPI | 12/1/06 12/31/06 | 3/1/07 6/30/07 | 9/1/07 10/31/08 | 12/1/09 1/31/10 | 3/1/11 3/31/12 | 1/1/17 2/28/17 | 4/1/18 8/31/18 | 10/1/18 10/31/18 | 1/1/20 1/31/20 | 3/1/21 6/30/22 |
|--|---------------------|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|
| Federated Hermes Inflation Protected Securities Fund IS (%) | -2.15 | -0.49 | -2.10 | 1.25 | 6.34 | 0.96 | 1.19 | -1.46 | 1.96 | -1.83 |
| Morningstar US Fund Inflation-Protected Bond (%) | -2.32 | -0.79 | -3.22 | -0.53 | 9.83 | 1.19 | 0.82 | -1.41 | 1.78 | -0.82 |

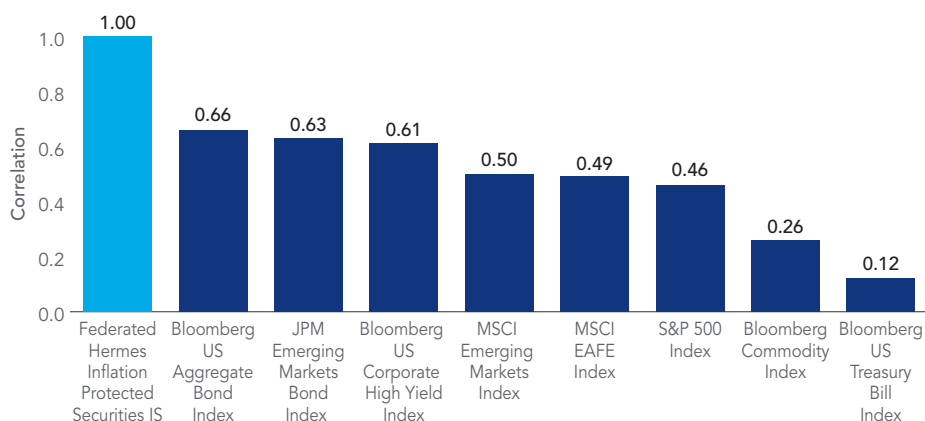
Sources: Morningstar, Inc., Federated Hermes; November 1, 2006 through June 30, 2022. Periods less than one year are cumulative. Periods greater than one year are annualized.

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. See page 2 for standardized returns and yields.

Portfolio diversification

An allocation to the Federated Hermes Inflation Protected Securities Fund may lower overall portfolio volatility due to its low correlation with other major asset classes and bond sectors.

Federated Hermes Inflation Protected Securities Fund has shown low correlation to other asset classes



Sources: Morningstar, Inc., Federated Hermes. Data from July 1, 2012 through June 30, 2022. Please see index definitions on page 2.

Investment process highlights

- The fund seeks outperformance by **strategically positioning the portfolio along the yield curve**, based on Federal Reserve policy, inflation expectations and the firm's projection of yield curve steepening or flattening.
- The fund invests primarily in U.S. Treasury inflation-protected securities but has the flexibility to **opportunistically add credit exposure**.¹
- The portfolio team will **manage duration** in a range of 0% to 120% of the Bloomberg US TIPS Index.

30-day SEC yield (6/30/22)

IS: 7.10% | A: 6.51% | R6: 7.13%

30-day distribution yield (6/30/22)

IS: 3.54% | A: 3.31% | R6: 3.55%

Portfolio management

J. Andrew Kirschler
Vice President, Portfolio Manager
Senior Investment Analyst

Joined firm: 1990

Todd Abraham, CFA
Senior Vice President, Senior Portfolio Manager
Head of Government/Mortgage Backed Fixed Income Group

Joined firm: 1993

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

| Share class | Ticker symbol | Cumulative 3-month | 1-year | 3-year | 5-year | 10-year | Since inception 10/18/06 | Expense ratio (%)* | |
|---|---------------|--------------------|--------|--------|--------|---------|--------------------------|--------------------|---------------|
| | | | | | | | | Before waivers | After waivers |
| IS | RRFIX | -5.99 | -4.91 | 2.95 | 3.31 | 1.76 | 3.17 | 0.99 | 0.35 |
| A | RRFAX | -6.09 | -5.18 | 2.71 | 3.05 | 1.49 | 2.93 | 1.24 | 0.60 |
| R6 | FIPRX | -5.99 | -4.91 | 2.95 | 3.31 | 1.76 | 3.17 | 0.94 | 0.31 |
| Benchmark: Bloomberg US TIPS Index | | - | -6.08 | -5.14 | 3.04 | 3.21 | 1.73 | - | - |

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* 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 7/1/23 or the date of the fund's next effective prospectus.

Effective December 29, 2021, the fund's name was changed from Federated Hermes Real Return Bond Fund to Federated Hermes Inflation Protected Securities Fund.

The fund's R6 Shares commenced operations on January 3, 2022. For the periods prior to the commencement of operations of the R6 Shares, the performance information shown is for the fund's Institutional Shares. The performance of the Institutional Shares has not been adjusted to reflect the expenses applicable to the R6 Shares since the R6 Shares have a lower expense ratio than the expense ratio of the Institutional Shares.

Another class of shares is available whose performance will vary due to different charges and expenses.

¹ Per prospectus the fund has the ability to invest in investment-grade corporate debt, noninvestment-grade debt and non-U.S. dollar securities.

A word about risk

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

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.

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.

Fund holdings are guaranteed only as to the payment of principal and interest. Fund shares are not guaranteed, and their value will fluctuate with market conditions.

Diversification does not guarantee a profit nor protect against loss.

Definitions

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.

The fund's 30-day yield will fluctuate from period to period. Such fluctuations, which may be significant, are due to a variety of factors. In particular, the fund's investment in inflation-indexed bonds may cause the fund's 30-day yield to vary substantially due to adjustments based on changes in the rate of inflation or deflation that affect income earned on these inflation-indexed bonds.

30-day Distribution Yield is calculated by taking an average of the past 30 days' daily yields.

Bloomberg US Treasury Inflation-Protected Securities (TIPS) Index represents securities that protect against adverse inflation and provide a minimum level of real return. To be included in this index, bonds must have cash flows linked to an inflation index, be sovereign issues denominated in U.S. currency, and have more than one year to maturity, and, as a portion of the index, total a minimum amount outstanding of 100 million U.S. dollars.

J.P. Morgan Emerging Markets Bond Index Global: Tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, eurobonds.

Bloomberg US Aggregate Bond Index: Is an unmanaged index composed of securities from the Bloomberg Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index.

Bloomberg US Corporate High Yield Index: Is an unmanaged index that is comprised of issues that meet the following criteria: at least \$150 million par value outstanding, maximum credit rating of Ba1 (including defaulted issues) and at least one year to maturity.

MSCI Emerging Markets Index: Is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

MSCI EAFE Index: Represents the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada.

S&P 500 Index: Is 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.

Bloomberg Commodity Index: Tracks prices of futures contracts on physical commodities on the commodity markets.

Indexes are unmanaged and cannot be invested in directly.