

Federated Hermes International Equity Fund

12/31/22

Fund facts

Performance inception date

8/1/97

Benchmark

MSCI ACWI ex USA Index

Morningstar category

Foreign Large Blend

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

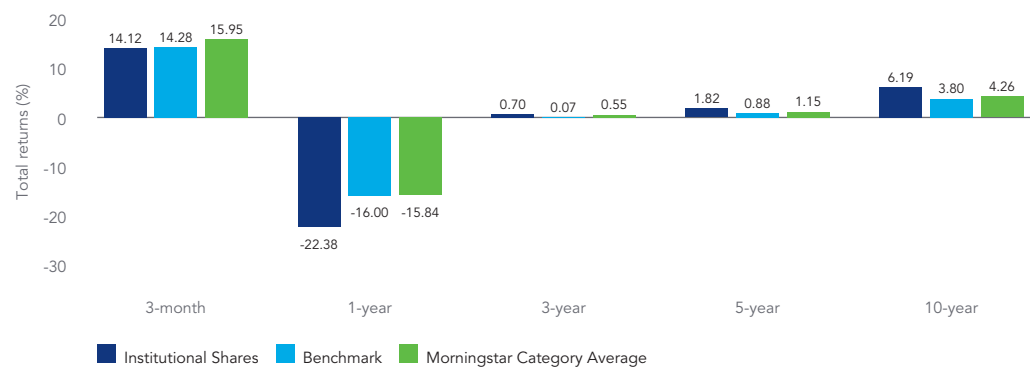
Fund description

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, the fund 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	14.12	-22.37	-22.37	0.73	1.86	6.22	5.12	1.41	0.90
Institutional Shares	14.12	-22.38	-22.38	0.70	1.82	6.19	5.11	1.49	0.94
A Shares (NAV)	14.06	-22.59	-22.59	0.45	1.56	5.90	4.82	1.74	1.19
A Shares (MOP)	7.79	-26.86	-26.86	-1.43	0.42	5.30	4.59	1.74	1.19
Benchmark	14.28	-16.00	-16.00	0.07	0.88	3.80	-	-	-



Calendar year total returns (%)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Institutional Shares	-22.38	8.03	21.78	22.53	-12.54	33.27	0.49	1.00	-5.12	29.90
Benchmark	-16.00	7.82	10.65	21.51	-14.20	27.19	4.50	-5.66	-3.87	15.30
Morningstar Category Average	-15.84	9.72	9.30	21.59	-14.59	25.12	0.79	-1.59	-4.98	19.44

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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 8/1/23 or the date of the fund's next effective prospectus.

Investment process – two distinct managers



Portfolio statistics

Weighted median P/E (NTM)	12.1x
Weighted median market cap	\$19.7 b
Weighted median price/book	2.3x
Number of securities	60

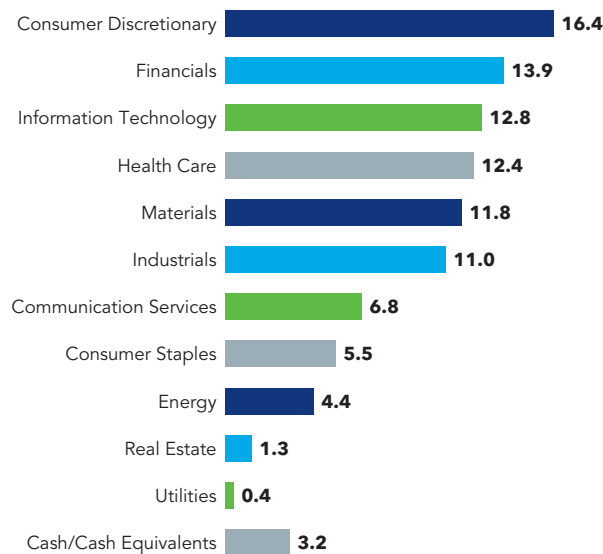
Top holdings (%)

Federated Hermes International Growth Fund <i>United States</i>	51.6
Jazz Pharmaceuticals Plc <i>Ireland</i>	1.2
Linde Public Limited Company <i>United Kingdom</i>	1.2
Marubeni Corp. <i>Japan</i>	1.2
NEXT plc <i>United Kingdom</i>	1.2
Smurfit Kappa Group PLC <i>Ireland</i>	1.2
United Overseas Bank Limited <i>Singapore</i>	1.2
DNB Bank ASA <i>Norway</i>	1.1
Methanex Corporation <i>Canada</i>	1.1
Muenchener Rueckversicherungs-Gesellschaft Aktiengesellschaft in Muenchen <i>Germany</i>	1.1
Total % of portfolio	62.1

Top country weightings (%)

Japan	13.2	Ireland	3.5
United Kingdom	13.0	Netherlands	3.1
South Korea	8.0	Singapore	2.8
Canada	6.8	Sweden	2.3
China	5.7	Denmark	2.0
France	5.7	Italy	1.8
Norway	4.7	India	1.6
Switzerland	4.5	Belgium	1.6
Germany	4.3	Cash/Cash Equivalents	3.2

Sector weightings (%)



Portfolio composition is 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.

Highlights

- International stock markets broadly outperformed relative to the U.S., driven by developed markets
- Volatility eased despite U.S. Treasury yields continuing to rise and the yield curve inverting further. Cooling inflation and weaker manufacturing data suggested a slowing U.S. economy, fueling bets that the Federal Reserve would soon pause. However, hawkish Fed commentary and a resilient labor market dampened market sentiment later in the quarter
- After a strong surge all year, the U.S. dollar weakened considerably in the fourth quarter
- Internationally, value outperformed growth in a continuation of the ongoing trend
- Natural gas prices declined due to a mild winter and as European nations reached a deal to cap prices. Expectations for Chinese economic reopening provided support for oil prices and spurred a recovery in metal prices. Agricultural commodities were mixed
- Inflation remained high but decelerated and may have peaked in many developed countries, leading the Fed and many other central banks to raise interest rates in smaller increments
- The Federated Hermes International Equity Fund very slightly underperformed its benchmark as outperformance of the value component was offset by the underperformance of the growth component

Looking back

While the war in Ukraine continued to grind on, its importance waned as cooling inflation and growing expectations for slower tightening of monetary policy drove a rebound in global stock markets. Energy prices faced another relatively weak quarter as demand slowed, and inflation decelerated in most parts of the world. But inflation remained high relative to both historical averages and central banks' inflation targets resulting in the intention by most central banks to raise interest rates albeit at a more moderate pace. Investors remained wary of potential global recessionary risks as global PMIs signaled further weakening in activity as the steep rise in interest rates have yet to register. Asian markets began a delayed re-opening cycle. Value and high-dividend yield stocks outperformed, returning to trends from earlier in the year. All sectors rebounded, especially Industrials and Materials, which outperformed on growing expectations for demand recovery from China.

Performance

The Federated Hermes International Equity Fund returned 14.12% (Institutional Shares at NAV) for the quarter ending December 31, 2022. That compares to its benchmark, the MSCI ACWI ex USA Index, which returned 14.28% during the period.

Performance contributors

- Positive country allocation effects came from an overweight to Ireland, along with underweights to Saudi Arabia and India
- Positive sector allocation effects came from overweights to Materials and Information Technology, along with an underweight to Consumer Staples

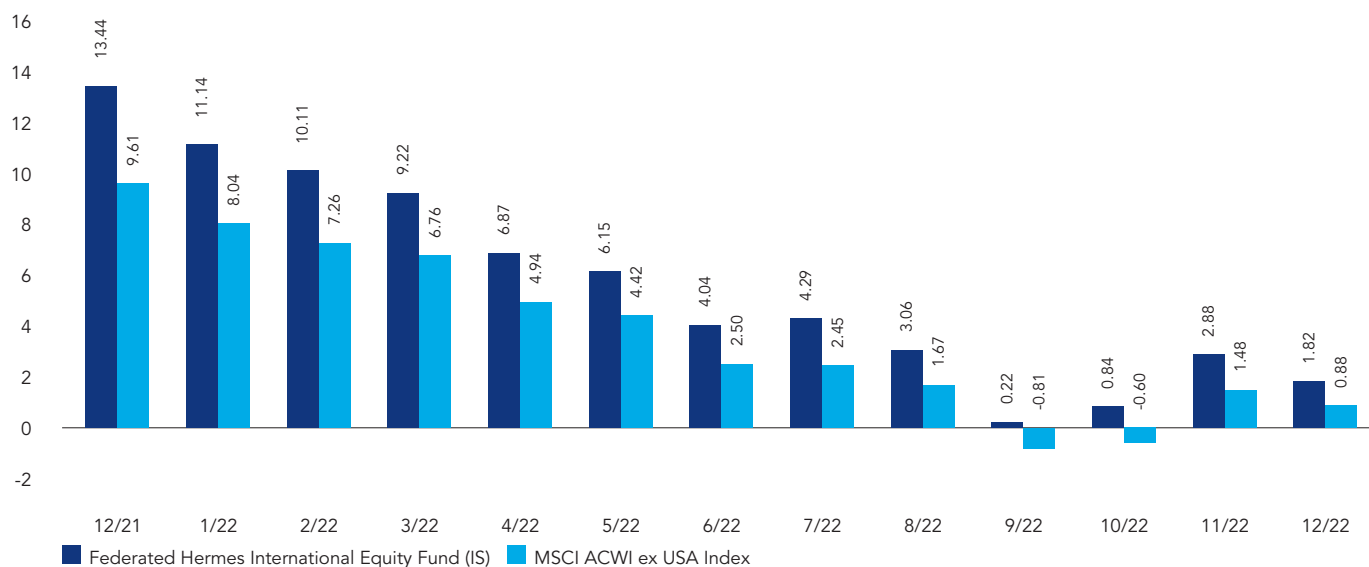
Performance detractors

- Negative allocation effects came from an overweight to Puerto Rico, along with underweights to France and Brazil
- Negative sector allocation effects came from underweights to Financials and Industrials

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See disclosure section for important disclosures and definitions.

5-year rolling returns vs. MSCI ACWI ex USA Index (%)



Source: Morningstar, Inc. Performance for 5-year periods (1-month shift) from 1/1/18 - 12/31/22.

Returns are for Institutional Shares. Other classes of shares are available whose performance will vary due to different charges and expenses.

Risk statistics

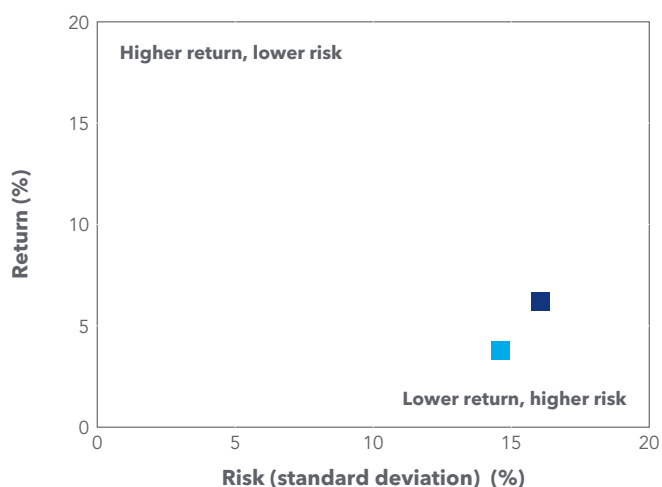
	3-year	5-year	7-year	10-year
Standard deviation	22.93	19.86	17.71	16.06
Beta	1.15	1.12	1.11	1.06
Correlation	0.98	0.97	0.97	0.96
Up capture ratio	119.91	112.46	110.79	108.96
Down capture ratio	116.61	108.42	108.94	97.76

Sources: Federated Hermes, Morningstar, Inc.

Fund vs. MSCI ACWI ex USA Index

See disclosure section for important definitions.

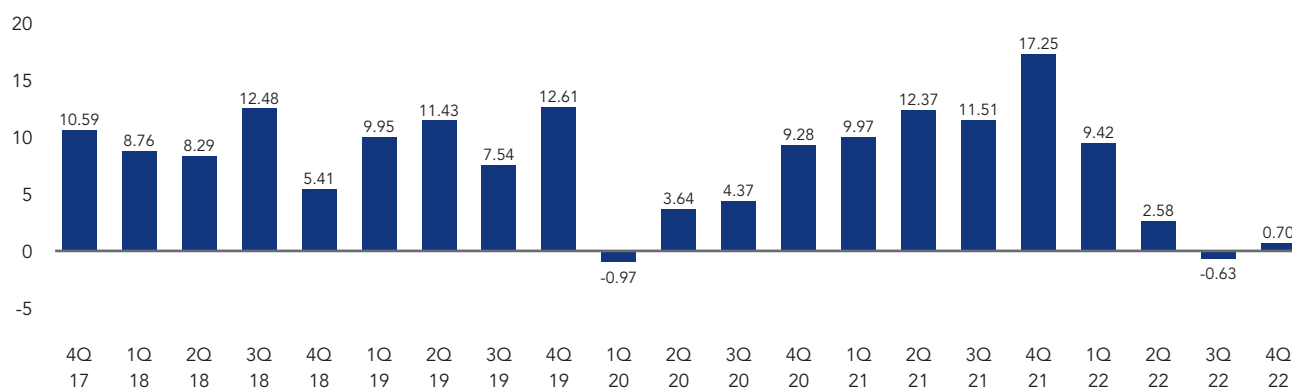
10-year risk/return



	Risk (%)	Return (%)
Federated Hermes International Equity Fund (IS)	16.06	6.19
MSCI ACWI ex USA Index	14.60	3.80

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3-year rolling returns - IS (%)



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Category rankings

Morningstar Foreign Large Blend Category		1-year	3-year	5-year	10-year
R6 Shares	Morningstar Category % Rank	96	47	27	-
	Morningstar Category Rank	708 of 744 funds	331 of 704 funds	-	-
IS Shares	Morningstar Category % Rank	96	48	28	5
	Morningstar Category Rank	709 of 744 funds	339 of 704 funds	164 of 611 funds	15 of 422 funds
A Shares	Morningstar Category % Rank	96	54	39	8
	Morningstar Category Rank	711 of 744 funds	384 of 704 funds	230 of 611 funds	22 of 422 funds

Lipper International Multi-Cap Growth Funds		1-year	3-year	5-year	10-year
R6 Shares	Lipper Classification % Rank	37	28	-	-
	Lipper Classification Rank	94 of 260 funds	70 of 251 funds	-	-
IS Shares	Lipper Classification % Rank	37	30	32	15
	Lipper Classification Rank	95 of 260 funds	74 of 251 funds	71 of 224 funds	23 of 153 funds
A Shares	Lipper Classification % Rank	38	34	39	17
	Lipper Classification Rank	97 of 260 funds	85 of 251 funds	86 of 224 funds	25 of 153 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](https://www.federatedinvestors.com). Please carefully read the summary prospectus or prospectus before investing.

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 15, 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

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.

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 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.

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

MSCI ACWI ex USA Index captures large- and mid-cap representation across 22 of 23 developed markets (DM) countries (excluding the U.S.) and 27 emerging markets (EM) countries. The index covers approximately 85% of the global equity opportunity set outside the U.S.

Indexes are unmanaged and cannot be invested in directly.

Ratings and rating agencies

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