

Federated Hermes International Equity Fund

6/30/20

Fund facts

Performance inception date

8/1/97

Benchmark

MSCI ACWI ex USA Index

Morningstar category

Foreign Large Growth

Lipper classification

International Multi-Cp Gro Fds

Fund assets

\$1.3 billion

Ticker symbols

R6 Shares - PEIRX

Institutional Shares - PIUIX

A Shares - PMIEX

C Shares - PIUCX

Key investment team

Martin Schulz

Calvin Zhang

Bernard R. Horn, Jr.

Sumanta Biswas, CFA®

Bin Xiao, CFA®

Jason Crawshaw

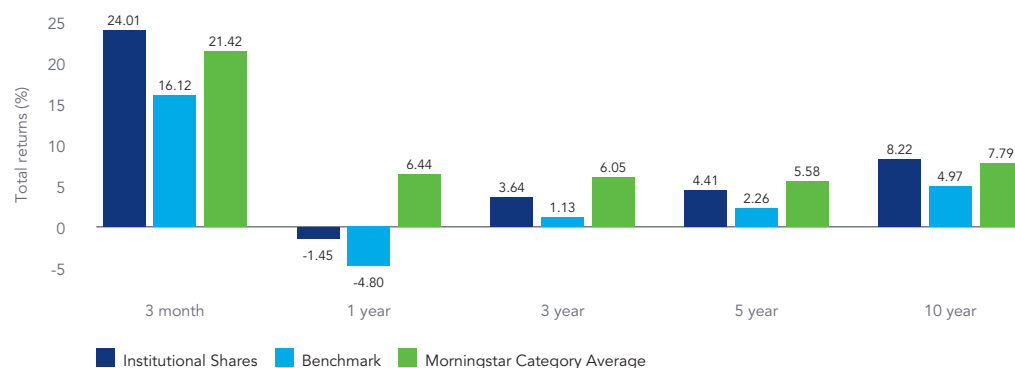
Fund description

The fund seeks long-term capital appreciation by investing primarily in equity securities that are tied to numerous countries throughout the world in both developed and emerging markets. Employing a top-down approach to country selection and a bottom-up security selection process, it may invest in companies of any capitalization and its allocation is typically split between growth and value stocks.

Average annual total returns (%)

Performance shown is before tax.

	3 month	YTD	1 year	3 year	5 year	10 year	Since inception	Expense ratio*	
								Before waivers	After waivers
R6 Shares	24.06	-8.00	-1.40	3.68	4.43	8.24	5.21	1.03	0.91
Institutional Shares	24.01	-8.01	-1.45	3.64	4.41	8.22	5.20	1.13	0.95
A Shares (NAV)	23.92	-8.12	-1.71	-3.36	4.10	7.92	4.91	1.38	1.20
A Shares (MOP)	17.12	-13.18	-7.13	1.43	2.93	7.32	4.65	1.38	1.20
Benchmark	16.12	-11.00	-4.80	1.13	2.26	4.97	-	-	-



Calendar year returns (%)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Institutional Shares	22.53	-12.54	33.27	0.49	1.00	-5.12	29.90	23.47	-15.11	3.06
Benchmark	21.51	-14.20	27.19	4.50	-5.66	-3.87	15.29	16.83	-13.71	11.15
Morningstar Category Average	27.83	-14.08	30.87	-2.14	0.95	-3.92	18.58	17.70	-12.30	14.78

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. Maximum Offering Price figures reflect the maximum sales charge of 5.5% for A Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund. Total returns for periods of less than one year are cumulative.

* 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 9/1/20 or the date of the fund's next effective prospectus.

Investment process – two distinct managers



Portfolio statistics

Weighted median P/E (NTM)	19.8x
Weighted median market cap	\$14.9 b
Weighted median price/book	3.2x
Number of securities	160

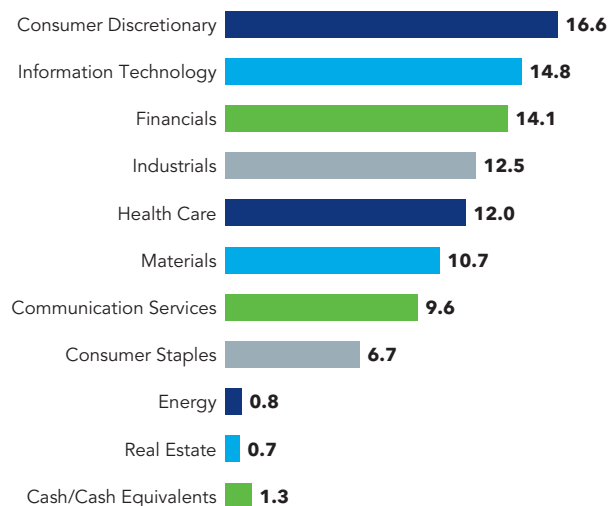
Top holdings (%)

Tencent Holdings Ltd. <i>China</i>	1.9
Alibaba Group Holding Ltd.-ADR <i>China</i>	1.5
Samsung SDI Co. Ltd. <i>South Korea</i>	1.4
ASML Holding N.V. - ADR <i>Netherlands</i>	1.2
Hannover Rueck SE <i>Germany</i>	1.2
Linde Public Limited Company <i>United Kingdom</i>	1.2
Mondi plc <i>United Kingdom</i>	1.2
Nestle S.A. <i>Switzerland</i>	1.2
Kakao Corp. <i>South Korea</i>	1.1
MercadoLibre, Inc. <i>Argentina</i>	1.1
Total % of Portfolio	13.0

Top country weightings (%)

United Kingdom	12.6	France	6.5
Japan	11.7	Switzerland	4.7
Germany	8.5	Canada	4.4
China	7.1	Australia	1.7
South Korea	7.0	Taiwan	1.6

Sector weightings (%)



Portfolio composition is based on net assets at the close of business on 6/30/20 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.

Highlights

- The Covid-19 pandemic continued its spread and effects throughout the world even as countries and economies started to reopen at their own respective paces
- Governments and central banks continued to provide major monetary and fiscal support
- Oil prices rebounded following supply cuts by OPEC+, combined with improving demand as the global economy restarted following widespread lockdowns
- The U.S. dollar weakened during the quarter
- Despite the negative sentiment, global stock markets rebounded, posting their biggest quarterly gains since 2009, only one quarter after suffering the worst losses since the global financial crisis
- The Federated Hermes International Equity Fund outperformed its benchmark during the quarter

Looking back

Covid-19 was the main story of the second quarter. Global cases climbed 11 times the previous quarter to more than 10.2 million. The recovery rate doubled sequentially to around 50%, with mortality rates stable at around 5% as testing became more available. However, the number of cases, recovery rates and mortality rates continued to vary widely by country. While lockdowns were the norm in the first quarter, the second witnessed economic opening first in Asia and then Europe. The global fiscal and monetary policy response was massive, with estimates increasing to over \$9 trillion versus \$3 trillion at the end of the first quarter.

In a sharp reversal from the first quarter, oil markets rebounded due to supply cuts by Saudi Arabia, Russia and OPEC+, along with a slow but steady increase in global demand as countries exited lockdowns.

Asia was the first region affected by the virus and seemingly the first region to begin the journey back to economic normalcy. China's economy continued to ramp back up in the second quarter helped by domestic activity. Although the pandemic was managed relatively well in Japan, the export driven country's recovery has been negatively affected. India's recovery has been slower due to weak domestic demand, while the country also deals with a Covid-19 situation that continues to worsen. The ASEAN region presented a mixed bag. Indonesia and the Philippines were balancing between reopening their economies and the public health as cases continued to increase. Yet others, like Vietnam, remained open with lower new cases. Economically, the near-term outlook continues to improve, in spite of slower global growth.

In Eastern Europe, most countries fared relatively better than their Western counterparts, but the situation still appears to be a major headwind in Russia. Putin won a Russian referendum that allows him to stay in power until 2036. Fears of slower economic growth in the region remain, as long as global growth remains stagnant.

In the Middle East and North Africa, a rebound in oil prices helped alleviate concerns around the fiscal health of economies in the region. Saudi Arabia dealt with oil production cuts and a continued rise in new Covid-19 cases. Unrest continued in both Libya and Syria. The pricing and demand dynamics of oil will continue to drive activity in the region.

The pandemic remained a large negative overhang in Latin America in the second quarter, especially in Brazil. Economic activity collapsed, while unemployment and fiscal deficits increased. The majority of countries in the region remained locked down until June, with many extending emergency measures further into July. However, as countries cannot afford to continue indefinite and economically punishing lockdowns, governments will be weighing reopening despite the risk that infections increase. This is particularly the case in Brazil, which is experiencing the second worst outbreak behind the U.S. Recession risks there remain high.

Performance

The Federated Hermes International Equity Fund returned 24.01% (Institutional Shares at net asset value, or NAV) for the quarter ending June 30, 2020. That compares to its benchmark, the MSCI ACWI ex US index, which returned 16.12% during the period.

Performance contributors

- Positive country allocation effects came from overweights to Argentina and Germany, along with an underweight to Japan
- Positive sector allocation effects came from overweights to Materials and Technology, along with an underweight to Energy

Performance detractors

- Negative country allocation effects came from an overweight to the U.K., along with underweights to Australia and Canada
- There were no negative sector allocation effects in the quarter

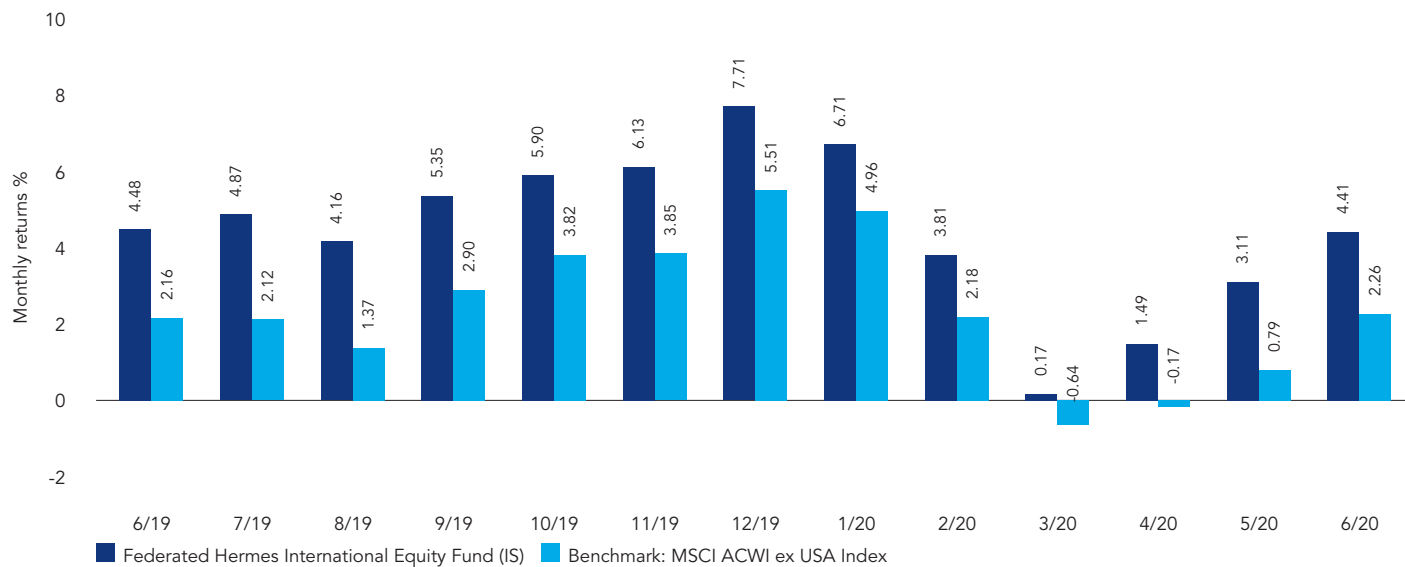
Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, and for after-tax returns, contact us or visit FederatedInvestors.com.

How we are positioned

During the quarter we added to Switzerland, China, Taiwan and the Netherlands and cut positions in the U.K., Canada, Brazil and France. Looking forward, we seek to reduce exposure to both eurozone and non-eurozone Europe, along with Japan and China. We are looking to selectively add to South Korea, Taiwan, China, India, the Middle East and Latin America. We believe using a dual-manager approach gives us the potential for performance in various market cycles, the freedom to seek competitive investments worldwide and the opportunity for diversification across all markets. Generally speaking, during periods of high volatility the value strategy of the fund outperforms, whereas during periods of stability and economic growth, the growth strategy outperforms. International investors are witnessing slowing global growth due to widespread shuttering of economies to combat the pandemic. In addition, the dramatic drop in oil prices is putting a strain on revenues and fiscal accounts of many countries, particularly in the emerging markets. Volatility increased at a pace never seen before. Global central banks have been pumping liquidity into markets and governments have also introduced myriad fiscal stimulus programs. U.S. dollar strength will be a headwind in the near-term as long as global crisis risk remains high. However, we expect dollar weakness to reassert itself in the medium to long-term. We remain overweight Technology and Health Care due to their sustainable earnings growth and we continue to be underweight Staples, Utilities and Energy. Global investors are concerned about slowing economic growth and the implications this has for high relative levels of developed and developing market indebtedness. Geopolitical and trade considerations, along with populism remain worries as well. We remain vigilant, however, and are closely monitoring Covid-19, decelerating economic growth, currency prices and geopolitical and policy risks. We continue to search for companies within attractive regions with earnings growth that have high-quality balance sheets and strong management teams with a clearly defined growth strategy.

See disclosure section for important disclosures and definitions.

5 year rolling monthly performance vs. MSCI ACWI ex USA Index



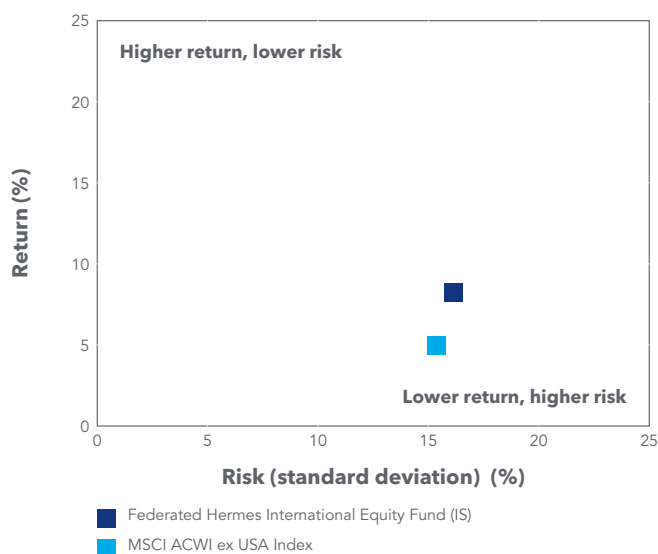
Risk statistics

	3 year	5 year	7 year	10 year
Standard deviation	18.33	16.16	14.92	16.13
Beta	1.12	1.04	1.02	1.02
Correlation	0.97	0.96	0.95	0.96
Up capture ratio	111.04	106.86	105.99	107.40
Down capture ratio	99.72	96.65	91.88	92.44

Sources: Federated Hermes, Morningstar, Inc. Fund vs. MSCI ACWI ex USA Index

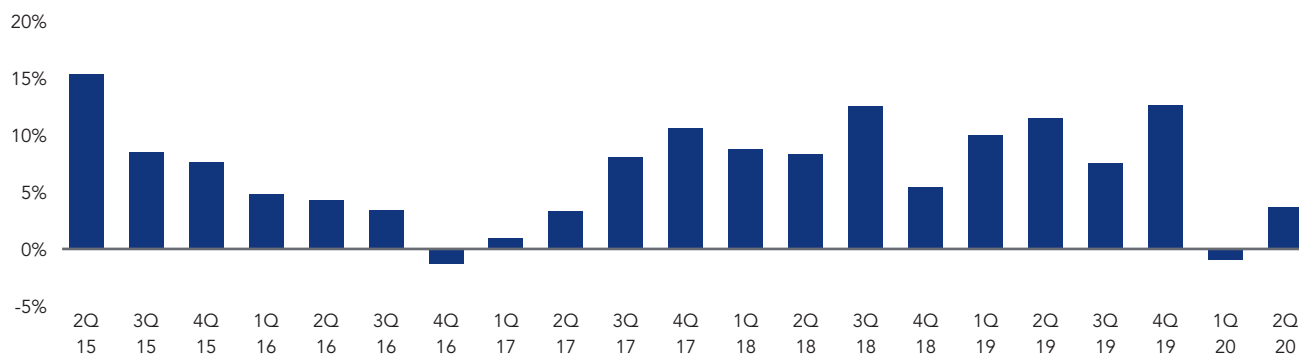
See disclosure section for important definitions.

10 year risk/return



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.

3 year rolling returns (IS)



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.

Category rankings

Morningstar Foreign Large Growth Category

		1 year	3 year	5 year	10 year
R6 Shares	Morningstar Category % Rank	90	73	62	28
	Morningstar Category Rank	436 of 477 Funds	–	–	–
IS Shares	Morningstar Category % Rank	90	74	62	28
	Morningstar Category Rank	437 of 477 Funds	318 of 421 Funds	195 of 344 Funds	70 of 246 Funds
A Shares	Morningstar Category % Rank	91	79	67	35
	Morningstar Category Rank	441 of 477 Funds	340 of 421 Funds	218 of 344 Funds	86 of 246 Funds

Lipper International Multi-Cp Gro Fds

		1 year	3 year	5 year	10 year
R6 Shares	Lipper Classification % Rank	72	–	–	–
	Lipper Classification Rank	344 of 482 Funds	–	–	–
IS Shares	Lipper Classification % Rank	72	54	39	19
	Lipper Classification Rank	346 of 482 Funds	228 of 427 Funds	137 of 355 Funds	50 of 270 Funds
A Shares	Lipper Classification % Rank	73	58	44	22
	Lipper Classification Rank	350 of 482 Funds	244 of 427 Funds	156 of 355 Funds	57 of 270 Funds

Past performance is no guarantee of future results. Rankings are based on total return and do not take sales charges into account.

Federated Hermes International Equity Fund

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.

As of June 29, 2020, the fund was renamed Federated Hermes International Equity Fund.

The fund is the successor to the PNC International 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.

A word about risk

Mutual funds are subject to risks and fluctuate in value.

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.

Due to their relatively high valuations, growth stocks are typically more volatile than value stocks.

Value stocks tend to have higher dividends and thus have a higher income-related component in their total return than growth stocks. Value stocks also may lag growth stocks in performance at times, particularly in late stages of a market advance.

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.

Definitions

MSCI ACWI ex USA Index captures large- and mid-cap representation across 22 of 23 developed markets countries (excluding the United States) and 21 emerging markets countries. With 1,826 constituents, the index covers approximately 85% of the global equity opportunity set outside the United States.

Indexes are unmanaged and cannot be invested in directly.

Beta measures a portfolio's volatility relative to the market. A beta greater than 1.00 suggests the portfolio has historically been more volatile than the market as measured by the fund's benchmark. A beta less than 1.00 suggests the portfolio has historically had less volatility relative to the market.

Correlation is the degree to which one variable (here, the fund's returns) fluctuates relative to another (the returns of the fund's benchmark). Correlation ranges from 1.00, when two variables move identically in the same direction, to -1.00, when two variables move identically in the opposite direction.

Median 3 year average payout ratio is the proportion of earnings paid out as dividends to shareholders, typically expressed as a percentage.

Standard deviation is a historical measure of the variability of returns relative to the average annual return. A higher number indicates higher overall volatility.

Up capture ratio/down capture ratio is a measure of how well a manager was able to replicate or improve on periods of positive benchmark returns and how badly the manager was affected by periods of negative benchmark returns. The up-market capture ratio is a measure of a manager's performance in up markets relative to the index during the same period. For example, a ratio value of 115 indicates that the manager has outperformed the market index by 15% in periods when the index has risen. The down-market capture ratio is the direct opposite of the up-market capture ratio, gauging performance of the manager relative to the index in down markets. A ratio value of 80 would indicate the manager had declined on 80% as much as the declining overall market, indicating relative outperformance.

Weighted average dividend yield is a weighted average of the dividends of all the stocks in a portfolio.

Weighted median market cap is the calculation representing the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock.

Weighted median P/E (NTM—next 12 months) is a ratio comparing share price to earnings per share using estimated data for the next 12 months.

Weighted median price/book is a ratio comparing share price to book value or assets minus liabilities.

Weighted average EPS growth next 5 years is the weighted average annual growth rate of fiscal year earnings per share for the next five years for a given corporation.

Ratings and rating agencies

Lipper Categories: Data Source: Lipper, A Reuters Company. Copyright 2020© Reuters. All rights reserved. Any copying, republication or redistribution of Lipper content, including by caching, framing or similar means, is expressly prohibited without the prior written consent of Lipper. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is less than three years old, the category is based on the life of the fund. ©2020 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.